

INTERIM RESULTS

The Board of Directors of YangtzeKiang Garment Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries and associates (the “Group”) for the six months ended 30th September, 2005 as follows. The interim results have not been audited, but have been reviewed by the Company’s Audit Committee.

CONSOLIDATED INCOME STATEMENT – UNAUDITED

For the six months ended 30th September, 2005
(Expressed in Hong Kong dollars)

中期業績

長江製衣有限公司(「本公司」)之董事會欣然宣佈本公司及其附屬公司及聯營公司(「本集團」)截至二零零五年九月三十日止六個月之未經審核中期業績。中期業績尚未經審核，但已由本公司之審核委員會審閱。

綜合損益表 – 未經審核

截至二零零五年九月三十日止六個月
(以港元計)

		Six months ended 30th September, 截至九月三十日止六個月		
		<i>Note</i>	2005	2004 (restated) (重列)
		<i>附註</i>	\$'000	\$'000
Turnover	營業額	3	753,585	806,226
Cost of sales	銷售成本		(592,887)	(642,720)
Gross Profit	毛利		160,698	163,506
Other revenue	其他收入		2,665	2,143
Other net income	其他收益淨額		(3,504)	9,839
Selling and distribution expenses	銷售及分銷費用		(59,333)	(60,662)
Administrative expenses	行政費用		(54,125)	(52,355)
Other operating expenses	其他經營費用		(18,992)	(17,756)
Profit from operations	經營溢利		27,409	44,715
Finance costs	融資成本		(17,602)	(15,422)
Share of profits less losses of associates	應佔聯營公司溢利減虧損		(3,225)	(8,415)
Profit before taxation	除稅前溢利	4	6,582	20,878
Income Tax	所得稅	5	(2,012)	(2,698)
Profit after taxation	除稅後溢利		4,570	18,180
Attributable to:	應撥歸於：			
Equity holders of the parent	母公司股權持有人		3,034	14,071
Minority interests	少數股東權益		1,536	4,109
Profit after taxation	除稅後溢利		4,570	18,180
Dividend – interim declared	宣派中期股息	6	–	4,207
Earnings per share – Basic (Cents)	每股盈利 – 基本 (仙)	7	1.4	9.8

**CONSOLIDATED BALANCE SHEET –
UNAUDITED**
At 30th September, 2005
(Expressed in Hong Kong dollars)
綜合資產負債表 – 未經審核
於二零零五年九月三十日
(以港元計)

	Note 附註	30th September, 2005 二零零五年九月三十日		31st March, 2005 二零零五年三月三十一日 (restated) (重列)	
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Fixed assets					
Investment properties		51,549		51,309	
Other property, plant and equipment		540,905		552,748	
			592,454		604,057
Interest in leasehold land held for own use under an operating lease			16,723		16,865
Construction in progress			135,991		877
Intangible assets			855		1,853
Goodwill			2,177		2,177
Interest in associates			271,658		272,328
Loans receivable			6,333		6,333
Other financial assets			3,692		3,692
Deferred tax assets			4,239		4,367
			1,034,122		912,549
Current assets					
Inventories		219,916		233,836	
Trade and other receivables	8	284,315		250,953	
Loans receivable		1,693		1,693	
Tax recoverable		1,609		1,693	
Pledged deposits		480		7,995	
Cash and cash equivalents		79,972		95,269	
		587,985		591,439	
Current liabilities					
Bank loans and overdrafts		300,561		237,778	
Trade and other payables	9	351,104		392,802	
Tax payable		2,069		2,214	
		653,734		632,794	
Net current liabilities			(65,749)		(41,355)
Total assets less current liabilities			968,373		871,194
Non-current liabilities					
Bank loans			284,882		213,746
Provision for long service payments			6,036		6,020
Deferred tax liabilities			13,918		14,111
NET ASSETS			663,537		637,317
CAPITAL AND RESERVES					
Share capital	10	105,184		105,184	
Reserves	10	488,921		493,260	
Total equity attributable to equity holders of the parent		594,105		598,444	
Minority interests	10	69,432		38,873	
TOTAL EQUITY	10	663,537		637,317	

**CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY – UNAUDITED**
For the six months ended 30th September, 2005
(Expressed in Hong Kong dollars)

綜合權益變動表 – 未經審核
截至二零零五年九月三十日止六個月
(以港元計)

	Note 附註	30th September, 2005 二零零五年九月三十日		30th September, 2004 二零零四年九月三十日 (restated) (重列)	
		\$'000	\$'000	\$'000	\$'000
Total equity at 1st April, Attributable to equity holders of the parents (as previously reported at 31st March)	於四月一日之權益總額 應撥歸於母公司股權 持有人(原先於 三月三十一日 呈報)	10	566,357		414,361
Minority interests (as previously presented separately from liabilities and equity at 31st March)	少數股東權益 (原先於三月 三十一日 與負債及權益 分開呈報)	10	38,873		34,651
			605,230		449,012
Prior period adjustment arising from changes in accounting policies	會計政策變動之 前期調整	2(g)(i) & (ii), 10	(2,093)		(1,960)
As restated, before opening balance adjustments	期初調整前之 餘額重列	10	603,137		447,052
Opening balance adjustment arising from changes in accounting policies	更改會計政策而 產生之期初 結餘調整	2(g)(i), 10	34,180		-
At 1st April, after prior period and opening balance adjustments	於四月一日經前期 及期初調整 後結餘		637,317		447,052
Net income for the period recognized directly in equity:	於權益賬直接確認之 本期間收益淨額:				
Exchange difference on translation of financial statements of overseas subsidiaries	換算海外附屬公司 財務報表之 匯兌差額	10	5,010		1,108
Share of associates' exchange reserve	應佔聯營公司 匯兌儲備	10	2,832		-
Deferred tax on land and buildings revaluation reserve	土地及樓宇重估 儲備之遞延 所得稅	10	-		(18)
Valuation of interest rate swap	掉期息率合約 估值	10	2,557		-
Contribution by minority shareholders	少數股東資本 投入	10	28,080		-
Net income for the period recognized directly in equity (2004: as restated)	於權益賬直接確認之 本期間收益淨額 (二零零四年: 已重列)		38,479		1,090

**CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY – UNAUDITED** *(Continued)*
For the six months ended 30th September, 2005
(Expressed in Hong Kong dollars)
綜合權益變動表 – 未經審核 (續)
截至二零零五年九月三十日止六個月
(以港元計)

	Note 附註	30th September, 2005 二零零五年九月三十日		30th September, 2004 二零零四年九月三十日 (restated) (重列)	
		\$'000	\$'000	\$'000	\$'000
Net profit for the period:					
Attributable to the equity holders of the parent (as previously reported)				14,071	
Minority interests (as previously presented separately in the income statement)				4,109	
Net profit for the period	10		<u>4,570</u>		<u>18,180</u>
Total recognized income and expenses for the period (2004: as restated)			<u>43,049</u>		<u>19,270</u>
<i>Attributable to:</i>					
Equity holders of the parent		12,490		15,083	
Minority interests		30,559		4,187	
		<u>43,049</u>		<u>19,270</u>	
Dividends declared	6		<u>(16,829)</u>		<u>(12,622)</u>
Total equity at 30th September,			<u><u>663,537</u></u>		<u><u>453,700</u></u>

**CONSOLIDATED CASH FLOW STATEMENT
– UNAUDITED**
For the six months ended 30th September, 2005
(Expressed in Hong Kong dollars)
綜合現金流量表 – 未經審核
截至二零零五年九月三十日止六個月
(以港元計)

		Six months ended 30th September, 截至九月三十日止六個月	
		2005 \$'000	2004 \$'000
Net cash (used in)/from operating activities	經營活動(所用)／所得的現金淨額	(4,298)	79,162
Net cash used in investing activities	投資活動所用的現金淨額	(133,861)	(34,480)
Net cash from/(used in) financing activities	融資活動所得／(所用)的現金淨額	123,208	(42,748)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)／增加淨額	(14,951)	1,934
Cash and cash equivalents at beginning of period	於期初之現金及現金等價物	90,309	58,905
Effect of foreign exchange rates changes	外幣兌換率變動之影響	(729)	97
Cash and cash equivalents at end of period	於期末之現金及現金等價物	74,629	60,936
Analysis of the balances of cash and cash equivalents	現金及現金等價物之結餘分析		
Cash at bank and in hand	銀行活期存款及現金	79,972	63,644
Bank overdrafts	銀行透支	(5,343)	(2,708)
		74,629	60,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2005

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION OF THE ACCOUNTS

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorized for issuance by the Board of Directors (the "Board") on 16th December, 2005.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2004/2005 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2005/2006 annual financial statements. Details of these changes in accounting policies are set out in note 2 below.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2004/05 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes HKASs and Interpretations).

綜合財務報表附註

截至二零零五年九月三十日止六個月

(以港元計)

1. 賬項的編製基準

本中期財務報告乃按照香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)適用之披露規定編製，並符合香港會計師公會(「會計師公會」)頒佈之香港會計準則(「會計準則」)第34號「中期財務報告」之規定。中期財務報告於二零零五年十二月十六日獲董事會批准發出。

除預計將於二零零五／二零零六年度全年財務報表中反映的會計政策變動外，本中期財務報告是按照編製二零零四／二零零五年度全年財務報表所採納的相同會計政策編製。有關此等會計政策變動的詳情載於下文附註2。

根據會計準則第34號編製的中期財務報告，管理層需要對會計政策的應用及截至報表日的資產及負債、收入及支出等作出判斷、估計及假設。而實際的結果可能與該些估計有差異。

中期財務報告包括簡明綜合財務報表及附註摘要。附註包括本集團自發表二零零四／二零零五年度全年財務報表以來在財政狀況及業績上有重大改變的事件及交易。簡明綜合中期財務報表及其附註並不包含根據香港財務報告準則(「財務報告準則」)(包括會計準則及詮釋在內)編製整套財務報表所需的全部資料。

1. BASIS OF PREPARATION OF THE ACCOUNTS (Continued)

The financial information relating to the financial year ended 31st March, 2005 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31st March, 2005 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 15th July, 2005.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st January, 2005. The Board has determined the accounting policies expected to be adopted in the preparation of the Group's annual financial statements for the year ending 31st March, 2006, on the basis of HKFRSs currently in issue.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31st March, 2006 may be affected by the issue of additional interpretations or other changes announced by the HKICPA subsequent to the date of issuance of this interim financial report. Therefore the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1st April, 2005 which have been reflected in the interim financial report.

(a) Employee share option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognized when employees (which term includes Directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

1. 賬項的編製基準 (續)

中期財務報告所載有關截至二零零五年三月三十一日止財政年度的財務資料(屬於已呈報的資料)並不構成本公司於該財政年度的法定財務報表,但卻以該等財務報表為依據。截至二零零五年三月三十一日止年度的法定財務報表於本公司的註冊辦事處備索。核數師已在其於二零零五年七月十五日發出的報告中就該等財務報表發表無保留的意見。

2. 會計政策變動

會計師公會頒佈多項新訂及經修訂的財務報告準則。該等財務報告準則包括會計準則及詮釋在內,適用於二零零五年一月一日或之後開始的會計期間,亦可提早採納。董事會已按現已頒佈的財務報告準則釐定編製本集團截至二零零六年三月三十一日止年度全年財務報表所採納的會計政策。

適用於或可供自願提早用於截至二零零六年三月三十一日止年度全年財務報表的財務報告準則可能因會計師公會於本中期報告刊發日期之後公佈的附加詮釋或其他變動而受到影響。因此,於中期財務報告刊發日期,將用於編製本集團該段期間的財務報表的政策仍無法完全落實。

下文列載適用於二零零五年四月一日開始的年度會計期間的會計政策轉變詳情,此等轉變已在中期財務報告中反映。

(a) 僱員購股權計劃(財務報告準則第2號—以股份支付的款項)

於以往年度,當僱員(包括董事在內)獲授予認購本公司股份的購股權時,並無將有關金額入賬。倘僱員選擇行使購股權,始須將有關的股本面值及股份溢價入賬,但以購股權的應收行使價為限。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(a) Employee share option scheme (HKFRS 2, Share-based payment) (Continued)

With effect from 1st April, 2005, in order to comply with HKFRS 2, the Group recognizes the fair value of such share options as an expense in the income statement, or as an asset, if the cost qualifies for recognition as an asset under the Group's accounting policies. A corresponding increase is recognized in a capital reserve within equity.

Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognizes the fair value of the options granted over the vesting period. Otherwise, the Group recognizes the fair value in the period in which the options are granted.

If an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to retained earnings.

The new accounting policy is required to be applied retrospectively with comparatives restated in accordance with HKFRS 2.

The change in policy had no effect on the interim financial report as there were no options existed at 1st April, 2005 or granted during the six month period ended 30th September, 2005.

2. 會計政策變動 (續)

(a) 僱員購股權計劃(財務報告準則第2號—以股份支付的款項)(續)

由二零零五年四月一日起，為符合財務報告準則第2號的規定，本集團將有關購股權的公平值在收益表中確認為一項支出；倘有關成本根據本集團的會計政策符合資格可確認為一項資產，則予確認為資產。相應增加的數額列入資本儲備。

倘僱員必須符合某些歸屬條件方可享有購股權，本集團須於歸屬期內確認所授購股權的公平值，否則本集團須於授予購股權的期間確認公平值。

倘僱員選擇行使購股權，相關的資本儲備連同行使價一併轉撥至股本及股份溢價。倘購股權未經行使而失效，相關的資本儲備直接轉撥至保留盈利。

新訂會計政策必須按追溯基準引用，比較數據須按財務報告準則第2號予以重列。

由於二零零五年四月一日均不存在任何購股權，且於截至二零零五年九月三十日止六個月內亦無授予任何購股權，故會計政策變動並未對中期財務報告構成影響。

2. CHANGES IN ACCOUNTING POLICIES (Continued)**(b) Investment properties (HKAS 40, Investment property, and HK(SIC) Interpretation 21, Income taxes – Recovery of revalued non-depreciable assets)***– Timing of recognition of movements in fair value in the income statement*

In prior years, movements in the fair value of the Group's investment properties were recognized directly in the investment properties revaluation reserve except when, on a portfolio basis, the reserve was insufficient to cover a deficit on the portfolio, or when a deficit previously recognized in the income statement had reversed, or when an individual investment property was disposed of. In these limited circumstances, movements in the fair value were recognized in the income statement.

Upon adoption of HKAS 40 as from 1st April, 2005, all changes in the fair value of investment properties are recognized directly in the income statement in accordance with the fair value model in HKAS 40.

These changes in accounting policy have been adopted retrospectively by increasing the opening balance of retained earnings as of 1st April, 2005 and 1st April, 2004 to include all of the Group's previous investment properties revaluation reserve.

At 30th September, 2005, the Directors have considered the carrying amount of the Group's investment properties carried at revalued amounts and estimated that the carrying amounts do not differ significantly from that which would be determined using fair values at the balance sheet date. Consequently, no revaluation surplus or deficit has been recognized in the Period.

2. 會計政策變動 (續)**(b) 投資物業 (會計準則第40號, 投資物業及 HK(SIC) 詮釋 21, 所得稅 - 收回經重估的不可折舊資產)***– 於損益表內確認公平價值變動之時間*

於以往年度, 除了, 以投資組合為基準, 當儲備不足以沖銷投資組合之減值時, 或以前於損益表已確認之減值已經回撥, 或當某一投資物業已被出售, 集團投資物業之公平價值變動直接於投資物業重估儲備內確認。在這些特別情況下, 公平價值之變動將確認於損益表內。

自二零零五年四月一日起採納會計準則第40號, 投資物業的公平價值之全部變動皆根據會計準則第40號公平價值模式直接確認於損益表內。

本集團追溯採用此會計政策變動, 將所有過往之投資物業重估儲備加入於二零零五年四月一日及二零零四年四月一日之期初保留溢利結餘。

於二零零五年九月三十日, 董事經考慮本集團投資物業重估金額後之賬面值, 並估計賬面值與於結算日以公平值計算之賬面值不會有重大差異, 因此, 於本期間並無確認重估盈虧。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(b) Investment properties (HKAS 40, Investment property, and HK(SIC) Interpretation 21, Income taxes – Recovery of revalued non-depreciable assets) (Continued)

– Measurement of deferred tax on movements in fair value

In prior years, the Group was required to apply the tax rate that would be applicable upon the sale of investment properties to determine whether any deferred tax should be recognized on the revaluation of investment properties. As there would have been no tax payable on the disposal of the Group's investment properties, no deferred tax in respect of the investment properties was provided in prior years.

As from 1st April, 2005, in accordance with HK(SIC) Interpretation 21, the Group recognizes deferred tax on movements in the value of an investment property using tax rates that are applicable to the property's use, if the Group has no intention to sell it and the property would have been depreciable had the Group not adopted the fair value model.

(c) Leasehold land and buildings held for own use (HKAS 17, Leases)

In prior years, leasehold land and buildings held for own use or under construction were included in property, plant and equipment and stated at revalued amounts or cost less accumulated depreciation and accumulated impairment losses. Movements of revaluation surpluses or deficits were normally taken to the fixed assets revaluation reserve.

2. 會計政策變動 (續)

(b) 投資物業 (會計準則第40號，投資物業及 HK(SIC) 詮釋 21，所得稅 - 收回經重估的不可折舊資產) (續)

– 計算公平價值變動之遞延稅項

於以往年度，集團需要按出售投資物業時適用之稅率去決定是否需要在重估投資物業時確認遞延稅項。由於出售集團之投資物業不須課稅，於以往年度並沒有為該等投資物業提撥遞延稅項。

自二零零五年四月一日起，根據 HK(SIC) 詮釋 21，若集團無計劃出售一棟投資物業及該棟投資物業若不採納公平價值模式須作折舊處理，集團按該投資物業使用模式之稅率去確認該投資物業價值變動之遞延稅項。

(c) 持有作自用的租賃土地及樓宇 (會計準則第17號 - 租賃)

於過往年度，持有作自用或在建的租賃土地及樓宇乃以重估金額或成本減累計折舊及累計減值虧損於物業、廠房及設備中入賬。重估盈餘或虧損之變動一般計入固定資產重估儲備。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(c) Leasehold land and buildings held for own use (HKAS 17, Leases) (Continued)

With adoption of HKAS 17 as from 1st April, 2005, the leasehold interest in the land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be separately identified from the fair value of the leasehold interest in the land at the time the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later. The prepaid land lease payments are amortized on a straight-line basis over the lease term. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

This change in accounting policy has had no effect on the consolidated income statement and retained earnings. The comparatives on the consolidated balance sheet for the year ended 31st March, 2005 have been restated to reflect the reclassification of leasehold land.

(d) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement)

In prior years, the accounting policies for certain financial instruments were as follows:

- trading securities were stated in the balance sheet at fair value and changes in fair value were recognized in the consolidated income statement as they arose;
- other non-current investments were stated in the balance sheet at fair value with changes in fair value recognized in the investment revaluation reserve; and
- derivative financial instruments entered into by management were recognized on a cash basis.

2. 會計政策變動 (續)

(c) 持有作自用的租賃土地及樓宇(會計準則第17號－租賃) (續)

由二零零五年四月一日起採納會計準則第17號後，若位於租賃土地上的任何建築物權益的成本能與本集團首次訂立租賃時或自前度承租人接收時或有關建築物興建日(如為較遲者)的租賃土地權益成本分開確定，持有作自用土地的租賃權益便會按持作經營租賃列賬，並於綜合資產負債表上以預付租賃土地款項另行披露。預付租賃土地款項按相關租約年期以直線法攤銷入賬。當租賃無法可靠地在土地和房屋兩部份之間進行分配時，則整個租賃款作為物業、廠房及設備的融資租賃，包括在土地和房屋的成本中。

該會計政策的變更對綜合損益表和留存溢利沒有影響。截至於二零零五年三月三十一日止年度的綜合資產負債表的比較數字已重列，以反映對租賃土地的重新分類。

(d) 金融工具(會計準則第32號－金融工具：披露及呈列及會計準則第39號－金融工具：確認及計量)

於過往年度，適用於部分金融工具的會計政策如下：

- 持作買賣用途證券以公平價值在資產負債表內列賬及公平價值之變動於產生時在綜合損益表內確認；
- 其他非流動投資以公平價值在資產負債表內列賬，而公平價值之變動則在投資重估儲備內確認；及
- 管理層處理之金融衍生工具以現金基準確認。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(d) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement) (Continued)

With effect from 1st April, 2005, and in accordance with HKAS 39, the following new accounting policies have been adopted for the financial instruments mentioned above:

- All trading securities are carried at fair value. Changes in fair value are recognized in the income statement as they arise.
- All non-trading investments are classified as available-for-sale securities and carried at fair value. Changes in fair value are recognized in equity, unless there is objective evidence that an individual investment has been impaired. If there is objective evidence that an individual investment has been impaired, any amount held in the investment revaluation reserve in respect of the investment is transferred to the income statement in the period in which the impairment is identified. Any subsequent increase in the fair value of available-for-sale securities is recognized directly in equity.

An exception to the above relates to equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost (less impairment loss, if any) until such time, if ever, that a reliable fair value becomes available. At this point, such investments should be carried at fair value in the same way as other available-for-sale securities.
- All derivative financial instruments entered into by the Group are stated at fair value. Changes in the fair value of derivatives are recognized in the income statement.

2. 會計政策變動 (續)

(d) 金融工具 (會計準則第32號 – 金融工具：披露及呈列及會計準則第39號 – 金融工具：確認及計量) (續)

由二零零五年四月一日起，為符合會計準則第39號的規定，對以上提及之金融工具已採納以下新會計政策：

- 所有持作買賣用途證券以公平價值列賬。公平價值變動於產生時在損益表內確認。
- 所有非持作買賣用途證券分類為可出售證券並以公平價值列賬。除非客觀證據顯示某個別投資已出現減值，公平價值之變動應於權益內確認。如果客觀證據顯示某個別投資已出現減值，有關該投資在投資重估儲備內之數額於確定減值時應轉撥至當期之損益表內。其後可出售證券之公平價值增加須直接在權益內確認。

如果股本投資沒有於一個活躍的市場有市價及公平價值不能可靠地計算則作例外。這些股本投資需以成本 (扣除減值虧損，如有) 計算，直至有可靠的公平價值。屆時，該等股本投資應同其他可出售證券一樣，以公平價值列賬。
- 所有集團參與之金融衍生工具皆以公平價值列賬。衍生工具公平價值之變動於損益表內確認。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(e) Amortization of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)

In prior years:

- positive or negative goodwill which arose prior to 1st January, 2001 was taken directly to reserves at the time it arose, and was not recognized in the income statement until disposal or impairment of the acquired business;
- positive goodwill which arose on or after 1st January, 2001 was amortized on a straight-line basis over its useful life and was subject to impairment testing when there were indications of impairment; and
- negative goodwill which arose on or after 1st January, 2001 was amortized over the weighted average useful life of the depreciable/amortizable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognized in the income statement as those expected losses were incurred.

With effect from 1st April, 2005, in accordance with HKFRS 3 and HKAS 36, the Group no longer amortizes positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognized when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount.

Also with effect from 1st April, 2005 and in accordance with HKFRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognized immediately in the income statement as it arises.

2. 會計政策變動 (續)

(e) 正商譽和負商譽的攤銷 (財務報告準則第3號 - 企業合併及會計準則第36號 - 資產減值)

在以往年度：

- 於二零零一年一月一日前產生之正商譽或負商譽乃於產生時直接計入儲備，並於所收購之業務被出售或出現減值後方會於損益表確認；
- 於二零零一年一月一日或以後產生之正商譽乃按其可使用年期以直線法攤銷，並於有跡象顯示出現減值時須進行減值測試；及
- 於二零零一年一月一日或以後產生之負商譽乃按所收購之可折舊／可攤銷非貨幣資產之加權平均可使用年期攤銷，惟與收購當日之可辨別預期日後虧損有關之負商譽則除外。在該情況下，負商譽乃於該等預期虧損產生時在損益表確認。

由二零零五年四月一日起，根據財務報告準則第3號和會計準則第36號的規定，本集團不再就正商譽進行攤銷。該商譽乃按每年(包括在其初步獲確認之年度)及於有跡象顯示出現減值時進行減值測試。當商譽獲分配至現金產生單位之賬面值超過其可收回金額時，減值虧損會予以確認。

此外，由二零零五年四月一日起及根據財務報告準則第3號，倘自業務合併收購之資產淨值之公平值超過已付代價(即根據以往會計政策原被稱為負商譽之金額)，有關差額於產生時立即在損益表確認。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(e) Amortization of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets) (Continued)

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. As a result, comparative amounts have not been restated, the cumulative amount of amortization as at 1st April, 2005 has been offset against the cost of the goodwill and no amortization charge for goodwill has been recognized in the income statement for the six months ended 30th September, 2005.

Also in accordance with the transitional arrangements under HKFRS 3, goodwill which had previously been taken directly to reserve (i.e. goodwill which arose before 1st January, 2001) will not be recognized in the income statement on disposal or impairment of the acquired business, or under any other circumstances.

(f) Minority interests (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as a deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1st April, 2005, in order to comply with HKAS 1 and HKAS 27, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to equity holders of the parent, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the parent.

The presentation of minority interests in the consolidated balance sheet, consolidated income statement and consolidated statements of changes in equity for the comparative period has been restated accordingly.

2. 會計政策變動 (續)

(e) 正商譽和負商譽的攤銷 (財務報告準則第3號－企業合併及會計準則第36號－資產減值) (續)

有關正商譽之新政策已根據財務報告準則第3號之過渡性安排獲應用。因此，比較金額並無予以重列，而於二零零五年四月一日之累積攤銷金額已與商譽成本抵銷，且於截至二零零五年九月三十日止六個月之損益表並無確認任何有關商譽之攤銷支出。

此外，根據財務報告準則第3號之過渡性安排，當所收購之業務出被售或出現減值時，或在任何其他情況下，以往直接計入儲備之商譽 (即在二零零一年一月一日前產生之商譽) 亦不會於損益表內確認。

(f) 少數股東權益 (會計準則第1號－財務報表之呈報和會計準則第27號－綜合及獨立財務報表)

在以往年度，於結算日的少數股東權益是在綜合資產負債表內與負債分開呈報，並列作淨資產的扣減。少數股東所佔本集團本年度業績的權益亦會在綜合損益表內分開呈報，並列作計算股東應佔利潤前作出的扣減。

由二零零五年四月一日起，為符合會計準則第1號和第27號的規定，於結算日的少數股東權益，在綜合資產負債表的權益項目中，與母公司股權持有人應佔權益分開呈報。而少數股東所佔本集團期內業績的權益，則在綜合損益表上列示為在本公司少數股東權益與母公司股權持有人之間分配的期內業務利潤／虧損總額。

於比較期間在綜合資產負債表、綜合損益表及綜合權益變動表內呈報的少數股東權益已因而重列。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(g) Summary of the effect of changes in the accounting policies

(i) Effect on opening balance of total equity at 1st April, 2005 (as adjusted)

The following table sets out the adjustments that have been made to the opening balances at 1st April, 2005. These are the aggregate effect of retrospective adjustments to the net assets as at 31st March, 2005 and the opening balance adjustments made as at 1st April, 2005.

Effect of new policy (increase/(decrease))	新政策的影響 (增加/(減少))	Note 附註	Investment properties revaluation reserve		Total	Minority interests 少數股東 權益	Total equity 權益總額
			Retained earnings 保留溢利 \$'000	Investment properties 重估儲備 \$'000			
Prior period adjustment: HKAS 40	前期調整： 會計準則第40號						
Investment properties	投資物業	2(b)	32,280	(34,373)	(2,093)	-	(2,093)
Opening balance adjustment: HKFRS 3	期初結餘調整： 財務報告準則第3號						
Goodwill	商譽	2(e)	34,180	-	34,180	-	34,180
Total effect at 1st April, 2005	於二零零五年四月一日 的影響總額		<u>66,460</u>	<u>(34,373)</u>	<u>32,087</u>	<u>-</u>	<u>32,087</u>

2. 會計政策變動(續)

(g) 會計政策變更所產生的影響

(i) 對於二零零五年四月一日股東權益總額的期初結餘之影響(已調整)

下表列示對於二零零五年四月一日的期初結餘所作的調整。此等有累計影響的調整對於二零零五年三月三十一日的資產淨額及二零零五年四月一日的期初結餘具追溯性。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(g) Summary of the effect of changes in the accounting policies (Continued)

(ii) Effect on opening balance of total equity at 1st April, 2004 (as adjusted)

The following table sets out only those adjustments that have been made to the opening balances at 1st April, 2004. As explained in notes 2(a), (d) and (e), certain of the changes in policy did not result in retrospective adjustments being made to the opening balances as at 1st April, 2004 as this was prohibited by the relevant transitional provisions.

Effect of new policy (increase/(decrease))	新政策的影響 (增加/減少)	Note 附註	Retained earnings 保留溢利 \$'000	Investment properties revaluation reserve 投資物業 重估儲備 \$'000	Total 總額 \$'000	Minority interests 少數股東 權益 \$'000	Total equity 權益總額 \$'000
HKAS 40 Investment properties	會計準則第40號 投資物業	2(b)	28,833	(30,793)	(1,960)	-	(1,960)
Total effect at 1st April, 2004	於二零零四年四月一日 的影響總額		28,833	(30,793)	(1,960)	-	(1,960)

(iii) Effect on profit after taxation for the six months ended 30th September, 2005 (estimated) and 30th September, 2004 (as adjusted)

In respect of the six month period ended 30th September, 2005, the following table provides estimates of the extent to which the profits for that period are higher or lower than they would have been had the previous policies still been applied in their interim period, where it is practicable to make such estimates.

In respect of the six month period ended 30th September, 2004, the table discloses the adjustments that been made to the profits as previously reported for that period, in accordance with the transitional provisions of the respective HKFRSs. As retrospective adjustments have not been made for all changes in policies, as explained in notes 2(a), (d) and (e), the amounts shown for the six month period ended 30th September, 2004 may not be comparable to the amounts shown for the current interim period.

2. 會計政策變動 (續)

(g) 會計政策變更所產生的影響 (續)

(ii) 對於二零零四年四月一日股東權益總額的期初結餘之影響 (已調整)

下表列示祇對二零零四年四月一日期初結餘所作出的調整，於附註2(a)、(d)及(e)內已作解釋，某些政策之轉變其過渡期條文是禁止作出追溯性調整於二零零四年四月一日的期初結餘。

(iii) 對截至二零零五年九月三十日止六個月除稅後盈利的影響 (估計) 及對截至二零零四年九月三十日止六個月的影響 (已調整)

在實際可作估計之情況下，下表列示假設以往的會計政策仍被沿用計算截至二零零五年九月三十日止六個月期內的溢利將會增加或減少的估計金額。

按有關之財務報告準則之過渡期條文，下表列示對二零零四年九月三十日止六個月之已呈報盈利調整。如附註2(a)、(d)及(e)所述，由於並沒有就所有政策變動作出追溯調整，因此所列報截至二零零四年九月三十日止六個月期間之數額，可能不適合與本期所列報之數額比較。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(g) Summary of the effect of changes in the accounting policies (Continued)

(iii) Effect on profit after taxation for the six months ended 30th September, 2005 (estimated) and 30th September, 2004 (as adjusted) (Continued)

Effect of new policy (increase/(decrease))	新政策的影響 (增加/(減少))	Note 附註	Six months ended 30th September, 2005 截至二零零五年九月三十日 止六個月			Six months ended 30th September, 2004 截至二零零四年九月三十日 止六個月		
			Equity holders of the parent 母公司股 權持有人 \$'000	Minority interests 少數股東 權益 \$'000	Total 總額 \$'000	Equity holders of the parent 母公司股 權持有人 \$'000	Minority interests 少數股東 權益 \$'000	Total 總額 \$'000
HKFRS 3 Goodwill	財務報告準則第3號 商譽	2(e)	(4,338)	-	(4,338)	-	-	-
Total effect for the period	期內的影響總額		<u>(4,338)</u>	<u>-</u>	<u>(4,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Effect on earnings per share: - basic	對每股溢利的影響： - 基本		<u>\$ (0.02)</u>			<u>-</u>		

(iv) Effect on net income recognized directly in equity for the six months ended 30th September, 2005 (estimated) and 30th September, 2004 (as adjusted)

In respect of the six month period ended 30th September, 2005, the following table provides estimates of the extent to which the income or expenses recognized directly in equity are higher or lower than they would have been had the previous policies still been applied in the interim period, where it is practicable to make such estimates.

In respect of the six month period ended 30th September, 2004, the table discloses the adjustments that have been made to the net income or expenses as previously reported for that period, in accordance with the transitional provisions of the respective HKFRSs. As retrospective adjustments have not been made for all changes in policies, as explained in notes 2(a), (d) and (e), the amounts shown for the six month period ended 30th September, 2004 may not be comparable to the amounts shown for the current interim period.

2. 會計政策變動 (續)

(g) 會計政策變更所產生的影響 (續)

(iii) 對截至二零零五年九月三十日止六個月除稅後盈利的影響 (估計) 及對截至二零零四年九月三十日止六個月的影響 (已調整) (續)

(iv) 對截至二零零五年九月三十日止六個月直接在股東權益內確認之淨收益的影響 (估計) 及對截至二零零四年九月三十日止六個月的影響 (已調整)

在實際可作估計之情況下，下表列示假設以往的會計政策仍被沿用計算截至二零零五年九月三十日止六個月直接在股東權益內確認的收入將會減少的估計金額。

按有關之財務報告準則之過渡期條文，下表列示對二零零四年九月三十日止六個月之已呈報盈利調整。如附註2(a)、(d)及(e)所述，由於並沒有就所有政策變動作出追溯調整，因此所列報截至二零零四年九月三十日止六個月期間之數額，可能不適合與本期所列報之數額比較。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(g) Summary of the effect of changes in the accounting policies (Continued)

(iv) Effect on net income recognized directly in equity for the six months ended 30th September, 2005 (estimated) and 30th September, 2004 (as adjusted)

Effect of new policy (increase/(decrease))	新政策的影響 (增加/(減少))	Note 附註	Six months ended 30th September, 2005 截至二零零五年九月三十日 止六個月			Six months ended 30th September, 2004 截至二零零四年九月三十日 止六個月		
			Equity holders of the parent 母公司股 權持有人 \$'000	Minority interests 少數股東 權益 \$'000	Total 總額 \$'000	Equity holders of the parent 母公司股 權持有人 \$'000	Minority interests 少數股東 權益 \$'000	Total 總額 \$'000
HKAS 39 Interest rate swap	會計準則第39號 掉期息率合約	2(d)	2,557	-	2,557	-	-	-
Total effect for the period	期內的影响總額		<u>2,557</u>	<u>-</u>	<u>2,557</u>	<u>-</u>	<u>-</u>	<u>-</u>

3. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because it is more relevant to the Group's internal financial reporting. Geographical segment information has been chosen as the secondary reporting format for the purpose of these financial statements.

(a) The Group comprises the following main business segments:

Business segments

Six months ended 30th September,

		Manufacture and sale of garments 製造及銷售成衣		Manufacture and sale of textiles 製造及銷售紡織品		Others 其他		Unallocated 未分類		Consolidated 綜合總額	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Revenue from external customers	來自外界客戶 的收入	643,864	675,812	106,135	128,277	3,586	2,137	-	-	753,585	806,226
Other revenue	其他收入	1,971	1,525	-	2	372	372	322	244	2,665	2,143
Total revenue	收入總額	<u>645,835</u>	<u>677,337</u>	<u>106,135</u>	<u>128,279</u>	<u>3,958</u>	<u>2,509</u>	<u>322</u>	<u>244</u>	<u>756,250</u>	<u>808,369</u>
Segment result	分部經營結果	8,858	19,457	19,019	24,219	637	795	322	244	28,836	44,715
Other operating income and expenses	其他收益及經營 費用	(1,427)	-	-	-	-	-	-	-	(1,427)	-
Profit from operations	經營溢利	7,431	19,457	19,019	24,219	637	795	322	244	27,409	44,715
Finance costs	融資成本	(8,141)	(5,772)	(9,628)	(9,650)	167	-	-	-	(17,602)	(15,422)
Share of profits less (losses) of associates	應佔聯營公司溢利 減虧損	155	100	1,839	(169)	(5,219)	(8,346)	-	-	(3,225)	(8,415)
Profit before taxation	除稅前溢利									<u>6,582</u>	<u>20,878</u>

2. 會計政策變動 (續)

(g) 會計政策變更所產生的影響 (續)

(iv) 對截至二零零五年九月三十日止六個月直接在股東權益內確認之淨收益的影響 (估計) 及對截至二零零四年九月三十日止六個月的影響 (已調整) (續)

3. 分部報告

分部資料乃按本集團之業務及地區分部呈列。業務分部資料獲選用作為主要呈報方式，蓋因業務分部資料較切合本集團之內部財務報告。地區分部資料則獲選用作為次要呈報方式。

(a) 本集團由下列主要業務分部組成：

業務分部

截至九月三十日止六個月

3. SEGMENT REPORTING (Continued)

- (b) The Group's business is managed on a worldwide basis, but participates in four principal economic environments:

Geographical segments

Six months ended 30th September,

		Revenue from external customers 來自外界客戶的收入	
		2005 \$'000	2004 \$'000
- Europe	- 歐洲		
United Kingdom	英國	117,668	92,191
France	法國	107,585	128,379
Italy	意大利	96,281	39,734
Other European countries	其他歐洲國家	90,893	103,081
- Asia Pacific	- 亞太地區	209,145	229,583
- North America	- 北美洲	117,692	204,945
- Others	- 其他	14,321	8,313
		<u>753,585</u>	<u>806,226</u>

3. 分部報告 (續)

- (b) 本集團的業務遍及世界各地，可劃分為四個主要的經濟環境經營：

地區分部

截至九月三十日止六個月

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/
(crediting):

4. 除稅前溢利

除稅前溢利已扣除／(計入)：

		Six months ended 30th September, 截至九月三十日止六個月	
		2005 \$'000	2004 (restated) (重列) \$'000
Finance costs (including bank charges)	融資成本(包括銀行費用)	17,602	15,422
Amortization of land lease premium	土地租賃費攤銷	133	148
Amortization of goodwill	商譽攤銷	-	2,092
Amortization of intangible assets	無形資產攤銷	874	877
Depreciation	折舊	25,472	27,100
Dividends and interest income	股息及利息收入	(322)	(244)
		<u> </u>	<u> </u>

5. INCOME TAX

5. 所得稅

		Six months ended 30th September, 截至九月三十日止六個月	
		2005 \$'000	2004 \$'000
Current tax – Hong Kong Profits Tax	本年稅項－香港 利得稅	1,926	4,184
Current tax – Overseas	本年稅項－海外	8	–
Deferred taxation	遞延稅項	(191)	(155)
		<u>1,743</u>	<u>4,029</u>
Share of associates' taxation	應佔聯營公司稅項	269	(1,331)
		<u>2,012</u>	<u>2,698</u>

The provision for Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the period. Taxation for overseas subsidiaries and branch are similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

香港利得稅準備是按期內之估計應課稅溢利以17.5%之稅率(二零零四年: 17.5%)計算。海外附屬公司及分公司之稅項則同樣以相關國家適用之現行稅率計算。

6. DIVIDENDS

6. 股息

(a) Dividend attributable to the interim period

(a) 本六個月期間之股息

		Six months ended 30th September, 截至九月三十日止六個月	
		2005 \$'000	2004 \$'000
No interim dividend declared and paid after the interim period end (2004: 2 cents per share)	在本六個月期間結束後 不宣派及支付中期股息 (二零零四年: 每股2仙)	–	4,207

The interim dividend has not been recognized as a liability at the balance sheet date.

中期股息並未於資產負債表結算日確認為負債。

(b) Dividend attributable to the previous financial year, approved and paid during the interim period

(b) 本六個月期間批准及派發之過往財政年度股息

		Six months ended 30th September, 截至九月三十日止六個月	
		2005 \$'000	2004 \$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 8 cents per share (2004: 9 cents per share)	於本六個月期間批准 及派發之過往 財政年度末期 股息每股8仙 (二零零四年: 每股9仙)	16,829	12,622

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the equity holders of the parent of \$3,034,000 (2004: \$14,071,000) and on the weighted average number of 210,368,688 shares (2004: 143,050,708 shares after adjusting for the rights issue in 2005) in issue during the period.

Diluted earnings per share for the periods ended 30th September, 2005 and 30th September, 2004 have not been presented as no dilutive potential ordinary shares were outstanding during the period.

8. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors and bills receivable (net of impairment losses) with the following aging analysis:

		30th September, 2005 二零零五年 九月三十日 \$'000	31st March, 2005 二零零五年 三月三十一日 (restated) (重列) \$'000
0 – 60 days	0 – 60日	174,483	154,253
61 – 90 days	61 – 90日	11,204	4,541
> 90 days	90日以上	8,248	3,664
Trade debtors and bills receivable	應收賬款及應收票據	193,935	162,458
Deposits, prepayment and other debtors	訂金、預付款及其他應收款	25,949	25,706
Prepayment for investments	投資預付款	37,930	33,235
Amounts due from associates and related companies	應收聯營公司及關連公司款項	6,596	9,649
Dividend receivable from associates	應收聯營公司股息	19,905	19,905
		284,315	250,953

The credit terms given to trade debtors vary and are generally based on the financial strengths of individual debtors. In order to effectively manage the credit risks associated with trade debtors, credit evaluation of debtors are performed periodically.

7. 每股盈利

每股基本盈利乃根據母公司股權持有人應佔溢利 3,034,000 元 (二零零四年: 14,071,000 元) 及期內已發行股份之加權平均數 210,368,688 股 (二零零四年: 143,050,708 股 (已就二零零五年之供股作出調整)) 計算。

由於截至二零零五年九月三十日及二零零四年九月三十日止期間並無已發行具攤薄作用之潛在普通股，故於期內並無呈列每股攤薄盈利。

8. 應收賬款及其他應收款

應收賬款及其他應收款包括以下經扣除減值虧損後的應收賬款及應收票據，其賬齡分析如下：

給予應收賬款之信貸期各有不同，一般根據個別債務人之財政實力而定。為有效管理應收賬款之信貸風險，本集團會定期評估債務人之信貸。

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors and bills payables with the following aging analysis:

9. 應付賬款及其他應付款

應付賬款及其他應付款包括下列應付賬款及應付票據，其賬齡分析如下：

		30th September, 2005 二零零五年 九月三十日 \$'000	31st March, 2005 二零零五年 三月三十一日 \$'000
0 – 60 days	0 – 60日	137,060	168,734
61 – 90 days	61 – 90日	3,853	7,792
> 90 days	90日以上	8,990	6,177
Trade creditors and bills payable	應付賬款及應付票據	149,903	182,703
Accrued charges and other creditors	應計費用及其他應付款	146,998	140,319
Amounts due to associates and related companies	應付聯營公司及 關連公司款項	49,348	63,912
Amount due to a shareholder	應付一股東款項	4,855	5,868
		351,104	392,802

10. CAPITAL AND RESERVES

10. 股本及儲備

		(Unaudited) Attributable to equity holders of the parent (未經審核) 應歸於母公司股東持有者													
		Share capital	Share premium	Capital redemption reserve	Exchange reserve	Goodwill arising on consolidation	Investment reserve	Hedging reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Other reserves	Retained earnings	Total	Minority interests	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1st April, 2004 - as previously reported	於二零零四年四月一日 - 原先已列報	70,123	13,731	481	(14,731)	(46,161)	400	-	42,635	30,793	4,808	312,282	414,361	34,651	449,012
- Prior period adjustments in respect of: - Investment properties, net of deferred tax	- 前期調整: - 扣除遞延所得稅後的投資物業淨額	-	-	-	-	-	-	-	-	(30,793)	-	28,833	(1,960)	-	(1,960)
- as restated	- 已重列	70,123	13,731	481	(14,731)	(46,161)	400	-	42,635	-	4,808	341,115	412,401	34,651	447,052
Dividends approved in respect of previous year	本期內批准屬於上一年度的股息	-	-	-	-	-	-	-	-	-	-	-	-	78	1,108
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	-	-	-	1,030	-	-	-	(18)	-	-	-	(18)	-	(18)
Deferred tax	遞延所得稅	-	-	-	-	-	-	-	-	-	-	14,071	14,071	4,109	18,180
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	-	-	(308)	-	-	-
Appropriation to other reserves	撥往其他儲備	-	-	-	-	-	-	-	-	-	308	-	-	-	-
At 30th September, 2004 (as restated)	於二零零四年九月三十日(已重列)	70,123	13,731	481	(13,701)	(46,161)	400	-	42,617	-	5,116	342,256	414,862	38,838	453,700
At 1st October, 2004 (as restated)	於二零零四年十月一日(已重列)	70,123	13,731	481	(13,701)	(46,161)	400	-	42,617	-	5,116	342,256	414,862	38,838	453,700
Rights issue	供股	35,061	-	-	-	-	-	-	-	-	-	-	35,061	-	35,061
Share premium on issue of rights shares net of issue expenses	配售股份扣除配股費用之股份溢價	-	89,022	-	-	-	-	-	-	-	-	-	89,022	-	89,022
Deferred tax	遞延所得稅	-	-	-	-	-	-	18	-	-	-	-	18	-	18
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	-	-	-	698	-	-	-	-	-	-	-	698	169	867
Share of associates' exchange reserve	應佔聯營公司匯兌儲備	-	-	-	-	-	-	-	-	-	-	-	621	-	621
Deconsolidation of subsidiaries in liquidation	不再綜合計算在清盤中的附屬公司	-	-	-	3,797	-	-	-	-	-	-	-	3,797	-	3,797
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	-	-	24,392	24,392	(134)	24,258
Dividends declared in respect of the current year	本年在內已宣派股息	-	-	-	-	-	-	-	-	-	-	(4,207)	(4,207)	-	(4,207)
Appropriation to other reserves	撥往其他儲備	-	-	-	-	-	-	-	-	-	2,238	(2,238)	-	-	-
At 31st March, 2005 (as restated)	於二零零五年三月三十一日(已重列)	105,184	102,753	481	(8,585)	(46,161)	400	-	42,635	-	7,354	360,203	564,264	38,873	603,137

10. CAPITAL AND RESERVES (Continued) 10. 股本及儲備 (續)

	(Unaudited) Attributable to equity holders of the parent (未經審核) 應歸於母公司股權持有人													
	Share capital 股本 \$'000	Share premium 股份溢價 \$'000	Capital redemption reserve 股本贖回儲備 \$'000	Exchange reserve 匯兌儲備 \$'000	Goodwill arising on consolidation 綜合計算所產生之商譽 \$'000	Investment reserve 投資儲備 \$'000	Hedging reserve 對沖儲備 \$'000	Land and buildings revaluation reserve 土地及樓宇重估儲備 \$'000	Investment properties revaluation reserve 投資物業重估儲備 \$'000	Other reserves 其他儲備 \$'000	Retained earnings 保留溢利 \$'000	Total 總額 \$'000	Minority interests 少數股東權益 \$'000	Total equity 權益總額 \$'000
As at 1st April, 2005 - as previously reported	105,184	102,753	481	(8,585)	(46,161)	400	-	42,635	34,373	7,354	327,923	566,357	38,873	605,230
- prior period adjustments in respect of:														
- Investment properties, net of deferred tax									(34,373)		32,280	(2,093)		(2,093)
- as restated, before opening balance adjustment	105,184	102,753	481	(8,585)	(46,161)	400	-	42,635	-	7,354	360,203	564,264	38,873	603,137
- opening balance adjustment in respect of goodwill	-	-	-	-	-	-	-	-	-	-	34,180	34,180	-	34,180
- as restated, after opening balance adjustment, carried forward	105,184	102,753	481	(8,585)	(46,161)	400	-	42,635	-	7,354	394,383	598,444	38,873	637,317
Dividends approved in respect of previous year	-	-	-	-	-	-	-	-	-	-	(16,829)	(16,829)	-	(16,829)
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	4,067	-	-	-	-	-	-	-	4,067	943	5,010
Share of associates' exchange reserve	-	-	-	2,832	-	-	-	-	-	-	-	2,832	-	2,832
Contribution by minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	28,080	28,080
Valuation of interest rate swap	-	-	-	-	-	-	2,557	-	-	-	-	2,557	-	2,557
Profit for the period	-	-	-	-	-	-	-	-	-	-	3,034	3,034	1,536	4,570
Appropriation to general reserve	-	-	-	-	-	-	-	-	-	158	(158)	-	-	-
At 30th September, 2005	105,184	102,753	481	(1,686)	(46,161)	400	2,557	42,635	-	7,512	380,430	594,105	69,432	663,537

於二零零五年四月一日

- 原先已列報

- 前期調整:

- 扣除遞延所得稅後
的投資物業淨額- 期初調整前之
餘額重列- 商譽之期初結餘
調整- 期初結餘調整後
之餘額重列

結轉

本期內批准屬於

上一年度的股息

換算海外附屬公司

財務報表之匯兌

差額

應佔聯營公司

匯兌儲備

少數股東的資本

投入

掉期息差合約估值

本期間溢利

撥往一般儲備

於二零零五年九月三十日

10. CAPITAL AND RESERVES (Continued)

By an ordinary resolution passed at the Extraordinary General Meeting held on 20th September, 2004, the Company's authorized share capital was increased to \$200,000,000 by the creation of an additional 200,000,000 ordinary shares of \$0.50 each, ranking pari passu with the existing shares of the Company.

On 12th October, 2004, the Company has completed a rights issue and raised funds of approximately \$126 million by issuing 70,122,896 rights shares at a price of \$1.8 per rights share on the basis of one rights share for every two existing shares held by qualifying shareholders.

11. CAPITAL COMMITMENTS

Capital commitments outstanding at 30th September, 2005 not provided for in the interim financial report were as follows:

	已訂約但未作出準備
Contracted but not provided for	
- construction in progress	- 在建工程
- fixed assets	- 固定資產
- capital contributions	- 資本投入

10. 股本及儲備(續)

在二零零四年九月二十日股東特別大會上通過之普通議案，議決透過增加200,000,000股每股面值0.5元股份，本公司之法定股本增加至200,000,000元。該等股份享有與本公司已發行股份同等權利。

於二零零四年十月十二日，本公司已完成以每股供股股份1.8元之價格供股配售70,122,896股供股股份予合資格股東，集資約1億2千6百萬元。比例以每持有兩股現有股份可獲發一股供股股份計算。

11. 資本承擔

於二零零五年九月三十日，仍未在中期財務報告作出準備之資本承擔如下：

30th September, 2005 二零零五年 九月三十日 \$'000	31st March, 2005 二零零五年 三月三十一日 \$'000
133,643	-
1,200	1,200
33,555	98,501
168,398	99,701

12. CONTINGENT LIABILITIES

- (a) At 30th September, 2005, there were bills discounted with banks amounting to approximately \$121,575,000 (at 31st March, 2005: \$144,863,000) for the Group.
- (b) At 30th September, 2005, there were guarantees given to banks by the Company to the extent of \$49,148,000 (at 31st March, 2005: \$49,148,000) in respect of banking facilities extended to its subsidiaries and associates.

12. 或有負債

- (a) 於二零零五年九月三十日，本集團跟銀行貼現了約共121,575,000元(於二零零五年三月三十一日: 144,863,000元)的票據。
- (b) 於二零零五年九月三十日，本公司就其附屬公司及聯營公司之銀行備用信貸而向銀行作出之擔保共49,148,000元(於二零零五年三月三十一日: 49,148,000元)。

13. MATERIAL RELATED PARTY TRANSACTIONS

(1.1) The following material transactions with related parties were, in the opinion of the directors, carried out in the ordinary course of business on normal commercial terms:

13. 與關連人士之重大交易

(1.1) 董事會認為，下列與關連人士進行之重大交易乃於日常業務中按一般商業條款作出：

			Six months ended 30th September, 截至九月三十日止六個月		
			2005 \$'000	2004 \$'000	
		Note 附註			
(i)	YGM Trading Limited and its subsidiaries("YGMT Group")	YGM貿易有限公司及其附屬公司("YGMT集團")			
	Purchases of traded products by the Group	本集團購買貿易產品			
	Sales of traded products by the Group	本集團銷售貿易產品	(e)	1,178	867
	Rental income received and receivable by the Group	本集團已收及應收物業租金收入	(e)	20,908	14,634
	Management fee received and receivable by the Group	本集團已收及應收管理費	(f)	1,948	1,945
	Building management fee received and receivable by the Group	本集團已收及應收樓宇管理費		372	372
			162	162	
(ii)	YGM Marketing Pte Limited	YGM Marketing Pte Limited	(b)		
	Sales of traded products by the Group	本集團銷售貿易產品	(e)	2,343	5,136
(iii)	Wuxi Changxin Textile Co., Ltd.	無錫長新紡織有限公司	(c)		
	Purchases of traded products by the Group	本集團購買貿易產品			
	Sales of traded products by the Group	本集團銷售貿易產品		30,858	54,616
	Subcontracting fee paid and payable by the Group	本集團已付及應付外發加工費用		8,200	-
	Processing income received and receivable by the Group	本集團已收及應收加工收入		122	998
			26,515	29,189	
(iv)	Allied Textiles Limited	新聯興紡織有限公司	(c)		
	Purchases of traded products by the Group	本集團購買貿易產品			
	Purchase on behalf and sales of traded products by the Group	本集團代購買及銷售貿易產品	(g)	13,234	9,371
	Subcontracting fee paid and payable by the Group	本集團已付及應付外發加工費用		765	1,275
	Net claims paid and payable by the Group	本集團已付及應付賠償淨額		113	-
			(239)	-	
(v)	Taizhou Changxin Textile (Xinghua) Co., Ltd.	泰州長新紡織(興化)有限公司	(c)		
	Sales of traded products by the Group	本集團銷售貿易產品		1,585	1,480
(vi)	Wuxi No. 1 Cotton Mill Import and Export Co., Ltd.	無錫一棉進出口有限公司	(d)		
	Purchases of traded products by the Group	本集團購買貿易產品		13,238	-
(vii)	YangtzeKiang Industries Sdn. Bhd.	YangtzeKiang Industries Sdn. Bhd.	(c)		
	Purchases of traded products by the Group	本集團購買貿易產品		3,516	-
(viii)	YangtzeKiang Industries (Myanmar) Ltd. ("YangtzeKiang Myanmar")	YangtzeKiang Industries (Myanmar) Ltd. ("YangtzeKiang Myanmar")	(h)		
	Subcontracting fee paid and payable by the Group	本集團已付及應付外發加工費用		-	7,294

13. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Notes:

- (a) Certain directors of the Company are collectively the controlling shareholders of both the YGMT Group and the Group.
- (b) YGM Marketing Pte Limited is beneficially owned by certain directors of the Company.
- (c) Wuxi Changxin Textile Co., Ltd., Allied Textiles Limited, Taizhou Changxin Textile (Xinghua) Co., Ltd. and YangtzeKiang Industries Sdn. Bhd. are the associates of the Group.
- (d) Wuxi No. 1 Cotton Mill Import and Export Co., Ltd. is a 100% subsidiary of Wuxi No. 1 which is a substantial shareholder of Wuxi YGM Textile Co., Ltd. and Wuxi YangtzeKiang Textile Co., Ltd., subsidiaries of the Group.
- (e) Continuing connected transactions:
- As certain directors and their associates are collectively the controlling shareholder (as defined in the Listing Rules) of YGMT Group and the Group and ultimate beneficial owner of YGM Marketing Pte Limited, the continuing connected transactions and the licence arrangement constitute connected transactions for the Group under the Listing Rules. The Stock Exchange has granted to the Company waivers from strict compliance with the disclosure and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.
- (f) The management fees were charged for administrative, business strategy, personnel, legal and company secretarial work, accounting and management services provided, which are determined annually between the respective parties after negotiations having regard to the cost of services provided.

13. 與關連人士之重大交易 (續)

附註：

- (a) 本公司若干董事統稱為YGMT集團及本集團之控股股東。
- (b) YGM Marketing Pte Limited為本公司若干董事實益擁有之公司。
- (c) 無錫長新紡織有限公司、新聯興紡織有限公司、泰州長新紡織(興化)有限公司及YangtzeKiang Industries Sdn. Bhd.均為本集團之聯營公司。
- (d) 無錫一棉進出口有限公司為無錫市第一棉紡織廠之全資附屬公司，而無錫市第一棉紡織廠為無錫長江精密紡織有限公司及無錫揚子江精密紡織有限公司(本集團之附屬公司)之主要股東。
- (e) 集團之持續關連交易：
- 若干董事統稱為YGMT集團及本集團之控股股東(定義見上市規則)及YGM Marketing Pte Limited之最終實益擁有人，因此，持續關連交易及使用權安排構成本集團之關連交易。聯交所已授出豁免就每次進行該等交易而嚴格遵守上市規則第14A章披露及取得獨立股東批准之規定。
- (f) 管理費收入與提供行政工作、業務策略、人事、法律及公司秘書工作、會計與管理服務有關，該費用是由有關人士每年按磋商後釐定。

13. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Notes:

- (g) The Group purchased traded products on behalf of Allied Textiles Limited which were reimbursed to the Group at cost.
- (h) YangtzeKiang Myanmar was a wholly-owned subsidiary of the Group before disposal of by the Company of its entire interests in YangtzeKiang Myanmar to Mr. Wong Pui Lam, Mr. Wong Chun Yu, Mr. Chee Chong Sin and Ms. Tsang Sau Ngor on 30th March, 2004 (“Disposal”). On 8th June, 2004, the Company entered into the Master Subcontracting Agreement with YangtzeKiang Myanmar in relation to subcontracting services. YangtzeKiang Myanmar has been providing subcontracting services to the Company in the past and will continue to provide such services after the Disposal. Since Mr. Wong Pui Lam is a director of YangtzeKiang Myanmar before the Disposal, Mr. Wong Pui Lam remained a connected person of the Company for 12 months after the Disposal. The subcontracting services constituted continuing connected transactions for the Company during the said period. The Stock Exchange has granted to the Company waivers from strict compliance with the disclosure and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The above transactions were, in the opinion of the directors, carried out on prices and terms comparable to those offered to or by independent third parties.

13. 與關連人士之重大交易 (續)

附註：

- (g) 本集團代新聯興紡織有限公司購買之貿易產品均全數按成本付還。
- (h) 於二零零四年三月三十日本公司出售其於 YangtzeKiang Myanmar 之全部權益予王沛霖先生、王震宇先生、徐崇勝先生及曾秀娥女士（「出售事項」）前，YangtzeKiang Myanmar 為本集團之全資擁有附屬公司。於二零零四年六月八日，本公司與 YangtzeKiang Myanmar 就外發加工服務訂立主要外發加工協議。YangtzeKiang Myanmar 在過往一直為本公司提供外發加工服務，並將於出售事項後繼續提供該等服務。由於王沛霖先生於出售事項前為 YangtzeKiang Myanmar 之董事，故此王沛霖先生在出售事項後之十二個月內仍為本公司之關連人士。於上述期間內之外發加工交易已構成本公司之持續關連交易。聯交所已授出豁免就每次進行該等交易而嚴格遵守上市規則第 14A 章披露及取得獨立股東批准之規定。

董事會認為上述交易之價格及條件與提供予獨立第三者或由彼等所提供之條件相若。

13. MATERIAL RELATED PARTY TRANSACTIONS
(Continued)

(1.2) Outstanding balances due from/(to) related companies and associates:

13. 與關連人士之重大交易 (續)

(1.2) 應收／(應付) 關連公司及聯營公司款項：

		30th September, 2005 二零零五年 九月三十日 \$'000	31st March, 2005 二零零五年 三月三十一日 \$'000
Amount due from YGMT Group	應收YGMT集團款項	5,231	8,228
Amount due to YGMT Group	應付YGMT集團款項	(26)	(4,103)
Amount due from YGM Marketing Pte Limited	應收YGM Marketing Pte Limited款項	862	29
Amount due from Wuxi Changxin Textile Co., Ltd.	應收無錫長新紡織有限公司款項	-	1,350
Dividend receivable from Wuxi Changxin Textile Co., Ltd.	應收無錫長新紡織有限公司股息	99	99
Amount due to Wuxi Changxin Textile Co., Ltd.	應付無錫長新紡織有限公司款項	(40,944)	(45,732)
Amount due from Taizhou Changxin Textile (Xinghua) Co., Ltd.	應收泰州長新紡織(興化)有限公司款項	115	-
Amount due to Allied Textiles Limited	應付新聯興紡織有限公司款項	(3,813)	(2,220)
Amount due to Wuxi No. 1 Cotton Mill Import and Export Co., Ltd.	應付無錫一棉進出口有限公司款項	(4,565)	(11,825)
Amount due to a shareholder, Chan Family Investment Corporation Ltd.	應付股東款項 — Chan Family Investment Corporation Ltd.	(4,855)	(5,868)
		<u>(4,855)</u>	<u>(5,868)</u>

Balances with related companies, associates and the shareholder are unsecured, interest-free and repayable on demand.

與關連公司、聯營公司及股東之結餘是沒有抵押、不帶利息，並需按通知即時償還。

14. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, on 4th November, 2005, the Board announces that agreements for the following transactions were entered into:

- the establishment of the Wuxi Talak Investment Co., Ltd. ("New JV") - on 28th October, 2005, the Company entered into the joint venture contract and Articles of Association with Wuxi Guolian Development (Group) Co., Ltd. ("Wuxi Development") and Enchantment International Ltd. ("Enchantment Ltd.") to establish New JV. The total investment and registered capital of New JV amount to US\$180,000,000 (approximately HK\$1,404,000,000) and US\$60,000,000 (approximately HK\$468,000,000) respectively. Upon its establishment, New JV will be owned as to 49% by the Company, 46% by Wuxi Development and the remaining 5% by Enchantment Ltd.
- the Restructuring - on 31st October, 2005, the Company entered into a co-operation agreement with Wuxi Development to establish New JV as the investment holding vehicle for the Wuxi Textile Operations (*note*), and that New JV will, following its establishment, acquire the entire equity capital of each company comprising the Wuxi Textile Operations at a consideration equivalent to the net asset value of the relevant companies as at 31st December, 2005 after deducting all profits attributable to the shareholders, if any. Based on the unaudited net asset value of the companies comprising the Wuxi Textile Operations as at 30th September, 2005, the Directors estimate the total consideration receivable by the Company under the Restructuring to be about RMB219,991,000 (approximately HK\$211,126,000).

The contribution to the registered capital of New JV will be used to fund the purchase of the Wuxi Textile Operations under the Co-operation Agreement.

The establishment of New JV constitute a connected and a major acquisition of the Company and the sale of interests in the Wuxi Textile Operations under the Restructuring constitutes a major and connected disposal of the Company under Chapter 14 and 14A of the Listing Rules.

A circular containing, among others, information on New JV and the Restructuring and the recommendations of the independent board and the independent financial adviser will be despatched as soon as practicable.

Note: collectively, Allied Textiles Limited, Wuxi Changxin Textile Co., Ltd., Wuxi Changxin Real Estate Development Co., Ltd., Taizhou Changxin Textile (Xinghua) Co., Ltd., Wuxi YGM Textile Co., Ltd., Wuxi Yangtzejiang Textile Co., Ltd. and Wuxi No. 1 Cotton Mill Import and Export Co., Ltd.

14. 結算日後事項

結算日後，董事會於二零零五年十一月四日宣佈，已就下列交易訂立協議：

- 成立無錫長聯投資有限公司（「新合營企業」）－於二零零五年十月二十八日，本公司與無錫市國聯發展（集團）有限公司（「無錫發展」）及 Enchantment International Ltd.（「Enchantment Ltd.」）訂立合營企業合約及公司細則以成立新合營企業。新合營企業之總投資額及註冊資本分別為 180,000,000 美元（約 1,404,000,000 港元）及 60,000,000 美元（約 468,000,000 港元）。於新合營企業成立後，其 49% 權益將由本公司擁有、46% 權益由無錫發展擁有及餘下 5% 權益由 Enchantment Ltd. 擁有。
- 重組 — 於二零零五年十月三十一日，本公司與無錫發展訂立合作協議，據此訂約各方同意成立新合營企業作為無錫紡織業務（附註）之投資控股公司，而新合營企業於其成立後，將收購組成無錫紡織業務之各公司之全部股本，代價相等於扣除股東應佔所有溢利（如有）後之有關公司於二零零五年十二月三十一日之資產淨值。根據於二零零五年九月三十日組成無錫紡織業務之該等公司之未經審核資產淨值，董事估計本公司根據重組應收之總代價約為人民幣 219,991,000 元（約 211,126,000 港元）。

訂約各方對新合營企業之註冊資本出資額將用作支付根據合作協議購買無錫紡織業務之資金。

根據上市規則第 14 及第 14A 章，成立新合營企業構成本公司之關連及主要收購事項，而根據重組出售無錫紡織業務之權益則構成本公司之主要及關連出售事項。

載有（其中包括）新合營企業及重組之資料以及獨立董事委員會及獨立財務顧問推薦意見之通函將於可行情況下盡快寄發。

附註：新聯興紡織有限公司、無錫長新紡織有限公司、無錫長新房地產開發有限公司、泰州長新紡織（興化）有限公司、無錫長江精密紡織有限公司、無錫揚子江精密紡織有限公司及無錫一棉進出口有限公司之統稱。

INTERIM DIVIDEND

The Board resolved not to declare the payment of interim dividend for the six months ended 30th September, 2005 (2004: HK2 cents).

BUSINESS REVIEW AND PROSPECTS

Sales revenue of the Group for the 6 month period was HK\$753,585,000 (2004: HK\$806,226,000). Overall profits dropped to HK\$3,034,000 (2004: HK\$14,071,000) due to the following reasons:

1. Selling prices in garments continued to drop in spite of the re-introduction of quota to China by both the U.S. and E.U. This had a negative impact on our garment factories especially in Sri Lanka and Cambodia. In addition the depreciation of Euro's exchange rate against U.S. Dollar during the period had adversely affected our profits when exporting garments to the European markets.
2. Our French subsidiary YangtzeKiang S.A. incurred a huge loss because of unfavourable Euro exchange rate and a depressed garment market in France.
3. Our investment in Qinghai Changqing Aluminium Corporation continued to suffer significant losses due to increase of raw material prices. This investment had incurred losses for the past two years and we do not foresee any profitability returning in the near future. We are therefore reviewing different options for this investment including disposal.

We expect the second half of 2005/2006 to remain difficult although garment trading business is generally strong. We will monitor our overseas operations and examine closely their losses.

中期股息

董事會決議不宣派截至二零零五年九月三十日止六個月之中期股息(二零零四年:每股2港仙)。

業務回顧及前景

本集團於六個月期間之銷售收益為753,585,000港元(二零零四年:806,226,000港元)。整體溢利下跌至3,034,000港元(二零零四年:14,071,000港元)，原因如下：

1. 儘管美國及歐盟均重新對中國實施配額措施，惟成衣之銷售價格仍持續下降。此情況對本集團之製衣廠構成負面影響，尤以斯里蘭卡及柬埔寨為然。此外，歐元兌美元匯率於本期間內貶值，對本集團向歐洲市場出口成衣之利潤亦造成不利影響。
2. 由於歐元匯兌之不利影響，加上法國成衣市場不景氣，故本集團之法國附屬公司YangtzeKiang S.A.錄得嚴重虧損。
3. 由於原材料價格上升，故本集團於青海長青鋁業有限公司之投資繼續蒙受嚴重虧損。此項投資於過去兩年均錄得虧損，而本集團亦不預期會於不久將來轉虧為盈。因此，本集團現正考慮多個處理此項投資的不同選擇，包括將之出售。

儘管成衣買賣業務整體強勁，惟本集團預期，二零零五／二零零六年度下半年將繼續為艱難的時期。本集團將密切監察其海外業務，並仔細審視其虧損。

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group's operations continued to be financed by the internal resources and bank borrowings.

As at 30th September, 2005, the cash and bank balances (including pledged deposits) of the Group were approximately HK\$80,452,000 (as at 31st March, 2005: HK\$103,264,000). As at 30th September, 2005, the bank borrowings of the Group were approximately HK\$585,443,000 (as at 31st March, 2005: HK\$451,524,000), of which approximately HK\$300,561,000 (as at 31st March, 2005: HK\$237,778,000) was short term while approximately HK\$284,882,000 (as at 31st March, 2005: HK\$213,746,000) was long term. The gearing ratio (calculated by dividing total bank borrowings net of cash and bank balances by total equity attributable to equity holders of the parent) of the Group as at 30th September, 2005 was 85% (as at 31st March, 2005: 58%(restated)). The bank borrowings including bank loans and overdrafts are mainly in Hong Kong dollars, United States dollars and Renminbi.

The Group adopts a prudent policy to hedge the fluctuation of exchange rates. Most of the operating activities are denominated in Hong Kong dollars or United States dollars. For those denominated in other currencies, the Group may enter into forward contracts to hedge its receivable and payable denominated in foreign currencies against the exchange rate fluctuations.

PLEDGE OF ASSETS

As at 30th September, 2005, the Group had pledged certain assets with carrying values of HK\$473,457,000 (31st March, 2005: HK\$339,317,000) to secure banking facilities granted to the Group.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30th September, 2005, the Group, including its subsidiaries but excluding associates, employed approximately of 7,500 employees. Remuneration package is determined with reference to their performance and the prevailing salary levels in the market. In addition, the Group provides year end double pay, provident fund scheme, medical insurances and trainings to staff.

流動資金及資本來源

於回顧期間內，本集團仍以其內部資源及銀行貸款作為營運資金。

於二零零五年九月三十日，本集團之現金及銀行結餘(包括抵押存款)約為80,452,000港元(於二零零五年三月三十一日：103,264,000港元)。於二零零五年九月三十日，本集團之銀行借貸約為585,443,000港元(於二零零五年三月三十一日：451,524,000港元)，當中約300,561,000港元(於二零零五年三月三十一日：237,778,000港元)為短期借貸，約284,882,000港元(於二零零五年三月三十一日：213,746,000港元)為長期借貸。於二零零五年九月三十日，本集團之資本負債比率(銀行借貸總額扣除現金及銀行結餘後再除以應撥歸於母公司股權持有人權益總額)為85%(於二零零五年三月三十一日：58%(重列))。銀行借貸包括銀行貸款及透支均以港幣、美元及人民幣為主。

本集團採用審慎政策以對沖匯率波動。本集團大部份業務均主要以港元及美元結算。至於以其他貨幣結算之業務，本集團已就其以外幣結算之應收及應付款訂立若干遠期合約，以對沖外匯波動。

資產抵押

於二零零五年九月三十日，本集團將若干資產賬面值為473,457,000港元(二零零五年三月三十一日：339,317,000港元)予以抵押，以作為授予本集團銀行信貸之擔保。

僱員及薪酬政策

於二零零五年九月三十日，除聯營公司以外，本集團(包括其附屬公司)聘用約7,500名僱員。薪酬組合乃參照員工之表現及市場當時之薪金水平而釐定。此外，本集團為僱員提供年終雙糧、公積金計劃、醫療保險及培訓。

DIRECTORS' INTEREST

(a) As at 30th September, 2005, the interests and short positions of the directors and their associates in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by directors of Listed Issuers and which were required to be entered in the register kept by the Company under section 352 of the SFO were as follows:

董事權益

(a) 於二零零五年九月三十日，本公司各董事及彼等之聯繫人士於本公司或任何聯營公司（按證券及期貨條例（「證券條例」）第XV部之涵義）股份、相關股份及債券中擁有根據證券條例第XV部第7及8分部、上市公司董事進行證券交易的標準守則之規定須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及空倉（包括彼等根據該等證券條例規定被視作或當作擁有之權益及空倉），並須登記於根據證券條例第352條存置之登記冊之權益及空倉如下：

Number of Ordinary Shares of HK\$0.50 each
每股面值港幣0.50元之普通股份數目

Name of Director	董事姓名	Personal interest 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益
Chan Sui Kau	陳瑞球	6,324,696	3,999,354	5,611,230	(i)
Chan Wing Fui, Peter	陳永奎	486,102	1,589,130	-	(i) & (ii) & (iii)
Chan Wing Kee	陳永棋	1,761,624	208,356	-	(i) & (ii) & (iii) & (iv)
Chan Wing To	陳永滔	2,934,054	-	-	(i) & (ii) & (iii) & (iv)
Chan Wing Sun, Samuel	陳永榮	11,244	-	3,043,080	(i) & (ii) & (iii)
Chan Suk Ling, Shirley	周陳淑玲	1,728,816	24,000	-	(i) & (ii) & (iii)
Chan Suk Man	劉陳淑文	1,535,442	-	-	(i) & (ii) & (iii) & (iv)
Leung Hok Lim	梁學濂	-	-	-	-
Wong Lam	王霖	-	-	-	-
Lin Keping	林克平	-	-	-	-

DIRECTORS' INTEREST *(Continued)*(a) *(Continued)*

- (i) 44,600,260 shares of the Company were held by Chan Family Investment Corporation Ltd. (which is owned by Messrs Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family) and its subsidiaries.
- (ii) 34,595,908 shares of the Company were held by Joycome Limited, which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family.
- (iii) 1,574,480 shares of the Company were held by Hearty Development Limited which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family.
- (iv) 2,383,500 shares of the Company were held by Super Team International Limited which is indirectly owned by Messrs Chan Wing Kee, Chan Wing To, Madam Chan Suk Man and other members of the Chan family.

董事權益 *(續)*(a) *(續)*

- (i) 合共44,600,260股本公司股份乃由 Chan Family Investment Corporation Ltd. (包括陳瑞球先生、陳永奎先生、陳永棋先生、陳永滔先生及陳永榮先生、周陳淑玲女士及劉陳淑文女士及其他家族成員) 及其附屬公司所持有。
- (ii) 合共34,595,908股本公司股份乃由 Joycome Limited持有。該公司由陳永奎先生、陳永棋先生、陳永滔先生及陳永榮先生、周陳淑玲女士及劉陳淑文女士及其他陳氏家族成員間接擁有。
- (iii) 合共1,574,480股本公司股份乃由 Hearty Development Limited持有。該公司由陳永奎先生、陳永棋先生、陳永滔先生及陳永榮先生、周陳淑玲女士及劉陳淑文女士及其他陳氏家族成員間接擁有。
- (iv) 合共2,383,500股本公司股份乃由 Super Team International Limited持有。該公司由陳永棋先生、陳永滔先生、劉陳淑文女士及其他陳氏家族成員間接擁有。

DIRECTORS' INTEREST (Continued)

(b) Save as disclosed above, as at 30th September, 2005, none of the directors or their associates, had, under Division 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Issuers in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, the directors are not aware of any persons who was, directly or indirectly, interested or had short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or, was directly or indirectly, interested in 10% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company or any options in respect of such capital as at 30th September, 2005.

SHARE OPTIONS SCHEME

On 23rd September, 2004, the Company adopted a new share option scheme to provide incentives or rewards to the eligible participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

No share options under the Scheme were outstanding at the beginning and at the end of the six months ended 30th September, 2005 and no share options were granted, exercised, cancelled or lapsed during the financial period.

董事權益 (續)

(b) 除上文所披露者外，於二零零五年九月三十日，各董事或彼等之聯繫人士概無於本公司或任何聯營公司（按證券條例第XV部之涵義）股份、相關股份或債券中擁有根據證券條例第XV部第7及8分部須知會本公司或聯交所之任何權益或空倉（或彼等根據該等證券條例規定被視作或當作擁有之任何權益或空倉），或須登記於本公司根據證券條例第352條存置之登記冊之任何權益，或根據上市規則內上市公司董事進行證券交易標準守則之規定須知會本公司及聯交所之任何權益。

主要股東

除本文所披露者外，於二零零五年九月三十日，各董事並不知悉有任何人士直接或間接擁有根據證券條例第XV部第2及3分部之條文規定而須向本公司及聯交所披露之股份或相關股份中之權益及淡倉，亦無於附有可在一切情況下於本公司之股東週年大會上投票之權利之已發行股本中，直接或間接擁有其面值10%或以上之權益，或有關該等股本涉及之任何購股權。

購股權計劃

於二零零四年九月二十三日，本公司採納一項新購股權計劃，旨在鼓勵或回報合資格參與者為本集團作出貢獻及／或令本集團得以羅致具才幹之僱員，以及吸納對本集團及任何投資實體具價值之人才。

於截至二零零五年九月三十日止六個月期初及期末，該計劃項下概無任何購股權尚未行使，亦無任何購股權於本財務期間內獲授出、行使、註銷或失效。

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period ended 30th September, 2005.

AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the Interim Report for the six months ended 30th September, 2005.

CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has met with the code provisions of the Code on Corporate Governance Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the six months ended 30th September, 2005, with the exception of the following deviation:

Under Code Provision A.4.1, non-executive directors (including independent non-executive directors) should be appointed for a specific term, subject to re-election. However, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company's articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' securities transactions. All directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30th September, 2005.

By Order of the Board
Chan Sui Kau
Chairman

Hong Kong, 16th December, 2005

收購、出售或贖回股份

截至二零零五年九月三十日止六個月內，本公司或其任何附屬公司並無收購、出售或贖回本公司任何上市證券。

審核委員會

審核委員會聯同管理層已審閱本集團所採用會計政策及慣例，並討論有關審核、內部監控及財務報告之事宜，包括審閱截至二零零五年九月三十日止六個月之中期報告。

企業管治常規守則

董事會認為，本公司於截至二零零五年九月三十日止六個月期間符合香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則之守則條文；除以下偏差外：

守則條文A.4.1條規定非執行董事（包括獨立非執行董事）的委任應有指定任期，並須接受重新選舉。惟本公司之非執行董事之委任並無指定任期，但須按本公司之組織章程細則輪值退任及膺選連任。

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載標準守則作為董事進行證券交易之操守準則。全體董事確認，彼等於截至二零零五年九月三十日止六個月一直遵守標準守則所載規定準則。

承董事會命
主席
陳瑞球

香港，二零零五年十二月十六日