



Interim report 2007

 **Texwinca** holdings limited

德永佳集團有限公司

Stock code 股份代號 : 321

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Corporate Information 公司資料

DIRECTORS

Poon Bun Chak

(Chairman and Chief Executive Officer)

Poon Kai Chak

Poon Kei Chak

Poon Kwan Chak

Ting Kit Chung

Au Son Yiu*

Cheng Shu Wing*

Wong Tze Kin, David*

* *Independent Non-executive Directors*

NOMINATION COMMITTEE

Cheng Shu Wing *(Chairman)*

Au Son Yiu

Wong Tze Kin, David

REMUNERATION COMMITTEE

Au Son Yiu *(Chairman)*

Cheng Shu Wing

Wong Tze Kin, David

Ting Kit Chung

AUDIT COMMITTEE

Wong Tze Kin, David *(Chairman)*

Au Son Yiu

Cheng Shu Wing

COMPANY SECRETARY

Chan Chi Hon

董事

潘彬澤

(主席兼董事總經理)

潘佳澤

潘機澤

潘鈞澤

丁傑忠

區樂耀*

鄭樹榮*

黃自建*

* *獨立非執行董事*

提名委員會

鄭樹榮 *(主席)*

區樂耀

黃自建

薪酬委員會

區樂耀 *(主席)*

鄭樹榮

黃自建

丁傑忠

審核委員會

黃自建 *(主席)*

區樂耀

鄭樹榮

公司秘書

陳志漢

Corporate Information 公司資料

REGISTERED OFFICE

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

註冊辦事處

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

總辦事處及主要營業地點

香港
新界葵涌
興芳路223號
新都會廣場第二座16樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

主要股份登記及過戶處

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份登記及過戶分處

卓佳登捷時有限公司
香港灣仔
皇后大道東二十八號
金鐘匯中心二十六樓

Corporate Information 公司資料

AUDITORS

Ernst & Young

Certified Public Accountants

LEGAL ADVISORS

Jennifer Cheung & Co.

Wilkinson & Grist

PRINCIPAL BANKERS

Bank of China (Hong Kong) Ltd.

BNP Paribas

Citibank, N.A.

Hongkong Bank

Hang Seng Bank

Mizuho Corporate Bank, Ltd.

The Bank of East Asia, Ltd.

WEBSITES

<http://www.texwinca.com/>

<http://www.baleno.com.hk/>

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

核數師

安永會計師事務所

執業會計師

法律顧問

張美霞律師行

高露雲律師行

主要往來銀行

中國銀行(香港)有限公司

法國巴黎銀行

花旗銀行

滙豐銀行

恒生銀行

瑞穗實業銀行

東亞銀行有限公司

網址

<http://www.texwinca.com/>

<http://www.baleno.com.hk/>

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

Financial Information 財務資料

The board of directors (the “Board”) of Texwinca Holdings Limited (the “Company”) has pleasure in presenting the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2007. The interim results have been reviewed by the Company’s audit committee.

德永佳集團有限公司(「本公司」)之董事會欣然宣佈，本公司及其附屬公司(「本集團」)截至二零零七年九月三十日止六個月之未經審核綜合業績。此中期業績已由本公司審核委員會審閱。

Condensed Consolidated Income Statement 簡明綜合利潤表

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2007	2006
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$’000	HK\$’000
		港幣千元	港幣千元
	<i>Notes</i>		
	<i>附註</i>		
REVENUE	收入	4	4,659,153
Cost of sales	銷售成本		(3,197,051)
Gross profit	毛利		1,462,102
Other income and gains	其他收入及收益	5	65,531
Selling and distribution costs	銷售及分銷費用		(774,540)
Administrative expenses	行政費用		(288,939)
Other operating expenses, net	其他營運費用，淨額		(2,553)
Finance costs	財務費用		(22,828)
Share of profit of an associate, net of tax	應佔聯營公司溢利，除稅後淨額		36,301
PROFIT BEFORE TAX	除稅前溢利	6	475,074
Tax	稅項	7	(117,112)
PROFIT FOR THE PERIOD	本期溢利		357,962
Attributable to:	歸屬：		
Equity holders of the Company	本公司權益所有者		390,265
Minority interests	少數股東權益		(32,303)
			357,962
			235,295

Financial Information 財務資料

Condensed Consolidated Income Statement (continued)

簡明綜合利潤表(續)

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2007	2006
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		Notes	
		附註	
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Proposed interim dividend	擬派中期股息	238,868	159,155
Proposed interim dividend per share (HK cents)	擬派每股中期股息 (港幣仙)	18.0	12.0
Earnings per share attributable to ordinary equity holders of the Company (HK cents)	歸屬本公司普通 權益所有者每股 盈利(港幣仙)	8	
Basic	基本	29.4	20.7
Diluted	攤薄後	29.3	20.7

Financial Information 財務資料

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

			At 30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核)	At 31 March 2007 二零零七年 三月三十一日 (Audited) (經審核)
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	2,271,437	2,323,532
Investment properties	投資物業		117,071	119,682
Prepaid land lease payments	預付土地租賃款		24,607	24,773
Construction in progress	在建工程		78,936	38,513
Trademarks	商標		33,293	33,293
Interest in an associate	於聯營公司之權益		132,254	121,464
Long term rental deposits	長期租金按金		100,850	126,148
Total non-current assets	總非流動資產		2,758,448	2,787,405
CURRENT ASSETS	流動資產			
Inventories	存貨		1,301,715	1,290,340
Trade and bills receivable	應收賬款及應收票據	10	1,076,372	1,090,387
Prepayments, deposits and other receivables	預付款項、訂金及其他應收賬款		422,022	403,850
Derivative financial assets	衍生金融資產		28,025	25,588
Cash and cash equivalents	現金及現金等價物		699,742	244,829
Total current assets	總流動資產		3,527,876	3,054,994
CURRENT LIABILITIES	流動負債			
Due to an associate	應付聯營公司		7,401	15,605
Trade and bills payable	應付賬款及應付票據	11	1,080,860	950,918
Other payables and accrued liabilities	其他應付賬款及應計負債		281,480	236,968
Derivative financial liabilities	衍生金融負債		1,079	196
Tax payable	應付稅項		308,039	202,250
Interest-bearing bank borrowings	附息銀行貸款		330,045	546,785
Dividend payable	應付股息		198,914	-
Total current liabilities	總流動負債		2,207,818	1,952,722

Financial Information 財務資料

Condensed Consolidated Balance Sheet (continued)

簡明綜合資產負債表(續)

		At 30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核)	At 31 March 2007 二零零七年 三月三十一日 (Audited) (經審核)
	Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
NET CURRENT ASSETS	流動資產淨額	1,320,058	1,102,272
TOTAL ASSETS LESS	總資產減流動		
CURRENT LIABILITIES	負債	4,078,506	3,889,677
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	付息銀行貸款	563,511	557,791
Provision for long service payments	長期服務金撥備	12,065	11,303
	<i>12(b)</i>		
Deferred tax	遞延稅項	5,560	5,560
Total non-current liabilities	總非流動負債	581,136	574,654
Net assets	淨資產	3,497,370	3,315,023
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益所有者應佔權益		
Issued capital	已發行股本	66,348	66,314
Reserves	儲備	3,159,659	2,982,853
Proposed interim/final dividend	擬派中期／末期股息	238,855	198,913
		3,464,862	3,248,080
Minority Interests	少數股東權益	32,508	66,943
Total equity	總權益	3,497,370	3,315,023

Financial Information 財務資料

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

	Issued capital	Share premium account	Share redemption reserve	Capital reserve	Share option reserve	Contributed surplus	Exchange fluctuation reserve	Asset revaluation reserve	Legal reserve	Retained profits	Proposed dividend	Total	Minority interests	Total equity
	已發行股本	股本溢價賬	資本贖回儲備	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
	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
At 1 April 2007	66,314	344,158	-	1,587	9,841	3,986	66,043	23,920	49	2,533,269	198,913	3,248,080	66,943	3,315,023
Exchange realignment	-	-	-	-	-	-	21,885	-	-	-	-	21,885	(2,132)	19,753
Profit for the period	-	-	-	-	-	-	-	-	-	390,265	-	390,265	(32,303)	357,962
Exercise of share options	60	6,333	-	-	(1,140)	-	-	-	-	1,140	-	6,393	-	6,393
Repurchase of shares	(26)	(2,822)	26	-	-	-	-	-	-	(26)	-	(2,848)	-	(2,848)
Fortfeiture of share options	-	-	-	-	60	-	-	-	-	(60)	-	-	-	-
2006/2007 final dividend	-	-	-	-	-	-	-	-	-	-	(98,913)	(98,913)	-	(98,913)
2007/2008 proposed interim dividend	-	-	-	-	-	-	-	-	-	(238,868)	238,868	-	-	-
At 30 September 2007	66,348	347,669	-	1,613	8,761	3,986	87,928	23,920	49	2,685,720	238,868	3,464,862	32,598	3,497,370
At 1 April 2006	66,314	344,158	-	1,587	10,276	3,986	20,760	13,493	-	2,265,335	145,892	2,871,801	58,148	2,929,949
Exchange realignment	-	-	-	-	-	-	17,356	-	-	-	-	17,356	1,280	18,636
Profit for the period	-	-	-	-	-	-	-	-	-	275,191	-	275,191	(39,896)	235,295
Fortfeiture of share options	-	-	-	-	(150)	-	-	-	-	150	-	-	-	-
2005/2006 final dividend	-	-	-	-	-	-	-	-	-	-	(145,892)	(145,892)	-	(145,892)
2006/2007 proposed interim dividend	-	-	-	-	-	-	-	-	-	(159,155)	159,155	-	-	-
At 30 September 2006	66,314	344,158	-	1,587	10,126	3,986	38,116	13,493	-	2,384,521	159,155	3,018,456	19,532	3,037,988

Financial Information 財務資料

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

		Six months ended 30 September 截至九月三十日止六個月	
		2007 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 (Unaudited) (未經審核) HK\$'000 港幣千元
NET CASH INFLOW FROM OPERATING ACTIVITIES	經營所得現金流入淨額	738,776	607,120
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	投資活動現金流出淨額	(30,877)	(340,774)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	融資活動現金流入/(流出)淨額	(230,301)	97,735
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之增加淨額	477,598	364,081
Cash and cash equivalents at beginning of period	期初之現金及現金等價物	244,827	235,297
Foreign exchange adjustments	外匯調整	(22,683)	(14,310)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	於期末之現金及現金等價物	699,742	585,068
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	140,311	117,379
Non-pledged short term time deposits with original maturity within three months when acquired	於訂立日三個月內到期之無抵押短期定期存款	559,431	467,689
		699,742	585,068

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

1. BASIS OF PREPARATION

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

1. 編製基本原則

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

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed interim financial statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2007, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period's financial statements:

HKAS 1 Amendment	Capital Disclosures	HKAS 1 (修訂本)	資本披露
HKFRS 7	Financial Instruments: Disclosures	HKFRS 7	金融工具： 披露事項
HK(IFRIC)-Int 8	Scope of HKFRS 2	香港(國際財務 報告詮釋 委員會) — 詮釋第8號	HKFRS 2之 範圍
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives	香港(國際財務 報告詮釋 委員會) — 詮釋第9號	嵌入式衍生工 具之重新 評估
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment	香港(國際財務 報告詮釋 委員會) — 詮釋第10號	中期財務報告 與減值
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions	香港(國際財務 報告詮釋 委員會) — 詮釋第11號	HKFRS 2 – 集團與庫務 股份交易

2. 主要會計政策

在編製此未經審核簡明中期財務報表採用的會計政策和編製基礎與本集團截至二零零七年三月三十一日止年度財務報表所採用的一致，除以下影響本集團及在本期財務報表中首次採用的新訂及經修訂香港財務報告準則(「HKFRSs」，同時包括HKASs和詮釋)：

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)* 簡明綜合財務報表附註 (續)

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

The adoption of the HKFRSs listed above does not have any significant impact on the Group's unaudited condensed interim financial statements for the six months ended 30 September 2007. For those new and revised HKFRSs which have not yet been effective, the Group is in the process of assessing their impact on the Group's results and financial position.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The judgements and estimates adopted in the preparation of the unaudited condensed interim financial statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2007.

4. SEGMENT INFORMATION

Segment information is presented on a primary segment reporting basis, by business segment.

2. 主要會計政策 (續)

採納上列HKFRSs對本集團截至二零零七年九月三十日止六個月的未經審核簡明中期財務報表沒有重大的影響。關於仍未生效之新訂及經修訂HKFRSs，本集團現正評估其對本集團業績及財務狀況之影響。

3. 主要會計判斷及估計

在編製此未經審核簡明中期財務報表時採用的判斷及估計與本集團截至二零零七年三月三十一日止年度財務報表採用的一致。

4. 分類資料

分類資料乃按主要業務分類作為分類呈報方式。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

4. SEGMENT INFORMATION (continued)

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

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

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

4. 分類資料(續)

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

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

業務分類間之銷售及轉撥交易之售價乃參照售予第三者之當時市場價格訂定。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註 (續)

4. SEGMENT INFORMATION (continued)

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

4. 分類資料 (續)

下表為截至九月三十日止六個月，本集團業務分類之收入及溢利／(虧損)資料：

	Production, dyeing and sale of knitted fabric and yarn 針織布及棉紗之產銷及整染		Casual apparel and accessory retailing and distribution 便服及飾物零售及分銷		Others 其他		Eliminations 對銷		Consolidated 綜合	
	2007 二零零七年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2007 二零零七年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2007 二零零七年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2007 二零零七年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2007 二零零七年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元
Segment revenue: 分類收入：										
Sales to external customers 售予集團外客戶	2,862,442	2,401,172	1,773,451	1,569,908	23,260	24,478	—	—	4,659,153	3,995,558
Intersegment sales 分類間之銷售	—	—	—	—	1,228	652	(1,228)	(652)	—	—
Other revenue 其他收入	40,299	28,471	9,710	8,845	9,058	8,389	—	—	59,067	45,705
Total 合計	2,902,741	2,429,643	1,783,161	1,578,753	33,546	33,519	(1,228)	(652)	4,718,220	4,041,263
Segment results 分類業績	431,435	320,198	4,854	(63,556)	13,531	12,903	5,617	2,985	455,437	272,530
Interest income 利息收入									6,464	6,359
Share of profit of an associate, net of tax 應佔聯營公司溢利，除稅後淨額									36,301	24,066
Finance costs 財務費用									(22,828)	(28,086)
Profit before tax 除稅前溢利									475,074	274,869
Tax 稅項									(117,112)	(39,574)
Profit for the period 本期溢利									357,962	235,295

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

5. OTHER INCOME AND GAINS

5. 其他收入及收益

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest income	利息收入	6,464	6,359
Gross rental income	總租金收入	9,410	7,891
Net fair value gains on foreign exchange derivative financial instruments	外匯衍生金融 工具公允值收益 淨額	22,237	20,932
Scrap sales	餘料銷售	11,895	5,529
Sundry income	雜項收入	15,525	11,353
		65,531	52,064

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

6. PROFIT BEFORE TAX

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

6. 除稅前溢利

本集團之除稅前溢利已扣除／(加上)：

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Depreciation	折舊	156,972	138,935
Recognition of prepaid land lease payments	預付土地租賃款之確認	324	285
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	4,362	6,758
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損／(收益)	1,452	(4,014)

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註 (續)

7. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (six months ended 30 September 2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. 稅項

香港利得稅已按期內於香港賺取之估計應課稅溢利以稅率17.5% (截至二零零六年九月三十日止六個月：17.5%) 提撥準備。在其他地區的應課利得稅項，乃根據本集團業務經營所在國家之現有法律、詮釋及常規，按其現行稅率計算。

		Six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年	2006 二零零六年
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
		HK\$'000 港幣千元	HK\$'000 港幣千元
Hong Kong and the Mainland	香港及中國		
China taxes:	大陸稅項：		
Current period provision	本期準備	67,112	39,574
Underprovision in prior years	往年度撥備 不足額	50,000	—
Tax charge for the period	本期稅項	117,112	39,574

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)* 簡明綜合財務報表附註 (續)

7. TAX *(continued)*

During the period, the Guangzhou Municipal Office of the State Administration of Taxation (the “SAT Guangzhou Office”) of the People’s Republic of China commenced a review with the Group’s tax representative on the transfer pricing policy of the Group’s retail and distribution operation in the Mainland China for the past years since 1996. According to the Group’s internal pricing policies, the prices of all intra-group transactions are determined based on arm’s length transaction basis. The Group has made an appropriate tax provision in the accounts.

7. 稅項 (續)

於本期內，中華人民共和國廣州市國家稅務局（「廣州市國稅局」）與本集團的稅務代表就零售及分銷業務在中國境內自一九九六年起之轉讓定價政策進行審核。按本集團的內部定價政策，所有集團內部的交易的價格乃根據正常交易基礎釐訂。本集團已於賬目中作出適當之稅務撥備。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

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

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$390,265,000 (six months ended 30 September 2006: HK\$275,191,000) and the weighted average number of 1,326,434,388 (six months ended 30 September 2006: 1,326,288,104) ordinary shares in issue during the period.

8. 歸屬本公司普通權益所有者每股盈利

(a) 基本每股盈利

基本每股盈利乃按本公司普通權益所有者應佔本期溢利港幣390,265,000元(截至二零零六年九月三十日止六個月:港幣275,191,000元)及期內已發行普通股股份之加權平均數1,326,434,388(截至二零零六年九月三十日止六個月:1,326,288,104)計算。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

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

(b) Diluted earnings per share

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

		Six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	本公司普通權益所有者應佔溢利，用於計算每股基本盈利	390,265	275,191
		Number of shares 股份數目	
Weighted average number of shares in issue during the period used in the basic earnings per share calculation	用於計算基本每股盈利之期內已發行股份加權平均股數	1,326,434,388	1,326,288,104
Effect of dilution — Weighted average number of ordinary shares: Share options	攤薄之影響 — 加權平均普通股股數：購股權	6,782,727	44,588
Weighted average number of shares in issue during the period used in the diluted earnings per share calculation	用於計算攤薄後每股盈利之期內已發行股份加權平均股數	1,333,217,115	1,326,332,692

8. 歸屬本公司普通權益所有者每股盈利(續)

(b) 攤薄後每股盈利

攤薄後每股盈利之計算如下：

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2007, the Group acquired items of property, plant and equipment with a cost of HK\$67,483,000 (six months ended 30 September 2006: HK\$381,482,000). Items of property, plant and equipment with a net book value of HK\$3,886,000 were disposed of during the six months ended 30 September 2007 (six months ended 30 September 2006: HK\$24,879,000).

10. TRADE AND BILLS RECEIVABLE

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

9. 物業、廠房及設備

於截至二零零七年九月三十日止六個月內，本集團添置價值為港幣67,483,000元(截至二零零六年九月三十日止六個月:港幣381,482,000元)之物業、廠房及設備項目。於截至二零零七年九月三十日止六個月內，賬面淨值為港幣3,886,000元之物業、廠房及設備項目被出售(截至二零零六年九月三十日止六個月:港幣24,879,000元)。

10. 應收賬款及應收票據

於結算日，按發票日期及扣除減值後之應收賬款及應收票據賬齡分析如下：

		At 30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2007 二零零七年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Within 90 days	90日內	1,007,059	1,037,043
Over 90 days	90日以上	69,313	53,344
		1,076,372	1,090,387

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)* 簡明綜合財務報表附註 (續)

10. TRADE AND BILLS RECEIVABLE

(continued)

Payment terms of the Group's customers mainly range from "cash before delivery" to "within 90 days from the date of invoice". A significant portion of the customers trade with the Group under documentary credit terms. The Group seeks to maintain strict credit control on its outstanding receivables and has a policy to manage its credit risk. Since the Group's trade receivables relate to a large number of customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

10. 應收賬款及應收票據 (續)

本集團客戶主要賬期由「先款後貨」至「發票日起的90天內」，其中有重大部份是以信用狀進行交易。本集團對應收賬款實施一套嚴謹監察制度以管理授信風險。由於本集團應收賬款包括眾多客戶，因此本集團並無重大的信貸集中風險。應收賬款為非附息。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

11. TRADE AND BILLS PAYABLE

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

11. 應付賬款及應付票據

於結算日，按發票日期之應付賬款及應付票據賬齡分析如下：

		At 30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2007 二零零七年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Within 90 days	90日內	994,083	921,419
Over 90 days	90日以上	86,777	29,499
		1,080,860	950,918

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

12. CONTINGENT LIABILITIES

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

(a) Guarantees

	At 30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2007 二零零七年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Bank guarantees given in lieu of property rental deposits	3,871	4,823
Guarantees of banking facilities granted to an associate	12,500	12,500

12. 或有負債

於結算日，以下或有負債未於中期財務報表中撥備：

(a) 擔保

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

12. CONTINGENT LIABILITIES (continued)

(b) In respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, the Group has made a provision of HK\$12,065,000 (31 March 2007: HK\$11,303,000) and has a further contingent liability with a maximum possible amount of HK\$2,100,000 (31 March 2007: HK\$2,215,000) as at 30 September 2007.

(c) A subsidiary of the Group in Taiwan is currently subject to a claim from the National Tax Authority (the "NTA") of Taiwan for the underpayment of business tax on sales made through certain local stores in Taiwan during the period from November 1998 to December 2002 together with penalties, of NTD50,219,000 in aggregate (equivalent to HK\$11,926,000 (31 March 2007: HK\$11,861,000)). An amendment letter against the claim was filed by the local tax representative of the subsidiary in a prior year. The directors, based on the advice from the local tax representative of the subsidiary, consider that the subsidiary has a valid ground to object the claim from the NTA, and accordingly, the Group has not made any provision for the tax claim as at 30 September 2007 (31 March 2007: Nil).

12. 或有負債(續)

(b) 根據香港僱傭條例可能需於未來向僱員支付長期服務金，本集團已於二零零七年九月三十日撥備港幣12,065,000元(二零零七年三月三十一日：港幣11,303,000元)，而或有負債可能涉及之最大金額為港幣2,100,000元(二零零七年三月三十一日：港幣2,215,000元)。

(c) 本集團於台灣之一附屬公司受到台灣國稅局(「國稅局」)追繳有關透過部份當地店舖於一九九八年十一月至二零零二年十二月期間銷售之少付營業稅及罰款，總額共新台幣50,219,000元(相等於港幣11,926,000元(二零零七年三月三十一日：港幣11,861,000))。於往年，該附屬公司之當地稅務代表已呈更正申請函反對此追繳。按該附屬公司當地稅務代表之意見，董事相信該附屬公司有充份理據反對國稅局之追繳，因此本集團並沒有於二零零七年九月三十日為此稅務追繳作出撥備(二零零七年三月三十一日：無)。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)* 簡明綜合財務報表附註 (續)

12. CONTINGENT LIABILITIES *(continued)*

(d) The Hong Kong Inland Revenue Department (the “IRD”) has raised protective tax assessment totalling HK\$322,038,000 against certain subsidiaries of the Group for the year of assessment 2000/2001. The Group believes that it has valid ground for its objection against the claim. Following the objection made by the Group, the IRD held over the claim completely subject to the purchase of HK\$40,000,000 tax reserve certificate. As the review is at the initial stage, the outcome is still uncertain. As at 30 September 2007, the directors of the subsidiaries considered that adequate tax provision had been made in the financial statements.

12. 或有負債 (續)

(d) 香港稅務局(「稅局」)已就本集團部份附屬公司二零零零／二零零一課稅年度提出保障性稅務評估共港幣322,038,000元。本集團相信有充足理據對該評估提出反對。在本集團作出反對後，稅局已同意暫緩所徵的全部稅款，惟有關附屬公司須購買儲稅券金額港幣40,000,000元。由於該評估處於開始階段，復核的結果仍有些不明朗。截至二零零七年九月三十日，有關附屬公司之董事認為財務報表中之稅務撥備已足夠。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

13. CAPITAL COMMITMENTS

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

13. 資本性承擔

在結算日，本集團的資本性支出承擔如下：

		At 30	At 31
		September 2007	March 2007
		二零零七年	二零零七年
		九月三十日	三月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
In respect of property, plant and equipment, contracted but not provided for	就物業、廠房及設備，已訂約但未提撥備	59,159	32,624
In respect of property, plant and equipment, authorised but not contracted for	就物業、廠房及設備，已授權但沒有訂約	330,331	330,331
In respect of investment in a subsidiary	就投資於一附屬公司	189,006	439,360
		578,496	802,315

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

14. RELATED PARTY TRANSACTIONS

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

		Six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 (Unaudited) (未經審核)	2006 二零零六年 (Unaudited) (未經審核)
		Notes 附註	HK\$'000 港幣千元
Sales to an associate	銷售予聯營公司	(i)	211,156
Purchases from an associate	向聯營公司採購	(ii)	118,537
Rental expenses paid to related companies	租金費用支付予關連公司	(iii)	7,334

Notes:

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

14. 關連人士交易

(a) 於期內，本集團曾進行以下關連人士交易：

		2007 二零零七年 (Unaudited) (未經審核)	2006 二零零六年 (Unaudited) (未經審核)
		Notes 附註	HK\$'000 港幣千元
Sales to an associate	銷售予聯營公司	(i)	211,156
Purchases from an associate	向聯營公司採購	(ii)	118,537
Rental expenses paid to related companies	租金費用支付予關連公司	(iii)	7,334

附註：

- (i) 本集團向聯營公司之銷售乃根據本集團向主要客戶提供之價格及條件訂立。
- (ii) 董事認為向聯營公司採購之價格及條件，與該聯營公司向它的其他客戶所提供之價格及條件相若。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

14. RELATED PARTY TRANSACTIONS (continued)

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

Notes: (continued)

- (iii) The rental expenses were paid to related companies, of which certain directors of the Company are also the directors and beneficial shareholders, for the provision of directors' quarters and retail outlets. The directors considered that the monthly rentals were charged based on the prevailing market rates at the dates of the tenancy agreements.

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

- (b) As at 30 September 2007, Nice Dyeing Factory Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$12,658,000 (31 March 2007: HK\$47,114,000) to Baleno Kingdom Limited, a non-wholly-owned subsidiary of the Company, at Hong Kong Interbank Offered Rate ("HIBOR") plus 2% (31 March 2007: HIBOR plus 2%) per annum.

14. 關連人士交易(續)

- (a) 於期內，本集團曾進行以下關連人士交易：(續)

附註：(續)

- (iii) 租金費用是支付予關連公司作為提供董事宿舍及零售店舖，該等公司之董事及實益股東亦為本公司之董事。董事認為每月之租金乃根據租賃合同簽訂日之市場價格。

此外，本集團為聯營公司作出若干銀行信貸擔保，詳細資料載於財務報表附註12(a)。

- (b) 於二零零七年九月三十日，本公司之全資擁有附屬公司永佳染廠有限公司向本公司之非全資擁有附屬公司班尼路有限公司提供之貸款為港幣12,658,000元(二零零七年三月三十一日：港幣47,114,000元)，年利率為香港銀行同業拆息(「HIBOR」)加2%(二零零七年三月三十一日：HIBOR加2%)。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

14. RELATED PARTY TRANSACTIONS

(continued)

(b) (continued)

In addition, as at 30 September 2007, Nice Dyeing Factory (Macao Commercial Offshore) Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$415,832,000 (31 March 2007: HK\$485,367,000) to Baleno Holdings Limited, a non-wholly-owned subsidiary of the Company, at 83% of HIBOR plus 2% (31 March 2007: 83% of HIBOR plus 2%) per annum.

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

14. 關連人士交易(續)

(b) (續)

此外，於二零零七年九月三十日，本公司全資擁有附屬公司永佳染廠(澳門離岸商業服務)有限公司向本公司非全資擁有附屬公司班尼路集團有限公司提供貸款港幣415,832,000元(二零零七年三月三十一日：港幣485,367,000元)，年利率為HIBOR加2%的83%(二零零七年三月三十一日：HIBOR加2%的83%)。

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

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements *(continued)* 簡明綜合財務報表附註 *(續)*

14. RELATED PARTY TRANSACTIONS

(continued)

(c) A minority shareholder of the Group's 54%-owned subsidiary had provided an unconditional guarantee to indemnify the Group from any loss arising from the recoverability of prepayments made to a supplier of the Group of HK\$26,632,000 (31 March 2007: HK\$25,143,000) as included in the balance of the prepayments, deposits and other receivables of the Group as at the balance sheet date.

14. 關連人士交易 *(續)*

(c) 本集團擁有54%權益附屬公司之其中一少數股東就本集團預付一供應商貨款港幣26,632,000元(二零零七年三月三十一日：港幣25,143,000元)，提供無條件擔保以補償任何本集團回收上之損失。於結算日，該款已包括於預付款項、訂金及其他應收賬款結餘中。

Financial Information 財務資料

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註(續)

14. RELATED PARTY TRANSACTIONS

(continued)

(d) Compensation of key management personnel of the Group

14. 關連人士交易(續)

(d) 本集團主要管理人員薪酬

	Six months ended 30 September 截至九月三十日止六個月	
	2007 二零零七年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元
Short term employee benefits	44,040	36,813
Post-employment benefits	30	30
	44,070	36,843

15. COMPARATIVE AMOUNTS

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

15. 比較數字

若干比較數字經重新分類以符合本期之呈報方式。

Management Discussion and Analysis

管理層之論述及分析

INTERIM DIVIDEND

The Board has declared an interim dividend of HK18.0 cents (six months ended 30 September 2006: HK12.0 cents) per share for the six months ended 30 September 2007. The interim dividend will be payable on Wednesday, 6 February 2008 to shareholders registered on the Register of Members at the close of business on Friday, 11 January 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 7 January 2008 to Friday, 11 January 2008 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for entitlement to the interim dividend, all transfers accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Registrar in Hong Kong, Tricor Tengis Limited not later than 4:00 p.m. on Friday, 4 January 2008. Tricor Tengis Limited is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

中期股息

董事會宣佈派發截至二零零七年九月三十日止六個月之中期股息每股港幣18.0仙(截至二零零六年九月三十日止六個月：港幣12.0仙)。擬派中期股息將於二零零八年二月六日星期三，派發予二零零八年一月十一日星期五辦公時間結束時，登記於股東名冊之股東。

暫停辦理過戶登記

股東名冊將由二零零八年一月七日星期一至二零零八年一月十一日星期五(首尾兩天包括在內)，暫停辦理股份之過戶登記手續。股東如欲符合獲派建議派發之中期股息，須於二零零八年一月四日星期五下午四時正之前，將有關股票連同過戶文件送達本公司在香港之股份過戶登記分處卓佳登捷時有限公司。卓佳登捷時有限公司之地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓。

Management Discussion and Analysis

管理層之論述及分析

BUSINESS REVIEW

The Group achieved encouraging results again for the six months ended 30 September 2007. Total turnover increased by 17%, to HK\$4,659 million (six months ended 30 September 2006: HK\$3,996 million). Net profit for the period attributable to the equity holders of the Company amounted to HK\$390 million (six months ended 30 September 2006: HK\$275 million), a rise of 42%. Operating profit margin improved to 10% from last interim period's 7%. The Board has recommended an interim dividend of HK18 cents per ordinary share, an increase of 50% over last interim period's HK12 cents per share.

Textile business

The fabric business made a turnover of HK\$2,862 million (six months ended 30 September 2006: HK\$2,401 million), a growth of 19%. The amount represented 61% the Group's total turnover. Due to the industry consolidation, the Group, taking advantage of its well established environmental facilities and excellent product quality, was able to take further market share from the competitors. In the period, cotton prices were stable and order flow was strong. Fabric production capacity grew by about 15% in the six months. The Group had placed close attention on the control of rising costs and efficiency improvement and gross profit margin increased to 20.1% from last period's 18.5%.

業務回顧

本集團於截至二零零七年九月三十日止六個月再取得令人振奮之業績。總營業額增長17%至港幣4,659百萬元(截至二零零六年九月三十日止六個月:港幣3,996百萬元)。本公司權益所有者應佔溢利淨額為港幣390百萬元(截至二零零六年九月三十日止六個月:港幣275百萬元),上升42%。經營邊際利潤由去年中期之7%增長至10%。董事會建議派發中期股息每股港幣18仙,較去年中期之每股港幣12仙增加50%。

紡織業務

針織布業務營業額為港幣2,862百萬元(截至二零零六年九月三十日止六個月:港幣2,401百萬元),增長19%。此數目佔本集團總營業額61%。隨著本行業繼續整固,本集團藉著完善環保設施及優良產品,從競爭者手中成功取得更高市場佔有率。期內棉花價格平穩而客戶單源強勁。針織布生產量於期內六個月提升約15%。本集團嚴控成本上升及提高生產效率,毛利率由去年之18.5%增加至20.1%。

Management Discussion and Analysis

管理層之論述及分析

BUSINESS REVIEW (continued)

Retail and distribution business

Revenue of this business amounted to HK\$1,773 million (six months ended 30 September 2006: HK\$1,570 million), an increase of 13%, and was 38% of the Group's total turnover. The business achieved further positive performance in the period and gross profit margin increased to 49.0% from last period's 47.5%. In this interim period, business expansion was continued in the Mainland China but minor consolidation was done in Hong Kong, Taiwan, Singapore and Malaysia. At the period end, the development in different markets was as below:

業務回顧 (續)

零售及分銷業務

此業務營業額達港幣1,773百萬元(截至二零零六年九月三十日止六個月:港幣1,570百萬元),增長13%,佔本集團總營業額38%。期內此業務表現持續改善,毛利率由去年之47.5%增加至49.0%。在此中期內,中國大陸仍維持業務擴展而香港、台灣、星加坡及馬來西亞市場則作輕度整固。於本期末,在各地市場之發展如下:

		Net sales		Growth		Number of outlets*		
		銷售淨額		增長率		門市數目*		
		Six months ended		September		September		
		30 September		rate		March		
		截至九月三十止六個月		rate		September		
		2007		2006		2007		
		二零零七年		二零零六年		二零零七年		
		HK\$'000		HK\$'000		二零零七年		
		港幣千元		港幣千元		二零零七年		
				%		二零零六年		
						二零零六年		
						二零零六年		
Mainland China	中國大陸	1,234,981	1,019,384	21		3,458	3,347	3,231
Hong Kong and Macau	香港及澳門	188,760	238,848	(21)		75	87	91
Taiwan	台灣	217,234	192,561	13		252	259	254
Singapore	星加坡	100,794	93,015	8		56	64	59
Malaysia	馬來西亞	31,682	26,100	21		25	30	28
		1,773,451	1,569,908	13		3,866	3,787	3,663

* Including self-managed and franchise stores

* 包括自營店及特許經營店

Management Discussion and Analysis

管理層之論述及分析

BUSINESS REVIEW (continued)

Garment manufacturing business

Turnover of this associate in the period grew 20% to HK\$653 million (six months ended 30 September 2006: HK\$546 million). Net profit contribution to the Group amounted to HK\$36 million (six months ended 30 September 2006: HK\$24 million), an increase of 50%. During the period, about 68% (six months ended 30 September 2006: 66%) of the fabric consumption was supplied by our fabric division and sales to our retail business accounted for about 18% (six months ended 30 September 2006: 17%) of its revenue.

FINANCIAL CONDITION

Liquidity and financial resources

The financial position of the Group remained strong. The current ratio, the total bank debts and the gearing ratio as at the period end were 1.6, HK\$894 million and 0.3 (31 March 2007: 1.6, HK\$1,105 million and 0.3) respectively. The gearing ratio refers to the ratio of total interest-bearing debts to total equity. The net cash inflow from operating activities for the period was HK\$739 million (six months ended 30 September 2006: HK\$607 million).

業務回顧 (續)

製衣業務

此聯營業務營業額增加20%至港幣653百萬元(截至二零零六年九月三十日止六個月:港幣546百萬元)。對本集團之淨溢利貢獻為港幣36百萬元(截至二零零六年九月三十日止六個月:港幣24百萬元),增加50%。期內約68%(截至二零零六年九月三十日止六個月:66%)之布料消耗由紡織業務提供,銷售至零售及分銷業務則約佔其營業額18%(截至二零零六年九月三十日止六個月:17%)。

財務狀況

流動資金及財務資源

本集團財務狀況維持強勁。於本中期末,流動比率、銀行貸款總額及資本負債比率分別為1.6、港幣894百萬元及0.3(二零零七年三月三十一日:1.6、港幣1,105百萬元及0.3)。資本負債比率乃指總付息債務及總權益之比率。本期經營所得現金流入淨額為港幣739百萬元(截至二零零六年九月三十日止六個月:港幣607百萬元)。

Management Discussion and Analysis

管理層之論述及分析

FINANCIAL CONDITION (continued)

Liquidity and financial resources (continued)

The interest cover, the trade and bills receivables to turnover and the inventory to turnover for the period under review were 22 times, 42 days and 51 days (six months ended 30 September 2006: 11 times, 40 days and 50 days) respectively. The Group mainly financed its operation by cash inflow from its operating activities and bank borrowings. As at the period end, the cash and cash equivalents, the equity attributable to equity holders of the Company and the unutilized banking facilities were HK\$700 million, HK\$3,465 million and HK\$2,632 million (31 March 2007: HK\$245 million, HK\$3,248 million and HK\$2,030 million) respectively.

Capital expenditure

Total capital expenditures of the Group for the period amounted to HK\$111 million (six months ended 30 September 2006: HK\$440 million), of which HK\$79 million (six months ended 30 September 2006: HK\$364 million) was incurred by the textile business for the expansion of its production capacity to meet the increasing demand from its customers. On the other hand, HK\$32 million (six months ended 30 September 2006: HK\$76 million) was incurred by the retail and distribution business mainly for the renovation of its retail outlets in the Mainland China.

財務狀況 (續)

流動資金及財務資源 (續)

本中期之利息保障比率、應收賬款及應收票據與營業額比率及存貨與營業額比率分別為22倍、42天及51天(截至二零零六年九月三十日止六個月：11倍、40天及50天)。本集團主要以經營所得現金流入及銀行貸款滿足其營運資金的需求。於期末，現金及現金等價物、本公司權益所有者應佔權益及未運用銀行信貸額分別為港幣700百萬元、港幣3,465百萬元及港幣2,632百萬元(二零零七年三月三十一日：港幣245百萬元，港幣3,248百萬元，港幣2,030百萬元)。

資本性支出

於本期，本集團資本性支出共港幣111百萬元(截至二零零六年九月三十日止六個月：港幣440百萬元)，其中紡織業務的資本性支出為港幣79百萬元(截至二零零六年九月三十日止六個月：港幣364百萬元)，主要用於擴大其生產設施以滿足上升中的客戶需求。零售及分銷業務的資本性支出則為港幣32百萬元(截至二零零六年九月三十日止六個月：港幣76百萬元)，主要用於中國大陸店舖的更新。

Management Discussion and Analysis

管理層之論述及分析

FINANCIAL CONDITION (continued)

Pledge of assets

No significant assets were pledged as at 30 September 2007.

Foreign exchange and interest rate risks

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

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

財務狀況 (續)

資產抵押

於二零零七年九月三十日，並無重大資產已作抵押。

匯兌及利率風險

本集團維持嚴格及審慎政策管理利率與匯率風險。本集團主要附息銀行貸款為港元，利率以HIBOR為基礎計算，並於五年內到期。為減低利率風險，本集團已與國際性金融機構安排金融工具合約。

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

Management Discussion and Analysis

管理層之論述及分析

FINANCIAL CONDITION (continued)

Contingent liabilities

As at 30 September 2007, the contingent liabilities of the Group included:

- (i) the corporate guarantees of HK\$13 million and HK\$4 million (31 March 2007: HK\$13 million, HK\$5 million) made by the Group in respect of the banking facilities of its associate and the bank guarantees given in lieu of rental deposits respectively;
- (ii) the possible long service payments of HK\$2 million (31 March 2007: HK\$2 million) not provided in the accounts;
- (iii) the contingent liabilities of HK\$12 million (31 March 2007: HK\$12 million) related to the business tax claim against a subsidiary of the Group in Taiwan was not provided in the period, the details of which have been set out in note 12(c) to the financial statements; and

財務狀況 (續)

或有負債

於二零零七年九月三十日，本集團之或有負債包括：

- (i) 本集團為聯營公司銀行信貸及以銀行擔保代替租金按金所作之擔保分別為港幣13百萬及港幣4百萬元(二零零七年三月三十一日：港幣13百萬元，港幣5百萬元)；
- (ii) 未於賬目中撥備潛在的長期服務金港幣2百萬元(二零零七年三月三十一日：港幣2百萬元)；
- (iii) 與本集團於台灣之一附屬公司營業稅索賠有關的或有負債港幣12百萬元(二零零七年三月三十一日：港幣12百萬元)並未於本期撥備，明細已載於財務報表的附註12(c)；及

Management Discussion and Analysis

管理層之論述及分析

FINANCIAL CONDITION *(continued)*

Contingent liabilities (continued)

(iv) The Hong Kong Inland Revenue Department (the “IRD”) has raised protective tax assessments totalling HK\$322 million against certain subsidiaries of the Group for the year of assessment 2000/2001. The Group believes that it has valid ground for its objection against the claim. Following the objection made by the Group, the IRD held over the claim completely subject to the purchase of HK\$40 million tax reserve certificate. As the review is at the initial stage, the outcome is still uncertain. As at 30 September 2007, the directors of the subsidiaries considered that adequate tax provision had been made in the financial statements.

HUMAN RESOURCES

As at 30 September 2007, the Group had about 22,100 (31 March 2007: 23,400) employees in the Greater China, Singapore and Malaysia. The remuneration of the employees was largely based on industry practice and the performance of individual employee.

財務狀況 (續)

或有負債 (續)

(iv) 香港稅務局(「稅局」)已就本集團部份附屬公司二零零零／二零零一課稅年度提出保障性稅務評估共港幣322百萬元。本集團相信有充足理據對該評估提出反對。在本集團作出反對後，稅局已同意暫緩所徵的全部稅款，惟有關附屬公司須購買儲稅券金額港幣40百萬元。由於該評估處於開始階段，復核的結果仍有些不明朗。截至二零零七年九月三十日，有關附屬公司之董事認為財務報表中之稅務撥備已足夠。

人力資源

於二零零七年九月三十日，本集團於大中華、星加坡及馬來西亞共有僱員約22,100人(二零零七年三月三十一日：23,400人)。員工薪酬之釐訂主要基於行業之情況及員工個人表現。

Management Discussion and Analysis

管理層之論述及分析

OUTLOOK

As the textile industry continues to consolidate, the Group, taking advantage of its well established environmental facilities and excellent product quality, is at a favourable position to enlarge its global market share. The Group will continue its capacity expansion to support strong demands from the customers. With excellent competitiveness, the management is optimistic to enhance profit returns.

The retail business is expected to achieve ongoing improved results. The management will especially focus on store performance acceleration and profit margin expansion.

The Management remains extremely positive on the results of the second half year.

展望

隨著紡織業繼續整固，本集團藉著完善環保設施及優良產品，處於有利位置以擴大全球市場佔有率。本集團將繼續擴展產能以應付客戶之需求。由於具備優良之競爭力，管理層對能提高利潤回報甚表樂觀。

零售業務亦期待能繼續取得進步之業績。管理層將特別注重提升店舖之表現及擴大邊際利潤。

管理層對下半年能取得良好之業績深具信心。

Other Information 其他資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2007, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

董事於股份及相關股份之權益及淡倉

於二零零七年九月三十日，根據《證券及期貨條例》第352條而備存的登記冊，或根據《上市公司董事進行證券交易的標準守則》（「標準守則」）通知本公司及聯交所，各董事在本公司及其聯繫法團（定義見《證券及期貨條例》第XV部）的股本權益及淡倉如下：

於本公司好倉之普通股份：

Name of director	姓名	Number of shares held, capacity and nature of interests 持股數量、身份及權益的性質			Number of underlying shares held through share options, capacity and nature of interests 藉購股權持相關股份數量、身份及權益的性質		Percentage of the Company's issued share capital 佔本公司已發行股本百份率
		Directly or beneficially owned 直接或實益擁有	Through spouse or minor children 藉配偶或未成年子女	Through controlled corporations 藉受控制公司	Directly or beneficially owned 直接或實益擁有	Total 合計	
Poon Bun Chak	潘彬澤	30,320,000	168,800,104 ⁽¹⁾	456,450,000 ⁽²⁾	1,000,000	656,570,104	47.7
Poon Kai Chak	潘佳澤	7,202,800	—	—	10,500,000	17,702,800	1.3
Poon Kei Chak	潘機澤	21,477,200	—	41,922,000 ⁽³⁾	10,500,000	73,899,200	5.4
Poon Kwan Chak	潘鈞澤	13,270,800	—	—	10,000,000	23,270,800	1.7
Ting Kit Chung	丁傑忠	1,600,000	—	—	10,000,000	11,600,000	0.8
		73,870,800	168,800,104	498,372,000	42,000,000	783,042,904	56.9

Other Information 其他資料

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

Notes:

1. The 168,800,104 shares are owned by Farrow Star Limited, which is wholly-owned by Perfection Inc. as a trustee for The Evergreen Trust, a discretionary trust, the beneficiaries of which include the family members of Mr. Poon Bun Chak. These shares are held through his spouse or minor children in accordance with the SFO.
2. The 456,450,000 shares are owned by Giant Wizard Corporation in which Farrow Star Limited has an 97.15% equity interest. A 2.85% interest in Giant Wizard Corporation is owned by Mr. Poon Bun Chak.
3. The 41,922,000 shares are held by Treasure Link International Holdings Limited ("Treasure Link"), in which Mr. Poon Kei Chak and his spouse each owned 50% equity interests.

Save as disclosed above, as at 30 September 2007, none of the directors had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於股份及相關股份之權益及淡倉(續)

附註:

1. 168,800,104 股股份由 Farrow Star Limited 持有，而 Perfection Inc. 則以 The Evergreen Trust 之信託人身份全資擁有 Farrow Star Limited，該全權信託之受益人包括潘彬澤先生之家族成員。根據《證券及期貨條例》，該等股份屬於以配偶及未成年子女持有。
2. 456,450,000 股股份由 Farrow Star Limited 擁有 97.15% 股本權益之 Giant Wizard Corporation 擁有。Giant Wizard Corporation 之 2.85% 權益由潘彬澤先生擁有。
3. 該 41,922,000 股股份由潘機澤先生及其配偶各擁有 50% 權益之 Treasure Link International Holdings Limited (「Treasure Link」) 持有。

除上文所述外，於二零零七年九月三十日，董事概無於本公司或其任何聯繫法團之股份、相關股份中，擁有須遵照《證券及期貨條例》第352條予以記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所。

Other Information 其他資料

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

Save as disclosed in the share option scheme disclosures under “Share Option Scheme” below, at no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

董事於股份及相關股份之權益 及淡倉 (續)

除於以下「購股權計劃」所載的購股權計劃披露外，於期內任何時間，概無任何董事或彼等各自的配偶或未成年子女獲授可藉購入本公司的股份而獲益的權利，或彼等概無行使此等權利；或本公司或其控股公司或其任何附屬公司概無參與任何安排，致令董事可於任何其他法人團體獲得此等權利。

Other Information 其他資料

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

At 30 September 2007, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東及其他人士於股份及相關股份權益

於二零零七年九月三十日，以下擁有本公司已發行股本5%或以上之權益，已根據《證券及期貨條例》第336條規定記載於權益登記冊內：

Name	姓名	Number of underlying shares held through share options, capacity and nature of interests			Total	Percentage of the Company's issued share capital
		Number of shares held, capacity and nature of interests	Through spouse	Through controlled corporation		
		持股數量、身份及權益的性質	藉配偶	藉受控制公司	合計	佔本公司已發行股本百份率
Heung Mi Kuen, Miraner	香美娟	21,477,200 ⁽¹⁾	41,922,000 ⁽²⁾	10,500,000 ⁽¹⁾	73,899,200	5.4

Notes:

- Ms. Heung Mi Kuen, Miraner as the spouse of Mr. Poon Kei Chak, had a deemed interest in the same block of 21,477,200 ordinary shares and 10,500,000 underlying shares through share options owned by Mr. Poon Kei Chak.
- Ms. Heung Mi Kuen, Miraner had a deemed corporate interest in the 41,922,000 ordinary shares of the Company held directly by Treasure Link in which Ms. Heung Mi Kuen, Miraner and Mr. Poon Kei Chak each owned 50% equity interests.

附註:

- 香美娟女士為潘機澤先生的配偶，因而被視作持有潘機澤先生擁有同一批21,477,200股普通股及藉購股權擁有10,500,000股相關股份。
- 香美娟女士與潘機澤先生各佔50%權益的Treasure Link直接持有本公司41,922,000股普通股，因此香美娟女士被視作持有該等股份。

Other Information 其他資料

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

(continued)

Save as disclosed above, as at 30 September 2007, no person, other than the directors of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest and short positions in shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

主要股東及其他人士於股份及相關股份權益 (續)

除上述披露外，於二零零七年九月三十日，無任何人士，除本公司董事權益已詳述於「董事於股份及相關股份之權益及淡倉」，根據《證券及期貨條例》第336條須登記其於本公司股份及相關股份之權益及淡倉。

Other Information 其他資料

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2007, the Company repurchased a total of 526,000 of its listed shares on the Stock Exchange as follows:

購入、贖回或出售本公司上市證券

於二零零七年九月三十日止六個月內，本公司於聯交所共回購526,000股本公司上市股份，回購股份明細如下：

Month/Year	年份 / 月份	Number of shares repurchased 回購股份數目	Price per share 每股價格		Aggregate consideration 合共代價
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
June 2007	二零零七年六月	526,000	5.40	5.36	2,838
Add: Brokerage and commission charges	加：經紀費及佣金				10
Total cash paid	支付現金總額				2,848

The above repurchased shares have been dully cancelled and the issued capital of the Company has been reduced according to the par value of the cancelled shares.

以上購回之股份已被正式取消，本公司之已發行股本亦按已取消股份之面值減少。

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2007.

除以上披露外，本公司及其附屬公司於二零零七年九月三十日止六個月內概無購回、贖回及出讓任何本公司之上市證券。

Other Information 其他資料

SHARE OPTION SCHEME

A share option scheme, in compliance with the requirements of Chapter 17 of the Listing Rules, was adopted by the Company on 28 August 2002 for a period of ten years, details of which have been set out in the Group's annual financial statements for the year ended 31 March 2007. As at 30 September 2007, the following share options were outstanding:

購股權計劃

於二零零二年八月二十八日，本公司採納一個符合《證券上市規則》第十七章要求的購股權計劃，有效期十年，購股權計劃之詳細資料已在本集團截至二零零七年三月三十一日止年度財務報表列明。於二零零七年九月三十日，未行使之購股權如下：

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options			Exercise period of share options	Price of Company's shares at grant date of options***
			At 1 April 2007	Exercised during the period	At 30 September 2007		
參與者名稱或類別	購股權頒授日期*	購股權之行使價格** HK\$ 港幣	於二零零七年四月一日	期內已行使	於二零零七年九月三十日	購股權行使期限	頒授購股權日 本公司股價*** HK\$ 港幣
Directors							
董事							
Poon Bun Chak	11 September 2002	4.97	1,000,000	-	1,000,000	11 September 2002 to 10 September 2012	4.80
潘彬澤	二零零二年九月十一日					二零零二年九月十一日至二零零二年九月十日	
Poon Kai Chak	11 September 2002	4.97	7,500,000	-	7,500,000	11 September 2002 to 10 September 2012	4.80
潘佳澤	二零零二年九月十一日					二零零二年九月十一日至二零零二年九月十日	
	26 March 2004	5.60	3,000,000	-	3,000,000	26 March 2004 to 25 March 2014	5.55
	二零零四年三月二十六日					二零零四年三月二十六日至二零零四年三月二十五日	
			10,500,000	-	10,500,000		

Other Information 其他資料

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options			Exercise period of share options	Price of Company's shares at grant date of options***
			At 1 April 2007	Exercised during the period	At 30 September 2007		
參與者名稱或類別	購股權頒授日期*	購股權之行使價格** HK\$ 港幣	於二零零七年四月一日	期內已行使	於二零零七年九月三十日	購股權行使期限	頒授購股權日 本公司股價*** HK\$ 港幣
Directors							
董事							
Poon Kei Chak	11 September 2002	4.97	7,500,000	-	7,500,000	11 September 2002 to 10 September 2012	4.80
潘熾澤	二零零二年九月十一日					二零零二年九月十一日至二零零二年九月十日	
	26 March 2004	5.60	3,000,000	-	3,000,000	26 March 2004 to 25 March 2014	5.55
	二零零四年三月二十六日					二零零四年三月二十六日至二零零四年三月二十五日	
			10,500,000	-	10,500,000		
Poon Kwan Chak	11 September 2002	4.97	4,000,000	-	4,000,000	11 September 2002 to 10 September 2012	4.80
潘鈞澤	二零零二年九月十一日					二零零二年九月十一日至二零零二年九月十日	
	26 March 2004	5.60	6,000,000	-	6,000,000	26 March 2004 to 25 March 2014	5.55
	二零零四年三月二十六日					二零零四年三月二十六日至二零零四年三月二十五日	
			10,000,000	-	10,000,000		
Ting Kit Chung	11 September 2002	4.97	4,000,000	-	4,000,000	11 September 2002 to 10 September 2012	4.80
丁傑忠	二零零二年九月十一日					二零零二年九月十一日至二零零二年九月十日	
	26 March 2004	5.60	6,000,000	-	6,000,000	26 March 2004 to 25 March 2014	5.55
	二零零四年三月二十六日					二零零四年三月二十六日至二零零四年三月二十五日	
			10,000,000	-	10,000,000		

Other Information 其他資料

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options			Exercise period of share options	Price of Company's shares at grant date of options***
			At 1 April 2007	Exercised during the period	At 30 September 2007		
參與者名稱或類別	購股權頒授日期*	購股權之行使價格**	於二零零七年四月一日	期內已行使	於二零零七年九月三十日	購股權行使期限	本公司股價***
		HK\$ 港幣					HK\$ 港幣
Directors							
董事							
Au Son Yiu	11 September 2002	4.97	200,000	-	200,000	11 September 2002 to 10 September 2012	4.80
區焯耀	二零零二年九月十一日					二零零二年九月十一日至二零零二年九月十日	
	26 March 2004	5.60	200,000	-	200,000	26 March 2004 to 25 March 2014	5.55
	二零零四年三月二十六日					二零零四年三月二十六日至二零零四年三月二十五日	
			400,000	-	400,000		
Cheng Shu Wing	11 September 2002	4.97	200,000	-	200,000	11 September 2002 to 10 September 2012	4.80
鄭樹榮	二零零二年九月十一日					二零零二年九月十一日至二零零二年九月十日	
	26 March 2004	5.60	200,000	-	200,000	26 March 2004 to 25 March 2014	5.55
	二零零四年三月二十六日					二零零四年三月二十六日至二零零四年三月二十五日	
			400,000	-	400,000		
Wong Tze Kin, David	26 March 2004	5.60	200,000	-	200,000	26 March 2004 to 25 March 2014	5.55
黃自建	二零零四年三月二十六日					二零零四年三月二十六日至二零零四年三月二十五日	

Other Information 其他資料

SHARE OPTION SCHEME (continued)

購股權計劃 (續)

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options			Exercise period of share options	Price of Company's shares at grant date of options***
			At 1 April 2007	Exercised during the period	At 30 September 2007		
參與者名稱或類別	購股權頒授日期*	購股權之行使價格**	於二零零七年四月一日	期內已行使	於二零零七年九月三十日	購股權行使期限	頒授購股權日 本公司股價***
		HK\$ 港幣					HK\$ 港幣
Other employees							
其他僱員							
In aggregate	11 September 2002	4.97	1,250,000	(430,000)	820,000	11 September 2002 to 10 September 2012	4.80
合計	二零零二年九月十一日					二零零二年九月十一日至二零零二年九月十日	
	26 March 2004	5.60	6,600,000	(760,000)	5,840,000	1 April 2006 to 25 March 2014	5.55
	二零零四年三月二十六日					二零零六年四月一日至二零零四年三月二十五日	
			7,850,000	(1,190,000)	6,660,000		
			50,850,000	(1,190,000)	49,660,000		

Notes:

- * The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- ** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- *** The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options.

附註：

- * 購股權賦權日期乃由頒授購股權日起至行使期開始止。
- ** 購股權的行使價於本公司配股或派發紅股或在股本中有其他類似轉變時可予調整。
- *** 於購股權授出日期披露之本公司股份價格為緊接授出購股權日期前交易日之聯交所收市價。

Other Information 其他資料

AUDIT COMMITTEE

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

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

審核委員會

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

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

Other Information 其他資料

CORPORATE GOVERNANCE

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

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

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

企業管治

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

- (1) 守則A.4.1條規定非執行董事應獲委任指定任期，及須膺選連任。

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

Other Information 其他資料

CORPORATE GOVERNANCE (continued)

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

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

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

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

企業管治 (續)

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

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

- (3) 守則E.1.2條規定董事會之主席須出席本公司之股東週年大會。

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

Other Information 其他資料

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

By Order of the Board

Poon Bun Chak

Chairman

Hong Kong, 12 December 2007

董事進行之證券交易

本公司已採納《證券上市規則》之標準守則，作為本公司董事進行本公司證券交易之守則。按本公司向各董事之查詢，各董事已於本中期報告所述之會計期間均遵守標準守則之規定。

董事會

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

承董事會命

主席

潘彬澤

香港，二零零七年十二月十二日



香港葵涌興芳路223號新都會廣場第二座十六樓
16/F., Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, Hong Kong