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Directors 董事

Poon Bun Chak 潘彬澤

(Chairman and Managing Director) (主席兼董事總經理)

Poon Kai Chak 潘佳澤

Poon Kei Chak 潘機澤

Poon Kwan Chak 潘鈞澤

Ting Kit Chung 丁傑忠

Au Son Yiu* 區燊耀*

Cheng Shu Wing* 鄭樹榮*

Wong Tze Kin, David* 黄自建*

* Independent Non-executive Directors * 獨立非執行董事

Company Secretary 公司秘書

Chan Chi Hon 陳志漢

Registered Office 註冊辦事處

Clarendon House, Clarendon House,

2 Church Street, 2 Church Street,

Hamilton HM 11, Hamilton HM 11,

Bermuda. Bermuda.

Head Office and Principal Place of Business 總辦事處及主要營業地點

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Kwai Chung, New Territories, 興芳路223號

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Principal Share Registrar and Transfer Office 主要股份登記及過戶處

Butterfield Fund Services (Bermuda) Limited Butterfield Fund Services (Bermuda) Limited

Rosebank Centre, Rosebank Centre,

14 Bermudiana Road, 14 Bermudiana Road,

Pembroke, Pembroke,

Bermuda. Bermuda.



Hong Kong Branch Share Registrar and Transfer Office 香港股份登記及過戶分處

Tengis Limited 登捷時有限公司

G/F., Bank of East Asia 香港灣仔

Harbour View Centre, 告士打道56號

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Wanchai, Hong Kong.

Auditors 核數師

Ernst & Young 安永會計師事務所

Certified Public Accountants 執業會計師

Legal Advisors 法律顧問

Jennifer Cheung & Co. 張美霞律師行

Wilkinson & Grist 高露雲律師行

Principal Bankers 主要往來銀行

Bank of America (Asia) Ltd. 美國銀行(亞洲)有限公司

Bank of China (Hong Kong) Ltd. 中國銀行(香港)有限公司

BNP Paribas 法國巴黎銀行

Citibank, N.A. 花旗銀行

Hongkong Bank 滙豐銀行

Hang Seng Bank 恒生銀行

Mizuho Corporate Bank, Ltd. 瑞穗實業銀行

The Bank of East Asia, Ltd. 東亞銀行有限公司

Websites 網址

http://www.texwinca.com/ http://www.texwinca.com/

http://www.baleno.com.hk/ http://www.baleno.com.hk/

http://www.irasia.com/listco/hk/texwinca/http://www.irasia.com/listco/hk/texwinca/



(Amounts expressed			2005	2004	2003	2002	2001
in HK\$ million, unless sp	ecified)	Notes					(Note 1)
(以港幣百萬元為單位, 附		附註					(附註1)
Turnover	營業額		7,303	6,216	5,199	4,720	4,309
Net profit from ordinary	股東應佔經常						
activities attributable	業務溢利淨額						
to shareholders			468	422	591	530	464
Shareholders' equity	股東權益		2,631	2,448	2,316	2,025	1,686
Total assets	資產總值		4,819	4,391	3,368	2,794	2,540
Total liabilities to	總負債與						
equity ratio	權益比率		0.8	0.8	0.5	0.4	0.5
Bank borrowings to	銀行借貸與						
equity ratio	權益比率		0.2	0.2	_	_	_
Current ratio	流動比率		1.5	1.8	2.0	2.3	1.9
Receivables turnover	應收賬之						
on sales (days)	周轉期(日)		21	31	27	26	34
Inventory turnover	存貨之						
on sales (days)	周轉期(日)		53	61	60	41	53
Net assets per share	每股資產淨值						
(HK cents)	(港幣仙)		198	185	175	153	132.4
Return on total assets (%)	總資產回報率(%)		9.7	9.6	17.5	19.0	18.3
Return on sales (%)	銷售回報率(%)		6.4	6.8	11.4	11.2	10.8
Interest cover (times)	利息保障比率(倍數)	2	55	130	239	103	86
EBITDA	未計利息、税項、						
	折舊及攤銷						
	費用前溢利	3	801	712	828	743	653
EBITDA on sales (%)	未計利息、税項、						
	折舊及攤銷費用						
	前溢利回報率(%)		11.0	11.5	15.9	15.7	15.2



(Amounts expressed			2005	2004	2003	2002	2001
in HK\$ million, unless sp	pecified)	Notes					(Note 1)
(以港幣百萬元為單位,	除非特別註明)	附註					(附註1)
Earnings per share	每股盈利						
(HK cents)	(港幣仙)	4	35.3	31.9	44.6	41.5	36.3
Dividends per share	每股股息						
(HK cents)	(港幣仙)		21	20	25	20.0	15.0
Dividend yield (%)	股息回報率(%)	5	3.2	3.3	4.3	4.5	7.1
Number of issued	已發行股份數目						
shares (million)	(百萬)		1,326	1,325	1,324	1,324	1,273
Number of employees	僱員人數						
The People's Republic	中華人民共和國						
of China							
Hong Kong	香港		881	759	614	444	496
Taiwan	台灣		851	717	633	564	462
Elsewhere	其他地方		19,691	16,376	13,145	10,372	9,151
Singapore	新加坡		333	248	137	122	_
Malaysia	馬來西亞		61	_	_	_	_
Total	總數		21,817	18,100	14,529	11,502	10,109

Notes:

- The financial statements have been retrospectively restated as a result
 of changes in accounting policies for proposed dividends, adopted by
 the Group in 2002.
- 2. Interest cover was calculated by dividing the profit before interest and tax by the interest payables.
- EBITDA is the earnings before interest, tax, depreciation and amortisation expenses.
- 4. Number of shares was on weighted average basis.
- Dividend yield was calculated by dividing the dividends per share by the closing market price per share as at the respective balance sheet date.
- The financial results of the above refer to the results of the Group for each financial year. And, the other figures used were the position of the Group as at the respective balance sheet date.

附註:

- 由於本集團於二零零二年採納有關擬派股息之 會計政策之變動,此等變動已追溯使用於過去 年度財務報表,令財務報表之數字重新列賬。
- 利息保障比率之計算為税項及利息前之溢利與 應付利息之比率。
- 3. EBITDA 為未計利息、税項、折舊及攤銷費用 前溢利。
- 4. 股份數目按加權平均基準計算。
- 股息回報率之計算為每股股息與本公司於相關 結算日每股收市價之比率。
- 6. 以上業績乃指本集團於每個財政年度的業績, 而其他數字則指本集團於有關年度結算日之情況。



The Group's turnover for this fiscal year reached a new high to HK\$7,303 million. Net profit was HK\$468 million, an increase of 11%.

本集團本財政年度之營業額創新高至7,303百 萬港元。溢利淨額為468百萬港元,增長 11%。

The business environment was not satisfactory during the year. Operating costs increased because of high coal prices and the reduction of export tax refund. Global consumer market conditions were sluggish to obstruct product selling prices increment. It was until early 2005 that the global economy showed signs of recovery. Stabilized cotton prices in the second half year also provided a better operating atmosphere.

本年內業務環境並不理想。經營成本增加主 要由於煤價上漲及出口退税減少。全球消費 市場情況呆滯,阻礙貨品價格上揚。直至二 零零五年初全球經濟才有改善跡像。棉花價 格於下半年之漸趨平穩亦改善了經營之氣 氛。

Faced with uncertainties, the Group's customers have not changed their sourcing pattern since the textile quota abolishment on 1 January 2005. They are waiting for the outcome of the export disputes between the PRC and the U.S.A.. Same as our customers, the Group will closely monitor the export disputes and adjust its development strategies if necessary.

面對不明朗之情況,本集團之顧客並沒有於 二零零五年一月一日紡織品配額取消後改變 他們之採購模式。他們在等待中美兩方出口 爭議之結果。和我們之顧客一樣,本集團將 密切留意出口爭議之發展,以便在有需要時 調整經營策略。

For the textile and garment businesses, the Group will continue its capacity expansion in the coming year. After last year's rapid growth, the retail business will slow down its store expansion but focus on store sales improvement. Stringent cost control measures will be continued and all effort will be placed to raise profit margin.

本集團於來年將繼續擴展紡織及製衣業務之 生產力。零售業務在過往一年發展迅速,來 年將減慢開店速度而專注於店舖銷售之增 長。本集團將繼續嚴控成本及全力推行措施 以改善邊際利潤。



I believe business prospects of the Group remain bright, and I am confident to report improved results in the coming year. This year, the Group is celebrating its 30th anniversary. It has been due to the devotedness of our colleagues, great support of our business partners and shareholders that the Group has been able to grow continuously. I would like to thank you all on behalf of the Board.

本人認為本集團業務前景樂觀,對來年取得 進步之業績亦深具信心。本年為本集團成立 三十周年誌慶。本集團之不斷成長,全賴各 同事之努力貢獻,各業務夥伴及股東們之鼎 力支持。本人謹代表董事會衷心致謝。

Poon Bun Chak

Chairman

Hong Kong, 19 July 2005

主席

潘彬澤

香港,二零零五年七月十九日

BUSINESS REVIEW

For the fiscal year ended 31 March 2005, total turnover increased by 17%, to HK\$7,303 million (2004: HK\$6,216 million). Net profit from ordinary activities attributable to shareholders was HK\$468 million (2004: HK\$422 million), an increase of 11% over last year. The Board has recommended a final dividend of HK11.0 cents (2004: HK12.0 cents) per ordinary share. Including interim dividend, total dividend per ordinary share amounts to HK21.0 cents, an increase of 5% over last year's HK20.0 cents.

Turnover of the fabric business grew by 13% to HK\$4,109 million (2004: HK\$3,627 million). This represented 56% of the Group's total turnover. Revenue growth was mainly driven by the expansion of about 20% production capacity in the period. The slide of cotton prices from the peak level had created a better business environment. The textile quota disputes had no adverse effect on the Group's business and order flow had been stable during the year. Our textile products were still mainly exported from China to various garment subcontracting areas over the world. The U.S.A. remained the major buying market, accounting for about 69% of the fabric revenue. The new in-house yarn spinning factory has been in good operation and has improved the Group's ability in handling rush orders.

業務回顧

截至二零零五年三月三十一日止財政年度之總營業額上升17%至港幣7,303百萬元(二零零四年:港幣6,216百萬元)。股東應佔經常業務溢利淨額為港幣468百萬元,較去年增長11%。董事會建議派發末期股息每股港幣11.0仙(二零零四年:港幣12.0仙)。連同中期股息,每股股息總額為港幣21.0仙,較去年之港幣20.0仙增加5%。

針織布業務營業額上升13%至港幣4,109百萬元(二零零四年:港幣3,627百萬元)。此為集團總營業額之 56%。銷貨增長主要由於期內生產力增加約20%所致。棉花價格由高位回落令業務環境略為改善。紡織品配額爭議對本集團之業務並沒有影響,貨品訂單於全年皆保持穩定。本集團之紡織產品仍主要由中國出口至世界各製衣加工地。美國仍為最大之採購市場,佔針織布營業額約69%。新置自用之紡紗廠運作良好,改善了本集團接急單之能力。

中國大陸



Sales of the retail business was HK\$3,146 million (2004: HK\$2,548 million), a rise of 23%, and represented 43% of the Group's total turnover. In order to take greater market share, the Group speeded up its store expansion during the year. Mainland China continued to be the focus of expansion with about 1,000 new outlets added. Higher operating expenses were thus incurred. At the year end, the development in different markets was as below:

零售業務銷售額為港幣3,146百萬元(二零零四年:港幣2,548百萬元),增長23%,佔本集團總營業額 43%。由於要擴展市場佔有率,本集團於年內加速了店舖之開設。中國大陸仍為發展之重心,增加了約1,000新銷售點。業務開支亦因此而上升。於本年度完結時,在各地市場之發展情況茲列如下:

Mainland China

2005 2004 2003 2002 2001 銷售淨額(港幣百萬元) 1,963 1,598 1,199 Net sales (HK\$ million) 1,432 1,359 銷售淨額之增加百分率 Net sales increase in percentage 23 12 5 13 53 Retail floor area (sq.ft.)*# 零售樓面面積(平方呎)*# 1,322,547 621,294 204,296 411,454 274,280 Number of sales associates* 售貨員數目* 10,534 6,395 4,770 3,741 2,732 門市數目* Number of outlets* 2,837 1,750 1,060 831 637



Hong Kong and Macau

香港及澳門

		2005	2004	2003	2002	2001
Net sales (HK\$ million)	銷售淨額(港幣百萬元)	463	393	330	310	295
Net sales increase	銷售淨額之增加百分率					
in percentage		18	19	6	5	65
Retail floor area (sq.ft.)*#	零售樓面面積(平方呎)*#	81,442	64,930	55,096	33,627	33,684
Number of sales associates*	售貨員數目*	536	382	298	212	251
Number of outlets*	門市數目*	85	62	45	37	39
Retail floor area (sq.ft.)*# Number of sales associates*	售貨員數目*	81,442 536	64,930	55,096 298	33,627 212	33,68 25

Taiwan 台灣

		2005	2004	2003	2002	2001
Net sales (HK\$ million)	銷售淨額(港幣百萬元)	557	440	319	282	188
Net sales increase	銷售淨額之增加百分率					
in percentage		27	38	13	50	172
Retail floor area (sq.ft.)*#	零售樓面面積(平方呎)*#	219,625	150,965	124,649	106,321	82,979
Number of sales associates*	售貨員數目*	706	614	541	469	365
Number of outlets*	門市數目*	270	196	155	114	96



Singapore and Malaysia

新加坡及馬來西亞

		2005	2004	2003	2002	2001
Net sales (HK\$ million)	銷售淨額(港幣百萬元)	163	117	64	43	_
Net sales increase	銷售淨額之增加百分率					
in percentage		39	83	49	_	_
Retail floor area (sq.ft.)*#	零售樓面面積(平方呎)*#	49,748	31,289	12,894	11,107	_
Number of sales associates*	售貨員數目*	355	234	119	112	_
Number of outlets*	門市數目*	74	32	17	15	_

^{*} As at 31 March

Turnover of our garment associate amounted to HK\$816 million (2004: HK\$713 million), a growth of 14%. Net profit contribution to the Group was HK\$36 million (2004: HK\$31 million), an increase of 16%. During the year, about 75% of the fabric consumed was supplied by our fabric division. Sales to the retail division was about 26% of the associate's revenue. Production capacity grew by about 20% in the year.

聯營製衣業務之營業額為港幣816百萬元(二零零四年:港幣713百萬元),上升14%。對集團淨溢利貢獻為港幣36百萬元(二零零四年:港幣31百萬元),增長16%。於年內約75%使用之布料由本集團針織布廠供應。銷貨至本集團零售部門則佔其銷售額約26%。生產力於年內上升約20%。

[#] For self-managed stores

^{*} 於三月三十一日

[#] 自營店

FINANCIAL CONDITION

Liquidity and financial resources

The financial position of the Group remained strong. The cash and cash equivalents amounted to HK\$682 million at the year end. The net cash inflow from operating activities for the year reached a record high level of HK\$874 million. The accounts receivable turnover was reduced by 10 days from last year to 21 days. Following the stabilization of the cotton price during the year, the Group continued to reduce its inventory to a more healthy level. The stock turnover on sales was 53 days, a reduction of 8 days over last year. The Group financed its expansion mainly by cash inflow from its operation, bank borrowings and a shareholder loan. At the year end, the unutilized banking facilities amounted to HK\$1,716 million and the gear ratio was 0.8. The gearing ratio refers to the ratio of total liabilities and minority interests to shareholders' equity. For the period under review, the interest coverage ratio was 55 times. With ample financial resources and strong financial position, the Group has confidence in taking advantage of any favourable opportunities in the coming years.

Contingent liabilities

As at 31 March 2005, the contingent liabilities of the Group amounted to HK\$256 million. These mainly represented the discounted export bills of HK\$240 million and the guarantees of HK\$13 million made by the Group in respect of the banking facilities of its associated company.

財務狀況

流動資金及財務資源

本集團財務狀況維持強勁。於年結日,現金 及現金等價物達港幣682百萬元,本年度之 集團經營所得現金流入淨額錄得破紀錄之港 幣874百萬元。應收賬周轉期較去年減少10 天至21天。此外,由於本年內棉花價格趨向 穩定,集團繼續將存貨量減低至較健康水 平。於年結日,存貨周轉期較去年減少8天 至53天。本集團主要以其營運所得之資金、 銀行貸款及股東貸款等不斷擴充。於年結 日,未使用之銀行信貸額為港幣1,716百萬 元,資本負債比率為0.8,而資本負債比率乃 指總負債及少數股東權益與股東權益之比 率。本年度之利息保障比率為55倍。由於財 務資源非常充裕及財務狀況穩健,本集團對 爭取任何有潛質的發展機會充滿信心。

或有負債

於二零零五年三月三十一日,本集團之或有 負債為港幣256百萬元,這主要包括港幣240 百萬元之出口票據貼現,及本集團為聯營公 司所作之銀行信貸擔保港幣13百萬元。



Capital expenditure

Total capital expenditures of the Group for the year amounted to HK\$625 million. HK\$392 million was incurred by the textile business for the establishment of the spinning factory, the acquisition of plant and machinery and the development of the second phase of the heat/electricity generating system. The other HK\$233 million was incurred by the retail business for the expansion of retail networks in the Greater China.

Pledge of assets

No significant assets were pledged at the year end.

Foreign exchange and interest rate risks

The Group continued to adopt a strict and prudence policy in managing its interest rate and currency exchange rate risks. The major interest-bearing loans of the Group were HIBOR based Hong Kong dollar loans with maturity due within three years. To reduce the interest rate risk, the Group had arranged financial instruments to reduce its exposure.

During the year, the major revenues, expenses and procurements of the Group were denominated in HKD, USD, Renminbi, Euro and Yen and the Group had arranged foreign exchange forward contracts to reduce its currency exchange rate risk.

HUMAN RESOURCES

As at 31 March 2005, the Group had about 21,800 (2004: 18,100) employees in the PRC, Singapore and Malaysia. The remuneration of the employees was largely based on industry practice and the performance of individual employee.

資本性支出

於本年度,本集團資本性支出為港幣625百萬元,其中紡織業務之資本性支出為港幣392百萬元,主要用作建設紡紗廠、購置廠房及機器設備及發展第二期熱電聯工系統。此外,零售業務之資本性支出為港幣233百萬元,主要用作擴大大中華之銷售網絡。

資產抵押

於年結日,並無重大資產已作抵押。

滙兌及利率風險

本集團維持嚴格及審慎政策管理利率與滙率 的風險。本集團主要附息貸款為港元,利率 以香港同業拆息為基礎計算,並於三年內到 期。為減低利息風險,本集團已安排金融工 具以降低利息波動的風險。

於年內,本集團主要收入、支出及採購皆以 港元、美元、人民幣、歐羅及日元進行,本 集團已安排遠期外滙合約以減低滙率風險。

人力資源

於二零零五年三月三十一日,本集團於中國、新加坡及馬來西亞共有僱員約 21,800 人(二零零四年:18,100人)。員工薪酬之釐 定主要基於行業之情況及員工個人之表現。



OUTLOOK

Cotton prices have stabilized and global economy is improving. The textile export disputes will have no adverse effect on the Group's business. Looking ahead, a more favourable operating environment is expected.

The knitted-fabric industry is still under consolidation and we believe that our market share will increase continuously. The Group will grow about 20% productivity in the coming year. Production expansion will still be centralized in our existing Dongguan site to enhance operating efficiency. The Group occupies about 7 million sq.ft. of land at the site and there is still ample space available for future expansion adjacent to the site.

The garment associate is also expanding its production capacity in Mainland China to cope with increasing demands. The Management will closely monitor the development of textile export disputes and adjust its business strategies as changes arise.

After last year's rapid store expansion in the retail business, the Management will focus on same store performance improvement and cost controls to enhance profit margin advancement. Only about 100 new stores will be opened in the coming fiscal year. As the business has established a strong foundation, a remarkable improved performance is expected in the next year.

The Management has made comprehensive plans for the new fiscal year and is confident to report improved results in the coming year.

展望

棉花價格漸趨平穩而全球經濟亦在改善中。 紡織品出口爭議將不會對集團業務帶來不利 之影響。展望未來,經營環境預料將更理 想。

針織布行業仍在整固中,相信本集團之市場 佔有率將繼續增加。本集團於來年將擴大約 20%之生產力。生產力之擴展仍集中於本集 團在東莞之廠房以增取生產效益。本集團在 此廠房現佔地約7百萬平方呎,而週邊仍有 足夠餘地作未來發展用途。

聯營製衣業務亦在中國大陸擴展生產量以應 付需求。管理層將密切注意紡織品出口爭議 之發展,若情況有改變時將調整其業務策 略。

零售業務經過去年之急速店舗擴展,管理層 將專注於改善同店表現及成本控制以增加邊 際利潤。來年衹會開設約100間新店。此業 務已建立了良好根基,明年表現預計將有明 顯之進步。

管理層已為新財政年度製訂週詳之計劃,並 對來年取得進步之業績充滿信心。



The directors have pleasure in presenting their report and the audited financial statements of the Company and the Group for the year ended 31 March 2005.

董事會欣然呈奉本公司與本集團截至二零零 五年三月三十一日止年度之年報及經審核財 務報表,敬祈省覽。

PRINCIPAL ACTIVITIES

The Group's principal activities during the year consisted of the production, dyeing and sale of knitted fabric and yarn, the retailing and distribution of casual apparel and accessory, the provision of franchise services, the provision of repair and maintenance services for motors and generators, and the trading of generators. There were no significant changes in the nature of the Group's principal activities during the year.

The principal activity of the Company is investment holding.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2005 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 32 to 112.

An interim dividend of HK10.0 cents per ordinary share was paid on 2 February 2005. The directors recommend the payment of a final dividend of HK11.0 cents per ordinary share in respect of the year, to shareholders on the register of members on 26 August 2005. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

主要業務

本年度本集團之主要業務包括針織布及棉紗之產銷及整染、便服及飾物之銷售、提供特許經營服務、提供汽車及發電機之維修及保養服務及銷售發電機。本集團之業務性質在本年度並無重大轉變。

本公司之主要業務為投資控股。

業績與股息

本集團於截至二零零五年三月三十一日止年 度之溢利及本公司與本集團截至該日期之業 務狀況列載於第32至112頁之財務報表。

中期股息每股港幣10.0仙已於二零零五年二 月二日派發。董事會茲建議派發本年度末期 股息每股港幣11.0仙予二零零五年八月二十 六日名列股東名冊之股東,是項建議股息已 列入本財務報表,亦即於資產負債表的資本 及儲備賬中由保留溢利撥出。



SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

財務資料概要

下表為本集團於過往五個財政年度之業績、 資產、負債與少數股東權益之摘要,乃摘自 已公佈之經審核財務報表及按需要重新分 類。

業績 **RESULTS**

			Yea	r ended 31 M	larch	
			截至	三月三十一日	止年度	
		2005	2004	2003	2002	2001
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
TURNOVER	營業額	7,302,697	6,216,465	5,198,585	4,720,333	4,309,436
PROFIT FROM OPERATING	i 經常業務溢利					
ACTIVITIES		525,181	498,266	618,734	531,418	480,475
Share of profit of	應佔聯營公司					
an associate	溢利	40,276	33,344	46,630	62,157	56,299
Finance costs	財務費用	(10,224)	(4,086)	(2,787)	(5,770)	(6,229
PROFIT BEFORE TAX	除稅前溢利	555,233	527,524	662,577	587,805	530,545
Tax	税項	(65,116)	(57,888)	(37,926)	(29,501)	(59,089
PROFIT BEFORE	未計少數股東權益前					
MINORITY INTERESTS	溢利	490,117	469,636	624,651	558,304	471,456
Minority interests	少數股東權益	(21,886)	(47,666)	(34,089)	(28,197)	(7,568
NET PROFIT FROM	股東應佔經常業務					
ORDINARY ACTIVITIES	溢利淨額					
ATTRIBUTABLE						
TO SHAREHOLDERS		468,231	421,970	590,562	530,107	463,888



ASSETS, LIABILITIES AND MINORITY INTERESTS

資產、負債與 少數股東權益

			As at 31 March					
			ħ	《三月三十一	日			
		2005 2004 2003 2002 2001						
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元		
TOTAL ASSETS	資產總值	4,818,563	4,390,685	3,368,333	2,793,575	2,540,375		
TOTAL LIABILITIES	負債總值	(2,084,180)	(1,859,461)	(1,001,912)	(731,945)	(846,071)		
MINORITY INTERESTS	少數股東權益	(103,498)	(82,766)	(50,710)	(36,971)	(8,046)		
		2,630,885	2,448,458	2,315,711	2,024,659	1,686,258		

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment 本集團於本年度之固定資產及投資物業變動 properties of the Group during the year are set out in notes 13 and 14 to the financial statements, respectively.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital and share options of the Company during the year, together with the reasons thereof, are set out in notes 27 and 28 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

固定資產及投資物業

之詳情分別列載於財務報表附註13及14。

股本及購股權

本公司於年內股本及購股權變動之詳情及有 關原因分別列載於財務報表附註27及28。

優先認購權

本公司之組織細則及百慕達之法例概無優先 認購權條文要求本公司須按比例向現有股東 發行新股。



PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 29(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2005, the Company's reserves available for cash distribution and/or distribution in specie amounted to HK\$574,494,000, of which HK\$145,881,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$343,272,000, may be distributed in the form of fully paid-up bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, both purchases and sales from and to the five largest suppliers and customers accounted for less than 30% of the Group's total purchases and sales for the year, respectively.

購入、贖回或出售本公司上市證券

本公司及任何附屬公司於年內概無購入、贖 回或出售任何本公司之上市證券。

儲備

本公司及本集團於本年度之儲備變動詳情分別列載於財務表附註29(b)及綜合權益變動表。

可供分派儲備

於二零零五年三月三十一日,本公司可供作 現金及/或實物分派之儲備為港幣 574,494,000元,其中將擬派發的本年度末期 股息為港幣145,881,000元。此外,本公司股 本溢價賬港幣343,272,000元亦可以繳足紅股 方式予以分派。

主要客戶及供應商

於本審核年度,五大供應商及客戶佔本年度 集團之總採購額及銷售額均不足30%。

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DIRECTORS

The directors of the Company during the year were:

Executive directors

Poon Bun Chak (Chairman and Managing Director)

Poon Kai Chak

Poon Kei Chak

Poon Kwan Chak

Ting Kit Chung

Independent non-executive directors

Au Son Yiu

Cheng Shu Wing

Wong Tze Kin, David

In accordance with the Company's Bye-laws, all the existing directors will retire and, being eligible, will offer themselves for re-election at the forthcoming Annual General Meeting.

The Company has received annual confirmations of independence from Messrs. Au Son Yiu, Cheng Shu Wing and Wong Tze Kin, David, and as at the date of this report still considers them to be independent.

DIRECTORS' SERVICE CONTRACTS

The service contracts entered into between the Company and each of the executive directors as listed above may be terminated by either party by giving not less than three months' written notice or compensation in lieu.

董事

本年內本公司董事如下:

執行董事

潘彬澤(主席兼董事總經理)

潘佳澤

潘機澤

潘鈞澤

丁傑忠

獨立非執行董事

區燊耀

鄭樹榮

黃自建

根據本公司組織細則,所有現任董事將於即 將舉行之股東週年大會上退任,惟彼等符合 資格並願膺選連任。

本公司已收到歐燊耀先生、鄭樹榮先生及黃 自建先生週年獨立確認書,因此截至本報告 日止,本公司維持確認彼等之獨立身份。

董事服務合約

本公司與上列執行董事簽訂之服務合約要求 雙方於終止服務合約時,其中一方須給予不 少於三個月之書面通知或代通知補償。



Save as disclosed above, no directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation. 除上文所披露者外,本公司與建議在即將舉行之股東週年大會上重選連任之董事一概無簽訂本公司於一年內不作補償(法定賠償除外)則不可終止之服務合約。

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

董事酬金

董事袍金須待股東於股東大會通過。其他酬 金則由公司之董事會根據董事之工作、責任 及表現與集團之業績而釐定。

DIRECTORS' INTERESTS IN CONTRACTS

Mr. Poon Bun Chak, being an executive director and also a substantial shareholder of the Company, was interested in shareholder loan agreements for advances granted to the Group during the year. Details of the shareholder loan are set out in the section "Continuing Connected Transactions" and note 24 and 34(c) to the financial statements.

董事合約權益

於年內,本公司執行董事兼主要股東潘彬澤 先生向本集團提供貸款。股東貸款明細載於 「持續關連交易」一段及財務報表附註24及 34(c)。

Save as disclosed above, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

除以上披露外,各董事於年內概無在本公司、其控股公司或其任何附屬公司所簽訂之任何重大合約中直接或簡接佔有重大權益。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive directors

Mr. Poon Bun Chak, aged 57, is the chairman and managing director overseeing the planning and development of the Group. He founded the Group in 1975 and has more than 30 years' experience in the textile field.

Mr. Poon Kai Chak, aged 55, is a younger brother of Mr. Poon Bun Chak. He joined the Group in 1980 and has more than 25 years' experience in the industry. He is responsible for the knitting operations of the Group.

Mr. Poon Kei Chak, aged 53, is a younger brother of Mr. Poon Bun Chak. He joined the Group on its establishment in 1975 and has more than 30 years' experience in the field. He looks after the dyeing operations and assists in the overall management of the Group.

Mr. Poon Kwan Chak, aged 59, is the elder brother of Mr. Poon Bun Chak. He joined the Group in 1976 and has more than 29 years' related experience. He is responsible for the Group's merchandising and sales management.

Mr. Ting Kit Chung, aged 49, is responsible for the general administration and financial management of the Group. He joined the Group in 1991 and has more than 10 years' banking experience. He holds a Bachelor of Arts degree from The University of Hong Kong.

董事及高級管理人員履歷

執行董事

潘彬澤先生,五十七歲,主席兼董事總經理,負責監督本集團之規劃及發展。彼於一九七五年創辦本集團,擁有逾三十年紡織業經驗。

潘佳澤先生,五十五歲,潘彬澤先生之胞 弟。彼於一九八零年加入本集團,擁有逾二 十五年本行業經驗,負責管理本集團織布業 務。

潘機澤先生,五十三歲,潘彬澤先生之胞 弟。彼於一九七五年本集團創立時加入本集 團,擁有逾三十年紡織業經驗,負責管理整 染業務及協助管理本集團一般業務。

潘鈞澤先生,五十九歲,潘彬澤先生之胞 兄。彼於一九七六年加入本集團,擁有逾二 十九年有關業務經驗,負責管理本集團採購 及銷售業務。

丁傑忠先生,四十九歲,負責本集團行政及 財務管理。彼於一九九一年加入本集團,擁 有逾十年銀行業經驗。彼持有香港大學文學 士學位。



Independent non-executive directors

Mr. Au Son Yiu, aged 60, has extensive experience in the securities industry. He is a director of The Association of Former Council Members of The Stock Exchange of Hong Kong Limited and The Institute of Securities Dealers Limited, a consultant to Dao Heng Securities Limited and a member of the Election Committee for the financial services subsector election for the 1998 Legislative Council. He is also an independent non-executive director for several public companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In addition, he is the ex-deputy chairman of The Hong Kong Securities Clearing Company Limited (1992–1994) and ex-council member of the Stock Exchange (1988–1994). He was appointed as an independent non-executive director of the Company in July 1995 and a member of the Audit Committee of the Company in March 1999.

Mr. Cheng Shu Wing, aged 55, is a director of Worldvest Capital Limited. He holds a Bachelor of Business Administration degree from The Chinese University of Hong Kong and has more than 29 years'

experience in banking and securities industries in Hong Kong.

Mr. Wong Tze Kin, David, aged 42, is a director of CFL Anchor Limited. Mr. Wong holds a Bachelor of Science degree from the University of California at Berkeley. He is a member of the American Institute of Certified Public Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. He has approximately 20 years' experience in accounting, corporate finance, fund management and stockbroking.

獨立非執行董事

區樂耀先生,六十歲,於證券界積累廣泛經驗。彼為香港聯合交易所歷屆理事聯誼會有限公司及證券商協會有限公司董事,道亨證券有限公司顧問,以及一九九八年立法會選舉委員會金融服務界界別分組之選舉委員。彼亦為多間在聯交所上市之公眾公司之獨立非執行董事。此外,彼亦為香港中央結算有限公司前任副主席(一九九二年至一九九四年)及聯交所前任理事會成員(一九八八年至一九九四年)。於一九九五年七月獲委任為本公司之獨立非執行董事,並於一九九九年三月獲委任為本公司之審核委員會成員。

鄭樹榮先生,五十五歲,寶盛融資有限公司 董事,彼持有香港中文大學工商管理學士學 位。有逾二十九年香港銀行業及證券業經 驗。

黃自建先生,四十二歲,現為安格爾有限公司董事。黃先生持有加州大學栢克萊分校理學士學位,並為美國會計師協會會員及香港會計師公會之資深會員。黃先生於會計、企業融資、基金管理及證券經紀業務擁有約20年經驗。



Senior management

Mr. Chan Min, Samuel, aged 50, is a director of the Group's retail operation. He holds a Master's degree in business administration from the Northwestern University and The Hong Kong University of Science and Technology. He is a member of the British Computer Society. Prior to joining the Group in 1996, Mr. Chan had over 13 years' experience in retail operation and MIS management.

Mr. Chan Chi Hon, aged 43, joined the Group in 1997 and is the Group's financial controller and company secretary. Mr. Chan holds a Master's degree in commerce from The University of New South Wales, Australia, and is a fellow member of the Hong Kong Institute of Certified Public Accountants and is a certified practising accountant of the CPA Australia. He has more than 18 years' experience in auditing and accounting.

Mr. Chau Kuen Kai, aged 47, is a factory manager of the knitting operation of the Group. He joined the Group in 1979 and has more than 25 years' experience in the knitting industry.

Mr. Fung Wai Lun, Daniel, aged 48, is a director of the Group's retail operation. Before joining the Group in 1996, Mr. Fung had more than 20 years' experience in the retailing industry.

Mr. Hon Siu Kit, aged 45, is an associate director of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. He joined the Group in 1993 and has more than 27 years' experience in the textile industry.

高級管理人員

陳勉先生,五十歲,本集團零售業務之董事。彼持有美國西北大學及香港科技大學合作的工商管理碩士學位。彼為英國電腦學會會員。於一九九六年加入本集團前,陳先生曾從事零售業之業務及資訊科技管理超過十三年。

陳志漢先生,四十三歲,本集團財務總監兼 公司秘書。彼於一九九七年加入本集團。彼 持有澳洲新南威爾斯大學商科碩士學位,並 為香港會計師公會資深會員及澳洲會計師公 會會員,具有超過十八年的核數與會計經 驗。

周權佳先生,四十七歲,本集團針織業務工 廠經理。彼於一九七九年加入本集團,擁有 超過二十五年針織業經驗。

封偉倫先生,四十八歲,本集團零售業務董事。於一九九六年加入本集團之前,已具有超過二十年零售業經驗。

韓少傑先生,四十五歲,本集團從事針織布 銷售之附屬公司永佳染廠有限公司業務董 事。彼於一九九三年加入本集團,擁有超過 二十七年紡織業經驗。



Mr. Hung Cho Tak, Joe, aged 38, is a general manager of the Group's retail operation in Hong Kong. He joined the Group in 2000 and has more than 14 years' experience in the retailing industry. Mr. Hung has 10 years' experience in the East Asian countries, such as Singapore, South Korea, Taiwan and the People's Republic of China (the "PRC").

洪祖德先生,三十八歲,本集團零售業務香港區總經理。於二零零零年加入本集團,擁有超過十四年零售經驗。當中具有十年東南亞零售業務經驗,包括星加坡、南韓、台灣及中國大陸等。

Mr. Ling Man, aged 52, is a factory manager in charge of the yarn dyeing operation of the Group. He joined the Group in 1998 and has more than 29 years' experience in the dyeing and finishing industry.

凌文先生,五十二歲,本集團染紗業務部工 廠經理。於一九九八年加入本集團,擁有超 過二十九年整染業經驗。

Mr. Liu Wei Chao, aged 40, joined the Group in 1996 and is the chief financial officer of the Group's retail operation. He has more than 21 years' experience in accounting. Mr. Liu holds a Master's degree in business administration from the University of Western Sydney, Australia. He is a member of the Chinese Institute of Certified Public Accountants and CIA (Certified Internal Auditor).

劉偉超先生,四十歲,於一九九六年加入本集團,彼為集團零售業務財務總監,彼具有超過二十一年財務及會計經驗。彼持有澳洲西悉尼大學工商管理碩士學位,並為中國註冊會計師及國際內部審計師會員。

Mr. Su Geng Weng, aged 41, is a general manager of the Group's retail operation in Shanghai. He joined the Group in 1998 and has more than 16 years' experience in the retailing industry.

蘇耿文先生,四十一歲,本集團零售業務上 海區總經理。於一九九八年加入本集團及已 具有超過十六年零售經驗。

Mr. Ting Kit Hung, aged 53, is the director and chief executive of the Group's motor and generator services operation in the PRC. Mr. Ting is an associate member of the Institute of Motor Industry, the Chartered Institute of Transport and the British Institute of Management. He also holds a Master's degree in business administration from The University of East Asia, Macau. He joined the Group in 1995 and has more than 35 years' experience in the motor industry. He is the elder brother of Mr. Ting Kit Chung.

丁傑雄先生,五十三歲,本集團在中國汽車 及發電機維修部董事兼行政總裁。彼為英國 汽車工業學會、英國特許運輸學會及英國管 理學會會員,亦擁有澳門東亞大學工商管理 碩士學位。彼於一九九五年加入本集團,擁 有逾三十五年汽車維修業經驗。彼為丁傑忠 先生之胞兄。



Mr. Wong Tung Yiu, aged 50, is an associate director and the general manager of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. He joined the Group in 1994 and has more than 31 years' experience in the textile industry.

王東耀先生,五十歲,本集團從事針織布銷售之附屬公司永佳染廠有限公司業務董事兼總經理。彼於一九九四年加入本集團,擁有超過三十一年紡織業經驗。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2005, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

董事於股份及相關股份之權益及淡倉

於二零零五年三月三十一日,根據《證券及期貨條例》第352條而備存的登記冊,或根據《上市公司董事進行證券交易的標準守則》通知本公司及聯交所,各董事在本公司及其聯繫法團(定義見《證券及期貨條例》第XV部)的股本權益及淡倉如下:

於本公司好倉之普通股份:

		N	lumber of shares h	neld, capacity and	d	
			nature of	interest		
			持股數量、身份	及權益的種類		
		Directly,	Through	Through		Percentage of
		beneficially	spouse or	controlled		the Company's
		owned	minor children	corporations	Total	issued capital
						佔本公司
		直接、	藉配偶或	藉受控制		已發行
Name of director	董事姓名	實益擁有	未成年子女	公司	合計	股本百份率
Poon Bun Chak	潘彬澤	29,720,000	168,800,104*	505,200,000#	703,720,104	53.1
Poon Kai Chak	潘佳澤	7,802,800	_	_	7,802,800	0.6
Poon Kei Chak	潘機澤	21,477,200	_	_	21,477,200	1.6
Poon Kwan Chak	潘鈞澤	6,442,800	_	_	6,442,800	0.5
Ting Kit Chung	丁傑忠	1,600,000	_	_	1,600,000	0.1
		67,042,800	168,800,104	505,200,000	741,042,904	55.9

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- * 168,800,104 shares are owned by Farrow Star Limited, which is wholly owned by Perfection Inc. as a trustee for The Evergreen Trust, a discretionary trust, the beneficiaries of which include the family members of Mr. Poon Bun Chak. These shares are held through his spouse or minor children in accordance with the SFO.
- # 505,200,000 shares are owned by Giant Wizard Corporation in which Farrow Star Limited has an 87.51% equity interest. A 12.4% interest in Giant Wizard Corporation is owned by Messrs. Poon Bun Chak, Poon Kei Chak and Poon Kwan Chak.

The interests of the directors in the share options of the Company are separately disclosed in note 28 to the financial statements.

Save as disclosed above, as at 31 March 2005, none of the directors had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the share option scheme disclosures in note 28 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

- * 168,800,104股股份由 Farrow Star Limited 持有,而 Perfection Inc. 則以 The Evergreen Trust 之信托人身份完全擁有 Farrow Star Limited,該全權信託之受益人包括潘彬澤先生之家族成員。根據《證券及期貨條例》,該等股份屬於以配偶及未成年子女持有。
- # 505,200,000股股份由 Farrow Star Limited 擁有87.51%股本權益之 Giant Wizard Corporation 擁有。 Giant Wizard Corporation 之12.4%權益由潘彬澤先生、潘機澤先生及潘鈞澤先生擁有。

各董事所持有本公司之購股權權益已披露於 財務報表附註28。

除上文所述外,於二零零五年三月三十一日,董事概無於本公司或其任何聯繫法團之股份、相關股份中,擁有須遵照《證券及期貨條例》第352條予以記錄之權益或淡倉,或根據《上市公司董事進行證券交易的標準守則》須知會本公司及聯交所。

董事之購股權利

除於財務報表附註28所載的購股權計劃披露 以外,於年內任何時間,概無任何董事或彼 等各自的配偶或未成年子女獲授可藉購入本 公司的股份而獲益的權利,或彼等概無行使 此等權利;或本公司或其控股公司或其任何 附屬公司概無參與任何安排,致令董事可於 任何其他法人團體獲得此等權利。



SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2005, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東及其他人士於股份及相關股份權益

於二零零五年三月三十一日,以下股東擁有本公司已發行股本之5%或以上權益,已根據《證券及期貨條例》第336條規定記載於權益登記冊內:

			Percentage of
	Capacity and	Number of	the Company's
Name	nature of interest	ordinary shares held	issued share capital
			佔本公司
名稱	身份及權益種類	持有普通股數目	已發行股本百分率
State Street Corporation	Interests of controlled corporations 於受控制公司權益	66,797,821	5.0

Save as disclosed above, as at 31 March 2005, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上述披露外,於二零零五年三月三十一日,無任何人士(除本公司董事權益已詳述於「董事於股份及相關股份之權益及淡倉」) 根據《證券及期貨條例》第336條須登記其於 本公司股份或相關股份的權益。

CONTINUING CONNECTED TRANSACTIONS

The independent non-executive directors of the Company have reviewed the continuing connected transactions of the Group and have confirmed that these transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

持續關連交易

本公司獨立非執行董事已審閱本集團之持續 關連交易,並確認該等交易按以下進行:

(i) 該等交易屬本集團的日常業務;

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- (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

During the year, a shareholder loan was granted to the Group by a substantial shareholder and also a director of the Company. Details of the shareholder loan are set out in note 24 and 34(c) to the financial statements.

- (ii) 按照一般商業條款進行,或對本集團而 言,該等交易的條款不遜於獨立第三者 可取得或提供的條款;及
- (iii) 該等交易是根據有關交易的協議條款進 行,而交易條款公平合理,並且符合本 公司股東的整體利益。

於年內,本公司之主要股東兼董事借出股東 賃款予本集團。股東貸款明細載於財務報表 附註24及34(c)。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

公眾持股量之符合

按本公司獲得之公眾資料及董事會之理解, 於本報告日,公眾已持有本公司不少於合計 已發行股本之25%。

AUDIT COMMITTEE

The Company has established an audit committee (the "Committee") in compliance with Rule 3.21 of the Listing Rules. The Committee comprises the three independent non-executive directors of the Company, Messrs. Au Son Yiu, Cheng Shu Wing and Wong Tze Kin, David.

The terms of reference and duties have been laid down as guidelines for the Committee. The principal duties of the Committee include the review and supervision of the financial reporting process and internal controls of the Group. During the year, the Committee held two meetings to review the internal

審核委員會

本公司已按《證券上市規則》第3.21條,成立 一審核委員會(「委員會」),委員會包括本公 司之三位獨立非執行董事,分別為區燊耀先 生、鄭樹榮先生及黃自建先生。

委員會備有明確之條文及職責細則作指引。 委員會之主要職責包括審核及監察本集團之 財務報告及內部監控制度。於本年度內,委 員會已進行過兩次會議,檢討集團之內部監 控制度及財務報告事宜,並向董事會提出意



controls and financial reporting matters and provide recommendations to the board of directors. For this fiscal year, the Committee has reviewed and discussed with the management the audited financial statements of the Group.

見。關於本年度,審核委員會已與管理層審 閱及討論已審核的集團財務報表。

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules of the Stock Exchange, throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms as required by the Code of Best Practice, but subject to retirement and re-election at the forthcoming Annual General Meeting in accordance with the Company's Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the annual report.

AUDITORS

Ernst & Young retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

Poon Bun Chak

Chairman

Hong Kong, 19 July 2005

最佳應用守則

董事會認為,本公司於本年報所述之會計期間均遵守根據聯交所《證券上市規則》附錄十四指引所載之《最佳應用守則》,惟本公司非執行董事之委任並無按《最佳應用守則》有特定任期,而須根據本公司之組織細則於即將舉行之股東週年大會上退任及膺選連任。

上市公司董事進行證券交易的標準守則

本公司已採納《證券上市規則》之《上市公司董 事進行證券交易的標準守則》,作為本公司董 事進行本公司證券交易之守則。按本公司向 各董事之查詢,各董事已於本年報所述之會 計期間均遵守《上市公司董事進行證券交易的 標準守則》之規定。

核數師

安永會計師事務所任滿告退,惟本公司將於 應屆股東週年大會上提呈續聘該核數師之決 議案。

承董事會命

主席

潘彬澤

香港,二零零五年七月十九日





To the members

Texwinca Holdings Limited

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 32 to 112 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

致德永佳集團有限公司

(在百慕達註冊成立之有限公司)

列位股東

本核數師已根據香港審核標準,審核列載於 本年報第32頁至112頁之財務報表。

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

董事及核數師之責任

貴公司董事須負責編製真實及公平之財務報表。在編製該等財務報表時,董事必須選擇並貫徹採用合適之會計政策。本核數師之責任乃根據本核數師審核工作之結果,對該等財務報表作出獨立意見,並按照百慕達1981年《公司法》第90條的規定,僅向整體股東作出報告。除此以外,本報告不可用作其他用途。本核數師不會就本報告之內容,對任何其他人士負上或承擔任何責任。



BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2005 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong, 19 July 2005

意見基礎

本核數師乃根據香港會計師公會頒佈之審核 準則進行審核。審核包括以抽查方式,審查 財務報表所載數額及披露之有關證據,亦包 括評估董事於編製財務報表期間提供之重要 估計及判斷、所採用之會計政策是否適合 貴公司及 貴集團之狀況,是否貫徹使用及 詳盡披露。

本核數師在策劃及進行審核工作時,務求取得一切認為需要之資料及解釋,作為充份之證據,以合理地保證財務報表內並無重大之錯誤陳述。本核數師在作出意見時,亦評估財務報表內所載資料整體上是否足夠。本核數師相信審核工作已為本核數師之意見提供合理基礎。

意見

依本核數師意見,上述財務報表足以真實及公平地顯示 貴公司及 貴集團於二零零五年三月三十一日之財務狀況及 貴集團截至該日止年度內之溢利及現金流量,並根據香港公司條例有關資料披露之規定適當地編製。

執業會計師

安永會計師事務所

香港,二零零五年七月十九日



截至二零零五年三月三十一日止年度 Year ended 31 March 2005

			2005	2004
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
TURNOVER	營業額	5	7,302,697	6,216,465
Cost of sales	銷售成本		(5,123,037)	(4,399,736
Gross profit	毛利		2,179,660	1,816,729
Other revenue and gains	其他收入及收益	5	86,954	53,215
Selling and distribution costs	銷售及分銷費用		(1,293,833)	(995,079
Administrative expenses	行政費用		(445,086)	(367,862
Other operating expenses, net	其他營運費用,淨額		(2,514)	(8,737
PROFIT FROM OPERATING	經常業務溢利			
ACTIVITIES		6	525,181	498,266
Share of profit of an associate	應佔聯營公司溢利		40,276	33,344
Finance costs	財務費用	8	(10,224)	(4,086
PROFIT BEFORE TAX	除稅前溢利		555,233	527,524
Tax	税項	9	(65,116)	(57,888
PROFIT BEFORE	未計少數股東			
MINORITY INTERESTS	權益前溢利		490,117	469,636
Minority interests	少數股東權益		(21,886)	(47,666
NET PROFIT FROM ORDINARY	股東應佔經常業務			
ACTIVITIES ATTRIBUTABLE	溢利淨額			
TO SHAREHOLDERS		10	468,231	421,970
DIVIDENDS	股息	11		
Interim	中期		132,598	105,996
Proposed final	擬派末期		145,881	159,047
			278,479	265,043
EARNINGS PER SHARE (HK cents)	毎股盈利(港幣仙)	12		
Basic	基本		35.3	31.9
Diluted	攤薄後		35.0	31.7



二零零五年三月三十一日 31 March 2005

			2005	2004
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	13	1,922,988	1,370,124
Investment properties	投資物業	14	52,850	41,920
Construction in progress	在建工程	15	19,589	185,064
Trademarks	商標	16	33,119	35,995
Interest in an associate	於聯營公司之權益	17	139,548	133,275
Long term rental deposits	長期租金按金		115,323	72,826
Long term time deposit	長期定期存款	21	15,600	_
			2,299,017	1,839,204
CURRENT ASSETS				
Inventories	存貨	19	1,055,106	1,041,678
Trade and bills receivable	應收賬款及應收票據	20	424,015	534,834
Prepayments, deposits and	預付款項、訂金及			
other receivables	其他應收賬款		358,835	341,211
Cash and cash equivalents	現金及現金等價物	21	681,590	633,758
			2,519,546	2,551,481
CURRENT LIABILITIES	流動負債			
Due to an associate	應付聯營公司	18	55,536	94,334
Trade and bills payable	應付賬款及應付票據	22	875,323	758,328
Other payables and accrued liabilities	其他應付及應計負債		207,125	188,409
Tax payable	應付税項		116,574	79,719
Interest-bearing bank borrowings	附息銀行貸款	23	418,684	213,029
Short term shareholder loan	短期股東貸款	24	_	100,000
			1,673,242	1,433,819
NET CURRENT ASSETS	 流動資產淨額		846,304	1 117 662



二零零五年三月三十一日 31 March 2005

			2005	2004
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
TOTAL ASSETS LESS	總資產減流動負債			
CURRENT LIABILITIES			3,145,321	2,956,866
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	附息銀行貸款	23	135,278	154,483
Long term shareholder loan	長期股東貸款	24	266,376	260,205
Provision for long service payments	長期服務金撥備	25	8,111	7,954
Deferred tax	遞延税項	26	1,173	3,000
			410,938	425,642
MINORITY INTERESTS	少數股東權益		103,498	82,766
			2,630,885	2,448,458
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	27	66,305	66,239
Reserves	儲備	29(a)	2,418,699	2,223,172
Proposed final dividend	擬派末期股息	11	145,881	159,047
			2,630,885	2,448,458

Poon Bun Chak	Ting Kit Chung	董事	董事
Director	Director	潘彬澤	丁傑忠



截至二零零五年三月三十一日止年度 Year ended 31 March 2005

		Issued capital 已發行股本	capital account* 股本 發行股本 溢價賬* HK\$'000 HK\$'000	redemption reserve* 股本贖回	on Contributed a* surplus* (note 29(a)) a i* 實驗盈餘* (附註29(a)) HK\$*000	* acquisition*)) (note 29(a)) 收購產生之 * 商譽*) (附註29(a)) 0 HK\$'000	fluctuation reserve* 外匯變動 储備*	revaluation reserve* 投資物業 重估儲備*	Asset revaluation reserve* 資產 重估儲備* HK\$'000	Retained profits* 保留溢利* HK\$'000	Proposed final dividend 擬派末期股息	* Total
				HK\$'000								
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2003	於二零零三年 四月一日	66,208	333,628	1,587	3,986	(110,603)	(12,317	8,960	7,840	1,830,985	185,437	2,315,711
Foreign exchange adjustments	外匯調整	_	_	_	_	_	(921) _	_	_	_	(921
							(/21					
Net losses not recognised in the profit and loss account	未於損益表確認 之淨虧損	_	_	_	_	_	(921) –	_	_	_	(921
							(/2:					
Final 2003 dividend declared Exercise of share options	二零零三年已宣派 末期股息 行使購股權	_	_	_	_	_	_	_	-	_	(185,437)	(185,437
(note 27)	(附註27)	31	3,100	_	_	_	_	_	_	_	_	3,131
Net profit for the year Interim 2004 dividend	年內溢利淨額 二零零四年中期股息	-	-	-	-	-	-	-	-	421,970	-	421,970
(note 11)	(附註11)	_	_	_	_	_	_	_	_	(105,996)	_	(105,996
Proposed final 2004 dividend (note 11)	二零零四年擬派末期 股息 (附註11)	_	_	_	_	_	_	_	_	(159,047)	159,047	_
At 31 March 2004 and 1 April 2004	於二零零四年 三月三十一日及 二零零四年	// 270	77/ 700	1 507	7.007	(440 (07)	(47.270	0.070	7.040	1 007 012	450.047	2 440 450
Foreign exchange adjustments	四月一日 外匯調整	66,239	336,728	1,587	3,986	(110,603)	(13,238		7,840	1,987,912	159,047	2,448,458
Net losses not recognised	未於損益表確認											
in the profit and loss account	之淨虧損	_	_	_	_	_	(769) —	_	_	_	(769
Final 2004 dividend	二零零四年已宣派											
declared Transfer of fixed assets to investment	末期股息 固定資產轉撥投資 物業 (附註13)	_	-	-	-	_	-	-	_	_	(159,047)	(159,047)
properties (note 13) Exercise of share options	行使購股權	-	-	-	-	-	-	1,816	(1,816)	-	-	-
(note 27)	(附註27)	66	6,544	_	_	_	_	_	_	_	_	6,610
Net profit for the year Interim 2005 dividend	年內溢利淨額 二零零五年中期股息	-	-	-	-	-	-	-	-	468,231	-	468,231
(note 11) Proposed final 2005 dividend (note 11)	(附註11) 二零零五年擬派末期 股息(附註11)	_	_	_	_	_	_	_	_	(132,598)	145,881	(132,598
At 31 March 2005	於二零零五年									()		
	三月三十一日	66,305	343,272	1,587	3,986	(110,603)	(14,007) 10,776	6,024	2,177,664	145,881	2,630,885



截至二零零五年三月三十一日止年度 Year ended 31 March 2005

		Issued	Share premium	Capital redemption	Contributed	Goodwill on	Exchange fluctuation	property revaluation	Asset revaluation	Retained	Proposed final	
		capital	account*	reserve*	surplus*	acquisition*	reserve*	reserve*	reserve*	profits*	dividend	Total
					(note 29(a))	(note 29(a))						
			股本	股本贖回		收購產生之	外匯變動	投資物業	資產		擬派	
		已發行股本	溢價賬*	储備*	實繳盈餘* (附註29(a))	商譽* (附註29(a))	儲備*	重估儲備*	重估儲備*	保留溢利*	末期股息	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Represented by:	源自:											
Company and subsidiaries	本公司及附屬公司	66,305	343,272	1,587	3,986	(110,603)	(14,007	10,776	6,024	2,077,468	145,881	2,530,689
Associate	聯營公司	-	_	_	_	-	_	_	-	100,196	-	100,196
At 31 March 2005	於二零零五年											
	三月三十一日	66,305	343,272	1,587	3,986	(110,603)	(14,007	10,776	6,024	2,177,664	145,881	2,630,885
Represented by:	源自:											
Company and subsidiaries	本公司及附屬公司	66,239	336,728	1,587	3,986	(110,603)	(13,238	8,960	7,840	1,893,989	159,047	2,354,535
Associate	聯營公司	_	_	-	-	-	-	-	-	93,923	-	93,923
At 31 March 2004	於二零零四年											
	三月三十一日	66,239	336,728	1,587	3,986	(110,603)	(13,238)	8,960	7,840	1,987,912	159,047	2,448,458

These reserve accounts comprise the consolidated reserves of * HK\$2,418,699,000 (2004: HK\$2,223,172,000) in the consolidated balance sheet.

此等儲備賬項包含列於綜合資產負債表內之綜 合儲備港幣2,418,699,000元(二零零四年:港 幣2,223,172,000元)。



截至二零零五年三月三十一日止年度 Year ended 31 March 2005

		Notes 附註	2005 HK\$′000 港幣千元	2004 <i>HK\$'000</i> 港幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營所得現金流量			
Profit before tax	除税前溢利		555,233	527,524
Adjustments for:	調整:			
Finance costs	財務費用	8	10,224	4,086
Share of profit of an associate	應佔聯營公司溢利		(40,276)	(33,344
Interest income	利息收入	5	(13,541)	(4,247
Net realised and unrealised gains on	已兑現及未兑現之遠期			
foreign exchange forward contracts	外滙合約收益淨額	5	(26,936)	(14,152
Depreciation	折舊	6	232,663	177,309
Amortisation of trademarks	商標攤銷	6	2,926	2,923
Loss on disposal of fixed assets	出售固定資產虧損	6	3,610	5,373
Provision/(write-back of provision)	呆滯存貨撥備/(回撥)			
for slow-moving inventories		6	(12,375)	40,154
Provision for doubtful debts	呆壞賬撥備	6	5,763	6,974
Write-back of provision for	撥回應退			
value-added tax recoverable, net	增值税撥備,淨額	6	(981)	(36,369
Surplus on revaluation of	投資物業			
investment properties	重估盈餘	6	(6,881)	(3,613
Operating profit before working	營運資金變動前			
capital changes	經營溢利		709,429	672,618
Increase in inventories	存貨增加		(1,053)	(228,340
Decrease/(increase) in trade	應收賬款及應收			
and bills receivable	票據減少/(增加)		105,056	(159,978
Increase in prepayments, deposits	預付款項、訂金及其他			
and other receivables	應收賬款增加		(10,884)	(46,355
Increase/(decrease) in an amount	應付聯營公司增加/(減少)			
due to an associate			(38,798)	25,699
Increase in trade and bills payable	應付賬款及應付票據增加		116,995	77,691
Increase in other payables and	其他應付及應計			
accrued liabilities	負債增加		18,716	35,023
Increase in provision for	長期服務金			
long service payments	撥備增加		157	3,013
Cash generated from operations	經營所得現金流入		899,618	379,371
Profits taxes paid	已付所得税		(26,085)	(27,236
Net cash inflow from operating activities	經營所得現金流入淨額		873,533	352,135



截至二零零五年三月三十一日止年度 Year ended 31 March 2005

		Notes 附註	2005 HK\$′000 港幣千元	2004 HK\$′000 港幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量			
Interest received	已收利息		13,541	4,247
Net realised gains on foreign	已兑現遠期外滙		13,341	7,277
exchange forward contracts	合約收益淨額		21,177	3,518
Dividends received from an associate	已收聯營公司股息		30,000	34,000
Purchases of fixed assets	購置固定資產	13	(474,697)	(419,900
Additions to construction in progress	在建工程支出	15 15	(149,921)	(201,277
Additions to trademarks	商標支出	16	(50)	(104
Proceeds from disposal of fixed assets	出售固定資產收入	10	5,632	5,035
·	長期租約按金增加		(42,497)	(5,758
Increase in long term rental deposits				(5,756
Increase in long term time deposit	長期定期存款增加		(15,600)	_
Increase in non-pledged short term time	無抵押三個月以上到			
deposits with original maturity longer	期短期定期存款		(04.070)	
than three months when acquired	增加 ————————————————————————————————————		(21,060)	
Net cash outflow from investing activities	投資活動現金流出淨額		(633,475)	(580,239)
CASH FLOWS FROM	融資活動現金流量			
FINANCING ACTIVITIES	/- /+ n# nn l#c //			
Issue of new shares on	行使購股權所			
exercise of share options	發行新股	27	6,610	3,131
New bank loans	新銀行貸款		406,187	1,154,689
Repayment of bank loans	償還銀行貸款		(219,334)	(827,125
New shareholder loan	新股東貸款		_	486,375
Repayment of shareholder loan	償還股東貸款		(93,829)	(126,170
Interest paid	已付利息		(10,224)	(4,086
Dividends paid	已付股息		(291,645)	(291,433
Dividends paid to minority interests	已付股息予少數股東權益		_	(16,100
Net cash inflow/(outflow)	融資活動之現金流入/			
from financing activities	(流出)淨額		(202,235)	379,281
NET INCREASE IN CASH AND	現金及現金等價物之			
CASH EQUIVALENTS	增加淨額		37,823	151,177
Cash and cash equivalents	年初之現金及			
at beginning of year	現金等價物		633,355	484,414
Foreign exchange adjustments	外滙調整		(10,648)	(2,236
CASH AND CASH EQUIVALENTS	於年結日之現金及			
AT END OF YEAR	現金等價物		660,530	633,355
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析			
Cash and bank balances	現金及銀行結存	21	193,459	176,563
Non-pledged short term time deposits	三個月內到期之		•	,
with original maturity within three	無抵押短期定期存款			
months when acquired	200 2 1 7 1 7 1 7 1 1 1 3 W		467,071	457,195
Less: Bank overdrafts	減:銀行透支	23	_	(403)
	,,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			(130)
			660,530	633,355

			2005	2004
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
NON-CURRENT ASSETS	非流動資產			
Interests in subsidiaries	於附屬公司之權益	30	839,366	831,613
CURRENT ASSETS	流動資產			
Prepayments and other receivables	預付款及其他應收賬款		202	286
Dividends receivable	應收股息		147,000	160,000
Cash and cash equivalents	現金及現金等價物	21	92	77
				160,363
CURRENT LIABILITIES	 流動負債			
Accrued liabilities	應計負債		1,002	669
NET CURRENT ASSETS	流動資產淨額		146,292	159,694
			985,658	991,307
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	27	66,305	66,239
Reserves	儲備	29(b)	773,472	766,021
Proposed final dividend	擬派末期股息	11	145,881	159,047
			985,658	991,307

Poon Bun Chak	Ting Kit Chung	董事	董事
Director	Director	潘彬澤	丁傑忠

1. CORPORATE INFORMATION

The registered office of Texwinca Holdings Limited is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of Texwinca Holdings Limited is located at 16th Floor, Metroplaza II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong.

During the year, the Group was involved in the following principal activities:

- Production, dyeing and sale of knitted fabric
- Production, dyeing and sale of yarn
- Retailing and distribution of casual apparel and accessory
- Provision of franchise services
- Provision of repair and maintenance services for motors and generators, and trading of generators

In the opinion of the directors, the ultimate holding company is Farrow Star Limited, which is incorporated in the British Virgin Islands.

1. 公司資料

德永佳集團有限公司註冊辦事處為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。德永佳集 團有限公司主要營業地址為香港新界葵 涌興芳路223號新都會廣場第二座十六 樓。

於本年度,集團主要經營以下業務:

- 針織布之產銷及整染
- 棉紗之產銷及整染
- 便服及飾物之零售及分銷
- 特許經營服務
- 汽車及發電機之維修保養及發電機銷售

按董事之意見,最終控股公司為於英屬 處女群島成立之 Farrow Star Limited。



2. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Hong Kong Institute of Certified Public Accountants has issued a number of new Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 March 2005. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also included Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the remeasurement of certain fixed assets and investment properties, as further explained below.

2. 新近頒佈之香港財務報告準則(「財 務報告準則」)之影響

香港會計師公會已頒佈多項香港財務報 告準則及香港會計準則(統稱「新香港財 務報告準則」),並普遍於二零零五年一 月一日或以後開始之會計期間生效。本 集團並無於截至二零零五年三月三十一 日止年度之財務報表提早採納新香港財 務報告準則。本集團已開始評估該等新 香港財務報告準則之影響,惟尚未能就 該等新香港財務報告準則會否對本集團 營運業績及財務狀況造成重大影響而作 出定論。

3. 主要會計政策摘要

編製基準

本財務報表乃根據香港會計師公會頒佈 之香港財務報告準則(亦包括會計實務 準則及詮釋)、香港普遍採納之會計原 則及香港公司條例有關資料披露之規定 編製。除部份固定資產及投資物業重新 釐定價值外,賬目乃按原始成本法編 製,有關詳細資料載於下文。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2005. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

3. 主要會計政策摘要(續)

綜合基準

綜合財務報表包括本公司及各附屬公司 截至二零零五年三月三十一日止年度之 財務報表。於本年度內收購或出售之附 屬公司之業績分別由其實際收購日期起 或截至出售日期止綜合計算。所有本集 團內部重大交易及結餘均於綜合時對 銷。

少數股東權益即外界股東佔本公司附屬公司業績及資產淨值之權益。

附屬公司

附屬公司乃本公司直接或間接地控制其 財務及營運政策,藉以從其業務得益之 公司。

附屬公司業績計入本公司損益賬,以已 收及應收股息為限。本公司於附屬公司 權益按原值入賬, 撇減任何減值損失。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Associates

An associate is a company, not being a subsidiary, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interest in an associate is stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment loss.

Goodwill

Goodwill arising on the acquisition of a subsidiary and an associate represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of 20 years. In the case of an associate, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

3. 主要會計政策摘要(續)

聯營公司

聯營公司乃附屬公司以外,本集團長期 持有其實質擁有投票權不少於20%及本 集團之地位足以對其發揮相當影響力之 公司。

本集團應佔聯營公司收購日後之業績及 儲備,已分別列入綜合損益表及綜合儲 備內,而本集團於聯營公司權益則按本 集團應佔之資產淨值按權益法計算減去 任何減值損失,列入綜合資產負債表 內。

商譽

收購附屬公司及聯營公司所產生之商譽 指收購成本超逾本集團所佔於收購日期 所收購之可識別資產與負債之公平價值 之數。

收購所產生之商譽乃於綜合資產負債表中以資產確認,並按其估計可用20年年期作直線攤銷。如屬聯營公司,任何未經攤銷之商譽乃包括在其賬面金額之內,而非在綜合資產負債表中作獨立識別資產。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

Prior to the adoption of Statement of Standard Accounting Practice ("SSAP") 30, "Business combinations" in 2001, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of a subsidiary or an associate, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

3. 主要會計政策摘要(續)

商譽(續)

於二零零一年採納會計實務準則(「會計準則」)第三十條「企業合併」前,因收購所產生之商譽乃於收購年度與綜合儲備撇銷。於採納會計準則第三十條後,本集團引用會計準則第三十條之過渡性條款,允許該等商譽仍可繼續與綜合儲備撇銷。於採納有關會計準則後,因收購而產生之商譽,則按照會計準則第三十條商譽會計政策處理。

出售附屬公司或聯營公司時,出售產生 之損益乃參照出售當日資產淨值計算, 包括仍未攤銷商譽及任何有關儲備(如 適用)之應佔金額。凡先前於收購當時 於綜合儲備撇銷之任何應佔商譽乃予撥 回並列入出售損益之計算當中。

lexwinca holdings limited



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

Negative goodwill

Negative goodwill arising on the acquisition of a subsidiary and an associate represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

3. 主要會計政策摘要(續)

商譽(續)

商譽之賬面值,包括維持在綜合儲備撇 銷之商譽,乃作每年審閱,並會視乎情 況需要作減值撇減。先前已確認之商譽 減值虧損不予撥回,除非有關減值虧損 乃因性質特殊且預期不會再度發生之特 定外界事件所引致,而其後發生之外界 事件亦扭轉該事件之影響。

負商譽

收購附屬公司及聯營公司所產生負商譽 指本集團所佔於收購日期所收購之可識 別資產與負債之公平價值超逾收購成本 之數。

倘若負商譽乃與本集團收購計劃中已識 別及能可靠衡量之預期未來虧損及開支 有關,惟並非指截至收購日期之可識別 負債,該部份之負商譽乃於確認未來虧 損及開支時於綜合損益賬確認為收入。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Negative goodwill (continued)

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In the case of an associate, any negative goodwill not yet recognised in the consolidated profit and loss account is included in the carrying amount thereof, rather than as a separately identified item on the consolidated balance sheet.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, negative goodwill arising on acquisitions was credited to the consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such negative goodwill to remain credited to the consolidated reserves. Negative goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 negative goodwill accounting policy above.

3. 主要會計政策摘要(續)

負商譽(續)

負商譽並非與截至收購日期之可識別預期未來虧損及開支有關,乃於可識別之已購入須作出折舊/攤銷之資產之餘下平均使用年期內,有系統地於綜合損益賬確認入賬。凡超逾所購入之非貨幣資產之公平價值之負商譽乃即時確認為收入。

收購聯營公司所產生並未於綜合損益賬 確認入賬之負商譽,乃計入該聯營公司 之賬面值中,而非在綜合資產負債表中 獨立呈列為一識別項目。

於二零零一年採納會計準則第三十條「企業合併」前,因收購所產生之負商譽乃計入收購年度之綜合儲備。於採納會計準則第三十條後,本集團應用會計準則之過渡性條款,允許該等負商譽仍可繼續維持計入綜合儲備。於採納該會計準則後,因收購所產生之負商譽,則按照會計準則第三十條負商譽會計政策處理。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Negative goodwill (continued)

On disposal of a subsidiary or an associate, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use and its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. 主要會計政策摘要(續)

負商譽(續)

出售附屬公司或聯營公司時,出售損益 乃參照出售當日資產淨值計算,包括仍 未於綜合損益賬確認之負商譽及任何有 關儲備(如適用)之應佔金額。任何過往 於收購時計入綜合儲備之應佔負商譽均 予撥回及於計算出售盈虧時包括在內。

資產減值

於各結算日進行評估,以決定是否有任何顯示任何資產出現減值,或有任何顯示往年度已確認之減值虧損不再存在或已減少。倘有任何該等顯示存在,該資產之可收回值須予以評估。資產之可收回值定為資產之使用價值與銷售淨值之較高者。

減值虧損僅於資產賬面值超出其可收回 值時予以確認。減值虧損於其產生之期 間在損益賬內扣除,惟當該資產以重估 值為其賬面值時,減值虧損則按重估資 產之有關會計政策入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment of assets (continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Fixed assets and depreciation

Fixed assets, other than investment properties and construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

3. 主要會計政策摘要(續)

資產減值(續)

僅於資產之估計可收回值出現變動時, 過往已確認之減值虧損方予以撥回,然 而,撥回金額則不得超過若往年度該資 產並無已確認之減值虧損而釐定之賬面 值(扣除任何折舊/攤銷)。撥回之減值 虧損於其產生之期間計入損益賬內,惟 當該資產以重估值為其賬面值時,減值 虧損則按重估資產之有關會計政策入 賬。

固定資產及折舊



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasehold land

Yacht

Fixed assets and depreciation (continued)

Changes in the values of fixed assets, other than investment properties, are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve in respect of previous valuations is realised and transferred to retained profits as a movement in reserves.

Depreciation is calculated on a straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Over the remaining lease terms

Buildings 25 years or over the lease
terms, whichever is shorter

Leasehold improvements Over the remaining lease terms

Plant and machinery 10–20 years

Furniture, fixtures and
office equipment 5 years

Motor vehicles 5 years

5 years

3. 主要會計政策摘要(續)

固定資產及折舊(續)

除投資物業外,固定資產價值之變動計 入資產重估儲備。如儲備總額不足以抵 銷減值,(按個別資產為基準),則差額 會於損益賬內扣除,之後任何估值溢價 也直接反映於損益表中,直至完全抵銷 以往反映於損益表的不足額為止。於出 售已重估之資產時,過往估值列入資產 重估儲備賬內之相關部份須變現及轉至 保留溢利作儲備變動。

折舊之計算方法乃按個別資產之估計可 使用年期以直線法撇銷其原值或估值。 就此目的而估計之可使用年期如下:

5年

遊艇

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Fixed assets and depreciation (continued)

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

3. 主要會計政策摘要(續)

固定資產及折舊(續)

於損益表中入賬關於固定資產在出售或 棄用時之收益或虧損,乃出售所得款項 淨額與有關資產結存值之差額。

在建工程

在建工程指興建中之樓宇,其乃按成本 值減任何減值虧損列賬,且不予折舊。 成本為直接建築成本。當在建工程完工 及可預備使用會重新分類至適當之固定 資產類別。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held on a long term basis for their investment potential, any rental income being negotiated at arm's length. Such properties are not depreciated and are stated at their open market values on the basis of annual professional valuations performed at the end of each financial year. Changes in the values of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged.

On disposal of an investment property, the relevant portion of the investment property revaluation reserve in respect of previous valuations is realised and released to the profit and loss account.

Trademarks

Trademarks are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on a straight-line basis to write off the cost of each trademark over its estimated useful life of 20 years.

3. 主要會計政策摘要(續)

投資物業

投資物業乃已完成建築及發展工程並擬 長期持有作投資用途之土地及樓宇權 益,任何租金收入乃按市場價格釐定。 此等物業不予折舊,並於每年年結按專 業估值基準以其公開市值入賬。投資物 業價值之變動將計入投資物業重估儲 備。如儲備總額不足以抵銷減值,則差 額會於損益賬內扣除,之後任何估值溢 價也直接反映於損益表中,直至完全抵 償以往反映於損益表的不足額為止。

投資物業於出售時,過往估值列入投資物業重估儲備賬內之相關部份須變現及 列入損益賬內計算。

商標

商標乃按成本值減累積攤銷及任何減值 虧損列賬。攤銷以直線法進行,按估計 可使用年期20年撇銷每項商標成本。 **lexwinca** holdings limited

二零零五年三月三十一日 31 March 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 3.

(continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Inventories

Inventories are stated at the lower of cost and net realisable value. For fabric and yarn, cost is determined on a weighted average basis and, for work in progress and finished goods, cost comprises direct materials, direct labour and an appropriate proportion of overheads. For casual apparel and accessory, cost is determined on a weighted average basis and includes all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less further costs expected to be incurred to completion and disposal or to make the sale.

主要會計政策摘要(續) 3.

經營租賃

凡出租人實際上仍保留資產擁有權之絕 大部分收益及風險之租賃,均以經營租 賃入賬。倘本集團為出租人,本集團按 經營租賃之資產列作非流動資產及該等 經營租賃之應收租金乃按租賃年期,以 直線法計入損益賬。倘本集團為承和 人,則按經營租賃應付之租金按租賃年 期以直線法在損益賬中扣除。

存貨

貨物乃按原值或可變現淨值兩者之較低 者入賬。布和紗方面,成本乃按加權平 均法計算。半成品與成品之成本包括直 接材料、直接工資及適當比例之間接費 用。另外有關便服及飾物之成本則以加 權平均法計算,並包括所有購進費用及 其他將貨物送達至目前地點及保持狀況 之成本。可變現淨值乃根據預算銷售價 減去於完成及出售所需之成本計算。

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 3.

(continued)

Trade receivables

Trade receivables are recognised and carried at original invoice amount less allowances for any amounts deemed uncollectible by the directors. A provision for doubtful debts is estimated when the collection of any of the receivables are deemed to be no longer probable. Bad debts and provision for doubtful debts are charged to the profit and loss account as incurred.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised, in the same or a different period, directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

Deferred tax liabilities are provided in full on all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

主要會計政策摘要(續) 3.

應收賬款

應收賬款入賬乃按發票原本金額減去董 事認為不能收回之數作準備。呆賬撥備 乃按估計之不可能收回金額作全數撥 備,並按有關壞賬及呆賬產生時間反影 於損益賬中。

所得稅

所得税包括即期及遞延税項。所得税乃 於損益表確認,而有關在同一或不同時 期直接於股本權益確認之項目,則於股 本權益確認入賬。

就於結算日資產及負債之稅基與彼等就 財務申報而言之賬面值間之所有暫時性 差額,乃以負債法提撥遞延税項準備。 於結算日已實施或即將實施之稅率用作 釐定遞延税項。

遞延税項負債乃就所有應課税暫時性差 額確認入賬,而遞延税項資產的確認只 限於未來有可能產生應課税利潤以抵銷 的暫時性差異。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Income tax (continued)

A deferred tax asset is also recognised for the carryforward of unused tax losses, to the extent that it is probable that future taxable profit will be available against which the carryforward of the unused tax losses can be utilised.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use and are due to mature within one year.

3. 主要會計政策摘要(續)

所得稅(續)

遞延税項資產同時乃就未動用税項虧損 確認入賬,但只限於未來有可能產生之 應課税利潤可抵銷未動用税項虧損。

現金及現金等價物

就綜合現金流量表而言,現金及現金等 價物包括手持現金及活期存款,以及可 隨時轉換為可知數額現金而價值變動風 險不大,且一般於購入後三個月內到期 之短期高流通性投資,減除須應銀行要 求償還及構成本集團現金管理整體的一 部份之透支。

就資產負債表而言,現金及現金等價物 包括手持及存於銀行之現金,包括並無 限制用途及於一年內到期之定期存款。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, when the services have been provided;
- (c) rental income, in accordance with the terms of the rental agreements;
- (d) franchise income, on a time proportion basis, over the franchise periods;
- (e) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (f) dividend income, when the shareholders' rights to receive payment has been established.

3. 主要會計政策摘要(續)

收益確認

倘本集團可能獲得經濟利益及當收益可 按下列基準作可靠計算時,則收益確認 入賬:

- (a) 如銷售貨品,則當擁有權之重大 風險及收益已轉移至買方,並且 本集團並不對所出售貨品保持與 擁有權有關之管理參與,亦無實 際控制該等貨品;
- (b) 如提供服務,則當已提供該等服務時;
- (c) 租金收入,按照租約之條款;
- (d) 特許經營收入,於特許經營期, 按時間比例;
- (e) 利息收入,以本金及應計利率按 時間比例計算;及
- (f) 股息收入,則當確定股東收取款項之權利時。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's Bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances and with approval from the management, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. No accrual has been made for unpaid leave as at 31 March 2005 as there was no material approved untaken leave carried forward at the balance sheet date.

3. 主要會計政策摘要(續)

股息

董事建議派付之末期股息於資產負債表 之資本及儲備項下重新分類,列作保留 溢利之獨立分配,直至股東於股東大會 批准派付該等股息。倘該等股息獲股東 批准,並予以宣派,則確認為負債入 賬。

中期股息由本公司同時建議及宣派,因 本公司組織細則授權董事有宣派中期股 息之權利。故此,中期股息於建議及宣 派時隨即確認為負債。

僱員福利

有薪假期結轉

本集團根據僱傭合約按曆年基準給予其僱員有薪年假。在若干情況及管理層批准下,於結算日未支取之年假准予結轉,留待有關僱員於來年享用。於二零零五年三月三十一日,由於並無重大已批準的未支取年假須結轉,因此並無就有關年假計提撥備。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits (continued)

Employment Ordinance long service payments

The Group's Hong Kong employees who have completed the required number of years of service to the Group are eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employments. The Group is liable to make such payments in the event that such a termination of employments meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

A further contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Employment Ordinance if their employments are terminated in the circumstances specified. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

3. 主要會計政策摘要(續)

僱員福利(續)

僱傭條例長期服務金

本集團香港僱員於完成若干服務年期 後,可依據香港僱傭條例在終止僱用 時,取得長期服務金。當終止僱用的情 形符合僱傭條例的特定情況,本集團有 責任支付該等費用。

撥備將會在預期可能須支付日後之長期 服務金時確認。有關撥備乃根據於結算 日就僱員向本集團提供服務而可能在日 後取得之金額之最佳評估款項而計算。

於結算日,由於若干現任僱員服務本集 團之年期,根據僱傭條例,已屆合資格 於若干情況下終止任職而可獲取長期服 務金之指定年數,故已就日後可能須付 予僱員之長期服務金作出或然負債披 露。由於預期該等情況不大可能會導致 本集團日後出現重大資源流出,故並無 就有關可能支付之款項確認撥備。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits (continued)

Retirement benefits schemes

The Group operates a defined contribution retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully in the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their remuneration to the central pension scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension scheme.

3. 主要會計政策摘要(續)

僱員福利(續)

退休福利計劃

本集團根據強制性公積金計劃條例,為 所有在香港受僱之僱員設立一項定額供 款退休福利計劃(「強積金計劃」)。按 照強積金計劃之規則,供款乃按僱員基 本薪金之百分比作出,並於應付時自損 益表扣除。強積金計劃的資產由獨立管 理之基金與本集團之資產分開持有。本 集團作出之僱主供款繳入計劃後即全數 歸僱員。

本集團於中國大陸營運之附屬公司的僱 員均須參加由地方市政府設立之中央退 休保障計劃。該等附屬公司須按其收入 之若干百分比向該中央退休保障計劃作 出供款。根據該中央退休保障計劃的規 定,供款於應付時在損益賬內扣除。

lexwinca holdings limited



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits (continued)

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

3. 主要會計政策摘要(續)

僱員福利(續)

購股權計劃

本公司設有購股權計劃,旨在向對本集 團之業務成就作出貢獻之合資格參與人 士提供獎勵及獎賞。根據購股權計劃所 授出購股權之財務影響,並不會於授出 時列入本公司或集團的資產負債表 ,直至購股權被行使。購股權獲行 時,因而發行之股份按股份面值列為本 公司額外股本,而每股行使價超出股份 面值之差額則列入本公司股本溢價賬 於行使日期前註銷或失效之購股權自 未行使購股權登記冊刪除。

外幣

外幣交易按個別交易日之適用滙率計算。於結算日,以外幣結算之貨幣資產及負債均按該日之適用滙率換算。滙兑差額均列入損益表。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

On consolidation, the financial statements of overseas subsidiaries and associates are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries and associates are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries and associates which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

3. 主要會計政策摘要(續)

外幣(續)

在綜合賬目時,海外附屬公司及聯營公司之財務報表按淨投資法換算為港幣。 海外附屬公司及聯營公司之損益賬按該 年之加權平均滙率換算為港幣,而其資 產負債表則按結算日適用之滙率換算為 港幣。因而產生之換算差額撥入外滙變 動儲備。

就綜合現金流量表而言,海外附屬公司 及聯營公司之現金流轉按現金流轉日期 適用之滙率換算為港幣。海外附屬公司 及聯營公司於年內經常產生之現金流 轉,則按該年之加權平均滙率換算為港 幣。

關連人士

關連人士乃指其中一方能直接或間接控制另外一方,或能對另一方之財務或運作決策施予重大之影響。有關人士亦將被視為關連,如該等人士是受到共同的控制或重大影響。關連人士可以是個人或公司。

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the production, dyeing and sale of knitted fabric and yarn segment;
- (b) the casual apparel and accessory retailing and distribution segment; and
- (c) the "others" segment principally comprises the provision of motor and generator repair and maintenance services, the trading of generators and the provision of franchise services.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the markets, and assets are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 分類資料

分類資料乃按兩種分類方式呈列:(i)主要分類呈報方式乃按業務分類;及(ii)次要分類呈報方式乃按地域分類。

本集團之營運業務劃分乃按其業務性 質、產品及服務分類。集團每一個業務 分類代表該策略性業務之產品及服務之 風險回報與其他業務不同,業務分類之 摘要明細如下:

- (a) 針織布及棉紗之產銷及整染分類;
- (b) 便服及飾物零售及分銷分類;及
- (c) 其他分類主要包含集團汽車及發電機之維修保養及發電機銷售和 特許經營服務。

集團地域分類之決定,乃按收入之來源 市場地域分類,而資產則按資產之所在 地分類。

業務間之銷售及轉撥交易之售價乃參照 售予第三者之現市場價格。

4. **SEGMENT INFORMATION** (continued)

(a) Business segments

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments:

4. 分類資料(續)

(a) 業務分類

下表為本集團業務分類之收入、 溢利、部份資產、負債及支出資料:

Group 集團

				Casual ap	parel and						
		Production, dy	yeing and sale	accessory	retailing						
		of knitted fal	bric and yarn	and dis	tribution	Oth	iers	Elimina	ations	Consol	idated
		針織布及棉紗	之產銷及整染	便服及飾物	零售及分銷	Į	他	對	銷	綜	슴
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue:	分類收入:										
Sales to external customers	售予集團外客戶	4,108,693	3,626,629	3,146,485	2,548,155	47,519	41,681	_	-	7,302,697	6,216,465
Intersegment sales	業務間之銷售	-	-	-	-	1,765	1,892	(1,765)	(1,892)	-	-
Other revenue	其他收入	41,758	29,900	28,513	19,162	4,517	1,076	(1,375)	(1,170)	73,413	48,968
Total	合計	4,150,451	3,656,529	3,174,998	2,567,317	53,801	44,649	(3,140)	(3,062)	7,376,110	6,265,433
Segment results	分類業績	430,485	360,100	65,393	126,353	15,943	8,433	(181)	(867)	511,640	494,019
Interest income	利息收入									13,541	4,247
Profit from operating activities	經常業務溢利									525,181	498,266
Share of profit of an associate	應佔聯營公司溢利									40,276	33,344
Finance costs	財務費用									(10,224)	(4,086
Profit before tax	除税前溢利									555,233	527,524
Tax	税項									(65,116)	(57,888
Profit before minority interests	未計少數股東										
	權益前溢利									490,117	469,636
Minority interests	少數股東權益									(21,886)	(47,666)
Net profit from ordinary activities	股東應佔經常										
attributable to shareholders	業務溢利淨額									468,231	421,970
Segment assets	分類資產	3,557,046	3,258,807	1,239,308	896,765	73,135	74,614	(600,117)	(429,970)	4,269,372	3,800,216
Interest in an associate	於聯營公司之權益									139,548	133,275
Unallocated assets	未分配資產									409,643	457,194
Total assets	總資產									4,818,563	4,390,685
Segment liabilities	分類負債	887,647	1,027,887	1,001,814	685,342	99,012	104,268	(574,830)	(404,863)	1,413,643	1,412,634
Unallocated liabilities	未分配負債									670,537	446,827
Total liabilities	總負債									2,084,180	1,859,461
Other segment information:	其他分類資料:										
Depreciation and amortisation	折舊及攤銷	145,343	115,158	85,252	60,157	4,994	4,917	-	-	235,589	180,232
Other non-cash	其他非現金										
expenses/(income)	支出/(收入)	(18,501)	(5,073)	7,637	14,826	-	2,766	-	-	(10,864)	12,519
Capital expenditure	資本開支	391,700	469,129	232,533	150,032	385	2,016	-	_	624,618	621,177



SEGMENT INFORMATION (continued) 4.

(b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments:

分類資料(續)

(b) 地域分類

下表為本集團地域分類之收入、 部份資產及支出資料:

Group 集團

			SA · 國		nd China 大陸		pan 本	•	Kong 港		hers :他	Elimina 對信			lidated 合
		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	200- HK\$'00 港幣千元										
Segment revenue: Sales to external customers	分類收入: 售予集團外客戶	2,836,065	2,350,043	2,130,190	1,786,442	399,994	388,771	798,452	812,980	1,137,996	878,229	-	-	7,302,697	6,216,465
Other segment information: Segment assets Capital expenditure	其他分類資料: 分類資產 資本開支	-	_ _	4,119,301 493,944	3,537,365 563,643	_	_ _	3,701,386 26,096	3,885,167 11,620	874,412 104,578	828,076 45,914	(3,876,536)	(3,859,923)	4,818,563 624,618	4,390,685 621,177

5. TURNOVER, OTHER REVENUE AND GAINS

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered and franchise income, but excludes intra-group transactions.

An analysis of the Group's turnover, other revenue and gains is as follows:

5. 營業額、其他收入及收益

營業額指扣除退貨及貿易折扣後之銷貨 發票淨值,及提供服務及特許經營收 入,但不包括集團內部交易。

本集團之營業額、其他收入及收益分析 如下:

		Gı	oup
		\$	基 團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Turnover:	營業額:		
Sale of goods	銷售貨品	7,250,027	6,165,638
Rendering of services	提供服務	31,623	32,113
Franchise income	特許經營收入	21,047	18,714
		7,302,697	6,216,465
Other revenue and gains:	其他收入及收益:		
Interest income	利息收入	13,541	4,247
Gross rental income	總租金收入	5,449	4,298
Net realised and unrealised	已兑現及未兑現之		
gains on foreign exchange	遠期外滙合約收益淨額		
forward contracts		26,936	14,152
Sundry income	雜項收入	41,028	30,518
		86,954	53,215



PROFIT FROM OPERATING ACTIVITIES 6.

The Group's profit from operating activities is arrived at after charging/(crediting):

經常業務溢利 6.

本集團經常業務溢利已扣除/(加上)下 列各項:

				oup
				画
			2005	2004
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Cost of inventories sold	已售之貨物成本		5,123,037	4,399,736
Depreciation	折舊	13	232,663	177,309
Amortisation of trademarks	已包括在銷售成本中			
included in cost of sales	商標攤銷	16	2,926	2,923
Staff costs, including directors'	員工成本包括			
remuneration (note 7):	董事酬金(附註7):			
Wages, salaries and	人工、薪金及			
other allowances	其他津貼		692,534	556,381
Provision for long service	長期服務金撥備			
payments		25	1,155	3,120
Retirement benefits schemes	退休褔利計劃供款			
contributions			8,774	7,589
Minimum lease payments under	經營租賃下之最低			
operating leases:	租金:			
Land and buildings	土地及樓宇		671,011	518,295
Plant and machinery	廠房設備及機械		8,006	9,418
Auditors' remuneration	核數師酬金		1,838	1,671
Loss on disposal of fixed assets	出售固定資產虧損		3,610	5,373
Surplus on revaluation of	投資物業重估盈餘			
investment properties		14	(6,881)	(3,613)
Net exchange gains, excluding	滙兑收益淨額,不包括			
realised and unrealised gains on	已兑現及未兑現之			
foreign exchange	遠期外滙合約收益			
forward contracts			(10,534)	(12,378)
Net rental income	租金收入淨額		(5,449)	(4,174)
Provision/(write-back of provision)	已包括在銷售成本中			
for slow-moving inventories	呆滯存貨撥備			
included in cost of sales	/(撥回)		(12,375)	40,154
Provision for doubtful debts	呆壞賬撥備		5,763	6,974
Write-back of provision for	已包括在銷售成本中			
value-added tax recoverable	撥回應退增值税			
included in cost of sales, net	撥備,淨額		(981)	(36,369)



7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID **EMPLOYEES**

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

7. 董事酬金及最高薪酬五位僱員

按《證券上市規則》及香港公司法第161 條,本年度董事酬金之披露如下:

			Group
			集團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Fees:	· · · · · · · · · · · · · · · · · · ·		
Executive directors	執行董事	50	50
Independent non-executive	獨立非執行董事		
directors		630	400
Other emoluments:	其他酬金:		
Executive directors:	執行董事:		
Basic salaries, housing,	基本薪金、房屋、		
allowances and	津貼與實物利益		
benefits in kind		22,901	22,467
Bonuses	花紅	29,435	28,970
Retirement benefits scheme	退休福利計劃供款		
contributions		60	60
		53,076	51,947



7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID

EMPLOYEES (continued)

The number of directors, including independent nonexecutive directors, whose remuneration fell within the following bands is as follows:

7. 董事酬金及最高薪酬五位僱員(續)

按下列酬金級別劃分之董事(包括獨立 非執行董事)人數如下:

		of directors
	2005	2004
HK\$		
港幣元		
Nil-1,000,000	3	3
4,500,001–5,000,000	1	_
5,500,001–6,000,000	_	1
6,000,001–6,500,000	_	1
7,000,001–7,500,000	1	_
7,500,001–8,000,000	_	1
8,000,001–8,500,000	1	_
9,000,001–9,500,000	1	_
11,000,001–11,500,000	_	1
20,500,001–21,000,000	_	1
23,000,001–23,500,000	1	_
	8	8

There were no arrangements under which a director waived or agreed to waive any remuneration during the year.

The five highest paid individuals employed by the Group during the year were all directors, details of whose remuneration are set out above.

於年內,並無董事放棄或同意放棄任何 酬金的安排。

於年內,集團最高薪酬五位人士全為董 事,其薪酬明細已呈列如上。



8. **FINANCE COSTS**

8. 財務費用

			Group		
		集團			
		2005	2004		
		HK\$'000	HK\$'000		
		港幣千元	港幣千元		
Interest on bank loans	銀行貸款及透支利息				
and overdrafts		7,345	3,612		
Interest on shareholder loan	股東貸款利息	2,879	474		
		10,224	4,086		

9. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

9. 稅項

香港利得税已按年內於香港賺取之估計應課税溢利以税率17.5%(二零零四年:17.5%)提撥準備。在其他地區所應課税溢利的税項,乃根據本集團業務經營所在國家之現有法律、詮釋及常規,按其現行税率計算。

		Group	
		集團	
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Group:	集團:		
Hong Kong and PRC taxes:	香港及中國税項:		
Current year provision	本年度準備	62,940	54,554
Deferred tax charge/(credit)	遞延税項準備/(回撥)		
(note 26)	(附註26)	(1,827)	1,000
		61,113	55,554
Share of tax attributable	應佔聯營公司税項		
to an associate		4,003	2,334
Tax charge for the year	本年度税項	65,116	57,888

9. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the applicable rates for the countries in which the Company and its subsidiaries and associate are domiciled to the tax charge for the year is as follows:

9. 稅項(續)

按採用本公司及其附屬公司及聯營公司 所在國家之法定税率計算且適用於除税 前溢利之税項開支與本年度税項對賬如 下:

		Group 集團	
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Profit before tax	除税前溢利	555,233	527,524
Tax at the domestic tax rates	按有關當地國家税率計算且		
applicable to profits in the	適用於溢利之税項		
countries concerned		67,015	74,865
Income not subject to tax	毋須繳税之收入	(34,834)	(29,200)
Expenses not deductible for tax	不可作税項扣減之費用	18,357	8,761
Unrecognised deferred tax	未確認有關税項虧損之		
assets on tax losses	遞延税項資產	14,320	13,558
Tax losses utilised from	過往期間已動用之		
previous periods	税項虧損	(2,048)	(7,829)
Others	其他	2,306	(2,267)
Tax charge for the year	本年度税項	65,116	57,888



10. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 March 2005 dealt with in the financial statements of the Company was HK\$279,386,000 (2004: HK\$265,808,000) (note 29(b)).

10. 股東應佔經常業務溢利淨額

於二零零五年三月三十一日止年度,列 入本公司之財務報表內之股東應佔經常 業務溢利淨額為港幣279,386,000元(二 零零四年:港幣265,808,000元)(附註 29(b))。

11. DIVIDENDS

11. 股息

		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interim of HK10.0 cents	中期股息每股港幣10.0仙		
(2004: HK8.0 cents) per share	(二零零四年:港幣8.0仙)	132,598	105,996
Proposed final of HK11.0 cents	擬派末期股息每股港幣11.0仙		
(2004: HK12.0 cents) per share	(二零零四年:港幣12.0仙)	145,881	159,047
		278,479	265,043

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting.

本年度擬派之末期股息須待本公司股東 於即將來臨股東週年大會通過。

12. EARNINGS PER SHARE

The basic and diluted earnings per share for the year ended 31 March 2005 have been calculated as follows:

(a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$468,231,000 (2004: HK\$421,970,000) and the weighted average number of 1,325,596,142 (2004: 1,324,573,514) shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$468,231,000 (2004: HK\$421,970,000) and the weighted average number of 1,337,379,710 (2004: 1,329,141,903) shares in issue, as adjusted to reflect the effects of all potential dilutive shares during the year.

12. 每股盈利

截至二零零五年三月三十一日止年度之 基本每股盈利及攤薄後之每股盈利的計 算為:

(a) 基本每股盈利

基本每股盈利乃按本年度之股東應佔經常業務溢利淨額港幣468,231,000元(二零零四年:港幣421,970,000元)及年內已發行股份之加權平均數1,325,596,142(二零零四年:1,324,573,514)股計算。

(b) 攤薄後之每股盈利

攤薄後之每股盈利乃按本年度之股東應佔經常業務溢利淨額港幣468,231,000元(二零零四年:港幣421,970,000元)及年內已發行股份之加權平均數1,337,379,710(二零零四年:1,329,141,903)股計算,加上就所有具攤薄潛力之股份之影響作出調整計算。



12. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

A reconciliation of the weighted average number of shares used in the calculation of basic earnings per share to that used in the calculation of diluted earnings per share is as follows:

12. 每股盈利 (續)

(b) 攤薄後之每股盈利(續)

以下為用作計算基本每股盈利及 攤薄後之每股盈利之加權平均股 數調節表:

Number of shares

股份數目

2005 2004

Weighted average number of 用作計算每股基本

shares in issue during the 盈利之年內已發行股份

year used in the calculation 加權平均股數

of basic earnings per share 1,324,573,514 1,324,573,514

Weighted average number of 假設所有於年內未行使

shares assumed to have 購股權皆已行使而

been issued at no 被視作以無償發行

consideration on deemed 之股份加權平均

exercise of all share options 股數

outstanding during the year **11,783,568** 4,568,389

Weighted average number of 用作計算攤薄後每股

shares used in the 盈利之加權平均

calculation of diluted 股數

earnings per share 1,337,379,710 1,329,141,903

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13. FIXED ASSETS

13. 固定資產

Group

集團

		Leasehold land and	Leasehold	Plant and	Furniture, fixtures and office	Motor vehicles	
		buildings	improvements	machinery	equipment 傢俬、	and yacht	Total
		租賃土地	租賃	廠房設備	装置及	汽車及	
		及樓宇	樓宇裝修	及機械	辦公室設備	遊艇	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Cost or valuation:	成本或估值:						
At beginning of year	年初	605,251	303,091	1,284,429	141,076	69,430	2,403,277
Additions	添置	13,870	127,427	291,262	37,125	5,013	474,697
Disposals	出售	(464)	(16,737)	(9,283)	(8,104)	(1,267)	(35,855
Transfer from construction	在建工程						
in progress (note 15)	撥入(附註15)	260,012	_	54,414	3,957	_	318,383
Transfer to investment	撥往投資						
properties (note 14)	物業 (附註14)	(6,433)	_	_	_	_	(6,433
Foreign exchange adjustments	外滙調整	2,417	4,550	893	750	136	8,746
At 31 March 2005	於二零零五年 三月三十一日	874,653	418,331	1,621,715	174,804	73,312	3,162,815
Accumulated depreciation:	累計折舊:						
At beginning of year	年初	128,592	209,683	546,929	93,148	54,801	1,033,153
Provided during the year	本年準備	26,885	68,062	114,426	17,825	5,465	232,663
Disposals	出售	(16)	(11,288)	(8,486)	(5,848)	(975)	(26,613
Transfer to investment	撥往投資						
properties (noted 14)	物業 (附註14)	(2,384)	_	_	_	_	(2,384
Foreign exchange adjustments	外滙調整	69	2,213	407	245	74	3,008
At 31 March 2005	於二零零五年	153,146	268,670	653,276	105,370	59,365	1,239,827
	三月三十一日						
Net book value:	賬面淨值:						
At 31 March 2005	於二零零五年 三月三十一日	721,507	149,661	968,439	69,434	13,947	1,922,988
At 31 March 2004	於二零零四年 三月三十一日	476,659	93,408	737,500	47,928	14,629	1,370,124



13. FIXED ASSETS (continued)

13. 固定資產(續)

An analysis of the leasehold land and buildings at 31 March 2005 is as follows:

於二零零五年三月三十一日之租賃土地 及樓宇分析如下:

		1992		
		Professional		
		valuation	Cost	Total
		專業估值	成本值	合計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Medium term leasehold land and	位於香港之中期			
buildings situated in Hong Kong	租賃土地及樓宇	21,336	111,243	132,579
Medium term leasehold land and	位於香港以外之			
buildings situated outside	中期租賃土地	_	742,074	742,074
Hong Kong	及樓宇			
		21,336	853,317	874,653

All the other fixed assets are stated at cost less accumulated depreciation.

所有其他固定資產均按成本減累計折舊 列賬。

13. FIXED ASSETS (continued)

Certain medium term leasehold land and buildings were revalued in 1992. The Group has adopted the transitional provisions of SSAP 17 "Property, plant and equipment", issued in 1995, of not making further regular revaluations by class of those assets stated at revalued amounts based on revaluations which were reflected in financial statements prior to that date. During the year, certain of these revalued leasehold land and buildings with a total net carrying amount of HK\$4,049,000 were transferred from fixed assets to investment properties (note 14), and the relevant asset revaluation reserve of HK\$1,816,000 was transferred to investment property revaluation reserve. Had such leasehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amount would have been approximately HK\$9,151,000 (2004: HK\$12,439,000).

As at 31 March 2005, certain leasehold land and buildings situated outside Hong Kong (2004: certain motor vehicles and certain leasehold land and buildings situated outside Hong Kong) were pledged to the Group's bankers to secure the Group's banking facilities (note 23).

13. 固定資產(續)

部份中期租賃土地及樓宇曾於一九九二 年進行重估。本集團採用於一九九五年 發出之會計準則第十七條「物業、廠房 及設備」之過渡性規定,不再對已於過 往財務報表以重估值入賬之分類資產進 行定期重估。於年內,部份已作重估之 租賃土地及樓宇,其賬面金額共港幣 4,049,000元,已由固定資產轉撥至投 資物業(附註14),及其相關的重估儲備 港幣1,816,000元,已由資產重估儲備轉 撥投資物業儲備。倘該等土地及樓宇按 成本減累計折舊列賬,其賬面金額應約 為港幣9,151,000元(二零零四年:港幣 12,439,000元)。

於二零零五年三月三十一日,部份位於香港以外之租賃土地及樓宇(二零零四年:部份汽車及部份位於香港以外之租賃土地及樓宇)已抵押予集團往來銀行作集團銀行信貸之用(附註23)。



14. INVESTMENT PROPERTIES

14. 投資物業

			Group	
			集團	
		2005	2004	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
At beginning of year	年初	41,920	35,710	
Transfer from fixed assets	由固定資產轉撥			
(note 13)	(附註13)	4,049	2,597	
Revaluation surplus credited	於損益賬中加入			
to the profit and	重估盈餘			
loss account		6,881	3,613	
At 31 March	於三月三十一日	52,850	41,920	

The investment properties are all situated in Hong Kong and held under medium term leases. All investment properties were revalued on 31 March 2005 on an open market, existing use basis by Chung, Chan & Associates, Chartered Surveyors, independent professionally qualified valuers. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 32(a) to the financial statements.

投資物業全部位於香港,並按中期租約 持有。於二零零五年三月三十一日,全 部投資物業曾由獨立專業評估師、特許 測量師 Chung, Chan & Associates, Chartered Surveyors 按公開市場現有 用途基準進行重估。此投資物業乃以經 營租約租予第三者,詳細資料載於財務 表附註32(a)。

14. INVESTMENT PROPERTIES (continued)

Certain investment properties were transferred from leasehold land and buildings in Hong Kong at their 1992 professional valuation. The related revaluation reserve of HK\$9,054,000 (2004: HK\$7,238,000), which has been reclassified from the asset revaluation reserve to the investment property revaluation reserve, was frozen upon the transfer and will be released directly to retained profits upon the disposal of the related investment properties.

The gross rental income earned from the investment properties during the year amounted to HK\$5,449,000 (2004: HK\$4,298,000).

14. 投資物業 (續)

若干投資物業已按一九九二年專業估值 從香港租賃土地及樓宇轉撥。自資產重 估儲備撥往投資物業重估儲備港幣 9,054,000元(二零零四年:港幣 7,238,000元),已於轉撥時凍結,並將 於出售有關投資物業時直接撥往保留溢 利。

年內源於投資物業之總租金收入為港幣 5,449,000元 (二零零四年:港幣 4,298,000元)。

15. CONSTRUCTION IN PROGRESS

15. 在建工程

			Group	
			集團	
		2005	2004	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
At beginning of year	年初	185,064	52,485	
Additions	添置	149,921	201,277	
Transfer to fixed assets (note 13)	撥往固定資產 (附註13)	(318,383)	(68,490)	
Foreign exchange adjustments	外滙調整	2,987	(208)	
At 31 March	於三月三十一日	19,589	185,064	



16. TRADEMARKS

16. 商標

		Group
		集團
		HK\$'000
		港幣千元
Cost:	成本:	
At beginning of year	年初	52,564
Additions	添置	50
At 31 March 2005	於二零零五年三月三十一日	52,614
Accumulated amortisation:	累計攤銷:	
At beginning of year	年初	16,569
Provided during the year	本年度準備	2,926
At 31 March 2005	於二零零五年三月三十一日	19,495
Net book value:		
At 31 March 2005	於二零零五年三月三十一日	33,119
At 31 March 2004	於二零零四年三月三十一日	35,995

17. INTEREST IN AN ASSOCIATE

17. 於聯營公司之權益

			Group	
			集團	
		2005	2004	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Share of net assets	應佔資產淨值	139,548	133,275	

17. INTEREST IN AN ASSOCIATE (continued)

As detailed in note 3 to the financial statements, the Group applied the transitional provision of SSAP 30 "Business combinations", which permitted goodwill in respect of the acquisition of an associate of HK\$110,648,000, which occurred prior to the adoption of SSAP 30 "Business combinations", in 2001 to remain eliminated against consolidated reserves (note 29(a)).

Particulars of the associate are as follows:

17. 於聯營公司之權益(續)

按財務報表附註3,本集團已應用會計準則第三十條「企業合併」之過渡性條文,該條文容許於二零零一年採納會計準則第三十條「企業合併」前收購聯營公司產生之商譽港幣110,648,000元仍然維持沖銷於綜合儲備中(附註29(a))。

聯營公司之資料如下:

			Percen	tage	
		Place of	of equ	uity	
	Business	incorporation/	attribu	table	
Name	structure	operations	to the C	iroup	Principal activity
		註冊成立及	本集團應	佔權益	
名稱	商業架構	營業地點	百份	率	主要業務
			2005	2004	
Megawell Industrial	Corporate	Hong Kong/	50	50	Manufacture of
Limited	公司	Mainland China			garments
		and Vietnam			成衣生產
		香港/中國大陸及越南			

17. INTEREST IN AN ASSOCIATE (continued)

A summary of the financial information of Megawell Industrial Limited, based on its audited financial statements for the year ended 31 March 2005, is as follows:

17. 於聯營公司之權益(續)

以下為 Megawell Industrial Limited 截至二零零五年三月三十一日止年度經審核財務報表的簡略財務資料:

-		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Balance sheet:	資產負債表:		
Fixed assets	固定資產	55,891	63,146
Current assets	流動資產	336,632	310,229
Current liabilities	流動負債	(132,196)	(129,571)
Long term liabilities	長期負債	(808)	(508)
Profit and loss account:	損益表:		
Turnover	營業額	815,525	713,246
Profit before tax	除税前溢利	83,497	66,226

18. DUE TO AN ASSOCIATE

The amount due to an associate is unsecured, interest-free and repayable on agreed credit terms.

18. 應付聯營公司

應付聯營公司欠款乃無抵押、無利息及 須按協訂賬期還款。



19. INVENTORIES

19. 存貨

			Group	
			集團	
		2005	2004	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Raw materials	原料	545,780	582,975	
Work in progress	在製品	46,304	73,439	
Finished goods	製成品	463,022	385,264	
		1,055,106	1,041,678	

20. TRADE AND BILLS RECEIVABLE

20. 應收賬款及應收票據

			Group 集團	
		2005	2004	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Trade receivables	應收賬款	407,652	519,029	
Bills receivable	應收票據	16,363	15,805	
		424,015	534,834	



20. TRADE AND BILLS RECEIVABLE (continued)

The trading terms with customers are largely on credit. Invoices are normally payable within 90 days of issue. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are regularly reviewed by directors.

An aged analysis of trade receivables as at the balance sheet date, based on invoice date and net of provisions, is as follows:

20. 應收賬款及應收票據(續)

本公司與客戶交易一般有賬期,發票一般於發出日後90天內到期。本集團對應收款有一套嚴謹監察制度,以減少信貸風險,並且董事亦會定期審閱逾期賬款跟進情況。

於結算日,按發票日期扣除撥備之應收 賬款賬齡分析如下:

			Group	
			集團	
		2005	2004	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Within 90 days	90日內	397,383	502,538	
Over 90 days	90日以上	10,269	16,491	
		407,652	519,029	

20. TRADE AND BILLS RECEIVABLE (continued)

An aged analysis of bills receivable, based on invoice date, as at the balance sheet date is as follows:

20. 應收賬款及應收票據(續)

於結算日,按發票日期之應收票據賬齡 分析如下:

			Group
			集團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	16,158	12,849
Over 90 days	90日以上	205	2,956
		16,363	15,805

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

		Gr	oup	Company		
		集	團	公司		
		2005	2004	2005	2004	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	
Cash and bank balances	現金及銀行結存	193,459	176,563	92	77	
Time deposits	定期存款	503,731	457,195	_	_	
		697,190	633,758	92	77	
Less: Long term	減:長期定期存款					
time deposit		(15,600)	_	_	_	
Cash and cash equivalents	現金及現金等價物	681,590	633,758	92	77	



21. CASH AND CASH EQUIVALENTS (continued)

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$136,416,000 (2004: HK\$78,559,000) and the time deposits of the Group denominated in RMB amounted to HK\$94,751,000 (2004: HK\$264,228,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

21. 現金及現金等價物(續)

於結算日,本集團以人民幣定值之現金 及銀行結餘為港幣136,416,000元(二零 零四年:港幣78,559,000元),人民幣 定期存款則為港幣94,751,000元(二零 零四年:港幣264,228,000元)。人民幣 不能自由兑換其他貨幣,惟根據中國大 陸外滙管制法規及結滙、售滙及付滙管 理規定,本集團獲准透過獲授權進行外 滙業務之銀行將人民幣兑換為其他貨幣。

22. TRADE AND BILLS PAYABLE

22. 應付賬款及應付票據

			Group	
			集團	
		2005	2004	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Trade payables	應付賬款	858,823	728,479	
Bills payable	應付票據	16,500	29,849	
		875,323	758,328	

22. TRADE AND BILLS PAYABLE (continued)

An aged analysis of trade payables as at balance sheet date, based on invoice date, is as follows:

22. 應付賬款及應付票據(續)

於結算日,按發票日期之應付賬款賬齡 分析如下:

			Group 集團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	815,097	701,856
Over 90 days	90日以上	43,726	26,623
		858,823	728,479

An aged analysis of bills payable, based on invoice date, as at balance sheet date is as follows:

於結算日,按發票日期之應付票據賬齡 分析如下:

			Group		
			集團		
		2005	2004		
		HK\$'000	HK\$'000		
		港幣千元	港幣千元		
Within 90 days	90日內	12,401	28,840		
Over 90 days	90日以上	4,099	1,009		
		16,500	29,849		



23. INTEREST-BEARING BANK BORROWINGS

23. 附息銀行貸款

		Gr	oup
		集	團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bank overdrafts, unsecured	銀行透支,無抵押	_	403
Bank loans:	銀行貸款:		
Secured	有抵押	9,426	16,735
Unsecured	無抵押	544,536	350,374
		553,962	367,109
		553,962	367,512
Bank overdrafts repayable within	銀行透支於一年內		
one year or on demand	償還或按要求	_	403
Short term bank loans repayable	短期銀行貸款於一年內		
within one year	償還	149,586	45,091
Long term bank loans repayable:	長期銀行貸款須於下列		
	期間清還:		
Within one year	於一年內	269,098	167,535
In the second year	第二年	88,889	154,410
In the third to fifth years,	第三年至第五年		
inclusive	(包括首尾兩年)	46,389	73
		404,376	322,018
Total interest-bearing bank loans	附息銀行貸款及透支合計		
and overdrafts		553,962	367,512
Less: Portion classified as	減:分類為流動負債之		
current liabilities	部份	(418,684)	(213,029
Long term portion	長期部份	135,278	154,483

23. INTEREST-BEARING BANK BORROWINGS (continued)

As at 31 March 2005, certain bank loans were secured by the pledge of certain leasehold land and buildings (note 13).

As at 31 March 2004, certain bank loans were secured by the pledge of certain motor vehicles and leasehold land and buildings (note 13), and the value-added tax recoverable from the People's Republic of China (the "PRC") included in the prepayments, deposits and other receivables balance of the Group.

24. SHAREHOLDER LOAN

The shareholder loan is unsecured, interest-bearing at Hong Kong Interbank Offered Rate ("HIBOR") plus 0.4% (2004: HIBOR plus 0.4%) per annum and not repayable within one year.

25. PROVISION FOR LONG SERVICE PAYMENTS

23. 附息銀行貸款(續)

於二零零五年三月三十一日,部份銀行貸款乃以集團部份租賃土地及樓宇作抵押(附註13)。

於二零零四年三月三十一日,部份銀行 貸款乃以集團部份汽車、租賃土地及樓 宇(附註13)及已包括於集團的預付賬 款、訂金及其他應收賬款內中華人民共 和國(「中國」)之應退增值税款作抵 押。

24. 股東貸款

股東貸款乃無抵押、年利息為香港銀行同業拆息加0.4%(二零零四年:香港銀行同業拆息加0.4%),並無須於一年內還款。

25. 長期服務金撥備

			Group 集團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At beginning of year	年初	7,954	4,941
Additional provision	額外撥備	1,155	3,120
Amount utilised during the year	年內動用金額	(998)	(107)
At 31 March	於三月三十一日	8,111	7,954



26. DEFERRED TAX

26. 遞延稅項

			Group
		'	•
			集團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At beginning of year	年初	3,000	2,000
Charge/(credit) for the year	本年度準備/(回撥)		
(note 9)	(附註9)	(1,827)	1,000
At 31 March	於三月三十一日	1,173	3,000

The provision for deferred tax, calculated at 17.5% (2004: 17.5%) mainly relates to the temporary differences arising from accelerated depreciation allowances.

The Group has tax losses arising in Hong Kong of HK\$325,046,000 (2004: HK\$303,402,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries of which no assessable profits is expected to generate in the foreseeable future.

At 31 March 2005, there was no significant unrecognised deferred tax liabilities (2004: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries and associate, as the Group has no liability to additional tax should such amounts be remitted.

遞延税項準備以17.5%計算(二零零四年:17.5%)乃就按加速折舊免税額引起之暫時性差異而提撥準備。

本集團於香港產生之税項虧損為港幣 325,046,000元(二零零四年:港幣 303,402,000元),有關所產生的虧損可無限期用作抵銷公司日後之應課税溢利。由於未能確定附屬公司日後會否產生足夠應課税溢利以抵銷以上税項虧損,遞延税項資產並無就該等虧損進行確認。

於二零零五年三月三十一日,稅項中並 無因本集團附屬公司及聯營公司之未滙 寄盈利有重大未確認遞延稅項負債(二 零零四年:無),因倘若該盈利得以滙 寄,本集團並無額外稅項負債。

26. **DEFERRED TAX** (continued)

The revaluation of the Group's properties do not constitute temporary differences and, consequently, the amount of potential deferred tax thereon has not been quantified.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

26. 遞延稅項(續)

重估本集團之物業並不構成時差,因此 不必計算可能由此產生之遞延税項。

本公司向其股東派股息後,並無導致任 何須繳納所得税之後果。

27. SHARE CAPITAL

Shares

27. 股本

股份

		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Authorised:	法定:		
2,000,000,000 shares of	2,000,000,000股		
HK\$0.05 each in nominal value	每股面值港幣0.05元	100,000	100,000
Issued and fully paid:	已發行及繳足:		
1,326,108,104	1,326,108,104		
(2004: 1,324,778,104) shares of	(二零零四年:1,324,778,104)股		
HK\$0.05 each in nominal value	每股面值港幣0.05元	66,305	66,239



27. SHARE CAPITAL (continued)

27. 股本(續)

A summary of the movements in the Company's share capital during the year is as follows:

於本年度內,本公司股本之變動簡略如 下:

Number of shares in issue	Issued	Share premium	
		premium	
in issue			
	capital	account	Total
已發行	已發行	股本	
股份數量	股本	湓價賬	總額
	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元
1,324,148,104	66,208	333,628	399,836
630,000	31	3,100	3,131
1,324,778,104	66,239	336,728	402,967
1,330,000	66	6,544	6,610

Subsequent to the balance sheet date, on 12 May 2005 and 27 June 2005, a total of 80,000 new shares were issued upon the exercise of 80,000 share options by certain employees of the Group (note 28).

於結算日後,二零零五年五月十二日及 二零零五年六月二十七日,本集團部份 僱員行使總數80,000份購股權導至本公 司發行新股80,000股(附註28)。

27. SHARE CAPITAL (continued)

Share options

Detail of the Company's share option scheme and the share options issued under the scheme are included in note 28 to the financial statements.

28. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme"), in compliance with the requirements of Chapter 17 of the Listing Rules, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors (including independent non-executive directors), and other employees of the Group. The Scheme became effective on 28 August 2002 and will remain in force for ten years from that date.

The maximum number of share options permitted to be granted under the Scheme was an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant of the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

27. 股本(續)

購股權

本公司之購股權計劃及根據該計劃發行 之購股權之詳細資料已載於財務報表附 註28。

28. 購股權計劃

本公司採納一個符合《證券上市規則》第十七章要求的新購股權計劃「該計劃」,主要目的是向符合資格及曾對集團作出 貢獻的參與者給與獎勵及獎賞。該計劃 符合資格參與者包括本公司董事(包括 獨立非執行董事)及集團其他僱員。有 效期為由二零零二年八月二十八日起計 之十年內。

該計劃允許之最多可授予之購股權為相等於本公司任何時間之10%已發行股份。於任何十二個月期間內根據購股權計劃可向每名合資格參與人士發行之股份數目,最多不得超逾任何時間之本公司已發行股份1%。進一步授出超過該限額之購股權必須獲股東於股東大會批准。



28. SHARE OPTION SCHEME (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors but is not more than 10 years from the date of grant.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of a share. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

28. 購股權計劃(續)

向董事、行政總裁、主要股東或彼等任何聯繫人士授出購股權必須獲獨立非執行董事事先批准。此外,於任何十二個月期間內任何購股權授予主要股東或獨立非執行董事或彼等聯繫人士超過本公司在任何時間已發行股本0.1%或總值(按本公司股份於該授予日期之價格計算)超逾港幣5百萬元,必須事先獲股東於股東大會批准。

購股權之被授予人必須於頒授日起之 28日內支付名義代價港幣1元。購股權 之行使限期由董事會決定,但最長不超 過頒授日起計之十年。

購股權之認購價由董事釐定,惟不得低 於以下之較高者:(i)本公司股份於頒授 購股權日期在聯交所之收市價;(ii)本公 司股份於緊接頒授日期前五個交易日在 聯交所之平均收市價;及(iii)股份票面 值。購股權並無賦予持有人收取股息或 於股東大會投票之權利。

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28. SHARE OPTION SCHEME (continued)

28. 購股權計劃(續)

The following share options were outstanding under the

於結算日,未行使之購股權如下:

Scheme at the balance sheet date:

					share options 權數目				any's shares***
Name or category of participant 參與者	Date of grant of share options* 購股權	Exercise price of share options** 購股權	At 1 April 2004 於二零零四年	Exercised during the year 年內	Cancelled during the year 年內	At 31 March 2005 於二零零五年	Exercise period of share options	本公司 At grant date of options	股價*** At exercise date of options
名稱或類別	頒授日期*	行使價格**	四月一日	已行使	已取消	三月三十一日	購股權行使期限	於頒授購股權日	於行使日
		HK\$ 港幣元						HK\$ 港幣元	HKS 港幣元
Directors 董事									
Poon Bun Chak	11 September 2002	4.97	1,000,000	_	_	1,000,000	11 September 2002 to 10 September 2012	4.80	_
潘彬澤	二零零二年九月十一日		1,000,000			.,,,,,,,,,	二零零二年九月十一日至二零一二年九月十日	1.00	
Poon Kai Chak ※ / / · · · · ·	11 September 2002	4.97	7,500,000	-	-	7,500,000	11 September 2002 to 10 September 2012	4.80	=
潘佳澤	二零零二年九月十一日 26 March 2004	5.60	3,000,000			3,000,000	二零零二年九月十一日至二零一二年九月十日 26 March 2004 to 25 March 2014	5.55	
	二零零四年三月二十六日	3.00	3,000,000			3,000,000	二零零四年三月二十六日至二零一四年三月二十五		
			10,500,000	-	-	10,500,000			
Poon Kei Chak 潘機澤	11 September 2002 二零零二年九月十一日	4.97	7,500,000	-	-	7,500,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	-
/田 (城 /年	- 今令 - 牛ルカ I ー 日 26 March 2004	5.60	3,000,000	_	_	3,000,000	26 March 2004 to 25 March 2014	5.55	_
	二零零四年三月二十六日						二零零四年三月二十六日至二零一四年三月二十五		
			10,500,000	-	-	10,500,000			
Poon Kwan Chak 潘鈞澤	11 September 2002 二零零二年九月十一日	4.97	4,000,000	-	-	4,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	-
/B 2] /+	26 March 2004 二零零四年三月二十六日	5.60	6,000,000	-	-	6,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五	5.55	=
			10,000,000			10,000,000			
Ting Kit Chung	11 September 2002	4.97	4,000,000			4,000,000	11 September 2002 to 10 September 2012	4.80	=
丁傑忠	二零零二年九月十一日						二零零二年九月十一日至二零一二年九月十日		
	26 March 2004 二零零四年三月二十六日	5.60	6,000,000	-	-	6,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五	5.55	-
			10,000,000	_	_	10,000,000			
Au Son Yiu	11 September 2002	4.97	200,000	_	_	200,000	11 September 2002 to 10 September 2012	4.80	-
區燊耀	二零零二年九月十一日 26 March 2004	5.60	200,000	_	_	200,000	二零零二年九月十一日至二零一二年九月十日 26 March 2004 to 25 March 2014	5.55	_
	二零零四年三月二十六日						二零零四年三月二十六日至二零一四年三月二十五	3	
			400,000	-	-	400,000			
Cheng Shu Wing 鄭樹榮	11 September 2002 二零零二年九月十一日	4.97	200,000	-	-	200,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	-
on the dis-	26 March 2004 二零零四年三月二十六日	5.60	200,000	-	-	200,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五	5.55	-
			400,000	-	-	400,000			
Wong Tze Kin, David	26 March 2004	5.60	200,000	-	-	200,000	26 March 2004 to 25 March 2014	5.55	-
黃自建	二零零四年三月二十六日						二零零四年三月二十六日至二零一四年三月二十五	3	



28. SHARE OPTION SCHEME (continued)

28. 購股權計劃(續)

		膜数析 Exercised of grant Exercise price At 1 April during re options* 2004 the year 於二零零四年 年內	Number of share options 購股權數目					Price of Company's shares***	
Name or category of participant 參與者 名稱或類別	Date of grant of share options* 轉変權 循授日期*		the year 年內 於二零	At 31 March 2005 於二零零五年 三月三十一日	Exercise period of share options 購發權行使期限	At grant date of options 於頒授購股權日	股價*** At exercise date of options 於行使日		
		打使資格^^ HK\$ 港幣元		已行使 已取消 三		=H=T-H	蒋改惟汀使粉陕	於順授購股催口 HK\$ 港幣元	於行便日 HK\$ 港幣元
Other employees 其他僱員									
In aggregate 合共	11 September 2002 二零零二年九月十一日	4.97	3,070,000	(1,330,000)	(270,000)	1,470,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	6.6
	26 March 2004 二零零四年三月二十六日	5.60	7,650,000	_	(550,000)	7,100,000	1 April 2006 to 25 March 2014 二零零六年四月一日至二零一四年三月二十五日	5.55	_
			10,720,000	(1,330,000)	(820,000)	8,570,000			
			53,720,000	(1,330,000)	(820,000)	51,570,000			

- * The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- ** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- *** The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which all the options were exercised.
- The 1,330,000 share options exercised during the year resulted in the issue of 1,330,000 ordinary shares of the Company, new share capital of HK\$66,000 and share premium of HK\$6,544,000, as detailed in note 27 to the financial statements. 820,000 share options were cancelled upon resignation of certain employees of the Group during the year.

- * 購股權有效日期乃由頒授購股權日起至 行使期開始止。
- ** 購股權的行使價於本公司配股或派發紅 股或在股本中有其他類似轉變時可予調 整。
- *** 於購股權授出日期披露之本公司股份價 格為緊接授出購股權日期前交易日之聯 交所收市價。於購股權行使日期披露之 本公司股份價格為緊接於所有已行使購 股權日前之聯交所加權平均收市價。

於年內,1,330,000份購股權獲行使, 導致發行1,330,000股本公司普通股, 並產生新股本港幣66,000元及股份溢價 港幣6,544,000元,詳情見財務報表附 註27。於年內,由於本集團部份僱員離 職,820,000份購股權因而被取消。

28. SHARE OPTION SCHEME (continued)

At 31 March 2005, 51,570,000 share options remained outstanding under the Scheme, which represented approximately 3.9% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 51,570,000 additional ordinary shares of the Company and additional share capital of HK\$2,579,000 and share premium of HK\$269,915,000 (before issue expenses).

Subsequent to the balance sheet date, on 12 May 2005 and 27 June 2005, a total of 80,000 new shares were issued upon the exercise of 80,000 share options by certain employees of the Group (note 27) and, on 6 and 16 April 2005, a total of 200,000 shares options were cancelled upon the resignation of certain employees of the Group.

29. RESERVES

(a) Group

The amount of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 35 and 36 of the financial statements.

As detailed in notes 3 and 17 to the financial statements, certain amounts of goodwill and negative goodwill arising on the acquisitions of an associate and a subsidiary in prior years, of HK\$110,648,000 and HK\$45,000, respectively, remain eliminated against or credited to the consolidated reserves. The amount of goodwill is stated at cost.

28. 購股權計劃(續)

於二零零五年三月三十一日,該計劃下 尚有51,570,000份購股權未獲行使相當 於該日本公司已發行股份約3.9%。根據 本公司之現有資本架構,全面行使餘下 之購股權將導致額外發行51,570,000股 本公司之普通股,並額外產生股本港幣 2,579,000元 及 股 份 溢 價 港 幣 269,915,000元(未計發行開支)。

於結算日後,二零零五年五月十二日及 二零零五年六月二十七日,本集團部份 僱員行使總數80,000份購股權及本公司 發行新股80,000股(附註27)。於二零零 五年四月六日及十六日,由於本集團部 份僱員離職,200,000份購股權因而被 取消。

29. 儲備

(a) 集團

本年度及前年度本集團儲備及其間變動之數額呈列於財務報表第35及36頁之綜合權益變動報表內。

載於財務報表附註3及17已列明, 從往年度收購聯營及附屬公司產 生之商譽及負商譽保留沖銷於綜 合儲備中分別為港幣110,648,000 元及港幣45,000元,商譽乃按成 本入賬。



29. RESERVES (continued)

(a) Group (continued)

The Group's contributed surplus represents the difference between the nominal value of the issued share capital of the Company and the then nominal value of the issued share capital of the subsidiaries acquired at the date of acquisition, as a result of the reorganisation which occurred before the listing of the Company's shares in 1992.

29. 儲備(續)

(a) 集團(續)

因應本公司在一九九二年上市前 的重組,本集團之實繳盈餘,即 本公司已發行股本之面值,與所 收購附屬公司於收購日期之股本 面值之差額。

(b) Company

(b) 公司

			Share	Capital	C	B	
			premium account	redemption reserve 股本贖回	Contributed surplus	Retained profits	Total
			股本溢價賬	儲備	實繳盈餘	保留溢利	總額
		Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2003	於二零零三年						
	四月一日		333,628	1,587	48,708	378,233	762,156
Exercise of	行使購股權						
share options		27	3,100	_	_	_	3,100
Net profit	本年度溢利						
for the year	淨額		_	_	_	265,808	265,808
Interim 2004	二零零四年中期						
dividend	股息	11	_	_	_	(105,996)	(105,996
Proposed final	二零零四年擬派						
2004 dividend	末期股息	11	_	_	_	(159,047)	(159,047
At 31 March 2004	於二零零四年						
and 1 April 2004	三月三十一日						
	及二零零四年						
	四月一日		336,728	1,587	48,708	378,998	766,021
Exercise of	行使購股權						
share options		27	6,544	_	_	_	6,544
Net profit	本年度溢利						
for the year	淨額		_	_	_	279,386	279,386
Interim 2005	二零零五年中期						
dividend	股息	11	_	_	_	(132,598)	(132,598
Proposed final	二零零五年擬派						
2005 dividend	末期股息	11	_	_	_	(145,881)	(145,881
At 31 March 2005	於二零零五年						
	三月三十一日		343,272	1,587	48,708	379,905	773,472

29. RESERVES (continued)

(b) Company (continued)

The Company's contributed surplus represents the difference between the nominal value of the issued share capital of the Company and the then combined net assets of the subsidiaries acquired on the date of acquisition, as a result of the reorganisation which occurred before the listing of the Company's shares in 1992. Under the Companies Act 1981 of Bermuda (as amended), a distribution may be made out of the contributed surplus under certain circumstances.

29. 儲備(續)

(b) 公司(續)

因應本公司在一九九二年上市前 的重組,本公司之實繳盈餘,即 本公司已發行股本之面值,與所 收購附屬公司於收購日之合併資 產淨值之差額。根據百慕達一九 八一年公司法(經修訂),可於若 干情況下派發實繳盈餘。

30. INTERESTS IN SUBSIDIARIES

30. 於附屬公司之權益

		Company	
		2	公司
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted shares, at cost	非上市股份,成本值	48,908	48,908
Due from subsidiaries	應收附屬公司賬款	2,124,539	2,129,940
Due to subsidiaries	應付附屬公司賬款	(1,334,081)	(1,347,235)
		839,366	831,613

The balances with subsidiaries are unsecured, interest-free and not repayable within one year.

與附屬公司之賬款結餘,乃無抵押、無利息及無須於一年內償還。



30. INTERESTS IN SUBSIDIARIES (continued)

All subsidiaries, other than Trustland Inc., are indirectly held by the Company. The particulars of the principal subsidiaries are as follows:

30. 於附屬公司之權益(續)

除 Trustland Inc.外,所有附屬公司均 由本公司間接持有。主要附屬公司詳情 如下:

Name 名稱	Place of incorporation/registration and operations 註冊成立/登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股 已繳股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率 2005		Principal activities 主要業務	
Trustland Inc.	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$18,000 18,000美元	100	100	Investment holding 投資控股	
Nice Dyeing Factory Limited 永佳染廠有限公司	Hong Kong 香港	Ordinary HK\$1,000 Non-voting deferred HK\$3,125,000 普通股本港幣1,000元 無投票權遞延股本 港幣3,125,000元	100	100	Sale of finished knitted fabric and dyed yarn 銷售針織布及色紗	
Texwinca Enterprises (China) Limited 德永佳 (中國) 發展 有限公司	British Virgin Islands/ the PRC 英屬處女群島/中國	US\$1 1美元	100	100	Investment holding and provision of subcontracting services 投資控股及提供加工服務	
Dongguan Texwinca Textile & Garment Limited 東莞德永佳紡織製衣 有限公司	the PRC/Mainland China 中國/中國大陸	HK\$1,062,448,508 港幣1,062,448,508元	100	100	Production of finishe knitted fabric and dyed yarn 生產整染針織布及 色紗	

30. INTERESTS IN SUBSIDIARIES (continued)

Name 名稱 Texwinca Enterprises	Place of incorporation/registration and operations 註冊成立/登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 已織股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率 2005 2004		Principal activities 主要業務 Provision of	
Limited 德永佳實業有限公司	香港	港幣2元			management services 提供管理服務	
Win Ready Industrial Limited	Hong Kong	Ordinary HK\$10 Non-voting deferred HK\$2	100	100	Property holding	
永備實業有限公司	香港	普通股本港幣10元 無投票權遞延股本 港幣2元			持有物業	
Winlife Trading Limited 永生行有限公司	Hong Kong 香港	HK\$15,903,100 港幣15,903,100元	100	100	Property holding 持有物業	
Baleno Holdings Limited 班尼路集團有限公司	British Virgin Islands 英屬處女群島	US\$10,000 10,000美元	54	54	Investment holding 投資控股	
Baleno Kingdom Limited	Hong Kong	HK\$10,000	54	54	Retail and distribution of casual apparel and accessory	
班尼路有限公司	香港	港幣 10,000元			便服及飾物 零售及分銷	
Guangzhou Friendship Baleno Company Limited	the PRC/Mainland China	HK\$48,800,000	54	54	Retail and distribution of casual apparel and accessory	
廣州友誼班尼路服飾 有限公司	中國/中國大陸	港幣48,800,000元			便服及飾物 零售及分銷	



30. INTERESTS IN SUBSIDIARIES (continued)

Name 名稱	Nominal value Place of of issued incorporation/ ordinary/ registration paid-up and operations capital 註冊成立/ 已發行普通股/ 登記及營業地點 已繳股本面值		Percentage of equity attributable to the Company 本公司應佔權益 之百分率 2005		Principal activities 主要業務	
Shanghai Haiwen Baleno Garment Company Limited 上海海文班尼路服飾 有限公司	the PRC/Mainland China 中國/中國大陸	US\$210,000 210,000美元	51.4	51.4	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷	
Beijing Xingyu Baleno Garment & Decoration Company Limited 北京興宇班尼路服裝 服飾有限公司	the PRC 中國/中國大陸	US\$500,000 500,000美元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷	
Chongqing Dasheng Baleno Fashion Company Limited 重慶大生班尼路服飾 有限公司	the PRC/Mainland China 中國/中國大陸	HK\$3,880,000 港幣3,880,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷	
天津市班尼路服飾 有限公司	the PRC/Mainland China 中國/中國大陸	RMB500,000 人民幣500,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷	
Silver Kingdom Limited	British Virgin Islands/ Taiwan	US\$1	54	54	Retail and distribution of casual apparel and accessory	
銀鯨有限公司	英屬處女群島/台灣	1美元			便服及飾物 零售及分銷	

30. INTERESTS IN SUBSIDIARIES (continued)

Name 名稱	Place of incorporation/registration and operations 註冊成立/登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股 已繳股本面值	Percentage of equity attributable to the Company 本公司應佔權名 之百分率 2005		Principal activities	
Bigpoint Limited	British Virgin Islands/ the PRC	US\$1	100	100	Holding of trademarks and provision of franchise services	
大班有限公司	英屬處女群島/中國	1美元			持有商標及 提供商標服務	
Highrich Corporation	British Virgin Islands/ the PRC	US\$1	54	54	Provision of management services and sub-licensing of trademarks	
大富有限公司	英屬處女群島/中國	1美元			提供管理服務 及代理版權服務	
Winca Trading Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Provision of repair and maintenance services for generators and trading of generators	
永佳貿易有限公司	英屬處女群島/香港	1美元			提供發電機之 維修及銷售	
Winca (Dongguan) Motor Service Limited	the PRC/Mainland China	HK\$28,460,000	100	100	Provision of repair and maintenance services for motors	
永佳(東莞)汽車維修 股務有限公司	中國/中國大陸	港幣28,460,000元			提供汽車之維修	



30. INTERESTS IN SUBSIDIARIES (continued)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/	Nominal value of issued ordinary/ paid-up capital 已發行普通股 已繳股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率		Principal activities 主要業務	
			2005	2004		
Overseas Union Limited 聯合海外有限公司	Hong Kong 香港	HK\$2 港幣2元	54	54	Leasing of properties 租賃物業	
Successful Channel Corporation	British Virgin Islands/ the PRC	US\$1	54	54	Property holding	
	英屬處女群島/中國	1美元			持有物業	
Samuel & Kevin Macau Fashion Company Limited	Macau	MOP25,000	54	54	Retail and distributior of casual apparel and accessory	
Samuel & Kevin 服裝 服飾澳門有限公司	澳門	葡幣 25,000元			便服及飾物 零售及分銷	
Billion Global Limited	British Virgin Islands/ Taiwan	US\$1	54	54	Retail and distribution of casual apparel and accessory	
億皓股份有限公司	英屬處女群島/台灣	1美元			便服及飾物 零售及分銷	
南京班尼路服飾有限公司	the PRC/Mainland China	RMB1,010,000	54	54	Retail and distribution of casual apparel and accessory	
	中國/中國大陸	人民幣1,010,000元			便服及飾物 零售及分銷	

30. INTERESTS IN SUBSIDIARIES (continued)

Name 名稱	註冊成立/ 已發行普通股/		Percentage of equity attributable to the Company 本公司應佔權益 之百分率 2005		Principal activities 主要業務	
武漢班尼路商貿	the PRC/Mainland	RMB1,080,000	54	54	Retail and distribution	
有限公司	China				of casual apparel and accessory	
	中國/中國大陸	人民幣1,080,000元			便服及飾物 零售及分銷	
長沙班尼路服飾 有限公司	the PRC/Mainland China	RMB500,000	54	54	Retail and distribution of casual apparel	
	中國/中國大陸	人民幣500,000元			and accessory 便服及飾物 零售及分銷	
陝西班尼路服飾 有限公司	the PRC/Mainland China	RMB600,000	54	54	Retail and distribution of casual apparel	
	中國/中國大陸	人民幣600,000元			and accessory 便服及飾物 零售及分銷	
Baleno Kingdom (Singapore) Private Limited	Singapore	SG\$300,000	54 54	54	Retail and distribution of casual apparel	
Limited	新加坡	坡幣 300,000元			and accessory 便服及飾物 零售及分銷	
Grand Nice Development	Hong Kong	HK\$2	54	54	Leasing of properties	
Limited 嘉麗發展有限公司	香港	港幣2元			租賃物業	
Excel Billion Inc.	British Virgin	US\$1	54	54	Property holding	
永億國際有限公司	Islands/Taiwan 英屬處女群島/ 台灣	1美元			持有物業	
大連班尼路服飾 有限公司	the PRC/Mainland China	HK\$2,100,000	54	54	Retail and distribution of casual apparel and accessory	
	中國/中國大陸	港幣2,100,000元			em及飾物 零售及分銷	



30. INTERESTS IN SUBSIDIARIES (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of all subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

30. 於附屬公司之權益(續)

上表僅列出本公司之主要附屬公司,董 事認為彼等對本集團之業績構成主要影 響或組成本集團淨資產之主要部份。董 事認為詳列所有附屬公司會令篇幅過於 冗長。

31. CONTINGENT LIABILITIES

(a) At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

31. 或有負債

(a) 於結算日,於財務報表未作撥備 之或有負債如下:

		Group		Company		
		集	画	公司		
		2005	2004	2005	2004	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	
Bank guarantees given	代替租用					
in lieu of property	物業按金之					
rental deposits	銀行擔保	3,734	3,934	_	1,580	
Guarantees of banking	為聯營公司銀行					
facilities granted	信貸所作之					
to an associate	擔保	12,500	12,500	12,500	12,500	
Guarantees of banking	為附屬公司					
facilities granted	銀行信貸					
to subsidiaries	所作之擔保	_	_	3,157,000	1,898,000	
Export bills discounted	有追索權之出口					
with recourse	票據貼現	239,543	255,870	_	_	

31. CONTINGENT LIABILITIES (continued)

As at 31 March 2005, the banking facilities granted to an associate and subsidiaries with guarantees given to the banks by the Company were not utilized (2004: Nil) and were utilised to the extent of approximately HK\$545 million (2004: HK\$351 million), respectively.

(b) In respect of possible future long service payments to employees under the Hong Kong Employment Ordinance as further explained under the heading "Employee benefits" in note 3 to financial statements, the Group has made a provision of HK\$8,111,000 (2004: HK\$7,955,000) and has further contingent liability with a maximum possible amount of HK\$3,647,000 (2004: HK\$5,320,000) as at 31 March 2005.

The contingent liability has arisen because, at the balance sheet date, certain employees of the Group were eligible for long service payments under the Employment Ordinance if their employment were terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

31. 或有負債(續)

截至二零零五年三月三十一日, 聯營公司並無動用本公司已作擔 保之銀行額度(二零零四年: 無),而附屬公司則已動用港幣 545百萬元(二零零四年:港幣351 百萬元)。

(b) 根據香港僱傭條列可能須於未來 向僱員支付長期服務金,如財務 報表附註3「僱員福利」一節所詳 述,於二零零五年三月三十一 日,本集團已撥備港幣8,111,000 元(二零零四年:港幣7,955,000 元)及或有負債可能涉及之金額最 多為港幣3,647,000元(二零零四 年:港幣5,320,000元)。



31. CONTINGENT LIABILITIES (continued)

subject to a claim from the National Tax Authority (the "NTA") of Taiwan for the underpayment of business tax on sales made through certain local stores in Taiwan during the period from November 1998 to December 2002 together with penalties, of NTD63 million in aggregate (equivalent to HK\$14 million). An amendment letter against the claims was filed by the local tax representative of the subsidiary in the prior year. The directors, based on the advice from the local tax representative of the subsidiary, believe that the subsidiary has a valid ground to object the claims from the NTA, and accordingly, the Group has not made any provision for the tax claim as at 31 March 2004 and 2005.

32. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 14) under operating lease arrangements, with leases negotiated for terms ranging from two to three years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

31. 或有負債(續)

本集團於台灣之其中一間附屬公 (c) 司受到台灣國税局追索有關透過 部份當地店舖擁有者於一九九八 年十一月至二零零二年十二月期 間銷售之少付營業税及罰款,總 額共新台幣63百萬元(相等於港幣 14百萬元)。該附屬公司之當地税 務代表已呈交抗辯信反對該索 償。按該附屬公司當地税務代表 之意見,董事相信該附屬公司有 充分理據反對國税局之索償,因 此,本集團並沒有於二零零四年 三月三十一日及二零零五年三月 三十一日為此税務索償作出撥 備。

32. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排出租旗 下投資物業(附註14),議定租期 由兩年至三年不等。租約條款一 般規定租戶須繳付保證按金及訂 明可根據當時市場情況定期作出 租金調整。

32. OPERATING LEASE ARRANGEMENTS (continued)

(a) As lessor (continued)

At 31 March 2005, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

32. 經營租賃安排(續)

(a) 作為出租人(續)

於二零零五年三月三十一日,本 集團根據有關之不可撤銷經營租 賃合約未來最低應收租金總額到 期情況如下:

			Group
			集團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	3,155	2,717
In the second to fifth years,	第二年至第五年		
inclusive	(包括首尾兩年)	2,258	103
After five years	於五年後	14	_
		5,427	2,820

(b) As lessee

The Group leases certain of its land for factories, retail stores, plant and machinery, and staff and directors' quarters under operating lease arrangements. Such leases are negotiated for terms of not more than 50 years.

(b) 作為承租人

本集團根據經營租賃安排租用若 干土地用作工廠、零售商店、廠 房設備及機械,以及員工及董事 宿舍。該等租約議定租期不超過 五十年。

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32. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee (continued)

At 31 March 2005, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

32. 經營租賃安排(續)

(b) 作為承租人(續)

於二零零五年三月三十一日,本 集團根據有關之不可撤銷經營租 賃合約未來最低應付租金總額到 期情況如下:

			Group 集團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	451,792	415,530
In the second to fifth years,	第二年至第五年		
inclusive	(包括首尾兩年)	698,222	709,874
After five years	於五年後	495,220	441,511
		1,645,234	1,566,915

At the balance sheet date, the Company had no commitment under operating lease arrangements (2004: Nil).

於結算日,本公司並無經營租賃 安排承擔(二零零四年:無)。

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二零零五年三月三十一日 31 March 2005

33. COMMITMENTS

33. 承擔

(a) Capital commitments

(a) 資本承擔

Commitments for capital expenditure at the balance sheet date were as follows:

於結算日,資本支出承擔如下:

			Group
			集團
		2005	2004
		HK\$'000	HK\$'000
		港幣千元	港幣千元
In respect of fixed assets,	已就固定資產訂約,		
contracted, but not	但未作準備		
provided for		40,373	84,478
In respect of fixed assets,	已就固定資產核準,		
authorised, but not	但沒有訂約		
contracted for		332,361	345,206
In respect of investments	已就投資於中國大陸之		
in subsidiaries operating	附屬公司訂約,		
in Mainland China,	但未作準備		
contracted, but not			
provided for		312,343	722,380
		685,077	1,152,064

At the balance sheet date, the Company had no capital commitment (2004: Nil).

於結算日,本公司並無資本承擔 (二零零四年:無)。

(b) At 31 March 2005, the Group had outstanding foreign exchange forward contracts with an equivalent aggregate principal amount of HK\$3,898 million (2004: HK\$3,336 million). (b) 於二零零五年三月三十一日,本 集團有相等於本金總值港幣3,898 百萬元(二零零四年:港幣3,336 百萬元)之未完成遠期外滙合約。



34. RELATED PARTY TRANSACTIONS

transactions with its associate:

(a) During the year, the Group had the following

34. 關連人士交易

(a) 於年內,本集團曾與其聯營公司 進行下列交易:

				oup 集團
			2005 2004	
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Sales to Megawell Industrial	銷售予 Megawell Industrial			
Limited ("Megawell")	Limited (「Megawell」)	(i)	317,944	265,183
Purchases from Megawell	向 Megawell 採購	(ii)	208,692	203,846

Notes:

- (i) The sales to Megawell, the associate of the Group, were made according to the prices and conditions offered to the major customers of the Group.
- (ii) The directors consider that the purchases from Megawell were made according to the prices and conditions similar to those offered to other customers of the associate.

In addition, the Company and the Group have provided certain guarantees for banking facilities granted to the associate, as detailed in note 31(a) to the financial statements.

附註:

- (i) 向本集團之聯營公司 Megawell 銷售乃 根據向本集團主要客戶提供之價格及條 件進行。
- (ii) 董事認為向 Megawell 採購之價格及條件,與聯營公司向其他客戶所提供之價格及條件相若。

此外,公司及集團作出若干銀行信貸擔保予聯營公司,詳細載於財務報表附註 31(a)。

34. RELATED PARTY TRANSACTIONS (continued)

- (b) As at 31 March 2005, Nice Dyeing Factory Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$497,949,000 (2004: HK\$323,520,000) to Baleno Kingdom Limited, a non wholly-owned subsidiary, at annual interest rate of HIBOR plus 2% (2004: annual interest rate of prime rate minus 1.25% and HIBOR plus 2% for the period from April to October 2003, and from November 2003 to March 2004, respectively). The advances are unsecured and have no fixed terms of repayment. The principal purpose of these advances is to finance the operations of Baleno Kingdom Limited.
- (c) During the year, a shareholder loan was granted to the Group by a substantial shareholder and director of the Company, details of which were set out in note 24 to the financial statements. Total interest expenses of the shareholder loan and the repayment made by the Group during the year were HK\$2,879,000 (2004: HK\$474,000) and HK\$93,829,000 (2004: Nil). As at 31 March 2005, the outstanding balance of the loan was HK\$266,376,000 (2004: HK\$360,205,000) for the year.
- (d) A minority shareholder of the Group's 54% owned subsidiary had provided an unconditional guarantee to indemnify the Group from any loss arising from the recoverability of prepayments made to a supplier of the Group of HK\$24,155,000 (2004: HK\$16,741,000) as included in the prepayments, deposits and other receivables balance of the Group as at the balance sheet date.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 19 July 2005.

34. 關連人士交易(續)

- (b) 於二零零五年三月三十一日,本公司之全資擁有附屬公司永佳染廠有限公司向本公司之非全資擁有附屬公司班尼路有限公司提供之未償還貸款為港幣497,949,000元(二零零四年:港幣323,520,000元),年利率為香港同業拆息加2%(二零零四年:二零零三年四月至十月及二零零三年十一月至二零零四年三月期間之年利率分別按最優惠利率減1.25%及香港銀行同業拆息加2%),有關貸款並無抵押及無協定還款日期,主要用作班尼路有限公司之營運資金。
- (c) 於年內,本公司之主要股東兼董 事借出股東貸款予本集團,詳情 已於財務報表附註24列出。本年 度股東貸款之利息支出總額及集 團於年內償還金額分別為港幣 2,879,000元(二零零四年:港幣 474,000元)及港幣93,829,000元 (二零零四年:無)。於二零零五 年三月三十一日,未償還股東貸 款金額為港幣266,376,000元(二零 零四年:港幣360,205,000元)。
- (d) 本集團擁有54%權益附屬公司之 其中一少數股東就本集團預付一 供應商貸款港幣24,155,000元(二 零零四年:港幣16,741,000元)可 回收性之任何損失,提供無條件 的擔保。於結算日,該款已包括 於預付款項、訂金及其他應收賬 款中。

35. 財務報表之核准

本財務報表已於二零零五年七月十九日 由董事會核准及授權刊發。