



 **Texwinca** holdings limited
德永佳集團有限公司

Stock Code 股份代號 : 321

Interim report **2006**

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Corporate Information 公司資料

Directors

Poon Bun Chak
(Chairman and Chief Executive Officer)
Poon Kai Chak
Poon Kei Chak
Poon Kwan Chak
Ting Kit Chung
Au Son Yiu*
Cheng Shu Wing*
Wong Tze Kin, David*

* *Independent Non-executive Directors*

Nomination Committee

Cheng Shu Wing *(Chairman)*
Au Son Yiu
Wong Tze Kin, David

Remuneration Committee

Au Son Yiu *(Chairman)*
Cheng Shu Wing
Ting Kit Chung
Wong Tze Kin, David

Audit Committee

Wong Tze Kin, David *(Chairman)*
Au Son Yiu
Cheng Shu Wing

Company Secretary

Chan Chi Hon

Registered Office

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

Head Office and Principal Place of Business

16th Floor, Metroplaza,
Tower II,
223 Hing Fong Road,
Kwai Chung,
New Territories,
Hong Kong

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
區燊耀*
鄭樹榮*
黃自建*

* 獨立非執行董事

提名委員會

鄭樹榮 *(主席)*
區燊耀
黃自建

薪酬委員會

區燊耀 *(主席)*
鄭樹榮
丁傑忠
黃自建

審核委員會

黃自建 *(主席)*
區燊耀
鄭樹榮

公司秘書

陳志漢

註冊辦事處

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

總辦事處及主要營業地點

香港
新界葵涌
興芳路223號
新都會廣場第二座16樓

Corporate Information 公司資料

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre,
14 Bermudiana Road,
Pembroke,
Bermuda

主要股份登記及過戶處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre,
14 Bermudiana Road,
Pembroke,
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tengis Limited
26/F., Tesbury Centre,
28 Queen's Road East,
Wanchai,
Hong Kong

香港股份登記及過戶分處

登捷時有限公司
香港灣仔
皇后大道東二十八號
金鐘匯中心二十六樓

Auditors

Ernst & Young
Certified Public Accountants

核數師

安永會計師事務所
執業會計師

Legal Advisors

Jennifer Cheung & Co.
Wilkinson & Grist

法律顧問

張美霞律師行
高露雲律師行

Principal Bankers

Bank of China (Hong Kong) Ltd.
BNP Paribas
Citibank, N.A.
Hongkong Bank
Hang Seng Bank
Mizuho Corporate Bank, Ltd.
The Bank of East Asia, Ltd.

主要往來銀行

中國銀行(香港)有限公司
法國巴黎銀行
花旗銀行
滙豐銀行
恒生銀行
瑞穗實業銀行
東亞銀行有限公司

Websites

<http://www.texwinca.com/>
<http://www.baleno.com.hk/>
<http://www.irasia.com/listco/hk/texwinca/>

網址

<http://www.texwinca.com/>
<http://www.baleno.com.hk/>
<http://www.irasia.com/listco/hk/texwinca/>

Financial Information 財務資料

The Board of Directors of Texwinca Holdings Limited (the “Company”) has pleasure in presenting the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2006. The interim results have been reviewed by the Company’s audit committee.

德永佳集團有限公司(「本公司」)之董事會欣然宣佈·本公司及其附屬公司(「本集團」)截至二零零六年九月三十日止六個月之未經審核綜合業績。此中期業績已由本公司審核委員會審閱。

Condensed Consolidated Income Statement 簡明綜合利潤表

		Six months ended 30 September 截至九月三十日止六個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
	Notes 附註		
REVENUE	收入	3,995,558	3,751,305
Cost of sales	銷售成本	(2,792,462)	(2,613,560)
Gross profit	毛利	1,203,096	1,137,745
Other income and gains	其他收入及收益	52,064	39,891
Selling and distribution costs	銷售及分銷費用	(721,152)	(707,953)
Administrative expenses	行政費用	(250,328)	(251,221)
Other operating (expenses)/ income, net	其他營運(費用)/ 收入,淨額	(4,791)	3,390
Finance costs	財務費用	(28,086)	(9,679)
Share of profit of an associate, net of tax	應佔聯營公司溢利, 除稅後淨額	24,066	24,550
PROFIT BEFORE TAX	除稅前溢利	274,869	236,723
Tax	稅項	(39,574)	(32,698)
PROFIT FOR THE PERIOD	本期溢利	235,295	204,025
Attributable to:	歸屬:		
Equity holders of the parent	母公司權益所有者	275,191	250,142
Minority interests	少數股東權益	(39,896)	(46,117)
		235,295	204,025

Financial Information 財務資料

Condensed Consolidated Income Statement (continued)

簡明綜合利潤表 (續)

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2006	2005
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Notes		HK\$'000	HK\$'000
附註		港幣千元	港幣千元
Proposed interim dividend	擬派中期股息	159,155	145,886
Proposed interim dividend per share (HK cents)	擬派每股中期股息 (港幣仙)	12.0	11.0
Earnings per share attributable to ordinary equity holders of the parent (HK cents)	歸屬母公司普通 權益所有者每股 盈利 (港幣仙)		
Basic	基本	20.7	18.9
Diluted	攤薄後	20.7	18.8

Financial Information 財務資料

Condensed Consolidated Balance Sheet 簡明綜合資產負債表

			At 30 September 2006 二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	2,184,542	1,936,397
Investment properties	投資物業		66,822	66,822
Prepaid land lease payments	預付土地租賃款		24,954	25,175
Construction in progress	在建工程		145,056	83,540
Trademarks	商標		33,293	33,227
Interest in an associate	於聯營公司之權益		181,319	157,253
Long term rental deposits	長期租金按金		81,027	107,763
Total non-current assets	總非流動資產		2,717,013	2,410,177
CURRENT ASSETS	流動資產			
Inventories	存貨		1,091,714	1,298,085
Trade and bills receivable	應收賬款及應收票據	10	877,211	879,700
Prepayments, deposits and other receivables	預付款項、訂金及其他應收賬款		412,240	415,150
Derivative financial assets	衍生金融資產		11,770	11,807
Cash and cash equivalents	現金及現金等價物		585,068	250,921
Total current assets	總流動資產		2,978,003	2,855,663
CURRENT LIABILITIES	流動負債			
Due to an associate	應付聯營公司		143,670	83,813
Trade and bills payable	應付賬款及應付票據	11	909,171	1,008,500
Other payables and accrued liabilities	其他應付賬款及應計負債		239,560	178,422
Derivative financial liabilities	衍生金融負債		4,200	2,852
Tax payable	應付稅項		182,901	156,627
Interest bearing bank borrowings	付息銀行貸款		464,095	415,316
Dividend payable	應付股息		145,892	-
Total current liabilities	總流動負債		2,089,489	1,845,530

Financial Information 財務資料

Condensed Consolidated Balance Sheet (continued)

簡明綜合資產負債表 (續)

		At 30 September 2006 二零零六年 九月三十日 (Unaudited) (未經審核)	At 31 March 2006 二零零六年 三月三十一日 (Audited) (經審核)
	Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
NET CURRENT ASSETS	流動資產淨額	888,514	1,010,133
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動 負債	3,605,527	3,420,310
NON-CURRENT LIABILITIES	非流動負債		
Interest bearing bank borrowings	附息銀行貸款	555,019	478,000
Provision for long service payments	長期服務金 撥備	8,932	8,773
Deferred tax	遞延稅項	3,588	3,588
Total non-current liabilities	總非流動負債	567,539	490,361
Net assets	淨資產	3,037,988	2,929,949
EQUITY	權益		
Equity attributable to equity holders of the parent	母公司權益所有者 應佔權益		
Issued capital	已發行股本	66,314	66,314
Reserves	儲備	2,792,987	2,659,595
Proposed interim/final dividend	擬派中期/末期股息	159,155	145,892
		3,018,456	2,871,801
Minority Interests	少數股東權益	19,532	58,148
Total equity	總權益	3,037,988	2,929,949

Financial Information 財務資料

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

	Issued share capital 已發行股本 (Unaudited) (未經審核) HK\$'000 港幣千元	Share premium account 股本溢價賬 (Unaudited) (未經審核) HK\$'000 港幣千元	Capital redemption reserve 股本贖回儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Share option reserve 購股權儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Contributed surplus 實收盈餘 (Unaudited) (未經審核) HK\$'000 港幣千元	Exchange fluctuation reserve 外匯變動儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Asset revaluation reserve 資產重估儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Retained profits 保留溢利 (Unaudited) (未經審核) HK\$'000 港幣千元	Proposed dividend 擬派股息 (Unaudited) (未經審核) HK\$'000 港幣千元	Total (Unaudited) (未經審核) HK\$'000 港幣千元	Minority interests 少數股東權益 (Unaudited) (未經審核) HK\$'000 港幣千元	Total equity (Unaudited) (未經審核) HK\$'000 港幣千元
At 1 April 2006 於二零零六年四月一日	66,314	344,158	1,587	10,276	3,986	20,760	13,493	2,265,335	145,892	2,871,801	58,148	2,929,949
Exchange realignment 匯兌調整	-	-	-	-	-	17,356	-	-	-	17,356	1,280	18,636
Net profit for the period 本期溢利淨額	-	-	-	-	-	-	-	275,191	-	275,191	(39,896)	235,295
Cancellation of share options 購股權取消	-	-	-	(150)	-	-	-	150	-	-	-	-
2005/2006 final dividend 二零零五/二零零六年度末期股息	-	-	-	-	-	-	-	-	(145,892)	(145,892)	-	(145,892)
2006/2007 proposed interim dividend 二零零六/二零零七年度擬派中期股息	-	-	-	-	-	-	-	(159,155)	159,155	-	-	-
At 30 September 2006 於二零零六年九月三十日	66,314	344,158	1,587	10,126	3,986	38,116	13,493	2,381,521	159,155	3,018,456	19,532	3,037,988
At 1 April 2005 於二零零五年四月一日	66,305	343,272	1,587	5,369	3,986	(14,007)	13,493	2,076,863	145,881	2,642,749	103,498	2,746,247
Exchange realignment 匯兌調整	-	-	-	-	-	24,854	-	-	-	24,854	(390)	24,464
Exercise of share options 行使購股權	7	639	-	-	-	-	-	-	-	646	-	646
Net profit for the period 本期溢利淨額	-	-	-	-	-	-	-	250,142	-	250,142	(46,117)	204,025
Equity-settled share option arrangement 以權益結算的購股權安排	-	-	-	2,365	-	-	-	-	-	2,365	-	2,365
2004/2005 final dividend 二零零四/二零零五年年度末期股息	-	-	-	-	-	-	-	(145,881)	(145,881)	(145,881)	-	(145,881)
2005/2006 proposed interim dividend 二零零五/二零零六年度擬派中期股息	-	-	-	-	-	-	-	(145,886)	145,886	-	-	-
At 30 September 2005 於二零零五年九月三十日	66,312	343,911	1,587	7,734	3,986	10,847	13,493	2,181,119	145,886	2,774,875	56,991	2,831,866

Financial Information 財務資料

Condensed Consolidated Cash Flow Statement 簡明綜合現金流量表

		Six months ended 30 September 截至九月三十日止六個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
NET CASH INFLOW FROM OPERATING ACTIVITIES	經營所得現金 流入淨額	607,120	284,750
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	投資活動現金 流出淨額	(340,774)	(119,837)
NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	融資活動 現金流入/ (流出)淨額	97,735	(156,525)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之 增加淨額	364,081	8,388
Cash and cash equivalents at beginning of period	期初之現金及現金 等價物	235,297	660,530
Foreign exchange adjustments	外匯調整	(14,310)	(5,983)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	於期末之現金 及現金 等價物	585,068	662,935
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金 等價物結餘 分析		
Cash and bank balances	現金及銀行結餘	117,379	149,911
Non-pledged short term time deposits with original maturity within three months when acquired	於訂立日三個月 內到期無作 抵押之短期 定期存款	467,689	513,546
Bank overdrafts, unsecured	銀行透支，無抵押	—	(522)
		585,068	662,935

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

1. BASIS OF PREPARATION

The unaudited condensed interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed interim financial statements are the same as those used in the Group’s annual financial statements for the year ended 31 March 2006, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period’s financial statements:

Amendment to HKAS 21	Net Investment in a Foreign Operation	HKAS 21 (修訂本)	於海外業務 之淨投資
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1. 編製基本原則

未經審核簡明中期財務報表乃根據香港會計師公會頒佈之香港會計準則（「HKAS」）第34號「中期財務報告」及香港聯合交易所有限公司（「聯交所」）《證券上市規則》附錄第十六條編製。

2. 主要會計政策

在編製此未經審核簡明中期財務報表採用的會計政策和編製基礎與本集團截至二零零六年三月三十一日止年度財務報表所採用的一致，除以下影響本集團及在本期財務報表中首次採用的新及經修訂的香港財務報告準則（「HKFRSs」，也包括HKASs 和詮釋）：

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)*

簡明綜合財務報表附註 (續)

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Amendment to HKAS 39	The Fair Value Option
Amendments to HKAS 39 and HKFRS 4	Financial Guarantee Contracts
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

The adoption of the HKFRSs listed above does not have any significant impact on the Group's unaudited condensed interim financial statements for the six months ended 30 September 2006. For those new and revised HKFRSs which have not yet been effective, the Group is in the process of assessing their impact on the Group's results and financial position.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The judgements and estimates adopted in the preparation of the unaudited condensed interim financial statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2006.

2. 主要會計政策 (續)

HKAS 39 (修訂本)	公允值的選擇
HKAS 39及 HKFRS 4 (修訂本)	財務擔保合約
香港(國際財務 報告詮釋委員會) 詮釋第4號	釐定一項安排 是否包含 租賃

採用上列 HKFRSs 對本集團截至二零零六年九月三十日止六個月的未經審核簡明中期財務報表沒有重大的影響。仍未生效之新及經修訂的 HKFRSs，本集團現正評估其對本集團業績及財務狀況之影響。

3. 主要會計判斷及估計

在編製此未經審核簡明中期財務報表時採用的判斷及估計與本集團截至二零零六年三月三十一日止年度財務報表採用的一致。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)*

簡明綜合財務報表附註 (續)

4. SEGMENT INFORMATION

Segment information is presented on a primary segment reporting basis, by business 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 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, and the provision of franchise services.

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

分類資料乃按主要業務分類作為分類呈報方式。

本集團之營運業務劃分乃按其業務性質、產品及服務分類及管理。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和特許經營服務。

業務分類間之銷售及轉撥交易之售價乃參照售予第三者之當時市場價格訂定。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

4. SEGMENT INFORMATION (continued)

The following table presents revenue and profit information for the Group's business segments for the six months ended 30 September:

4. 分類資料 (續)

下表為截至九月三十日止六個月，本集團業務分類之收入及溢利資料：

		Production, dyeing and sale of knitted fabric and yarn 針織布及棉紗之產銷及整染		Casual apparel and accessory retailing and distribution 便服及飾物零售及分銷		Others 其他		Eliminations 對銷		Consolidated 綜合	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
Segment revenue:	分類收入：										
Sales to external customers	售予集團外客戶	2,401,172	2,224,786	1,569,908	1,501,740	24,478	24,779	—	—	3,995,558	3,751,305
Intersegment sales	分類間之銷售	—	—	—	—	652	1,126	(652)	(1,126)	—	—
Other revenue	其他收入	32,176	15,622	13,031	12,647	498	2,060	—	(904)	45,705	29,425
Total	合計	2,433,348	2,240,408	1,582,939	1,514,387	25,628	27,965	(652)	(2,030)	4,041,263	3,780,730
Segment results	分類業績	323,357	288,379	(60,024)	(86,247)	6,212	7,550	2,985	1,704	272,530	211,386
Interest income	利息收入									6,359	10,466
Share of profit of an associate,	應佔聯營公司溢利										
net of tax	除稅後淨額									24,066	24,550
Finance costs	財務費用									(28,086)	(9,679)
Profit before tax	除稅前溢利									274,869	236,723
Tax	稅項									(39,574)	(32,698)
Profit for the period	本期溢利									235,295	204,025

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

5. OTHER INCOME AND GAINS

5. 其他收入及收益

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2006	2005
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest income	利息收入	6,359	10,466
Gross rental income	總租金收入	3,705	2,662
Net fair value gains on foreign exchange derivative financial instruments	外匯衍生金融 工具公允值淨 收益	20,932	9,812
Sundry income	其他收入	21,068	16,951
		52,064	39,891

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前溢利

本集團之除稅前溢利已扣除/
(加上):

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2006	2005
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Depreciation	折舊	138,935	140,793
Amortisation of prepaid land	預付土地租賃款		
lease payments	之攤銷	285	67
Provision for/(reversal of)	已包括在銷售成本中		
impairment of inventories	存貨減值/		
included in cost of sales	(減值撥回)	6,758	(10,294)
(Gain)/loss on disposal of items	出售物業、廠房及		
of properties, plant and	設備項目		
equipment	(收益)/虧損	(4,014)	1,876

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

7. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (six months ended 30 September 2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. 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.

7. 稅項

香港利得稅已按期內於香港賺取之估計應課稅溢利以稅率17.5% (截至二零零五年九月三十日止六個月：17.5%) 提撥準備。在其他地區的應課利得稅項，乃根據本集團業務經營所在國家之現有法律、詮釋及常規，按其現行稅率計算。

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2006	2005
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Hong Kong and the mainland	香港及中國		
China taxes:	大陸稅項：		
Current period provision	本期準備	39,574	32,355
Deferred tax charge	遞延稅項	—	343
Tax charge for the period	本期稅項	39,574	32,698

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)*

簡明綜合財務報表附註 (續)

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit for the period attributable to ordinary equity holders of the parent of HK\$275,191,000 (six months ended 30 September 2005: HK\$250,142,000) and the weighted average number of 1,326,288,104 (six months ended 30 September 2005: 1,326,176,902) ordinary shares in issue during the period.

8. 歸屬母公司普通權益所有者每股盈利

(a) 基本每股盈利

基本每股盈利乃按母公司普通權益所有者應佔本期溢利淨額港幣275,191,000元(截至二零零五年九月三十日止六個月:港幣250,142,000元)及期內已發行普通股股份之加權平均數1,326,288,104(截至二零零五年九月三十日止六個月:1,326,176,902)計算。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the followings:

8. 歸屬母公司普通權益所有者每股盈利 (續)

(b) 攤薄後每股盈利

攤薄後每股盈利之計算如下：

		Six months ended 30 September 截至九月三十日止六個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
Net profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	母公司普通權益所有者應佔溢利淨額，用於計算每股基本盈利	275,191	250,142
		Number of shares 股份數目	
Weighted average number of shares in issue during the period used in the basic earnings per share calculation	用於計算基本每股盈利之期內已發行股份加權平均股數	1,326,288,104	1,326,176,902
Effect of dilution – Weighted average number of ordinary shares: Share options	攤薄之影響—加權平均普通股股數： 購股權	44,588	6,813,936
Weighted average number of shares in issue during the period used in the diluted earnings per share calculation	用於計算攤薄後每股盈利之期內已發行股份加權平均股數	1,326,332,692	1,332,990,838

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2006, the Group acquired items of property, plant and equipment with a cost of HK\$381,482,000 (six months ended 30 September 2005: HK\$115,596,000). Items of property, plant and equipment with a net book value of HK\$24,879,000 were disposed of during the six months ended 30 September 2006 (six months ended 30 September 2005: HK\$2,960,000).

10. TRADE AND BILLS RECEIVABLE

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

		At 30 September 2006 二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Within 90 days	90日內	817,457	841,355
Over 90 days	90日以上	59,754	38,345
		877,211	879,700

9. 物業、廠房及設備

於截至二零零六年九月三十日止六個月內，本集團添置價值為港幣381,482,000元(截至二零零五年九月三十日止六個月:港幣115,596,000元)之物業、廠房及設備。於截至二零零六年九月三十日止六個月內，賬面淨值為港幣24,879,000元之物業、廠房及設備項目被出售(截至二零零五年九月三十日止六個月:港幣2,960,000元)。

10. 應收賬款及應收票據

於結算日，按發票日期及扣除減值後之應收賬款及應收票據賬齡分析如下：

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

10. TRADE AND BILLS RECEIVABLE (continued)

The Group's trading terms with customers are largely on credit. Invoices are normally payable within 90 days of issue, except for certain well-established customers, where the terms are extended up to 120 days, subject to the approval of directors. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimize credit risk. Overdue balances are regularly reviewed by directors.

11. TRADE AND BILLS PAYABLE

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

10. 應收賬款及應收票據 (續)

本集團與客戶交易一般為賒銷。除部份基礎良好客戶獲董事批予賬期達120天外，其餘基本按發票發出日90天內到期付款。本集團對應收款實施一套嚴謹監察制度控制授信風險，董事亦會定期檢討逾期賬款。

11. 應付賬款及應付票據

於結算日，按發票日期之應付賬款及應付票據賬齡分析如下：

		At 30 September 2006 二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Within 90 days	90日內	813,840	939,351
Over 90 days	90日以上	95,331	69,149
		909,171	1,008,500

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

12. CONTINGENT LIABILITIES

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

12. 或有負債

- (a) 於結算日，於中期財務報表中未作撥備之或有負債如下：

	At 30 September 2006 二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Bank guarantees given in lieu of property rental deposits	8,681	8,921
Guarantees of banking facilities granted to an associate	12,500	12,500

In the opinion of the directors of the Company, the fair values of the financial guarantee contracts of the Group are not significant at initial recognition and the directors of the Company consider that the possibility of the default of the party involved (i.e. an associate) is remote. Accordingly, no amount has been recognised in the consolidated balance sheet as at 30 September 2006 and 31 March 2006 in respect of the financial guarantee contracts.

本公司董事認為，本集團的財務擔保合約於最初確認時的公允值並不重大，及本公司董事考慮到涉及的一方(即聯營公司)違約的可能性極微。因此，於二零零六年九月三十日及二零零六年三月三十一日，並無在綜合資產負債表中確認財務擔保合約。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)*

簡明綜合財務報表附註 (續)

12. CONTINGENT LIABILITIES *(continued)*

(b) In respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, the Group has made a provision of HK\$8,932,000 (31 March 2006: HK\$8,773,000) and has a further contingent liability with a maximum possible amount of HK\$4,349,000 (31 March 2006: HK\$4,744,000) as at 30 September 2006.

(c) There has been no significant change in the status of or the exposure to the claim that was set out in note 35(c) to the Group's annual financial statements for the year ended 31 March 2006. The directors believe that possibility of adverse outcome to a material extent is not probable, thus the Group has not made any provision for loss in respect of the claim as at 30 September 2006 (31 March 2006: Nil).

12. 或有負債 (續)

(b) 根據香港僱傭條例可能須於未來向僱員支付長期服務金，於二零零六年九月三十日，本集團已撥備港幣8,932,000元（二零零六年三月三十一日：港幣8,773,000元），而或有負債可能涉及之金額最多為港幣4,349,000元（二零零六年三月三十一日：港幣4,744,000元）。

(c) 已於本集團截至二零零六年三月三十一日止年度之財務報表中附註35(c)列明之訴訟情況及賠償風險並無重大變動。董事相信有關訴訟出現重大程度負面結果的可能性甚微，因此本集團於二零零六年九月三十日並無就任何或有損失作出撥備（二零零六年三月三十一日：無）。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

13. CAPITAL COMMITMENTS

The commitments for capital expenditure of the Group at the balance sheet date were as follows:

13. 資本性承擔

在結算日，本集團的資本性支出承擔如下：

	At 30	At 31
	September	March
	2006	2006
	二零零六年	二零零六年
	九月三十日	三月三十一日
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
	HK\$'000	HK\$'000
	港幣千元	港幣千元
In respect of property, plant and equipment, contracted but not provided for	就物業、廠房及設備，已訂約但未提撥備 61,799	276,918
In respect of property, plant and equipment, authorised but not contracted for	就物業、廠房及設備，已授權但沒有訂約 330,331	330,331
	392,130	607,249

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

14. RELATED PARTY TRANSACTIONS

(a) During the period, the Group had the following related party transactions:

		Six months ended 30 September 截至九月三十日止六個月		
		2006		2005
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Sales to an associate	銷售予聯營公司	(i)	160,156	136,720
Purchases from an associate	向聯營公司採購	(ii)	96,571	117,060
Rental expenses paid to related companies	租金費用支付予 關連公司	(iii)	4,878	2,105

Notes:

- (i) The sales to an associate of the Group were made according to the prices and conditions offered to the major customers of the Group.
- (ii) The directors considered that the purchases from an associate were made according to the prices and conditions similar to those offered to other customers of the associate.
- (iii) The rental expenses were paid to related companies, of which certain directors of the Company are also the directors and beneficial shareholders, for the provision of directors' quarters, a yacht and retail outlets. The directors considered that the monthly rentals were charged based on the prevailing market rates at the dates of the tenancy agreements.

附註:

- (i) 本集團向聯營公司之銷售乃根據本集團向主要客戶提供之價格及條件訂立。
- (ii) 董事認為向聯營公司採購之價格及條件，與該聯營公司向它的其他客戶所提供之價格及條件相若。
- (iii) 租金費用是支付予關連公司作為提供董事宿舍、一艘遊艇及零售店舖，該等公司之董事及實益股東亦為本公司之董事。董事認為每月之租金乃根據租賃合同簽訂日之市場價格釐訂。

In addition, the Group has provided certain guarantees of banking facilities granted to the associate, as detailed in note 12 to the financial statements.

此外，本集團為聯營公司作出若干銀行信貸擔保，詳細資料載於財務報表附註12。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

14. RELATED PARTY TRANSACTIONS (continued)

(b) As at 30 September 2006, Nice Dyeing Factory Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$380,552,000 (31 March 2006: HK\$640,168,000) to Baleno Kingdom Limited, a non-wholly-owned subsidiary of the Company, at the annual interest rate of Hong Kong Interbank Offered Rate (“HIBOR”) plus 2% (31 March 2006: HIBOR plus 2%).

In addition, Nice Dyeing Factory (Macau Commercial Offshore) Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$388,781,000 (31 March 2006: HK\$93,930,000) to Baleno Holdings Limited, a non-wholly-owned subsidiary of the Company, at the annual interest rate of 83% of HIBOR plus 2% (31 March 2006: 83% of HIBOR plus 2%).

The principal purpose of these advances is to finance the operations of Baleno Holdings Limited and its subsidiaries. The advances are unsecured and have no fixed terms of repayment.

14. 關連人士交易 (續)

(b) 於二零零六年九月三十日，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貸款為港幣380,552,000元（二零零六年三月三十一日：港幣640,168,000元），年利率為香港銀行同業拆息（「HIBOR」）加2%（二零零六年三月三十一日：HIBOR加2%）。

此外，本公司全資擁有附屬公司永佳染廠（澳門離岸商業服務）有限公司向本公司非全資擁有附屬公司班尼路集團有限公司提供貸款港幣388,781,000元（二零零六年三月三十一日：港幣93,930,000元），年利率為HIBOR加2%的83%（二零零六年三月三十一日：HIBOR加2%的83%）。

該等貸款主要用作班尼路集團有限公司及其附屬公司之營運資金。上述貸款並無抵押及無協定還款日期。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)*

簡明綜合財務報表附註 (續)

14. RELATED PARTY TRANSACTIONS

(continued)

(c) In a prior year, a shareholder loan was granted to the Group by a substantial shareholder and also director of the Company. The shareholder loan was repaid in full by the Group during the year ended 31 March 2006. Total interest expenses of the shareholder loan during the six months ended 30 September 2005 were HK\$3,617,000.

(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 (31 March 2006: HK\$24,155,000) as included in the balance of the prepayments, deposits and other receivables of the Group as at the balance sheet date.

14. 關連人士交易 (續)

(c) 於往年，本公司之一名主要股東兼董事借出股東貸款予本集團。本集團已於截至二零零六年三月三十一日止年度內全部清還此股東貸款。截至二零零五年九月三十日止六個月，就該股東貸款的利息支出共港幣3,617,000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貨款港幣24,155,000元(二零零六年三月三十一日：港幣24,155,000元)，提供無條件擔保以補償任何本集團回收上之損失。於結算日，該款已包括於預付款項、訂金及其他應收賬款結餘中。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

14. RELATED PARTY TRANSACTIONS

(continued)

(e) Compensation of key management personnel of the Group

14. 關連人士交易 (續)

(e) 本集團主要管理人員薪酬

		Six months ended 30 September 截至九月三十日止六個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
Short term employee benefits	短期僱員福利	36,813	34,091
Post-employment benefits	離職後福利	30	30
		36,843	34,121

15. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation.

15. 比較數字

若干比較數字已重新分類，以符合本期之呈報方式。

Management Discussion and Analysis

管理層之論述及分析

INTERIM DIVIDEND

The Board has declared an interim dividend of HK12.0 cents (six months ended 30 September 2005: HK11.0 cents) per share for the six months ended 30 September 2006. The interim dividend will be payable on Friday, 9 February 2007 to shareholders registered on the Register of Members at the close of business on Friday, 12 January 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 8 January 2007 to Friday, 12 January 2007 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Tengis Limited not later than 4:00 p.m. on Friday, 5 January 2007. Tengis Limited is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

中期股息

董事會宣佈派發截至二零零六年九月三十日止六個月之中期股息每股港幣12.0仙(截至二零零五年九月三十日止六個月:港幣11.0仙)。擬派中期股息將於二零零七年二月九日星期五,派發予二零零七年一月十二日星期五辦公時間結束時,登記於股東名冊之股東。

暫停辦理過戶登記

股東名冊將由二零零七年一月八日星期一至二零零七年一月十二日星期五(首尾兩天包括在內),暫停辦理股份之過戶登記手續。股東如欲享有建議派發之中期股息,須於二零零七年一月五日星期五下午四時正之前,將過戶文件連同有關股票送達本公司在香港之股份過戶登記處登捷時有限公司。登捷時有限公司之地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓。

Management Discussion and Analysis

管理層之論述及分析

BUSINESS REVIEW

For this interim period ended 30 September 2006, the Group achieved a total turnover of HK\$3,996 million (six months ended 30 September 2005: HK\$3,751 million), a rise of 7%. Net profit for the period attributable to the equity holders of the parent amounted to HK\$275 million (six months ended 30 September 2005: HK\$250 million), a growth of 10%. The Board has recommended an interim dividend of HK12.0 cents per ordinary share, an increase of 9% over last interim period's HK11.0 cents per share.

Textile business

The business recorded a turnover of HK\$2,401 million (six months ended 30 September 2005: HK\$2,225 million), an increase of 8%. The amount represented 60% of the Group's total turnover. Cotton prices decreased slightly and order flow had been stable in the period. Business environment was generally favourable except the Group had to exercise strict control on rising operating costs. In the period, the Group had invested about HK\$200 million to expand its yarn spinning facilities. The new facilities have commenced production since October 2006 and has improved the Group's ability in handling rush orders. Recently the mainland China authorities have enforced stricter measures to protect environment. As the Group is equipped with excellent environmental facilities, production expansion will be continued to enlarge market shares.

業務回顧

截至二零零六年九月三十日止六個月，本集團之總營業額為港幣3,996百萬元（截至二零零五年九月三十日止六個月：港幣3,751百萬元），上升7%。本期母公司權益所有者應佔溢利淨額為港幣275百萬元（截至二零零五年九月三十日止六個月：港幣250百萬元），增長10%。董事會建議派發中期股息每股普通股港幣12.0仙，較去年中期之每股港幣11.0仙增加9%。

紡織業務

此業務之營業額為港幣2,401百萬元（截至二零零五年九月三十日止六個月：港幣2,225百萬元），增加8%。此數目佔本集團總營業額之60%。期內棉花價格輕微下調而貨品單量保持穩定。除卻本集團要嚴控上升中之經營成本外，期內整體經營環境已有改善。本集團於期內投資約港幣二億元用以擴大紡紗設施。此新設施已於二零零六年十月起投產，令本集團應付急單之能力有所提升。近來中國大陸政府施行嚴厲措施以保護環境。由於本集團已裝備了完善之環保設施，將繼續加強生產力以擴大市場佔有率。

Management Discussion and Analysis

管理層之論述及分析

Retail and distribution business

Sales of this business amounted to HK\$1,570 million (six months ended 30 September 2005: HK\$1,502 million), a growth of 5%, and represented 39% of the Group's total turnover. Business results were below expectation in the period mainly due to unfavourable weather conditions. The Taiwan market recorded a negative revenue growth because of political instability. At the balance sheet date, the development in different markets was as below:

零售及分銷業務

此業務銷售額達港幣1,570百萬元（截至二零零五年九月三十日止六個月：港幣1,502百萬元），上升5%，佔本集團總營業額39%。期內由於受不良天氣影響，業務表現低於預期。由於政治環境動盪，台灣市場銷售額更錄得負增長。於結算日，在各地市場之發展如下：

		Sales 銷售		Growth rate 增長率	Retail Outlets* 門市*		
		Six months ended 30 September 截至九月三十日止六個月 2006	2005		30 September 2006 二零零六年 九月三十日	31 March 2006 二零零六年 三月三十一日	30 September 2005 二零零五年 九月三十日
		HK\$'000 港幣千元	HK\$'000 港幣千元	%			
Mainland China	中國大陸	1,019,384	961,179	6	3,231	3,143	3,180
Hong Kong and Macau	香港及澳門	238,848	217,065	10	91	94	91
Taiwan	台灣	192,561	242,973	(21)	254	266	266
Singapore	新加坡	93,015	68,030	37	59	56	49
Malaysia	馬來西亞	26,100	12,493	109	28	20	15
		1,569,908	1,501,740	5	3,663	3,579	3,601

* Including self-managed and franchise stores

* 包括自營店及特許經營店

Management Discussion and Analysis

管理層之論述及分析

Garment manufacturing business

Turnover of our garment manufacturing associate was HK\$546 million (six months ended 30 September 2005: HK\$526 million), a slight increase of 4%. Net profit contribution to the Group amounted to HK\$24 million (six months ended 30 September 2005: HK\$25 million), roughly the same as last period. During the period, about 66% of the fabric consumed was supplied by our textile division. Sales to our retail arm accounted for about 17% of its revenue.

製衣業務

聯營製衣業務之營業額為港幣546百萬元(截至二零零五年九月三十日止六個月:港幣526百萬元),輕微增長4%。對本集團之淨溢利貢獻為港幣24百萬元(截至二零零五年九月三十日止六個月:港幣25百萬元),與去年同期大致相若。期內約66%之布料消耗由紡織業務提供,銷售到零售及分銷業務則佔其銷售額約17%。

FINANCIAL CONDITION

Liquidity and financial resources

The financial position of the Group remained strong. The current ratio, the cash and cash equivalents and the total equity as at the period end were 1.4, HK\$585 million and HK\$3,038 million (31 March 2006: 1.5, HK\$251 million and HK\$2,930 million) respectively. The net cash inflow from operating activities for the period was HK\$607 million (six months ended 30 September 2005: HK\$285 million). The significant increase from last interim period was mainly due to the surge in trade and bills receivable balance at the end of the last interim period.

財務狀況

流動資金及財務資源

本集團財務狀況維持強勁。於本中期末,流動比率、現金及現金等價物及總權益分別為1.4、港幣585百萬元及港幣3,038百萬元(二零零六年三月三十一日:1.5、港幣251百萬元及港幣2,930百萬元)。本期經營所得現金流入淨額為港幣607百萬元(截至二零零五年九月三十日止六個月:港幣285百萬元)。比上年中期明顯增加主要原因為應收賬款及應收票據餘額於上年中期末大幅上升。

Management Discussion and Analysis

管理層之論述及分析

FINANCIAL CONDITION *(continued)*

Liquidity and financial resources *(continued)*

The interest cover, trade and bills receivable to turnover and inventory to turnover for the period under review were 11 times, 40 days and 50 days (six months ended 30 September 2005: 25 times, 41 days and 53 days) respectively. The long-term bank loans outstanding as at the period end was HK\$960 million (31 March 2006: HK\$716 million). As at 30 September 2006, the gearing ratio was 0.3 (31 March 2006: 0.3). The gearing ratio refers to the ratio of total interest bearing debts to total equity. The Group mainly financed its operation by cash inflow from its operating activities and bank borrowings. As at the period end, the unutilized banking facilities amounted to HK\$2,059 million (31 March 2006: HK\$2,363 million).

Capital expenditure

Total capital expenditures of the Group for the period amounted to HK\$440 million (six months ended 30 September 2005: HK\$187 million), of which HK\$364 million (six months ended 30 September 2005: HK\$61 million) was incurred by the textile business for the expansion of its production capacity to meet the increasing demand from its customers. On the other hand, HK\$76 million (six months ended 30 September 2005: HK\$126 million) was mainly incurred by the retail and distribution business for the renovation of its retail outlets and additions of computer equipment mainly in the mainland China.

Pledge of assets

No significant assets were pledged as at 30 September 2006.

財務狀況 (續)

流動資金及財務資源 (續)

本中期之利息保障比率、應收賬款及應收票據與營業額比率及存貨與營業額比率分別為11倍、40天及50天(截至二零零五年九月三十日止六個月: 25倍、41天及53天)。於期末未償還長期銀行貸款餘額為港幣960百萬元(二零零六年三月三十一日: 港幣716百萬元)。於二零零六年九月三十日, 資本負債比率為0.3(二零零六年三月三十一日: 0.3)。資本負債比率乃指總付息債務及總權益之比率。本集團主要以經營所得現金流入及銀行貸款滿足其營運資金的需求。於期末, 未運用的銀行信貸額為港幣2,059百萬元(二零零六年三月三十一日: 港幣2,363百萬元)。

資本性支出

於本期, 本集團資本性支出共港幣440百萬元(截至二零零五年九月三十日止六個月: 港幣187百萬元), 其中紡織業務的資本性支出為港幣364百萬元(截至二零零五年九月三十日止六個月: 港幣61百萬元), 主要用於擴大其生產設施以滿足上升中的客戶需求。零售及分銷業務的資本性支出則為港幣76百萬元(截至二零零五年九月三十日止六個月: 港幣126百萬元), 主要用於店舖的更新及於中國大陸購置電腦設備。

資產抵押

於二零零六年九月三十日, 並無重大資產已作抵押。

Management Discussion and Analysis

管理層之論述及分析

Foreign exchange and interest rate risks

The Group continued to adopt a strict and prudent policy in managing its interest rate and currency exchange risks. The major interest bearing bank borrowings of the Group were HIBOR based Hong Kong dollar borrowings with maturity due within three years. To reduce the interest rate risk, the Group had entered into derivative financial instrument contracts with international financial institutions.

During the period, the major revenue, expenses and procurements of the Group were denominated in HKD, USD, Renminbi, Yen, EURO and NTD. The Group had entered into forward exchange contracts to reduce its currency exchange risk exposure.

Contingent liabilities

As at 30 September 2006, the contingent liabilities of the Group amounted to HK\$38 million (31 March 2006: HK\$39 million). These mainly represented (1) the corporate guarantee made by the Group in respect of the banking facilities of HK\$13 million (31 March 2006: HK\$13 million) of its associate; (2) the possible long service payments of HK\$4 million (31 March 2006: HK\$5 million) not provided in the accounts; (3) the corporate guarantee given to certain subsidiaries in lieu of property rental deposits of HK\$9 million (31 March 2006: HK\$9 million); and (4) the contingent liabilities of HK\$12 million (31 March 2006: HK\$12 million) related to the claim of business tax against a subsidiary of the Group in Taiwan, the details of which had been stated in note 35(c) to the Group's annual financial statements for the year ended 31 March 2006.

匯兌及利率風險

本集團維持嚴格及審慎政策管理利率與匯率風險。本集團主要附息銀行貸款為港元，利率以HIBOR為基礎計算，並於三年內到期。為減低利息風險，本集團已與國際性金融機構安排金融工具合約。

於期內，本集團主要收入、支出及採購皆以港元、美元、人民幣、日元、歐羅及新台幣進行。本集團已安排遠期外匯合約以減低匯率風險。

或有負債

於二零零六年九月三十日，本集團之或有負債為港幣38百萬元（二零零六年三月三十一日：港幣39百萬元）。這主要包括（一）本集團為聯營公司銀行信貸所作之擔保港幣13百萬元（二零零六年三月三十一日：港幣13百萬元）；（二）未於賬目中撥備潛在的長期服務金港幣4百萬元（二零零六年三月三十一日：港幣5百萬元）；（三）為部份附屬公司以銀行擔保代替物業租金按金所作之擔保港幣9百萬元（二零零六年三月三十一日：港幣9百萬元）；及（四）與本集團於台灣之一附屬公司營業稅索賠有關的或有負債港幣12百萬元（二零零六年三月三十一日：港幣12百萬元），明細已錄於本集團截至二零零六年三月三十一日止年度財務報表的附註35(c)。

Management Discussion and Analysis

管理層之論述及分析

HUMAN RESOURCES

As at 30 September 2006, the Group had about 21,800 (31 March 2006: 22,800) employees in the People's Republic of China, Singapore and Malaysia. The remuneration of the employees was largely based on industry practice and the performance of individual employee.

OUTLOOK

Due to stricter environment measures imposed by the China government recently, the knitted fabric industry has been consolidated in a even faster speed. The Group is equipped with most advanced environmental facilities and will further enhance production capacity to enlarge market shares. The Management is optimistic with the prospect of this business.

For the retail operation, the Management will continue to focus on store performance acceleration. The business has a good establishment and much improved results are expected in the second half year.

人力資源

於二零零六年九月三十日，本集團於中國、星加坡及馬來西亞共有僱員約21,800人（二零零六年三月三十一日：22,800人）。員工薪酬之釐訂主要基於行業之情況及員工個人表現。

展望

由於最近中國政府施行嚴厲之環保措施，針織布行業之整固因而更加速進行。本集團已裝備了最先進之環保設施，將加強生產力以擴大市場佔有率。管理層對此業務之前景樂觀。

零售業務方面，管理層將繼續專注於提升店舖之表現。此業務已有良好之根基，下半年業績預期將有明顯之改善。

Other Information 其他資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES 董事於股份及相關股份之權益及淡倉

At 30 September 2006, 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:

於二零零六年九月三十日，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》（「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：

Long positions in ordinary shares of the Company: 於本公司好倉之普通股份：

		Number of shares held, capacity and nature of interest 持股數量、身份及權益的性質				
Name of director 董事姓名		Directly, beneficially owned	Through spouse or minor children	Through controlled corporations	Total	Percentage of the Company's issued share capital 佔本公司 已發行股本 百份率
		直接、 實益擁有	藉配偶或 未成年子女	藉受控制 公司	合計	
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

Other Information 其他資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

* The 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.

The 505,200,000 shares are owned by Giant Wizard Corporation ("GW") in which Farrow Star Limited has an 87.51% equity interest. A 12.4% interest in GW is owned by Messrs. Poon Bun Chak, Poon Kei Chak and Poon Kwan Chak. Subsequent to the balance sheet date, on 1 November 2006, Mr. Poon Bun Chak acquired 930 shares, i.e. 0.09% of the issued share capital, in GW from another shareholder of GW.

Save as disclosed above, as at 30 September 2006, 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.

Apart from the share option scheme as explained under "Share Option Scheme" below, at no time during the period were the rights to acquire benefits by means of the acquisition of shares in the Company granted to any directors 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.

董事於股份及相關股份之權益及淡倉 (續)

* 168,800,104股股份由Farrow Star Limited持有，而Perfection Inc.則以The Evergreen Trust之信託人身份全資擁有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（「GW」）擁有。GW之12.4%權益由潘彬澤先生、潘機澤先生及潘鈞澤先生擁有。結算日後，於二零零六年十一月一日，潘彬澤先生從GW之另一股東購入930股GW的股份，約佔GW已發行股本的0.09%。

除上文所述外，於二零零六年九月三十日，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，或根據標準守則須知會本公司及聯交所。

除詳載於標題「購股權計劃」下之購股權計劃外，於期內任何時間，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。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2006, 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

於二零零六年九月三十日，以下擁有本公司已發行股本5%或以上之權益，已根據《證券及期貨條例》第336條規定記載於權益登記冊內：

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
名稱	身份及權益種類	持有普通股數目	佔本公司已發行股本百分率
Mondrian Investment Partners Ltd.	Investment manager 投資經理	80,295,000	6.1

Save as disclosed above, as at 30 September 2006, 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 interests 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，於二零零六年九月三十日，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。

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 six months ended 30 September 2006.

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二零零六年九月三十日止六個月內概無購入、贖回或出售任何本公司之上市證券。

Other Information 其他資料

SHARE OPTION SCHEME

A share option scheme, in compliance with the requirements of Chapter 17 of the Listing Rules, was adopted by the Company on 28 August 2002 for a period of ten years, details of which have been set out in the Group's annual financial statements for the year ended 31 March 2006. As at 30 September 2006, the following share options were outstanding:

購股權計劃

於二零零二年八月二十八日，本公司採納一個符合《證券上市規則》第十七章要求的購股權計劃，有效期十年，購股權計劃之詳細資料已在本集團截至二零零六年三月三十一日止年度財務報表列明。於二零零六年九月三十日，未行使之購股權如下：

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options 購股權數目			Exercise period of share options	Price of Company's shares at grant date of options***
			At 1 April 2006 於 二零零六年 四月一日	Cancelled during the period 期內 已取消	At 30 September 2006 於 二零零六年 九月三十日		
Directors 董事							
Poon Bun Chak 潘彬澤	11 September 2002 二零零二年九月十一日	4.97	1,000,000	—	1,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至 二零零二年九月十日	4.80
Poon Kai Chak 潘佳澤	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 4.80 10 September 2012 二零零二年九月十一日至 二零零二年九月十日	
	26 March 2004 二零零四年三月二十六日	5.60	3,000,000	—	3,000,000	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日	5.55
			10,500,000	—	10,500,000		

Other Information 其他資料

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options 購股權數目			Exercise period of share options	Price of Company's shares at grant date of options***
			At 1 April 2006 於 二零零六年 四月一日	Cancelled during the period 期內 已取消	At 30 September 2006 於 二零零六年 九月三十日		
Directors 董事							
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
	26 March 2004 二零零四年三月二十六日	5.60	3,000,000	—	3,000,000	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日	5.55
			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
	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日	5.55
			10,000,000	—	10,000,000		
Ting Kit Chung 丁傑忠	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
	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日	5.55
			10,000,000	—	10,000,000		

Other Information 其他資料

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options 購股權數目			Exercise period of share options	Price of Company's shares at grant date of options***
			At 1 April 2006 於 二零零六年 四月一日	Cancelled during the period 期內 已取消	At 30 September 2006 於 二零零六年 九月三十日		
Directors 董事							
Au Son Yiu 區榮耀	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
	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日	5.55
			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
	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日	5.55
			400,000	—	400,000		
Wong Tze Kin, David 黃自建	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日	5.55

Other Information 其他資料

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options 購股權數目			Exercise period of share options	Price of Company's shares at grant date of options***
			At 1 April 2006 於 二零零六年 四月一日	Cancelled during the period	At 30 September 2006 於 二零零六年 九月三十日		
參與者 名稱或類別	購股權 頒授日期*	購股權 之行使價格** <i>HK\$</i> 港幣					頒授購股權日 本公司股價*** <i>HK\$</i> 港幣
Other employees 其他僱員							
In aggregate	11 September 2002	4.97	1,290,000	—	1,290,000	11 September 2002 to 10 September 2012	4.80
合計	二零零二年九月十一日					二零零二年九月十一日至 二零零二年九月十日	
	26 March 2004	5.60	6,850,000	(100,000)	6,750,000	1 April 2006 to 25 March 2014	5.55
	二零零四年三月二十六日					二零零六年四月一日至 二零一四年三月二十五日	
			8,140,000	(100,000)	8,040,000		
			51,140,000	(100,000)	51,040,000		

Notes:

附註:

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

* 購股權賦權日期乃由頒授購股權日起至行使期開始止。

** 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.

** 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。

*** 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.

*** 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。

Subsequent to the balance sheet date, on 14 November 2006, a total of 190,000 shares options were cancelled upon resignation of an employee of the Group.

結算日後，於二零零六年十一月十四日，由於本集團一僱員離職，190,000份購股權因而被取消。

Other Information 其他資料

AUDIT COMMITTEE

The Audit Committee (the “Committee”) consists of the three independent non-executive directors of the Board namely Messrs. Wong Tze Kin, David, Au Son Yiu and Cheng Shu Wing. The Committee is chaired by Mr. Wong Tze Kin, David, a qualified accounting professional. At the time of establishment, the terms of reference and duties have been laid down as a guideline 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.

For the interim period under review, the Committee has reviewed and discussed with management the interim report and the internal controls of the Group and has made recommendations to the Board.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim report, except for the following deviations:

審核委員會

審核委員會(「委員會」)包括董事會
的三名獨立非執行董事，分別為黃自
建先生、區燦耀先生及鄭樹榮先生。
黃自建先生為委員會主席，擁有專業
會計資格。於成立時，委員會備有明
確之條文及職責細則作指引。委員會
主要職責包括審閱及監察本集團之
財務報告及內部監控制度。

關於本中期，委員會已審閱及與管理
層討論集團的中期報告及監控制度，
並向董事會提供意見。

企業管治

按董事的意見，本公司於本中期報告
所述之會計期間一直符合《證券上市
規則》附錄十四所載之《企業管治常
規守則》(「守則」)，惟下列條文除
外：

Other Information 其他資料

CORPORATE GOVERNANCE (continued)

- (1) Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and be subject to re-election.

All the existing non-executive directors of the Company are not appointed for specific term, but are subject to retirement and re-election at the Company's annual general meeting in accordance with Clause 86(1) of the bye-laws of the Company.

- (2) Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company does not have a policy of separating the roles of chairman and chief executive officer of the Board. The Board considers the current arrangement help to maintain a strong management position and at the same time improve the communication efficiency. The Board may consider the separation of the roles of chairman and chief executive officer upon the then circumstances.

- (3) Under code provision E.1.2 of the Code, the chairman of the Board should attend the annual general meeting of the Company.

The chairman of the Board of the Company has delegated the duty of attending the annual general meeting to an executive director of the Company. The chairman considers the executive director a suitable person for taking up such duty as the executive director has been serving for similar duties for many years and he has good understanding of each business segment of the Group.

企業管治 (續)

- (1) 守則A.4.1條規定非執行董事應獲委任指定任期，及須膺選連任。

目前，本公司所有非執行董事並非獲委任指定任期，而是根據公司之細則第86(1)條於本公司之股東週年大會上膺選連任。

- (2) 守則A.2.1條規定主席及董事總經理之角色應區別，並不應由同一人擔任。

目前，本公司並沒有制度區別董事會之主席及董事總經理之角色。董事會認為現時安排有助保持強勢的管治，並能同時提升溝通效率。董事會會視乎情況考慮區別主席及董事總經理之角色。

- (3) 守則E.1.2條規定董事會之主席須出席本公司之股東週年大會。

本公司董事會主席將出席股東週年大會之職務委任本公司一執行董事執行。主席認為該執行董事對本集團各類業務也十分了解，並且該董事已有多年執行同類職務的經驗。

Other Information 其他資料

DIRECTORS' SECURITIES TRANSACTIONS

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, they have all complied with the required standard set out in the Model Code, throughout the accounting period covered by the interim report.

BOARD OF DIRECTORS

As at the date of report, the executive directors of the Company included Messrs. Poon Bun Chak, Poon Kei Chak, Poon Kwan Chak, Poon Kai Chak and Ting Kit Chung. And, the independent non-executive directors of the Company included Messrs. Au Son Yiu, Cheng Shu Wing and Wong Tze Kin, David.

By Order of the Board

Poon Bun Chak

Chairman

Hong Kong, 15 December 2006

董事進行之證券交易

本公司已採納《證券上市規則》之標準守則，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，各董事已於本中期報告所述之會計期間均遵守標準守則之規定。

董事會

於本報告日，本公司執行董事包括潘彬澤先生、潘機澤先生、潘鈞澤先生、潘佳澤先生及丁傑忠先生，而本公司獨立非執行董事則包括區樂耀先生、鄭樹榮先生及黃自建先生。

承董事會命

主席

潘彬澤

香港，二零零六年十二月十五日