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Directors 董事

Poon Bun Chak (Chairman and Managing Director)	潘彬澤 (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*	區樂耀*
Cheng Shu Wing*	鄭樹榮*
Wong Tze Kin, David*	黃自建*

* Independent Non-executive Directors

* 獨立非執行董事

Company Secretary 公司秘書

Chan Chi Hon	陳志漢
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Registered Office 註冊辦事處

Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
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Head Office and Principal Place of Business 總辦事處及主要營業地點

16th Floor, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong.	香港 新界葵涌 興芳路223號 新都會廣場第二座16樓
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Principal Registrar and Transfer Office 主要股份登記及過戶處

Butterfield Fund Services (Bermuda) Limited Rosebank Centre, 14 Bermudiana Road, Pembroke, Bermuda.	Butterfield Fund Services (Bermuda) Limited Rosebank Centre, 14 Bermudiana Road, Pembroke, Bermuda.
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Hong Kong Branch Registrar and Transfer Office

香港股份登記及過戶分處

Tengis Limited
G/F., Bank of East Asia
Harbour View Centre,
56 Gloucester Road,
Wanchai, Hong Kong.

登捷時有限公司
香港灣仔
告士打道56號
東亞銀行港灣中心地下

Auditors

核數師

Ernst & Young
Certified Public Accountants

安永會計師事務所
執業會計師

Legal Advisors

法律顧問

Jennifer Cheung & Co.
Wilkinson & Grist

張美霞律師行
高露雲律師行

Principal Bankers

主要往來銀行

Bank of America (Asia) Ltd.
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.

美國銀行(亞洲)有限公司
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

網址

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

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

財務與業務摘要 *Financial and Operational Highlights*

(Amounts expressed in HK\$ million, unless specified) (以港幣百萬元為單位，除非特別註明)		Notes 附註	2004	2003	2002	2001 (Note 1) (附註1)	2000 (Note 1) (附註1)
Turnover	營業額		6,216	5,199	4,720	4,309	3,093
Net profit from ordinary activities attributable to shareholders	股東應佔經常 業務溢利淨額		422	591	530	464	302
Shareholders' equity	股東權益		2,448	2,316	2,025	1,686	1,387
Total assets	資產總值		4,391	3,368	2,794	2,540	2,034
Total liabilities to equity ratio	總負債與 權益比率		0.8	0.5	0.4	0.5	0.5
Bank borrowings to equity ratio	銀行借貸與 權益比率		0.2	—	—	—	0.1
Current ratio	流動比率		1.8	2.0	2.3	1.9	1.9
Receivables turnover on sales (days)	應收賬之 周轉期(日)		31	27	26	34	43
Inventory turnover on sales (days)	存貨之 周轉期(日)		61	60	41	53	53
Net assets per share (HK cents)	每股資產淨值 (港幣仙)		185	175	153	132.4	108.5
Return on total assets (%)	總資產回報率(%)		9.6	17.5	19.0	18.3	14.8
Return on sales (%)	銷售回報率(%)		6.8	11.4	11.2	10.8	9.8
Interest cover (times)	利息保障比率(倍數)	2	130	239	103	86	15
EBITDA	未計利息、稅項、 折舊及攤銷 費用前溢利	3	712	828	743	653	455
EBITDA on sales (%)	未計利息、稅項、 折舊及攤銷費用 前溢利回報率(%)		11.5	15.9	15.7	15.2	14.7

(Amounts expressed in HK\$ million, unless specified) (以港幣百萬元為單位，除非特別註明)			2004	2003	2002	2001	2000
		Notes 附註				(Note 1) (附註1)	(Note 1) (附註1)
Earnings per share (HK cents)	每股盈利 (港幣仙)	4	31.9	44.6	41.5	36.3	23.6
Dividends per share (HK cents)	每股股息 (港幣仙)		20	25	20.0	15.0	9.0
Dividend yield (%)	股息回報率 (%)	5	3.3	4.3	4.5	7.1	9.9
Number of issued shares (million)	已發行股份數目 (百萬)		1,325	1,324	1,324	1,273	1,281
Number of employees	僱員人數						
The People's Republic of China	中華人民共和國						
Hong Kong	香港		759	614	444	496	404
Taiwan	台灣		717	633	564	462	132
Elsewhere	其他地方		16,376	13,145	10,372	9,151	5,788
Singapore	新加坡		248	137	122	—	—
Total	總數		18,100	14,529	11,502	10,109	6,324

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.
- 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.
- 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.
- All figures used were as at the respective balance sheet date, unless specified.

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稅及利息前之溢利與應付利息之比率。
- EBITDA 為未計利息、稅項、折舊及攤銷費用前溢利。
- 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。
- 除特別註明外，所有數字概為於相關結算日之數字。

The Group experienced an uneasy fiscal year. Cotton prices went up sharply from the beginning of the fiscal year which led to substantial rise in raw material costs. The Group had no immediate pricing power to pass on the increase in costs in view of the adverse global economy at that time. The retail business was also badly hit by the outbreak of Severe Acute Respiratory Syndrome in the first quarter. As a result, though the Group managed to grow its revenue by 20%, net profit for the year dropped by 29%.

The Group restored greater pricing power in the second half period when the economic conditions were turning better. Cotton prices started to slide in early 2004 and the operating environment has stabilized since then. It seems that worst is probably over.

Management believes the coming year will be a year of recovery and growth and will take an aggressive approach in business development. The Group will expand its fabric manufacturing capacity by 20% to sustain its market position and to capture more market share. A new yarn-spinning facility will commence production by October 2004, and this would improve the Group's ability to handle rush orders. The retail business will continue its aggressive expansion and Management will focus on margin improvement. For the garment manufacturing business, sizable capacity will be added to meet anticipated demand boost from quota elimination.

本集團經歷了一個並不容易之財政年度。棉花價格由年初起急升令原料成本大漲。由於全球經濟不景，本集團當時並沒有即時轉嫁成本增加之價格能力。於第一季時零售業務亦深受非典型肺炎擴散所打擊。結果，本集團之銷貨收入雖上升20%，全年純利卻下降29%。

下半年度經濟情況轉佳，本集團回復較強之價格能力。二零零四年初起棉花價格開始滑落，而經營環境亦同時開始穩定。這似乎最壞的已成過去。

管理層相信來年是復元及增長之一年，將採取具野心之業務發展方向。本集團將增加針織布之產量20%以鞏固市場地位及增強市場佔有率。新設之紡紗設備將於二零零四年十月投產，這將增強本集團處理急單之能力。零售業務仍將繼續具野心之擴展，而管理層亦將專注於利潤之改善。製衣業務方面，產量亦將大幅增加以應付配額取消後所帶來之需求。

Management has made comprehensive development plans for the year ahead, and I am confident that the results for the coming year will be progressive. Management and I would like to take this opportunity to thank our shareholders and business partners for their continuous support, and our colleagues for their excellent performance.

Poon Bun Chak

Chairman

Hong Kong, 23 July 2004

管理層已制訂用於來年之全面發展計劃，而本人對來年能取得進步之業績深具信心。管理層與本人籍此機會對股東們和生意夥伴之不斷支持，與及同事們之優秀表現深表謝意。

主席

潘彬澤

香港，二零零四年七月二十三日

BUSINESS REVIEW

The Group's total turnover for this fiscal year amounted to HK\$6,216 million (2003: HK\$5,199 million), a 20% increase compared to last year. Net profit from ordinary activities attributable to shareholders was HK\$422 million (2003: HK\$591 million), a drop of 29% from the prior year. The Board has recommended a final dividend of HK12.0 cents (2003: HK14.0 cents) per ordinary share. Including interim dividend, total dividend per share amounts to HK 20.0 cents, a decrease of 20% over last year's HK25.0 cents.

Turnover of the fabric business grew by 21% to HK\$3,627 million (2003: HK\$3,005 million). This represented 58% of the Group's total turnover. Cotton prices started to soar unexpectedly from February 2003. They rose more than 100% from April 2003 to their peak in October 2003. At the same time, the global economy remained sluggish. The market conditions were unfavourable that the Group was unable to immediately pass on the increase in raw material costs to its customers. It was until the second half of the year that the Group had stronger pricing power when the business environment was improving. During the year, the Group handled less rush orders which had more handsome margins in view of the volatility of cotton prices. Though faced with difficult environment, the Group was still able to capture an uninterrupted order flow. As planned, fabric manufacturing capacity grew by about 20% in the year. Since early 2004, cotton prices have softened and operating environment has stabilized.

業務回顧

本集團本財政年度之總營業額為港幣6,216百萬元(二零零三年:港幣5,199百萬元),較去年上升20%。股東應佔經常業務溢利淨額為港幣422百萬元(二零零三年:港幣591百萬元),較去年減少29%。董事會建議派發末期股息每股港幣12.0仙(二零零三年:港幣14.0仙)。連同中期股息,每股股息總額為港幣20.0仙,較去年之港幣25.0仙減少20%。

針織布業務之營業額上升21%至港幣3,627百萬元(二零零三年:港幣3,005百萬元),此為集團總營業額之58%。棉花價格意外地於二零零三年二月開始上升,由二零零三年四月至二零零三年十月之高峰期內共上升超過100%。與此同時,全球經濟仍然呆滯不前。在市況不景下,本集團未能即時將原料成本之上升轉嫁與客戶。直至下半年業務環境改善,本集團才有較佳之議價能力。本年內在棉花價格波動情況下,本集團減少處理利潤較高之急單。雖然面對困難環境,本集團仍能取得不斷之單源。在年內針織布生產力仍照計劃增加了約20%。棉花價格於二零零四年初開始回軟,而經營環境亦趨穩定。

Sales of the retail business was HK\$2,548 million (2003: HK\$2,145 million), a rise of 19% and represented 41% of the Group's total turnover. The retail business performance was severely hit by the outbreak of Severe Acute Respiratory Syndrome in the first half of the year. As the retail market recovered in the second half period, the Group speeded up its store expansion to compensate the loss. During the second half of the year, both revenue and operating profit grew significantly. Mainland China remained the focus of business expansion. At the year end, the development in different markets was as below:

零售業務銷售額為港幣2,548百萬元（二零零三年：港幣2,145百萬元），增長19%，佔本集團總營業額41%。上半年零售業務表現受非典型肺炎擴散嚴重打擊。到下半年零售市場復甦，本集團加速店舖擴張以追回損失。於下半年，銷售額及經營溢利均有明顯增長。中國大陸仍為業務發展之重心。於本年度完結時，在各地市場之發展情況茲列如下：

Mainland China

中國大陸

		2004	2003	2002	2001	2000
Net sales (HK\$ million)	銷售淨額 (港幣百萬元)	1,598	1,432	1,359	1,199	783
Net sales increase in percentage	銷售淨額之增加百分率	12	5	13	53	41
Retail floor area (sq.ft.)*#	零售樓面面積 (平方呎) *#	621,294	411,454	274,280	204,296	119,502
Number of sales associates*	售貨員數目*	6,395	4,770	3,741	2,732	1,487
Number of outlets*	門市數目*	1,750	1,060	831	637	377

管理層之論述及分析 *Management's Discussion and Analysis*

Hong Kong and Macau

香港及澳門

		2004	2003	2002	2001	2000
Net sales (HK\$ million)	銷售淨額 (港幣百萬元)	393	330	310	295	179
Net sales increase in percentage	銷售淨額之增加 百分率	19	6	5	65	13
Retail floor area (sq.ft.)*#	零售樓面面積 (平方呎) *#	64,930	55,096	33,627	33,684	23,748
Number of sales associates*	售貨員數目 *	382	298	212	251	142
Number of outlets*	門市數目 *	62	45	37	39	21

Taiwan

台灣

		2004	2003	2002	2001	2000
Net sales (HK\$ million)	銷售淨額 (港幣百萬元)	440	319	282	188	69
Net sales increase/ (decrease) in percentage	銷售淨額之增加/ (減少) 百分率	38	13	50	172	(14)
Retail floor area (sq.ft.)*#	零售樓面面積 (平方呎) *#	150,965	124,649	106,321	82,979	23,273
Number of sales associates*	售貨員數目 *	614	541	469	365	98
Number of outlets*	門市數目 *	196	155	114	96	39

Singapore and Malaysia

新加坡及馬來西亞

		2004	2003	2002	2001	2000
Net sales (HK\$ million)	銷售淨額 (港幣百萬元)	117	64	43	—	—
Net sales increase in percentage	銷售淨額之增加 百分率	83	49	—	—	—
Retail floor area (sq.ft.)*#	零售樓面面積 (平方呎) *#	31,289	12,894	11,107	—	—
Number of sales associates*	售貨員數目 *	234	119	112	—	—
Number of outlets*	門市數目 *	32	17	15	—	—

* As at 31 March
For self-managed stores

* 於3月31日
自營店

Net profit contributed by our associated garment manufacturing business was HK\$31 million (2003: HK\$44 million), a decline of 30%. During the year, about 75% of the fabric used was supplied by the fabric division. Sales to the retail division was about 29% of its revenue. During the year, this business was also badly affected by the surge of the raw material prices.

FINANCIAL CONDITION

Liquidity and financial resources

Liquidity of the Group remained strong. The current ratio, cash and cash equivalents and the unutilized banking facilities as at the year end were 1.8, HK\$634 million and HK\$1,179 million respectively. The capital expenditure of the Group was mainly financed by its internal resources and bank loans. New long term bank loans utilized during the year amounted to HK\$322 million with maturity profile ranging from two to three years. At the year end, shareholders' equity increased by HK\$133 million from last year to HK\$2,448 million and the gearing ratio and interest coverage ratio were 0.8 and 130 times respectively. The gearing ratio refers to the ratio of total liabilities and minority interests to shareholders' equities.

Contingent liabilities

At the year end, the major contingent liabilities, not reflected in the financial statements, were HK\$272 million. These mainly represented the discounted export bills of HK\$256 million and the guarantees of HK\$13 million made by the Group in respect of the banking facilities of an associated company.

聯營製衣業務之溢利淨額貢獻為港幣31百萬元（二零零三年：港幣44百萬元），下跌30%。於年內，約75%之布料消耗由針織布部門供應，而零售部門則佔其銷貨額約29%。年內此業務亦受原料價格上升嚴重影響。

財務狀況

流動資金及財務資源

本集團流動資金維持強勁。於年結日，流動比率、現金及現金等價物及未使用的銀行信貸額分別為1.8、港幣634百萬元及港幣1,179百萬元。本集團主要以內部資源及銀行貸款滿足資本性的要求。本年新增的長期銀行貸款為港幣322百萬元，貸款期為二至三年。於年結日，股東權益較去年增加港幣133百萬元至港幣2,448百萬元，而資本負債比率及利息保障比率分別為0.8及130倍。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。

或有負債

於年結日，未於財務報表反映的或有負債為港幣272百萬元。該等或有負債主要為港幣256百萬元出口票據貼現，及本集團為一聯營公司銀行信貸作的港幣13百萬元擔保。

Capital expenditure

Total capital expenditure of the Group for the year was HK\$621 million. Capital expenditure of HK\$469 million was incurred by the textile business for:

- the expansion of production capacity;
- the development of the coal-fired power generating plant; and
- the establishment of a spinning factory annexed to the existing textile factories.

Capital expenditure of HK\$150 million was incurred by the retail business for the outlet addition, the acquisition of retail properties in the PRC and the establishment of a commercial mall in Taiwan.

Pledge of assets

No significant assets were pledged at the year end.

Foreign exchange and interest rate risks

The Group has solid policies in managing the foreign exchange and interest rate risks. During the year, the Group's major revenues, expenses and procurements were denominated in HKD, USD, Renminbi, Euro and Yen. To reduce the foreign currency risk, the Group has arranged forward contracts to cover its foreign exchange exposure.

資本性支出

於本年內，本集團資本性支出為港幣621百萬元。紡織業務的資本性支出為港幣469百萬元，主要用作：

- 提升生產量；
- 擴展以煤發動之能源系統；及
- 於現時紡織廠旁建立新的紡紗廠。

零售及分銷業務的資本性支出為港幣150百萬元，主要用於增加零售點、購置國內零售物業及於台灣建立商場。

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

本集團擁有穩固的管理外滙及利率風險制度。於年內，本集團的主要收入、支出及採購皆以港元、美元、人民幣、歐元及日元進行。本集團曾安排遠期合約以減低外滙風險。

All the interest bearing borrowings of the Group are mainly HIBOR based. During the year, the interest rate was staying at a low level. The Group will continue to monitor closely the interest rate movements and arrange necessary financial instruments to reduce the risk.

HUMAN RESOURCES

As at 31 March 2004, the Group had about 18,100 (2003: 14,500) employees in the People's Republic of China (the "PRC"), Singapore and Malaysia. The remuneration of the employees was largely based on industry practice and the performance of individual employee.

OUTLOOK

Since early 2004, cotton prices have stabilized with steady downward movements. Such correction in cotton prices has provided a more stable operating environment for the Group. Management looks cotton prices will continue to trend down this year. At the same time, the global economy has shown signs of recovery. Looking into 2005, Management anticipates to have a more favourable business environment and will adopt the following positive measures:

1. Fabric manufacturing capacity will continue to expand by about 20% to capture further market share. Capacity expansion will still be centralized in Dongguan, China to maximize operating efficiency. The location has ample land space, and is equipped with a full in-house coal burning power generation plant and environmentally friendly water treatment facilities.

本集團主要附息借貸均以銀行同業拆息利率為基礎。於本年內，利率維持於低水平。本集團會繼續加強注意利率走勢，並安排財務工具以減低利率風險。

人力資源

於二零零四年三月三十一日，本集團於中華人民共和國（「中國」）、新加坡及馬來西亞共有僱員約18,100人（二零零三年：14,500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。

展望

自二零零四年初起，棉花價格開始穩定並有下調趨勢。棉花價格之回順，令本集團之經營環境趨於穩定。管理層認為棉花價格於本年內將繼續下調。同時，全球經濟已顯現復甦徵狀。展望二零零五年，管理層預期業務環境將有改善，並將採取下列正面措施：

1. 針織布產量將增加約20%以繼續爭取市場佔有率。產量擴展仍將集中於中國東莞以盡取營運效益。此處擁有龐大土地，亦裝備了一全自用煤發電之系統與及環保污水處理設施。

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| <p>2. The Group is setting up an in-house yarn spinning factory at the same Dongguan site. This upward vertically integrated facility is expected to commence production in October 2004. The factory will be equipped with most advanced machinery to improve the Group's ability to produce more high value-added products and handle more rush orders.</p> <p>3. The Group will continue its rapid retail expansion in Mainland China by opening about 350 new stores in the coming year. About 50 outlets will open in Hong Kong, Taiwan and Singapore. Management plans to achieve a 20% revenue growth. Management will also focus on margin expansion, mainly by cost savings and operation efficiency enhancement.</p> <p>4. Garment manufacturing capacity is expected to grow by about 15%. In case the market conditions are more favourable after the quota elimination, Management will take a more aggressive expansion in this sector.</p> | <p>2. 本集團正在東莞同地興建一自用之紡紗廠。此向上之垂直合縱設施預計將於二零零四年十月投產。此廠房將裝備最先進之機械設備，以提高本集團生產高增值產品之能力與及處理更多急單。</p> <p>3. 本集團之零售業務在中國大陸仍將繼續急促擴展，來年將開設約350間新店。在香港、台灣及新加坡則共開設約50間新店。管理層預期營業額將增長約20%。管理層亦將注重改善邊際利潤，主要集中於成本控制及改善經營效益。</p> <p>4. 製衣產量預料將增加約15%。如更佳市場情況在配額取消後出現，管理層將於此業務採取更具野心之擴展。</p> |
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Management is optimistic towards future business outlook and expects improved results in the coming year.

管理層對業務前景樂觀，並預期來年能取得進步之業績。

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 2004.

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 2004 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 HK8.0 cents per ordinary share was paid on 10 February 2004. The directors recommend the payment of a final dividend of HK12.0 cents per ordinary share in respect of the year, to shareholders on the register of members on 26 August 2004. 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.

董事會欣然呈奉本公司與本集團截至二零零四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。

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

本集團於截至二零零四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8.0仙已於二零零四年二月十日派發。董事會茲建議派發本年度末期股息每股港幣12.0仙予二零零四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 published 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已公佈業績、資產、負債與少數股東權益之摘要，乃摘自己公佈之經審核財務報表及按需要重新分類。

RESULTS

業績

		Year ended 31 March				
		截至三月三十一日止年度				
		2004	2003	2002	2001	2000
		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	6,216,465	5,198,585	4,720,333	4,309,436	3,092,784
PROFIT FROM OPERATING	經常業務溢利					
ACTIVITIES		498,266	618,734	531,418	480,475	320,881
Share of profit of an associate	應佔聯營公司溢利	33,344	46,630	62,157	56,299	30,685
Finance costs	財務費用	(4,086)	(2,787)	(5,770)	(6,229)	(22,963)
PROFIT BEFORE TAX	除稅前溢利	527,524	662,577	587,805	530,545	328,603
Tax	稅項	(57,888)	(37,926)	(29,501)	(59,089)	(27,011)
PROFIT BEFORE	未計少數股東權益前					
MINORITY INTERESTS	溢利	469,636	624,651	558,304	471,456	301,592
Minority interests	少數股東權益	(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		421,970	590,562	530,107	463,888	301,592

**ASSETS, LIABILITIES
AND MINORITY
INTERESTS**

**資產、負債與
少數股東權益**

		As at 31 March				
		於三月三十一日				
		2004	2003	2002	2001	2000
		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	4,390,685	3,368,333	2,793,575	2,540,375	2,034,191
TOTAL LIABILITIES	負債總值	(1,859,461)	(1,001,912)	(731,945)	(846,071)	(646,669)
MINORITY INTERESTS	少數股東權益	(82,766)	(50,710)	(36,971)	(8,046)	(478)
		2,448,458	2,315,711	2,024,659	1,686,258	1,387,044

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Group during the year are set out in notes 13 and 14 to the financial statements, respectively.

固定資產及投資物業

本集團於本年度之固定資產及投資物業變動之詳情分別列載於財務報表附註13及14。

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 therefor, are set out in notes 27 and 28 to the financial statements, respectively.

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。

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.

優先認購權

本公司之細則及百慕達之法例概無要求本公司須按現有股東持股比例出售新股的優先認購權條文。

**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 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2004, the Company's reserves available for cash distribution and/or distribution in specie amounted to HK\$586,753,000, of which HK\$159,047,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$336,728,000, 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/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及綜合權益變動表。

可供分派儲備

於二零零四年三月三十一日，本公司可供作現金及／或實物分派之儲備為港幣586,753,000元，其中將擬派發的本年度末期股息為港幣159,047,000元。此外，本公司股本溢價賬港幣336,728,000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／客戶佔本年度集團之總採購額／銷售額均不足30%。

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

(appointed on 26 March 2004)

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.

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.

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.

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

區榮耀

鄭樹榮

黃自建

(於二零零四年三月二十六日獲委任)

根據本公司細則，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。

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。

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' 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. The shareholder loans were unsecured, interest-bearing at rates ranging from Hong Kong Interbank Offered Rate ("HIBOR") plus 0.4% to 0.96% per annum, and were repayable on agreed terms. Further details of the outstanding shareholder loan as at 31 March 2004 are set out in note 24 to the financial statements.

Save as disclosed above, no directors 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.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive directors

Mr. Poon Bun Chak, aged 56, is the chairman and managing director overseeing the planning and development of the Group. He founded the Group in 1975 and has more than 29 years' experience in the textile field.

Mr. Poon Kai Chak, aged 54, is a younger brother of Mr. Poon Bun Chak. He joined the Group in 1980 and has more than 24 years' experience in the industry. He is responsible for the knitting operation of the Group.

董事合約權益

本集團執行董事兼主要股東，潘彬澤先生於年內向本集團提供貸款。有關的股東貸款並無抵押、附息，年利息為香港銀行同業拆息加0.4%至0.96%，須按期還款。於二零零四年三月三十一日未償還股東貸款明細詳見財務報表附註24。

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間接佔有重大權益。

董事及高級管理人員履歷

執行董事

潘彬澤先生，五十六歲，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，擁有逾二十九年紡織業經驗。

潘佳澤先生，五十四歲，潘彬澤先生之胞弟。彼於一九八零年加入本集團，擁有逾二十四年本行業經驗，負責管理本集團織布業務。

Mr. Poon Kei Chak, aged 52, is a younger brother of Mr. Poon Bun Chak. He joined the Group on its establishment in 1975 and has more than 29 years' experience in the field. He looks after the dyeing operation and assists in the overall management of the Group.

Mr. Poon Kwan Chak, aged 58, is the elder brother of Mr. Poon Bun Chak. He joined the Group in 1976 and has more than 28 years' related experience. He is responsible for the Group's merchandising and sales management.

Mr. Ting Kit Chung, aged 48, 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.

Independent non-executive directors

Mr. Au Son Yiu, aged 59, 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, a director of The Institute of Securities Dealers Limited, a consultant to Dao Heng Securities Limited, and a non-executive director for several public companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In addition, he is a former deputy chairman of The Hong Kong Securities Clearing Company Limited (1992-1994) and a former council member of the Stock Exchange (1988-1994).

潘機澤先生，五十二歲，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，擁有逾二十九年紡織業經驗，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，五十八歲，潘彬澤先生之胞兄。彼於一九七六年加入本集團，擁有逾二十八年有關業務經驗，負責管理本集團採購及銷售業務。

丁傑忠先生，四十八歲，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。

獨立非執行董事

區榮耀先生，五十九歲，有豐富證券業經驗。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之董事，亦為道亨證券有限公司之顧問，並擔任若干在香港聯合交易所有限公司（「聯交所」）上市之公眾公司非執行董事。此外，彼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）與聯交所前任理事（一九八八年至一九九四年）。

Mr. Cheng Shu Wing, aged 54, 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 28 years' experience in banking and securities industries in Hong Kong.

Mr. Wong Tze Kin, David, aged 41, is director of CFL Anchor Limited. Mr. Wong holds a Bachelor of Science degree from the University of California Berkeley. He is a member of the American Institute of Certified Public Accountants and a fellow member of the Hong Kong Society of Accountants. He has approximately 20 years' experience in accounting, corporate finance, fund management and stockbroking.

Senior management

Mr. Chan Min, Samuel, aged 49, is a director of the Group's retail operation. He holds a master's degree in business administration from the Northwestern University and 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 42, 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 Society of Accountants and is a certified practising accountant of the CPA Australia. He has more than 17 years' experience in auditing and accounting.

鄭樹榮先生，五十四歲，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。有逾二十八年香港銀行業及證券業經驗。

黃自建先生，四十一歲，現為安格爾有限公司董事。黃先生持有加州大學柏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、基金管理以及證券經紀業務擁有約20年經驗。

高級管理人員

陳勉先生，四十九歲，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，四十二歲，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，具有超過十七年的核數與會計經驗。

Mr. Chau Kuen Kai, aged 46, is a factory manager of the knitting operation of the Group. He joined the Group in 1979 and has more than 24 years' experience in the knitting industry.

Mr. Fung Wai Lun, Daniel, aged 47, 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 44, 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 26 years' experience in the textile industry.

Mr. Hung Cho Tak, Joe, aged 37, is a general manager of the Group's retail operation in Hong Kong. He joined the Group in 2000 and has more than 13 years' experience in the retailing industry. Mr. Hung has 10 years' experience in the East Asia countries, such as Singapore, South Korea, Taiwan and the PRC market.

Ms. Leung Mei Yin, aged 39, is an associate director of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. She joined the Group in 1990 and has more than 18 years' experience in the textile industry.

Mr. Ling Man, aged 51, is a factory manager of the yarn dyeing operation of the Group. He joined the Group in 1998 and has more than 28 years' experience in the dyeing and finishing industry.

周權佳先生，四十六歲，本集團針織業務工廠經理。彼於一九七九年加入本集團，擁有超過二十四年針織業經驗。

封偉倫先生，四十七歲，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，四十四歲，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，擁有超過二十六年紡織業經驗。

洪祖德先生，三十七歲，本集團零售業務香港區總經理。於二零零零年加入本集團，擁有超過十三年零售經驗。當中具有十年東南亞零售業務經驗，包括星加坡、南韓、台灣及中國大陸等市場。

梁美賢小姐，三十九歲，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。彼於一九九零年加入本集團，擁有超過十八年紡織業經驗。

凌文先生，五十一歲，本集團染紗業務部工廠經理。於一九九八年加入本集團，擁有超過二十八年整染業經驗。

Mr. Liu Ying Che, aged 39, is a factory manager of the fabric dyeing operation of the Group. He joined the Group in 1989 and has more than 20 years' experience in the dyeing and finishing industry.

Mr. Liu Wei Chao, aged 39, joined in 1996 and is the chief financial officer of the Group's retail operation. He has more than 20 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).

Mr. Su Geng Weng, aged 40, is a general manager of the Group's retail operation in Shanghai. He joined the Group in 1998 and has more than 15 years' experience in the retailing industry.

Mr. Ting Kit Hung, aged 52, 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 of Business Administration degree from the University of East Asia, Macau. He joined the Group in 1995 and has more than 34 years' experience in the motor industry. He is the elder brother of Mr. Ting Kit Chung.

Mr. Wong Tung Yiu, aged 49, 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 30 years' experience in the textile industry.

廖英智先生，三十九歲，本集團染布業務工廠經理。彼於一九八九年加入本集團，擁有超過二十年整染業經驗。

劉偉超先生，三十九歲，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。

蘇耿文先生，四十歲，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十五年零售經驗。

丁傑雄先生，五十二歲，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，擁有逾三十四年汽車維修業經驗。彼為丁傑忠先生之胞兄。

王東耀先生，四十九歲，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，擁有超過三十年紡織業經驗。

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES
AND UNDERLYING SHARES**

At 31 March 2004, the interests and short positions of the directors in the share capital 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 Companies, were as follows:

Interests in ordinary shares of the Company:

董事於股份及相關股份之權益及短倉

於二零零四年三月三十一日，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公司（定義見《證券及期貨條例》第XV部）的股本權益及短倉如下：

於本公司普通股之權益：

Name of director	董事姓名	Number of shares held, capacity and nature of interest				
		持股數量、身份及權益的種類			Percentage of the Company's Total issued capital 佔本公司 已發行 股本百份率	
		Directly, beneficially owned	Through spouse or minor children	Through controlled corporations		
		直接、 實益擁有	藉配偶或 未成年子女	藉受控制 公司		
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

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

* 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.

Save as disclosed above, none of the directors had registered an interest or short position in the shares and 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 for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the section "Directors' interests and short positions in shares and underlying shares" above and 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 of 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 or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

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。

* 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。

除上文所述外，董事概無於本公司或其任何相聯法團之股份、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短倉，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之權益或短倉。

董事之購股權利

除於上述「董事於股份及相關股份之權益及短倉」一段及財務報表附註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；或本公司或母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。

SHARE OPTION SCHEME

Concerning the share options granted during the year to the directors, a substantial shareholder and employees, as detailed in note 28 to the financial statements, the directors of the Company do not consider it appropriate to disclose a theoretical value of the share options granted to the directors and employees of the Company during the year, because a number of factors crucial for the valuation cannot be determined. Accordingly, any valuation of the share options based on various speculative assumptions would not be meaningful, but would be misleading to the shareholders of the Company.

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

At 31 March 2004, the following interests of 5% or more of the issued 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:

購股權計劃

就年內授予董事、一主要股東及僱員之購股權而言，詳情見財務報表附註28，本公司董事認為不宜披露本年度已授予本公司董事及僱員之購股權之理論價值，皆因在評估該價值時所需要之多個重要因素並未能確定。因此，根據多種推測性假設而對購股權作出任何價值評估實為毫無意義，並會對本公司股東構成誤導。

主要股東及其他人士於股份及相關股份權益

於二零零四年三月三十一日，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：

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued capital
			as at 31 March 2004
			在二零零四年三月三十一日佔本公司
名稱	身份及權益種類	持有普通股數目	已發行股本之百分率
The Capital Group Companies, Inc.	Directly and beneficially owned 直接及實益擁有	77,723,900	5.9

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

CONNECTED TRANSACTIONS

Details of the connected transactions are set out in note 34(c) to the financial statements.

AUDIT COMMITTEE

Pursuant to the Code of Best Practice (the "Code"), as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") of the Stock Exchange, the Company established an Audit Committee (the "Committee") on 15 March 1999. The members of the Committee comprise the three independent non-executive directors of the Group, Messrs Au Son Yiu, Cheng Shu Wing and Wong Tze Kin, David.

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. During the year, the Committee held two meetings to review the internal controls and financial reporting matters and provide recommendations to the board of directors. For the year under review, the Audit Committee has reviewed and discussed with the management the audited financial statements of the Group.

除上述披露外，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短倉」）根據《證券及期貨條例》第336條須登記其於本公司股份及相關股份的權益或短倉。

關連交易

關連交易的細則已載於財務報表附註34(c)。

審核委員會

本公司遵照聯交所的《證券上市規則》附錄十四所載之《最佳應用守則》，於一九九九年三月十五日成立審核委員會（「委員會」），其成員包括本公司之三位獨立非執行董事，分別為區樂耀先生、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，並向董事會提交意見。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, as set out in Appendix 14 of the Listing Rules of the Stock Exchange, 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.

BY ORDER OF THE BOARD

Poon Bun Chak

Chairman

Hong Kong, 23 July 2004

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》。

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，二零零四年七月二十三日



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.

**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 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.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial

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。

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。

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

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 2004 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, 23 July 2004

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二零零四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，二零零四年七月二十三日

綜合損益表 *Consolidated Profit and Loss Account*

Year ended 31 March 2004

截至二零零四年三月三十一日止年度

			2004	2003
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
TURNOVER	營業額	5	6,216,465	5,198,585
Cost of sales	銷售成本		(4,399,736)	(3,514,174)
Gross profit	毛利		1,816,729	1,684,411
Other revenue and gains	其他收入及收益	5	53,215	29,004
Selling and distribution costs	銷售及分銷費用		(995,079)	(777,238)
Administrative expenses	行政費用		(367,862)	(339,300)
Other operating expenses, net	其他營運費用，淨額		(8,737)	21,857
PROFIT FROM OPERATING ACTIVITIES	經常業務溢利	6	498,266	618,734
Share of profit of an associate	應佔聯營公司溢利		33,344	46,630
Finance costs	財務費用	8	(4,086)	(2,787)
PROFIT BEFORE TAX	除稅前溢利		527,524	662,577
Tax	稅項	9	(57,888)	(37,926)
PROFIT BEFORE MINORITY INTERESTS	未計少數股東權益前溢利		469,636	624,651
Minority interests	少數股東權益		(47,666)	(34,089)
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔經常業務溢利淨額	10	421,970	590,562
DIVIDENDS	股息	11		
Interim	中期		105,996	145,642
Proposed final	擬派末期		159,047	185,437
			265,043	331,079
EARNINGS PER SHARE (HK cents)	每股盈利 (港幣仙)	12		
Basic	基本		31.9	44.6
Diluted	攤薄後		31.7	44.6

綜合資產負債表 *Consolidated Balance Sheet*

31 March 2004

二零零四年三月三十一日

			2004	2003
		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	1,370,124	1,070,035
Investment properties	投資物業	14	41,920	35,710
Construction in progress	在建工程	15	185,064	52,485
Trademarks	商標	16	35,995	38,814
Interest in an associate	於聯營公司之權益	17	133,275	136,265
Long term rental deposits	長期租金按金		72,826	67,068
			1,839,204	1,400,377
CURRENT ASSETS	流動資產			
Inventories	存貨	19	1,041,678	853,492
Trade and bills receivable	應收賬款及應收票據	20	534,834	381,830
Prepayments, deposits and other receivables	預付款項、訂金及 其他應收賬款		341,211	247,853
Cash and cash equivalents	現金及現金等價物	21	633,758	484,781
			2,551,481	1,967,956
CURRENT LIABILITIES	流動負債			
Due to an associate	應付聯營公司	18	94,334	68,635
Trade and bills payable	應付賬款及應付票據	22	758,328	680,637
Other payables and accrued liabilities	其他應付及應計負債		188,409	153,386
Tax payable	應付稅項		79,719	52,401
Interest-bearing bank borrowings	附息銀行貸款	23	213,029	17,901
Short term shareholder loan	短期股東貸款	24	100,000	—
			1,433,819	972,960
NET CURRENT ASSETS	流動資產淨額		1,117,662	994,996

綜合資產負債表 *Consolidated Balance Sheet*

31 March 2004

二零零四年三月三十一日

			2004	2003
		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			2,956,866	2,395,373
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	附息銀行貸款	23	154,483	22,011
Long term shareholder loan	長期股東貸款	24	260,205	—
Provision for long service payments	長期服務金撥備	25	7,954	4,941
Deferred tax	遞延稅項	26	3,000	2,000
			425,642	28,952
MINORITY INTERESTS	少數股東權益		82,766	50,710
			2,448,458	2,315,711
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	27	66,239	66,208
Reserves	儲備	29(a)	2,223,172	2,064,066
Proposed final dividend	擬派末期股息	11	159,047	185,437
			2,448,458	2,315,711

Poon Bun Chak

Director

Ting Kit Chung

Director

董事

潘彬澤

董事

丁傑忠

綜合權益變動表 *Consolidated Statement of Changes in Equity*

Year ended 31 March 2004

截至二零零四年三月三十一日止年度

		Investment										Total
		Issued capital	Share premium account	Capital redemption reserve	Contributed surplus	Goodwill on acquisition	Exchange fluctuation reserve	Investment property revaluation reserve	Asset revaluation reserve	Retained profits	Proposed final dividend	
		股本	溢價賬	股本贖回儲備	實繳盈餘	收購產生之商譽	外匯變動儲備	投資物業重估儲備	資產重估儲備	保留溢利	末期股息擬派	總額
		已發行股本	溢價賬	股本贖回儲備	實繳盈餘	商譽	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
At 1 April 2002	於二零零二年四月一日	66,183	331,168	1,587	3,986	(110,603)	(13,080)	7,238	7,840	1,571,502	158,838	2,024,659
Final 2002 dividend declared	2002年已宣派末期股息	—	—	—	—	—	—	—	—	—	(158,838)	(158,838)
Surplus on revaluation	重估盈餘	—	—	—	—	—	—	1,722	—	—	—	1,722
Foreign exchange adjustments	外匯調整	—	—	—	—	—	763	—	—	—	—	763
Exercise of share options	行使購股權	25	2,460	—	—	—	—	—	—	—	—	2,485
Net profit for the year	年內溢利淨額	—	—	—	—	—	—	—	—	590,562	—	590,562
Interim 2003 dividend	2003年中期股息	—	—	—	—	—	—	—	—	(145,642)	—	(145,642)
Proposed final 2003 dividend	2003年擬派末期股息	—	—	—	—	—	—	—	—	(185,437)	185,437	—
At 31 March 2003 and 1 April 2003	於二零零三年三月三十一日及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
Final 2003 dividend declared	2003年已宣派末期股息	—	—	—	—	—	—	—	—	—	(185,437)	(185,437)
Foreign exchange adjustments	外匯調整	—	—	—	—	—	(921)	—	—	—	—	(921)
Exercise of share options (note 27)	行使購股權 (附註27)	31	3,100	—	—	—	—	—	—	—	—	3,131
Net profit for the year	年內溢利淨額	—	—	—	—	—	—	—	—	421,970	—	421,970
Interim 2004 dividend (note 11)	2004年中期股息 (附註11)	—	—	—	—	—	—	—	—	(105,996)	—	(105,996)
Proposed final 2004 dividend (note 11)	2004年擬派末期股息 (附註11)	—	—	—	—	—	—	—	—	(159,047)	159,047	—
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

綜合權益變動表 *Consolidated Statement of Changes in Equity*

Year ended 31 March 2004

截至二零零四年三月三十一日止年度

		Investment										Total
		Issued capital	Share premium	Capital redemption reserve	Contributed surplus	Goodwill on acquisition	Exchange fluctuation reserve	Investment property revaluation reserve	Asset revaluation reserve	Retained profits	Proposed final dividend	
		股本	溢價賬	股本贖回儲備	實繳盈餘	收購產生之商譽	外匯變動儲備	投資物業重估儲備	資產重估儲備	保留溢利	末期股息擬派	總額
		已發行股本	溢價賬	股本贖回儲備	實繳盈餘	商譽	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	66,239	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
Represented by:	源自：											
Company and subsidiaries	本公司及附屬公司	66,208	333,628	1,587	3,986	(110,603)	(12,317)	8,960	7,840	1,734,072	185,437	2,218,798
Associate	聯營公司	—	—	—	—	—	—	—	—	96,913	—	96,913
At 31 March 2003	於二零零三年三月三十一日	66,208	333,628	1,587	3,986	(110,603)	(12,317)	8,960	7,840	1,830,985	185,437	2,315,711

* These reserve accounts comprise the consolidated reserves of HK\$2,223,172,000 (2003: HK\$2,064,066,000) 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2,223,172,000(二零零三年：港幣2,064,066,000)。

綜合現金流量表 *Consolidated Cash Flow Statement*

Year ended 31 March 2004

截至二零零四年三月三十一日止年度

			2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
	Notes 附註			
CASH FLOWS FROM OPERATING ACTIVITIES		經營所得現金流量		
Profit before tax		除稅前溢利	527,524	662,577
Adjustments for:		調整：		
Finance costs	8	財務費用	4,086	2,787
Share of profit of an associate		應佔聯營公司溢利	(33,344)	(46,630)
Interest income	5	利息收入	(4,247)	(7,199)
Net realised and unrealised gains on foreign exchange forward contracts		已兌現及未兌現之遠期外匯合約收益淨額	(14,152)	—
Depreciation	6	折舊	177,309	159,781
Amortisation of trademarks	6	商標攤銷	2,923	2,913
Loss on disposal of fixed assets	6	出售固定資產虧損	5,373	3,824
Provision for slow moving inventories	6	呆滯存貨撥備	40,154	—
Provision/(write-back of provision) for doubtful debts	6	呆賬撥備／(撥回)	6,974	(4,731)
Write-back of provision for value-added tax recoverable, net	6	撥回應退增值稅撥備，淨額	(36,369)	(38,250)
Write-back of minority interests	6	少數股東權益撥回	—	(21,000)
Deficit/(surplus) on revaluation of investment properties	6	投資物業重估減值／(盈餘)	(3,613)	50
Operating profit before working capital changes		營運資金變動前經營溢利	672,618	714,122
Increase in inventories		存貨增加	(228,340)	(325,479)
Increase in trade and bills receivable		應收賬款及應收票據增加	(159,978)	(42,178)
Increase in prepayments, deposits and other receivables		預付款項、訂金及其他應收賬款增加	(46,355)	(75,535)
Increase in an amount due to an associate		應付聯營公司增加	25,699	46,690
Increase in trade and bills payable		應付賬款及應付票據增加	77,691	242,695
Increase in other payables and accrued liabilities		其他應付及應計負債增加	35,023	6,018
Increase in provision for long service payments		長期服務金撥備增加	3,013	4,941
Cash generated from operations		經營所得現金流入	379,371	571,274
Hong Kong and PRC taxes paid		已付香港及中國之稅項	(27,236)	(46,960)
Net cash inflow from operating activities		經營所得現金流入淨額	352,135	524,314

綜合現金流量表 *Consolidated Cash Flow Statement*

Year ended 31 March 2004

截至二零零四年三月三十一日止年度

		Notes 附註	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量			
Interest received	利息收入		4,247	7,199
Net realised gains on foreign exchange forward contracts	已兌現遠期外匯 合約收益淨額		3,518	—
Dividends received from an associate	收聯營公司股息		34,000	35,000
Purchases of fixed assets	購置固定資產	13	(419,900)	(253,541)
Additions to construction in progress	在建工程支出	15	(201,277)	(70,544)
Additions to trademarks	商標支出	16	(104)	(249)
Proceeds from disposal of fixed assets	出售固定資產收入		5,035	10,197
Increase in long term rental deposits	長期租約按金增加		(5,758)	(1,163)
Net cash outflow from investing activities	投資活動現金流出淨額		(580,239)	(273,101)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量			
Issue of new shares on exercise of share options	購股權行使所 發售新股	27	3,131	2,485
New bank loans	新銀行貸款		1,154,689	—
Repayment of bank loans and trust receipt loans	償還銀行貸款及 信託收據貸款		(827,125)	(19,051)
New shareholder loan	新股東貸款		486,375	—
Repayment of shareholder loan	償還股東貸款		(126,170)	—
Interest paid	已付利息		(4,086)	(2,787)
Dividends paid	已付股息		(291,433)	(304,480)
Dividends paid to minority interests	已付股息予少數股東權益		(16,100)	—
Net cash inflow/(outflow) from financing activities	融資活動之現金流入／ (流出) 淨額		379,281	(323,833)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物之 增加／(減少) 淨額		151,177	(72,620)
Cash and cash equivalents at beginning of year	年初之現金及 現金等價物		484,414	556,195
Foreign exchange adjustments	外匯調整		(2,236)	839
CASH AND CASH EQUIVALENTS AT END OF YEAR	於年結日之現金及 現金等價物		633,355	484,414
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	176,563	208,605
Non-pledged time deposits with original maturity within three months when acquired	3個月內到期之 無抵押定期存款	21	457,195	276,176
Bank overdrafts	銀行透支	23	(403)	(367)
			633,355	484,414

公司資產負債表 *Company Balance Sheet*

31 March 2004

二零零四年三月三十一日

			2004	2003
		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	831,613	828,297
CURRENT ASSETS	流動資產			
Prepayments and other receivables	預付款及其他應收賬款		286	140
Dividends receivable	應收股息		160,000	186,000
Cash and cash equivalents	現金及現金等價物	21	77	105
			160,363	186,245
CURRENT LIABILITIES	流動負債			
Accrued liabilities	應計負債		669	741
NET CURRENT ASSETS	流動資產淨額		159,694	185,504
			991,307	1,013,801
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	27	66,239	66,208
Reserves	儲備	29(b)	766,021	762,156
Proposed final dividend	擬派末期股息	11	159,047	185,437
			991,307	1,013,801

Poon Bun Chak

Director

Ting Kit Chung

Director

董事

潘彬澤

董事

丁傑忠

1. CORPORATE INFORMATION

The registered office of Texwinca Holdings Limited is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of Texwinca Holdings Limited is situated at 16th Floor, Metroplaza, Tower 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 A REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE ("SSAP")

SSAP 12 (Revised) "Income taxes" is effective for the first time for the current year's financial statements. SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

The SSAP has had no significant impact for these financial statements on the amounts recorded for income taxes. However, the related note disclosures are now more extensive than previously required. These are detailed in note 9 to the financial statements and include a reconciliation between the accounting profit and the tax expense for the year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, 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. 經修訂之會計實務準則（「會計準則」）之影響

會計準則第12條（經修訂）「所得稅」首次於本年度財務報表應用。會計準則第12條訂明源自本期間應課稅溢利或虧損之應繳或可退回所得稅（即期稅項），以及主要源自應課稅或可扣稅暫時性差額及結轉未動用稅項虧損之日後應繳或可退回所得稅（遞延稅項）之會計方法。

此會計準則對該等財務報表記錄之所得稅項金額均無重大影響。然而，現時有關附註之披露資料較以往所規定者更為廣泛。該等披露資料載於財務報表附註9，並包括本年度會計溢利與稅項支出之對賬。

3. 主要會計政策摘要
會計基準

財務報表乃根據會計實務準則、香港公認會計準則及香港公司法有關資料披露之規定而編撰。除部份固定資產及投資物業重新釐定價值，財務報表乃按原始成本法編撰，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 2004. 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二零零四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 interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries and associates 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 associates, 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 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 subsidiaries or associates, 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。

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 subsidiaries and associates 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 associates, 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 the SSAP, the Group applied the transitional provision of SSAP 30 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第三十條之過渡性條款，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 subsidiaries or associates, 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 or 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 an 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，倘往年度該資產並無已確認之減值虧損，則撥回金額不得超過資產扣除任何折舊／攤銷之賬面值。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

除投資物業及在建工程外，固定資產均按原值或估值減累計折舊入賬。資產之成本包括資產之購買價及將資產達至運作狀況及地點及作計劃用途之任何直接應計成本。固定資產投入運作後之開支（如維修及保養之費用），一般在產生期間於損益賬中扣除。當明顯證明上述開支已致使預期日後因使用該固定資產而取得之經濟利益增加，則該開支會作資本化，列為該固定資產之增加成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Fixed assets and depreciation (continued)

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:

Leasehold land	Over the remaining lease terms
Buildings	25 years or over the lease terms, whichever is the shorter
Leasehold improvements	Over the remaining lease terms
Plant and machinery	10 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Yacht	5 years

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. On disposal or retirement of a revalued asset, the attributable revaluation surplus not previously dealt with in retained profits is transferred directly to retained profits.

3. 主要會計政策摘要 (續)

固定資產及折舊 (續)

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。估計可使用期如下：

租賃土地	按餘下之租賃年期
樓宇	25年或租賃年期 (倘為較短者)
租賃樓宇裝修	按餘下之租賃年期
廠房設備及機械	10年
傢俬、裝置及辦公室設備	5年
汽車	5年
遊艇	5年

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。於出售或棄用已重估之資產時，原先無撥入保留溢利之應佔重估增值均直接撥入保留溢利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

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 an annual professional valuation 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 realised in respect of previous valuations is released to the profit and loss account.

3. 主要會計政策摘要 (續)

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分類至適當之固定資產類別。

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，直至完全抵補以往反映於損益表的不足額為止。

投資物業於出售時，過往估值變現列入投資物業重估儲備賬內之部份須列入損益賬內計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

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.

3. 主要會計政策摘要 (續)

商標

商標乃成本值減累積攤銷及任何減損列賬。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。

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。倘本集團為承租人，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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

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 provisions 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.

3. 主要會計政策摘要 (續)

存貨

貨物乃按原值或可變現淨值二者之較低者入賬。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。

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財務損益賬中。

所得稅

所得稅包括即期及遞延稅項。所得稅乃於損益表確認，而有關在同一或不同時期直接於股本確認之項目，則於股本確認入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Income tax (continued)

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.

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.

3. 主要會計政策摘要 (續)

所得稅 (續)

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稅項準備。於結算日已實施或即將實施之稅率用作釐定遞延稅項。

遞延稅項負債乃就所有應課稅暫時性差額確認入賬，而遞延稅項資產的確認只限於未來有可能產生應課稅利潤以抵銷的暫時性差異。

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頭現金及活期存款，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頭及存於銀行之現金，包括並無限制用途之定期存款。

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 are provided;
- (c) rental income, in accordance with the terms of the rental agreements;
- (d) franchise income, on a time proportion basis, over the franchise period;
- (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轉移至買方，惟本集團並不對所出售貨品保持與擁有權有關之管理層參與，亦無實際控制該等貨品；
- (b) 如提供服務，則當該等服務提供時；
- (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 at 31 March 2004 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，直至股東於股東週年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，因本公司細則授權董事宣派中期股息之權利。故此，中期股息於建議派付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。於二零零四年三月三十一日，由於並無重大已批准的未支取年假須結轉，因此並無就有關年假計列支出。

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 employment. The Group is liable to make such payments in the event that such a termination of employment 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 employment is 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 with 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 payroll costs 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工資成本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。

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，有關成本亦並不計入損益表或資產負債表，直至購股權被行使。購股權獲行使時，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份溢價賬。於行使日期前註銷或失效之購股權自尚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。滙兌差額均列入損益表。

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 comprising the Group's motor and generator repair and maintenance services and trading of generators segment and the franchise services segment.

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分類和特許經營分類。

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。

財務報表附註 *Notes to the Financial Statements*

31 March 2004

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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									
		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	
		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Segment revenue:	分類收入：										
Sales to external customers	售予集團外客戶	3,626,629	3,005,047	2,548,155	2,145,487	41,681	48,051	—	—	6,216,465	5,198,585
Intersegment sales	業務間之銷售	—	—	—	—	1,892	1,625	(1,892)	(1,625)	—	—
Other revenue	其他收入	29,900	10,801	19,162	11,159	1,076	1,023	(1,170)	(1,178)	48,968	21,805
Total	合計	3,656,529	3,015,848	2,567,317	2,156,646	44,649	50,699	(3,062)	(2,803)	6,265,433	5,220,390
Segment results	分類業績	360,100	513,123	126,353	84,719	8,433	14,928	(867)	(1,235)	494,019	611,535
Interest income	利息收入									4,247	7,199
Profit from operating activities	經常業務溢利									498,266	618,734
Share of profit of an associate	應佔聯營公司溢利									33,344	46,630
Finance costs	財務費用									(4,086)	(2,787)
Profit before tax	除稅前溢利									527,524	662,577
Tax	稅項									(57,888)	(37,926)
Profit before minority interests	未計少數股東權益前溢利									469,636	624,651
Minority interests	少數股東權益									(47,666)	(34,089)
Net profit from ordinary activities attributable to shareholders	股東應佔經常業務溢利淨額									421,970	590,562
Segment assets	分類資產	3,258,807	2,542,321	896,765	687,940	74,614	78,915	(429,970)	(353,284)	3,800,216	2,955,892
Interest in an associate	於聯營公司之權益									133,275	136,265
Unallocated assets	未分配資產									457,194	276,176
Total assets	總資產									4,390,685	3,368,333
Segment liabilities	分類負債	1,027,887	617,856	685,342	538,914	104,268	105,245	(404,863)	(352,049)	1,412,634	909,966
Unallocated liabilities	未分配負債									446,827	91,946
Total liabilities	總負債									1,859,461	1,001,912
Other segment information:	其他分類資料：										
Depreciation and amortisation	折舊及攤銷	115,158	102,685	60,157	55,205	4,917	4,804	—	—	180,232	162,694
Other non-cash expenses/ (income)	其他非現金支出／(收入)	(5,073)	(62,900)	14,826	2,749	2,766	44	—	—	12,519	(60,107)
Capital expenditure	資本開支	469,129	260,387	150,032	63,437	2,016	261	—	—	621,177	324,085
Surplus on revaluation recognised directly in equity	重估盈餘直接確認於資本權益中	—	(1,722)	—	—	—	—	—	—	—	(1,722)

財務報表附註 *Notes to the Financial Statements*

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4. SEGMENT INFORMATION (continued)

(b) Geographical segments

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

4. 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													
		USA 美國		Mainland China 中國大陸		Japan 日本		Hong Kong 香港		Others 其他		Eliminations 對銷		Consolidated 綜合	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	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	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	2,350,043	1,859,864	1,786,442	1,641,918	388,771	336,969	812,980	681,445	878,229	678,389	—	—	6,216,465	5,198,585
Other segment information:	其他分類資料：														
Segment assets	分類資產			3,537,365	3,342,884			3,885,167	3,270,201	828,076	580,777	(3,859,923)	(3,825,529)	4,390,685	3,368,333
Capital expenditure	資本開支			563,643	289,392			11,620	15,112	45,914	19,581	—	—	621,177	324,085

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, 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

營業額指銷貨及所提供服務之發票淨值，但分別扣除退貨額及貿易折扣與集團內部交易。

本集團之營業額、其他收入及收益分析如下：

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Turnover:	營業額：		
Sale of goods	銷售貨品	6,165,638	5,134,012
Rendering of services	提供服務	32,113	35,884
Franchise income	特許經營收入	18,714	28,689
		6,216,465	5,198,585
Other revenue and gains:	其他收入及收益：		
Interest income	利息收入	4,247	7,199
Gross rental income	總租金收入	4,298	3,631
Net realised and unrealised gains on foreign exchange forward contracts	已兌現及未兌現之遠期外匯合約收益淨額	14,152	—
Sundry income	雜項收入	30,518	18,174
		53,215	29,004

6. PROFIT FROM OPERATING ACTIVITIES

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

6. 經常業務溢利

本集團經常業務溢利已扣除／(加上)下列各項：

		Group 集團	
		2004	2003
		Notes 附註	HK\$'000 港幣千元
Cost of inventories sold	已售之貨物成本		4,399,736
Depreciation	折舊	13	177,309
Amortisation of trademarks	商標攤銷	16	2,923
Staff costs, including directors' remuneration (note 7):	員工成本包括 董事酬金 (附註7) :		
Wages, salaries and other allowances	人工、薪金及 其他津貼		556,381
Provision for long service payments	長期服務金撥備	25	3,120
Retirement benefits scheme contributions	退休福利計劃供款		7,589
Minimum lease payments under operating leases:	經營租賃下之最低 租金 :		
Land and buildings	土地及樓宇		518,295
Plant and machinery	廠房設備及機械		9,418
Auditors' remuneration	核數師酬金		1,671
Loss on disposal of fixed assets	出售固定資產虧損		5,373
Deficit/(surplus) on revaluation of investment properties	投資物業重估減值／ (盈餘)	14	(3,613)
Net exchange gains, excluding realised and unrealised gains on foreign exchange forward contracts	滙兌收益淨額，不包括已 兌現及未兌現之遠期 外滙合約收益		(12,378)
Net rental income	租金收入淨額		(4,174)
Provision for slow moving inventories included in cost of sales	已包括在銷售成本中 呆滯存貨撥備		40,154
Provision/(write-back of provision) for doubtful debts	呆賬撥備／(撥回)		6,974
Write-back of provision for the value-added tax recoverable included in cost of sales, net	已包括在銷售成本中 撥回應退增值稅 撥備，淨額		(36,369)
Write-back of minority interests	少數股東權益撥回	30	—

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	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Fees:	袍金：		
Executive directors	執行董事	50	50
Independent non-executive directors	獨立非執行董事	400	360
Other emoluments:	其他酬金：		
Executive directors:	執行董事：		
Basic salaries, housing, allowances and benefits in kind	基本薪金、房屋、津貼與實物利益	22,467	24,425
Bonuses	花紅	28,970	40,467
Retirement benefits scheme contributions	退休福利計劃供款	60	60
		51,947	65,362

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID

EMPLOYEES *(continued)*

The number of directors, including independent non-executive directors, whose remuneration fell within the bands set out below, 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：

	Number of directors	
	董事人數	
	2004	2003
HK\$		
港幣元		
Nil — 1,000,000	3	2
5,500,001 — 6,000,000	1	—
6,000,001 — 6,500,000	1	1
7,000,001 — 7,500,000	—	1
7,500,001 — 8,000,000	1	—
8,500,001 — 9,000,000	—	1
11,000,001 — 11,500,000	1	—
15,500,001 — 16,000,000	—	1
20,500,001 — 21,000,000	1	—
26,500,001 — 27,000,000	—	1
	8	7

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

於年內，並無董事放棄或同意放棄任何酬金的安排。

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(continued)*

During the year, 18,600,000 share options were granted to the directors in respect of their services rendered to the Group, further details of which are set out in note 28 to the financial statements. No value in respect of the share options granted during the year has been charged to the profit and loss account, or is otherwise included in the above directors' remuneration disclosures.

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

7. 董事酬金及最高薪酬五位僱員 (續)

於年內，18,600,000份購股權已授予向本集團提供服務之董事，詳細情況已在財務報表附註28呈列。上列董事酬金披露並不包括本年度授出之購股權價值，亦無在本年度之損益表扣除該等購股權之價值。

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	
		2004	2003
		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		3,612	2,787
Interest on shareholder loans	股東貸款利息	474	—
		4,086	2,787

9. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 16.0%) on the estimated assessable profits arising in Hong Kong during the year. The increased Hong Kong profits tax rate became effective from the year of assessment 2003/2004. 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

香港利得稅已按年內於香港賺取之估計應課稅溢利以稅率17.5% (二零零三年：16.0%) 提撥準備。已上調之香港利得稅率，自二零零三／二零零四年度起生效。在其他地區所應課稅溢利的稅項，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。

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Group:	集團：		
Current — Hong Kong and	本年度 — 香港及中國稅項：		
PRC taxes:			
Current year provision	本年度準備	54,554	61,825
Under-provision in prior years	往年度不足準備	—	30
Deferred tax charge/(credit)	遞延稅項準備／(回撥)		
(note 26)	(附註26)	1,000	(26,191)
		55,554	35,664
Share of tax attributable	應佔聯營公司稅項		
to an associate		2,334	2,262
Tax charge for the year	本年度稅項	57,888	37,926

9. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory 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稅率計算且適用於除稅前溢利之稅項開支與本年度稅項對賬如下：

		Group 集團	
		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Profit before tax	除稅前溢利	527,524	662,557
Tax at the domestic tax rates applicable to profits in the countries concerned	按有關當地國家稅率計算且適用於溢利之稅項	74,865	87,439
Effect of increase in rates on opening deferred tax	稅率增加對期初遞延稅項之影響	—	2,643
Write-back of over-provision for deferred tax	撥回超額準備之遞延稅項	—	(28,834)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出調整	—	30
Income not subject to tax	毋須繳稅之收入	(29,200)	(36,845)
Expenses not deductible for tax	不可作稅項扣減之費用	8,761	5,996
Unrecognised deferred tax assets on tax losses	未確認有關稅項虧損之遞延稅項資產	13,558	14,328
Tax losses utilised from previous periods	過往期間已動用之稅項虧損	(7,829)	(394)
Others	其他	(2,267)	(6,437)
Tax charge for the year	本年度稅項	57,888	37,926

10. NET PROFIT FROM ORDINARY ACTIVITIES

ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 March 2004 dealt with in the financial statements of the Company was HK\$265,808,000 (2003: HK\$332,106,000) (note 29(b)).

10. 股東應佔經常業務溢利淨額

於二零零四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265,808,000元（二零零三年：港幣332,106,000元）（附註29(b)）。

11. DIVIDENDS

11. 股息

		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interim of HK8.0 cents	中期股息每股港幣8.0仙		
(2003: HK11.0 cents) per share	(二零零三年：每股港幣11.0仙)	105,996	145,642
Proposed final of HK12.0 cents	擬派發末期股息每股港幣12.0仙		
(2003: HK14.0 cents) per share	(二零零三年：每股港幣14.0仙)	159,047	185,437
		265,043	331,079

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

本年度擬派發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 2004 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\$421,970,000 (2003: HK\$590,562,000) and the weighted average number of 1,324,573,514 (2003: 1,323,760,433) 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\$421,970,000 (2003: HK\$590,562,000) and the weighted average number of 1,329,141,903 (2003: 1,325,574,912) shares in issue, as adjusted to reflect the effects of all potential dilutive shares during the year.

12. 每股盈利

截至二零零四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421,970,000元(二零零三年：港幣590,562,000元)及已發行股份之加權平均數1,324,573,514股(二零零三年：1,323,760,433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421,970,000元(二零零三年：港幣590,562,000元)及已發行股份之加權平均數1,329,141,903股(二零零三年：1,325,574,912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 and diluted earnings per share is as follows:

		Number of shares	
		股份數目	
		2004	2003
Weighted average number of	用作計算每股基本		
shares in issue during the	盈利之已發行股份		
year used in the calculation	加權平均股數		
of basic earnings per share		1,324,573,514	1,323,760,433
Weighted average number of	假設所有於年內未行使		
shares deemed to be	購股權皆已行使而		
issued for no consideration	被視作以無償發行		
on deemed exercise of all	之股份加權平均		
share options outstanding	股數		
during the year		4,568,389	1,814,479
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		1,329,141,903	1,325,574,912

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：

13. FIXED ASSETS

Group

13. 固定資產

集團

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment 傢俬、 裝置及 辦公室設備	Motor vehicles 汽車	Yacht 遊艇	Total 合計
		租賃土地 及樓宇 HK\$'000 港幣千元	租賃 樓宇裝修 HK\$'000 港幣千元	廠房設備 及機械 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost or valuation:	成本或估值：							
At beginning of year	年初	489,931	241,543	1,034,087	119,331	60,766	4,791	1,950,449
Additions	添置	52,582	65,363	275,871	22,310	3,774	—	419,900
Disposals	出售	—	(7,275)	(26,029)	(1,303)	—	—	(34,607)
Transfers from construction in progress (note 15)	在建工程 撥入 (附註15)	67,187	—	1,215	76	12	—	68,490
Transfers to investment properties (note 14)	撥往投資 物業 (附註14)	(4,447)	—	—	—	—	—	(4,447)
Foreign exchange adjustments	外匯調整	(2)	3,460	(715)	662	87	—	3,492
At 31 March 2004	於二零零四年 三月三十一日	605,251	303,091	1,284,429	141,076	64,639	4,791	2,403,277
Accumulated depreciation:	累計折舊：							
At beginning of year	年初	112,360	163,375	474,229	80,507	45,895	4,048	880,414
Provided during the year	本年準備	18,147	49,336	91,832	13,158	4,825	11	177,309
Disposals	出售	—	(4,737)	(18,739)	(723)	—	—	(24,199)
Transfers to investment properties (note 14)	撥往投資 物業 (附註14)	(1,850)	—	—	—	—	—	(1,850)
Foreign exchange adjustments	外匯調整	(65)	1,709	(393)	206	22	—	1,479
At 31 March 2004	於二零零四年 三月三十一日	128,592	209,683	546,929	93,148	50,742	4,059	1,033,153
Net book value:	賬面淨值：							
At 31 March 2004	於二零零四年 三月三十一日	476,659	93,408	737,500	47,928	13,897	732	1,370,124
At 31 March 2003	於二零零三年 三月三十一日	377,571	78,168	559,858	38,824	14,871	743	1,070,035

13. FIXED ASSETS *(continued)*

An analysis of the leasehold land and buildings at 31 March 2004 is as follows:

13. 固定資產 (續)

於二零零四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	27,769	104,717	132,486
Medium term leasehold land and	位於香港以外之			
buildings situated outside	中期租賃土地			
Hong Kong	及樓宇	—	472,765	472,765
		27,769	577,482	605,251

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. Had such leasehold land and buildings been carried at cost less accumulated depreciation, their carrying amounts would have been stated at approximately HK\$12,439,000 (2003: HK\$13,076,000).

As at 31 March 2004, certain motor vehicles and certain leasehold land and buildings situated outside Hong Kong (2003: certain motor vehicles) 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。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 12,439,000 元（二零零三年：港幣 13,076,000 元）。

於二零零四年三月三十一日，部份汽車及部份位於香港以外之租賃土地及樓宇（二零零三年：部份汽車）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	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At beginning of year	年初	35,710	29,260
Transfers from fixed assets	由固定資產轉撥		
(note 13)	(附註 13)	2,597	4,778
Revaluation surplus credited to investment property	於投資物業重估儲備中 加入重估盈餘		
revaluation reserve		—	1,722
Revaluation surplus/(deficit) credited/(charged) to the profit and loss account	於損益賬中加入／(扣除) 之重估盈餘／(減值)	3,613	(50)
At balance sheet date	於結算日	41,920	35,710

14. INVESTMENT PROPERTIES (continued)

The investment properties, including those transferred from fixed assets during the year (note 13), are all situated in Hong Kong and held under medium term leases. At 31 March 2004, the investment properties were revalued on an open market, existing use basis by Chung, Chan & Associates, Chartered Surveyors, independent professionally qualified valuers.

Certain investment properties were transferred from leasehold land and buildings in Hong Kong at their 1992 professional valuation. The related revaluation reserve of HK\$7,238,000 (2003: 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\$4,298,000 (2003: HK\$3,631,000).

14. 投資物業 (續)

投資物業包括本年度由固定資產轉撥(附註13)，全部位於香港，並按中期租約持有。於二零零四年三月三十一日，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。

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7,238,000元(二零零三年：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。

年內源於自投資物業之總租金收入為港幣4,298,000元(二零零三年：港幣3,631,000元)。

15. CONSTRUCTION IN PROGRESS

15. 在建工程

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At beginning of year	年初	52,485	124,971
Additions	添置	201,277	70,544
Transfer to fixed assets (<i>note 13</i>)	撥往固定資產 (附註13)	(68,490)	(143,030)
Foreign exchange adjustments	外匯調整	(208)	—
At balance sheet date	於結算日	185,064	52,485

16. TRADEMARKS

16. 商標

		Group 集團 HK\$'000 港幣千元
Cost:	成本：	
At beginning of year	年初	52,460
Additions	添置	104
At 31 March 2004	於二零零四年三月三十一日	52,564
Accumulated amortisation:	累計攤銷：	
At beginning of year	年初	13,646
Amortised during the year	本年度內攤銷	2,923
At 31 March 2004	於二零零四年三月三十一日	16,569
Net book value:	賬面淨值：	
At 31 March 2004	於二零零四年三月三十一日	35,995
At 31 March 2003	於二零零三年三月三十一日	38,814

17. INTEREST IN AN ASSOCIATE

17. 於聯營公司之權益

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Share of net assets	應佔資產淨值	133,275	136,265

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 the 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：

Name	Business structure	Place of incorporation/ operations 註冊成立及 營業地點	Percentage of equity attributable to the Group		Principal activity
			本集團應佔權益 百份率		
名稱	商業架構		2004	2003	主要業務
Megawell Industrial Limited	Corporate company	Hong Kong/the PRC 香港／中國	50	50	Manufacturing of garments 成衣生產

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 2004, is as follows:

17. 於聯營公司之權益 (續)

以下為 Megawell Industrial Limited 截至二零零四年三月三十一日止年度經審核財務報表的簡略財務資料：

		2004	2003
		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	63,146	75,385
Current assets	流動資產	310,229	294,373
Current liabilities	流動負債	(129,571)	(127,514)
Profit and loss account:	損益表：		
Turnover	營業額	713,246	852,957
Profit before tax	除稅前溢利	66,226	94,280

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	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Raw materials	原料	582,975	404,951
Work in progress	在製品	73,439	59,663
Finished goods	製成品	385,264	388,878
		1,041,678	853,492

20. TRADE AND BILLS RECEIVABLE

20. 應收賬款及應收票據

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade receivables	應收賬款	519,029	367,714
Bills receivable	應收票據	15,805	14,116
		534,834	381,830

20. TRADE AND BILLS RECEIVABLE *(continued)*

The 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 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 dates 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。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。

於年結日，按發票日期扣除撥備之應收賬款之賬齡分析如下：

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	502,538	359,514
Over 90 days	90日以上	16,491	8,200
		519,029	367,714

20. TRADE AND BILLS RECEIVABLE *(continued)*

An aged analysis of bills receivable as at the balance sheet date is as follows:

20. 應收賬款及應收票據 (續)

於年結日，應收票據之賬齡分析如下：

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	12,849	14,116
Over 90 days	90日以上	2,956	—
		15,805	14,116

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

		Group		Company	
		集團		公司	
		2004	2003	2004	2003
		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	176,563	208,605	77	105
Time deposits	定期存款	457,195	276,176	—	—
		633,758	484,781	77	105

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\$342,787,000 (2003: HK\$138,407,000). RMB is not freely convertible into other currencies, however, under Mainland China 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 authorised banks.

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342,787,000元（二零零三年：港幣138,407,000元）。人民幣不能自由兌換其他貨幣，惟根據中國大陸外匯管制法規及結匯、售匯及付匯管理規定，本集團獲准透過獲授權之銀行將人民幣兌換為其他貨幣。

22. TRADE AND BILLS PAYABLE

22. 應付賬款及應付票據

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade payables	應付賬款	728,479	657,699
Bills payable	應付票據	29,849	22,938
		758,328	680,637

22. TRADE AND BILLS PAYABLE *(continued)*

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

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	701,856	644,996
Over 90 days	90日以上	26,623	12,703
		728,479	657,699

An aged analysis of bills payable as at balance sheet date is as follows:

22. 應付賬款及應付票據 (續)

於年結日，按發票日期之應付賬款之賬齡分析如下：

於年結日，應付票據賬齡分析如下：

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	28,840	22,938
Over 90 days	90日以上	1,009	—
		29,849	22,938

23. INTEREST-BEARING BANK BORROWINGS

23. 附息銀行貸款

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bank overdrafts, unsecured	銀行透支，無抵押	403	367
Bank loans:	銀行貸款：		
Secured	有抵押	16,735	170
Unsecured	無抵押	350,374	39,375
		367,109	39,545
		367,512	39,912
Bank overdrafts repayable within one year or on demand	銀行透支於一年內 償還或按要求	403	367
Short term bank loans repayable within one year	短期銀行貸款於一年內 償還	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	167,535	17,534
In the second year	第二年	154,410	17,534
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	73	4,475
Beyond five years	第五年後	—	2
		322,018	39,545
Total interest-bearing bank loans and overdrafts	附息銀行貸款及透支合計	367,512	39,912
Less: Portion classified as current liabilities	減：於一年內到期流動 負債內之部份	(213,029)	(17,901)
Long term portion	長期部份	154,483	22,011

23. INTEREST-BEARING BANK BORROWINGS (continued)

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 recoverables included in the prepayments, deposits and other receivables balances (2003: certain motor vehicles) of the Group.

24. SHAREHOLDER LOAN

The shareholder loan is unsecured, interest-bearing at HIBOR plus 0.4% per annum and not repayable within one year, except for an amount of HK\$100,000,000 which is repayable before 31 March 2005.

25. PROVISION FOR LONG SERVICE PAYMENTS

23. 附息銀行貸款 (續)

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之應退增值稅款(二零零三年：部份汽車)作抵押(附註13)。

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%，及除港幣100,000,000元須於二零零五年三月三十一日前還款外，並不須於一年內還款。

25. 長期服務金撥備

		Group 集團 HK\$'000 千港元
At beginning of year	年初	4,941
Additional provision	額外撥備	3,120
Amount utilised during the year	年內動用金額	(107)
At 31 March 2004	於二零零四年三月三十一日	7,954

26. DEFERRED TAX

26. 遞延稅項

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At beginning of year	年初	2,000	28,191
Charge/(credit) for the year	本年度準備／(回撥)		
(note 9)	(附註9)	1,000	(26,191)
At 31 March	於三月三十一日	3,000	2,000

The provision for deferred tax, calculated at 17.5% (2003: 17.5%) relates to the temporary differences arising from accelerated depreciation allowances.

The Group has tax losses arising in Hong Kong of HK\$303,402,000 (2003: HK\$282,968,000) 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 2004, there was no significant unrecognised deferred tax liabilities (2003: 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.

遞延稅項準備以17.5%計算(二零零三年：17.5%)乃就按加速折舊免稅額引起之暫時性差異而提撥準備。

本集團於香港產生之稅項虧損為港幣303,402,000(二零零三年：港幣282,968,000)，有關所產生的虧損可無限期用作抵銷公司日後之應課稅溢利。由於未能確定日後附屬公司是否能得足夠應課稅溢利以抵銷可動用稅項虧損，遞延稅項資產並無就該等虧損進行確認。

於二零零四年三月三十一日，稅項中並無因本集團附屬公司及聯營公司之未匯寄盈利有重大未確認遞延稅項負債(二零零三年：無)，因倘若該盈利得以匯寄，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稅項。

本公司向其股東派股息後，並無導致任何須繳納所得稅之後果。

27. SHARE CAPITAL

27. 股本

		2004	2003
		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：		
1,324,778,104	1,324,778,104		
(2003: 1,324,148,104)	(二零零三年：		
shares of HK\$0.05 each	1,324,148,104)股		
in nominal value	每股面值港幣0.05元	66,239	66,208

27. SHARE CAPITAL (continued)

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

27. 股本 (續)

於本年度內，本公司股本之變動簡略如下：

		Number of shares in issue 股份數量	Issued capital 已發行 股本 HK\$'000 港幣千元	Share premium account 股本 溢價賬 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 April 2002	於二零零二年 四月一日	1,323,648,104	66,183	331,168	397,351
Exercise of share options	購股權之行使	500,000	25	2,460	2,485
At 31 March 2003 and 1 April 2003	於二零零三年 三月三十一日 及二零零三年 四月一日	1,324,148,104	66,208	333,628	399,836
Exercise of share options	購股權之行使	630,000	31	3,100	3,131
At 31 March 2004	於二零零四年 三月三十一日	1,324,778,104	66,239	336,728	402,967

Subsequent to the balance sheet date, on 1 April 2004, 18 May 2004 and 9 June 2004, a total of 610,000 new shares were issued upon the exercise of 610,000 share options by certain employees of the Company (note 28).

於結算日後，二零零四年四月一日、二零零四年五月十八日及二零零四年六月九日，本公司部份僱員行使總數610,000份購股權導至本公司發行新股610,000股(附註28)。

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 unexercised 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 in 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.

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鼓勵及獎賞。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與之未行使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。

28. SHARE OPTION SCHEME (continued)

The following share options were outstanding under the Scheme at the balance sheet date:

28. 購股權計劃 (續)

於年結日，未行使之購股權如下：

Name or category of participant 參與者 名稱或類別	Date of grant of share options* 購股權 頒授日期*	Exercise price of share options** 行使價格** HK\$ 港幣元	Number of share options 購股權數目				Exercise period of share options 購股權行使期限	Closing price of the Company's share immediately before the date of grant of share options**** 緊接頒授購股權日前 本公司股份收市價**** HK\$ 港幣元
			At 1 April 2003 於二零零三年四月一日	Granted during the year 年內 已頒授	Exercised during the year*** 年內 已行使***	At 31 March 2004 於二零零四年三月三十一日		
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二零一二年九月十日	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 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
			7,500,000	3,000,000	—	10,500,000		
Poon Kei Chak 潘熾澤	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
			7,500,000	3,000,000	—	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
			4,000,000	6,000,000	—	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
			4,000,000	6,000,000	—	10,000,000		
Au Son Yiu 區焯耀	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
			200,000	200,000	—	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
			200,000	200,000	—	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

28. SHARE OPTION SCHEME (continued)

28. 購股權計劃 (續)

Name or category of participant 參與者名稱或類別	Date of grant of share options* 購股權頒授日期*	Exercise price of share options** 行使價格** HK\$ 港幣元	Number of share options 購股權數目				Exercise period of share options 購股權行使期限	Closing price of the Company's share immediately before the date of grant of share options**** 緊接頒授購股權日前本公司股份收市價**** HK\$ 港幣元
			At 1 April 2003 於二零零三年四月一日	Granted during the year 已頒授	Exercised during the year*** 已行使***	At 31 March 2004 於二零零四年三月三十一日		
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	3,700,000	—	(630,000)	3,070,000	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	—	7,650,000	—	7,650,000	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
			3,700,000	7,650,000	(630,000)	10,720,000		
			28,100,000	26,250,000	(630,000)	53,720,000		

* 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 weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised was HK\$6.16.

**** The closing price of the Company's share refers to the price quoted on the Stock Exchange.

The 630,000 share options exercised during the year resulted in the issue of 630,000 ordinary shares of the Company and new share capital of HK\$31,000 and share premium of HK\$3,100,000, as detailed in note 27 to the financial statements.

* 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。

*** 本公司股份於緊接購股權行使日期前之加權平均收市價為港幣6.16元。

**** 收市價乃指本公司股份於聯交所的收市價。

本年度內，630,000份購股權獲行使，導致發行630,000股本公司普通股，並產生新股本港幣31,000元及股份溢價港幣3,100,000元，詳情見財務報表附註27。

28. SHARE OPTION SCHEME (continued)

At 31 March 2004, 53,720,000 share options remained outstanding under the Scheme, which represented approximately 4.1 % 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 53,720,000 additional ordinary shares of the Company and additional share capital of HK\$2,686,000 and share premium of HK\$280,840,000 (before issue expenses).

Subsequent to the balance sheet date, on 1 April 2004, 18 May 2004 and 9 June 2004, a total of 610,000 share options were exercised by certain employees of the Company and 610,000 new shares of the Company were issued (note 27).

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)

於二零零四年三月三十一日，該計劃下尚有53,720,000份購股權未獲行使相當於該日本公司已發行股份約4.1%。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53,720,000股本公司之普通股，並額外產生股本港幣2,686,000元及股份溢價港幣280,840,000元（未計發行開支）。

於結算日後，二零零四年四月一日、二零零四年五月十八日及二零零四年六月九日，本公司部份僱員行使總數610,000份購股權及本公司發行新股610,000股（附註27）。

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 derives from the difference between the nominal value of the share capital issued by the Company and the then nominal value of the 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.

(b) Company

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) 公司

		Share premium account 股本溢價賬 HK\$'000 港幣千元	Capital redemption reserve 股本贖回 儲備 HK\$'000 港幣千元	Contributed surplus 實繳盈餘 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 April 2002	於二零零二年 四月一日	331,168	1,587	48,708	377,206	758,669
Exercise of share options	行使購股權	2,460	—	—	—	2,460
Net profit for the year	本年度溢利 淨額	—	—	—	332,106	332,106
Interim 2003 dividend	二零零三年 中期股息	—	—	—	(145,642)	(145,642)
Proposed final 2003 dividend	二零零三年擬派 末期股息	—	—	—	(185,437)	(185,437)
At 31 March 2003 and 1 April 2003	於二零零三年 三月三十一日 及二零零三年 四月一日	333,628	1,587	48,708	378,233	762,156
Exercise of share options	行使購股權	3,100	—	—	—	3,100
Net profit for the year	本年度溢利 淨額	—	—	—	265,808	265,808
Interim 2004 dividend	二零零四年中期 股息	—	—	—	(105,996)	(105,996)
Proposed final 2004 dividend	二零零四年擬派 末期股息	—	—	—	(159,047)	(159,047)
At 31 March 2004	於二零零四年 三月三十一日	336,728	1,587	48,708	378,998	766,021

29. RESERVES (continued)

(b) Company (continued)

The Company's contributed surplus represents the difference between the nominal value of the share capital issued by 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	
		公司	
		2004	2003
		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	2,129,940	2,474,122
Due to subsidiaries	應付附屬公司賬款	(1,347,235)	(1,694,733)
		831,613	828,297

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 Company's 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。本公司之主要附屬公司詳情如下：

Company name 公司名稱	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 Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
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	Hong Kong	Ordinary HK\$1,000 Non-voting deferred HK\$3,125,000	100	100	Sale of finished knitted fabric and dyed yarn
永佳染廠有限公司	香港	普通股本港幣1,000元 無投票權遞延股本 港幣3,125,000元			銷售針織布及色紗
Texwinca Enterprises (China) Limited	British Virgin Islands/ the PRC	US\$1	100	100	Investment holding and provision of subcontracting services
德永佳(中國)發展 有限公司	英屬處女群島／中國	1美元			投資控股及提供 加工服務
Dongguan Texwinca Textile & Garment Limited*	the PRC	HK\$965,952,354	100	100	Production of finished knitted fabric and dyed yarn
東莞德永佳紡織製衣 有限公司*	中國	港幣965,952,354元			生產整染針織布及 色紗

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	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 Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
Texwinca Enterprises Limited	Hong Kong	HK\$2	100	100	Provision of management services
德永佳實業有限公司	香港	港幣2元			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 班尼路有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Guangzhou Friendship Baleno Company Limited 廣州友誼班尼路服飾 有限公司	the PRC 中國	HK\$25,680,000 港幣25,680,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	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 Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
Shanghai Haiwen Baleno Garment Company Limited 上海海文班尼路服飾 有限公司	the PRC 中國	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	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 中國	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 中國	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 銀鯨有限公司	British Virgin Islands/ Taiwan 英屬處女群島/台灣	US\$1 1美元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	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 Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
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	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	港幣28,460,000元			提供汽車之維修

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	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 Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
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 英屬處女群島/中國	US\$1 1美元	54	54	Property holding 持有物業
Samuel & Kevin Macau Fashion Company Limited	Macau	MOP25,000	54	54	Retail and distribution 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	RMB1,010,000	54	54	Retail and distribution of casual apparel and accessory
	中國	人民幣 1,010,000元			便服及飾物 零售及分銷

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	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 Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
武漢班尼路商貿 有限公司	the PRC 中國	RMB1,080,000 人民幣1,080,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
長沙班尼路服飾 有限公司	the PRC 中國	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
陝西班尼路服飾 有限公司	the PRC 中國	RMB600,000 人民幣600,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Baleno Kingdom (Singapore) Private Limited	Singapore 新加坡	SG\$300,000 坡幣300,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Grand Nice Development Limited 嘉麗發展有限公司	Hong Kong 香港	HK\$2 港幣2元	54	54	Leasing of properties 租賃物業
Excel Billion Inc. 永億國際有限公司	British Virgin Islands/Taiwan 英屬處女群島/ 台灣	US\$1 1美元	54	54	Property holding 持有物業

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.

* Dongguan Texwinca Textile & Garment Limited ("DGT") was formed as a co-operative joint venture in the PRC under a joint venture agreement with a term of 50 years with effect from 28 July 1992. In a prior year, an advance of HK\$21,000,000 was made by the Group to one of the joint venture partners of DGT for its investment in 2.4% equity interest in DGT, and the Group had already written off this advance of HK\$21,000,000 to the consolidated profit and loss account in prior years. During the year ended 31 March 2003, this joint venture partner of DGT transferred its 2.4% equity interest in DGT to the Group and thus, the Group wrote back this 2.4% minority interest of HK\$21,000,000 to the consolidated profit and loss account for the year ended 31 March 2003. Since then, DGT became a wholly foreign-owned enterprise in the PRC. During the current year, the registered capital of DGT was increased to HK\$1,250,830,000, and the paid-up capital thereof as at 31 March 2004 was HK\$965,952,354.

** Winca (Dongguan) Motor Service Limited was formed as a wholly foreign-owned enterprise with a term of 50 years in the PRC with effect from 26 July 1994. The paid-up capital as at 31 March 2004 was HK\$28,460,000.

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。

* 東莞德永佳紡織製衣有限公司(「紡織公司」)根據一項合營協議，以共同合作方式在中國成立，合營期由一九九二年七月二十八日起計五十年。於以往，本集團向紡織公司其中一位合營方借出港幣21,000,000元作為其應佔紡織公司2.4%權益的投資，本集團已將該港幣21,000,000元的借款於以往年度撇銷於綜合損益表。在於截至二零零三年三月三十一日止年度，該紡織公司之合營方將其持有的紡織公司2.4%權益轉給本集團，因此本集團於二零零三年三月三十一日年結時將少數股東權益於紡織公司的2.4%權益撥回至綜合損益表。從此紡織公司成為中國外商獨資企業。於本年內紡織公司之註冊資本增加至港幣1,250,830,000元，實繳資本為港幣965,952,354元。

** 永佳(東莞)汽車維修服務有限公司以外商獨資企業方式在中國成立，經營期由一九九四年七月二十六日起計五十年。已繳股本於二零零四年三月三十一日為港幣28,460,000元。

31. CONTINGENT LIABILITIES

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

		Group		Company	
		集團		公司	
		2004	2003	2004	2003
		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	銀行擔保書	3,934	2,358	1,580	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	14,000	12,500	14,000
Guarantees of banking	為附屬公司				
facilities granted	銀行信貸				
to subsidiaries	所作之擔保	—	—	1,898,000	1,093,000
Export bills discounted	有追索權之出口				
with recourse	票據貼現	255,870	158,672	—	—

- (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\$7,955,000 (2003: HK\$4,941,000) and has a further contingent liability with a maximum possible amount of HK\$5,320,000 (2003: HK\$5,855,000) as at 31 March 2004.

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：

- (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，如財務報表附註3「僱員福利」一節所詳述，於二零零四年三月三十一日，本集團已撥備港幣7,955,000元（二零零三年：港幣4,941,000元）及或有負債可能涉及之金額最多為港幣5,320,000元（二零零三年：港幣5,855,000元）。

31. CONTINGENT LIABILITIES (continued)

The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is 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.

- (c) A subsidiary of the Group in Hong Kong is currently a defendant in a lawsuit brought by a third party alleging that the Group infringed the trademark registered by the plaintiff by selling apparel products bearing such mark, and is claiming for compensation for loss of profits and legal costs incurred thereof. The directors, based on the advice from the Group's legal counsel, considers that the probability of crystallisation of the claim at this stage is uncertain, and believe that the subsidiary has a valid defence to the litigation and, accordingly, have not provided for any claim arising from the litigation as at 31 March 2004.
- (d) A subsidiary of the Group in Taiwan is currently subject to a claim from the National Tax Administration (the "NTA") of Taiwan for the underpayment of business tax on sales made through certain local store-owners in Taiwan during the period from November 1998 to December 2002 together with penalties, of NTD62.7 million in aggregate (equivalent to HK\$14.2 million). An amendment letter against the claims has been filed by the local tax representative of the subsidiary during the 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, have not made any provision for the tax claim as at 31 March 2004.

31. 或有負債 (續)

有關或有負債產生之原因為於結算日，若干現任僱員服務本集團年數已屆僱傭條例下合資格於若干情況終止任職時可獲付長期服務金之規定。由於預期該等情況不大可能會對本集團日後資源流出有任何重大影響，故並無就有關可能支付之款項確認撥備。

- (c) 本集團於香港之其中一間附屬公司現時為一宗由第三者提出之訴訟中之被告，原告人宣稱本集團侵犯其已註冊之商標，因售賣之服裝貨品具有此標記，現正為此引起之利潤損失及法律費用提出索償。按集團法律顧問之意見，董事認為於現階段，不能確定此索償之成功率，及相信該附屬公司有充分理據對此訴訟作出抗辯，因此，於二零零四年三月三十一日止，並沒有為此訴訟引致之任何索償作出撥備。
- (d) 本集團於台灣之其中一間附屬公司受到台灣國稅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交商業稅及罰款，總額共台幣62.7百萬元（相等於港幣14.2百萬元）。該附屬公司之當地稅務代表已呈交抗辯信反對該索償。按該附屬公司當地稅務代表之意見，董事相信該附屬公司有充分理據反對國稅局之索償，因此，並沒有於二零零四年三月三十一日為此稅務索償作出撥備。

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.

At 31 March 2004, 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

(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)，議定期限由兩年至三年不等。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。

於二零零四年三月三十一日，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	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	2,717	3,596
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	103	1,214
		2,820	4,810

32. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

The Group leases certain 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.

At 31 March 2004, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	415,530	359,436
In the second to fifth years,	第二年至第五年		
inclusive	(包括首尾兩年)	709,874	536,479
After five years	第五年後	441,511	307,863
		1,566,915	1,203,778

32. 經營租賃安排 (續)

(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。

於二零零四年三月三十一日，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：

33. COMMITMENTS

(a) Capital commitments

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

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
In respect of fixed assets, contracted, but not provided for	已就固定資產訂約，但未作準備	84,478	81,507
In respect of fixed assets, authorised, but not contracted for	已就固定資產核準，但沒有訂約	345,206	375,600
In respect of investments in subsidiaries in the PRC, contracted for	已就於中國投資於附屬公司訂約，但未作準備	722,380	493,390
		1,152,064	950,497

- (b) At 31 March 2004, the Group had outstanding foreign exchange forward contracts with an equivalent aggregate principal amount of HK\$3,336 million (2003: Nil).

33. 承擔

(a) 資本承擔

於結算日，資本支出承擔如下：

- (b) 於二零零四年三月三十一日，本集團有相等於本金總值港幣3,336百萬元（二零零三年：無）之遠期外匯合約承擔。

34. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group had the following transactions with its associate:

		Group		
		集團		
		2004	2003	
		Note	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)	265,183	378,063
Purchases from Megawell	向 Megawell 採購	(ii)	203,846	185,834

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.

34. 關連人士交易

- (a) 本年度，本集團曾與其聯營公司進行下列交易：

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 2004, Nice Dyeing Factory Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$323,520,000 (2003: HK\$245,651,000) to Baleno Kingdom Limited, a non wholly-owned subsidiary, at 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 (2003: prime rate minus 1.25%). 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, shareholder loans were granted to the Group by a substantial shareholder and also a director of the Company, details of which were set out in note 24 to the financial statements. Total interest expenses paid for the shareholder loans amounted to HK\$474,000 (2003: Nil) 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 for purchases made to a supplier of the Group of HK\$16,741,000 as included in the prepayments, deposits and other receivables balance of the Group as at 31 March 2004.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 23 July 2004.

34. 關連人士交易 (續)

- (b) 於二零零四年三月三十一日，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323,520,000元（二零零三年：港幣245,651,000元），於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息分別按最優惠利率減1.25%及香港銀行同業拆息加2%（二零零三年：最優惠利率減1.25%），有關貸款並無抵押及無協定之還款日期，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。本年度已付股東貸款之利息支出總額為港幣474,000元（二零零三年：無）。

- (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16,741,000元可回收性之任何損失，提供無條件的擔保。該款已包括於二零零四年三月三十一日之預付款項、訂金及其他應收賬款中。

35. 財務報表之核准

本財務報表已於二零零四年七月二十三日由董事會核准及授權刊發。

