

1. CORPORATE INFORMATION

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

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

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

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

1. 公司資料

德永佳集團有限公司註冊辦事處為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。德永佳集團有限公司主要營業地址為香港新界葵涌興芳路223號新都會廣場第二座十六樓。

於本年度，集團主要經營以下業務：

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

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

2. IMPACT OF A REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE (“SSAP”)

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the remeasurement of certain fixed assets and investment properties, as further explained below.

2. 經修訂之會計實務準則（「會計準則」）之影響

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

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

3. 主要會計政策摘要
會計基準

財務報表乃根據會計實務準則、香港公認會計準則及香港公司法有關資料披露之規定而編撰。除部份固定資產及投資物業重新釐定價值，財務報表乃按原始成本法編撰，有關詳細資料載於下文。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2004. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

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

Subsidiaries

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

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

3. 主要會計政策摘要 (續)

綜合基準

綜合財務報表包括本公司及各附屬公司截至二零零四年三月三十一日止年度之財務報表。於本年度內收購或出售之附屬公司之業績分別由其實際收購日期起或截至出售日期止綜合計算。所有本集團內部重大交易及結餘均於綜合時對銷。

少數股東權益即外界股東佔本公司附屬公司業績及資產淨值之權益。

附屬公司

附屬公司乃本公司直接或間接地控制其財務及營運政策，藉以從其業務得益之公司。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Associates

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

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

Goodwill

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

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

3. 主要會計政策摘要 (續)

聯營公司

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

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

商譽

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill *(continued)*

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

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

3. 主要會計政策摘要 (續)

商譽 (續)

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

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

Negative goodwill

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

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

3. 主要會計政策摘要 (續)

商譽 (續)

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

負商譽

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Negative Goodwill *(continued)*

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

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

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

3. 主要會計政策摘要 (續)

負商譽 (續)

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Negative Goodwill (continued)

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

Impairment of assets

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

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

3. 主要會計政策摘要 (續)

負商譽 (續)

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

資產減值

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment of assets (continued)

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

Fixed assets and depreciation

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

3. 主要會計政策摘要 (續)

資產減值 (續)

僅於資產之估計可收回值出現變動時，過往已確認之減值虧損方予以撥回，然而，倘往年度該資產並無已確認之減值虧損，則撥回金額不得超過資產扣除任何折舊／攤銷之賬面值。撥回之減值虧損於其產生之期間計入損益賬內，惟當該資產以重估值為其賬面值時，減值虧損則按重估資產之有關會計政策入賬。

固定資產及折舊

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Fixed assets and depreciation (continued)

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

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

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset. On disposal or retirement of a revalued asset, the attributable revaluation surplus not previously dealt with in retained profits is transferred directly to retained profits.

3. 主要會計政策摘要 (續)

固定資產及折舊 (續)

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

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

於損益表中入賬關於固定資產在出售或棄用時之收益或虧損，乃出售所得款項淨額與有關資產結存值之差額。於出售或棄用已重估之資產時，原先無撥入保留溢利之應佔重估增值均直接撥入保留溢利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Construction in progress

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

Investment properties

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

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

3. 主要會計政策摘要 (續)

在建工程

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

投資物業

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Trademarks

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

Operating leases

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

3. 主要會計政策摘要 (續)

商標

商標乃成本值減累積攤銷及任何減損列賬。攤銷以直線法進行，按估計可使用年期20年撇銷每項商標成本。

經營租賃

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Inventories

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

Trade receivables

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

Income tax

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

3. 主要會計政策摘要 (續)

存貨

貨物乃按原值或可變現淨值二者之較低者入賬。布和紗方面，成本乃按加權平均法計算。半成品與成品之成本包括直接材料、直接工資及適當比例之間接費用。另外有關便服及飾物之成本則以加權平均法計算，並包括所有購進費用及其他將貨物送達至目前地點及保持狀況之成本。可變現淨值乃根據預算銷售價減去於完成及出售所需之成本計算。

應收賬款

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

所得稅

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Income tax (continued)

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

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

Cash and cash equivalents

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

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

3. 主要會計政策摘要 (續)

所得稅 (續)

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

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

現金及現金等價物

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition

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

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

3. 主要會計政策摘要 (續)

收益確認

倘本集團可能獲得經濟利益及當收益可按下列基準作可靠計算時，則收益確認入賬：

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Dividends

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

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

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances and with approval from the management, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. No accrual has been made for unpaid leave at 31 March 2004 as there was no material approved untaken leave carried forward at the balance sheet date.

3. 主要會計政策摘要 (續)

股息

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

中期股息由本公司同時建議及宣派，因本公司細則授權董事宣派中期股息之權利。故此，中期股息於建議派付及宣派時隨即確認為負債。

僱員福利

有薪假期結轉

本集團根據僱傭合約按曆年基準給予其僱員有薪年假。在若干情況及管理層批准下，於結算日未支取之年假准予結轉，留待有關僱員於來年享用。於二零零四年三月三十一日，由於並無重大已批准的未支取年假須結轉，因此並無就有關年假計列支出。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits *(continued)*

Employment Ordinance long service payments

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

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

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

3. 主要會計政策摘要 (續)

僱員福利 (續)

僱傭條例長期服務金

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits *(continued)*

Retirement benefits schemes

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

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

3. 主要會計政策摘要 (續)

僱員福利 (續)

退休福利計劃

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits *(continued)*

Share option scheme

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

Foreign currencies

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

3. 主要會計政策摘要 (續)

僱員福利 (續)

購股權計劃

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

外幣

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

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

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

Related parties

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

3. 主要會計政策摘要 (續)

外幣 (續)

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

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

關連人士

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

4. SEGMENT INFORMATION

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

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

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

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

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

4. 分類資料

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

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

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

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

業務間之銷售及轉撥交易之售價乃參照售予第三者之現市場價格。

4. SEGMENT INFORMATION (continued)

(a) Business segments

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

4. 分類資料 (續)

(a) 業務分類

下表為本集團業務分類之收入、溢利、部份資產、負債及支出資料：

Group		集團									
		Production, dyeing and sale of knitted fabric and yarn 針織布及棉紗之產銷及整染		Casual apparel and accessory retailing and distribution 便服及飾物零售及分銷		Others 其他		Eliminations 對銷		Consolidated 綜合	
		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Segment revenue:	分類收入：										
Sales to external customers	售予集團外客戶	3,626,629	3,005,047	2,548,155	2,145,487	41,681	48,051	—	—	6,216,465	5,198,585
Intersegment sales	業務間之銷售	—	—	—	—	1,892	1,625	(1,892)	(1,625)	—	—
Other revenue	其他收入	29,900	10,801	19,162	11,159	1,076	1,023	(1,170)	(1,178)	48,968	21,805
Total	合計	3,656,529	3,015,848	2,567,317	2,156,646	44,649	50,699	(3,062)	(2,803)	6,265,433	5,220,390
Segment results	分類業績	360,100	513,123	126,353	84,719	8,433	14,928	(867)	(1,235)	494,019	611,535
Interest income	利息收入									4,247	7,199
Profit from operating activities	經常業務溢利									498,266	618,734
Share of profit of an associate	應佔聯營公司溢利									33,344	46,630
Finance costs	財務費用									(4,086)	(2,787)
Profit before tax	除稅前溢利									527,524	662,577
Tax	稅項									(57,888)	(37,926)
Profit before minority interests	未計少數股東權益前溢利									469,636	624,651
Minority interests	少數股東權益									(47,666)	(34,089)
Net profit from ordinary activities attributable to shareholders	股東應佔經常業務溢利淨額									421,970	590,562
Segment assets	分類資產	3,258,807	2,542,321	896,765	687,940	74,614	78,915	(429,970)	(353,284)	3,800,216	2,955,892
Interest in an associate	於聯營公司之權益									133,275	136,265
Unallocated assets	未分配資產									457,194	276,176
Total assets	總資產									4,390,685	3,368,333
Segment liabilities	分類負債	1,027,887	617,856	685,342	538,914	104,268	105,245	(404,863)	(352,049)	1,412,634	909,966
Unallocated liabilities	未分配負債									446,827	91,946
Total liabilities	總負債									1,859,461	1,001,912
Other segment information:	其他分類資料：										
Depreciation and amortisation	折舊及攤銷	115,158	102,685	60,157	55,205	4,917	4,804	—	—	180,232	162,694
Other non-cash expenses/ (income)	其他非現金支出/(收入)	(5,073)	(62,900)	14,826	2,749	2,766	44	—	—	12,519	(60,107)
Capital expenditure	資本開支	469,129	260,387	150,032	63,437	2,016	261	—	—	621,177	324,085
Surplus on revaluation recognised directly in equity	重估盈餘直接確認為資本權益中	—	(1,722)	—	—	—	—	—	—	—	(1,722)

4. SEGMENT INFORMATION (continued)

(b) Geographical segments

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

4. 分類資料 (續)

(b) 地域分類

下表為本集團地域分類之收入、
部份資產及支出資料：

Group		集團													
		USA 美國		Mainland China 中國大陸		Japan 日本		Hong Kong 香港		Others 其他		Eliminations 對銷		Consolidated 綜合	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue:	分類收入：														
Sales to external customers	售予集團外客戶	2,350,043	1,859,864	1,786,442	1,641,918	388,771	336,969	812,980	681,445	878,229	678,389	—	—	6,216,465	5,198,585
Other segment information:	其他分類資料：														
Segment assets	分類資產			3,537,365	3,342,884			3,885,167	3,270,201	828,076	580,777	(3,859,923)	(3,825,529)	4,390,685	3,368,333
Capital expenditure	資本開支			563,643	289,392			11,620	15,112	45,914	19,581	—	—	621,177	324,085

5. TURNOVER, OTHER REVENUE AND GAINS

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

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

5. 營業額、其他收入及收益

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

本集團之營業額、其他收入及收益分析如下：

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

6. PROFIT FROM OPERATING ACTIVITIES

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

6. 經常業務溢利

本集團經常業務溢利已扣除/(加上)下列各項：

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
	Notes 附註		
Cost of inventories sold	已售之貨物成本	4,399,736	3,514,174
Depreciation	折舊	177,309	159,781
Amortisation of trademarks	商標攤銷	2,923	2,913
Staff costs, including directors' remuneration (note 7):	員工成本包括 董事酬金(附註7):		
Wages, salaries and other allowances	人工、薪金及 其他津貼	556,381	471,876
Provision for long service payments	長期服務金撥備	3,120	5,253
Retirement benefits scheme contributions	退休福利計劃供款	7,589	6,839
Minimum lease payments under operating leases:	經營租賃下之最低 租金:		
Land and buildings	土地及樓宇	518,295	411,411
Plant and machinery	廠房設備及機械	9,418	9,430
Auditors' remuneration	核數師酬金	1,671	1,636
Loss on disposal of fixed assets	出售固定資產虧損	5,373	3,824
Deficit/(surplus) on revaluation of investment properties	投資物業重估減值/ (盈餘)	(3,613)	50
Net exchange gains, excluding realised and unrealised gains on foreign exchange forward contracts	滙兌收益淨額，不包括已 兌現及未兌現之遠期 外滙合約收益	(12,378)	(1,285)
Net rental income	租金收入淨額	(4,174)	(3,510)
Provision for slow moving inventories included in cost of sales	已包括在銷售成本中 呆滯存貨撥備	40,154	—
Provision/(write-back of provision) for doubtful debts	呆賬撥備/(撥回)	6,974	(4,731)
Write-back of provision for the value-added tax recoverable included in cost of sales, net	已包括在銷售成本中 撥回應退增值稅 撥備，淨額	(36,369)	(38,250)
Write-back of minority interests	少數股東權益撥回	—	(21,000)

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

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

7. 董事酬金及最高薪酬五位僱員

按《證券上市規則》及香港公司法第161條，本年度董事酬金之披露如下：

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

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (continued) **7. 董事酬金及最高薪酬五位僱員** (續)

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

按下列酬金級別劃分之董事(包括獨立非執行董事)人數如下:

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

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

於年內，並無董事放棄或同意放棄任何酬金的安排。

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

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

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

8. FINANCE COSTS

7. 董事酬金及最高薪酬五位僱員 (續)

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

於年內，集團最高薪酬五位人士全為董事，其薪酬明細已呈列如上。

8. 財務費用

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest on bank loans	銀行貸款及透支利息		
and overdrafts		3,612	2,787
Interest on shareholder loans	股東貸款利息	474	—
		4,086	2,787

9. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 16.0%) on the estimated assessable profits arising in Hong Kong during the year. The increased Hong Kong profits tax rate became effective from the year of assessment 2003/2004. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

9. 稅項

香港利得稅已按年內於香港賺取之估計應課稅溢利以稅率17.5% (二零零三年：16.0%) 提撥準備。已上調之香港利得稅率，自二零零三／二零零四年度起生效。在其他地區所應課稅溢利的稅項，乃根據本集團業務經營所在國家之現有法律、詮釋及常規，按其現行稅率計算。

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

9. TAX (continued)

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

9. 稅項 (續)

按採用本公司及其附屬公司及聯營公司所在國家之法定稅率計算且適用於除稅前溢利之稅項開支與本年度稅項對賬如下：

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

10. NET PROFIT FROM ORDINARY ACTIVITIES

ATTRIBUTABLE TO SHAREHOLDERS

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

10. 股東應佔經常業務溢利淨額

於二零零四年三月三十一日止年度，列入本公司之財務報表內之股東應佔經常業務溢利淨額為港幣265,808,000元（二零零三年：港幣332,106,000元）（附註29(b)）。

11. DIVIDENDS

11. 股息

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

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

本年度擬派發之末期股息須待本公司股東於即將來臨股東週年大會通過。

12. EARNINGS PER SHARE

The basic and diluted earnings per share for the year ended 31 March 2004 have been calculated as follows:

(a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$421,970,000 (2003: HK\$590,562,000) and the weighted average number of 1,324,573,514 (2003: 1,323,760,433) shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$421,970,000 (2003: HK\$590,562,000) and the weighted average number of 1,329,141,903 (2003: 1,325,574,912) shares in issue, as adjusted to reflect the effects of all potential dilutive shares during the year.

12. 每股盈利

截至二零零四年三月三十一日止年度之基本每股盈利及攤薄後之每股盈利的計算為：

(a) 基本每股盈利

基本每股盈利乃按本年度之股東應佔經常業務溢利淨額港幣421,970,000元(二零零三年：港幣590,562,000元)及已發行股份之加權平均數1,324,573,514股(二零零三年：1,323,760,433股)計算。

(b) 攤薄後之每股盈利

攤薄後之每股盈利乃按本年度之股東應佔經常業務溢利淨額港幣421,970,000元(二零零三年：港幣590,562,000元)及已發行股份之加權平均數1,329,141,903股(二零零三年：1,325,574,912股)計算，加上就所有具攤薄潛力之股份之影響作出調整計算。

12. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

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

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

12. 每股盈利 (續)

(b) 攤薄後之每股盈利 (續)

以下為用作計算基本每股盈利及攤薄後之每股盈利之加權平均股數調節表：

13. FIXED ASSETS

13. 固定資產

Group

集團

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

13. FIXED ASSETS (continued)

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

13. 固定資產 (續)

於二零零四年三月三十一日之租賃土地及樓宇分析如下：

		1992		
		Professional	Cost	Total
		valuation	Cost	Total
		專業估值	成本值	合計
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元	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	27,769	104,717	132,486
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	—	472,765	472,765
		27,769	577,482	605,251

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

所有其他固定資產均按成本減累計折舊列賬。

13. FIXED ASSETS (continued)

Certain medium term leasehold land and buildings were revalued in 1992. The Group has adopted the transitional provisions of SSAP 17 "Property, plant and equipment", issued in 1995, of not making further regular revaluations by class of those assets stated at revalued amounts based on revaluations which were reflected in financial statements prior to that date. Had such leasehold land and buildings been carried at cost less accumulated depreciation, their carrying amounts would have been stated at approximately HK\$12,439,000 (2003: HK\$13,076,000).

As at 31 March 2004, certain motor vehicles and certain leasehold land and buildings situated outside Hong Kong (2003: certain motor vehicles) were pledged to the Group's bankers to secure the Group's banking facilities (note 23).

13. 固定資產 (續)

部份中期租賃土地及樓宇曾於一九九二年進行重估。本集團採用於一九九五年發出之會計準則第十七條「物業、廠房及設備」之過渡性規定，不再對已於過往財務報表以重估值入賬之分類資產進行定期重估。倘該等土地及樓宇按成本減累計折舊列賬，其賬面金額應約為港幣 12,439,000 元（二零零三年：港幣 13,076,000 元）。

於二零零四年三月三十一日，部份汽車及部份位於香港以外之租賃土地及樓宇（二零零三年：部份汽車）已抵押予集團往來銀行作集團銀行信貸之用（附註 23）。

14. INVESTMENT PROPERTIES

14. 投資物業

		Group	
		集團	
		2004	2003
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
At beginning of year	年初	35,710	29,260
Transfers from fixed assets (note 13)	由固定資產轉撥 (附註13)	2,597	4,778
Revaluation surplus credited to investment property revaluation reserve	於投資物業重估儲備中 加入重估盈餘	—	1,722
Revaluation surplus/(deficit) credited/(charged) to the profit and loss account	於損益賬中加入/(扣除) 之重估盈餘/(減值)	3,613	(50)
At balance sheet date	於結算日	41,920	35,710

14. INVESTMENT PROPERTIES (continued)

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

Certain investment properties were transferred from leasehold land and buildings in Hong Kong at their 1992 professional valuation. The related revaluation reserve of HK\$7,238,000 (2003: HK\$7,238,000), which has been reclassified from the asset revaluation reserve to the investment property revaluation reserve, was frozen upon the transfer and will be released directly to retained profits upon the disposal of the related investment properties.

The gross rental income earned from the investment properties during the year amounted to HK\$4,298,000 (2003: HK\$3,631,000).

14. 投資物業 (續)

投資物業包括本年度由固定資產轉撥(附註13)，全部位於香港，並按中期租約持有。於二零零四年三月三十一日，投資物業曾由獨立專業評估師、特許測量師 Chung, Chan & Associates, Chartered Surveyors 按公開市場現有用途基準進行重估。

若干投資物業已按一九九二年專業估值從香港租賃土地及樓宇轉撥。自資產重估儲備撥往投資物業重估儲備港幣7,238,000元(二零零三年：港幣7,238,000元)，已於轉撥時凍結，並將於出售有關投資物業時直接撥往保留溢利。

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

15. CONSTRUCTION IN PROGRESS

15. 在建工程

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

16. TRADEMARKS

16. 商標

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

17. INTEREST IN AN ASSOCIATE

17. 於聯營公司之權益

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

17. INTEREST IN AN ASSOCIATE (continued)

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

Particulars of the associate are as follows:

17. 於聯營公司之權益 (續)

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

聯營公司之資料如下：

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

17. INTEREST IN AN ASSOCIATE (continued)

A summary of the financial information of Megawell Industrial Limited, based on its audited financial statements for the year ended 31 March 2004, is as follows:

17. 於聯營公司之權益 (續)

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

		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Balance sheet:		資產負債表：	
Fixed assets	固定資產	63,146	75,385
Current assets	流動資產	310,229	294,373
Current liabilities	流動負債	(129,571)	(127,514)
Profit and loss account:		損益表：	
Turnover	營業額	713,246	852,957
Profit before tax	除稅前溢利	66,226	94,280

18. DUE TO AN ASSOCIATE

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

18. 應付聯營公司

應付聯營公司欠款乃無抵押、無利息及須按協訂賬期還款。

19. INVENTORIES

19. 存貨

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

20. TRADE AND BILLS RECEIVABLE

20. 應收賬款及應收票據

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

20. TRADE AND BILLS RECEIVABLE (continued)

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

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

20. 應收賬款及應收票據 (續)

本公司與客戶交易一般有賬期。除部份基礎良好客戶獲董事批予賬期達120天外，其餘基本按發票發出日90天內到期付款。本集團對應收款有一套嚴謹監察制度，以減少信貸風險，並且董事亦會定期審閱逾期賬款跟進情況。

於年結日，按發票日期扣除撥備之應收賬款之賬齡分析如下：

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

20. TRADE AND BILLS RECEIVABLE (continued)

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

20. 應收賬款及應收票據 (續)

於年結日，應收票據之賬齡分析如下：

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

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

		Group		Company	
		集團		公司	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cash and bank balances	現金及銀行結存	176,563	208,605	77	105
Time deposits	定期存款	457,195	276,176	—	—
		633,758	484,781	77	105

21. CASH AND CASH EQUIVALENTS (continued)

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$342,787,000 (2003: HK\$138,407,000). RMB is not freely convertible into other currencies, however, under Mainland China Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks.

22. TRADE AND BILLS PAYABLE

21. 現金及現金等價物 (續)

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

22. 應付賬款及應付票據

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

22. TRADE AND BILLS PAYABLE (continued)

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

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

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

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

22. 應付賬款及應付票據 (續)

於年結日，按發票日期之應付賬款之賬齡分析如下：

於年結日，應付票據賬齡分析如下：

23. INTEREST-BEARING BANK BORROWINGS

23. 附息銀行貸款

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bank overdrafts, unsecured	銀行透支，無抵押	403	367
Bank loans:	銀行貸款：		
Secured	有抵押	16,735	170
Unsecured	無抵押	350,374	39,375
		367,109	39,545
		367,512	39,912
Bank overdrafts repayable within one year or on demand	銀行透支於一年內 償還或按要求	403	367
Short term bank loans repayable within one year	短期銀行貸款於一年內 償還	45,091	—
Long term bank loans repayable:	長期銀行貸款須於下列 期間清還：		
Within one year	於一年內	167,535	17,534
In the second year	第二年	154,410	17,534
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	73	4,475
Beyond five years	第五年後	—	2
		322,018	39,545
Total interest-bearing bank loans and overdrafts	附息銀行貸款及透支合計	367,512	39,912
Less: Portion classified as current liabilities	減：於一年內到期流動 負債內之部份	(213,029)	(17,901)
Long term portion	長期部份	154,483	22,011

23. INTEREST-BEARING BANK BORROWINGS (continued)

As at 31 March 2004, certain bank loans were secured by the pledge of certain motor vehicles and leasehold land and buildings (note 13), and the value-added tax recoverables included in the prepayments, deposits and other receivables balances (2003: certain motor vehicles) of the Group.

24. SHAREHOLDER LOAN

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

25. PROVISION FOR LONG SERVICE PAYMENTS

23. 附息銀行貸款 (續)

於二零零四年三月三十一日，部份銀行貸款乃以集團部份汽車、租賃土地及樓宇(附註13)及已包括於集團的預付賬款、訂金及其他應收賬款內之應退增值稅款(二零零三年：部份汽車)作抵押(附註13)。

24. 股東貸款

股東貸款乃無抵押、年利息為香港銀行同業拆息加0.4%，及除港幣100,000,000元須於二零零五年三月三十一日前還款外，並不須於一年內還款。

25. 長期服務金撥備

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

26. DEFERRED TAX

26. 遞延稅項

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

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

The Group has tax losses arising in Hong Kong of HK\$303,402,000 (2003: HK\$282,968,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries of which no assessable profits is expected to generate in the foreseeable future.

At 31 March 2004, there was no significant unrecognised deferred tax liabilities (2003: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries and associate as the Group has no liability to additional tax should such amounts be remitted.

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

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

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

26. DEFERRED TAX (continued)

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

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

26. 遞延稅項 (續)

重估本集團之物業並不構成時差，因此不必計算可能由此產生之遞延稅項。

本公司向其股東派股息後，並無導致任何須繳納所得稅之後果。

27. SHARE CAPITAL

27. 股本

		2004	2003
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
Authorised:	法定：		
2,000,000,000 shares of	2,000,000,000股		
HK\$0.05 each in nominal value	每股面值港幣0.05元	100,000	100,000
Issued and fully paid:	已發行及繳足：		
1,324,778,104	1,324,778,104		
(2003: 1,324,148,104)	(二零零三年：		
shares of HK\$0.05 each	1,324,148,104)股		
in nominal value	每股面值港幣0.05元	66,239	66,208

27. SHARE CAPITAL (continued)

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

27. 股本 (續)

於本年度內，本公司股本之變動簡略如下：

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

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

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

28. SHARE OPTION SCHEME

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

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

28. 購股權計劃

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

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

28. SHARE OPTION SCHEME (continued)

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

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

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

28. 購股權計劃 (續)

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

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

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

28. SHARE OPTION SCHEME (continued)

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

28. 購股權計劃 (續)

於年結日，未行使之購股權如下：

Name or category of participant 參與者 名稱或類別	Date of grant of share options* 購股權 頒授日期*	Exercise price of share options** 行使價格** HK\$ 港幣元	Number of share options 購股權數目				Exercise period of share options 購股權行使期限	Closing price of the Company's share immediately before the date of grant of share options**** 緊接頒授購股權日前 本公司股份收市價**** HK\$ 港幣元
			At 1 April 2003 於二零零三年 四月一日	Granted during the year 已頒授 年內	Exercised during the year*** 已行使*** 年內	At 31 March 2004 於二零零四年 三月三十一日		
Directors 董事								
Poon Bun Chak 潘彬澤	11 September 2002 二零零二年九月十一日	4.97	1,000,000	—	—	1,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80
Poon Kai Chak 潘佳澤	11 September 2002 二零零二年九月十一日	4.97	7,500,000	—	—	7,500,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80
	26 March 2004 二零零四年三月二十六日	5.60	—	3,000,000	—	3,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五日	5.55
			7,500,000	3,000,000	—	10,500,000		
Poon Kei Chak 潘熾澤	11 September 2002 二零零二年九月十一日	4.97	7,500,000	—	—	7,500,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80
	26 March 2004 二零零四年三月二十六日	5.60	—	3,000,000	—	3,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五日	5.55
			7,500,000	3,000,000	—	10,500,000		
Poon Kwan Chak 潘鈞澤	11 September 2002 二零零二年九月十一日	4.97	4,000,000	—	—	4,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80
	26 March 2004 二零零四年三月二十六日	5.60	—	6,000,000	—	6,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五日	5.55
			4,000,000	6,000,000	—	10,000,000		
Ting Kit Chung 丁傑忠	11 September 2002 二零零二年九月十一日	4.97	4,000,000	—	—	4,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80
	26 March 2004 二零零四年三月二十六日	5.60	—	6,000,000	—	6,000,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五日	5.55
			4,000,000	6,000,000	—	10,000,000		
Au Son Yiu 區焯耀	11 September 2002 二零零二年九月十一日	4.97	200,000	—	—	200,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80
	26 March 2004 二零零四年三月二十六日	5.60	—	200,000	—	200,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五日	5.55
			200,000	200,000	—	400,000		
Cheng Shu Wing 鄭樹榮	11 September 2002 二零零二年九月十一日	4.97	200,000	—	—	200,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80
	26 March 2004 二零零四年三月二十六日	5.60	—	200,000	—	200,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五日	5.55
			200,000	200,000	—	400,000		
Wong Tze Kin, David 黃自建	26 March 2004 二零零四年三月二十六日	5.60	—	200,000	—	200,000	26 March 2004 to 25 March 2014 二零零四年三月二十六日至二零一四年三月二十五日	5.55

28. SHARE OPTION SCHEME (continued)

28. 購股權計劃 (續)

Name or category of participant 參與者名稱或類別	Date of grant of share options* 購股權頒授日期*	Exercise price of share options** 行使價格**	Number of share options 購股權數目				Exercise period of share options 購股權行使期限	Closing price of the Company's share immediately before the date of grant of share options**** 緊接頒授購股權日前本公司股份收市價****
			At 1 April 2003 於二零零三年四月一日	Granted during the year 已頒授	Exercised during the year*** 已行使***	At 31 March 2004 於二零零四年三月三十一日		
Other employees 其他僱員								
In aggregate 合共	11 September 2002 二零零二年九月十一日	4.97	3,700,000	—	(630,000)	3,070,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80
	26 March 2004 二零零四年三月二十六日	5.60	—	7,650,000	—	7,650,000	1 April 2006 to 25 March 2014 二零零六年四月一日至二零一四年三月二十五日	5.55
			3,700,000	7,650,000	(630,000)	10,720,000		
			28,100,000	26,250,000	(630,000)	53,720,000		

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

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

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

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

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

* 購股權有效日期乃由頒授購股權日起至行使期開始止。

** 購股權的行使價於本公司配股或派發紅股或在股本中有其他類似轉變時可予調整。

*** 本公司股份於緊接購股權行使日期前之加權平均收市價為港幣6.16元。

**** 收市價乃指本公司股份於聯交所的收市價。

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

28. SHARE OPTION SCHEME (continued)

At 31 March 2004, 53,720,000 share options remained outstanding under the Scheme, which represented approximately 4.1 % of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 53,720,000 additional ordinary shares of the Company and additional share capital of HK\$2,686,000 and share premium of HK\$280,840,000 (before issue expenses).

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

29. RESERVES

(a) Group

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

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

28. 購股權計劃 (續)

於二零零四年三月三十一日，該計劃下尚有53,720,000份購股權未獲行使相當於該日本公司已發行股份約4.1%。根據本公司之現有資本架構，全面行使餘下之購股權將導致額外發行53,720,000股本公司之普通股，並額外產生股本港幣2,686,000元及股份溢價港幣280,840,000元（未計發行開支）。

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

29. 儲備

(a) 集團

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

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

29. RESERVES (continued)

(a) Group (continued)

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

(b) Company

29. 儲備 (續)

(a) 集團 (續)

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

(b) 公司

		Share premium account	Capital redemption reserve	Contributed surplus	Retained profits	Total
		股本溢價賬	股本贖回儲備	實繳盈餘	保留溢利	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
At 1 April 2002	於二零零二年四月一日	331,168	1,587	48,708	377,206	758,669
Exercise of share options	行使購股權	2,460	—	—	—	2,460
Net profit for the year	本年度溢利淨額	—	—	—	332,106	332,106
Interim 2003 dividend	二零零三年中期股息	—	—	—	(145,642)	(145,642)
Proposed final 2003 dividend	二零零三年擬派末期股息	—	—	—	(185,437)	(185,437)
At 31 March 2003 and 1 April 2003	於二零零三年三月三十一日及二零零三年四月一日	333,628	1,587	48,708	378,233	762,156
Exercise of share options	行使購股權	3,100	—	—	—	3,100
Net profit for the year	本年度溢利淨額	—	—	—	265,808	265,808
Interim 2004 dividend	二零零四年中期股息	—	—	—	(105,996)	(105,996)
Proposed final 2004 dividend	二零零四年擬派末期股息	—	—	—	(159,047)	(159,047)
At 31 March 2004	於二零零四年三月三十一日	336,728	1,587	48,708	378,998	766,021

29. RESERVES (continued)

(b) **Company** (continued)

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

29. 儲備 (續)

(b) **公司** (續)

因應本公司在一九九二年上市前的重組，本公司之實繳盈餘，即本公司已發行股本之面值，與所收購附屬公司於收購日之合併資產淨值之差額。根據百慕達一九八一年公司法（經修訂），可於若干情況下派發實繳盈餘。

30. INTERESTS IN SUBSIDIARIES

30. 於附屬公司之權益

		Company	
		公司	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted shares, at cost	非上市股份，成本值	48,908	48,908
Due from subsidiaries	應收附屬公司賬款	2,129,940	2,474,122
Due to subsidiaries	應付附屬公司賬款	(1,347,235)	(1,694,733)
		831,613	828,297

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

與附屬公司之賬款結餘，乃無抵押、無利息及無須於一年內償還。

30. INTERESTS IN SUBSIDIARIES (continued)

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

30. 於附屬公司之權益 (續)

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

Company name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 已繳股本面值	Percentage of equity attributable to the Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
Trustland Inc.	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$18,000 18,000美元	100	100	Investment holding 投資控股
Nice Dyeing Factory Limited 永佳染廠有限公司	Hong Kong 香港	Ordinary HK\$1,000 Non-voting deferred HK\$3,125,000 普通股本港幣1,000元 無投票權遞延股本 港幣3,125,000元	100	100	Sale of finished knitted fabric and dyed yarn 銷售針織布及色紗
Texwinca Enterprises (China) Limited 德永佳(中國)發展 有限公司	British Virgin Islands/ the PRC 英屬處女群島/中國	US\$1 1美元	100	100	Investment holding and provision of subcontracting services 投資控股及提供 加工服務
Dongguan Texwinca Textile & Garment Limited* 東莞德永佳紡織製衣 有限公司*	the PRC 中國	HK\$965,952,354 港幣965,952,354元	100	100	Production of finished knitted fabric and dyed yarn 生產整染針織布及 色紗

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 已繳股本面值	Percentage of equity attributable to the Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
Texwinca Enterprises Limited	Hong Kong	HK\$2	100	100	Provision of management services
德永佳實業有限公司	香港	港幣2元			提供管理服務
Win Ready Industrial Limited	Hong Kong	Ordinary HK\$10 Non-voting deferred HK\$2	100	100	Property holding
永備實業有限公司	香港	普通股本港幣10元 無投票權遞延股本 港幣2元			持有物業
Winlife Trading Limited 永生行有限公司	Hong Kong 香港	HK\$15,903,100 港幣15,903,100元	100	100	Property holding 持有物業
Baleno Holdings Limited 班尼路集團有限公司	British Virgin Islands 英屬處女群島	US\$10,000 10,000美元	54	54	Investment holding 投資控股
Baleno Kingdom Limited 班尼路有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Guangzhou Friendship Baleno Company Limited 廣州友誼班尼路服飾 有限公司	the PRC 中國	HK\$25,680,000 港幣25,680,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 已繳股本面值	Percentage of equity attributable to the Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
Shanghai Haiwen Baleno Garment Company Limited 上海海文班尼路服飾 有限公司	the PRC 中國	US\$210,000 210,000美元	51.4	51.4	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Beijing Xingyu Baleno Garment & Decoration Company Limited 北京興宇班尼路服裝 服飾有限公司	the PRC 中國	US\$500,000 500,000美元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Chongqing Dasheng Baleno Fashion Company Limited 重慶大生班尼路服飾 有限公司	the PRC 中國	HK\$3,880,000 港幣3,880,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
天津市班尼路服飾 有限公司	the PRC 中國	RMB500,000 人民幣500,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Silver Kingdom Limited 銀鯨有限公司	British Virgin Islands/ Taiwan 英屬處女群島/台灣	US\$1 1美元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 已繳股本面值	Percentage of equity attributable to the Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
Bigpoint Limited	British Virgin Islands/ the PRC	US\$1	100	100	Holding of trademarks and provision of franchise services
大班有限公司	英屬處女群島/中國	1美元			持有商標及 提供商標服務
Highrich Corporation	British Virgin Islands/ the PRC	US\$1	54	54	Provision of management services and sub-licensing of trademarks
大富有限公司	英屬處女群島/中國	1美元			提供管理服務 及代理版權服務
Winca Trading Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Provision of repair and maintenance services for generators and trading of generators
永佳貿易有限公司	英屬處女群島/香港	1美元			提供發電機之 維修及銷售
Winca (Dongguan) Motor Service Limited**	the PRC	HK\$28,460,000	100	100	Provision of repair and maintenance services for motors
永佳(東莞)汽車維修 服務有限公司**	中國	港幣28,460,000元			提供汽車之維修

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 已繳股本面值	Percentage of equity attributable to the Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
Overseas Union Limited 聯合海外有限公司	Hong Kong 香港	HK\$2 港幣2元	54	54	Leasing of properties 租賃物業
Successful Channel Corporation	British Virgin Islands/ the PRC 英屬處女群島/中國	US\$1 1美元	54	54	Property holding 持有物業
Samuel & Kevin Macau Fashion Company Limited	Macau	MOP25,000	54	54	Retail and distribution of casual apparel and accessory
Samuel & Kevin 服裝 服飾澳門有限公司	澳門	葡幣 25,000元			便服及飾物 零售及分銷
Billion Global Limited	British Virgin Islands/ Taiwan	US\$1	54	54	Retail and distribution of casual apparel and accessory
億皓股份有限公司	英屬處女群島/ 台灣	1美元			便服及飾物 零售及分銷
南京班尼路服飾 有限公司	the PRC	RMB1,010,000	54	54	Retail and distribution of casual apparel and accessory
	中國	人民幣 1,010,000元			便服及飾物 零售及分銷

30. INTERESTS IN SUBSIDIARIES (continued)

30. 於附屬公司之權益 (續)

Company name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 已繳股本面值	Percentage of equity attributable to the Group 本集團應佔權益 之百分率		Principal activities 主要業務
			2004	2003	
武漢班尼路商貿 有限公司	the PRC 中國	RMB1,080,000 人民幣1,080,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
長沙班尼路服飾 有限公司	the PRC 中國	RMB500,000 人民幣500,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
陝西班尼路服飾 有限公司	the PRC 中國	RMB600,000 人民幣600,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Baleno Kingdom (Singapore) Private Limited	Singapore 新加坡	SG\$300,000 坡幣300,000元	54	54	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Grand Nice Development Limited 嘉麗發展有限公司	Hong Kong 香港	HK\$2 港幣2元	54	54	Leasing of properties 租賃物業
Excel Billion Inc. 永億國際有限公司	British Virgin Islands/Taiwan 英屬處女群島/ 台灣	US\$1 1美元	54	54	Property holding 持有物業

30. INTERESTS IN SUBSIDIARIES (continued)

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

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

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

30. 於附屬公司之權益 (續)

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

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

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

31. CONTINGENT LIABILITIES

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

		Group		Company	
		集團		公司	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Bank guarantees given in lieu of property rental deposits	代替租用物業按金之銀行擔保書	3,934	2,358	1,580	1,580
Guarantees of banking facilities granted to an associate	為聯營公司銀行信貸所作之擔保	12,500	14,000	12,500	14,000
Guarantees of banking facilities granted to subsidiaries	為附屬公司銀行信貸所作之擔保	—	—	1,898,000	1,093,000
Export bills discounted with recourse	有追索權之出口票據貼現	255,870	158,672	—	—

- (b) In respect of possible future long service payments to employees under the Hong Kong Employment Ordinance as further explained under the heading "Employee benefits" in note 3 to financial statements, the Group has made a provision of HK\$7,955,000 (2003: HK\$4,941,000) and has a further contingent liability with a maximum possible amount of HK\$5,320,000 (2003: HK\$5,855,000) as at 31 March 2004.

31. 或有負債

- (a) 於結算日，於財務報表未作撥備之或有負債如下：

- (b) 根據香港僱傭條例可能須於未來向僱員支付長期服務金，如財務報表附註3「僱員福利」一節所詳述，於二零零四年三月三十一日，本集團已撥備港幣7,955,000元（二零零三年：港幣4,941,000元）及或有負債可能涉及之金額最多為港幣5,320,000元（二零零三年：港幣5,855,000元）。

31. CONTINGENT LIABILITIES (continued)

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

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

31. 或有負債 (續)

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

- (c) 本集團於香港之其中一間附屬公司現時為一宗由第三者提出之訴訟中之被告，原告人宣稱本集團侵犯其已註冊之商標，因售賣之服裝貨品具有此標記，現正為此引起之利潤損失及法律費用提出索償。按集團法律顧問之意見，董事認為於現階段，不能確定此索償之成功率，及相信該附屬公司有充分理據對此訴訟作出抗辯，因此，於二零零四年三月三十一日止，並沒有為此訴訟引致之任何索償作出撥備。
- (d) 本集團於台灣之其中一間附屬公司受到台灣國稅局追索有關透過部份當地店舖擁有者於一九九八年十一月至二零零二年十二月期間銷售之少交商業稅及罰款，總額共台幣62.7百萬元(相等於港幣14.2百萬元)。該附屬公司之當地稅務代表已呈交抗辯信反對該索償。按該附屬公司當地稅務代表之意見，董事相信該附屬公司有充分理據反對國稅局之索償，因此，並沒有於二零零四年三月三十一日為此稅務索償作出撥備。

32. OPERATING LEASE ARRANGEMENTS

(a) As lessor

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

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

32. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排出租旗下投資物業(附註14)，議定期期由兩年至三年不等。租約條款一般規定租戶須繳付保證按金及訂明可根據當時市場情況定期作出租金調整。

於二零零四年三月三十一日，本集團根據有關之不可撤銷經營租賃合約未來最低應收租金總額到期情況如下：

		Group	
		集團	
		2004	2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	2,717	3,596
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	103	1,214
		2,820	4,810

32. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

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

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

32. 經營租賃安排 (續)

(b) 作為承租人

本集團根據經營租賃安排租用若干土地用作工廠、零售商店、廠房設備及機械，以及員工及董事宿舍。該等租約議定租期不超過五十年。

於二零零四年三月三十一日，本集團根據有關之不可撤銷經營租賃合約未來最低應付租金總額到期情況如下：

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

33. COMMITMENTS

(a) Capital commitments

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

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

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

33. 承擔

(a) 資本承擔

於結算日，資本支出承擔如下：

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

34. RELATED PARTY TRANSACTIONS

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

		Group		
		集團		
		2004		2003
		<i>Note</i>	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Sales to Megawell Industrial Limited ("Megawell")	銷售予 Megawell Industrial Limited (「Megawell」)	(i)	265,183	378,063
Purchases from Megawell	向 Megawell 採購	(ii)	203,846	185,834

Notes:

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

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

34. 關連人士交易

- (a) 本年度，本集團曾與其聯營公司進行下列交易：

附註：

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

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

34. RELATED PARTY TRANSACTIONS (continued)

(b) As at 31 March 2004, Nice Dyeing Factory Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$323,520,000 (2003: HK\$245,651,000) to Baleno Kingdom Limited, a non wholly-owned subsidiary, at annual interest rate of prime rate minus 1.25% and HIBOR plus 2% for the period from April to October 2003, and from November 2003 to March 2004, respectively (2003: prime rate minus 1.25%). The advances are unsecured and have no fixed terms of repayment. The principal purpose of these advances is to finance the operations of Baleno Kingdom Limited.

(c) During the year, shareholder loans were granted to the Group by a substantial shareholder and also a director of the Company, details of which were set out in note 24 to the financial statements. Total interest expenses paid for the shareholder loans amounted to HK\$474,000 (2003: Nil) for the year.

(d) A minority shareholder of the Group's 54% owned subsidiary had provided an unconditional guarantee to indemnify the Group from any loss arising from the recoverability of prepayments for purchases made to a supplier of the Group of HK\$16,741,000 as included in the prepayments, deposits and other receivables balance of the Group as at 31 March 2004.

35. APPROVAL OF THE FINANCIAL STATEMENTS

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

34. 關連人士交易 (續)

(b) 於二零零四年三月三十一日，本公司之全資擁有附屬公司永佳染廠有限公司向本公司之非全資擁有附屬公司班尼路有限公司提供之未償還貸款為港幣323,520,000元（二零零三年：港幣245,651,000元），於二零零三年四月至十月及二零零三年十一月至二零零四年三月期間之年利息分別按最優惠利率減1.25%及香港銀行同業拆息加2%（二零零三年：最優惠利率減1.25%），有關貸款並無抵押及無協定之還款日期，主要用作班尼路有限公司之營運資金。

(c) 於年內，本公司之主要股東兼董事借出股東貸款予本集團，詳情已於財務報表附註24列出。本年度已付股東貸款之利息支出總額為港幣474,000元（二零零三年：無）。

(d) 本集團擁有54%權益附屬公司之其中一少數股東就本集團預付一供應商貸款港幣16,741,000元可回收性之任何損失，提供無條件的擔保。該款已包括於二零零四年三月三十一日之預付款項、訂金及其他應收賬款中。

35. 財務報表之核准

本財務報表已於二零零四年七月二十三日由董事會核准及授權刊發。