

INTERIM DIVIDEND

The Board resolved that an interim dividend of HK3 cents per share (2005: Nil) be payable on 16th January, 2007. The shareholders' register will be closed from 5th January, 2007 to 10th January, 2007 (both days inclusive). In order to qualify for interim dividend, transfer must be lodged at the company registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Thursday, 4th January, 2007.

BUSINESS REVIEW AND PROSPECTS

We are pleased to announce that the sales revenue of the Group for the six month period was HK\$783,323,000 (2005: HK\$753,585,000) and our overall profits had increased to HK\$28,386,000 (2005: HK\$4,570,000) due to the following reasons:

1. Results of our garment manufacturing and trading business in both woven and knits had improved;
2. Gain in exchange profits from the strength of both Euro and Pound Sterling during this period; and
3. Our concentration on garment and textile business and the disposal of our interest last year in those less favourable investments – aluminium plant in Qinghai and W. Haking Enterprises Ltd. as well as factories in Sri Lanka and Lesotho.

The Group as aforesaid had recorded an increase in profits for the first six month period despite the impairment loss incurred when we sold our interest in our French company – Yangtzekiang S.A. Details of the transaction had already been announced as per the Company's circular to shareholders dated 12th December, 2006. Barring any unforeseen circumstance, we expect the above condition to persist in the second half of the fiscal year and overall profits will continue to improve.

中期股息

董事會議決將於二零零七年一月十六日派付中期股息每股3港仙(二零零五年:無)。本公司之股份過戶登記手續將由二零零七年一月五日起至二零零七年一月十日止(包括首尾兩天)暫停辦理。如欲符合收取中期股息之資格,必須於二零零七年一月四日(星期四)下午四時正之前將過戶表格送交本公司之股份過戶登記處香港中央證券登記有限公司,地址為香港皇后大道東183號合和中心17樓1712-1716室。

業務回顧及前景

本集團欣然宣佈本集團於六個月期間之銷售收益為783,323,000港元(二零零五年:753,585,000港元)。整體盈利上升至28,386,000港元(二零零五年:4,570,000港元),原因如下:

1. 本集團於梭織及針織的成衣製造及貿易業務業績均錄得改善;
2. 歐羅及英鎊於本期間內表現強勁,因此帶來匯兌盈利收益;及
3. 本集團專注於成衣及紡織業務及於去年出售表現欠佳投資項目之權益,即青海之鋁廠及寶源基業有限公司,以及於斯里蘭卡及萊索托之工廠。

一如上文所述,雖然本集團因出售於旗下法國公司—Yangtzekiang S.A.之權益而產生減值虧損,但本公司於首六個月期間仍錄得盈利上升。該交易之詳情已於二零零六年十二月十二日之本公司致股東通函內宣佈。除出現任何無法預見之情況外,本集團預期上述情況將於本財政年度下半年持續,而整體盈利將繼續改善。

FINANCIAL POSITION AND CAPITAL STRUCTURE

During the period under review, the Group's operations continued to be financed by the internal resources and bank borrowings.

As at 30th September, 2006, the cash and bank balances of the Group were approximately HK\$35,041,000 (as at 31st March, 2006: HK\$43,820,000). As at 30th September, 2006, the bank borrowings of the Group were approximately HK\$197,378,000 (as at 31st March, 2006: HK\$297,342,000), of which approximately HK\$158,395,000 (as at 31st March, 2006: HK\$232,318,000) was short term while approximately HK\$38,983,000 (as at 31st March, 2006: HK\$65,024,000) was long term. The gearing ratio (calculated by dividing total bank borrowings net of cash and bank balances by total equity) of the Group as at 30th September, 2006 was 27% (as at 31st March, 2006: 43%). The bank borrowings including bank loans and overdrafts are mainly in Hong Kong dollars.

The Group adopts a prudent policy to hedge the fluctuation of exchange rates. Most of the operating activities are denominated in Hong Kong dollars or United States dollars. For those denominated in other currencies, the Group may enter into forward contracts to hedge its receivable and payable denominated in foreign currencies against the exchange rate fluctuations.

The share capital of the Company remained unchanged during the period under review.

PLEDGE OF ASSETS

As at 30th September, 2006, the Group had pledged certain assets with carrying values of HK\$85,000,000 (as at 31st March, 2006: HK\$130,000,000) to secure banking facilities granted to the Group.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30th September, 2006, the Group, including its subsidiaries but excluding associates and jointly controlled entities, employed approximately of 7,000 employees. Remuneration packages are determined by reference to employees' performance and the prevailing salary levels in the market. In addition, the Group provides year end double pay, provident fund scheme, medical insurance and training to staff.

財務狀況及股本架構

於回顧期間內，本集團仍以其內部資源及銀行貸款作為營運資金。

於二零零六年九月三十日，本集團之現金及銀行結餘約為35,041,000港元(於二零零六年三月三十一日：43,820,000港元)。於二零零六年九月三十日，本集團之銀行借貸約為197,378,000港元(於二零零六年三月三十一日：297,342,000港元)，當中約158,395,000港元(於二零零六年三月三十一日：232,318,000港元)為短期借貸，約38,983,000港元(於二零零六年三月三十一日：65,024,000港元)為長期借貸。於二零零六年九月三十日，本集團之資本負債比率(銀行借貸總額扣除現金及銀行結餘後再除以權益總額)為27%(於二零零六年三月三十一日：43%)。銀行借貸包括銀行貸款及透支均以港幣為主。

本集團採用審慎政策以對沖匯率波動。本集團大部份業務均主要以港元及美元結算。至於以其他貨幣結算之業務，本集團已就其以外幣結算之應收及應付款訂立若干遠期合約，以對沖外匯波動。

本公司之股本於本回顧期內並無任何變動。

資產抵押

於二零零六年九月三十日，本集團將若干資產賬面值為85,000,000港元(於二零零六年三月三十一日：130,000,000港元)予以抵押，以作為授予本集團銀行信貸之擔保。

僱員及薪酬政策

於二零零六年九月三十日，除聯營公司及合營公司外，本集團(包括其附屬公司)聘用約7,000名僱員。薪酬組合乃參照員工之表現及市場當時之薪金水平而釐定。此外，本集團為僱員提供年終雙薪、公積金計劃、醫療保險及培訓。

DIRECTORS' INTEREST

(a) As at 30th September, 2006, the interests and short positions of the directors and their associates in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by directors of Listed Issuers and which were required to be entered in the register kept by the Company under section 352 of the SFO were as follows:

董事權益

(a) 於二零零六年九月三十日，本公司各董事及彼等之聯繫人士於本公司或任何聯營公司（按證券及期貨條例（「證券條例」）第XV部之涵義）股份、相關股份及債券中擁有根據證券條例第XV部第7及8分部、上市公司董事進行證券交易的標準守則之規定須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及空倉（包括彼等根據該等證券條例規定被視作或當作擁有之權益及空倉），並須登記於根據證券條例第352條存置之登記冊之權益及空倉如下：

Number of Ordinary Shares of HK\$0.50 each
每股面值港幣0.50元之普通股份數目

Name of Director	董事姓名	Personal interest 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益
Chan Sui Kau	陳瑞球	6,324,696	3,999,354	5,611,230	(i)
Chan Wing Fui, Peter	陳永奎	486,102	1,589,130	-	(i) & (ii) & (iii)
Chan Wing Kee	陳永棋	1,761,624	208,356	-	(i) & (ii) & (iii) & (iv)
Chan Wing To	陳永滔	2,934,054	-	-	(i) & (ii) & (iii) & (iv)
Chan Wing Sun, Samuel	陳永榮	11,244	-	3,043,080	(i) & (ii) & (iii)
Chan Suk Ling, Shirley	周陳淑玲	1,728,816	24,000	-	(i) & (ii) & (iii)
Chan Suk Man	劉陳淑文	1,535,442	-	-	(i) & (ii) & (iii) & (iv)
So Ying Woon, Alan	蘇應垣	12,000	-	-	-
Leung Hok Lim	梁學濂	-	-	-	-
Wong Lam	王霖	-	-	-	-
Lin Keping	林克平	-	-	-	-

DIRECTORS' INTEREST (Continued)

(a) (Continued)

Notes:

- (i) 44,600,260 shares of the Company were held by Chan Family Investment Corporation Ltd. (which is owned by Messrs Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family) and its subsidiaries.
 - (ii) 34,595,908 shares of the Company were held by Joycome Limited, which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family.
 - (iii) 1,574,480 shares of the Company were held by Hearty Development Limited which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family.
 - (iv) 2,383,500 shares of the Company were held by Super Team International Limited which is indirectly owned by Messrs Chan Wing Kee, Chan Wing To, Madam Chan Suk Man and other members of the Chan family.
- (b) Save as disclosed above, as at 30th September, 2006, none of the directors or their associates, had, under Division 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Issuers in the Listing Rules.

董事權益 (續)

(a) (續)

附註：

- (i) 合共44,600,260股本公司股份乃由Chan Family Investment Corporation Ltd. (包括陳瑞球先生、陳永奎先生、陳永棋先生、陳永滔先生及陳永榮先生、周陳淑玲女士及劉陳淑文女士及其他家族成員)及其附屬公司所持有。
 - (ii) 合共34,595,908股本公司股份乃由Joycome Limited持有。該公司由陳永奎先生、陳永棋先生、陳永滔先生及陳永榮先生、周陳淑玲女士及劉陳淑文女士及其他陳氏家族成員間接擁有。
 - (iii) 合共1,574,480股本公司股份乃由Hearty Development Limited持有。該公司由陳永奎先生、陳永棋先生、陳永滔先生及陳永榮先生、周陳淑玲女士及劉陳淑文女士及其他陳氏家族成員間接擁有。
 - (iv) 合共2,383,500股本公司股份乃由Super Team International Limited持有。該公司由陳永棋先生、陳永滔先生、劉陳淑文女士及其他陳氏家族成員間接擁有。
- (b) 除上文所披露者外，於二零零六年九月三十日，各董事或彼等之聯繫人士概無於本公司或任何聯營公司(按證券條例第XV部之涵義)股份、相關股份或債券中擁有根據證券條例第XV部第7及8分部須知會本公司或聯交所之任何權益或空倉(或彼等根據該等證券條例規定被視作或當作擁有之任何權益或空倉)，或須登記於本公司根據證券條例第352條存置之登記冊之任何權益，或根據上市規則內上市公司董事進行證券交易標準守則之規定須知會本公司及聯交所之任何權益。