



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

Stock Code 股份代號 : 321

annual report 2007

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## Corporate Information 公司資料

### **DIRECTORS** 董事

Poon Bun Chak 潘彬澤  
(Chairman and Chief Executive Officer) (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\* 區燦耀\*

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

### **REGISTERED OFFICE** 註冊辦事處

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

### **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS** 總辦事處及主要營業地點

16th Floor, Metroplaza, Tower II, 香港  
223 Hing Fong Road, 新界葵涌  
Kwai Chung, New Territories, 興芳路223號  
Hong Kong. 新都會廣場第二座16樓

## Corporate Information 公司資料

<b>PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE</b>	主要股份登記及過戶處
Butterfield Fund Services (Bermuda) Limited	Butterfield Fund Services (Bermuda) Limited
Rosebank Centre,	Rosebank Centre,
14 Bermudiana Road,	14 Bermudiana Road,
Pembroke,	Pembroke,
Bermuda.	Bermuda.

<b>HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE</b>	香港股份登記及過戶分處
Tengis Limited	登捷時有限公司
(will be renamed as Tricor Tengis Limited with effect from 1 August 2007)	(將於二零零七年八月一日起， 更改名稱為「卓佳登捷時有限公司」)
26/F., Tesbury Centre,	香港灣仔
28 Queen's Road East,	皇后大道東二十八號
Wanchai, Hong Kong.	金鐘匯中心二十六樓

<b>AUDITORS</b>	核數師
Ernst & Young	安永會計師事務所
Certified Public Accountants	執業會計師

<b>LEGAL ADVISORS</b>	法律顧問
Jennifer Cheung & Co.	張美霞律師行
Wilkinson & Grist	高露雲律師行

<b>PRINCIPAL BANKERS</b>	主要往來銀行
Bank of China (Hong Kong) Ltd.	中國銀行(香港)有限公司
BNP Paribas	法國巴黎銀行
Citibank, N.A.	花旗銀行
Hongkong Bank	滙豐銀行
Hang Seng Bank	恒生銀行
Mizuho Corporate Bank, Ltd.	瑞穗實業銀行
The Bank of East Asia, Ltd.	東亞銀行有限公司

<b>WEBSITES</b>	網址
<a href="http://www.texwinca.com/">http://www.texwinca.com/</a>	<a href="http://www.texwinca.com/">http://www.texwinca.com/</a>
<a href="http://www.baleno.com.hk/">http://www.baleno.com.hk/</a>	<a href="http://www.baleno.com.hk/">http://www.baleno.com.hk/</a>
<a href="http://www.irasia.com/listco/hk/texwinca/">http://www.irasia.com/listco/hk/texwinca/</a>	<a href="http://www.irasia.com/listco/hk/texwinca/">http://www.irasia.com/listco/hk/texwinca/</a>

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

(Amounts expressed in HK\$ million, unless specified)		<b>2007</b>	2006	2005	2004	2003
(以港幣百萬元為單位，除特別註明外)						
	Notes					
	附註					
Turnover	營業額	<b>8,299</b>	7,749	7,303	6,216	5,199
Profit for the year attributable to equity holders of the Company	本公司權益 所有者應佔 本年度溢利	<b>625</b>	480	462	422	591
Total equity	總權益	<b>3,315</b>	2,930	2,731	2,529	2,366
Total assets	總資產	<b>5,842</b>	5,266	4,822	4,391	3,368
Total liabilities to equity ratio	總負債與 總權益比率	<b>0.8</b>	0.8	0.8	0.7	0.4
Total interest-bearing debts to total equity ratio	總付息債務與 總權益比率	<b>0.3</b>	0.3	0.2	0.1	—
Current ratio	流動比率	<b>1.6</b>	1.5	1.5	1.8	2.0
Trade and bills receivables to turnover (days)	應收賬款及應收票據 比營業額(日)	<b>48</b>	41	21	31	27
Inventory to turnover (days)	存貨比營業額(日)	<b>57</b>	61	53	61	60
Net assets per share (HK cents)	每股資產淨值 (港幣仙)	<b>250</b>	221	206	191	179
Return on total assets (%)	總資產回報率(%)	<b>10.7</b>	9.1	9.6	9.6	17.5
Return on turnover (%)	營業額回報率(%)	<b>7.5</b>	6.2	6.3	6.8	11.4
Interest cover (times)	利息保障比率(倍數)	<b>16</b>	14	54	130	238
EBITDA	未計利息、稅項、 折舊及攤銷 費用前溢利	<b>1,076</b>	826	792	709	826
EBITDA on sales (%)	未計利息、稅項、折舊、 及攤銷費用前 溢利比較銷售 比率(%)	<b>13.0</b>	10.7	10.8	11.4	15.9

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

(Amounts expressed in HK\$ million, unless specified)			<b>2007</b>	2006	2005	2004	2003
(以港幣百萬元為單位，除特別註明外)		Notes					
		附註					
Earnings per share (HK cents)	每股盈利 (港幣仙)	3	<b>47.1</b>	36.2	34.8	31.9	44.6
Dividends per share (HK cents)	每股股息 (港幣仙)		<b>27</b>	22	21	20	25
Dividend yield (%)	股息回報率 (%)	4	<b>5.1</b>	3.7	3.2	3.3	4.3
Number of issued shares (million)	已發行股份數目 (百萬)		<b>1,326</b>	1,326	1,326	1,325	1,324
Number of employees	僱員人數						
Hong Kong & Macau	香港及澳門		<b>682</b>	1,007	881	759	614
Taiwan	台灣		<b>640</b>	737	851	717	633
Mainland China	中國大陸		<b>21,300</b>	20,249	19,691	16,376	13,145
Singapore	新加坡		<b>522</b>	464	333	248	137
Malaysia	馬來西亞		<b>256</b>	343	61	—	—
<b>Total</b>	<b>總數</b>		<b>23,400</b>	22,800	21,817	18,100	14,529

**Notes:**

**附註:**

- |  |  |
|--|--|
| <p>1. Interest cover was calculated by dividing the profit before interest and tax by the interest expenses.</p>   | <p>1. 利息保障比率之計算為稅項及利息前之溢利與利息費用之比率。</p>               |
| <p>2. EBITDA is the earnings before interest, tax, depreciation and amortisation expenses.</p>   | <p>2. EBITDA 為未計利息、稅項、折舊及攤銷費用前溢利。</p>                |
| <p>3. Number of shares was on weighted average basis.</p>  | <p>3. 股份數目按加權平均基準計算。</p>                             |
| <p>4. Dividend yield was calculated by dividing the dividends per share by the closing market price per share as at the respective balance sheet dates.</p>  | <p>4. 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。</p>           |
| <p>5. The financial results of the above refer to the results of the Group for each financial year. And, the other figures used were the position of the Group as at the respective balance sheet dates.</p> | <p>5. 以上業績乃指本集團於每個財政年度的業績，而其他數字則指本集團於有關年度結算日之情況。</p> |

## Chairman's Statement 主席報告書

The Group achieved encouraging results for this fiscal year. Turnover reached a new high of HK\$8,299 million and net profit from ordinary activities attributable to shareholders amounted to HK\$625 million, a surge of 30% compared to last year.

The textile business had a more favourable operating environment in the period. Cotton prices were stable and good order-flow was uninterrupted from the customers. With strong competitiveness, the Group held strong pricing power to protect the profit margin. The industry consolidation has been going on as a result of the strict environmental measures imposed by the China authorities. As the Group is equipped with excellent environmental facilities, capacity expansion will be continued to exploit larger market share.

The retail business also gained improved results. Having over 3,000 outlets in the Mainland China, store expansion was scaled down last year. Instead, consolidation works were done in Taiwan and Hong Kong markets. Great effort has also been placed to improve store performance and to streamline operating cost.

As the business environment has been turning good, the Group will continue its expansion to enhance profit growth. The management is confident that the results for the coming year will reach another high. On behalf of the board, I would like to thank our shareholders and business partners for their support, and our colleagues for their devotedness.

**Poon Bun Chak**

*Chairman*

Hong Kong, 16 July 2007

本集團於本財政年度取得令人振奮之業績。營業額創新高達港幣8,299百萬元而股東應佔溢利淨額為港幣625百萬元，較去年上升30%。

紡織業務於期內經營環境有所改善。棉花價格平穩而客戶亦提供不斷之良好單源。由於擁有強大競爭力，本集團能掌握價格以保護邊際利潤。由於中國環保措施日嚴，本行業仍繼續在整固之中。基於本集團裝備了良好之環保設施，產能將繼續擴展以爭取更大之市場佔有率。

零售業務亦取得進步之業績。由於在中國大陸已擁有超過3,000個銷售點，期內店舖之擴張已放緩。相反，台灣及香港市場則逐步整固。改善店舖表現及控制經營成本則全力於期內進行。

由於業務環境改善，本集團將繼續擴展以增長利潤。管理層對來年能取得新高之業績深具信心。本人於此代表董事會多謝股東及業務夥伴之支持，亦向各同事之貢獻致謝。

主席

潘彬澤

香港，二零零七年七月十六日

# Management Discussion and Analysis 管理層之論述及分析

## **BUSINESS REVIEW**

For this financial year ended 31 March 2007, the Group's total turnover was HK\$8,299 million (2006: HK\$7,749 million), a rise of 7%. Profit for the year attributable to the equity holders of the Company was HK\$625 million (2006: HK\$480 million), a surge of 30%. The Board has recommended a final dividend of HK15.0 cents (2006: HK11.0 cents) per ordinary share. Including interim dividend, total dividend per ordinary share amounts to HK27.0 cents, an increase of 23% over last year's HK22.0 cents.

## **Textile business**

This business achieved a turnover of HK\$4,627 million (2006: HK\$4,258 million), an increase of 9%. The amount represented 56% of the Group's total turnover. The Group maintained solid control on costs in order to improve the profit margin. Operating environment was more favourable mainly due to the industry consolidation as a result of the stricter environmental measures imposed in the Mainland China. Operating profit margin improved to 14% from last year's 12%. In the year, fabric production capacity grew by about 15%. Yarn spinning capacity was also doubled to accommodate about 30% of the in-house consumption.

## **業務回顧**

截至二零零七年三月三十一日止之本財政年度，本集團之總營業額為港幣8,299百萬元（二零零六年：港幣7,749百萬元），上升7%。本公司權益所有者應佔本年度溢利為港幣625百萬元（二零零六年：港幣480百萬元），增加30%。董事會建議派發末期股息每股普通股港幣15.0仙（二零零六年：港幣11.0仙）。連同中期股息，每股普通股股息總額為港幣27.0仙，較去年之港幣22.0仙增長23%。

## **紡織業務**

此業務之營業額為港幣4,627百萬元（二零零六年：港幣4,258百萬元），增加9%。此數目為本集團總營業額之56%。本集團致力嚴控成本以改善邊際利潤。由於中國大陸實施嚴厲之環保措施令本行業整固，經營環境較為改善。經營邊際利潤由去年之12%改善至14%。於年內，針織布生產力提升了約15%。紡紗生產量亦倍升，以應付約30%之內部需求。



## Management Discussion and Analysis 管理層之論述及分析

### Retail and distribution business

Revenue of this business amounted to HK\$3,625 million (2006: HK\$3,444 million), an increase of 5%, and was 44% of the Group's total turnover. The Group continued to consolidate its retail business in Hong Kong and Taiwan but maintained moderate expansion in the Mainland China market. The performance of this business had much improvement in the second half year making the whole year to record a slight net profit. In the period, store expansion had been scaled down and the management concentrated on store performance acceleration. At the balance sheet date, the development in different markets was as below:

### 零售及分銷業務

此業務之銷售額為港幣3,625百萬元(二零零六年:港幣3,444百萬元),上升5%,而佔本集團總營業額44%。本集團繼續整固其香港及台灣零售業務而中國大陸市場仍維持溫和擴展。此業務於下半年有長足之進步令全年錄得輕微純利。期內店舖擴展放緩而管理層致力集中於店舖表現之提升。於本年度結算日,在各市場之發展情況如下:

<b>Mainland China</b>		中國大陸				
		<b>2007</b>	2006	2005	2004	2003
Net sales (HK\$ million)	銷售淨額 (港幣百萬元)	<b>2,431</b>	2,219	1,963	1,598	1,432
Net sales increase in percentage	銷售淨額之增加 百分率	<b>10</b>	13	23	12	5
Retail floor area (sq.ft.)**	零售樓面面積 (平方呎)**	<b>1,672,807</b>	1,601,473	1,322,547	621,294	411,454
Number of sales associates**	售貨員數目**	<b>11,089</b>	10,119	10,534	6,395	4,770
Number of outlets* <sup>Δ</sup>	門市數目* <sup>Δ</sup>	<b>3,347</b>	3,143	2,837	1,750	1,060

## Management Discussion and Analysis 管理層之論述及分析

<b>Hong Kong and Macau</b>		香港及澳門				
		<b>2007</b>	2006	2005	2004	2003
Net sales	銷售淨額	<b>476</b>	496	463	393	330
(HK\$ million)	(港幣百萬元)					
Net sales increase/(decrease)	銷售淨額之增加／	<b>(4)</b>	7	18	19	6
in percentage	(減少)百分率					
Retail floor area	零售樓面面積	<b>74,907</b>	78,285	81,442	64,930	55,096
(sq.ft.)*#	(平方呎)**					
Number of sales associates **	售貨員數目**	<b>447</b>	624	536	382	298
Number of outlets **	門市數目**	<b>87</b>	94	85	62	45
<b>Taiwan</b>		台灣				
		<b>2007</b>	2006	2005	2004	2003
Net sales	銷售淨額	<b>427</b>	513	557	440	319
(HK\$ million)	(港幣百萬元)					
Net sales increase/(decrease)	銷售淨額之增加／	<b>(17)</b>	(8)	27	38	13
in percentage	(減少)百分率					
Retail floor area	零售樓面面積	<b>202,080</b>	208,925	219,625	150,965	124,649
(sq.ft.)*#	(平方呎)**					
Number of sales associates**	售貨員數目**	<b>528</b>	603	706	614	541
Number of outlets **	門市數目**	<b>259</b>	266	270	196	155

# Management Discussion and Analysis 管理層之論述及分析

<b>Singapore</b>		新加坡				
		<b>2007</b>	2006	2005	2004	2003
Net sales	銷售淨額	<b>221</b>	175	154	117	64
(HK\$ million)	(港幣百萬元)					
Net sales increase	銷售淨額之增加	<b>26</b>	14	32	83	49
in percentage	百分率					
Retail floor area	零售樓面面積	<b>61,601</b>	55,781	32,548	31,289	12,894
(sq.ft.)*#	(平方呎)**					
Number of sales associates**	售貨員數目**	<b>456</b>	408	289	234	119
Number of outlets**	門市數目**	<b>64</b>	56	43	32	17

<b>Malaysia</b>		馬來西亞				
		<b>2007</b>	2006	2005	2004	2003
Net sales	銷售淨額	<b>70</b>	41	9	N/A不適用	N/A不適用
(HK\$ million)	(港幣百萬元)					
Net sales increase	銷售淨額之增加	<b>71</b>	356	N/A不適用	N/A不適用	N/A不適用
in percentage	百分率					
Retail floor area	零售樓面面積	<b>59,170</b>	36,681	17,200	N/A不適用	N/A不適用
(sq.ft.)*#	(平方呎)**					
Number of sales associates**	售貨員數目**	<b>243</b>	155	66	N/A不適用	N/A不適用
Number of outlets**	門市數目**	<b>30</b>	20	31	N/A不適用	N/A不適用

\* As at 31 March

# For self-managed stores

Δ Including self-managed and franchise stores

\* 於三月三十一日

# 自營店

Δ 包括自營店及特許經營店

# Management Discussion and Analysis 管理層之論述及分析

## Garment manufacturing business

The business had a very stable performance in the year. Turnover was HK\$1,036 million (2006: HK\$979 million), an increase of 6%. Net profit contribution to the Group amounted to HK\$48 million (2006: HK\$53 million), a slight decrease of 9%. During the period, about 63% of the fabric consumption was supplied by our fabric division. Sales to our retail arm accounted for about 17% of its revenue.

## FINANCIAL CONDITION

### Liquidity and financial resources

The Group continued to maintain a strong financial position. During the year, the net cash inflow from operating activities amounted to HK\$598 million (2006: HK\$51 million). The significant increase was mainly attributable to the rise in sales and gross profit of the Group during the year and the cash outflow of last year resulted from the change in inventories and trade and bills receivable balances. At the year end, the current ratio, the total bank debts and the gearing ratio were 1.6, HK\$1,105 million and 0.3 (2006: 1.5, HK\$893 million, 0.3), respectively. The gearing ratio refers to the ratio of the total interest-bearing debts to the total equity. The rise in the total bank debts was mainly for financing the establishment of the 2nd phase of the spinning factory of the textile business. The interest cover, the trade and bills receivables to turnover and the inventory to turnover for the year were 16 times, 48 days and 57 days (2006: 14 times, 41 days, 61 days), respectively. At the year end, the cash and cash equivalents, the equity attributable to equity holders of the Company and the unutilized banking facilities were HK\$245 million, HK\$3,248 million and HK\$2,030 million (2006: HK\$251 million, HK\$2,872 million, HK\$1,942 million) respectively.

## 製衣業務

此業務於期內表現甚為平穩。營業額為港幣1,036百萬元(二零零六年:港幣979百萬元),增加6%。對本集團淨溢利貢獻為港幣48百萬元(二零零六:港幣53百萬元),微跌9%。期內約63%使用之布料由本集團之紡織業務供應。銷貨予本集團零售業務則佔其銷售額約17%。

## 財務狀況

### 流動資金及財務資源

本集團繼續維持強勁的財務狀況。於本年內,經營所得現金流入淨額為港幣598百萬元(二零零六年:港幣51百萬元),大幅增長主要由於本集團於年內的銷售及毛利上升及去年由於存貨及應收賬款及應收票據轉變導致現金流出。於本年末,流動比率、銀行貸款總額及資本負債比率分別為1.6、港幣1,105百萬元及0.3(二零零六年:1.5,港幣893百萬元,0.3)。資本負債比率乃指總付息債務與總權益之比率。銀行貸款總額上升主要用作建設紡織業務的第二期紡紗廠。本年的利息保障比率、應收賬款及應收票據比營業額及存貨比營業額分別為16倍、48日及57日(二零零六年:14倍,41日,61日)。於本年末,現金及現金等價物、本公司權益所有者應佔權益及未運用銀行信貸額分別為港幣245百萬元、港幣3,248百萬元及港幣2,030百萬元(二零零六年:港幣251百萬元,港幣2,872百萬元,港幣1,942百萬元)。

# Management Discussion and Analysis 管理層之論述及分析

## Capital expenditure

Total capital expenditures of the Group for the year amounted to HK\$609 million (2006: HK\$351 million), of which HK\$468 million (2006: HK\$148 million) was incurred by the textile business for the expansion of its production facilities. On the other hand, capital expenditures of HK\$141 million (2006: HK\$203 million) was incurred by the retail and distribution business mainly for the renovation of its retail outlets and additions of computer equipment mainly in the Mainland China.

## 資本性開支

於本年度，本集團總資本性開支為港幣609百萬元（二零零六年：港幣351百萬元），其中紡織業務之資本性開支為港幣468百萬元（二零零六年：港幣148百萬元），主要用作擴大生產設施。此外，零售及分銷業務之資本性開支為港幣141百萬元（二零零六年：港幣203百萬元），主要用於店舖的更新及於中國大陸購置電腦設備。

## Pledge of assets

No significant assets were pledged as at 31 March 2007.

## 資產抵押

於二零零七年三月三十一日，並無重大資產已作抵押。

## Foreign exchange and interest rate risks

The Group continued to adopt a strict and prudent policy in managing its interest rate and currency exchange risks. The major interest-bearing bank borrowings of the Group were HIBOR based Hong Kong dollar borrowings with maturity due within five years. To reduce the interest rate risks, the Group had entered into derivative financial instrument contracts with international financial institutions. During the year, the major revenues, expenses and procurements of the Group were denominated in HKD, USD, Renminbi, Yen, EURO and NTD. The Group had entered into forward exchange contracts to reduce its currency exchange risk exposure.

## 匯兌及利率風險

本集團維持嚴格及審慎政策管理利率與匯率風險。本集團主要附息銀行貸款為港元，利率以香港銀行同業拆息為基礎計算，並於五年內到期。為減低利息風險，本集團已與國際性金融機構安排金融工具合約。於年內，本集團主要收入、支出及採購皆以港元、美元、人民幣、日元、歐羅及新台幣進行，本集團已安排遠期外匯合約以減低匯率風險。

## HUMAN RESOURCES

As at 31 March 2007, the Group had about 23,400 (2006: 22,800) employees in the Greater China, Singapore and Malaysia. The remuneration of the employees was largely based on industry practice and the performance of individual employee.

## 人力資源

於二零零七年三月三十一日，本集團於大中華、新加坡及馬來西亞共有僱員約23,400（二零零六年：22,800）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。

## Management Discussion and Analysis 管理層之論述及分析

### OUTLOOK

The knitted fabric industry consolidation is expected to be continued in a fast manner. Stringent environmental regulations and rising costs are putting pressures on small players and creating barriers to new entrants. In this environment, the Group can benefit by taking higher market share. In the coming year, the Group will further grow its capacity by about 15% to 20%. The management also expects to have greater pricing power to improve the profit margin.

The garment associate will expand its production capacity in Vietnam as the quota system has been eliminated there. The textile export disputes will be reviewed again in 2008 and the Group will closely monitor the outcome to adjust its development strategies.

Outlet expansion will be continued to slow down for the retail operation in the coming year. Network growth is targeted at about 100 stores. More resources will be put in design, merchandising and marketing of our products. The management will concentrate on improving store productivity and profit margins. The Mainland China will remain the key growth market.

The Group will dedicate its effort to achieve larger market share and to improve its competitiveness and profitability. The management is of great confidence to report positive results in the year to come.

### 展望

針織布行業預料將會加快整固。嚴厲之環保條例及成本上漲對小經營者構成壓力及對新入行者製造障礙。在此情況下，本集團將受益於市場佔有率之提升。來年本集團將繼續提高15%至20%之生產量。管理層亦期望有較佳之議價能力以改善利潤。

聯營製衣業務將加強在越南之生產力，主要由於當地之配額制度已取消。紡織品出口之爭議將於二零零八年再作檢討，而本集團將密切留意情況以調整其發展策略。

零售業務之店舖擴展於來年仍將放緩。預計將增加約100間店舖。更多資源將投入於貨品設計、銷售及推廣。管理層將全力集中於店舖生產力及利潤之改善。中國大陸仍將為主力增長市場。

本集團將致力爭取更高之市場佔有率及提高競爭力及利潤。管理層對來年取得進步之業績深具信心。

## Report of the Directors 董事會報告

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 2007.

### 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, and the provision of repair and maintenance services for motor vehicles and 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 2007 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 43 to 160.

An interim dividend of HK12.0 cents per ordinary share was paid on 9 February 2007. The directors recommend the payment of a final dividend of HK15.0 cents per ordinary share in respect of the year, to shareholders on the register of members on 24 August 2007. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

董事會欣然呈奉本公司與本集團截至二零零七年三月三十一日止年度之報告及經審核財務報表，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、便服及飾物之零售及分銷、提供特許經營服務、提供汽車及發電機之維修及保養服務。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

本集團於截至二零零七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財務報表第43至160頁。

中期股息每股港幣12.0仙已於二零零七年二月九日派發。董事會茲建議派發本年度末期股息每股港幣15.0仙予二零零七年八月二十四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權益中由保留溢利撥出。

# Report of the Directors 董事會報告

## SUMMARY FINANCIAL INFORMATION

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

This summary does not form part of the audited financial statements.

## 財務資料概要

下表為本集團於過往五個財政年度之業績及資產、負債與少數股東權益之概要，乃摘自已公佈之經審核財務報表。

此概要並不構成經審核財務報表之部分。

## RESULTS

## 業績

		Year ended 31 March				
		截至三月三十一日止年度				
		2007	2006	2005	2004	2003
		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
<b>REVENUE</b>	收入	<b>8,298,552</b>	7,749,112	7,302,697	6,216,465	5,198,585
<b>PROFIT BEFORE TAX</b>	除稅前溢利	<b>732,868</b>	505,690	544,798	525,097	660,315
Tax	稅項	<b>(107,047)</b>	(70,473)	(61,113)	(55,554)	(35,664)
<b>PROFIT FOR THE YEAR</b>	本年度溢利	<b>625,821</b>	435,217	483,685	469,543	624,651
Attributable to:	歸屬：					
Equity holders of the Company	本公司權益所有者	<b>625,148</b>	480,253	461,799	421,877	590,562
Minority interests	少數股東權益	<b>673</b>	(45,036)	21,886	47,666	34,089
		<b>625,821</b>	435,217	483,685	469,543	624,651



# Report of the Directors 董事會報告

## 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				
		2007	2006	2005	2004	2003
		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
<b>TOTAL ASSETS</b>	資產總值	<b>5,842,399</b>	5,265,840	4,822,286	4,390,685	3,368,333
<b>TOTAL LIABILITIES</b>	負債總值	<b>(2,527,376)</b>	(2,335,891)	(2,090,945)	(1,861,347)	(1,001,912)
<b>MINORITY INTERESTS</b>	少數股東權益	<b>(66,943)</b>	(58,148)	(103,498)	(82,766)	(50,710)
		<b>3,248,080</b>	2,871,801	2,627,843	2,446,572	2,315,711

## PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT

物業、廠房及設備與投資物業

### PROPERTIES

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

本集團於本年度之物業、廠房及設備與投資物業之變動詳情分別列載於財務報表附註13及14。

## SHARE CAPITAL AND SHARE OPTIONS

股本及購股權

There were no movements in either the Company's authorised or issued share capital during the year.

本公司之法定及已發行股本於年內概無變動。

Details of movements in the Company's share options during the year, together with the reasons therefor, are set out in note 30 to the financial statements.

本公司於年內購股權變動之詳情及有關原因已列載於財務報表附註30。

## Report of the Directors 董事會報告

### 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

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

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Since the grant of the share repurchase mandate in the last annual general meeting, the Company has made the following share repurchases of its own share on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as follows:

### 購入、贖回或出售本公司上市證券

自上次股東週年大會授出回購股份授權，本公司已於香港聯合交易所有限公司（「聯交所」）回購以下本公司股份：

Month/Year 年／月份	Number of shares repurchased 回購股份數目	Price per share 每股價格		Aggregate consideration 代價總額
		Highest 最高 HK\$ 港幣	Lowest 最低 HK\$ 港幣	
June 2007 二零零七年六月	526,000	5.40	5.36	2,838,000

The repurchases were effected by the directors pursuant to the general mandate granted with a view to benefit the shareholders as a whole by enhancing the net assets, and/or earnings per share of the Company. All shares repurchased were subsequently cancelled.

董事乃按照已獲授的一般授權進行回購，目的是以提升本公司資產淨額，及／或每股盈利，使整體股東獲益。所有回購的股份隨後已被取消。

Saved as disclosed herein, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of this listed securities of the Company.

除上述所披露外，本公司及其任何附屬公司並無購入、出售或贖回本公司任何上市證券。

# Report of the Directors 董事會報告

## RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 31(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

## DISTRIBUTABLE RESERVES

At 31 March 2007, the Company's reserves available for cash distribution and/or distribution in specie amounted to HK\$1,039,356,000, of which HK\$198,913,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$344,158,000, may be distributed in the form of fully paid bonus shares.

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 37% of the total purchases for the year and purchases from the largest supplier included therein amounted to 18%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

## 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31(b)及綜合權益變動表。

## 可供分派儲備

於二零零七年三月三十一日，本公司可供作現金及／或實物分派之儲備為港幣1,039,356,000元，其中將擬派發的本年度末期股息為港幣198,913,000元。此外，本公司股本溢價賬港幣344,158,000元亦可以繳足紅股方式予以分派。

## 主要客戶及供應商

於本年度，售予本集團最大五個客戶之金額佔全年總銷售少於30%。本集團從最大五個供應商之採購佔全年之總採購37%，其中向最大供應商採購則佔全年總採購18%。

並無任何本公司董事或其聯系人士或任何股東（按董事知悉佔本公司已發行股本5%以上）對本集團最大五個客戶及供應商有任何實際利益。

# Report of the Directors 董事會報告

## DIRECTORS

The directors of the Company during the year were:

### Executive directors:

Poon Bun Chak (*Chairman and Chief Executive Officer*)

Poon Kai Chak

Poon Kei Chak

Poon Kwan Chak

Ting Kit Chung

### Independent non-executive directors (“INEDs”):

Au Son Yiu

Cheng Shu Wing

Wong Tze Kin, David

In accordance with the Company’s bye-laws, all the existing directors will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

## 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 director 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：

區樂耀

鄭樹榮

黃自建

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

## 董事服務合約

本公司與上列每位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，本公司並無與建議在即將舉行之股東週年大會上重選連任之董事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。

# Report of the Directors 董事會報告

## **DIRECTORS' REMUNERATION**

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

## 董事酬金

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

## **DIRECTORS' INTERESTS IN CONTRACTS**

Save as disclosed in note 37 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

## 董事合約權益

除於財務報表附註37披露外，各董事於年內概無在本公司、其控股公司或其任何附屬公司所簽訂之任何重大合約中直接或簡接佔有重大權益。

## **BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT**

### **Executive directors**

Mr. Poon Bun Chak, aged 59, is the chairman and chief executive officer overseeing the planning and development of the Group. He founded the Group in 1975 and has more than 32 years' experience in the textile field.

## 董事及高級管理人員履歷

### 執行董事

潘彬澤先生，五十九歲，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並擁有逾三十二年紡織業經驗。

Mr. Poon Kai Chak, aged 57, is a younger brother of Mr. Poon Bun Chak. He joined the Group in 1980 and has more than 27 years' experience in the Industry. He is responsible for the management of the manufacturing operations of the Group.

潘佳澤先生，五十七歲，潘彬澤先生之胞弟。彼於一九八零年加入本集團，擁有逾二十七年本行業經驗，負責本集團的生產管理。

Mr. Poon Kei Chak, aged 55, is a younger brother of Mr. Poon Bun Chak. He joined the Group on its establishment in 1975 and has more than 32 years' experience in the field. He is responsible for the purchases, sales and the overall management of the Group.

潘機澤先生，五十五歲，潘彬澤先生之胞弟。彼於一九七五年本集團創立時加入本集團，擁有逾三十二年紡織業經驗，負責採購、銷售及協助管理本集團一般業務。

## **BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR** 董事及高級管理人員履歷 (續)

### **MANAGEMENT** *(continued)*

#### **Executive directors** *(continued)*

Mr. Poon Kwan Chak, aged 61, is the elder brother of Mr. Poon Bun Chak. He joined the Group in 1976 and has more than 31 years' related experience. He is responsible for the Group's merchandising and sales management.

Mr. Ting Kit Chung, aged 51, 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 62, has extensive experience in the securities industry. He is a director of The Association of Former Council Members of the Stock Exchange and The Institute of Securities Dealers Limited, a consultant to Dao Heng Securities Limited and a member of the Election Committee for the financial services subsector election for the 1998 Legislative Council. He is also an independent non-executive director for several public companies listed on the Stock Exchange. In addition, he is the ex-deputy chairman of The Hong Kong Securities Clearing Company Limited (1992-1994) and ex-council member of the Stock Exchange (1988-1994). He was appointed as an independent non-executive director of the Company in July 1995.

#### 執行董事 (續)

潘鈞澤先生，六十一歲，潘彬澤先生之胞兄。彼於一九七六年加入本集團，擁有逾三十一年有關業務經驗，負責管理本集團採購及銷售業務。

丁傑忠先生，五十一歲，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

區燦耀先生，六十二歲，於證券界積累廣泛經驗。彼為聯交所歷屆理事聯誼會有限公司及證券商協會有限公司董事，道亨證券有限公司顧問，以及一九九八年立法會選舉委員會金融服務界界別分組之選舉委員。彼亦為多間在聯交所上市之公眾公司之獨立非執行董事。此外，彼亦為香港中央結算有限公司前任副主席（一九九二年至一九九四年）及聯交所前任理事會成員（一九八八年至一九九四年）。彼於一九九五年七月獲委任為本公司之獨立非執行董事。

# Report of the Directors 董事會報告

## **BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT** *(continued)*

### **Independent non-executive directors** *(continued)*

Mr. Cheng Shu Wing, aged 57, is a director of Techlux Investments Limited. He holds a Bachelor of Business Administration degree from The Chinese University of Hong Kong and has more than 31 years' experience in the banking and securities industries in Hong Kong. He was appointed as an independent non-executive director of the Company in July 1992.

Mr. Wong Tze Kin, David, aged 44, is a director of CFL Anchor Limited. Mr. Wong holds a Bachelor of Science degree from the University of California at Berkeley. He is a member of the American Institute of Certified Public Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. He has over 20 years' experience in accounting, corporate finance, stockbroking and fund management. He was appointed as an independent non-executive director of the Company in March 2004.

### **Senior management**

Mr. Chan Min, Samuel, aged 52, is a director of the Group's retail operations. He holds a Master's degree in business administration from the Northwestern University and The Hong Kong University of Science and Technology. He is a member of the British Computer Society. Prior to joining the Group in 1996, Mr. Chan had over 14 years' experience in retail operations and MIS management.

## 董事及高級管理人員履歷 (續)

### 獨立非執行董事 (續)

鄭樹榮先生，五十七歲，統立投資有限公司董事。彼持有香港中文大學工商管理學士學位並有逾三十一年香港銀行業及證券業經驗。彼於一九九二年七月獲委任為本公司之獨立非執行董事。

黃自建先生，四十四歲，現為安格爾有限公司董事。黃先生持有加州大學栢克萊分校理學士學位，並為美國會計師協會會員及香港會計師公會之資深會員。黃先生於會計、企業融資、證券經紀及基金管理業務擁有逾二十年經驗。彼於二零零四年三月獲委任為本公司之獨立非執行董事。

### 高級管理人員

陳勉先生，五十二歲，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十四年。

## **BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT** *(continued)*

### **Senior management** *(continued)*

Mr. Chan Chi Hon, aged 45, joined the Group in 1997 and is the Group's financial controller and company secretary. Mr. Chan holds a Master's degree in commerce from The University of New South Wales, Australia, and is a fellow member of the Hong Kong Institute of Certified Public Accountants and is a certified practising accountant of the CPA Australia. He has more than 20 years' experience in auditing and accounting.

Mr. Chau Kuen Kai, aged 49, is a factory manager of the knitting operations of the Group. He joined the Group in 1979 and has more than 27 years' experience in the knitting industry.

Mr. Fung Wai Lun, Daniel, aged 50, is a director of the Group's retail operations. Before joining the Group in 1996, Mr. Fung had more than 20 years' experience in the retailing industry.

Mr. Hon Siu Kit, aged 47, 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 29 years' experience in the textile industry.

Mr. Ling Man, aged 54, is a factory manager in charge of the yarn dyeing operations of the Group. He joined the Group in 1998 and has more than 31 years' experience in the dyeing and finishing industry.

## 董事及高級管理人員履歷 (續)

### 高級管理人員 (續)

陳志漢先生，四十五歲，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，具有超過二十年的核數與會計經驗。

周權佳先生，四十九歲，本集團針織業務工廠經理。彼於一九七九年加入本集團，擁有超過二十七年針織業經驗。

封偉倫先生，五十歲，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，四十七歲，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，擁有超過二十九年紡織業經驗。

凌文先生，五十四歲，本集團染紗業務部工廠經理。於一九九八年加入本集團，擁有超過三十一年整染業經驗。



# Report of the Directors 董事會報告

## **BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT** *(continued)*

### **Senior management** *(continued)*

Mr. Liu Wei Chao, aged 42, joined the Group in 1996 and is the chief financial officer of the Group's retail operations. He has more than 23 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 Keng Wen, aged 43, is a general manager of the Group's retail operations in Shanghai. He joined the Group in 1998 and has more than 18 years' experience in the retailing industry.

Mr. Ting Kit Hung, aged 55, is the director and chief executive of the Group's motor vehicles and generators services operations in the Mainland China. He is an associate member of the Institute of Motor Industry, the Chartered Institute of Transport and the British Institute of Management. He also holds a Master's degree in business administration from The University of East Asia, Macau. He joined the Group in 1995 and has more than 37 years' experience in the motor industry. He is the elder brother of Mr. Ting Kit Chung.

Mr. Wong Tung Yiu, aged 52, 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 33 years' experience in the textile industry.

## 董事及高級管理人員履歷 (續)

### 高級管理人員 (續)

劉偉超先生，四十二歲，於一九九六年加入本集團，彼為集團零售業務財務總監，彼具有超過二十三年財務及會計經驗。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，四十三歲，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十八年零售經驗。

丁傑雄先生，五十五歲，本集團在中國大陸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，擁有逾三十七年汽車業經驗。彼為丁傑忠先生之胞兄。

王東耀先生，五十二歲，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，擁有超過三十三年紡織業經驗。

## Report of the Directors 董事會報告

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

At 31 March 2007, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

於二零零七年三月三十一日，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》（「標準守則」）通知本公司及聯交所，各董事在本公司及其聯繫法團（定義見《證券及期貨條例》第XV部）的股本權益及淡倉如下：

Long positions in ordinary shares of the Company:

於本公司好倉之普通股份：

#### Number of shares held, capacity and nature of interest

持股數量、身份及權益的性質

Name of director	Director's name	Directly or beneficially owned	Through spouse or minor children	Through controlled corporations	Total	Percentage of the Company's issued share capital
						佔本公司已發行股本百分率
		直接或實益擁有	藉配偶或未成年子女	藉受控制公司	合計	
Poon Bun Chak	潘彬澤	29,720,000	168,800,104*	505,200,000#	703,720,104	53.1
Poon Kai Chak	潘佳澤	7,802,800	—	—	7,802,800	0.6
Poon Kei Chak	潘機澤	21,477,200	—	—	21,477,200	1.6
Poon Kwan Chak	潘鈞澤	6,442,800	—	—	6,442,800	0.5
Ting Kit Chung	丁傑忠	1,600,000	—	—	1,600,000	0.1
		67,042,800	168,800,104	505,200,000	741,042,904	55.9

# Report of the Directors 董事會報告

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

- \* The 168,800,104 shares are owned by Farrow Star Limited, which is wholly-owned by Perfection Inc. as a trustee for The Evergreen Trust, a discretionary trust, the beneficiaries of which include the family members of Mr. Poon Bun Chak. These shares are held through his spouse or minor children in accordance with the SFO.
  
- # The 505,200,000 shares are owned by Giant Wizard Corporation in which Farrow Star Limited has an 87.51% equity interest. A 12.49% interest in Giant Wizard Corporation is owned by Messrs. Poon Bun Chak, Poon Kei Chak and Poon Kwan Chak.

The interests of the directors in the share options of the Company are separately disclosed in note 30 to the financial statements.

Subsequent to the balance sheet date, Giant Wizard Corporation transferred 6,828,000 shares and 41,922,000 shares of the Company to Mr. Poon Kwan Chak and Treasure Link International Holdings Limited, a company owned by Mr. Poon Kei Chak and his spouse, respectively.

Save as disclosed above, as at 31 March 2007, none of the directors had registered an interest or short position in the shares, underlying shares or debentures 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.

## 董事於股份及相關股份之權益及淡倉 (續)

- \* 168,800,104股股份由 Farrow Star Limited 持有，而其則由 Perfection Inc. 以 The Evergreen Trust 之信託人身份全資擁有，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 12.49% 權益由潘彬澤先生、潘機澤先生及潘鈞澤先生擁有。

各董事所持有本公司之購股權權益已披露於財務報表附註30。

於結算日後，Giant Wizard Corporation 分別將 6,828,000 股及 41,922,000 股本公司股份轉給潘鈞澤先生及潘機澤先生與其配偶擁有的 Treasure Link International Holdings Limited。

除上文所述外，於二零零七年三月三十一日，董事概無於本公司或其任何聯繫法團之股份、相關股份或債券中，擁有須遵照《證券及期貨條例》第352條予以記錄，或根據標準守則須知會本公司及聯交所之權益或淡倉。

## Report of the Directors 董事會報告

### DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the share option scheme disclosures in note 30 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### 董事之購股權利

除於財務報表附註30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，或彼等概無行使此等權利；或本公司或其控股公司或其任何附屬公司概無參與任何安排，致令董事可於任何其他法人團體獲得此等權利。

### SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 30 to the financial statements.

### 購股權計劃

本公司購股權計劃詳細資料已列載於財務報表附註30。

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

At 31 March 2007, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### 主要股東及其他人士於股份及相關股份權益

於二零零七年三月三十一日，以下擁有本公司已發行股本5%或以上之權益，已根據《證券及期貨條例》第336條規定記載於權益登記冊內：

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

# Report of the Directors 董事會報告

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

*(continued)*

Save as disclosed above, as at 31 March 2007, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest and short positions in shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## **CONTINUING CONNECTED TRANSACTIONS**

The INEDs of the Company have reviewed the continuing connected transactions set out in note 37(a)(iii) to the financial statements, disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and have confirmed that these continuing transactions were entered into:

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

主要股東及其他人士於股份及相關股份權益 (續)

上述披露外，於二零零七年三月三十一日，無任何人士，除本公司董事權益已詳述於「董事於股份及相關股份之權益及淡倉」，根據《證券及期貨條例》第336條須登記其於本公司股份及相關股份之權益及淡倉。

持續關連交易

本公司獨立非執行董事已審閱按《證券上市規則》(「上市規則」)第14A章須予披露的財務報表附註37(a)(iii)的持續關連交易，並確認該等交易按以下進行：

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

## Report of the Directors 董事會報告

### **SUFFICIENCY OF PUBLIC FLOAT**

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

公眾持股量之符合

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

### **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.

核數師

安永會計師事務所任滿告退，惟本公司將於即將舉行之股東週年大會上提呈續聘該核數師之決議案。

ON BEHALF OF THE BOARD

承董事會命

**Poon Bun Chak**

*Chairman*

主席

潘彬澤

Hong Kong, 16 July 2007

香港，二零零七年七月十六日

# Corporate Governance Report 企業管治報告

The Group is committed to maintaining high standards of corporate governance and enhancing corporate value and accountability. 本集團積極維持高標準的企業管治及提升企業價值和問責性。

## BOARD STRUCTURE AND BOARD PROCESS

The overall management of the Group is vested with the board of directors (the "Board") and the day-to-day management of the business is delegated to the executive management. 董事會負責本集團整體的管治，負責執行的管理層則獲授權負責日常業務上的管理。

The principal roles of the Board are:

董事會的主要職能：

- (1) to lay down the Group's objectives, strategies, policies and business plan; (1) 釐訂本集團目標、策略及業務計劃；
- (2) to monitor the performance of each business segment; (2) 監察每個業務分類的表現；
- (3) to set appropriate policies to manage risks in pursuit of the Group's strategic objectives. (3) 按本集團策略性目標制訂合適的政策以管理風險。

The Board comprises of eight members. The five executive directors include Messrs. Poon Bun Chak, Poon Kai Chak, Poon Kei Chak, Poon Kwan Chak and Ting Kit Chung. The three independent non-executive directors include Messrs. Au Son Yiu, Cheng Shu Wing and Wong Tze Kin, David. Mr. Poon Bun Chak is the chairman and chief executive officer ("CEO") of the Company. 董事會包括八名成員。五位執行董事包括潘彬澤先生、潘佳澤先生、潘機澤先生、潘鈞澤先生及丁傑忠先生。三位獨立非執行董事包括區樂耀先生、鄭樹榮先生及黃自建先生。潘彬澤先生為本公司董事會主席兼董事總經理。

# Corporate Governance Report 企業管治報告

## **BOARD STRUCTURE AND BOARD PROCESS** *(continued)*

The Company has in place clear board process. Regular board meetings are scheduled at least four times per year. Agendas and accompanying board papers are served to all directors at least 14 days in advance of each board meeting to facilitate informed discussion and decision-making. Directors may include any matters they wish to discuss in the meeting in the agendas. Draft minutes of the board and committee meetings are prepared by the company secretary of the Company. The board and committee minutes are kept by the company secretary and are open for inspection by directors upon request. All directors have access to the advice and services of the company secretary, and are allowed to seek external professional advice if needed. All directors are kept informed of the latest update of the Listing Rules and other applicable regulatory requirements.

Newly appointed directors will receive a comprehensive, formal and tailored induction on the first occasion of their appointment so as to ensure that they have appropriate understanding of the business of the Company and the obligation and responsibility of being a director.

## **INDEPENDENCE AND QUALIFICATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has three INEDs on its Board in compliance with Rule 3.10(1) of the Listing Rules. All the INEDs possess a wide range of business and financial experience. One of the INEDs, Mr. Wong Tze Kin, David, possesses professional accounting qualification in full compliance with Rule 3.10(2) of the Listing Rules. In accordance with Rule 3.13 of the Listing Rules, all the INEDs have confirmed their independence for the year ended 31 March 2007.

## 董事會架構及會議程序 (續)

本公司已有清晰的董事會會議程序。每年常規董事會會議不少於四次。為促進深入討論及進行決議，每次董事會舉行前不少於十四天所有董事皆收到會議議程及會議資料。董事亦可要求於會議議程中增加任何他希望討論的事項。本公司公司秘書負責草擬及存放董事會及委員會的會議記錄，董事有權要求審閱有關的董事會及委員會會議記錄。所有董事有權要求公司秘書提供意見及服務，並在有需要時要求獲得外界的專業意見。所有董事一直保持對最新的上市規則及其他相關法例的認識。

獲新委聘的董事，在其第一次獲委聘時，也會接受一全面性的、正規的及特別制訂的介紹，以確保其對本公司業務的認識及了解作為一個董事的責任。

## 獨立非執行董事的獨立性及資歷

本公司符合上市規則第3.10(1)條的要求，其董事會現有三名獨立非執行董事，所有獨立非執行董事皆擁有廣闊的業務及財務經驗。其中一位獨立非執行董事黃自建先生擁有專業會計資格，並完全符合上市規則第3.10(2)條的要求。於截至二零零七年三月三十一日止年度，所有獨立非執行董事已按上市規則第3.13條確認其獨立身份。



# Corporate Governance Report 企業管治報告

## BOARD AND COMMITTEE MEETINGS

董事會及委員會會議

Attendance of board and committee meetings during the year: 年內參與董事會及委員會會議次數：

		Number of meetings attended/held during the year			
		本年內參與／舉行會議次數			
		Audit		Remuneration	Nomination
Directors		Board	Committee	Committee	Committee
董事		董事會	審核委員會	薪酬委員會	提名委員會
<b>Executive directors</b>	執行董事				
Poon Bun Chak (Chairman & CEO)	潘彬澤 (主席兼董事總經理)	3/5	N/A不適用	N/A不適用	N/A不適用
Poon Kai Chak	潘佳澤	1/5	N/A不適用	N/A不適用	N/A不適用
Poon Kei Chak	潘機澤	4/5	N/A不適用	N/A不適用	N/A不適用
Poon Kwan Chak	潘鈞澤	4/5	N/A不適用	N/A不適用	N/A不適用
Ting Kit Chung	丁傑忠	5/5	N/A不適用	3/4	0/0
<b>Independent non-executive directors</b>	獨立非執行董事				
Au Son Yiu	區燦耀	5/5	3/3	4/4	0/0
Cheng Shu Wing	鄭樹榮	5/5	3/3	4/4	0/0
Wong Tze Kin, David	黃自建	4/5	2/3	2/4	0/0

## BOARD COMMITTEES

董事委員會

The Board has established several board committees to oversee certain aspects of the Company's affairs.

董事會已成立數個董事委員會以監察本公司個別方面事項。

# Corporate Governance Report 企業管治報告

## AUDIT COMMITTEE

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

- (a) monitoring the preparation of the financial statements;
- (b) monitoring and assessing the internal controls system of the Group;
- (c) monitoring the performance of Group's internal audit team;
- (d) considering the appointment and removal of the external auditors, the audit fee and the terms of engagement; and
- (e) reviewing and commenting on the connected transactions of the Group.

The committee held three meetings during the year to review the followings:

- (a) the internal controls and risk management of the Group; and
- (b) the financial reporting process and the financial statements of the Group.

## 審核委員會

審核委員會包括董事會的三名獨立非執行董事，分別為黃自建先生、區樂耀先生及鄭樹榮先生。黃自建先生為委員會的主席，擁有專業會計資格。於成立時，委員會備有明確之條文及職責細則作指引。委員會主要職責包括：

- (a) 監察財務報表的製訂；
- (b) 監察及評估本集團內部監控系統；
- (c) 監察本集團內部審計組之表現；
- (d) 考慮外部核數師的聘用及辭退、審計費用及委聘條款；及
- (e) 審核本集團之關連交易，並提出意見。

於年內，委員會曾舉行三次會議以審核以下：

- (a) 本集團的內部監控制度及風險管理；及
- (b) 本集團財務匯報程序及財務報告。

# Corporate Governance Report 企業管治報告

## REMUNERATION COMMITTEE

The Remuneration Committee consists of three independent non-executive directors and one executive director namely Messrs. Au Son Yiu, Cheng Shu Wing, Wong Tze Kin, David and Ting Kit Chung respectively. The committee is chaired by Mr. Au Son Yiu. At the time of establishment, terms of reference and duties have been laid down as a guideline for the committee. The committee is responsible for making recommendation on the Company's policy and structure for all the remuneration of directors and other senior management, and reviewing and approving compensations payable to directors. The remuneration of the directors and other senior management is determined with reference to the performance of each individual and the Company, the market conditions and the industry practice. Besides, the committee will ensure that no director or any of his/her associate may be involved in the determination of his/her own remuneration. During the year, the committee held four meetings to review and approve the remuneration adjustment and performance bonus of executive directors and other senior management.

## NOMINATION COMMITTEE

The Nomination Committee consists of three independent non-executive directors and one executive director namely Messrs. Cheng Shu Wing, Au Son Yiu, Wong Tze Kin, David and Ting Kit Chung respectively. The committee is chaired by Mr. Cheng Shu Wing. The Nomination Committee is responsible for the recommendation of candidates with appropriate experience and qualification to become members of the Board.

## 薪酬委員會

薪酬委員會包括三位獨立非執行董事及一位執行董事，分別為區樂耀先生、鄭樹榮先生、黃自建先生及丁傑忠先生。區樂耀先生為委員會的主席。於成立的時候，委員會備有明確的條文及職責細則作指引。委員會主要負責就本公司董事及其他高層管理人員的薪酬制度及架構提供意見，並審批應付董事的賠償。於釐訂董事及其他高層管理人員的薪酬，委員會參考該人員的表現、本公司表現、市場情況及行業的慣例。此外，委員會亦會確保並無任何董事及其聯系人士參與釐訂該董事的薪酬。於年內，委員會曾舉行會議四次，以審批執行董事及其他高層人員的薪酬調整及按表現發放的花紅。

## 提名委員會

提名委員會包括三位獨立非執行董事及一位執行董事，分別為鄭樹榮先生、區樂耀先生、黃自建先生及丁傑忠先生。鄭樹榮先生為委員會之主席。提名委員會負責提名擁有適合經驗及學歷之人士作為董事會成員。

# Corporate Governance Report 企業管治報告

## **DIRECTORS' SECURITIES TRANSACTIONS**

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

## 董事進行之證券交易

本公司已採納《證券上市規則》之標準守則，作為本公司董事進行本公司證券交易之守則。按本公司向各董事之查詢，各董事均於本年報所述之會計期間遵守標準守則之規定。

## **COMPLIANCE WITH THE CODE PROVISIONS SET OUT IN THE CODE ON CORPORATE GOVERNANCE PRACTICES (THE "CODE")**

In the opinion of the directors, the Company complied with the code provisions of the Code contained in Appendix 14 of the Listing Rules throughout the accounting period covered by the annual report, except for the following deviations:

## 符合企業管治常規守則（「守則」）

按董事的意見，本公司於本年報所述之會計期間一直符合上市規則附錄十四所載之守則，惟下列條文除外：

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

- (1) 守則 A.4.1條規定非執行董事應獲委任指定任期，及須膺選連任。

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

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

# Corporate Governance Report 企業管治報告

## **COMPLIANCE WITH THE CODE PROVISIONS SET OUT IN THE CODE ON CORPORATE GOVERNANCE PRACTICES (THE "CODE")** (continued) 符合企業管治常規守則(「守則」)(續)

- (2) Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. (2) 守則 A.2.1條規定主席及董事總經理之角色應區別，並不應由同一人擔任。

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

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

# Corporate Governance Report 企業管治報告

## COMPLIANCE WITH THE CODE PROVISIONS SET OUT IN THE CODE ON CORPORATE GOVERNANCE PRACTICES (THE "CODE") (continued)

符合企業管治常規守則（「守則」）（續）

- (3) Under code provision E.1.2 of the Code, the chairman of the Board should attend the annual general meeting of the Company.
- (3) 守則 E.1.2條規定董事會之主席須出席本公司之股東週年大會。

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

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

## AUDITORS' REMUNERATION

During the year, fees paid for audit and non-audit services by the Company were as follows:

## 核數師酬金

於年內，本公司支付的審計與非審計服務費為：

Services		Fee paid/payable
服務		已付／應付費用
		HK\$'000
		港幣千元
Audit services rendered	已提供審計服務	2,774
Non-audit services rendered	已提供非審計服務	2,422
		5,196

# Corporate Governance Report 企業管治報告

## **DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The Board is responsible for preparing the financial statements of the Company. The statement from the external auditors of the Company about their responsibilities has been set out in the Independent Auditors' Report on page 41.

## **REVIEW OF THE INTERNAL CONTROLS**

The system of internal controls is defined as the internal control procedures with which the Company uses to ensure the accuracy of its accounting records, safeguard the assets of the Company and ensure the compliance with the relevant rules and regulations. The Board is responsible for maintaining efficient and effective internal controls of the Company. During the year, the internal audit team, which reports directly to the Audit Committee, has reviewed the internal controls of each major business segment of the Company and has reported its findings to the Audit Committee. The Audit Committee is satisfied with the effective internal controls of the Company.

董事會及核數師對財務報表之責任

董事會負責編製本公司財務報表。本公司外部核數師有關其對財務報表之責任聲明已載於第41頁之獨立核數師報告。

內部監控之審核

內部監控系統乃指本公司採用之內部監控制度，以保障本公司會計記錄的準確性、保衛本公司資產及確保本公司符合有關的規則及法例。董事會負責維持本公司有效率及效益的內部監控制度。於年內，直接向審核委員會負責的內部審計組，已審核本公司每個主要業務的內部監控制度，並將其結果向審核委員會匯報。審核委員會對本公司的內部監控制度表示滿意。

# Corporate Governance Report 企業管治報告

## **INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS**

## 投資者關係及與股東溝通

To enhance the communications with shareholders and investors, the Company has adopted the following communication channels:

為加強與股東及投資者的溝通，本公司已採用以下溝通渠道：

- |   |                                    |
|---|------------------------------------|
| (1) meeting shareholders in the annual general meetings to explain the results of the Company and answer the questions of shareholders; | (1) 於股東週年大會與股東會面，向其解釋公司業績及解答股東的問題； |
| (2) disseminating corporate information to shareholders according to the rules and regulations;   | (2) 按有關規則及條例，向股東發放公司資料；            |
| (3) meeting fund managers to promote the business of the Company; and   | (3) 與基金經理會面，並推廣本公司業務；及             |
| (4) publishing the background, the latest development and the results of the Group on the Company's website.                            | (4) 於本公司網站公佈本集團背景、最新發展及業績資料。       |



# Independent Auditors' Report 獨立核數師報告



**To the shareholders of  
Texwinca Holdings Limited**  
*(Incorporated in Bermuda with limited liability)*

致德永佳集團有限公司  
(於百慕達註冊成立之有限公司)  
列位股東

We have audited the financial statements of Texwinca Holdings Limited set out on pages 43 to 160, which comprise the consolidated and Company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

本核數師(以下簡稱「我們」)已審核列載於第43至160頁德永佳集團有限公司的財務報表,此財務報表包括於二零零七年三月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合股東權益變動表和綜合現金流量表,以及主要會計政策概要及其他解釋性附註。

## **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製,並真實而公允地列報該等財務報表。該責任包括設計、實施及維護與編製及真實而公允地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況作出合理的會計估計。

# Independent Auditors' Report 獨立核數師報告

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 核數師的責任

我們的責任是根據我們的審核對該等財務報表發表意見。我們是按照百慕達1981年《公司法》第90條的規定，僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定該等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公允地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得之審核憑證充足和適當地為我們的審核意見提供基礎。

# Independent Auditors' Report 獨立核數師報告

## 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 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

## Ernst & Young

*Certified Public Accountants*

18/F, Two International Finance Centre,

8 Finance Street, Central,

Hong Kong

16 July 2007

## 意見

我們認為，該等財務報表已根據香港財務報告準則真實而公允地反映 貴公司及 貴集團於二零零七年三月三十一日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例妥為編製。

安永會計師事務所

執業會計師

香港

中環金融街8號

國際金融中心二期18樓

二零零七年七月十六日

# Consolidated Income Statement 綜合利潤表

Year ended 31 March 2007 截至二零零七年三月三十一日止年度

			<b>2007</b>	2006
			二零零七年	二零零六年
		Notes	<b>HK\$'000</b>	HK\$'000
		附註	港幣千元	港幣千元
<b>REVENUE</b>	收入	5	<b>8,298,552</b>	7,749,112
Cost of sales	銷售成本		<b>(5,656,539)</b>	(5,371,343)
Gross profit	毛利		<b>2,642,013</b>	2,377,769
Other income and gains	其他收入及收益	5	<b>128,867</b>	74,545
Selling and distribution costs	銷售及分銷費用		<b>(1,533,792)</b>	(1,458,618)
Administrative expenses	行政費用		<b>(504,360)</b>	(506,539)
Other operating expenses, net	其他營運費用，淨額		<b>1,730</b>	4,361
Finance costs	財務費用	8	<b>(49,801)</b>	(38,533)
Share of profit of an associate, net of tax	應佔聯營公司溢利， 除稅後淨額		<b>48,211</b>	52,705
<b>PROFIT BEFORE TAX</b>	除稅前溢利	6	<b>732,868</b>	505,690
Tax	稅項	9	<b>(107,047)</b>	(70,473)
<b>PROFIT FOR THE YEAR</b>	本年度溢利		<b>625,821</b>	435,217
Attributable to:	歸屬：			
Equity holders of the Company	本公司權益所有者	10	<b>625,148</b>	480,253
Minority interests	少數股東權益		<b>673</b>	(45,036)
			<b>625,821</b>	435,217
<b>DIVIDENDS</b>	股息	11		
Interim	中期		<b>159,155</b>	145,889
Proposed final	擬派末期		<b>198,913</b>	145,892
			<b>358,068</b>	291,781
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (HK cents)</b>	歸屬本公司普通 權益所有者每股 盈利(港幣仙)	12		
Basic	基本		<b>47.1</b>	36.2
Diluted	攤薄後		<b>47.1</b>	36.1

# Consolidated Balance Sheet 綜合資產負債表

31 March 2007 二零零七年三月三十一日

			<b>2007</b>	2006
			二零零七年	二零零六年
		Notes	<b>HK\$'000</b>	HK\$'000
		附註	港幣千元	港幣千元
<b>NON-CURRENT ASSETS</b>				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	<b>2,323,532</b>	1,936,397
Investment properties	投資物業	14	<b>119,682</b>	66,822
Prepaid land lease payments	預付土地租賃款	15	<b>24,773</b>	25,175
Construction in progress	在建工程	16	<b>38,513</b>	83,540
Trademarks	商標	17	<b>33,293</b>	33,227
Interest in an associate	於聯營公司之權益	18	<b>121,464</b>	157,253
Long term rental deposits	長期租金按金		<b>126,148</b>	107,763
Total non-current assets	總非流動資產		<b>2,787,405</b>	2,410,177
<b>CURRENT ASSETS</b>				
	流動資產			
Inventories	存貨	20	<b>1,290,340</b>	1,298,085
Trade and bills receivables	應收賬款及應收票據	21	<b>1,090,387</b>	879,700
Prepayments, deposits and other receivables	預付款項、訂金及其他應收賬款		<b>403,850</b>	415,150
Derivative financial assets	衍生金融資產	22	<b>25,588</b>	11,807
Cash and cash equivalents	現金及現金等價物	23	<b>244,829</b>	250,921
Total current assets	總流動資產		<b>3,054,994</b>	2,855,663
<b>CURRENT LIABILITIES</b>				
	流動負債			
Due to an associate	應付聯營公司	19	<b>15,605</b>	83,813
Trade and bills payables	應付賬款及應付票據	24	<b>950,918</b>	1,008,500
Other payables and accrued liabilities	其他應付賬款及應計負債	25	<b>236,968</b>	178,422
Derivative financial liabilities	衍生金融負債	22	<b>196</b>	2,852
Tax payable	應付稅項		<b>202,250</b>	156,627
Interest-bearing bank borrowings	付息銀行貸款	26	<b>546,785</b>	415,316
Total current liabilities	總流動負債		<b>1,952,722</b>	1,845,530

# Consolidated Balance Sheet 綜合資產負債表

31 March 2007 二零零七年三月三十一日

			<b>2007</b>	2006
			二零零七年	二零零六年
		Notes	<b>HK\$'000</b>	HK\$'000
		附註	港幣千元	港幣千元
Net current assets	流動資產淨額		<b>1,102,272</b>	1,010,133
Total assets less current liabilities	總資產減流動負債		<b>3,889,677</b>	3,420,310
<b>NON-CURRENT LIABILITIES</b>	非流動負債			
Interest-bearing bank borrowings	付息銀行貸款	26	<b>557,791</b>	478,000
Provision for long service payments	長期服務金撥備	27	<b>11,303</b>	8,773
Deferred tax	遞延稅項	28	<b>5,560</b>	3,588
Total non-current liabilities	總非流動負債		<b>574,654</b>	490,361
Net assets	淨資產		<b>3,315,023</b>	2,929,949
<b>EQUITY</b>	權益			
<b>Equity attributable to equity holders of the Company</b>	本公司權益所有者應佔權益			
Issued capital	已發行股本	29	<b>66,314</b>	66,314
Reserves	儲備	31(a)	<b>2,982,853</b>	2,659,595
Proposed final dividend	擬派末期股息	11	<b>198,913</b>	145,892
			<b>3,248,080</b>	2,871,801
<b>Minority interests</b>	少數股東權益		<b>66,943</b>	58,148
Total equity	總權益		<b>3,315,023</b>	2,929,949

**Poon Bun Chak**  
Director

**Ting Kit Chung**  
Director

董事  
潘彬澤

董事  
丁傑忠

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

Year ended 31 March 2007 截至二零零七年三月三十一日止年度

	Attributable to equity holders of the Company 本公司權益所有者應佔												
	Issued capital 已發行股本 HK\$'000 港幣千元	Share premium account* 股東溢價賬* HK\$'000 港幣千元	Share option reserve* 購股權儲備* 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	Exchange fluctuation reserve* 外匯變動儲備* HK\$'000 港幣千元	Asset revaluation reserve* 資產重估儲備* HK\$'000 港幣千元	Legal reserve* 法定儲備* HK\$'000 港幣千元	Retained profits* 保留溢利* HK\$'000 港幣千元	Proposed final dividend 擬派末期股息 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元	Minority interests 少數股東權益 HK\$'000 港幣千元	Total equity 總權益 HK\$'000 港幣千元
At 1 April 2006	66,314	344,158	10,276	1,587	3,986	20,760	13,493	-	2,265,335	145,892	2,871,801	58,148	2,929,949
Exchange realignment	-	-	-	-	-	45,283	-	-	-	-	45,283	(1,160)	44,123
Surplus on revaluation upon transfer of leasehold land and buildings to investment properties	-	-	-	-	-	-	10,895	-	-	-	10,895	9,282	20,177
Total income and expense recognised directly in equity Profit for the year	-	-	-	-	-	45,283	10,895	-	-	-	56,178	8,122	64,300
Total income and expense for the year	-	-	-	-	-	45,283	10,895	-	-	-	681,326	8,795	690,121
Realisation of the asset revaluation reserve upon disposal of leasehold land and buildings	-	-	-	-	-	(468)	(468)	-	468	-	-	-	-
2005/2006 Final dividend declared	-	-	-	-	-	-	-	-	(145,892)	(145,892)	(145,892)	-	(145,892)
Forfeiture of share options (note 30)	-	-	(435)	-	-	-	-	-	435	-	-	-	-
Transfer to the legal reserve 2006/2007 Interim dividend (note 11)	-	-	-	-	-	-	-	49	(49)	-	(159,155)	-	(159,155)
2006/2007 Proposed final dividend (note 11)	-	-	-	-	-	-	-	-	(198,913)	198,913	-	-	-
At 31 March 2007	66,314	344,158	9,841	1,587	3,986	66,043	23,920	49	2,533,269	198,913	3,248,080	66,943	3,315,023

\* These reserve accounts comprise the consolidated reserves of HK\$2,982,853,000 (2006: HK\$2,659,595,000) in the consolidated balance sheet.  
\* 此等儲備賬項構成列於綜合資產負債表內之綜合儲備港幣2,982,853,000元 (二零零六年: 港幣2,659,595,000元)。

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

Year ended 31 March 2007 截至二零零七年三月三十一日止年度

Attributable to equity holders of the Company 本公司權益所有者應佔												
	Issued capital 已發行股本	Share premium account* 股東溢價賬	Share option reserve* 購股權儲備	Capital redemption reserve* 股本贖回儲備	Contributed surplus* 實繳盈餘	Exchange fluctuation reserve* 外匯變動儲備	Asset revaluation reserve* 資產重估儲備	Retained profits* 保留溢利	Proposed final dividend 擬派末期股息	Total	Minority interests 少數股東權益	Total equity 總權益
	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	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	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April 2005	66,305	343,272	5,369	1,587	3,986	(14,007)	13,493	2,076,863	145,881	2,642,749	103,498	2,746,247
Exchange realignment	-	-	-	-	-	34,767	-	-	-	34,767	(314)	34,453
Total income and expense recognised directly in equity	-	-	-	-	-	34,767	-	-	-	34,767	(314)	34,453
Profit for the year	-	-	-	-	-	-	-	480,253	-	480,253	(45,036)	435,217
Total income and expense for the year	-	-	-	-	-	34,767	-	480,253	-	515,020	(45,350)	469,670
2004/2005 Final dividend declared	-	-	-	-	-	-	-	-	(145,881)	(145,881)	-	(145,881)
Exercise of share options (note 30)	9	886	-	-	-	-	-	-	-	895	-	895
Equity-settled share option arrangements (note 30)	-	-	4,907	-	-	-	-	-	-	4,907	-	4,907
2005/2006 Interim dividend (note 11)	-	-	-	-	-	-	-	(145,889)	-	(145,889)	-	(145,889)
2005/2006 Proposed final dividend (note 11)	-	-	-	-	-	-	-	(145,892)	145,892	-	-	-
At 31 March 2006	66,314	344,158	10,276	1,587	3,986	20,760	13,493	2,265,335	145,892	2,871,801	58,148	2,929,949



# Consolidated Cash Flow Statement 綜合現金流量表

Year ended 31 March 2007 於二零零七年三月三十一日

		<b>2007</b>	2006
		二零零七年	二零零六年
	Notes	<b>HK\$'000</b>	HK\$'000
	附註	港幣千元	港幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	經營所得現金流量		
Profit before tax	除稅前溢利	<b>732,868</b>	505,690
Adjustments for:	調整:		
Finance costs	財務費用	8 <b>49,801</b>	38,533
Share of profit of an associate, net of tax	應佔聯營公司溢利，除稅後淨額	<b>(48,211)</b>	(52,705)
Interest income	利息收入	5 <b>(11,728)</b>	(13,436)
Net fair value gains on foreign exchange derivative financial instruments	外匯衍生金融工具公允價值收益淨額	5 <b>(51,363)</b>	(14,702)
Fair value gains on investment properties	投資物業公允價值收益	5 <b>(460)</b>	(8,354)
Depreciation	折舊	6 <b>292,939</b>	281,454
Recognition of prepaid land lease payments	預付土地租賃款之確認	6 <b>644</b>	567
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備虧損/(收益)	6 <b>(4,111)</b>	4,067
Provision for slow-moving inventories	呆滯存貨撥備	6 <b>48,540</b>	537
Impairment/(write-back of impairment) of trade receivables	應收賬款減值/(減值撥回)	6 <b>378</b>	(9,715)
Equity-settled share option expenses	權益結算購股權支出	<b>-</b>	4,907
Operating profit before working capital changes	營運資金變動前經營溢利	<b>1,009,297</b>	736,843
Increase in inventories	存貨增加	<b>(95,312)</b>	(242,659)
Increase in trade and bills receivables	應收賬款及應收票據增加	<b>(216,731)</b>	(445,970)
Increase in prepayments, deposits and other receivables	預付款項、訂金及其他應收賬款增加	<b>(3,801)</b>	(93,090)
Increase/(decrease) in an amount due to an associate	應付聯營公司增加/(減少)	<b>(67,060)</b>	28,277
Increase/(decrease) in trade and bills payables	應付賬款及應付票據增加/(減少)	<b>(34,074)</b>	133,058
Increase/(decrease) in other payables and accrued liabilities	其他應付賬款及應計負債增加/(減少)	<b>62,723</b>	(33,452)
Increase in provision for long service payments	長期服務金撥備增加	<b>2,530</b>	662
Cash generated from operations	經營所得現金	<b>657,572</b>	83,669
Profits taxes paid	已付所得稅	<b>(59,097)</b>	(32,900)
Net cash inflow from operating activities	經營所得現金流入淨額	<b>598,475</b>	50,769

# Consolidated Cash Flow Statement 綜合現金流量表

Year ended 31 March 2007 於二零零七年三月三十一日

			<b>2007</b> 二零零七年 <b>HK\$'000</b> 港幣千元	2006 二零零六年 HK\$'000 港幣千元
	Notes 附註			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
投資活動現金流量				
Interest received			<b>11,728</b>	13,436
Proceeds from derivative financial instruments			<b>34,926</b>	40,057
Dividends received from an associate			<b>84,000</b>	35,000
Purchases of items of property, plant and equipment	13		<b>(512,342)</b>	(223,700)
Acquisition of a subsidiary	33		-	1,643
Additions to construction in progress	16		<b>(96,939)</b>	(110,899)
Additions to trademarks	17		<b>(66)</b>	(108)
Additions to prepaid land lease payments	15		-	(3,533)
Proceeds from disposal of items of property, plant and equipment			<b>31,803</b>	4,196
Decrease/(increase) in long term rental deposits			<b>(18,385)</b>	7,560
Decrease in non-pledged short term time deposits with original maturity longer than three months when acquired			<b>15,600</b>	21,060
Net cash outflow from investing activities			<b>(449,675)</b>	(215,288)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
融資活動現金流量				
Issue of new shares	29		-	895
New bank loans			<b>643,106</b>	764,642
Repayment of bank loans			<b>(431,824)</b>	(425,312)
Repayment of shareholder loan			-	(266,376)
Interest paid			<b>(49,801)</b>	(38,533)
Dividends paid			<b>(305,047)</b>	(291,770)
Net cash outflow from financing activities			<b>(143,566)</b>	(256,454)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			<b>5,234</b>	(420,973)
現金及現金等價物之增加/(減少)淨額				
Cash and cash equivalents at beginning of year			<b>235,297</b>	660,530
Foreign exchange adjustments			<b>4,296</b>	(4,260)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			<b>244,827</b>	235,297
於年結日之現金及現金等價物				
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>				
現金及現金等價物結餘分析				
Cash and bank balances	23		<b>165,523</b>	167,341
Non-pledged short term time deposits with original maturity within three months when acquired			<b>79,306</b>	67,980
Bank overdrafts, unsecured	26		<b>(2)</b>	(24)
			<b>244,827</b>	235,297

# Company Balance Sheet 公司資產負債表

31 March 2007 二零零七年三月三十一日

			<b>2007</b>	2006
			二零零七年	二零零六年
		Notes	<b>HK\$'000</b>	HK\$'000
		附註	港幣千元	港幣千元
<b>NON-CURRENT ASSETS</b>				
	非流動資產			
Interests in subsidiaries	於附屬公司之權益	32	<b>1,251,829</b>	852,457
<b>CURRENT ASSETS</b>				
	流動資產			
Prepayments and other receivables	預付款項及其他應收賬款		<b>203</b>	203
Dividends receivable	應收股息		<b>200,000</b>	146,000
Cash and cash equivalents	現金及現金等價物	23	<b>154</b>	-
Total current assets	總流動資產		<b>200,357</b>	146,203
<b>CURRENT LIABILITIES</b>				
	流動負債			
Accrued liabilities	應計負債		<b>771</b>	1,273
Net current assets	流動資產淨額		<b>199,586</b>	144,930
Net assets	淨資產		<b>1,451,415</b>	997,387
<b>EQUITY</b>				
	權益			
Issued capital	已發行股本	29	<b>66,314</b>	66,314
Reserves	儲備	31(b)	<b>1,186,188</b>	785,181
Proposed final dividend	擬派末期股息	11	<b>198,913</b>	145,892
Total equity	總權益		<b>1,451,415</b>	997,387

**Poon Bun Chak**

Director

**Ting Kit Chung**

Director

董事

潘彬澤

董事

丁傑忠

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 1. CORPORATE INFORMATION

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

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

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

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

## 1. 公司資料

德永佳集團有限公司為百慕達註冊成立之有限公司，本公司之註冊辦事處為 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：

- 針織布及棉紗之產銷及整染
- 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

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

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain leasehold land and buildings included in property, plant and equipment, and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2007. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries.

## 2.1 編製基本原則

本財務報表乃根據香港會計師公會頒佈之香港財務報告準則（同時包括香港會計準則及詮釋）、香港公認會計原則及香港公司條例之披露要求所編製而成。除投資物業、部份包括在物業、廠房及設備內的租賃土地及樓宇及衍生金融工具按公允值計算外，本財務報表乃依照原始成本會計慣例所編製。除另有註明外，本財務報表乃以港元（「港幣」）呈列，所有數值均四捨五入至千位數。

### 綜合基準

綜合財務報表包括本公司及各附屬公司截至二零零七年三月三十一日止年度之財務報表。經已作出調整以使任何可能存在之不同會計政策一致。附屬公司之業績由收購日，即本集團獲得控制權之日起計入綜合財務表內，直至有關控制權終止之日為止。本集團公司之間所有重大交易及結餘均在綜合時對銷。

少數股東權益指非本集團持有之外界股東佔本公司附屬公司業績及淨資產之權益。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

## 2.2 新訂及經修訂香港財務報告準則之影響

本集團已於本年度之財務報表內首次採納以下新訂及經修訂香港財務報告準則。除在若干情況下導致新訂及經修訂會計政策及額外披露外，採納該等新訂及經修訂準則及詮釋並無對本財務報表產生重大影響。

HKAS 21 Amendment	Net Investment in a Foreign Operation	香港會計準則 第21號(修訂本)	外國業務之 淨投資
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts	香港會計準則 第39號及香港 財務報告準則 第4號(修訂本)	財務擔保合約
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions	香港會計準則 第39號(修訂本)	預測集團公司間 交易之現金流 量對沖會計法
HKAS 39 Amendment	The Fair Value Option	香港會計準則 第39號(修訂本)	公平值選擇權
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease	香港(國際財務 報告詮釋委員會) - 詮釋第4號	釐定安排是否 包含租賃
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	香港(國際財務 報告詮釋委員會) - 詮釋第7號	應用香港會計準則 第29號-「嚴重 通脹經濟中的 財務報告」下的 重列法

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.2 IMPACT OF NEW AND REVISED HONG KONG

### FINANCIAL REPORTING STANDARDS (continued)

The principal changes in accounting policies are as follows:

#### (a) HKAS 21 “The Effects of Changes in Foreign Exchange Rates”

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group’s net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 31 March 2007 or 31 March 2006.

## 2.2 新訂及經修訂香港財務報告準則之影響 (續)

會計政策之主要變動如下：

#### (a) 香港會計準則第21號「外幣匯率改變之影響」

於採納香港會計準則第21號修訂本有關於外國業務之淨投資後，所有由構成本集團在外國業務之淨投資之貨幣項目產生之外匯差額，會於綜合財務報表確認為權益之獨立部份，而不論該貨幣項目以何種貨幣計值。該項變動並無對二零零七年三月三十一日或二零零六年三月三十一日之財務報表產生重大影響。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.2 IMPACT OF NEW AND REVISED HONG KONG

### FINANCIAL REPORTING STANDARDS (continued)

#### (b) HKAS 39 “Financial Instruments: Recognition and Measurement”

(i) *Amendment for financial guarantee contracts*

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 “Revenue”. The adoption of this amendment has had no material impact on these financial statements.

## 2.2 新訂及經修訂香港財務報告準則之影響 (續)

#### (b) 香港會計準則第39號「金融工具：確認及計量」

(i) *財務擔保合約之修訂*

該修訂本修訂香港會計準則第39號之範圍，要求被不被視為保險合約之已發行財務擔保合約，初步按公平值確認，再按根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額與初步確認金額減（倘適當）根據香港會計準則第18號「收益」準則確認之累計攤銷中之較高者重新計量。採納該修訂並無對本財務報表產生重大影響。



# Notes to the Financial Statements 財務報表附註

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## 2.2 IMPACT OF NEW AND REVISED HONG KONG

### FINANCIAL REPORTING STANDARDS (continued)

#### (b) HKAS 39 “Financial Instruments: Recognition and Measurement” (continued)

##### (ii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

##### (iii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

## 2.2 新訂及經修訂香港財務報告準則之影響 (續)

#### (b) 香港會計準則第39號「金融工具：確認及計量」(續)

##### (ii) 預測集團公司間交易之現金流量對沖會計處理的修訂

該修訂修改香港會計準則第39號，以容許將極可能進行的集團內公司間交易的外匯風險列為現金流量對沖的對沖項目，惟該項交易須以訂立交易的公司的功能貨幣以外貨幣計值，且外匯風險將影響綜合損益表。由於本集團現時並無該等交易，故此修訂對該等財務報表並無影響。

##### (iii) 公平值選擇權之修訂

更改了金融工具之定義分類為以公平值計入損益，及限制了使用選擇權指定任何財務資產須透過收益表以公平值計量。本集團過往並無使用該選擇權，因此該修訂並無對財務報表產生影響。

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## 2.2 IMPACT OF NEW AND REVISED HONG KONG

### FINANCIAL REPORTING STANDARDS (continued)

#### (c) HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”

The Group has adopted this interpretation as of 1 April 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. The Group has determined based on this interpretation that certain arrangements of the Group contained leases and accordingly, the Group has treated them in accordance with HKAS 17 “Leases”. However, the adoption of this interpretation has had no material impact on these financial statements.

## 2.2 新訂及經修訂香港財務報告準則之影響 (續)

#### (c) 香港(國際財務報告詮釋委員會) – 詮釋第4號「釐定安排是否包含租賃」

本集團已於二零零六年四月一日採納該詮釋，該詮釋給與指引在釐定安排是否包含必須應用租賃會計之租賃。按該詮釋，本集團認為本集團部份安排包含租賃。因此，本集團已按香港會計準則第17號「租賃」對該等安排作出處理，但採納該詮釋對本財務報表而言並無重大影響。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

## 2.3 已頒佈惟尚未生效之香港財務報告準則之影響

本集團並無於該等財務報表應用下列已頒佈惟尚未生效之新訂及經修訂香港財務報告準則。

HKAS 1 Amendment	Capital Disclosures	香港會計準則 第1號(修訂本)	資本披露
HKFRS 7	Financial Instruments: Disclosures	香港財務報告 準則第7號	金融工具： 披露事項
HKFRS 8	Operating Segments	香港財務報告 準則第8號	營運分類資料
HKAS 23 (Revised)	Borrowing Costs	香港會計準則 第23號(經修訂)	借貸成本
HK(IFRIC)-Int 8	Scope of HKFRS 2	香港(國際財務 報告詮釋委員會) — 詮釋第8號	香港財務報告 準則第2號 之範圍
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives	香港(國際財務報 告詮釋委員會) — 詮釋第9號	嵌入式衍生工具 之重新評估
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment	香港(國際財務報 告詮釋委員會) — 詮釋第10號	中期財務報告 與減值

# Notes to the Financial Statements 財務報表附註

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## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE

### HONG KONG FINANCIAL REPORTING

#### STANDARDS (continued)

HK(IFRIC)-Int 11 HKFRS 2 – Group and Treasury Share Transactions

HK(IFRIC)-Int 12 Service Concession Arrangements

The HKAS 1 Amendment shall be applied for accounting period beginning on 1 April 2007. The revised standard will affect the disclosures about qualitative information about the Group's objectives, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 shall be applied for accounting period beginning on 1 April 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments.

## 2.3 已頒佈惟尚未生效之香港財務報告準則之影響 (續)

香港 (國際財務報告詮釋委員會)  
— 詮釋第11號

香港財務報告準則第2號  
— 集團與庫務股份交易

香港 (國際財務報告詮釋委員會)  
— 詮釋第12號

服務經營權安排

香港會計準則第1號 (修訂本) 將適用於自二零零七年四月一日開始會計期間。該修訂準則將影響有關本集團管理資本之目標、政策及程序之質量資料披露;有關本公司視為資本之量化資料;及遵守任何資本規定及任何不守規之後果。

香港財務報告準則第7號將適用於自二零零七年四月一日開始會計期間。該準則規定披露要使財務報表使用者能夠評估該集團金融工具之重要性及該等金融工具引致之風險性質及範圍。

# Notes to the Financial Statements 財務報表附註

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## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE

### HONG KONG FINANCIAL REPORTING

#### STANDARDS (continued)

HKFRS 8 shall be applied for accounting period beginning on 1 April 2009. The standard requires the disclosure of information about the operating segments of the Group, the products and services provided by the segments, the geographical areas in which the Group operates, and revenues from the Group's major customers. This standard will supersede HKAS 14 "Segment Reporting".

HKAS 23 (Revised), HK(IFRIC)-Int 8, HK(IFRIC)-Int 9, HK(IFRIC)-Int 10, HK(IFRIC)-Int 11 and HK(IFRIC)-Int 12 shall be applied for annual periods beginning on or after 1 January 2009, 1 May 2006, 1 June 2006, 1 November 2006, 1 March 2007 and 1 January 2008, respectively.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of the HKAS 1 Amendment, HKFRS 7 and HKFRS 8 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

## 2.3 已頒佈惟尚未生效之香港財務報告準則之影響 (續)

香港財務報告準則第8號適用於自二零零九年四月一日開始會計期間。該準則要求本集團披露有關本集團之營運分部如產品及服務、營運地區及有關本集團從主要客戶所得收益之資料。該準則將取代香港會計準則第14號「分部報告」。

香港會計準則第23號(經修訂)、香港(國際財務報告詮釋委員會)－詮釋第8號、香港(國際財務報告詮釋委員會)－詮釋第9號、香港(國際財務報告詮釋委員會)－詮釋第10號、香港(國際財務報告詮釋委員會)－詮釋第11號及香港(國際財務報告詮釋委員會)－詮釋第12號將分別適用於自二零零九年一月一日、二零零六年五月一日、二零零六年六月一日及二零零六年十一月一日、二零零七年三月一日及二零零八年一月一日開始或以後的會計期間。

本集團正在評估該等新訂及經修訂之香港財務報告準則對初始應用期間之影響，至今所得結論認為，雖然採納香港會計準則第1號(修訂本)、香港財務報告準則第7號及香港財務報告準則第8號可能導致新訂或經修訂之披露，但該等新訂及經修訂之香港財務報告準則應不會對本集團之經營業績和財政狀況造成重大影響。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES

#### Subsidiaries

A subsidiary is an entity 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 income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

#### Associates

An associate is an entity, 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 an associate is included in the consolidated income statement and consolidated reserves, respectively. The Group's interest in an associate is stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment loss. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

## 2.4 主要會計政策的概要

#### 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之實體，藉以從其業務得益。

附屬公司業績計入本公司利潤表，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。

#### 聯營公司

聯營公司乃附屬公司以外之實體，本集團長期持有其實質擁有投票權一般不少於20%及本集團之地位足以對其行使重大影響力之公司。

本集團應佔聯營公司收購日後之業績及儲備，已分別列入綜合利潤表及綜合儲備內。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。本報表經已作出調整以使任何可能存在之不同會計政策一致。

# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Goodwill

Goodwill arising on the acquisition of subsidiaries and an associate represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

#### *Goodwill previously eliminated against consolidated retained profits*

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 "Business Combinations" ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated retained profits in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated retained profits and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

## 2.4 主要會計政策的概要 (續)

#### 商譽

收購附屬公司及聯營公司所產生之商譽指業務合併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和或有負債之公允值淨額之差額。

#### *過往於綜合儲備中撇銷之商譽*

於二零零一年採納香港會計師公會之會計實務準則第30號「企業合併」前，因收購所產生之商譽乃於收購年度與綜合保留溢利撇銷。於採納香港財務報告準則第3號後，該等商譽仍於綜合保留溢利撇銷，且於與商譽有關之全部或部分業務被出售或與商譽有關之現金產生單位出現減值時亦不會於利潤表中確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

## 2.4 主要會計政策的概要 (續)

#### 除商譽外非財務資產減值

倘有跡象顯示出現減值或須就資產進行年度減值測試(存貨、金融資產、投資物業及商譽除外)，則會估計收回金額。資產之可收回金額按資產或產生現金單位的使用價值或公允值減出售成本(以較高者為準)而計算，並就個別資產而釐定，除非有關資產並無產生大致上獨立於其他資產或資產組別之現金流量，在此情況下，可收回金額就資產所屬的現金產生單位而釐定。

只有當資產之賬面值超逾其可收回金額時始會確認減值虧損。於評估使用價值時，估計日後現金流量按可反映現時市場評估之貨幣時間價值及資產特定風險之稅前貼現率貼現至現值。減值虧損乃於產生期內從利潤表中扣除，惟倘資產乃按重估金額入賬，則須按照重估資產所適用之有關會計政策處理減值虧損。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Impairment of non-financial assets other than goodwill (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that 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 such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;

## 2.4 主要會計政策的概要 (續)

### 除商譽外非財務資產減值 (續)

於各申報日均評估有否跡象顯示以往確認之減值虧損可能不再存在或已減少。如存在該等跡象，則須評估可收回金額。過往已獲確認之資產（商譽除外）減值虧損僅會於可收回金額釐定基準出現變動時方予撥回過去已確認的減值虧損。撥回之結果不會令該賬面金額高於倘該資產往年並無確認減值虧損，惟扣除任何折舊／攤銷後而釐訂之賬面值。獲撤銷之減值虧損乃於產生期內計入利潤表，惟倘有關資產乃按重估金額列賬，則須按照往重估資產所適用之有關會計政策處理獲撤銷之減值虧損。

### 關連人士

關連人士在下列情況下，有關人士將視為本集團之關連人士：

- (a) 有關人士直接或透過一名或多名中介人間接：(i)控制本集團、受控於本集團或與本集團共同受控制；(ii)其於本集團之權益使其得以對本集團發揮重大影響力；或(iii)與他人共同擁有本集團之控制權；

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Related parties (continued)

- (b) the party is an associate;
  
- (c) the party is a member of the key management personnel of the Group;
  
- (d) the party is a close member of the family of any individual referred to in (a) or (c);
  
- (e) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or
  
- (f) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

## 2.4 主要會計政策的概要 (續)

### 關連人士 (續)

- (b) 有關人士為一間聯營公司；
  
- (c) 有關人士為本集團之主要管理人員；
  
- (d) 有關人士為(a)或(c)項所述人士之家庭成員；
  
- (e) 有關人士為(c)或(d)所指之任何人士所直接或間接控制、與他人共同控制或能對其發影響力或於當中行使重大投票權之實體；或
  
- (f) 有關人士為就本集團或屬於本集團關連人士的任何實體為僱員利益而設立的受僱後福利計劃。

# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, 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 item of property, plant and equipment 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 items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement 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 item of property, plant and equipment and the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

## 2.4 主要會計政策的概要 (續)

### 物業、廠房及設備與折舊

除投資物業及在建工程外，物業、廠房及設備均按原值或估值減累計折舊及減值虧損入賬。物業、廠房及設備之成本包括資產之購買價及將資產達至運作狀況及地點以作其計劃用途所產生之任何直接應計成本。物業、廠房及設備投入運作後之開支，如維修及保養之費用，一般在產生期間於利潤表中扣除。當明顯證明上述開支已致使預期日後因使用該物業、廠房及設備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。

物業、廠房及設備價值之變動計入資產重估儲備。如儲備總額不足以抵銷減值（按個別資產為基準），則差額會於利潤表內扣除。之後任何估值溢價也直接反映於利潤表中，直至完全抵銷以往反映於利潤表的不足額為止。於出售已重估之資產時，過往估值列入資產重估儲備賬內之相關部份須變現及轉至保留溢利作儲備變動。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Leasehold land and buildings	25 years or over the remaining lease terms, whichever is shorter
Leasehold improvements	Over the remaining lease terms
Plant and machinery	10 – 20 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Yacht	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

## 2.4 主要會計政策的概要 (續)

### 物業、廠房及設備與折舊 (續)

折舊之計算方法乃按個別物業、廠房及設備之估計可使用年期以直線法撇銷其原值或估值至剩餘價值。就此目的而估計之可使用年期如下：

租賃土地及樓宇	25年或按餘下之租賃年期，按其中較短者
租賃樓宇裝修	按餘下之租賃年期
廠房及機械	10–20年
傢俬、裝置及辦公室設備	5年
汽車	5年
遊艇	5年

倘一項物業、廠房及設備之部份擁有不同之可使用年期，該項目之成本或估值按合理基礎分配於其各部份，並單獨計提其折舊。

剩餘價值、可使用年期和折舊方法於每個結算日進行檢討和適當修正。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Property, plant and equipment and depreciation

(continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

#### Construction in progress

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

#### Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date.

## 2.4 主要會計政策的概要 (續)

### 物業、廠房及設備與折舊 (續)

物業、廠房及設備項目於出售或預期使用或出售該項目將不會帶來未來經濟利益時終止確認。於資產終止確認之年度於利潤表確認之任何出售或報廢之損益，為銷售所得款項淨額與相關資產賬面金額之差額。

### 在建工程

在建工程指興建中之樓宇，其乃按成本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作使用會重新分類至適當之物業、廠房及設備類別。

### 投資物業

投資物業指持有土地及樓宇權益作賺取租金收入及／或資本增值用途，而非用於生產或供應貨物或服務或作行政用途；或作一般業務過程中出售用途之土地及樓宇權益（包括在此情況以外符合投資物業定義之物業經營租賃項下之租賃權益）。該等物業初步按成本，包括交易成本，列賬。於初步確認後，投資物業乃按反映於結算日之市場狀況之公允值列賬。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Investment properties (continued)

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above.

## 2.4 主要會計政策的概要 (續)

### 投資物業 (續)

因投資物業公允值變更產生之損益於其產生年度計入利潤表。

投資物業報廢或出售產生之損益於其報廢或出售年度於利潤表確認。

當投資物業轉撥為業主擁有之物業時，改變用途當日之公允值視作為於期後會計時所用之物業成本。倘本集團以業主擁有物業佔用之物業成為投資物業，則本集團將根據「物業、廠房及設備與折舊」所述之政策將該物業入賬，直至更改用途該日為止，而該物業之賬面價值及公允值間於當日之差額，則根據上述「物業、廠房及設備與折舊」所述之政策列為重估入帳。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Trademarks

The useful lives of trademarks are assessed to be indefinite. Trademarks with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level and are not amortised. The useful life of a trademark with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

#### 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 income statement 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 income statement on the straight-line basis over the lease terms.

## 2.4 主要會計政策的概要 (續)

#### 商標

商標的可用年限已評估為無盡，本公司每年對無盡年限的商標以個體或產生現金流的單位層面作減值測試及並無作出攤銷。本公司每年對無盡年限的商標作出檢討，以確定有關無盡年限的評估是否繼續成立。否則，則關於由無盡年限改作有盡年限的變更，將影響未來的會計處理。

#### 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，以直線法計入利潤表。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計入利潤表中。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Operating leases (continued)

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

#### 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.

## 2.4 主要會計政策的概要 (續)

#### 租賃 (續)

經營租賃項下之預付土地租賃款初步按成本列賬，期後按直線法於租賃期內確認。倘租賃款項不能可靠地分配至土地及樓宇部份，則所有租賃款項均計入土地及樓宇成本作為物業、廠房及設備之融資租賃。

#### 存貨

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



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Derivative financial instruments

The Group uses derivative financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

#### Financial assets

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

## 2.4 主要會計政策的概要 (續)

#### 衍生金融工具

本集團運用衍生金融工具，以對沖其利息及外匯率波動的風險。該等衍生金融工具原初按安排合約日期的公允價值確認入賬，之後再按其後的公允價值計量。當衍生工具的公允值為正數，則以資產處理，若其公允值為負數，則以負債處理。

任何未能符合對沖會計的衍生工具，其公允值轉變的損益，須確認於損益表中。

外幣期貨合約公允值乃參照同類到期日的現有外匯期貨匯率計算。

#### 財務資產

財務資產於首次確認時以公平價值計算，而並非以公平價值入賬的投資，則按直接應佔交易成本計算。

所有常規買賣之財務資產概於交易日（即本集團承諾購買或出售該資產當日）予以確認。常規買賣乃指按照一般市場規定或慣例在一定期間內交付資產之財務資產買賣。

# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### **POLICIES** (continued)

#### **Financial assets** (continued)

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### **Impairment of financial assets**

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement.

## 2.4 主要會計政策的概要 (續)

#### 財務資產 (續)

##### 貸款及應收賬款

貸款及應收賬款指有固定或可釐定還款期且並無活躍市場報價之非衍生財務資產。該等資產以實際利率法按攤銷成本入賬。攤銷成本的計算包括收購的任何折扣或溢價，亦包括屬於實際利率及交易成本必要部份的費用。損益則於貸款及應收款項終止確認或減值時以及於攤銷過程中於利潤表中確認。

#### 財務資產減值

本集團於各結算日評估是否有客觀證據顯示一項財務資產或一個財務資產組別出現減值。

##### 按已攤銷成本入賬之資產

倘有客觀證據顯示按攤銷成本入賬貸款及應收賬款出現減值虧損，則虧損金額之計量為資產之賬面價值與按該財務資產之原來實際利率（即原先確認時計算的實際利率）貼現之估計未來現金流量現值價之差額（不計未產生之未來信貸虧損）。資產之賬面金額將直接或利用準備賬扣減。減值虧損金額於利潤表中確認。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Impairment of financial assets (continued)

##### Assets carried at amortised cost (continued)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

## 2.4 主要會計政策的概要 (續)

#### 財務資產減值 (續)

##### 按已攤銷成本入賬之資產 (續)

本集團首先評估是否有個別的客觀證據顯示個別重大之財務資產存在減值，以及評估是否有個別或共同存在的客觀證據顯示個別但不屬重大之財務存在減值。倘認為並無客觀證據顯示個別評估之財務資產，不論屬重大與否，存在減值，該資產將計入有同類信貸之風險之不同組別的財務資產，而該組別將被共同評估減值。而個別評估減值的資產及其獲確認的或將繼續確認的減值虧損將不會被計入。

倘減值虧損金額在期後減少，而該減少可客觀認為與確定減值虧損後之發生之事件有關，則撥回以往確認之減值虧損。減值虧損之任何期後撥回於利潤表確認，惟該資產之賬面價值不得超過於撥回當日之攤銷成本。

關於應收賬款，當有客觀跡象（例如債務人可能無力償債或面臨重大經濟困難）顯示本集團將無法根據發票原有條款收回所有款項時，即就應收貿易款項作出減值撥備。應收款項之賬面值可通過撥備賬目作出扣減。減值債務於被評估為不可收回時終止確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## 2.4 主要會計政策的概要 (續)

#### 終止確認財務資產

財務資產 (或如適用, 一項或一組類似財務資產之一部分) 在以下情況下終止確認:

- 自資產收取現金之權利屆滿;
- 本集團保留自資產收取現金之權利, 但承擔責任在沒有重大延誤直接將之交與第三者; 或
- 本集團將自資產收取現金之權利轉讓, 並(a)將資產之絕大部分風險及回報轉移, 或(b)概無轉讓或保留資產之絕大部分風險及回報, 但已將資產控制權轉讓。

倘本集團已將自資產收取現金之權利轉讓, 且概無轉讓或保留資產之絕大部分風險及回報, 亦無將資產控制權轉讓, 則資產將按本集團對該資產之持續參與程度確認。透過對已轉讓資產作出擔保之形式持續參與乃按資產之原來賬面金額與本集團可能須償還之最高代價中之較低者入賬。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and other payables, interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

## 2.4 主要會計政策的概要 (續)

按攤銷成本計算之財務負債(包括計息貸款及借款)

財務負債包括應付賬款及其他應付款項,計息銀行借貸及借款初步以公平值減直接應佔交易成本列賬,其後以實際利率法按攤銷成本計量,惟倘貼現之影響並不重大,則於此情況下,按成本列賬。

負債於攤銷過程以及終止確認時之損益,於利潤表中確認。

#### 終止確認財務負債

當負債責任獲解除或註銷或屆滿時,即終止確認財務負債。

倘現有財務負債由來自同一借方之另一筆財務負債替代,而其條款不大相同或現有負債之條款大幅修訂,則該變動或修訂被視作終止確認原有負債並確認新負債,而其賬面金額間之差異則於利潤表中確認。

# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Income tax

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

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

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.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## 2.4 主要會計政策的概要 (續)

#### 所得稅

所得稅包括本期及遞延稅項。所得稅乃於利潤表確認，倘與在同一或不同時期直接於股本權益確認之項目有關，則於股本權益確認入賬。

本年度及過往年度之本期稅項資產及負債乃以預期可向稅務機關收回或支付金額計量。

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。

遞延稅項負債乃就所有應課稅暫時性差額確認入賬，除了：

- 當遞延稅項負債乃因商譽或在一項非業務合併交易時既不影響會計溢利亦不影響應課稅溢利或虧損之交易中初步確認資產或負債而產生；及
- 就關乎投資於附屬公司及聯營公司之應課稅暫時性差額，倘暫時性差額之回撥時間可予控制或暫時性差額於可見將來可能不會回撥則除外。

# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## 2.4 主要會計政策的概要 (續)

### 所得稅 (續)

遞延稅項資產乃於可能有應課稅溢利可用於抵銷可扣減暫時性差額及結轉未動用稅項資產及未動用稅項虧損時，就所有可扣減暫時性差額、結轉未動用稅項資產及未動用稅項虧損確認，除了：

- 當遞延稅項資產乃與在一項非業務合併交易時既不影響會計溢利亦不影響應課稅溢利或虧損之交易中初步確認資產或負債而產生可扣減暫時性差異有關；及
- 就關乎投資於附屬公司及聯營公司之可扣減暫時性差額而言，遞延稅項資產僅會在暫時性差額於可見將來可能會回撥及應課稅溢利可用於抵銷暫時性差額時確認。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 2.4 主要會計政策的概要 (續)

### 所得稅 (續)

遞延稅項資產之賬面值會於每個結算日檢討，倘不再可能有足夠應課稅溢利可用於抵銷全部或部份遞延稅項資產則會予以扣減。相反，倘可能有足夠應課稅溢利可用於抵銷全部或部份遞延稅項資產，則過往未確認之遞延稅項資產將於各結算日期重新評估及予以確認。

遞延稅項資產及負債乃依據於結算日已頒佈或實際實行之稅率(及稅法)，按預期於負債獲償還或資產獲變現期間適用之稅率計算。

倘於法律上有可執行權利將本期稅項資產與本期稅項負債抵銷而遞延稅項乃與相同之應課稅企業及相同之稅務機關有關時，遞延稅項資產及遞延稅項負債將予以抵銷。



# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### 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 sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

#### Revenue recognition

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

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, when the services have been provided;

## 2.4 主要會計政策的概要 (續)

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手持現金及活期存款，以及可隨時轉換為可知數額現金而價值變動風險不大，且一般於購入後三個月內到期之短期高流通性投資，減除須應銀行要求償還及構成本集團整體現金管理的一部份之透支。

就資產負債表而言，現金及現金等價物包括手持及存於銀行之現金，及包括並無限制用途之定期存款。

#### 收益確認

倘本集團可能獲得經濟利益及當收益可按下列基準作可靠計算時，則收益確認入賬：

- (a) 如銷售貨品，則當擁有權之重大風險及收益已轉移至買方，並且本集團並不對所出售貨品保持與擁有權相若之管理參與，亦無實際控制該等貨品；
- (b) 如提供服務，則當已提供該等服務時；

# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Revenue recognition (continued)

- (c) rental income, on a time proportion basis over the lease terms;
- (d) franchise income, on a time proportion basis, over the franchise periods; and
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

#### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity 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.

## 2.4 主要會計政策的概要 (續)

### 收益確認 (續)

- (c) 租金收入，以租賃期內時間的比例為基礎；
- (d) 特許經營收入，於特許經營期內時間的比例為基礎；及
- (e) 利息收入，以累計基準按實際利率法於財務工具之預計可用年期，將估計未來可收取現金折價至財務資產之賬面淨額確認入賬。

### 股息

董事建議派發之末期股息於資產負債表之權益項下重新分類，列作保留溢利之獨立分配，直至股東於股東大會批准派發該等股息。倘該等股息獲股東批准，並予以宣派，則確認為負債入賬。

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

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Employee benefits

##### Share-based payment transactions

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. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binomial model, further details of which are given in note 30. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

## 2.4 主要會計政策的概要 (續)

#### 僱員福利

##### 基於股權的支付交易

本公司設有購股權計劃，為對本集團業務營運成功有所貢獻之合資格參與者提供獎勵及回報。本集團僱員（包括董事）收取以股份付款交易之方式的酬金，並據此提供服務作為取得權益工具的代價（「權益結算交易」）。

與僱員進行權益結算交易之成本乃參照其於授出日期之公允值計算。公允值乃按二項式模式釐定，詳情載於附註30。於釐定權益結算交易之價值時，除了考慮與本公司股份價格有關之條件（「市場條件」）外，如適用，其他關於表現的條件概不考慮。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Employee benefits (continued)

##### Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

## 2.4 主要會計政策的概要 (續)

### 僱員福利 (續)

#### 基於股權的支付交易 (續)

權益結算交易之成本，連同權益之相應增加，於達致有關表現及／或服務條件之期間予以確認，直至相關僱員完全獲得獎勵（「賦權日期」）為止。於賦權日期之前各結算日就權益結算交易確認之累計開支，乃反映賦權期間的終結情況及本集團對於最終將予歸屬之權益工具之最佳估計。期內利潤表扣除或撥回的金額乃代表該期間初及期末所確認的累計開支之變動。

除按市場條件歸屬的報酬外，對於最終未予歸屬的報酬，則不予確認費用。而對於按市場條件歸屬的報酬，在滿足所有其他表現條件的情況下，不論市場條件是否達到要求，均視作已歸屬。

倘修訂權益結算獎勵之條款，至少將引致確認開支，猶如有關條款並無修訂。此外，倘任何修訂增加以股份支付安排之公允值，或按於修訂日期計算在其他方面對僱員有利，則確認開支。

# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Employee benefits (continued)

##### Share-based payment transactions (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 April 2005 and to those granted on or after 1 April 2005.

## 2.4 主要會計政策的概要 (續)

### 僱員福利 (續)

#### 基於股權的支付交易 (續)

倘註銷權益結算之獎勵，則會視作已於註銷日歸屬，而任何未確認之開支將即時確認。然而，倘以新獎勵取代被註銷獎勵，且其於授出日期被指定為替代獎勵，則如前段之描述，該已註銷及新獎勵乃視作猶如其為原先獎勵之修訂。

尚未行使購股權之攤薄影響乃於計算每股盈利時反映為額外股份攤薄。

本集團對權益結算獎賞已採納香港財務報告準則第2號過渡性條文，及已應用香港財務報告準則第2號於二零零二年十一月七日後授出，但於二零零五年四月一日仍未歸屬，及二零零五年四月一日或以後授出之權益結算獎賞。

# Notes to the Financial Statements 財務報表附註

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### **POLICIES** *(continued)*

#### **Employee benefits** *(continued)*

##### *Retirement benefits schemes*

The Group operates a defined contribution Mandatory Provident Fund 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 income statement 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 overseas are required to participate in central pension schemes operated by the local municipal governments. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension schemes.

#### **Borrowing costs**

Borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

## 2.4 主要會計政策的概要 (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，為所有在香港僱員設立一項定額供款強制性退休福利計劃（「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，並於應付時計入利潤表。強積金計劃的資產由獨立管理之基金持有，並與本集團之資產分開。本集團作出之僱主供款繳入計劃後即全數歸僱員。

本集團於海外營運之附屬公司的僱員均須參加由地方市政府設立之中央退休保障計劃。該等附屬公司須按其收入之若干百分比向該中央退休保障計劃作出供款。根據該中央退休保障計劃的規定，供款於應付時在利潤表內扣除。

### 借貸成本

借貸成本於發生期間於利潤表內確認為支付費用。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## 2.4 主要會計政策的概要 (續)

#### 外幣

本財務報表乃以港幣，即本公司之功能及呈報貨幣呈列。本集團內各企業釐定其本身之功能貨幣，而計入各企業財務報表之項目將用該功能貨幣計算。外幣交易初步以功能貨幣匯率於交易日期入賬。以外幣為單位之貨幣資產及負債乃按結算日之功能貨幣匯款換算。所有差額乃計入損益。非貨幣項目乃以外幣按歷史成本法計算，並以初步交易日期之匯率換算。以外幣按公允值計算之非貨幣項目釐定公允值當日按匯率換算。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

### POLICIES (continued)

#### Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

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

## 2.4 主要會計政策的概要 (續)

### 外幣 (續)

若干海外附屬公司之功能貨幣為港幣以外之貨幣。於結算日，該等企業之資產及負債乃按結算日之匯率換算為本公司之呈列貨幣，而其利潤表乃按年內之加權平均匯率換算成港幣。所產生之匯兌差額乃計入匯率波動儲備。於出售海外企業時，與該海外營運相關且確認於權益中之遞延累計金額須於利潤表確認。

就綜合現金流量表而言，海外營運之附屬公司之現金流量以現金流量日期之適用匯率換算為港幣。海外營運之附屬公司於年內出現頻繁之現金流量以年內之加權平均匯率換算為港幣。



# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### *Classification between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

## 3. 主要會計判斷及估計

### 判斷

於應用本集團之會計政策之過程中，管理層已作出以下判斷，除涉及估計外，該等判斷對於財務報表中確認之金額有最大影響：

#### *投資物業及業主佔用物業之分類*

本集團釐定一項物業是否符合投資物業資格，並已發展出作出該判斷之標準。投資物業為持有以賺取租金或資本增值或兩者之物業。因此，本集團考慮一個物業能否很大程度上獨立於本集團持有之其他資產產生現金流量。

一些物業組成以賺取租金或資本增值之部份而另一部份為持有作生產或供應貨物或服務或作行政用途。倘該等部份能作獨立出售（或以融資租賃獨立出租），則本集團將該部份作獨立處理。如該部份不能作獨立出售，則僅當該物業之重大部份為持作生產或供應貨物或服務或作行政用途之情況下，該物業方屬於投資物業。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

### Judgements (continued)

#### *Classification between investment properties and owner-occupied properties (continued)*

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

#### *Impairment of assets*

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could material affect the net present value used in the impairment test.

## 3. 主要會計判斷及估計 (續)

### 判斷 (續)

#### *投資物業及業主佔用物業之分類 (續)*

判斷乃按個別物業為基準以釐定輔助服務是否重大，致使該物業不符合投資物業資格。

#### *資產的減值*

本集團須行使判斷力以釐定資產有否減值或先前導致資產減值之事件是否不再存在，尤其在評估：(1)有否發生可能影響資產值之事件，或該影響資產值之事件是否已存在；(2)資產之賬面值是否可由未來現金流量之現值淨額支持，該現值淨額乃根據持續使用該資產或終止確認之基礎進行估計；及(3)編製現金流量估計將予應用之合適主要假設包括該等現金流量估計是否以合適利率貼現。改變管理層選定以釐定減值程度之假設，包括流動現金估計之貼現率或增長率假設，可能嚴重影響用於減值測試之現值淨額。

# Notes to the Financial Statements 財務報表附註

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## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND

### ESTIMATES (continued)

#### Judgements (continued)

##### Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes worldwide. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

## 3. 主要會計判斷及估計 (續)

### 判斷 (續)

#### 所得稅

本集團須繳納多個司法權區之所得稅。在釐定全球所得稅的撥備時，本集團須作出重大判斷。在一般業務過程中，有許多交易及計算均難以明確釐定最終稅項。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜之責任。倘該等事宜之最終稅務結果與起初入賬之金額不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

#### 估計不明朗因素

有關於結算日之未來及其他主要不明朗估計的主要來源之主要假設，而於下一個財政年度對資產及負債之賬面金額有造成重大調整之風險者論述如下。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

### Estimation uncertainty (continued)

#### Impairment of trademarks

In accordance with HKAS 36 "Impairment of Assets", the Group determines whether trademarks are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the trademarks are related. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### Estimation of useful lives of trademarks

The Group assessed the useful lives of previously recognised trademarks. As a result of this assessment, the trademarks were classified as intangible assets with indefinite useful lives. This conclusion is supported by the fact that the Group's trademark legal rights are capable of being renewed indefinitely at insignificant cost and therefore are perpetual in duration, related to well known and long established fashion brands, and based on future financial performance of the Group, they are expected to generate positive cash flows indefinitely. Under HKAS 38, the Group re-evaluates the useful lives of the trademarks each year to determine whether events or circumstances continue to support the view of the indefinite useful lives of the trademarks.

## 3. 主要會計判斷及估計 (續)

### 估計不明朗因素 (續)

#### 商譽的減值

按香港會計準則第36號「資產的減值」，本集團至少每年檢訂一次商標是否存在減值，此須估計與該商標有關之現金產生單位之使用價值。為估計使用價值，本集團須估計現金產生單位預期將來產生的現金流量，及選擇一個合適貼現率以計算該等現金流量的淨現值。

#### 商標可使用年期之估計

本集團評估以往確認的商標的可用年限。基於該評估，該等商標被分類作無盡使用年限的無形資產。由於本集團可以不重大成本不斷的更新對商標的合法權益，因此年期屬無盡。此等商標為已為人熟識及長久建立的時裝品牌，再基於本集團未來的財務表現，預期能不斷產生正現金流。根據香港會計準則第38號，本集團每年重新測算商標的可用年限，以決定有關事件或情況能否繼續支持商標為無盡使用年限的看法。

# Notes to the Financial Statements 財務報表附註

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## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

### Estimation uncertainty (continued)

#### Estimation of fair value of investment properties

The Group considers information from a variety of sources, including (i) by reference to current prices in an active market for properties of a different nature, condition and location (or subject to different leases or other contracts), adjusted to reflect those differences; (ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and (iii) independent valuations.

## 3. 主要會計判斷及估計 (續)

### 估計不明朗因素 (續)

#### 投資物業公允值估計

本集團考慮不同來源的資料，其中包括 (i) 參考活躍市場中不同性質、狀況及地點物業的現時價格；(ii) 於較不活躍市場同類物業最近成交價，並從交易發生日始，就任何經濟狀況轉變對價格作調整；及 (iii) 獨立估值。

# Notes to the Financial Statements 財務報表附註

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## 4. SEGMENT INFORMATION

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

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

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

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

## 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、產品及服務分類及管理。集團每一個業務分類代表該策略性業務之產品及服務之風險回報與其他業務不同，業務分類之摘要明細如下：

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

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



# Notes to the Financial Statements 財務報表附註

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## 4. SEGMENT INFORMATION (continued)

### (a) Business segments (continued)

## 4. 分類資料 (續)

### (a) 業務分類 (續)

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	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		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
<b>Assets and liabilities</b>	資產及負債										
Segment assets	分類資產	<b>4,700,738</b>	4,388,193	<b>1,548,541</b>	1,373,195	<b>78,958</b>	143,834	<b>(686,608)</b>	(880,215)	<b>5,641,629</b>	5,025,007
Interest in an associate	於聯營公司之權益									<b>121,464</b>	157,253
Unallocated assets	未分配資產									<b>79,306</b>	83,580
Total assets	總資產									<b>5,842,399</b>	5,265,840
Segment liabilities	分類負債	<b>657,771</b>	800,638	<b>1,137,684</b>	1,249,548	<b>103,447</b>	103,145	<b>(678,351)</b>	(867,358)	<b>1,220,551</b>	1,285,973
Unallocated liabilities	未分配負債									<b>1,306,825</b>	1,049,918
Total liabilities	總負債									<b>2,527,376</b>	2,335,891
<b>Other segment information:</b>	其他分類資料:										
Depreciation and amortisation	折舊及攤銷	<b>171,618</b>	162,646	<b>120,083</b>	117,244	<b>1,882</b>	2,131	—	—	<b>293,583</b>	282,021
Capital expenditure	資本性開支	<b>467,653</b>	147,609	<b>141,273</b>	203,515	<b>355</b>	136	—	—	<b>609,281</b>	351,260
Other non-cash expenses/(income)	其他非現金支出/(收入)	<b>41,611</b>	(10,541)	<b>3,151</b>	5,435	<b>46</b>	4,902	—	—	<b>44,808</b>	(204)
Fair value gains on investment properties	投資物業公允值收益	—	—	—	—	<b>(460)</b>	(8,354)	—	—	<b>(460)</b>	(8,354)



# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 4. SEGMENT INFORMATION (continued)

### (b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2007 and 31 March 2006:

## 4. 分類資料 (續)

### (b) 地域分類

下表為本集團截至二零零七年三月三十一日年及二零零六年三月三十一日止年度之地域分類收入及部份資產及支出資料：

Group		集團													
		USA		Mainland China		Japan		Hong Kong		Others		Eliminations		Consolidated	
		美國		中國大陸		日本		香港		其他		對銷		綜合	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		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
<b>Segment revenue:</b>	分類收入:														
Sales to external customers	售予集團外客戶	<b>3,622,174</b>	3,074,517	<b>2,489,632</b>	2,386,343	<b>513,083</b>	358,199	<b>627,887</b>	808,387	<b>1,045,776</b>	1,121,666	-	-	<b>8,298,552</b>	7,749,112
<b>Other segment information:</b>	其他分類資料:														
Segment assets	分類資產	-	-	<b>7,162,705</b>	6,276,532	-	-	<b>3,474,714</b>	4,660,192	<b>396,839</b>	579,532	<b>(5,191,859)</b>	(6,250,416)	<b>5,842,399</b>	5,265,840
Capital expenditure	資本性開支	-	-	<b>541,744</b>	277,870	-	-	<b>12,466</b>	18,663	<b>55,071</b>	54,727	-	-	<b>609,281</b>	351,260

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered and franchise income, but excludes intra-group transactions.

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

## 5. 收入、其他收入及收益

收入，亦為本集團營業額，指扣除退貨及貿易折扣後之銷貨發票淨值，及提供服務價值及特許經營收入，但不包括集團內部交易。

本集團之收入、其他收入及收益分析如下：

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
Note		<b>HK\$'000</b>	HK\$'000
附註		港幣千元	港幣千元
Revenue:	收入：		
Sale of goods	銷售貨品	<b>8,246,041</b>	7,696,511
Rendering of services	提供服務	<b>38,895</b>	31,720
Franchise income	特許經營收入	<b>13,616</b>	20,881
		<b>8,298,552</b>	7,749,112
Other income and gains:	其他收入及收益：		
Interest income	利息收入	<b>11,728</b>	13,436
Gross rental income	總租金收入	<b>16,385</b>	5,785
Net fair value gains on foreign exchange derivative financial instruments	外匯衍生金融工具公允值收益淨額	<b>51,363</b>	14,702
Fair value gains on investment properties	投資物業公允值收益	<b>460</b>	8,354
		14	
Scrap sales	餘料銷售	<b>15,989</b>	10,122
Sundry income	雜項收入	<b>32,942</b>	22,146
		<b>128,867</b>	74,545

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 6. PROFIT BEFORE TAX

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

## 6. 除稅前溢利

本集團之稅前利潤已扣除／（加上）下列各項：

		Group 集團	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
	Notes 附註		
Cost of inventories sold	已售之貨物成本	<b>5,607,999</b>	5,370,806
Depreciation	折舊	<b>292,939</b>	281,454
Recognition of prepaid land lease payments	預付土地租賃款之 確認	<b>644</b>	567
Employee benefits expenses, including directors' remuneration (note 7):	僱員福利開支， 包括董事酬金 (附註7)：		
Wages, salaries and other allowances	工資、薪金及 其他津貼	<b>877,612</b>	802,417
Equity-settled share option expenses	權益結算購股權 開支	31(b)      —	4,907
Provision for long service payments	長期服務金 撥備	27 <b>2,915</b>	764
Retirement benefits schemes contributions	退休福利計劃 供款	<b>9,575</b>	10,365
		<b>890,102</b>	818,453
Minimum lease payments under operating leases in respect of land and buildings:	經營租賃下之 土地及樓宇		
Minimum lease payments	最低租金費用：	<b>587,077</b>	539,224
Contingent rents	或然租金	<b>266,605</b>	251,777
		<b>853,682</b>	791,001
Minimum lease payments under operating leases in respect of plant and machinery	經營租賃下之設備 及機械最低租金 費用	<b>6,654</b>	7,634
Auditors' remuneration	核數師酬金	<b>2,774</b>	2,192
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及 設備項目虧損／（收益）	<b>(4,111)</b>	4,067
Net foreign exchange gains, excluding net fair value gains on foreign exchange derivative financial instruments	匯兌收益淨額， 不包括外匯衍生 金融工具收益 淨額	<b>(63,537)</b>	(15,088)
Net rental income	租金收入淨額	<b>(15,288)</b>	(5,051)
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	<b>48,540</b>	537
Impairment/(write-back of impairment) of trade receivables	應收賬款減值／ （減值撥回）	<b>378</b>	(9,715)

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

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

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

## 7. 董事酬金及五位最高薪酬僱員

按香港聯合交易所(「聯交所」)之《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	
		2007	2006
		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	720	675
		<b>770</b>	725
Other emoluments:	其他酬金:		
Executive directors:	執行董事:		
Salaries, allowances and benefits in kind	薪金、津貼及非現金福利	30,578	29,577
Performance related bonuses*	表現掛鈎花紅*	42,364	32,810
Retirement benefits schemes contributions	退休福利計劃供款	60	60
		<b>73,002</b>	62,447
		<b>73,772</b>	63,172

\* Executive directors of the Company are entitled to discretionary performance payments not exceeding a certain percentage of the profit after tax of the Group.

\* 本公司執行董事享有不超過本集團某個百分比的稅後利潤作為酌情支付表現掛鈎花紅。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 7. DIRECTORS' REMUNERATION AND FIVE

### HIGHEST PAID EMPLOYEES (continued)

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Au Son Yiu	區樂耀	<b>240</b>	225
Cheng Shu Wing	鄭樹榮	<b>240</b>	225
Wong Tze Kin, David	黃自建	<b>240</b>	225
		<b>720</b>	675

There were no other emoluments payable to the independent non-executive directors during the year (2006: Nil).

## 7. 董事酬金及五位最高薪酬僱員 (續)

#### (a) 獨立非執行董事

於年內已支付予獨立非執行董事之袍金如下：

於年內，並無（二零零六年：無）向獨立非執行董事支付其他酬金。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

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

## 7. 董事酬金及五位最高薪酬僱員(續)

### (b) Executive directors

### (b) 執行董事

		Salaries, allowances and benefits	Performance related bonuses	Retirement benefits schemes contributions	Total remuneration	
	Fees	in kind				
	袍金	薪金、 津貼及非 現金福利	表現 掛鈎花紅福	退休福利 計劃供款	酬金總額	
	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	
<b>2007</b>						
<b>Executive directors:</b>	<b>執行董事:</b>					
Poon Bun Chak	潘彬澤	10	9,462	20,979	12	30,463
Poon Kai Chak	潘佳澤	10	4,968	5,449	12	10,439
Poon Kei Chak	潘機澤	10	6,857	5,449	12	12,328
Poon Kwan Chak	潘鈞澤	10	4,386	5,449	12	9,857
Ting Kit Chung	丁傑忠	10	4,905	5,038	12	9,965
		<b>50</b>	<b>30,578</b>	<b>42,364</b>	<b>60</b>	<b>73,052</b>
<b>2006</b>						
Executive directors:	執行董事:					
Poon Bun Chak	潘彬澤	10	9,003	16,330	12	25,355
Poon Kai Chak	潘佳澤	10	4,746	4,200	12	8,968
Poon Kei Chak	潘機澤	10	6,535	4,150	12	10,707
Poon Kwan Chak	潘鈞澤	10	4,626	4,200	12	8,848
Ting Kit Chung	丁傑忠	10	4,667	3,930	12	8,619
		50	29,577	32,810	60	62,497

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

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

### (b) Executive directors (continued)

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

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

## 7. 董事酬金及五位最高薪酬僱員 (續)

### (b) 執行董事 (續)

並無董事於年內放棄或同意放棄任何酬金的安排。

五位本集團最高薪酬人士於年內全為董事，其薪酬明細已呈列如上。

## 8. FINANCE COSTS

## 8. 財務費用

		Group	
		集團	
		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest on bank loans and overdrafts	銀行貸款及透支利息	49,801	28,285
Interest on shareholder loan wholly repaid in last year	於年內已全數償還的股東貸款的利息	—	10,248
		<b>49,801</b>	<b>38,533</b>

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 9. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations 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% (二零零六年: 17.5%) 提撥準備。在其他地區的應課利得稅項，乃根據本集團業務經營所在地區之現有法律、詮釋及常規，按其現行稅率計算。

		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Group:	集團:		
Hong Kong and the	香港及中國大陸		
Mainland China taxes:	稅項:		
Current year provision	本年度準備	<b>76,443</b>	72,953
Underprovision in prior years	往年度撥備不足額	<b>28,632</b>	—
Deferred tax charge/ (credit) (note 28)	遞延稅項準備/(撥回) (附註28)	<b>1,972</b>	(2,480)
Tax charge for the year	本年度稅項	<b>107,047</b>	70,473



# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 9. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the applicable rates for the locations in which the Company and its subsidiaries 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所在國家之除稅前溢利及其適用稅率計算之稅項開支與本年度稅項調節如下：

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Profit before tax	除稅前溢利	<b>732,868</b>	505,690
Tax at the domestic tax rates applicable to profits in the locations concerned	按有關當地國家適用於溢利之稅率計算的稅項	<b>60,844</b>	36,025
Adjustments in respect of current tax of previous years	就往年度的當期稅項調整	<b>28,632</b>	—
Profit attributable to an associate	應佔聯營公司溢利	<b>(9,495)</b>	(6,878)
Income not subject to tax	毋須繳稅之收入	<b>(4,947)</b>	(20,617)
Expenses not deductible for tax	不可作稅項扣減之費用	<b>15,793</b>	10,946
Unrecognised deferred tax assets on tax losses	有關稅項虧損之未確認遞延稅項資產	<b>34,021</b>	60,958
Tax losses utilised from previous periods	已動用過往期間之稅項虧損	<b>(14,310)</b>	(1,128)
Others	其他	<b>(3,491)</b>	(8,833)
Tax charge for the year	本年度稅項	<b>107,047</b>	70,473

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 9. TAX (continued)

The share of tax attributable to an associate amounting to HK\$6,043,000 (2006: HK\$5,617,000) is included in "Share of profit of an associate" on the face of the consolidated income statement.

## 9. 稅項 (續)

應佔聯營公司稅項為港幣6,043,000元 (二零零六年:港幣5,617,000元) 已計入綜合利潤表之「應佔聯營公司溢利」中。

## 10. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the Company for the year ended 31 March 2007 includes a profit of HK\$759,075,000 (2006: HK\$292,328,000) which has been dealt with in the financial statements of the Company (note 31(b)).

## 10. 本公司權益所有者應佔溢利

於二零零七年三月三十一日止年度,列入本公司之財務報表內之本公司權益所有者應佔綜合溢利為港幣759,075,000元 (二零零六年:港幣292,328,000元) (附註31(b))。

## 11. DIVIDENDS

## 11. 股息

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
	港幣千元	港幣千元
Interim of HK12.0 cents 中期每股港幣12.0仙 (2006: HK11.0 cents) per share (二零零六年:港幣11.0仙)	<b>159,155</b>	145,889
Proposed final of HK15.0 cents 擬派末期每股港幣15.0仙 (2006: HK11.0 cents) per share (二零零六年:港幣11.0仙)	<b>198,913</b>	145,892
	<b>358,068</b>	291,781

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度擬派之末期股息須待本公司股東於即將舉行的股東週年大會上通過。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The basic and diluted earnings per share amounts for the year ended 31 March 2007 have been calculated as follows:

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the year.

### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

## 12. 歸屬本公司普通權益所有者每股盈利

二零零七年三月三十一日止年度之基本及攤薄後之每股盈利計算如下：

### (a) 基本每股盈利

基本每股盈利計算乃按本公司普通權益所有者應佔本年度溢利及於年內已發行普通股股份之加權平均數。

### (b) 攤薄後每股盈利

攤薄後每股盈利乃按本年度之本公司普通權益所有者應佔本年度溢利淨額。用於計算年內已發行普通股之加權平均股數乃用於計算基本每股盈利之股數，及被視作以無償行使或轉換所有具攤薄能力的潛在普通股為普通股的加權平均股數。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (continued)

The calculations of basic and diluted earnings per share are based on:

## 12. 歸屬本公司普通權益所有者每股盈利 (續)

基本及攤薄後之每股盈利計算如下：

		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
<b>Earnings</b>	盈利		
Profit attributable to	本公司普通權益		
ordinary equity holders	所有者應佔溢利		
of the Company		<b>625,148</b>	480,253

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (continued)

## 12. 歸屬本公司普通權益所有者每股盈利 (續)

		Number of shares 股份數目	
		2007	2006
<b>Shares</b>	股份		
Weighted average number of shares in issue during the year used in the basic earnings per share calculation	用作計算基本 每股盈利之年內 已發行股份 加權平均 股數	<b>1,326,288,104</b>	1,326,212,625
Effect of dilution — weighted average number of ordinary shares:	攤薄之影響— 加權平均普通股 股數:		
Share options*	購股權*	<b>1,502,978</b>	5,221,935
		<b>1,327,791,082</b>	1,331,434,560

\* The share options with an exercise price of HK\$5.6 per share outstanding during the year ended 31 March 2007 had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earning per share.

\* 於截至二零零七年三月三十一日止年度，由於未行使之行使價格每股港幣5.6元之購股權對基本每股盈利產生非攤薄性影響，因此在計算攤薄後之每股盈利時未被考慮。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 13. PROPERTY, PLANT AND EQUIPMENT

### Group

## 13. 物業、廠房及設備

### 集團

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles and yacht	Total
		租賃土地 及樓宇	租賃 樓宇裝修	廠房 及機械	傢俬、裝置及 辦公室設備	汽車及 遊艇	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>31 March 2007</b>	二零零七年三月三十一日						
At 31 March 2006 and 1 April 2006:	於二零零六年三月三十一日及 二零零六年四月一日:						
Cost or valuation	成本或估值	960,998	489,920	1,715,255	188,391	74,174	3,428,738
Accumulated depreciation	累計折舊	(187,888)	(341,031)	(781,938)	(119,039)	(62,445)	(1,492,341)
Net carrying amount	賬面淨值	773,110	148,889	933,317	69,352	11,729	1,936,397
At 1 April 2006, net of accumulated depreciation	於二零零六年四月一日，已扣除 累計折舊	773,110	148,889	933,317	69,352	11,729	1,936,397
Additions	添置	–	118,014	350,298	29,140	14,890	512,342
Surplus on revaluation	重估盈餘	20,177	–	–	–	–	20,177
Disposals	出售	(18,048)	(6,534)	(615)	(2,143)	(352)	(27,692)
Depreciation provided during the year	年內折舊準備	(38,006)	(92,674)	(132,304)	(23,671)	(6,284)	(292,939)
Transfers from construction in progress (note 16)	在建工程撥入 (附註16)	105,755	–	40,499	1,804	–	148,058
Transfers to investment properties (note 14)	撥往投資物業 (附註14)	(52,400)	–	–	–	–	(52,400)
Foreign exchange adjustments	外匯調整	17,131	8,695	51,065	2,213	485	79,589
At 31 March 2007, net of accumulated depreciation	於二零零七年三月三十一日， 已扣除累計折舊	807,719	176,390	1,242,260	76,695	20,468	2,323,532
At 31 March 2007:	於二零零七年三月三十一日:						
Cost or valuation	成本或估值	1,033,582	570,077	2,193,348	218,165	82,686	4,097,858
Accumulated depreciation	累計折舊	(225,863)	(393,687)	(951,088)	(141,470)	(62,218)	(1,774,326)
Net carrying amount	賬面淨值	807,719	176,390	1,242,260	76,695	20,468	2,323,532
Analysis of cost or valuation:	成本或估值分析:						
At cost	成本	1,013,906	570,077	2,193,348	218,165	82,686	4,078,182
At 31 March 1992 valuation	於一九九二年三月三十一日估值	19,676	–	–	–	–	19,676
		1,033,582	570,077	2,193,348	218,165	82,686	4,097,858

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 13. PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

## 13. 物業、廠房及設備 (續)

集團 (續)

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles and yacht	Total
		租賃土地 及樓宇	租賃 樓宇裝修	廠房 及機械	傢俬、裝置及 辦公室設備	汽車及 遊艇	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>31 March 2006</b>	二零零六年三月三十一日						
At 1 April 2005:	於二零零五年四月一日:						
Cost or valuation	成本或估值	850,319	421,356	1,621,715	174,804	73,312	3,141,506
Accumulated depreciation	累計折舊	(147,864)	(269,826)	(653,276)	(105,370)	(59,365)	(1,235,701)
Net carrying amount	賬面淨值	702,455	151,530	968,439	69,434	13,947	1,905,805
At 1 April 2005, net of accumulated depreciation	於二零零五年四月一日·已扣除 累計折舊	702,455	151,530	968,439	69,434	13,947	1,905,805
Additions	添置	35,567	95,642	67,039	22,160	3,292	223,700
Acquisition of a subsidiary (note 33)	收購一附屬公司 (附註33)	16,393	—	—	268	—	16,661
Disposals	出售	(246)	(5,957)	(261)	(1,513)	(286)	(8,263)
Depreciation provided during the year	年內折舊準備	(34,800)	(92,898)	(126,369)	(21,837)	(5,550)	(281,454)
Transfers from construction in progress (note 16)	在建工程撥入 (附註16)	48,813	—	—	153	—	48,966
Transfers to investment properties (note 14)	撥往投資物業 (附註14)	(5,618)	—	—	—	—	(5,618)
Foreign exchange adjustments	外匯調整	10,546	572	24,469	687	326	36,600
At 31 March 2006, net of accumulated depreciation	於二零零六年三月三十一日· 已扣除累計折舊	773,110	148,889	933,317	69,352	11,729	1,936,397
At 31 March 2006:	於二零零六年三月三十一日:						
Cost or valuation	成本或估值	960,998	489,920	1,715,255	188,391	74,174	3,428,738
Accumulated depreciation	累計折舊	(187,888)	(341,031)	(781,938)	(119,039)	(62,445)	(1,492,341)
Net carrying amount	賬面淨值	773,110	148,889	933,317	69,352	11,729	1,936,397
Analysis of cost or valuation:	成本或估值分析:						
At cost	成本	939,662	489,920	1,715,255	188,391	74,174	3,407,402
At 31 March 1992 valuation	於一九九二年三月三十一日估值	21,336	—	—	—	—	21,336
		960,998	489,920	1,715,255	188,391	74,174	3,428,738

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 13. PROPERTY, PLANT AND EQUIPMENT (continued)

An analysis of the leasehold land and buildings at 31 March 2007 is as follows:

## 13. 物業、廠房及設備 (續)

於二零零七年三月三十一日之租賃土地及樓宇分析如下：

		2007 二零零七年			2006 二零零六年		
		1992 Professional valuation 一九九二年 專業估值 HK\$'000 港幣千元	Cost HK\$'000 港幣千元	Total HK\$'000 港幣千元	1992 Professional valuation 一九九二年 專業估值 HK\$'000 港幣千元	Cost HK\$'000 港幣千元	Total HK\$'000 港幣千元
Medium term leasehold land and buildings situated in Hong Kong	位於香港之中期租賃 土地及樓宇	19,676	101,443	121,119	21,336	101,443	122,779
Medium term leasehold land and buildings situated outside Hong Kong	位於香港以外之中期租賃 土地及樓宇	-	912,463	912,463	-	838,219	838,219
		<b>19,676</b>	<b>1,013,906</b>	<b>1,033,582</b>	21,336	939,662	960,998

Certain medium term leasehold land and buildings were revalued in 1992 by independent professionally qualified valuers. Since 1993, no further revaluation of the Group's leasehold land and buildings has been carried out as the Group has relied upon the exemption granted under the transitional provisions in paragraph 80A of HKAS 16 "Property, plant and equipment", from the requirement to carry out future revaluations of its property, plant and equipment which were stated at valuation at that time. Had such leasehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amount would have been approximately HK\$8,171,000 (2006: HK\$8,661,000).

部份中期租賃土地及樓宇曾於一九九二年經獨立專業評估師進行重估。本集團自一九九三年起，並無對其租賃土地及樓宇作進一步重新估值，因按香港會計準則第16號「物業、廠房及設備」第80A段過渡性條文，豁免為其曾以當時估值入賬的物業、廠房及設備重新於將來再作重估。倘該等租賃土地及樓宇按歷史成本減累計折舊列賬，其賬面金額應約為港幣8,171,000元（二零零六年：港幣8,661,000元）。



# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 13. PROPERTY, PLANT AND EQUIPMENT (continued)

During the year, certain leasehold land and buildings with a total net carrying amount of HK\$52,400,000 (2006: HK\$5,618,000) were transferred from property, plant and equipment to investment properties (note 14). The surplus on revaluation of these leasehold land and buildings amounted to HK\$20,177,000, of which HK\$10,895,000 and HK\$9,282,000 were credited to the asset revaluation reserve and the minority interests, respectively.

## 14. INVESTMENT PROPERTIES

## 13. 物業、廠房及設備 (續)

於年內，部份已作重估之租賃土地及樓宇，其賬面金額共港幣52,400,000元（二零零六年：港幣5,618,000元），已由物業、廠房及設備轉撥至投資物業（附註14）。而因該等租賃土地及樓宇轉撥產生的重估盈餘為港幣20,177,000元，並分別貸記港幣10,895,000元及港幣9,282,000元於資產重估儲備及少數股東權益中。

## 14. 投資物業

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		二零零七年	二零零六年
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Carrying amount at beginning of year	於年初賬面值	<b>66,822</b>	52,850
Transfers from owner-occupied property included in property, plant and equipment (note 13)	轉撥自包括於物業、廠房及設備的自用物業 (附註13)	<b>52,400</b>	5,618
Net profit from fair value adjustments (note 5)	以公允價值調整的淨利潤 (附註5)	<b>460</b>	8,354
Carrying amount at 31 March	於三月三十一日賬面值	<b>119,682</b>	66,822

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 14. INVESTMENT PROPERTIES (continued)

The investment properties with carrying value of HK\$67,282,000 (2006: HK\$66,822,000) and HK\$52,400,000 (2006: Nil) are situated in Hong Kong and Taiwan, respectively. All investment properties are held under medium term leases. The investment properties with carrying value of HK\$100,682,000 were revalued on 31 March 2007 by the directors with reference to the current prices of similar properties in an active market at nearby locations adjusted to reflect those differences; as well as recent prices of similar properties or less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The investment properties with carrying value of HK\$19,000,000 were revalued on 31 March 2007 by Chung, Chan & Associates, Chartered Surveyors, independent professionally qualified valuers, on an open market, existing use basis. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 35(a) to the financial statements.

Certain investment properties were transferred from leasehold land and buildings in Hong Kong of property, plant and equipment at their 1992 professional valuation. The related asset revaluation reserve net with its corresponding deferred tax liabilities of HK\$7,470,000 (2006: HK\$7,470,000) was frozen upon the transfer and will be released directly to retained profits upon the disposal of the related investment properties.

## 14. 投資物業 (續)

賬面值為港幣67,282,000元(二零零六年:港幣66,822,000元)及港幣52,400,000元(二零零六年:無)的投資物業分別位於香港及台灣。投資物業全部按中期租約持有。賬面值為港幣100,682,000元之投資物業乃由董事參考目前活躍市場中附近地點類似物業的現價於二零零七年三月三十一日作出重估以反映其差異;同樣地就類似物業的目前價格或較不活躍的市場,作出調整以反映任何由交易日期起發生價格的改變。於二零零七年三月三十一日,賬面值為港幣19,000,000元的投資物業之重估由獨立專業評估師、特許測量師Chung, Chan & Associates, Chartered Surveyors之估值,按公開市場及現有用途基準進行重估。投資物業乃以經營租約租予第三者,詳細資料載於財務表附註35(a)。

若干投資物業乃轉撥自按一九九二年專業估值的物業、廠房及設備中位於香港的租賃土地及樓宇。有關的資產重估儲備港幣7,470,000元(二零零六年:港幣7,470,000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。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 14. INVESTMENT PROPERTIES (continued)

The gross rental income earned from the investment properties during the year amounted to HK\$16,385,000 (2006: HK\$5,785,000).

## 14. 投資物業 (續)

年內源於投資物業之總租金收入為港幣16,385,000元(二零零六年:港幣5,785,000元)。

## 15. PREPAID LAND LEASE PAYMENTS

## 15. 預付土地租賃款

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Carrying amount at beginning of year	於年初之賬面值	<b>25,745</b>	22,684
Exchange realignment	匯兌調整	<b>318</b>	95
Additions	添置	—	3,533
Recognised during the year	年內確認	<b>(644)</b>	(567)
Carrying amount at 31 March	於三月三十一日之賬面值	<b>25,419</b>	25,745
Current portion included in prepayments, deposits and other receivables	包括於預付款項、訂金及其他應收賬款的流動部份	<b>(646)</b>	(570)
Non-current portion	非流動部份	<b>24,773</b>	25,175

The above leasehold lands are all held under medium term leases and are situated outside Hong Kong.

以上之租賃土地均以中期租約持有及位於香港以外地方。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 16. CONSTRUCTION IN PROGRESS

## 16. 在建工程

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
At beginning of year	年初	<b>83,540</b>	19,589
Additions	添置	<b>96,939</b>	110,899
Transfer to property, plant and equipment (note 13)	撥往物業、廠房及設備 (附註13)	<b>(148,058)</b>	(48,966)
Foreign exchange adjustments	外匯調整	<b>6,092</b>	2,018
At 31 March	於三月三十一日	<b>38,513</b>	83,540

## 17. TRADEMARKS

## 17. 商標

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Cost and carrying amount:	成本及賬面值:		
At beginning of year	年初	<b>33,227</b>	33,119
Additions	添置	<b>66</b>	108
Cost and carrying amount at 31 March	於三月三十一日 成本及賬面值	<b>33,293</b>	33,227

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 18. INTEREST IN AN ASSOCIATE

## 18. 於聯營公司之權益

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Share of net assets	應佔資產淨值	<b>121,464</b>	157,253

Particulars of the associate are as follows:

聯營公司之資料如下：

<b>Name</b>	<b>Particulars of issued shares held</b>	<b>Place of incorporation and operations</b>	<b>Percentage of ownership interest attributable to the Group</b>	<b>Principal activity</b>
			本集團應佔權益百分比	
名稱	持有已發行股本的資料	註冊成立及營業地點	本集團應佔權益百分比	主要業務
Megawell Industrial Limited	Ordinary shares of HK\$1 each	Hong Kong/ The Mainland China and Vietnam	50	Manufacture of garments
偉佳針織有限公司	每股普通股 港幣1元	香港／中國大陸及 越南		成衣生產

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 18. INTEREST IN AN ASSOCIATE (continued)

The following table illustrates the summarised financial information of Megawell Industrial Limited extracted from its management accounts:

		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Assets	資產	<b>449,046</b>	453,047
Liabilities	負債	<b>238,020</b>	166,123
Revenues	收入	<b>1,036,465</b>	978,582
Profit after tax	除稅後溢利	<b>100,102</b>	107,405

## 19. DUE TO AN ASSOCIATE

The amount due to an associate is unsecured, interest-free and repayable on agreed credit terms. The carrying amount of the amount due to the associate approximates to its fair value.

## 19. 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。應付聯營公司賬面值與其公允值相若。

## 20. INVENTORIES

## 20. 存貨

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Raw materials	原料	<b>694,681</b>	715,192
Work in progress	在製品	<b>88,697</b>	56,318
Finished goods	製成品	<b>506,962</b>	526,575
		<b>1,290,340</b>	1,298,085

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 21. TRADE AND BILLS RECEIVABLES

## 21. 應收賬款及應收票據

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Trade receivables	應收賬款	<b>613,967</b>	447,658
Bills receivable	應收票據	<b>476,420</b>	282,973
Bills receivable discounted with recourse (note 26)	有追索權的已貼現 應收票據 (附註26)	—	149,069
		<b>476,420</b>	432,042
		<b>1,090,387</b>	879,700

Payment terms of the Group's customers mainly range from "cash before delivery" to "within 90 days from the date of invoice". A significant portion of the customers trade with the Group under documentary credit terms.

The Group seeks to maintain strict credit control on its outstanding receivables and has a policy to manage its credit risk. Since the Group's trade receivables relate to a large number of customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

本集團客戶主要賬期由「先款後貨」至「發票日起的90天內」，其中有重大部份是以信用狀進行交易。

本集團對應收賬款實施一套嚴謹監察制度以管理授信風險。由於本集團應收賬款包括眾多客戶，因此本集團並無重大的信貸風險。應收賬款為非附息。

# Notes to the Financial Statements 財務報表附註

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## 21. TRADE AND BILLS RECEIVABLES (continued)

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

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	<b>592,031</b>	425,898
Over 90 days	90日以上	<b>21,936</b>	21,760
		<b>613,967</b>	447,658

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

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	<b>445,012</b>	415,457
Over 90 days	90日以上	<b>31,408</b>	16,585
		<b>476,420</b>	432,042

## 21. 應收賬款及應收票據 (續)

於結算日，按發票日期扣除減值後之應收賬款賬齡分析如下：

於結算日，按發票日期之應收票據賬齡分析如下：



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## 22. DERIVATIVE FINANCIAL INSTRUMENTS

### Group

		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Forward currency contracts:	遠期外匯合約：		
Assets	資產	<b>25,588</b>	11,807
Liabilities	負債	<b>196</b>	2,852

The carrying amounts of forward currency contracts are the same as their fair values.

## 22. 衍生金融工具

### 集團

遠期外匯合約之賬面值與其公允值相同。

## 23. CASH AND CASH EQUIVALENTS

		<b>Group</b>		<b>Company</b>	
		集團		公司	
		<b>2007</b>	2006	<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cash and bank balances	現金及銀行結餘	<b>165,523</b>	167,341	<b>154</b>	—
Time deposits	定期存款	<b>79,306</b>	83,580	—	—
		<b>244,829</b>	250,921	<b>154</b>	—

## 23. 現金及現金等價物

# Notes to the Financial Statements 財務報表附註

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## 23. 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\$125,038,000 (2006: HK\$107,932,000) and the time deposits of the Group denominated in RMB amounted to HK\$1,010,000 (2006: HK\$871,000). RMB is not freely convertible into other currencies, however, under the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between 3 days and 90 days depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

## 24. TRADE AND BILLS PAYABLES

## 23. 現金及現金等價物 (續)

於結算日，本集團以人民幣結算之現金及銀行結餘為港幣125,038,000元（二零零六年：港幣107,932,000元），人民幣定期存款則為港幣1,010,000元（二零零六年：港幣871,000元）。人民幣不能自由兌換其他貨幣，惟根據中華人民共和國的結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金根據每日銀行存款利率賺取利息。短期定期存款之存款期由3日至90日不等，視乎本集團之即時現金需求而定，並按各短期定期存款利率賺取利息。

## 24. 應付賬款及應付票據

		Group	
		集團	
		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade payables	應付賬款	935,474	965,063
Bills payable	應付票據	15,444	43,437
		950,918	1,008,500

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 24. TRADE AND BILLS PAYABLES (continued)

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

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	<b>905,975</b>	939,351
Over 90 days	90日以上	<b>29,499</b>	25,712
		<b>935,474</b>	965,063

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

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	<b>15,444</b>	—
Over 90 days	90日以上	—	43,437
		<b>15,444</b>	43,437

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

## 24. 應付賬款及應付票據 (續)

於結算日，按發票日期之應付賬款賬齡分析如下：

於結算日，按發票日期之應付票據賬齡分析如下：

應付賬款為非付息及一般為90天的賬期。

## 25. OTHER PAYABLES AND ACCRUED LIABILITIES

Other payables are non-interest-bearing and have an average term of three months.

## 25. 其他應付賬款及應計負債

其他應付賬款為無利息，且平均賬期為三個月。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 26. INTEREST-BEARING BANK BORROWINGS

## 26. 付息銀行貸款

Group 集團		2007			2006		
		Effective interest rate (%) 實際年利率(%)	Maturity 到期日	HK\$'000 港幣千元	Effective interest rate (%) 實際年利率(%)	Maturity 到期日	HK\$'000 港幣千元
<b>Current</b>	流動						
Bank overdrafts – unsecured	銀行透支—無抵押	<b>7.75 – 8.0</b>	<b>On demand</b> 在通知時	<b>2</b>	8.0 – 8.3	On demand 在通知時	24
Trust receipt loans	信託票據貸款	<b>4.23</b>	<b>30 days</b> 三十天	<b>1,590</b>	4.6 – 4.7	30 days 三十天	28,390
Bank advances for discounted bills receivable (note 21)	就已貼現應收票據 的銀行墊款(附註21)	–	–	–	4.5 – 5.6	3 months 三個月	149,069
Bank loans – unsecured	銀行貸款—無抵押	<b>2.23 – 4.79</b>	<b>Within 1 year</b> 一年內	<b>545,193</b>	4.5 – 4.7	Within 1 year 一年內	237,833
				<b>546,785</b>			415,316
<b>Non-current</b>	非流動						
Bank loans - unsecured	銀行貸款—無抵押	<b>2.23 – 4.65</b>	<b>2008 – 2012</b>	<b>557,791</b>	4.5 – 4.7	2007 – 2009	478,000
				<b>1,104,576</b>			893,316

### Group 集團

2007	2006
HK\$'000	HK\$'000
港幣千元	港幣千元

Analysed into:	分析歸納:		
Bank loans and overdrafts repayable:	銀行貸款及透支須於 下列期間清還:		
Within one year or on demand	於一年內償還或 按要求	<b>546,785</b>	415,316
In the second year	第二年	<b>298,638</b>	274,498
In the third to fifth years, inclusive	第三至第五年, 包括 首尾兩年	<b>259,153</b>	203,502
		<b>1,104,576</b>	893,316

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 26. INTEREST-BEARING BANK BORROWINGS

(continued)

As at 31 March 2007, the Group's bank borrowings in Hong Kong dollars and New Taiwanese dollars amounted to HK\$1,026,321,000 (2006: HK\$893,316,000) and HK\$78,255,000 (2006: Nil) respectively, and bear interest at floating rates (2006: floating rates). The carrying amounts of the Group's bank borrowings approximate to their fair values.

## 26. 附息銀行貸款(續)

於二零零七年三月三十一日，本集團之港幣及新台幣銀行貸款分別為港幣1,026,321,000元(二零零六：港幣893,316,000元)及港幣78,255,000元(二零零六：無)，並附浮動利率(二零零六：浮動利率)。本集團銀行貸款之賬面值與其公允值相若。

## 27. PROVISION FOR LONG SERVICE PAYMENTS

## 27. 長期服務金撥備

		Group	
		集團	
		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At beginning of year	年初	<b>8,773</b>	8,111
Additional provision (note 6)	額外撥備(附註6)	<b>2,915</b>	764
Amount utilised during the year	年內使用金額	<b>(385)</b>	(102)
At 31 March	於三月三十一日	<b>11,303</b>	8,773

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 28. DEFERRED TAX

## 28. 遞延稅項

		Depreciation allowance in excess of related depreciation		Revaluation of properties		Fair values of derivative financial instruments		Others		Group	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		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
At beginning of year	年初	(510)	394	1,886	1,886	-	3,009	2,212	779	3,588	6,068
Deferred tax charge/(credit) to the income statement during the year (note 9)	年內計入利潤表的遞延稅項準備/(回撥)(附註9)	(211)	(904)	-	-	-	(3,009)	2,183	1,433	1,972	(2,480)
At 31 March	於三月三十一日	(721)	(510)	1,886	1,886	-	-	4,395	2,212	5,560	3,588

The Group has tax losses arising in Hong Kong of HK\$456,324,000 (2006: HK\$398,431,000) 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 are expected to generate in the foreseeable future.

At 31 March 2007, there was no significant unrecognised deferred tax liability (2006: 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.

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

本集團於香港產生之稅項虧損為港幣456,324,000元(二零零六年:港幣398,431,000元),該等公司的稅項虧損可無限期用作抵銷日後之應課稅溢利。由於未能確定產生有關虧損之附屬公司於可見將來會否產生應課稅溢利,遞延稅項資產並無就該等虧損進行確認。

於二零零七年三月三十一日,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(二零零六年:無),因倘若該盈利得以匯寄,本集團並無額外稅項負債。

本公司向其股東派發之股息,並無導致任何須繳納所得稅之後果。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 29. SHARE CAPITAL

## 29. 股本

### Shares

### 股份

		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Authorised:	法定:		
2,000,000,000 shares of HK\$0.05 each in nominal value	2,000,000,000股 每股面值港幣0.05元	<b>100,000</b>	100,000
Issued and fully paid:	已發行及繳足:		
1,326,288,104 (2006: 1,326,288,104) shares of HK\$0.05 each in nominal value	1,326,288,104 (二零零六年: 1,326,288,104) 股 每股面值港幣0.05元	<b>66,314</b>	66,314

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

本公司股本之變動簡述如下:

		<b>Number of shares in issue</b>	<b>Issued share capital</b>	<b>Share premium account</b>	<b>Total</b>
		已發行 股份數量	已發行 股本 HK\$'000 港幣千元	股本 溢價賬 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
At 1 April 2005	於二零零五年 四月一日	1,326,108,104	66,305	343,272	409,577
Exercise of share options	購股權之行使	180,000	9	886	895
At 31 March 2006, 1 April 2006 and 31 March 2007	於二零零六年 三月三十一日, 二零零六年 四月一日及 二零零七年 三月三十一日	1,326,288,104	66,314	344,158	410,472

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 29. SHARE CAPITAL (continued)

### Shares (continued)

After the balance sheet date and up to the date of these financial statements, the Company's issued share capital decreased to 1,326,092,104 ordinary shares as a result of:

- (1) the repurchase and cancel by the Company of 526,000 of its ordinary shares of HK\$0.05 each from the market at an approximate consideration of HK\$2,837,000; and
- (2) the exercise of 330,000 share options by certain employees of the Company (note 30).

### Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 30 to the financial statements.

## 30. 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.

## 29. 股本 (續)

### 股份 (續)

結算日後至本財務報表日，本公司已發行股本減少至1,326,092,104股普通股，由於：

- (1) 本公司以代價約港幣2,837,000元於市場回購及取消其每股港幣0.05元之普通股526,000股；及
- (2) 本公司若干僱員行使330,000股購股權 (附註30)。

### 購股權

本公司之購股權計劃及根據該計劃發行之購股權之詳細資料已載於財務報表附註30。

## 30. 購股權計劃

本公司採納一個符合《證券上市規則》第十七章要求的購股權計劃 (「該計劃」)，主要目的是向符合資格及曾對本集團作出貢獻的參與者給與獎勵及報酬。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) 及本集團其他僱員。該計劃有效期為由二零零二年八月二十八日起計之十年內。



# Notes to the Financial Statements 財務報表附註

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## 30. SHARE OPTION SCHEME (continued)

The maximum number of share options permitted to be granted under the Scheme was an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant 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.

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\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

## 30. 購股權計劃 (續)

該計劃允許之最多可授予之購股權為相等於本公司任何時間之10%已發行股份。於任何十二個月期間內根據購股權計劃可向每名合資格參與人士發行之股份數目，最多不得超逾任何時間之本公司已發行股份1%。任何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。

向董事、董事總經理或主要股東，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5,000,000元，必須事先獲股東於股東大會批准。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 30. SHARE OPTION SCHEME (continued)

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 share options is determinable by the directors, but may not be less than the highest 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 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.

## 30. 購股權計劃 (續)

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者享有股息的權利或於股東會投票的權利。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 30. SHARE OPTION SCHEME (continued)

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

## 30. 購股權計劃 (續)

於結算日，未行使之購股權如下：

Name or category of participant	Date of grant of share options*	Exercise price of share options** HK\$ per share 每股港元	Number of share options 購股權數目			At 31 March 2007	Exercise period of share options	Price of the Company's shares*** 本公司股價***		
			At 1 April 2006	Exercised during the year	Forfeited during the year			At grant date of options	Immediately before the exercise date	At exercise date of options
<b>Directors</b>										
<b>董事</b>										
Poon Bun Chak	11 September 2002	4.97	1,000,000	—	—	1,000,000	11 September 2002 to 10 September 2012	4.80	—	—
潘彬澤	二零零二年九月十一日						二零零二年九月十一日至二零零二年九月十日			
Poon Kai Chak	11 September 2002	4.97	7,500,000	—	—	7,500,000	11 September 2002 to 10 September 2012	4.80	—	—
潘佳澤	二零零二年九月十一日						二零零二年九月十一日至二零零二年九月十日			
	26 March 2004	5.60	3,000,000	—	—	3,000,000	26 March 2004 to 25 March 2014	5.55	—	—
	二零零四年三月二十六日						二零零四年三月二十六日至二零零四年三月二十五日			
			10,500,000	—	—	10,500,000				

# Notes to the Financial Statements 財務報表附註

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## 30. SHARE OPTION SCHEME (continued)

## 30. 購股權計劃 (續)

Name or category of participant	Date of grant of share options*	Exercise price of share options** HK\$ per share 每股港元	Number of share options 購股權數目			At 31 March 2007	Exercise period of share options	Price of the Company's shares*** 本公司股價***		
			At 1 April 2006	Exercised during the year	Forfeited during the year			At grant date of options	Immediately before the exercise date	At exercise date of options
參與者 名稱或類別	購股權 頒授日期*	購股權 行使價格** HK\$ per share 每股港元	於二零零六年 四月一日	年內 已行使	年內 已取消	於二零零七年 三月三十一日	購股權 行使期限	於頒授 購股權日	緊接於 行使日前	於購股權 行使日
<b>Directors (continued)</b> 董事 (續)										
Poon Kei Chak 潘繼澤	11 September 2002 二零零二年九月十一日	4.97	7,500,000	—	—	7,500,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至 二零一二年九月十日	4.80	—	—
	26 March 2004 二零零四年三月二十六日	5.60	3,000,000	—	—	3,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至 二零一四年三月二十五日	5.55	—	—
			10,500,000	—	—	10,500,000				
Poon Kwan Chak 潘鈞澤	11 September 2002 二零零二年九月十一日	4.97	4,000,000	—	—	4,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至 二零一二年九月十日	4.80	—	—
	26 March 2004 二零零四年三月二十六日	5.60	6,000,000	—	—	6,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至 二零一四年三月二十五日	5.55	—	—
			10,000,000	—	—	10,000,000				
Ting Kit Chung 丁傑忠	11 September 2002 二零零二年九月十一日	4.97	4,000,000	—	—	4,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至 二零一二年九月十日	4.80	—	—
	26 March 2004 二零零四年三月二十六日	5.60	6,000,000	—	—	6,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至 二零一四年三月二十五日	5.55	—	—
			10,000,000	—	—	10,000,000				
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	—	—
			400,000	—	—	400,000				

# Notes to the Financial Statements 財務報表附註

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## 30. SHARE OPTION SCHEME (continued)

## 30. 購股權計劃 (續)

Name or category of participant	Exercise price of share options**	Date of grant of share options*	Number of share options 購股權數目			At 31 March 2007	Exercise period of share options	Price of the Company's shares*** 本公司股價***		
			At 1 April 2006	Exercised during the year	Forfeited during the year			At grant date of options	Immediately before the exercise date	At exercise date of options
參與者 名稱或類別	購股權 行使價格** HK\$ per share 每股港元	頒授日期*	於二零零六年 四月一日	年內 已行使	年內 已取消	於二零零七年 三月三十一日	購股權 行使期限	於頒授 購股權日 HK\$ per share 每股港元	緊接於 行使日前 HK\$ per share 每股港元	於購股權 行使日 HK\$ per share 每股港元
<b>Directors (continued)</b> 董事 (續)										
Cheng Shu Wing 鄭樹榮	4.97	11 September 2002 二零零二年九月十一日	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	—	—
	5.60	26 March 2004 二零零四年三月二十六日	200,000	—	—	200,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至 二零一四年三月二十五日	5.55	—	—
			400,000	—	—	400,000				
Wong Tze Kin, David 黃自建	5.60	26 March 2004 二零零四年三月二十六日	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	—	—
<b>Other employees</b> 其他僱員										
In aggregate 合共	4.97	11 September 2002 二零零二年九月十一日	1,290,000	—	(40,000)	1,250,000	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	—	—
	5.60	26 March 2004 二零零四年三月二十六日	6,850,000	—	(250,000)	6,600,000	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	—	—
			8,140,000	—	(290,000)	7,850,000				
			51,140,000	—	(290,000)	50,850,000				

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 30. SHARE OPTION SCHEME (continued)

Notes:

- \* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- \*\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- \*\*\* The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised over all of the exercises of options within the disclosure line.

The fair value of equity-settled share options granted in prior years was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 31 March 2006:

Dividend yield (%)	3.3	股息率 (%)	3.3
Expected volatility (%)	24.1	預期引伸波幅 (%)	24.1
Historical volatility (%)	24.1	歷史引伸波幅 (%)	24.1
Risk-free interest rate (%)	3.8	無風險利率 (%)	3.8
Expected life of option (year)	10	購股權預計年期 (年)	10
Weighted average share price (HK\$)	5.6	加權平均股價 (港元)	5.6

## 30. 購股權計劃 (續)

備註:

- \* 購股權賦權日期乃由頒授購股權日起至行使期開始止。
- \*\* 購股權的行使價於本公司配股或派發紅股或在股本中有其他類似轉變時可予調整。
- \*\*\* 於購股權授出日期披露之本公司股份價格為緊接授出購股權日期前交易日之聯交所收市價。本公司於緊接購股權行使日期前所披露的股份價格，指本公司股份於緊接購股權行使日期前聯交所收市價的加權平均數除以披露類別內已行使購股權數目。

權益結算購股權之公允值乃以二項式模式估計在授出日期之價值，當中考慮授出購股權之條款及情況。下表列載截至二零零六年三月三十一日止年度所用之模式須輸入之數據：

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 30. SHARE OPTION SCHEME (continued)

The expected life of the options is based on the historical data over the past two years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

During the year, 290,000 share options were forfeited upon resignation of certain employees during the year, resulting in a reduction in the share option reserve which was transferred to retained profits of HK\$435,000 (2006: Nil).

At 31 March 2007, the Company had 50,850,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 50,850,000 additional ordinary shares of the Company and additional share capital of HK\$2,543,000 and share premium of HK\$266,058,000 (before issue expenses).

## 30. 購股權計劃 (續)

購股權之預計年期乃根據過往兩年內歷史資料為基礎，不一定表示可能出現有關的行使模式。預期引伸波幅反映歷史波幅趨勢是一項假設，此亦不一定表示實際結果。

計量公允值時並未計及已授出購股權之任何其他特色。

於年內，當某些僱員離職，290,000份購股權已被取消，引至購股權儲備減少港幣435,000元（二零零六年：無），並轉撥至保留溢利。

於二零零七年三月三十一日，本公司在該計劃下尚有50,850,000份購股權未獲行使。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50,850,000股本公司之普通股，並額外產生股本港幣2,543,000元及股份溢價港幣266,058,000元（未計發行開支）。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 30. SHARE OPTION SCHEME (continued)

Subsequent to the balance sheet date, on 18 June 2007, a total of 330,000 share options were exercised by employees, resulting in the issue of 330,000 ordinary shares of the Company with new share capital of HK\$17,000 and share premium of HK\$1,718,000.

At the date of approval of these financial statements, the Company had 50,520,000 share options outstanding under the Scheme, which represented approximately 3.8% of the Company's shares in issue as at that date.

## 31. RESERVES

### (a) Group

The amounts 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 of the financial statements.

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

## 30. 購股權計劃 (續)

結算日後，於二零零七年六月十八日，一些僱員行使其330,000份購股權，導至發行本公司普通股330,000股，及增加新股本港幣17,000元和股本溢價港幣1,718,000元。

於財務報表之核准日，本公司在該計劃下尚有50,520,000份購股權未獲行使，相當於該日本公司已發行股份約3.8%。

## 31. 儲備

### (a) 集團

本年度及前年度本集團儲備及其間之變動呈列於財務報表的綜合權益變動表內。

因應本公司在一九九二年上市前的重組，本集團之實繳盈餘為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。



# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 31. RESERVES (continued)

### (a) Group (continued)

As further detailed in note 2.4 to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001, to remain eliminated against consolidated retained profits. The amounts of goodwill remaining in consolidated retained profits, arising from the acquisitions of an associate prior to the adoption of SSAP 30 in 2001, was HK\$110,648,000 as at 31 March 2006 and 31 March 2007.

In accordance with the Macau Commercial Codes, Nice Dyeing Factory (Macao Commercial Offshore) Limited, a wholly owned subsidiary of the Company, whose principal operation is conducted in Macau, is required to appropriate annually not less than 25% of its profit after tax to a legal reserve, until the balance of the reserve reaches 50% of the entity's capital fund.

## 31. 儲備 (續)

### (a) 集團 (續)

詳載於財務報表附註2.4，本集團已引用香港財務報告準則第3號過渡性條文，允許於二零零一年前發生的業務合併產生的商譽繼續與綜合保留溢利沖銷。於二零零一年採納SSAP 30前，因收購一聯營公司產生的商譽，仍維持於綜合保留溢利中，其金額於二零零六年三月三十一日及二零零七年三月三十一日為港幣110,648,000元。

根據澳門商業法，本公司一全資擁有附屬公司，永佳染廠（澳門離岸商業服務）有限公司，其主要運作於澳門進行，需每年分配其不少於25%的除稅後利潤至法定儲備，直至該儲備餘額達至該公司資本金的50%。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 31. RESERVES (continued)

### (b) Company

## 31. 儲備 (續)

### (b) 公司

		Share premium account	Share option reserve	Capital redemption reserve	Contributed surplus	Retained profits	Total
		股本 溢價賬	購股權 儲備	股本 贖回儲備	實繳盈餘	保留溢利	總額
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	附註	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2005	於二零零五年四月一日	343,272	5,369	1,587	48,708	379,905	778,841
Exercise of share options	行使購股權	30 886	—	—	—	—	886
Profit for the year	本年度溢利	—	—	—	—	292,328	292,328
Equity-settled share option arrangement	權益結算購股權安排	—	4,907	—	—	—	4,907
2005/2006 Interim dividend	二零零五/二零零六年度中期股息	11 —	—	—	—	(145,889)	(145,889)
2005/2006 Proposed final dividend	二零零五/二零零六年度擬派末期股息	11 —	—	—	—	(145,892)	(145,892)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日及 二零零六年四月一日	344,158	10,276	1,587	48,708	380,452	785,181
Forfeit of share options	取消購股權	30 —	(435)	—	—	435	—
Profit for the year	本年度溢利	—	—	—	—	759,075	759,075
2006/2007 Interim dividend	二零零六/二零零七年度中期股息	11 —	—	—	—	(159,155)	(159,155)
2006/2007 Proposed final dividend	二零零六/二零零七年度擬派末期股息	11 —	—	—	—	(198,913)	(198,913)
At 31 March 2007	於二零零七年三月三十一日	344,158	9,841	1,587	48,708	781,894	1,186,188

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

因應本公司在一九九二年上市前的重組，本公司之實繳盈餘為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（經修改），可於若干情況下派發實繳盈餘。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 32. INTERESTS IN SUBSIDIARIES

## 32. 於附屬公司之權益

		Company	
		公司	
		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted shares, at cost	非上市股份，成本	<b>48,908</b>	48,908
Due from subsidiaries	應收附屬公司賬款	<b>2,443,553</b>	1,957,221
Due to subsidiaries	應付附屬公司賬款	<b>(1,240,632)</b>	(1,153,672)
		<b>1,251,829</b>	852,457

The balances with subsidiaries are unsecured, interest-free and not repayable within one year. The carrying amounts of the balances with subsidiaries approximate to their fair values.

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。該與附屬公司之賬款結餘的賬面值與其公允值相若。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 32. INTERESTS IN SUBSIDIARIES (continued)

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

## 32. 於附屬公司之權益 (續)

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

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 已登記股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率		Principal activities 主要業務
			2007	2006	
Trustland Inc.*	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$18,000 18,000美元	100	100	Investment holding 投資控股
Nice Dyeing Factory Limited 永佳染廠有限公司	Hong Kong 香港	Ordinary HK\$1,000 Non-voting deferred HK\$3,125,000 普通股本港幣1,000元 無投票權遞延股本 港幣3,125,000元	100	100	Sale of finished knitted fabric and dyed yarn 銷售針織布及色紗
Texwinca Enterprises (China) Limited* 德永佳(中國)發展 有限公司*	British Virgin Islands/ People's Republic of China ("PRC") 英屬處女群島/ 中華人民 共和國(「中國」)	US\$1 1美元	100	100	Investment holding and provision of subcontracting services 投資控股及提供 加工服務
Dongguan Texwinca Textile & Garment Limited* 東莞德永佳紡織製衣 有限公司*	PRC 中國	HK\$1,755,290,052 港幣1,755,290,052元	100	100	Production of finished knitted fabric and dyed yarn 生產染整針織布及 色紗
Texwinca Enterprises Limited 德永佳實業有限公司	Hong Kong 香港	HK\$2 港幣2元	100	100	Provision of management services 提供管理服務

# Notes to the Financial Statements 財務報表附註

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## 32. INTERESTS IN SUBSIDIARIES (continued)

## 32. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 已登記股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率		Principal activities 主要業務
			2007	2006	
Win Ready Industrial Limited 永備實業有限公司	Hong Kong 香港	Ordinary HK\$10 Non-voting deferred HK\$2 普通股本港幣10元 無投票權遞延股本 港幣2元	100	100	Property holding 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*	PRC 中國	HK\$48,800,000 港幣48,800,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷

# Notes to the Financial Statements 財務報表附註

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## 32. INTERESTS IN SUBSIDIARIES (continued)

## 32. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 已登記股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率		Principal activities 主要業務
			2007	2006	
Shanghai Haiwen Baleno Garment Company Limited* 上海海文班尼路服飾 有限公司*	PRC 中國	US\$210,000 210,000美元	<b>51.4</b>	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*	PRC 中國	US\$500,000 500,000美元	<b>54</b>	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*	PRC 中國	HK\$3,880,000 港幣3,880,000元	<b>54</b>	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*	PRC 中國	RMB500,000 人民幣500,000元	<b>54</b>	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	<b>54</b>	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 32. INTERESTS IN SUBSIDIARIES (continued)

## 32. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 已登記股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率		Principal activities 主要業務
			2007	2006	
Bigpoint Limited*	British Virgin Islands/ 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 特許經營服務
Highrich Corporation*	British Virgin Islands/ 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/ PRC	US\$1	100	100	Provision of repair and maintenance services for generators
永佳貿易有限公司	英屬處女群島/ 中國	1美元			提供發電機之維修及 保養服務
Winca (Dongguan) Motor Service Limited*	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			提供汽車之維修及 保養服務
Successful Channel Corporation*	British Virgin Islands/ PRC 英屬處女群島/ 中國	US\$1 1美元	54	54	Property holding 持有物業

# Notes to the Financial Statements 財務報表附註

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## 32. INTERESTS IN SUBSIDIARIES (continued)

## 32. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 已登記股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率		Principal activities 主要業務
			2007	2006	
Billion Global Limited*	British Virgin Islands/ Taiwan	US\$1	<b>54</b>	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*	PRC  中國	RMB1,010,000  人民幣1,010,000元	<b>54</b>	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
武漢班尼路商貿 有限公司*	PRC  中國	RMB1,080,000  人民幣1,080,000元	<b>54</b>	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*	PRC  中國	RMB500,000  人民幣500,000元	<b>54</b>	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*	PRC  中國	RMB600,000  人民幣600,000元	<b>54</b>	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷



# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 32. INTERESTS IN SUBSIDIARIES (continued)

## 32. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 已登記股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率		Principal activities 主要業務
			2007	2006	
Baleno Kingdom (Singapore) Private Limited	Singapore 新加坡	SG\$2,000,000 坡幣2,000,000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
大連班尼路服飾 有限公司*	PRC 中國	HK\$2,100,000 港幣2,100,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Nice Dyeing Factory (Macao Commercial Offshore) Limited*	Macau 澳門	MOP100,000 葡幣100,000元	100	100	Procurement of raw materials and sale of finished knitted fabric and dyed yarn 採購原材料及 銷售針織布及色紗

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 32. INTERESTS IN SUBSIDIARIES (continued)

## 32. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 已登記股本面值	Percentage of equity attributable to the Company 本公司應佔權益 之百分率		Principal activities 主要業務
			2007	2006	
Baleno (Malaysia) Bhd Sdn	Malaysia 馬來西亞	MY\$300,000 馬幣300,000	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷

\* Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

\* 並非由安永會計師事務所香港或其他安永會計師事務所國際成員審核。

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.

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。

## 33. BUSINESS COMBINATION

On 1 December 2005, the Group acquired a 100% interest in 上海生活幾何服飾有限公司 from an independent third party. 上海生活幾何服飾有限公司 is engaged in the retail and distribution of casual apparel and accessory. The purchase consideration for the acquisition of HK\$18,194,000 was paid in the year ended 31 March 2005 and included in the balance of the prepayments, deposits and other receivables as at 31 March 2005.

## 33. 業務合併

於二零零五年十二月一日，本集團已向獨立第三者完成收購上海生活幾何服飾有限公司之100%權益。上海生活幾何服飾有限公司經營便服及飾物零售及分銷業務。該收購之代價為港幣18,194,000元及已於截至二零零五年三月三十一日止年度內支付及包括於二零零五年三月三十一日之預付款項、訂金及其他應收賬款結餘內。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 33. BUSINESS COMBINATION (continued)

The fair values of the identifiable assets and liabilities of 上海生活幾何服飾有限公司 as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

## 33. 業務合併 (續)

於收購日，上海生活幾何服飾有限公司之可辨識之資產及負債之公允值及緊接收購前之相應賬面值如下：

			<b>Fair value recognised on acquisition</b>	<b>Carrying amount</b>
			於收購時確認 之公允價值	賬面值
		Note	<b>HK\$'000</b>	HK\$'000
		附註	港幣千元	港幣千元
Property, plant and equipment	物業、廠房及設備	13	<b>16,661</b>	268
Cash and bank balances	現金及銀行結餘		<b>1,643</b>	1,643
Prepayments, deposits and other receivables	預付款項、訂金及 其他應收賬款		<b>876</b>	876
Inventories	存貨		<b>857</b>	857
Trade payables	應付賬款		<b>(119)</b>	(119)
Other payables and accrued liabilities	其他應付及應計 負債		<b>(1,724)</b>	(1,724)
			<b>18,194</b>	1,801
Satisfied by a deposit paid	以訂金支付		<b>18,194</b>	

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 33. BUSINESS COMBINATION (continued)

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

## 33. 業務合併 (續)

有關收購一附屬公司之現金及現金等價物淨流出之分析如下：

	HK\$'000
	港幣千元
Cash and bank balances	得到之現金及銀行
acquired and net inflow of	結餘及有關收購一
cash and cash equivalents in	附屬公司之現金及
respect of the acquisition of	現金等價物淨流入
a subsidiary	1,643

Since its acquisition, 上海生活幾何服飾有限公司 contributed HK\$1,200,000 to the Group's turnover and a loss of HK\$400,000 to the consolidated profit for the year ended 31 March 2006.

自收購後，上海生活幾何服飾有限公司於二零零六年三月三十一日止年度內計入本集團之營業額為港幣1,200,000元，及計入本集團綜合溢利的虧損為港幣400,000元。

Had the combination taken place at the beginning of last year, the revenue and the loss attributable to the Group for that year would have been HK\$5,800,000 and of HK\$200,000, respectively.

倘若該合併發生於去年年初，則歸屬本集團之收入及虧損分別為港幣5,800,000元及港幣200,000元。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 34. CONTINGENT LIABILITIES

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

## 34. 或有負債

(a) 於結算日，以下或有負債未於財務報表撥備：

		Group		Company	
		本集團		本公司	
		2007	2006	2007	2006
		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 in lieu of property rental deposits	代替租用物業按金之銀行擔保	<b>4,823</b>	8,921	—	—
Guarantees of banking facilities granted to an associate	為聯營公司銀行信貸所作之擔保	<b>12,500</b>	12,500	<b>12,500</b>	12,500
Guarantees of banking facilities granted to subsidiaries	為附屬公司銀行信貸所作之擔保	—	—	<b>3,925,050</b>	3,256,050

As at 31 March 2007, the banking facilities granted to an associate and subsidiaries with guarantees given to the banks by the Company were not utilised (2006: Nil) and were utilised to the extent of approximately HK\$1,104,576,000 (2006: HK\$893,316,000), respectively.

截至二零零七年三月三十一日，聯營公司並無動用本公司已作擔保之銀行信貸額度（二零零六年：無），而附屬公司則已動用約港幣1,104,576,000元（二零零六年：港幣893,316,000元）。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 34. CONTINGENT LIABILITIES (continued)

- (b) In respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, the Group has made a provision of HK\$11,303,000 (2006: HK\$8,773,000) and has a further contingent liability with a maximum possible amount of HK\$2,215,000 (2006: HK\$4,744,000) as at 31 March 2007.

The contingent liability has arisen because, at the balance sheet date, certain employees of the Group were eligible for long service payments under the Employment Ordinance if their employment was 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.

## 34. 或有負債 (續)

- (b) 根據香港僱傭條例可能須於未來向僱員支付長期服務金，於二零零七年三月三十一日，本集團已撥備港幣11,303,000元（二零零六年：港幣8,773,000元）而或有負債可能涉及之金額最多為港幣2,215,000元（二零零六年：港幣4,744,000元）。

或有負債產生之原因為於結算日，若干本集團僱員已符合僱傭條例下的資格，於若干情況下被終止聘用時可享有長期服務金之規定。由於預期該等情況不大可能會對本集團日後資源流出有重大影響，故並無就有關可能支付之款項確認撥備。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 34. CONTINGENT LIABILITIES (continued)

- (c) A subsidiary of the Group in Taiwan is currently subject to a claim from the National Tax Authority (the "NTA") of Taiwan for the underpayment of business tax on sales made through certain local stores in Taiwan during the period from November 1998 to December 2002 together with penalties, of NTD50,219,000 in aggregate (equivalent to HK\$11,861,000). An amendment letter against the claims was filed by the local tax representative of the subsidiary in a prior year. The directors, based on the advice from the local tax representative of the subsidiary, consider that the subsidiary has a valid ground to object the claims from the NTA, and accordingly, the Group has not made any provision for the tax claim as at 31 March 2007 (2006: Nil).

## 34. 或有負債 (續)

- (c) 本集團於台灣之一附屬公司受到台灣國稅局(「國稅局」)追繳有關透過部份當地店舖擁有者於一九九八年十一月至二零零二年十二月期間銷售之少付營業稅及罰款，總額共新台幣50,219,000元(相等於港幣11,861,000元)。於往年，該附屬公司之當地稅務代表已呈更正申請函反對此追繳。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份理據反對國稅局之追繳，因此本集團並沒有於二零零七年三月三十一日為此稅務追繳作出撥備(二零零六年：無)。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 34. CONTINGENT LIABILITIES (continued)

(d) During the year, the Hong Kong Inland Revenue Department (the "IRD") has initiated a review on the tax affairs for past years of certain subsidiaries of the Group. Protective tax assessments totalling HK\$322,038,000 for the year of assessment 2000/2001 have been issued by the IRD. Objections have been raised by the Group against those protective tax assessments. The directors of the subsidiaries believe that there are valid grounds to object the tax claimed. Subsequent to the balance sheet date, the IRD agreed to hold over the tax claimed completely subject to the purchase of HK\$40,000,000 tax reserve certificate by the subsidiaries. In view that the tax review is only at the initial stage, there are still certain uncertainty about the outcome of the case. Up to the date of approval of these financial statements, the directors of the subsidiaries consider that adequate tax provision has been made in the financial statements.

## 35. 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 nine 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.

## 34. 或有負債 (續)

(d) 於本年，香港稅務局（「稅局」）向本集團部份附屬公司提出就以往年度稅務狀況進行復核。稅局已就二零零零／二零零一課稅年度發出保障性稅務評估共港幣322,038,000元。本集團已就該等保障性稅務評估提出反對。有關附屬公司董事認為有充份理據就追討的稅款提出反對。於結算日後，稅局同意暫緩所徵的全部稅款，惟有關附屬公司須購買儲稅券金額港幣40,000,000元。由於現仍處於開始階段，因此，這事件的結果仍有些不明朗。截至批核本財務報表日，有關附屬公司董事認為財務報表中之稅務撥備已足夠。

## 35. 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），議訂租期由兩年至九年不等。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。



# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 35. OPERATING LEASE ARRANGEMENTS (continued)

### (a) As lessor (continued)

At 31 March 2007, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		Group	
		集團	
		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	9,395	7,098
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	25,592	3,502
After five years	於五年後	6,550	—
		<b>41,537</b>	10,600

### (b) As lessee

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

## 35. 經營租賃安排 (續)

### (a) 作為出租人 (續)

於二零零七年三月三十一日，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：

### (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、廠房及機械、員工及董事宿舍。該等租約議訂租期不超過五十年。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 35. OPERATING LEASE ARRANGEMENTS (continued)

### (b) As lessee (continued)

At 31 March 2007, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		<b>Group</b>	
		集團	
		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	<b>537,769</b>	538,656
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	<b>800,197</b>	828,961
After five years	於五年後	<b>756,857</b>	772,954
		<b>2,094,823</b>	2,140,571

The operating lease rentals of certain retail shops are based on the higher of a fixed rental or contingent rent based on the sales of the retail shops pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these retail shops could not be estimated reliably, the relevant contingent rent has not been included above and only the minimum lease commitment has been included in the above table.

At the balance sheet date, the Company had no commitments under operating lease arrangements (2006: Nil).

## 35. 經營租賃安排 (續)

### (b) 作為承租人 (續)

於二零零七年三月三十一日，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：

若干商舖之經營租約租金乃按固定租金或根據有關租約所載之條款及條件按商舖銷售額而釐定之或然租金兩者中之較高者為準。由於無法準確估計此等商舖未來之銷售額，故上表未計入相關或然租金而只計入最低租金承擔。

於結算日，本公司並無經營租賃安排承擔（二零零六年：無）。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 36. CAPITAL COMMITMENTS

In addition to the operating lease commitments set out in note 35(b) above, the Group had the following capital commitments at the balance sheet date:

## 36. 資本性承擔

除以上附註35(b)的經營租賃承擔外，本集團於結算日有以下資本性承擔：

		Group	
		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
In respect of property, plant and equipment, contracted but not provided for	已就物業、廠房及設備，訂約但未提撥備	<b>32,624</b>	276,918
In respect of property, plant and equipment, authorised but not contracted for	已就物業、廠房及設備，核准但沒有訂約	<b>330,331</b>	330,331
In respect of investment in a subsidiary	已就投資於一附屬公司	<b>439,360</b>	—
		<b>802,315</b>	607,249

At the balance sheet date, the Company had no capital commitments (2006: Nil).

於結算日，本公司並無資本性承擔（二零零六年：無）。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 37. RELATED PARTY TRANSACTIONS

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

## 37. 關連人士交易

(a) 於年內，本集團曾進行以下關連人士交易：

			<b>2007</b>	2006
		Notes	<b>HK\$'000</b>	HK\$'000
		附註	港幣千元	港幣千元
Sales to an associate	銷售予聯營公司	(i)	<b>317,820</b>	266,101
Purchases from an associate	向聯營公司採購	(ii)	<b>179,406</b>	210,321
Rental expenses paid to related companies	租金費用支付予 關連公司	(iii)	<b>10,466</b>	5,174

*Notes:*

(i) *The sales to an associate of the Group, were made according to the prices and conditions offered to the major customers of the Group.*

(ii) *The directors considered that the purchases from an associate were made according to the prices and conditions similar to those offered to other customers of the associate.*

(iii) *The rental expenses were paid to related companies, of which certain directors of the Company are also the directors and beneficial shareholders, for the provision of directors' quarters, retail outlets and a yacht. The directors considered that the monthly rentals were charged based on the prevailing market rates at the dates of the tenancy agreements. The rental expenses of the directors' quarters were included in the directors' remuneration as detailed in note 7 to the financial statements.*

*附註：*

(i) 本集團向聯營公司之銷售乃根據本集團向主要客戶提供之價格及條件訂立。

(ii) 董事認為向聯營公司採購之價格及條件，與該聯營公司向其之其他客戶所提供之價格及條件相若。

(iii) 租金費用是支付予關連公司作為董事宿舍、零售門市及提供一艘遊艇，該等公司之董事及實益股東亦為本公司之董事。董事認為每月之租金乃根據租賃合同簽訂日之市場價格。付出之董事宿舍租金費用已包括於董事酬金，並詳列於財務報表附註7。

In addition, the Company and the Group have provided certain guarantees for banking facilities granted to the associate, as detailed in note 34(a) to the financial statements.

此外，本公司及本集團為聯營公司作出若干銀行信貸擔保，詳細資料載於財務報表附註34(a)。

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 37. RELATED PARTY TRANSACTIONS (continued)

The related party transactions in respect of item (a)(iii) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

- (b) As at 31 March 2007, Nice Dyeing Factory Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$47,114,000 (2006: HK\$640,168,000) to Baleno Kingdom Limited, a non-wholly-owned subsidiary of the Company, at Hong Kong Interbank Offered Rate ("HIBOR") plus 2% (2006: HIBOR plus 2%) per annum.

In addition, as at 31 March 2007, Nice Dyeing Factory (Macao Commercial Offshore) Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$485,367,000 (2006: HK\$93,930,000) to Baleno Holdings Limited, a non-wholly-owned subsidiary of the Company, at 83% of HIBOR plus 2% (2006: 83% of HIBOR plus 2%) per annum.

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

## 37. 關連人士交易 (續)

根據上市條例第十四 A 章之定義，以上 (a)(iii) 項之關連人士交易同時構成已豁免披露、公佈及獨立股東批准之要求的持續關連交易。

- (b) 於二零零七年三月三十一日，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貸款為港幣 47,114,000 元（二零零六年：港幣 640,168,000 元），年利率為香港銀行同業拆息加 2%，（二零零六：香港銀行同業拆息加 2%）。

此外，於二零零七年三月三十一日，本公司全資擁有附屬公司永佳染廠（澳門離岸商業服務）有限公司向本公司非全資擁有附屬公司班尼路集團有限公司提供貸款港幣 485,367,000 元（二零零六年：港幣 93,930,000 元），年利率為香港銀行同業拆息加 2% 的 83%。

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

# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 37. RELATED PARTY TRANSACTIONS (continued)

(c) A minority shareholder of the Group's 54%-owned subsidiary had provided an unconditional guarantee to indemnify the Group from any loss arising from the recoverability of prepayments made to a supplier of the Group of HK\$25,143,000 (2006: HK\$24,155,000) as included in the balance of the prepayments, deposits and other receivables of the Group as at the balance sheet date.

(d) Compensation of key management personnel of the Group

## 37. 關連人士交易 (續)

(c) 本集團擁有54%權益附屬公司之其中一少數股東就本集團預付一供應商貨款港幣25,143,000元(二零零六年:港幣24,155,000元),提供無條件擔保以保償任何回收上之損失。於結算日,該款已包括於預付款項、訂金及其他應收賬款結餘中。

(d) 本集團主要管理人員薪酬

		<b>2007</b>	2006
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Short term employee benefits	短期僱員福利	<b>72,992</b>	63,112
Post-employment benefits	離職後福利	<b>60</b>	60
Total compensation paid to key management personnel	主要管理人員薪酬總額	<b>73,052</b>	63,172

Further details of directors' emoluments are included in note 7 to the financial statements.

董事酬金詳情載於財務報表附註7。

# Notes to the Financial Statements 財務報表附註

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## **38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** 38. 財務風險管理目標及政策

The Group's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

本集團之主要金融工具（衍生工具除外）包括銀行借貸及透支、現金及短期存款。該等金融工具之主要目的是為本集團籌集營運資金。本集團有其他不同的財務資產及負債，包括應收賬款及應付賬款等，乃源自其營運。

本集團亦參與衍生工具交易，主要包括遠期外匯合約，旨在管理本集團營運及融資所產生之利率及貨幣風險。

本集團金融工具所產生之主要風險為現金流量利率風險、外幣風險、信貸風險及流動性風險。董事會審閱並同意管理此等風險之政策，該等政策概述如下。本集團有關衍生工具之會計政策載於財務報表附註2.4。

# Notes to the Financial Statements 財務報表附註

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## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

### Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using an appropriate mix of fixed and variable rate debts. To manage this mix in a cost-effective manner, the Group may enter into interest rate swap contracts to reduce its exposure to interest rate fluctuations.

### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. The exposures are insignificant to the Group.

The Group uses various forward currency contracts to manage the currency exposures on sales and purchase transactions. These foreign currency derivative contracts are deemed as derivatives and their fair value changes are recorded in the income statement.

### Credit risk

The Group trades only with recognised and creditworthy third parties. The Group maintains stringent policy in reviewing and approving credits for its customers. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

## 38. 財務風險管理目標及政策 (續)

### 現金流量利率風險

本集團面對市場利率變動風險主要與本集團之浮息長期債務責任有關。

本集團的政策是利用合適的定息及浮息借貸組合管理其利息成本。為以具成本效益管理該組合，本集團會安排利率掉期合約以減低其面對利率波動之風險。

### 外幣風險

本集團存在交易貨幣風險，該風險源自經營單位以該單位功能貨幣以外之貨幣進行銷售或採購。該風險對本集團並不重大。

本集團利用不同的遠期貨幣合約以管理銷售及採購交易之貨幣風險。該等外幣衍生合約被視為衍生工具及其公允值將被計入利潤表內。

### 信貸風險

本集團僅與被確認信譽良好之第三者交易。本集團對客戶實施嚴格之信貸審核及批覆程序。此外，本集團會持續監察應收款項結餘，而本集團並無重大之壞賬風險。



# Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued) 38. 財務風險管理目標及政策 (續)

### **POLICIES** (continued)

#### **Credit risk** (continued)

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and derivative financial instruments, arises from default of the counterparties, with a maximum exposure equal to the carrying amount of these instruments, which is considered by the directors as not significant as the counterparties of these other financial assets are all well-recognised financial institutions.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

#### **Liquidity risk**

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. As at 31 March 2007, 50% (2006: 54%) and 50% (2006: 46%) of the Group's total borrowings will mature over one year and in less than one year, respectively.

## 39. COMPARATIVE AMOUNTS

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

## 40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 16 July 2007.

#### 信貸風險 (續)

本集團其他財務資產(包括現金及現金等價物、衍生金融工具)之信貸風險源自交易對手違約而產生,最高風險相等於該等工具之賬面值。由於交易對手為備受公認信譽良好之金融機構,因此董事認為該等風險並不重大。

由於本集團僅與被確認信譽良好之第三者交易,故無須提供抵押品。

#### 流動性風險

本集團目標是利用銀行透支及銀行貸款以使資金的連續性及靈活性之間保持平衡。於二零零七年三月三十一日,本集團50%(二零零六年:54%)及50%(二零零六年:46%)的上述總借貸中,分別將於一年後及一年內到期。

## 39. 比較數字

若干比較數字經重新分類以符合本年度之呈報方式。

## 40. 財務報表之核准

本財務報表已於二零零七年七月十六日由董事會核准及授權刊發。