

Notes to the Condensed Financial Statements

For the six months ended 28th February, 2002

1. Basis of Preparation

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants.

2. Significant Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st August, 2001, except as described below.

In the current period, the Group has adopted, for the first time, a number of new and revised SSAPs issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following new and revised accounting policies.

Dividends proposed or declared after the balance sheet date

In accordance with SSAP 9 (Revised) "Events after the balance sheet date", dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date, but are disclosed in the notes to the financial statements. This change in accounting policy has been applied retrospectively, resulting in a prior period adjustment.

簡明財務報表附註

截至二零零二年二月二十八日六個月止

1. 編製基準

本簡明財務報表乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄16之適用披露規定及按照香港會計師公會頒佈之會計實務準則(「會計實務準則」)第25條「中期財務報告」而編製。

2. 主要會計政策

本簡明財務報表(除部份物業以重估價值列出外)乃按歷史成本編製。

除下文所述者外，所採納之會計政策與本集團編製截至二零零一年八月三十一日止年度之年度財務報表一致。

於本期間，本集團由於首次採納由香港會計師公會頒佈之若干新訂立或經修訂之會計實務準則，故此採納了以下新訂立或經修訂之會計政策。

於結算日後建議派發或宣派之股息

根據會計實務準則第9條(經修訂)「結算日後事項」，於結算日後建議派發或宣派之股息將不會在結算日確認為一項負債，但會以附註形式載列於財務報表內。此項會計政策之轉變是具追溯性的，並須作出過往期間之調整。

2. Significant Accounting Policies (Continued)

Goodwill

In the current period, the Group has adopted SSAP 30 "Business combinations" and has elected not to restate goodwill (negative goodwill) previously eliminated against (credited to) reserves. Accordingly, goodwill arising on acquisition prior to 1st January, 2001 is held in reserves and will be charged to the income statement at the time of disposal of the relevant subsidiary, or at such time as the goodwill is determined to be impaired. Negative goodwill arising on acquisition prior to 1st January, 2001 will be credited to income at the time of disposal of the relevant subsidiary.

Goodwill arising on acquisition on or after 1st January, 2001 is capitalised and amortised over its estimated useful life. Negative goodwill arising on acquisition on or after 1st January, 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

Changes in accounting estimates

SSAP 31 "Impairment of assets" has introduced a formal framework for the recognition of impairment losses in respect of the Group's assets. Although in prior years the Group complied with the requirements of specific Accounting Standards in respect of impairment losses, the introduction of SSAP 31 has required a re-estimation of the recoverable amount of certain assets, resulting in the identification of additional impairment losses at 28th February, 2002 amounting to HK\$135,009,000. Out of which an amount of HK\$87,628,000 has been charged to the asset revaluation reserve and the remaining balance of HK\$47,381,000 has been charged to the condensed consolidated income statement.

2. 主要會計政策 (續)

商譽

於本期間，本集團已採納會計實務準則第30條「業務合併」，並選擇不對過往在儲備賬中抵銷（計入）之商譽（負商譽）作出重列。據此，於二零零一年一月一日前因收購而產生之商譽會續存於儲備賬內，並將於出售有關附屬公司或於商譽被確定需減值時在收益賬內扣除。於二零零一年一月一日前因收購而產生之負商譽將於出售有關附屬公司時計作收入。

於二零零一年一月一日或以後因收購而產生之商譽須化作資產，並按其估計可使用年期攤銷。於二零零一年一月一日或以後因收購而產生之負商譽會以資產扣除項呈列，並可按結餘產生情況之分析將之轉為收入。

會計評估之轉變

會計實務準則第31條「資產減值」為本集團資產減值損失之確認方法引入了正規體制。雖然本集團在過往年度已按特定會計基準之規定評估減值損失，但會計實務準則第31條之引入是需要對部份資產重新評估其可收回金額，以致於二零零二年二月二十八日產生額外減值損失135,009,000港元。其中87,628,000港元已在資產重估儲備中扣除，而餘下47,381,000港元則已在簡明綜合收益賬內扣減。

2. Significant Accounting Policies (Continued)

The financial effect of the adoption of the new and revised accounting policies described above is summarised below:

2. 主要會計政策 (續)

採納以上新訂立或經修訂之會計政策之財務影響總結如下：

		Retained profits 滾存盈利
		<i>HK\$'000</i> 千港元
Balance at 1st September, 2000	於二零零零年九月一日結餘	
As previously stated	如前述	1,476,585
Derecognition of liability for final dividend for the year ended 31st August, 2000	取消截至二零零零年八月三十一日止年度末期股息之負債確認	27,008
As restated	已重列	<u>1,503,593</u>

3. Segmental Information

An analysis of the Group's turnover and contribution to profit from operations by business segments and geographical segments is as follows:

3. 分類分析

本集團之營業額及營業盈利貢獻，按營業分類及地區分類分析如下：

		Turnover		Contribution to profit from operations	
		營業額	營業額	營業盈利貢獻	營業盈利貢獻
		Six months ended	Six months ended	Six months ended	Six months ended
		28th February, 2002	28th February, 2001	28th February, 2002	28th February, 2001
		截至	截至	截至	截至
		二零零二年	二零零一年	二零零二年	二零零一年
		二月二十八日	二月二十八日	二月二十八日	二月二十八日
		六個月止	六個月止	六個月止	六個月止
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Business segments	營業分類				
Production and sales of dyed fabrics, sewing threads and yarns	製造及銷售色布、縫紉線及紗	2,030,353	1,983,974	201,130	187,439
Production and sales of garments	製造及銷售成衣	97,153	106,193	(4,655)	1,952
		2,127,506	2,090,167	196,475	189,391
Unallocated corporate income	不可分拆之企業收入			2,936	4,039
Profit from operations	營業盈利			199,411	193,430
Geographical segments	地區分類				
Hong Kong	香港	1,203,928	1,190,170	166,220	122,508
Rest of Asia	亞洲其他地區	655,480	636,120	22,312	52,085
North America	北美洲	183,452	206,736	1,399	10,167
Europe	歐洲	84,646	57,141	6,544	4,631
		2,127,506	2,090,167	196,475	189,391
Unallocated corporate income	不可分拆之企業收入			2,936	4,039
Profit from operations	營業盈利			199,411	193,430

4. Depreciation and Amortisation

During the period, depreciation and amortisation of approximately HK\$79,713,000 (1.9.2000 to 28.2.2001: HK\$81,892,000) was charged in respect of the Group's property, plant and equipment.

5. Finance Costs

Interest on:	利息：
Bank borrowings wholly repayable within five years	於五年內付款之銀行借貸
Finance leases and hire purchase contracts wholly repayable within five years	於五年內付款之財務租賃及租購合約
Bank facilities arrangement fees	銀行貸款安排費用

4. 折舊及攤銷

本期本集團就物業、機器及設備所作出之折舊及攤銷約為79,713,000港元（二零零零年九月一日至二零零一年二月二十八日：81,892,000港元）。

5. 借貸成本

Six months ended 28th February, 2002 截至 二零零二年 二月二十八日 六個月止 HK\$'000 千港元	Six months ended 28th February, 2001 截至 二零零一年 二月二十八日 六個月止 HK\$'000 千港元
23,605	55,365
2,279	2,108
25,884	57,473
793	1,738
26,677	59,211

6. Taxation

6. 稅項

		Six months ended 28th February, 2002 截至 二零零二年 二月二十八日 六個月止 HK\$'000 千港元	Six months ended 28th February, 2001 截至 二零零一年 二月二十八日 六個月止 HK\$'000 千港元
The charge comprises:	稅項包括：		
Hong Kong Profits Tax	香港盈利稅	18,890	11,634
Overseas taxation	海外盈利稅	3,776	2,766
Share of taxation attributable to jointly controlled entities	應佔共同控制機構稅項	30	38
		22,696	14,438

Hong Kong Profits Tax is calculated at 16% of the estimated assessable profit for the period.

香港盈利稅是以本期預算應評估盈利之百分之十六計算。

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

海外盈利稅是以有關個別司法地區現行之稅率計算。

7. Dividends Paid

Final dividend paid of HK5.5 cents for the year ended 31st August, 2001 (year ended 31.8.2000: HK3.5 cents) per share

The directors have determined that an interim dividend of HK6.0 cents (year ended 31.8.2001: HK4.5 cents) per share payable to the shareholders of the Company whose names appear in the Register of Members on 14th June, 2002.

7. 已派發股息

Six months ended	Six months ended
28th February, 2002	28th February, 2001
截至二零零二年二月二十八日	截至二零零一年二月二十八日
六個月止	六個月止
HK\$'000	HK\$'000
千港元	千港元

截至二零零一年八月三十一日止年度已派發之末期股息每股5.5港仙 (截至二零零零年八月三十一日止年度：3.5港仙)

42,722	26,989
<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

董事會決定派發中期股息每股6.0港仙 (截至二零零一年八月三十一日止年度：4.5港仙) 予二零零二年六月十四日名列股東名冊內之股東。

8. Earnings per Share

The calculation of the basic and diluted earnings per share for the period is based on the following data:

8. 每股盈利

本期每股基本及攤薄盈利乃根據下列數據計算：

<i>Profit for the period</i>	本期盈利	Six months ended 28th February, 2002	Six months ended 28th February, 2001
		截至二零零二年二月二十八日六個月止	截至二零零一年二月二十八日六個月止
		HK\$'000	HK\$'000
		千港元	千港元
Earnings for the purposes of basic and diluted earnings per share	用以計算每股基本及攤薄盈利之盈利	104,800	102,526
		Six months ended 28th February, 2002	Six months ended 28th February, 2001
		截至二零零二年二月二十八日六個月止	截至二零零一年二月二十八日六個月止
		776,860,209	771,453,103
		4,360,265	538,818
		781,220,474	771,991,921

Number of shares

股份數目

Weighted average number of ordinary shares for the purpose of basic earnings per share

用以計算每股基本盈利之加權平均普通股份數目

Effect of dilutive potential ordinary shares in respect of share options

認股權對普通股份攤薄之影響

Weighted average number of ordinary shares for the purpose of diluted earnings per share

用以計算每股攤薄盈利之加權平均普通股份數目

9. Movements in Property, Plant and Equipment

During the period, the Group incurred expenditure of approximately HK\$108,909,000 (year ended 31.8.2001: HK\$204,819,000) on additions to property, plant and equipment to expand and upgrade the Group's manufacturing facilities.

An impairment loss of HK\$102,079,000 (year ended 31.8.2001: Nil) was recognised during the period in respect of the Group's property, plant and equipment. Out of which an amount of HK\$87,628,000 has been charged to the asset revaluation reserve and the remaining balance of HK\$14,451,000 has been charged to the condensed consolidated income statement.

10. Inventories

Raw materials	原料
Work in progress	半製品
Finished goods	製成品

Included above are raw materials of approximately HK\$3,266,000 (31.8.2001: HK\$20,204,000), work in progress of approximately HK\$650,000 (31.8.2001: HK\$5,262,000) and finished goods of approximately HK\$8,526,000 (31.8.2001: HK\$7,552,000) which are carried at net realisable value at the balance sheet date.

9. 物業、機器及設備之變動

本期本集團為擴大及增強本集團生產設備而增加之物業、機器及設備金額約為108,909,000港元(截至二零零一年八月三十一日止年度: 204,819,000港元)。

本期本集團之物業、機器及設備之減值損失確認為102,079,000港元(截至二零零一年八月三十一日止年度: 無), 其中87,628,000港元已在資產重估儲備中扣除, 而餘下14,451,000港元則已在簡明綜合收益賬內扣減。

10. 存貨

28th February, 2002 二零零二年 二月二十八日 HK\$'000 千港元	31st August, 2001 二零零一年 八月三十一日 HK\$'000 千港元
567,282	456,072
229,442	209,676
196,809	194,699
993,533	860,447

於結算日, 部份上述存貨以可變現值列出, 其中原料約為3,266,000港元(二零零一年八月三十一日: 20,204,000港元), 半製品約為650,000港元(二零零一年八月三十一日: 5,262,000港元)及製成品約為8,526,000港元(二零零一年八月三十一日: 7,552,000港元)。

11. Trade and Other Receivables

The Group allows an average credit period of 75 days to its trade customers.

The following is an aged analysis of trade receivables at the balance sheet date:

Trade receivables:	營業應收款項：
Not yet due	未到期
Overdue 1 - 30 days	過期1-30天
Overdue 31 - 60 days	過期31-60天
Overdue > 60 days	過期超過60天

Other receivables and prepayment:

Post-dated cheques receivable
Bills receivable
Prepayments
Value added tax recoverable
Others

其他應收及預付款項：

期票應收款項
押匯應收款項
預付款
可收回增值稅稅項
其他

11. 營業及其他應收款項

本集團提供平均75天數期予營業客戶。

於結算日，營業應收款項之賬齡分析如下：

28th February,	31st August,
2002	2001
二零零二年	二零零一年
二月二十八日	八月三十一日
<i>HK\$'000</i>	<i>HK\$'000</i>
千港元	千港元
385,495	470,532
170,461	118,227
92,654	108,235
124,493	96,709
773,103	793,703
91,399	56,694
83,459	70,674
10,853	8,568
86,672	142,712
175,197	149,237
447,580	427,885
1,220,683	1,221,588

12. Trade and Other Payables

The following is an aged analysis of trade payables at the balance sheet date:

Trade payables:	營業應付款項：
Not yet due	未到期
Overdue 1 - 30 days	過期1-30天
Overdue 31 - 60 days	過期31-60天
Overdue > 60 days	過期超過60天

Other payables:	其他應付款項：
Accrued expenses	應計項目
Others	其他

12. 營業及其他應付款項

於結算日，營業應付款項之賬齡分析如下：

28th February,	31st August,
2002	2001
二零零二年	二零零一年
二月二十八日	八月三十一日
HK\$'000	HK\$'000
千港元	千港元
170,766	138,256
20,628	17,983
5,859	2,239
7,369	4,574
204,622	163,052
68,373	73,932
34,415	56,779
102,788	130,711
307,410	293,763

13. Share Capital

13. 股本

Number of ordinary shares

of HK\$0.20 each

每股面值0.20港元

之普通股份數目

Amount

金額

	28th February, 2002 二零零二年 二月二十八日	31st August, 2001 二零零一年 八月三十一日	28th February, 2002 二零零二年 二月二十八日	31st August, 2001 二零零一年 八月三十一日
			HK\$'000 千港元	HK\$'000 千港元
Authorised: At beginning and end of the period	法定股本： 於本期開始 及終結時	1,400,000,000	1,400,000,000	280,000 280,000
Issued and fully paid: At beginning of the period	已發行及繳足股本： 於本期開始時	777,116,960	771,658,960	155,423 154,332
Shares repurchased (Note (i))	購回股份 (附註(i))	(512,000)	(540,000)	(102) (108)
Exercise of share options (Note (ii))	行使認股權 (附註(ii))	160,000	5,998,000	32 1,199
At end of the period	於本期終結時	776,764,960	777,116,960	155,353 155,423

Notes:

附註：

(i) During the period, the Company repurchased its own shares through the Stock Exchange as follows:

(i) 本期本公司經聯交所購回本身之股份詳情如下：

Month of repurchase 購回月份	Number of ordinary shares of HK\$0.20 each 每股面值0.20港元 之普通股份數目	Price per share 每股價值		Aggregate consideration paid 已支付 代價總值 HK\$'000 千港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
September 2001 二零零一年九月	512,000	0.86	0.81	426

All of the repurchased shares were subsequently cancelled.

所有購回之股份已隨之註銷。

(ii) During the period, share options were exercised to subscribe for 160,000 shares of the Company at a subscription price of HK\$0.62 per share. These shares rank pari passu with existing shares in all respects.

(ii) 本期以每股0.62港元之認購價行使認股權認購本公司股份160,000股。此等股份與現有股份在各方面均享同等權益。

14. Reserves

14. 儲備

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本 儲備 HK\$'000 千港元	Capital redemption reserve 贖回儲備 HK\$'000 千港元	Asset revaluation reserve 資產 重估儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Retained profits 滾存盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st September, 2000	於二零零零年九月一日							
As previously stated	如前述	158,394	68,484	—	362,993	(26,744)	1,476,585	2,039,712
Prior period adjustment (Note 2)	過往期間之調整 (附註2)	—	—	—	—	—	27,008	27,008
As restated	已重列	158,394	68,484	—	362,993	(26,744)	1,503,593	2,066,720
Premium arising on issue of shares	發行股份之溢價	2,519	—	—	—	—	—	2,519
Transfer of reserve on shares repurchased and cancelled	購回及註銷股份之 儲備調撥	—	—	108	—	—	(108)	—
Premium arising on shares repurchased	購回股份之溢價	—	—	—	—	—	(204)	(204)
Exchange differences arising from translation of financial statements denominated in foreign currencies	外幣財務報表之 滙兌差額	—	—	—	—	(13,803)	—	(13,803)
Profit for the year	是年度盈利	—	—	—	—	—	201,423	201,423
Dividends paid	已派發股息	—	—	—	—	—	(61,952)	(61,952)
At 31st August, 2001	於二零零一年 八月三十一日	160,913	68,484	108	362,993	(40,547)	1,642,752	2,194,703
Premium arising on issue of shares	發行股份之溢價	67	—	—	—	—	—	67
Transfer of reserve on shares repurchased and cancelled	購回及註銷股份之 儲備調撥	—	—	102	—	—	(102)	—
Premium arising on shares repurchased	購回股份之溢價	—	—	—	—	—	(324)	(324)
Movements in the asset revaluation reserve	資產重估儲備變動	—	—	—	(87,628)	—	—	(87,628)
Exchange differences arising from translation of financial statements denominated in foreign currencies	外幣財務報表之 滙兌差額	—	—	—	—	(1,479)	—	(1,479)
Profit for the period	本期盈利	—	—	—	—	—	104,800	104,800
Dividends paid	已派發股息	—	—	—	—	—	(42,722)	(42,722)
At 28th February, 2002	於二零零二年 二月二十八日	160,980	68,484	210	275,365	(42,026)	1,704,404	2,167,417

15. Capital Commitments

Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the financial statements

Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for

At the balance sheet date, a subsidiary of the Group had commitments for capital expenditure amounting to approximately HK\$327,558,000 (31.8.2001: Nil) in respect of the capital contribution to a subsidiary company contracted for but not provided in the financial statements.

16. Contingent Liabilities

Discounted bills with recourse

Invoices factored with recourse

就有關購買物業、機器及設備之已簽約但在財務報表未有載列之資本開支

就有關購買物業、機器及設備之已批准但未簽約之資本開支

附追索權之出口貼現票據

附追索權之發票讓售

15. 資本承擔

28th February, 2002	31st August, 2001
二零零二年 二月二十八日	二零零一年 八月三十一日
HK\$'000	HK\$'000
千港元	千港元

53,752	94,237
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1,117	9,003
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於結算日，本集團之一間附屬公司承諾對其一間附屬公司作出資本投資，有關之已簽約但在財務報表未有載列之資本開支約為327,558,000港元（二零零一年八月三十一日：無）。

16. 或然負債

28th February, 2002	31st August, 2001
二零零二年 二月二十八日	二零零一年 八月三十一日
HK\$'000	HK\$'000
千港元	千港元

6,095	22,262
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39,178	40,317
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45,273	62,579
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17. Related Party Disclosures

During the period, the Group paid rental expenses amounting to HK\$453,000 (1.9.2000 to 28.2.2001: HK\$498,000) to a company controlled by a director of the Company. The rentals were charged in accordance with the terms of the tenancy agreements entered into between the Group and that company.

At 28th February, 2002, the Group has entered into a loan agreement with a bank which requires certain specific performance obligations to be complied with by a director of the Company, details of which are set out in the section headed "DISCLOSURE PURSUANT TO PRACTICE NOTE NO. 19 TO THE LISTING RULES".

17. 有關連人士披露

本期本集團支付租金約453,000港元(二零零零年九月一日至二零零一年二月二十八日: 498,000港元)予一間由一位本公司董事控制之公司。租金乃依據本集團與該公司訂立之租約而支付。

於二零零二年二月二十八日,本集團曾與一間銀行簽訂一份借款合同,其中要求一位本公司董事遵守一些特殊責任。有關詳情載列於「根據上市規則第19項應用指引須予披露之事宜」內。