

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004
(Expressed in Hong Kong dollars)

財務報表附註

截至二零零四年三月三十一日止年度
(以港元計)

15. CONSTRUCTION IN PROGRESS

15. 在建工程

		The Group 本集團	
		2004 \$'000 千元	2003 \$'000 千元
At 1st April	於四月一日	341,607	2,401
Exchange adjustments	滙兌調整	363	(5)
Additions	增置	72,581	353,611
Transfer to fixed assets (note 14(a))	轉撥往固定資產 (附註14(a))	(396,043)	(14,400)
At 31st March	於三月三十一日	<u>18,508</u>	<u>341,607</u>

16. INTANGIBLE ASSETS

16. 無形資產

		The Group 本集團 \$'000 千元
<i>Cost:</i>	<i>成本：</i>	
Additions and at 31st March, 2004	於二零零四年三月三十一日及增置	<u>5,232</u>
<i>Accumulated amortisation:</i>	<i>累計攤銷：</i>	
Charge for the year and at 31st March, 2004	於二零零四年三月三十一日及 本年度攤銷	<u>(1,753)</u>
<i>Net book value:</i>	<i>賬面淨值：</i>	
At 31st March, 2004	於二零零四年三月三十一日	<u>3,479</u>

Intangible assets represent the cost of purchase of the right to brand names from an independent third party. The amortisation charge for the year is included in "other operating expenses" in the consolidated income statement.

無形資產乃從獨立第三者購入品牌使用權的成本，本年度攤銷已記入綜合損益表的「其他經營費用」中。

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17. GOODWILL

17. 商譽

		Positive goodwill	Negative goodwill	Positive goodwill carried in reserves
		正商譽	負商譽	撥入儲備
		\$'000	\$'000	\$'000
		千元	千元	千元
<i>Cost:</i>	<i>成本：</i>			
At 1st April, 2003	於二零零三年四月一日	10,390	(2,632)	46,161
Additions through acquisition of subsidiaries	透過收購 附屬公司增置	5,538	(10,450)	—
At 31st March, 2004	於二零零四年三月三十一日	15,928	(13,082)	46,161
<i>Accumulated amortisation:</i>	<i>累計攤銷：</i>			
At 1st April, 2003	於二零零三年四月一日	3,377	(494)	—
Amortisation for the year	本年度攤銷	3,852	(1,772)	—
At 31st March, 2004	於二零零四年三月三十一日	7,229	(2,266)	—
<i>Carrying amount:</i>	<i>賬面金額：</i>			
At 31st March, 2004	於二零零四年三月三十一日	8,699	(10,816)	46,161
At 31st March, 2003	於二零零三年三月三十一日	7,013	(2,138)	46,161

Positive goodwill is amortised to the income statement on a straight line basis over 3 years.

Negative goodwill is recognised as income on a straight line basis over 4 to 8 years. The amortisation of positive and negative goodwill for the year is included in “other operating expenses” in the consolidated income statement.

正商譽在三年內以直線法在損益表內攤銷。

負商譽在四年至八年內以直線法攤銷確認為收入。每年之正商譽及負商譽攤銷數額已計入綜合損益表內的「其他經營費用」中。

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18. INTEREST IN SUBSIDIARIES

18. 附屬公司權益

		2004	2003
		\$'000	\$'000
		千元	千元
Unlisted investments, at cost	非上市投資，按成本	64,122	47,222
Amounts due from subsidiaries	應收附屬公司款項	244,452	211,993
Amounts due to subsidiaries	應付附屬公司款項	308,574 (602)	259,215 (3,461)
Less: Impairment losses	減：減值虧損	307,972 (6,500)	255,754 (28,500)
		<u>301,472</u>	<u>227,254</u>

Balances with subsidiaries are unsecured, not repayable within one year and are analysed as follows:

附屬公司所欠款項是沒有抵押，不需於一年內償還，並分析如下：

		2004	2003
		\$'000	\$'000
		千元	千元
Amounts due from subsidiaries:	附屬公司所欠款項：		
Interest free	不帶利息	215,104	187,041
Interest bearing at Hong Kong Prime Rate	以香港最優惠利率計算利息	29,348	24,952
		<u>244,452</u>	<u>211,993</u>
Amounts due to subsidiaries:	應付附屬公司款項：		
Interest free	不帶利息	(602)	(3,461)

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***18. INTEREST IN SUBSIDIARIES***(continued)*

On 13th May, 2003, the Group increased its interest in Whampoa Textile Limited (“Whampoa”) from 75% to 100% by acquiring shares from Chan Family Investment Corporation Limited, an entity connected with the Company, for a cash consideration of \$5,000,000. On 13th May, 2003, the Group also increased its interest in Hongkong Knitters Lanka (PVT) Limited (“HKKL”) from 50% to 100% by acquisition of the remaining issued share capital of HKKL from Sevenoaks Associates, Inc., an entity connected with the Company, for a cash consideration of \$1. After completion of the acquisitions, Whampoa and its subsidiaries and HKKL became wholly-owned subsidiaries of the Group.

On 23rd October, 2003, the Group increased its interest in YangtzeKiang S.A. (“YSA”) from 86.92% to 90.19% through an additional allotment of 50,000 shares for a consideration of Euro 800,000 (equivalent to \$7,203,000).

On 30th March, 2004, YangtzeKiang (Myanmar) Limited (“YML”), YangtzeKiang Industries (Myanmar) Limited (“YIML”) and Victoria Harbor Limited (“VHL”), subsidiaries of the Group, were disposed of to the directors of YIML for a total consideration of US\$1,360,000 (equivalent to \$10,608,000). The consideration is payable by the purchasers by instalments over 6 years and the related loan bears interest at a rate of 3% per annum. The gain on disposal of these subsidiaries amounted to \$672,000 (note 3).

Details of the principal subsidiaries at 31st March, 2004 are set out on pages 126 to 128.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***18. 附屬公司權益 (續)**

於二零零三年五月十三日，本集團向屬本公司關連公司之一的 Chan Family Investment Corporation Limited 收購黃浦江紡織有限公司「黃浦江」的股份，權益由 75% 增至 100%，現金代價 5,000,000 元。於二零零三年五月十三日，本集團亦向屬本公司關連公司之一的 Sevenoaks Associates, Inc. 收購 Hongkong Knitters Lanka (PVT) Limited (「HKKL」) 的其餘已發行股本，權益由 50% 增加至 100%，現金代價為 1 元。於該等收購事項完成後，黃浦江及其附屬公司及 HKKL 成為本集團之全資擁有附屬公司。

於二零零三年十月二十三日，本集團透過增加配發 50,000 股 YangtzeKiang S.A. (「YSA」) 的股份，權益由 86.92% 增加至 90.19%，代價為 800,000 歐元 (等值 7,203,000 元)。

於二零零四年三月三十日，出售集團附屬公司 YangtzeKiang (Myanmar) Limited (「YML」)、YangtzeKiang Industries (Myanmar) Limited (「YIML」) 及 Victoria Harbor Limited (「VHL」) 予 YIML 之董事，總代價為 1,360,000 美元 (等值 10,608,000 元)，代價由買方須按六年每年分期付款之方式支付，有關貸款以每年 3% 計算利息，出售該等附屬公司之收益為 672,000 元 (附註 3)。

於二零零四年三月三十一日主要附屬公司之資料載列於第 126 頁至 128 頁。

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19. INTEREST IN ASSOCIATES

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

19. 聯營公司權益

		The Group 本集團		The Company 本公司	
		2004	2003 (restated) (重列)	2004	2003
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Unlisted investments, at cost	非上市投資， 按成本	—	—	22,881	27,728
Less: Impairment losses	減：減值虧損	—	—	(516)	(5,517)
		—	—	22,365	22,211
Share of net assets	應佔資產淨值	282,150	256,908	—	—
Negative goodwill	負商譽	(33,887)	(37,586)	—	—
		248,263	219,322	22,365	22,211

Negative goodwill is amortised over the remaining weighted average useful life of the identifiable acquired depreciable assets. The calculation of the negative goodwill is based on the Group's share of the fair value of the identifiable assets and liabilities acquired as determined by the directors.

Details of the principal associates at 31st March, 2004 are set out on pages 129 and 130.

Information on material associates

The financial information of the associates, Qinghai Changqing Aluminium Corporation and Wuxi Changxin Textile Co., Ltd. which are material in the context of the Group's financial statements, as extracted from the audited financial statements of those companies, after making such adjustments considered necessary by the Company's directors in order to comply with the Group's accounting policies, for the year ended 31st March, 2004 are summarised below:

負商譽按所收購可分資產的加權平均餘下可用年限攤銷。負商譽乃根據董事確定本集團佔所收購可分資產與負債公平價值的數額計算。

於二零零四年三月三十一日主要聯營公司之資料載列於第129頁及130頁。

重要聯營公司資料

對本集團賬目而言屬重要之聯營公司—青海長青鋁業有限公司及無錫長新紡織有限公司之財務報表乃摘錄自截至二零零四年三月三十一日止年度之經審核財務報表，包括經由本公司董事認為合適以符合集團的會計政策之調整，概要如下：

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19. INTEREST IN ASSOCIATES (continued)

Information on material associates: (continued)

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

19. 聯營公司權益 (續)

重要聯營公司資料：(續)

		Qinghai Changqing Aluminium Corporation 青海長青鋁業 有限公司		Wuxi Changxin Textile Co., Ltd. 無錫長新紡織 有限公司	
		2004 \$'000 千元	2003 (restated) (重列) \$'000 千元	2004 \$'000 千元	2003 (restated) (重列) \$'000 千元
Income statement	損益表				
- year ended 31st March	- 截至三月三十一日止年度				
Turnover	營業額	547,994	436,391	1,009,047	798,534
Cost of sales	銷售成本	(460,748)	(361,477)	(877,296)	(694,628)
		87,246	74,914	131,751	103,906
Other revenue	其他收入	452	353	10,942	5,546
Other net income	其他收益淨額	1,333	780	-	-
Distribution expenses	分銷費用	(11,323)	(6,695)	(9,573)	(6,334)
Administrative expenses	行政費用	(6,945)	(5,145)	(20,292)	(27,266)
Other operating expenses	其他經營費用	(15,608)	(20,121)	(3,722)	(2,367)
Profit from operations	經營溢利	55,155	44,086	109,106	73,485
Finance costs	融資成本	(15,820)	(14,591)	(21,904)	(15,795)
Profit from ordinary activities before taxation	除稅前日常業務虧損	39,335	29,495	87,202	57,690
Income tax	所得稅	3,532	7,235	(26,520)	(15,654)
Profit from ordinary activities after taxation	除稅後日常業務溢利	42,867	36,730	60,682	42,036
Profit attributable to the Group	本集團應佔之溢利	15,402	13,197	20,225	14,010
Balance sheet	資產負債表				
- 31st March	- 三月三十一日				
Non-current assets	非流動資產	395,731	403,005	191,799	200,297
Current assets	流動資產	227,880	191,971	407,001	439,865
Current liabilities	流動負債	(354,975)	(321,422)	(320,026)	(340,325)
Non-current liabilities	非流動負債	(24,474)	(46,075)	(128,515)	(166,148)
Net assets	資產淨值	244,162	227,479	150,259	133,689
Net assets attributable to the Group	本集團應佔資產淨值	87,727	81,733	50,081	44,559

NOTES ON THE FINANCIAL STATEMENTS

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19. INTEREST IN ASSOCIATES (continued)

Information on material associates (continued)

The financial information of an associate, W. Haking Enterprises Limited, as extracted from its latest audited financial statements for the year ended 31st December, 2003 is summarised below.

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截至二零零四年三月三十一日止年度
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19. 聯營公司權益 (續)

重要聯營公司資料 (續)

摘錄自截至二零零三年十二月三十一日止年度聯營公司寶源基業有限公司之經審核財務報表，其財務資料概要如下：

		W. Haking Enterprises Limited 寶源基業有限公司	
		2003	2002
		\$'000	\$'000
		千元	千元
Income statement	損益表		
<i>– year ended 31st December</i>	<i>– 截至十二月三十一日止年度</i>		
Turnover	營業額	61,730	105,542
Cost of sales	銷售成本	(55,039)	(89,994)
		6,691	15,548
Other revenue	其他收入	38,242	1,150
Other net income	其他收益淨額	4,415	13,139
Negative goodwill recognised	已確認負商譽	–	13,778
Distribution expenses	分銷費用	(714)	(2,687)
Administrative expenses	行政費用	(20,931)	(39,759)
Other operating expenses	其他經營費用	(47,875)	(1,051)
(Loss)/profit from operations	經營 (虧損) / 溢利	(20,172)	118
Finance costs	融資成本	(51)	(277)
Loss from ordinary activities before taxation	除稅前日常業務虧損	(20,223)	(159)
Income tax	所得稅	–	–
Loss for the year	本年度虧損	(20,223)	(159)
(Loss)/profit attributable to the Group	本集團應佔之 (虧損) / 溢利	(5,865)	1,537
Balance sheet	資產負債表		
<i>– 31st December</i>	<i>– 十二月三十一日</i>		
Non-current assets	非流動資產	132,883	213,877
Current assets	流動資產	144,235	167,433
Current liabilities	流動負債	(27,363)	(93,109)
Non-current liabilities	非流動負債	(462)	(17,649)
Net assets	資產淨值	249,293	270,552
Net assets attributable to the Group	本集團應佔資產淨值	74,314	71,777

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20. PERMANENT QUOTA

<i>Cost:</i> At 1st April and 31st March	成本： 於四月一日及 三月三十一日
<i>Accumulated amortisation:</i> At 1st April and 31st March	累計攤銷： 於四月一日及 三月三十一日
<i>Net book value:</i> At 31st March	賬面淨值： 於三月三十一日

21. LOANS RECEIVABLE

At 31st March 2004, the loans receivable were repayable as follows:

Within 1 year	一年內
After 1 year but within 2 years	一年後但兩年內
After 2 years but within 5 years	兩年後但五年內

The loans receivable represent the consideration received from the disposal of subsidiaries (note 38(k)). They are interest bearing at 3% per annum on the principal outstanding.

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20. 永久配額

The Group 本集團		The Company 本公司	
2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
13,144	13,144	9,002	9,002
13,144	13,144	9,002	9,002
-	-	-	-

21. 應收貸款

於二零零四年三月三十一日，應收貸款之還款期如下：

The Group and the Company
本集團及本公司

2004 \$'000 千元	2003 \$'000 千元
1,693	-
1,693	-
6,224	-
7,917	-
9,610	-

應收貸款為收取出售附屬公司之代價(附註38(k))。未償還的本金以3%計算利息。

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22. NON-TRADING SECURITIES

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Unlisted equity securities	非上市股本證券	895	895	895	895
Listed equity securities outside Hong Kong	香港以外之 上市股本證券	558	158	558	158
		<u>1,453</u>	<u>1,053</u>	<u>1,453</u>	<u>1,053</u>
Market value of listed equity securities	上市股本 證券市值	<u>558</u>	<u>158</u>	<u>558</u>	<u>158</u>

23. OTHER INVESTMENTS

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Club debentures, at cost	會藉，按成本	<u>2,873</u>	<u>2,873</u>	<u>2,384</u>	<u>2,384</u>

24. INVENTORIES

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Raw materials	原材料	54,017	14,240	1,735	1,452
Work in progress	在製品	68,150	45,745	15,963	7,210
Finished goods	製成品	37,624	21,568	23	1,065
Goods in transit	在途貨品	30	14,779	30	16
		<u>159,821</u>	<u>96,332</u>	<u>17,751</u>	<u>9,743</u>

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22. 非交易證券

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Unlisted equity securities	非上市股本證券	895	895	895	895
Listed equity securities outside Hong Kong	香港以外之 上市股本證券	558	158	558	158
		<u>1,453</u>	<u>1,053</u>	<u>1,453</u>	<u>1,053</u>
Market value of listed equity securities	上市股本 證券市值	<u>558</u>	<u>158</u>	<u>558</u>	<u>158</u>

23. 其他投資

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Club debentures, at cost	會藉，按成本	<u>2,873</u>	<u>2,873</u>	<u>2,384</u>	<u>2,384</u>

24. 存貨

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Raw materials	原材料	54,017	14,240	1,735	1,452
Work in progress	在製品	68,150	45,745	15,963	7,210
Finished goods	製成品	37,624	21,568	23	1,065
Goods in transit	在途貨品	30	14,779	30	16
		<u>159,821</u>	<u>96,332</u>	<u>17,751</u>	<u>9,743</u>

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24. INVENTORIES (continued)

Amounts included in the Group's and the Company's inventories of \$43,912,000 (2003: \$12,382,000) and \$633,000 (2003: \$2,491,000) are stated net of a specific provision of \$18,745,000 (2003: \$20,935,000) and \$3,799,000 (2003: \$7,251,000) respectively. In addition, there is a general provision made against the remaining inventories of the Group and the Company of \$21,722,000 (2003: \$22,011,000) and \$1,819,000 (2003: \$5,664,000) respectively. These provisions have been made in order to state these inventories at the lower of their cost and estimated net realisable value. The amount of reversal of a write-down of inventories to estimated net realisable value, recognised in the consolidated income statement as a reduction in the amount of inventories recognised as an expense during the year, is \$4,195,000 (2003: \$2,656,000). This reversal arose due to an increase in the estimated net realisable value of certain garments as a result of a change in consumer preferences.

25. TRADE AND OTHER RECEIVABLES

Trade debtors	應收賬款
Bills receivable	應收票據
Deposits, prepayments and other debtors	訂金、預付款及其他應收款
Amounts due from related companies	應收關連公司款項
Amounts due from associates	應收聯營公司款項
Amounts due from subsidiaries	應收附屬公司款項
Dividends receivable from associates	應收聯營公司股息

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截至二零零四年三月三十一日止年度
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24. 存貨 (續)

該金額包括分別為本集團與本公司之存貨金額 43,912,000 元 (二零零三年: 12,382,000 元) 及 633,000 元 (二零零三年: 2,491,000 元), 已分別扣除個別減值撥備 18,745,000 元 (二零零三年: 20,935,000 元) 及 3,799,000 元 (二零零三年: 7,251,000 元)。此外, 本集團與本公司之其餘存貨已分別作出一般減值撥備 21,722,000 元 (二零零三年: 22,011,000 元) 及 1,819,000 元 (二零零三年: 5,664,000 元)。撥出該等存貨減值準備乃按成本或預計可變現淨值兩者之較低者將存貨數額列賬。存貨數額撇減至估計可變現淨值之逆轉金額為 4,195,000 元 (二零零三年: 2,656,000 元)。這數額已於年內在綜合損益表中確認, 為列作支出的存貨數額的減少。產生該撥回金額乃由於客戶的喜好改變令若干成衣之估計可變現淨值增加所致。

25. 應收賬款及其他應收款

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Trade debtors	應收賬款	80,610	96,078	21,178	23,701
Bills receivable	應收票據	94,265	62,978	32,668	26,198
Deposits, prepayments and other debtors	訂金、預付款及其他應收款	66,254	41,855	10,397	1,596
Amounts due from related companies	應收關連公司款項	4,976	3,517	270	322
Amounts due from associates	應收聯營公司款項	-	26,017	5	846
Amounts due from subsidiaries	應收附屬公司款項	-	-	76,703	126,728
Dividends receivable from associates	應收聯營公司股息	12,145	19,027	-	-
		258,250	249,472	141,221	179,391

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***25. TRADE AND OTHER RECEIVABLES**
(continued)

The amounts due from related companies and associates are unsecured, interest-free and repayable on demand.

All of the trade and other receivables are expected to be recovered within one year.

Included in trade and other receivables are trade debtors and bills receivable (net of provisions for bad and doubtful debts) with the following ageing analysis:

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
0 – 60 days	0 – 60日	171,852	154,153	52,530	49,415
61 – 90 days	61 – 90日	1,156	1,823	806	403
> 90 days	90日以上	1,867	3,080	510	81
Trade debtors and bills receivable	應收賬款及 應收票據	<u>174,875</u>	<u>159,056</u>	<u>53,846</u>	<u>49,899</u>

The credit terms given to trade debtors vary and are generally based on the financial strengths of individual debtors. In order to effectively manage the credit risks associated with trade debtors, credit evaluation of debtors is performed periodically.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***25. 應收賬款及其他應收款 (續)**

應收關連公司及聯營公司款項是沒有抵押、不帶利息，並需按通知即時償還。

所有應收賬款及其他應收款預期將於一年內收回。

包括在應收賬款及其他應收款內為具有以下賬齡分析之應收賬款及應收票據(已扣除呆壞賬準備)：

給予應收賬款之信貸期各有不同，一般根據個別債務人之財政實力而定。為有效管理應收賬款之信貸風險，本集團會定期評估債務人之信貸。

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004

(Expressed in Hong Kong dollars)

26. PLEDGED DEPOSITS

Pledged deposits as at 31st March, 2004 represents deposits pledged to designated banks for the guarantee of imported processing materials with an aggregate value of \$52,844,000. Pledged deposits as at 31st March, 2003 represents deposits pledged to designated banks for the letter of credit facilities granted to the Group amounting to EUR3,267,000 (equivalent to \$27,176,000).

27. CASH AND CASH EQUIVALENTS

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

26. 抵押存款

於二零零四年三月三十一日，抵押存款乃存款抵押於指定銀行以用作擔保合共52,844,000元的進口加工材料。於二零零三年三月三十一日，抵押存款乃存款抵押於指定銀行以獲授予本集團合共3,267,000 歐元 (等值27,176,000 元) 的信用證額度。

27. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Deposits with banks	銀行存款	3,505	1,335	-	-
Cash at bank and in hand	銀行活期存款 及現金	56,023	43,206	26,981	9,621
Cash and cash equivalents in the balance sheet	於資產負債表內 之現金及現金 等價物	59,528	44,541	26,981	9,621
Bank overdraft (note 29)	銀行透支 (附註29)	(622)	-		
Cash and cash equivalents in the consolidated cash flow statement	於綜合現金流量 表內之現金及 現金等價物	58,906	44,541		

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004

(Expressed in Hong Kong dollars)

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

28. TRADE AND OTHER PAYABLES

28. 應付賬款及其他應付款

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Trade creditors	應付賬款	110,100	95,212	26,627	18,868
Bills payable	應付票款	46,995	58,686	6,213	11,696
Accrued charges and other creditors	應計費用及 其他應付款	119,520	95,947	51,009	31,997
Payable for construction in progress (note 32)	應付在建工程款 (附註32)	11,069	49,075	—	—
Amounts due to related companies	應付關連公司 款項	659	851	590	150
Amounts due to associates	應付聯營公司 款項	26,208	17,206	2,988	354
Advance from associate for construction in progress (note 32)	聯營公司借貸 用於支付建築 工程款 (附註32)	9,413	74,332	—	—
Amounts due to subsidiaries	應付附屬公司 款項	—	—	13,529	22,419
		323,964	391,309	100,956	85,484

The amounts and advance due to related companies and associates are unsecured, interest-free and repayable on demand.

All of the trade and other payables are expected to be settled within one year.

應付關連公司及聯營公司款項是沒有抵押、不帶利息，並需按通知即時償還。

所有應付賬款及其他應付款預期將於一年內償付。

NOTES ON THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars)

28. TRADE AND OTHER PAYABLES
(continued)

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis:

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
0 – 60 days	0 – 60日	136,010	142,358	30,745	29,655
61 – 90 days	61 – 90日	12,778	7,618	919	167
> 90 days	90日以上	8,307	3,922	1,176	742
Trade creditors and bills payable	應付賬款及 應付票據	<u>157,095</u>	<u>153,898</u>	<u>32,840</u>	<u>30,564</u>

29. BANK LOANS AND OVERDRAFTS

At 31st March, 2004, the bank loans and overdrafts (including trust receipt loans) were repayable as follows:

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Trust receipt loans	信託收據貸款	55,524	49,570	50,276	43,093
Other bank loans and overdrafts – within 1 year or on demand	其他銀行貸款及透支 – 一年內或按通知	257,424	278,106	29,542	74,999
		<u>312,948</u>	<u>327,676</u>	<u>79,818</u>	<u>118,092</u>
Other bank loans – after 1 year but within 2 years	其他銀行貸款 – 一年後但兩年內	102,083	44,500	22,500	27,000
– after 2 years but within 5 years	– 兩年後但五年內	173,281	47,233	15,000	–
		<u>275,364</u>	<u>91,733</u>	<u>37,500</u>	<u>27,000</u>
		<u>588,312</u>	<u>419,409</u>	<u>117,318</u>	<u>145,092</u>

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

28. 應付賬款及其他應付款及應付票據
(續)

包括在應付賬款及其他應付款內為具有以下賬齡分析之應付賬款及應付票據：

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
0 – 60 days	0 – 60日	136,010	142,358	30,745	29,655
61 – 90 days	61 – 90日	12,778	7,618	919	167
> 90 days	90日以上	8,307	3,922	1,176	742
Trade creditors and bills payable	應付賬款及 應付票據	<u>157,095</u>	<u>153,898</u>	<u>32,840</u>	<u>30,564</u>

29. 銀行貸款及透支

於二零零四年三月三十一日，銀行貸款及透支(包括信託收據貸款)之還款期如下：

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Trust receipt loans	信託收據貸款	55,524	49,570	50,276	43,093
Other bank loans and overdrafts – within 1 year or on demand	其他銀行貸款及透支 – 一年內或按通知	257,424	278,106	29,542	74,999
		<u>312,948</u>	<u>327,676</u>	<u>79,818</u>	<u>118,092</u>
Other bank loans – after 1 year but within 2 years	其他銀行貸款 – 一年後但兩年內	102,083	44,500	22,500	27,000
– after 2 years but within 5 years	– 兩年後但五年內	173,281	47,233	15,000	–
		<u>275,364</u>	<u>91,733</u>	<u>37,500</u>	<u>27,000</u>
		<u>588,312</u>	<u>419,409</u>	<u>117,318</u>	<u>145,092</u>

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For the year ended 31st March, 2004

(Expressed in Hong Kong dollars)

29. BANK LOANS AND OVERDRAFTS

(continued)

At 31st March, 2004, the bank loans and overdrafts were secured as follows:

		The Group		The Company	
		本集團		本公司	
		2004	2003	2004	2003
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Bank overdrafts	銀行透支				
– unsecured	– 無抵押	622	–	42	–
Bank loans	銀行貸款				
– secured	– 有抵押	194,443	49,570	–	–
– unsecured	– 無抵押	393,247	369,839	117,276	145,092
		<u>588,312</u>	<u>419,409</u>	<u>117,318</u>	<u>145,092</u>

Bank loans amounting to \$194,443,000 (2003: \$Nil) are secured by machinery and certain land and buildings with an aggregate net book value of \$275,758,000 (2003: \$Nil).

Unsecured bank loans amounting to \$179,789,000 (2003: \$187,806,000) and secured bank loans amounting to \$54,595,000 as at 31st March, 2004 are guaranteed by an associate, Wuxi Changxin Textile Co., Ltd.

財務報表附註

截至二零零四年三月三十一日止年度

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29. 銀行貸款及透支(續)

於二零零四年三月三十一日，銀行貸款及透支之抵押情況如下：

銀行貸款194,443,000元(二零零三年：無)是以累計賬面淨值為275,758,000元(二零零三年：無)的機器及部份土地及建築物作出抵押。

於二零零四年三月三十一日，獲聯營公司無錫長新紡織有限公司提供無抵押銀行貸款179,789,000元(二零零三年：187,806,000元)及有抵押貸款54,595,000元的擔保。

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截至二零零四年三月三十一日止年度

(以港元計)

30. NON-CURRENT BANK LOANS

30. 非流動銀行貸款

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Bank loans (note 29) – unsecured	銀行貸款 (附註29) – 無抵押	<u>275,364</u>	<u>91,733</u>	<u>37,500</u>	<u>27,000</u>

31. INCOME TAX IN THE BALANCE SHEET

31. 資產負債表所示的所得稅

(a) Current taxation in the balance sheet represents:

(a) 資產負債表所示的本期所得稅為：

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	<u>9,152</u>	7,675	<u>3,397</u>	3,027
Provisional Profits Tax paid	已付暫繳利得稅	<u>(4,486)</u>	<u>(3,353)</u>	<u>(1,985)</u>	<u>(2,666)</u>
		<u>4,666</u>	4,322	<u>1,412</u>	361
Provision/(tax recoverable) for overseas subsidiaries and branches	海外附屬公司及分公司暫繳稅項準備 / (可退回稅項)				
– current year	– 本年度	<u>(2,039)</u>	(1,943)	<u>35</u>	103
– prior year	– 過往年度	<u>25</u>	<u>673</u>	<u>–</u>	<u>62</u>
Net tax payable	應付稅項淨額	<u>2,652</u>	<u>3,052</u>	<u>1,447</u>	<u>526</u>
Representing:	代表：				
Tax recoverable	可退回稅項	<u>(2,143)</u>	(2,145)	<u>–</u>	<u>–</u>
Tax payable	應付稅項	<u>4,795</u>	<u>5,197</u>	<u>1,447</u>	<u>526</u>
		<u>2,652</u>	<u>3,052</u>	<u>1,447</u>	<u>526</u>

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For the year ended 31st March, 2004

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31. INCOME TAX IN THE BALANCE SHEET (continued)

(b) Deferred tax liabilities recognised:

(i) The Group

The components of deferred tax liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

		Revaluation of properties 物業重估 \$'000 千元	Depreciation allowances in excess of the related depreciation 超過相關折舊的折舊 免稅額 \$'000 千元	Total 總額 \$'000 千元
<i>Deferred tax arising from:</i>	來自下列各項的遞延稅項：			
At 1st April, 2002	於二零零二年四月一日			
– as previously reported	– 上年度報告	–	–	–
– prior period adjustments	– 前期調整	8,986	2,240	11,226
– as restated	– 已重列	8,986	2,240	11,226
Credited to the consolidated income statement	在綜合損益表計入	–	(9)	(9)
Credited to reserves (note 35(a))	在儲備計入 (附註35(a))	(273)	–	(273)
At 31st March, 2003 (restated)	於二零零三年三月三十一日 (重列)	8,713	2,231	10,944
At 1st April, 2003	於二零零三年四月一日			
– as previously reported	– 上年度報告	–	–	–
– prior period adjustments	– 前期調整	8,713	2,231	10,944
– as restated	– 已重列	8,713	2,231	10,944
Credited to the consolidated income statement	在綜合損益表計入	–	(196)	(196)
Charged to reserves (note 35(a))	在儲備列支 (附註35(a))	19	–	19
At 31st March, 2004	於二零零四年三月三十一日	8,732	2,035	10,767

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31. 資產負債表所示的所得稅 (續)

(b) 已確認遞延所得稅負債：

(i) 本集團

已在綜合資產負債表確認的遞延所得稅負債的組成部分和本年度變動如下：

NOTES ON THE FINANCIAL STATEMENTS

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31. INCOME TAX IN THE BALANCE SHEET (continued)

(b) Deferred tax liabilities recognised: (continued)

(ii) The Company

The components of deferred taxation recognised in the balance sheet and the movements during the year are as follows:

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31. 資產負債表所示的所得稅 (續)

(b) 已確認遞延所得稅負債：(續)

(ii) 本公司

已在資產負債表確認的遞延所得稅負債的組成部分和本年度變動如下：

		Revaluation of properties 物業重估 \$'000 千元	Depreciation allowances in excess of the related depreciation 超過相關折舊的折舊 免稅額 \$'000 千元	Total 總額 \$'000 千元
<i>Deferred tax arising from:</i>	來自下列各項的遞延稅項：			
At 1st April, 2002	於二零零二年四月一日			
– as previously reported	– 上年度報告	–	–	–
– prior period adjustments	– 前期調整	8,986	1,999	10,985
– as restated	– 已重列	8,986	1,999	10,985
Credited to the income statement	在損益表列計入	–	(9)	(9)
Credited to reserves (note 35(b))	在儲備計入 (附註35(b))	(273)	–	(273)
At 31st March, 2003 (restated)	於二零零三年三月三十一日 (重列)	8,713	1,990	10,703
At 1st April, 2003	於二零零三年四月一日			
– as previously reported	– 上年度報告	–	–	–
– prior period adjustments	– 前期調整	8,713	1,990	10,703
– as restated	– 已重列	8,713	1,990	10,703
Credited to the income statement	在損益表計入	–	(187)	(187)
Charged to reserves (note 35(b))	在儲備列支 (附註35(b))	19	–	19
At 31st March, 2004	於二零零四年三月三十一日	8,732	1,803	10,535

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31. INCOME TAX IN THE BALANCE SHEET (continued)

(b) Deferred tax liabilities recognised: (continued)

		The Group 本集團		The Company 本公司	
		2004	2003	2004	2003
			(restated)		(restated)
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Net deferred tax assets recognised on the balance sheet	在資產負債表確認的遞延所得稅資產淨值	-	-	-	-
Net deferred tax liabilities recognised on the balance sheet	在資產負債表確認的遞延所得稅負債淨額	10,767	10,944	10,535	10,703
		10,767	10,944	10,535	10,703

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of tax losses of \$19,300,000 attributable to the PRC subsidiaries (2003: \$5,000,000) as the directors consider it is not probable that these companies will generate sufficient taxable profits in the foreseeable future to utilise the tax losses. The tax losses expire in 5 years.

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31. 資產負債表所示的所得稅 (續)

(b) 已確認遞延所得稅負債：(續)

(c) 未確認的遞延所得稅資產

本集團尚未就中國的附屬公司為數 19,300,000 元 (二零零三年：5,000,000 元) 的可抵扣虧損確認有關的遞延所得稅資產，因董事認為公司在可能的將來不可能產生足夠應稅溢利來使用可抵扣虧損。這些可抵扣虧損應用限期為五年。

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32. NET CURRENT LIABILITIES

The following current liabilities were incurred by a subsidiary, Wuxi YGM Textile Co., Ltd.:

		2004 \$'000 千元	2003 \$'000 千元
Payables for construction in progress (note 28)	在建工程應付款 (附註28)	11,069	49,075
Advance from associate for construction in progress (note 28)	聯營公司借貸—用於支付建築工程款 (附註28)	9,413	74,332
Short-term bank loans	短期銀行貸款	199,226	187,806
		219,708	311,213

The short term bank loans are renewable on a six month basis at the option of the bank. The directors are confident that these bank loans will be renewed upon expiry for the foreseeable future.

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32. 淨流動負債

附屬公司無錫長江精密紡織有限公司產生之流動負債如下：

短期銀行貸款是根據銀行的要求每六個月續期，董事有信心該等銀行貸款在可預見的將來於限期屆滿時再續期。

33. PROVISION FOR LONG SERVICE PAYMENTS

At 1st April	於四月一日	9,027	6,126	5,063	3,331
Add: Provision for the year	加：本年度之準備	—	3,210	—	1,799
Less: Payments during the year	減：年內付款	(79)	(309)	(191)	(67)
At 31st March	於三月三十一日	8,948	9,027	4,872	5,063

33. 長期服務金準備

		The Group 本集團		The Company 本公司	
		2004 \$'000 千元	2003 \$'000 千元	2004 \$'000 千元	2003 \$'000 千元
At 1st April	於四月一日	9,027	6,126	5,063	3,331
Add: Provision for the year	加：本年度之準備	—	3,210	—	1,799
Less: Payments during the year	減：年內付款	(79)	(309)	(191)	(67)
At 31st March	於三月三十一日	8,948	9,027	4,872	5,063

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34. SHARE CAPITAL

34. 股本

		2004		2003	
		No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
Authorised: Ordinary shares of \$0.50 each	法定股本： 每股面值0.50元 之普通股	<u>200,000</u>	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>
Issued and fully paid: At 31st March	已發行及繳足股本： 於三月三十一日	<u>140,246</u>	<u>70,123</u>	<u>140,246</u>	<u>70,123</u>

35. RESERVES

35. 儲備

(a) The Group

(a) 本集團

		Share premium	Capital redemption reserve	Exchange reserve	Goodwill arising on consolidation 綜合賬目 所產生之 商譽	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Other reserves	Retained profits	Total
		股份溢價	資本贖回儲備	匯兌儲備	商譽	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	其他儲備	保留溢利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
As at 1st April, 2002	於二零零二年 四月一日										
- as previously reported	- 上年度報告	13,731	481	(9,810)	(45,987)	39	52,921	30,840	2,038	239,718	283,971
- prior period adjustment in respect of deferred tax (note 11)	- 遞延稅所得稅 的前期調整 (附註11)	-	-	-	-	-	(8,913)	(73)	-	(878)	(9,864)
- as restated	- 已重列	13,731	481	(9,810)	(45,987)	39	44,008	30,767	2,038	238,840	274,107
Dividend approved in respect of the previous year (note 9(b))	本年度內批准屬於 上一年度的股息 (附註9(b))	-	-	-	-	-	-	-	-	(11,220)	(11,220)
Exchange differences on translation of the financial statements of foreign entities	換算海外附屬公司 財務報表之匯兌 差額	-	-	679	-	-	-	-	-	-	679
Revaluation deficit	重估虧蝕	-	-	-	-	(39)	-	(1,644)	-	-	(1,683)
Deferred tax (note 31(b))	遞延所得稅(附註31(b))	-	-	-	-	-	291	(18)	-	-	273
Share of associates' revaluation surplus	應佔聯營公司 重估盈餘	-	-	-	-	-	-	157	-	-	157
Share of associates' exchange reserve	應佔聯營公司 匯兌儲備	-	-	(1,987)	-	-	-	-	-	-	(1,987)
Impairment loss	減值虧損	-	-	-	-	-	(1,664)	-	-	-	(1,664)
Disposal of subsidiaries	出售附屬公司	-	-	(662)	-	-	-	-	-	-	(662)
Deconsolidation of subsidiaries in liquidation	不再綜合計算在 清盤中的附屬公司	-	-	(6,053)	(174)	-	-	-	-	-	(6,227)
Profit for the year (as restated)	本年度溢利(已重列)	-	-	-	-	-	-	-	-	33,077	33,077
Dividend declared for the year (note 9(a))	本年度已宣派股息 (附註9(a))	-	-	-	-	-	-	-	-	(2,805)	(2,805)
Appropriation to other reserves	撥往一般儲備	-	-	-	-	-	-	-	378	(378)	-
As at 31st March, 2003	於二零零三年 三月三十一日	<u>13,731</u>	<u>481</u>	<u>(17,833)</u>	<u>(46,161)</u>	<u>-</u>	<u>42,635</u>	<u>29,262</u>	<u>2,416</u>	<u>257,514</u>	<u>282,045</u>

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35. RESERVES (continued)

35. 儲備 (續)

(a) The Group (continued)

(a) 本集團 (續)

		Share premium	Capital redemption reserve	Exchange reserve	Goodwill arising on consolidation	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Other reserves	Retained profits	Total
		股份溢價	資本贖回儲備	匯兌儲備	綜合賬目所產生之商譽	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	其他儲備	保留溢利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
As at 1st April, 2003	於二零零三年四月一日										
- as previously reported	- 上年度報告	13,731	481	(17,833)	(46,161)	-	51,257	29,353	2,416	258,394	291,638
- prior period adjustment in respect of deferred tax (note 11)	- 遞延所得稅的前期調整 (附註 11)	-	-	-	-	-	(8,622)	(91)	-	(880)	(9,593)
- as restated	- 已重列	13,731	481	(17,833)	(46,161)	-	42,635	29,262	2,416	257,514	282,045
Dividend approved in respect of the previous year (note 9(b))	本年度內批准屬於上一年度的股息 (附註 9(b))	-	-	-	-	-	-	-	-	(11,220)	(11,220)
Exchange differences on translation of the financial statements of foreign entities	換算海外附屬公司財務報表之匯兌差額	-	-	2,038	-	-	-	-	-	-	2,038
Revaluation surplus	重估盈餘	-	-	-	-	400	-	577	-	-	977
Deferred tax (note 31(b))	遞延所得稅 (附註 31(b))	-	-	-	-	-	-	(19)	-	-	(19)
Share of associates' revaluation surplus	應佔聯營公司重估盈餘	-	-	-	-	-	-	973	-	-	973
Share of associates' other reserves	應佔聯營公司其他儲備	-	-	-	-	-	-	-	697	-	697
Share of associates' exchange reserve	應佔聯營公司匯兌儲備	-	-	1,186	-	-	-	-	-	-	1,186
Disposal of subsidiaries	出售附屬公司	-	-	(122)	-	-	-	-	-	-	(122)
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	69,085	69,085
Dividend declared for the year (note 9(a))	本年度已宣派股息 (附註 9(a))	-	-	-	-	-	-	-	-	(1,402)	(1,402)
Appropriation to other reserves	撥往其他儲備	-	-	-	-	-	-	-	1,695	(1,695)	-
As at 31st March, 2004	於二零零四年三月三十一日	13,731	481	(14,731)	(46,161)	400	42,635	30,793	4,808	312,282	344,238

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***35. RESERVES (continued)****(a) The Group (continued)**

Included in the Group's retained profits is a net profit of \$21,000 (2003 (restated): loss of \$10,765,000) being the Group's share of accumulated profits less losses attributable to the associates.

The application of the share premium account and the capital redemption reserve is governed by Sections 48B and 49H respectively of the Hong Kong Companies Ordinance. The revaluation reserves have been set up and will be dealt with in accordance with the accounting policies adopted for the revaluation of properties.

In accordance with the relevant PRC laws applicable to wholly foreign owned enterprises, a PRC subsidiary is required to make appropriations of at least 10% of its after-tax profit, determined under the relevant PRC accounting regulations to other reserves. Other reserves attributable to the PRC subsidiary can be used to make good losses or may be converted into paid-up capital.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***35. 儲備 (續)****(a) 本集團 (續)**

本集團保留溢利內包括溢利淨額 21,000 元 (二零零三年 (重列) : 虧損 10,765,000 元) , 即集團應佔聯營公司之累計溢利減虧損。

資本贖回儲備的用途分別受到香港《公司條例》第48B條及第49H條所管轄。本公司已設立重估儲備, 並會根據就重估投資物業所採用的會計政策處理這些儲備。

根據適用於國外獨資企業之有關中國法律, 中國附屬公司必須將其稅後溢利最少10% (由有關中國會計規例釐定) 撥往其他儲備。應佔中國附屬公司之其他儲備可用以抵銷虧損及轉換為繳足股本。

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35. RESERVES (continued)

35. 儲備 (續)

(b) The Company

(b) 本公司

		Share premium 股份溢價 \$'000 千元	Capital redemption reserve 資本 贖回儲備 \$'000 千元	Investment revaluation reserve 投資 重估儲備 \$'000 千元	Land and buildings revaluation reserve 土地及樓宇 重估儲備 \$'000 千元	Investment properties revaluation reserve 投資物業 重估儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 總額 \$'000 千元
At 1st April, 2002	於二零零二年 四月一日							
- as previously reported	- 上年度 報告	13,731	481	39	52,921	28,298	169,605	265,075
- prior period adjustment in respect of deferred tax (note 11)	- 遞延 所得稅 的前期 調整 (附註11)	-	-	-	(8,913)	(73)	(1,999)	(10,985)
- as restated	- 已重列	13,731	481	39	44,008	28,225	167,606	254,090
Dividends approved in respect of the previous year (note 9(b))	本年度內批准 屬於上一年度的 股息(附註9(b))	-	-	-	-	-	(11,220)	(11,220)
Impairment loss	減值虧損	-	-	-	(1,664)	-	-	(1,664)
Deferred tax (note 31(b))	遞延所得稅 (附註31(b))	-	-	-	291	(18)	-	273
Revaluation deficit	重估虧絀	-	-	(39)	-	(1,644)	-	(1,683)
Profit for the year (as restated)	本年度溢利 (已重列)	-	-	-	-	-	7,545	7,545
Dividends declared in respect of the current year (note 9(a))	本年度已 宣派股息 (附註9(a))	-	-	-	-	-	(2,805)	(2,805)
At 31st March, 2003	於二零零三年 三月三十一日	13,731	481	-	42,635	26,563	161,126	244,536
At 1st April, 2003	於二零零三年 四月一日							
- as previously reported	- 上年度 報告	13,731	481	-	51,257	26,654	163,116	255,239
- prior period adjustment in respect of deferred tax (note 11)	- 遞延所得稅 的前期 調整 (附註11)	-	-	-	(8,622)	(91)	(1,990)	(10,703)
- as restated	- 已重列	13,731	481	-	42,635	26,563	161,126	244,536
Dividends approved in respect of the previous year (note 9(b))	本年度內批准屬 於上一年度的 股息(附註9(b))	-	-	-	-	-	(11,220)	(11,220)
Revaluation surpluses	重估盈餘	-	-	400	-	577	-	977
Deferred tax (note 31(b))	遞延所得稅 (附註31(b))	-	-	-	-	(19)	-	(19)
Profit for the year	本年度溢利	-	-	-	-	-	89,700	89,700
Dividends declared in respect of the current year (note 9(a))	本年度已 宣派股息 (附註9(a))	-	-	-	-	-	(1,402)	(1,402)
At 31st March, 2004	於二零零四年 三月三十一日	13,731	481	400	42,635	27,121	238,204	322,572

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35. RESERVES (continued)**(b) The Company (continued)**

The revaluation reserves in respect of investments, investment properties and land and buildings are not available for distribution to shareholders because they do not constitute realised profits within the meaning of section 79B(2) of the Hong Kong Companies Ordinance.

The distributable reserves of the Company as at 31st March, 2004 were \$238,204,000 (2003 (restated): \$161,126,000).

36. COMMITMENTS

- (a) Capital commitments outstanding at 31st March, 2004 not provided for in the financial statements were as follows:

		The Group 本集團	
		2004	2003
		\$'000	\$'000
		千元	千元
Contracted for	已訂約		
– construction in progress	– 在建工程	847	51,337
– fixed assets	– 固定資產	–	230
– capital contribution to a subsidiary	– 附屬公司的資本投入	3,713	49,095
– capital contribution to an associate	– 聯營公司的資本投入	6,630	6,630
		11,190	107,292
Authorised but not contracted for	已授權但未訂約		
– construction in progress	– 在建工程	–	8,087
		11,190	115,379

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35. 儲備 (續)**(b) 本公司 (續)**

就投資、投資物業及土地及樓宇之重估儲備並不可供分派予股東，此乃因為該等儲備並不構成香港《公司條例》第79B(2)條涵義所指定之可變現溢利。

本公司於二零零四年三月三十一日之可供分派儲備為238,204,000元(二零零三年(重列)：161,126,000元)。

36. 承擔

- (a) 於二零零四年三月三十一日，仍未在財務報表作出準備之資本承擔如下：

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36. COMMITMENTS (continued)

(a) (continued)

The Group's share of the capital commitments of associates outstanding at 31st March, 2004 were as follows:

		The Group 本集團	
		2004 \$'000 千元	2003 \$'000 千元
Authorised but not contracted for	已授權但未訂約	1,010	138
Contracted but not provided for	已訂約但未作出準備	648	864
		<u>1,658</u>	<u>1,002</u>

(b) At 31st March, 2004, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團	
		2004 \$'000 千元	2003 \$'000 千元
Within 1 year	一年內	2,579	722
After 1 year but within 2 years	一年後至兩年內	2,732	527
After 2 years but within 5 years	兩年後至五年內	3,515	351
More than 5 years	五年以上	8,220	8,221
		<u>17,046</u>	<u>9,821</u>

The Group leases a number of properties and a piece of land under operating leases. The leases run for a period of 4 to 60 years. None of the leases includes contingent rentals.

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

36. 承擔 (續)

(a) (續)

於二零零四年三月三十一日，本集團佔聯營公司未償付的資本承擔如下：

(b) 於二零零四年三月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款額總數如下：

本集團以經營租賃租用部分物業及一幅土地，這些租賃為期四至六十年。各項經營租賃均不包含或有租金。

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***36. COMMITMENTS (continued)**

- (c) At 31st March, 2004, the Group and the Company had cancelled the commitments in respect of outstanding foreign exchange forward contracts (2003: \$47,981,000), which were non-speculative hedges of the Group's and the Company's foreign currency denominated trade receivables.

37. CONTINGENT LIABILITIES

At 31st March, 2004, there were contingent liabilities in respect of the following:

- (a) Bills discounted with banks amounting to approximately \$139,925,000 (2003: \$148,764,000) for the Group and \$67,135,000 (2003: \$77,622,000) for the Company.
- (b) Guarantees given to banks by the Company to the extent of \$49,148,000 (2003: \$55,628,000) in respect of banking facilities extended to its subsidiaries and associates.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***36. 承擔 (續)**

- (c) 於二零零四年三月三十一日，本集團及本公司已撤銷為遠期外匯期貨合同作承擔（二零零三年：47,981,000元）。按非投機性對沖保值方法，本集團及本公司為外幣結算之應收賬款而訂立此等外匯期貨合同。

37. 或有負債

於二零零四年三月三十一日，本集團之或有負債如下：

- (a) 本集團及本公司分別跟銀行貼現了約共139,925,000元（二零零三年：148,764,000元）及67,135,000元（二零零三年：77,622,000元）的票據。
- (b) 本公司就其附屬公司及聯營公司之銀行備用信貸而向銀行作出之擔保共49,148,000元（二零零三年：55,628,000元）。

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***38. MATERIAL RELATED PARTY TRANSACTIONS**

The following material transactions with related parties were, in the opinion of the directors, carried out in the ordinary course of business and on normal commercial terms:

- (a) Transactions with and income from YGM Trading Limited and its subsidiaries (“YGMT Group”). (Certain directors of the Company are collectively the controlling shareholders of both the YGMT Group and the Group):

		2004	2003
		\$'000	\$'000
		千元	千元
Purchases of traded products	購買貿易產品	2,813	65
Sales of traded products	銷售貿易產品	23,771	10,585
Rental income from properties	物業租金收入	3,902	3,904
Management fee income	管理費收入	804	804
Building management fee income	樓宇管理費收入	324	324
		324	324

Purchases and sales of traded products and rental transactions were, in the opinion of the directors, carried out on prices and terms comparable to those offered to or by independent third parties. The management fees were charged for administrative, business strategy, personnel, legal and company secretarial work, accounting and management services provided, which are determined annually between the respective parties after negotiations having regard to the cost of services provided.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***38. 與關連人士之重大交易**

董事會認為，下列與關連人士進行之重大交易乃於日常業務中按一般商業條款作出：

- (a) 與YGM貿易有限公司及其附屬公司（「YGMT集團」）進行之交易及就此收取之收入（本公司若干董事統稱為YGMT集團及本集團之控股股東）：

董事會認為購買及銷售貿易產品及收取物業租金之價格及條件與提供予獨立第三者或由彼等所提供之條件相若。管理費收入與提供行政工作、業務策略、人事、法律及公司秘書工作、會計與管理服務有關，該費用是由有關人士每年按磋商後釐定。

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004
(Expressed in Hong Kong dollars)

38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

(a) (continued)

		2004 \$'000 千元	2003 \$'000 千元
Amounts due from YGMT Group	應收 YGMT 集團款項	<u>1,690</u>	<u>3,242</u>

(b) Transactions with YGM Marketing Pte Limited, which is beneficially owned by certain directors of the Company:

		2004 \$'000 千元	2003 \$'000 千元
Sales of traded products	銷售貿易產品	<u>4,867</u>	<u>5,303</u>

The above transactions were, in the opinion of the directors, carried out on terms comparable to those offered to independent third parties.

財務報表附註

截至二零零四年三月三十一日止年度
(以港元計)

38. 與關連人士之重大交易 (續)

(a) (續)

		2004 \$'000 千元	2003 \$'000 千元
Amounts due from YGMT Group	應收 YGMT 集團款項	<u>1,690</u>	<u>3,242</u>

(b) 與 YGM Marketing Pte Limited 進行之交易 (該公司為本公司若干董事實益擁有之公司) :

		2004 \$'000 千元	2003 \$'000 千元
Sales of traded products	銷售貿易產品	<u>4,867</u>	<u>5,303</u>

董事會認為以上交易之條件與提供予獨立第三者之條件相若。

		2004 \$'000 千元	2003 \$'000 千元
Amount due from/(to) YGM Marketing Pte Limited	應收 / (應付) YGM Marketing Pte Limited 款項	<u>65</u>	<u>(576)</u>

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004
(Expressed in Hong Kong dollars)

38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

(c) Transactions with Wuxi Changxin Textile Co., Ltd., an associate:

		2004 \$'000 千元	2003 \$'000 千元
Purchases of traded products	購買貿易產品	101,047	15,827
Sales of traded products	銷售貿易產品	7,480	-
Processing income	加工收入	38,137	-
Subcontracting fee expenses	外發加工費用	15,205	12,256
Management and marketing supporting fee paid	管理及銷售支援費用	-	282
		<u> </u>	<u> </u>

The above transactions were, in the opinion of the directors, carried out on terms comparable to those offered by independent third parties.

財務報表附註

截至二零零四年三月三十一日止年度
(以港元計)

38. 與關連人士之重大交易 (續)

(c) 與一間聯營公司無錫長新紡織有限公司進行之交易：

董事會認為以上交易之條件與獨立第三者所提供之條件相若。

		2004 \$'000 千元	2003 \$'000 千元
Amount due to Wuxi Changxin Textile Co., Ltd.	應付無錫長新紡織有限公司款項	(33,165)	(91,184)
Dividend receivable	應收股息	99	11,570
		<u> </u>	<u> </u>

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004

(Expressed in Hong Kong dollars)

38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

- (d) Transactions with Hongkong Knitters Lanka (PVT) Limited (“HKKL”), as an associate for the period from 1st April, 2003 to 12th May, 2003:

		Period from 1st April, 2003 to 12th May, 2003 二零零三年 四月一日至 二零零三年 五月十二日 止期間 \$'000 千元	For the year ended 31st March, 2003 截至 二零零三年 三月三十一日 止年度 \$'000 千元
Purchases on behalf and sales of traded products	代購買及銷售 貿易產品	4	47,416
Commission income	佣金收入	572	3,992
Subcontracting fee expense	外發加工費用	2,528	—

During the year ended 31st March, 2003, the Group purchased traded products on behalf of HKKL which were reimbursed to the Group by HKKL at cost. Commission income relates to referral of sales by the Group and was charged at an agreed percentage based on the HKKL's turnover. Subcontracting fee expenses was, in the opinion of the directors, carried out on terms comparable to those offered to independent third parties.

The Company has cancelled a corporate guarantee to a bank in respect of general banking facilities granted by such bank to HKKL (2003: \$2,730,000). HKKL was 50% owned by the Company and 50% owned by a company controlled by certain directors of the Company for the period from 1st April, 2003 to 12th May, 2003. The general banking facilities were used for funding HKKL's daily working capital requirements.

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

38. 與關連人士之重大交易 (續)

- (d) 與一間聯營公司 Hongkong Knitters Lanka (PVT) Limited (「HKKL」) 於二零零三年四月一日至二零零三年五月十二日期間進行之交易：

截至二零零三年三月三十一日止年度內，本集團代HKKL購買貿易產品，有關款項已按成本付還。佣金收入乃本集團代其尋找客戶所收取之佣金，該佣金乃根據HKKL之營業額按一個雙方議定之百分比率收取。董事會認為外發加工費用之條件與提供予獨立第三者之條件相若。

本公司已撤銷向一家銀行提供相等於該銀行向HKKL授出之一般銀行備用信貸之公司擔保(二零零三年：2,730,000元)。於二零零三年四月一日至二零零三年五月十二日期間，HKKL由本公司擁有50%，另50%則由一家由本公司若干董事控制之公司擁有。有關銀行之備用信貸旨在為該公司提供日常流動資金。

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004

(Expressed in Hong Kong dollars)

38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

(d) (continued)

		2004 \$'000 千元	2003 \$'000 千元
Amount due from HKKL as an associate	應收聯營公司 HKKL款項	-	25,761

On 13th May, 2003 HKKL became a wholly-owned subsidiary of the Group.

(e) Transactions with YangtzeKiang Industries Sdn. Bhd. ("YISB"), an associate:

		2004 \$'000 千元	2003 \$'000 千元
Subcontracting fee expense	外發加工費用	-	2,844
Commission income	佣金收入	-	1,033

No subcontracting fee expense was paid and no commission income was received during the year ended 31st March, 2004. During the year ended 31st March, 2003, the subcontracting fee was, in the opinion of the directors, carried out on terms comparable to those offered to independent third parties. Commission income relates to referral of sales by the Group to YISB and was charged at an agreed percentage based on the associate's turnover.

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

38. 與關連人士之重大交易 (續)

(d) (續)

		2004 \$'000 千元	2003 \$'000 千元
Amount due from HKKL as an associate	應收聯營公司 HKKL款項	-	25,761

於二零零三年五月十三日，HKKL 成為本集團全資擁有附屬公司。

(e) 與一間聯營公司 YangtzeKiang Industries Sdn. Bhd. (「YISB」) 進行之交易：

		2004 \$'000 千元	2003 \$'000 千元
Subcontracting fee expense	外發加工費用	-	2,844
Commission income	佣金收入	-	1,033

於二零零四年三月三十一日止年度內，並沒有外發加工費用支出及佣金收入。於二零零三年三月三十一日止年度內，董事會認為外發加工費用之條件與提供予獨立第三者之條件相若。佣金收入乃本集團代YISB尋找客戶所收取之服務佣金，該佣金乃根據該聯營公司之營業額按一個雙方議定之百分比率收取。

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004
(Expressed in Hong Kong dollars)

38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

(e) (continued)

		2004 \$'000 千元	2003 \$'000 千元
Amount due (to)/from YISB	(應付) / 應收 YISB款項	<u>(167)</u>	<u>256</u>

(f) Transactions with Allied Textiles Limited
("Allied Textiles"), an associate:

		2004 \$'000 千元	2003 \$'000 千元
Purchases of traded products	購買貿易產品	18,338	3,026
Purchases on behalf and sales of traded products	代購買及銷售 貿易產品	<u>2,027</u>	<u>871</u>

The purchases of traded products were, in the opinion of the directors, carried out on prices and terms comparable to those offered to or by independent third parties. The Group purchased traded products on behalf of Allied Textiles which were reimbursed to the Group by Allied Textiles at cost.

財務報表附註

截至二零零四年三月三十一日止年度
(以港元計)

38. 與關連人士之重大交易 (續)

(e) (續)

		2004 \$'000 千元	2003 \$'000 千元
Amount due (to)/from YISB	(應付) / 應收 YISB款項	<u>(167)</u>	<u>256</u>

(f) 與一間聯營公司新聯興紡織有限公司
("新聯興") 進行之交易：

		2004 \$'000 千元	2003 \$'000 千元
Purchases of traded products	購買貿易產品	18,338	3,026
Purchases on behalf and sales of traded products	代購買及銷售 貿易產品	<u>2,027</u>	<u>871</u>

董事會認為以上交易之條件與提供予獨立第三者或由彼等所提供之條件相若。本集團代新聯興購買之貿易產品均全數由新聯興按成本付還。

		2004 \$'000 千元	2003 \$'000 千元
Amount due to Allied Textiles	應付新聯興款項	<u>2,290</u>	<u>354</u>

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004
(Expressed in Hong Kong dollars)

38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

- (g) Transactions with Taizhou Changxin Textile (Xinghua) Co., Ltd., an associate:

		2004 \$'000 千元	2003 \$'000 千元
Sales of traded products	銷售貿易產品	<u>2,149</u>	<u>-</u>

The above transactions were, in the opinion of the directors, carried out on terms comparable to those offered to independent third parties.

- (h) Transactions with non-wholly owned subsidiaries, Whampoa Textile Limited and its subsidiaries ("Whampoa Group"):

		Period from 1st April, 2003 to 12th May, 2003 二零零三年 四月一日至 二零零三年 五月十二日 \$'000 千元	For the year ended 31st March, 2003 2003 截至 二零零三年 三月三十一日 止年度 \$'000 千元
Sales of traded products	銷售貿易產品	1,041	17,412
Purchases on behalf and sales of traded products	代購買及銷售貿易產品	6,484	111,247
Commission expenses paid	佣金費用	824	4,806
Subcontracting fee income	外發加工費收入	3,890	5,752
Subcontracting fee paid	外發加工費用	155	-
Rental income from properties	物業租金收入	624	2,117
Building management fee income	樓宇管理費收入	41	120
Management fee income	管理費收入	828	3,960
Interest income	利息收入	388	3,340
Sales of fixed assets	出售固定資產	-	585

財務報表附註

截至二零零四年三月三十一日止年度
(以港元計)

38. 與關連人士之重大交易 (續)

- (g) 與一間聯營公司泰州長新紡織(興化)有限公司進行之交易:

董事會認為以上交易之條件與獨立第三者所提供之條件相若。

- (h) 與非全資附屬公司黃浦江紡織有限公司及其附屬公司(「黃浦江集團」)進行之交易:

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)**(h) *(continued)*

Whampoa Group purchased traded products on behalf of other subsidiaries of the Group which were reimbursed to Whampoa Group at cost. Commission expenses relate to referral of sales by Whampoa Group and are charged at an agreed percentage on the Group's turnover.

The above transactions, were in the opinion of the directors, carried out on the terms comparable to those offered to independent third parties. Year end trade balances have been eliminated on consolidation.

On 13th May, 2003, the Group increased its interest in Whampoa Textile Limited to 100% and Whampoa Group became wholly-owned by the Group.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***38. 與關連人士之重大交易 (續)**(h) *(續)*

黃浦江集團代本集團之其他附屬公司購買貿易產品，有關款項已按成本付還。佣金費用乃黃浦江集團代尋找客戶所收取之佣金，該佣金乃根據本集團之營業額按一個雙方議定之百分比率收取。

董事會認為以上交易之條件與提供予獨立第三者之條件相若，及彼等在期末時之公司往來結餘均已在編製綜合賬目時予以抵銷。

於二零零三年五月十三日，本集團於黃浦江集團之權益增加至100%及黃浦江集團成為本集團之全資擁有附屬公司。

NOTES ON THE FINANCIAL STATEMENTS

For the year ended 31st March, 2004

(Expressed in Hong Kong dollars)

38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

(h) (continued)

Guarantees given to banks in respect of credit facilities granted to the extent of the Company's proportional equity interest held	就銀行授出之備用信貸作出之擔保，以本公司所持有之股權比例為限
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The Company had issued corporate guarantees for a total amount of \$49,148,000 to bankers, to secure general banking facilities granted by such banks to Hong Kong Knitters Limited ("HKK"), a subsidiary of the Whampoa Group. The general banking facilities were used for funding HKK's daily working capital requirements.

- (i) The acquisitions of Whampoa Textile Limited ("Whampoa") and Hongkong Knitters Lanka (PVT) Limited ("HKKL"):

The Company had entered into the following agreements ("the Agreements"):

- (i) an agreement on 10th February, 2003 and a supplemental agreement thereto on 24th March, 2003 in relation to the acquisition of 25% of the issued share capital of Whampoa from Chan Family Investment Corporation Limited, an entity connected with the Company for the purpose of the Listing Rules, for a cash consideration of \$5,000,000; and
- (ii) an agreement on 10th February, 2003 and a supplemental agreement thereto on 24th March, 2003 in relation to the acquisition of 50% of the issued share capital of HKKL from Sevenoaks Associates, Inc., an entity connected with the Company for the purpose of the Listing Rules, for a cash consideration of \$1.

財務報表附註

截至二零零四年三月三十一日止年度

(以港元計)

38. 與關連人士之重大交易 (續)

(h) (續)

2004 \$'000 千元	2003 \$'000 千元
<u>49,148</u>	<u>49,148</u>

本公司就銀行向黃浦江集團之附屬公司香港織造有限公司(「香港織造」)授出之備用信貸作出之擔保總額為49,148,000元。有關之銀行備用信貸旨在為香港織造提供日常流動資金。

- (i) 收購黃浦江紡織有關公司(「黃浦江」)及Hongkong Knitters Lanka (PVT) Limited(「HKKL」):

本公司訂立下列協議(「該等協議」):

- (i) 於二零零三年二月十日訂立一項協議及二零零三年三月二十四日訂立一項補充協議，有關向就上市規則而言屬本公司關連人士之一的Chan Family Investment Corporation Limited收購黃浦江已發行股本25%，現金代價為5,000,000元。
- (ii) 於二零零三年二月十日訂立一項協議及二零零三年三月二十四日訂立一項補充協議，有關向就上市規則而言屬本公司關連人士之一的Sevenoaks Associates, Inc.收購HKKL已發行股本50%，現金代價為1元。

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)**(i) *(continued)*

The Agreements were approved by the Independent Shareholders of the Company at the Extraordinary General Meeting on 5th May, 2003 and the acquisitions were completed on 13th May, 2003. After completion of the acquisitions, various existing transactions between the Group, Whampoa Group and HKKL have become transactions between the Company and its wholly-owned subsidiaries or between its wholly-owned subsidiaries and are not subject to disclosure or shareholders' approval requirements under Chapter 14 of the Listing Rules.

(j) Continuing connected transaction with YGMT Group:

The Group sells garment products (such as shirts and knit wear products) from time to time to YGMT Group on an order by order basis for trading purposes. As the Chan Family is the controlling shareholder (as defined in the Listing Rules) of the Companies, the Transactions constitute connected transactions for YangtzeKiang Garment and YGM Trading under the Listing Rules.

The Stock Exchange has granted to the Company waivers from strict compliance with the disclosure and Independent Shareholders' approval requirements under Rules 14.26 of the Listing Rules on each occasion when the transactions occur for a period up to 31st March, 2006.

The aggregate amount of the transactions for each financial year shall not exceed 8% of the latest published audited consolidated net tangible assets of the Group in that financial year.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***38. 與關連人士之重大交易 (續)**(i) *(續)*

該等協議已獲本公司獨立股東於二零零三年五月五日舉行之股東特別大會上批准；並於二零零三年五月十三日完成該等收購事項。在該等收購事項完成後，本集團與黃浦江集團及HKKL之現有多項交易已成為本公司與其全資附屬公司或其全資附屬公司之間之交易，且將無須根據上市規則第14章作出披露或亦無須尋求股東批准。

(j) 與YGMT集團之持續關連交易：

本集團不時按訂單方式向YGMT集團銷售成衣產品(例如襯衫及針織衣物產品)以作貿易之用。由於陳氏家族為該等公司之控股股東(定義見上市規則)，故根據上市規則，該等交易構成長江製衣及YGM貿易之關連交易。

本公司已獲得聯交所授出豁免，豁免於截至二零零六年三月三十一日止期間內，就每次進行該等交易而嚴格遵守上市規則第14.26條項下之披露規定及取得獨立股東批准之規定。

該等交易於各財政年度內之總額不得超逾本集團於該財政年度之最近公佈之經審核綜合有形資產淨值之8%。

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***38. MATERIAL RELATED PARTY
TRANSACTIONS (continued)**

- (k) Disposal of YangtzeKiang Industries (Myanmar) Limited (“YangtzeKiang Myanmar”):

A share purchase agreement was entered into on 30th March, 2004 between the Company as vendor and Mr. Wong Pui Lam, Mr. Wong Chun Yu, Mr. Chee Chong Sin and Ms. Tsang Sau Ngor as purchasers in relation to the entire issued share capital of YangtzeKiang (Myanmar) Limited (“YML”), YangtzeKiang Myanmar and Victoria Harbor Limited (“VHL”) and a non-interest bearing loan of approximately US\$1,860,000 (approximately \$14,500,000) owing by YML and YangtzeKiang Myanmar to the Company as at 30th March, 2004 (“YML Group Loan”) for a total cash consideration of US\$1,360,000 (approximately HK\$10,608,000). The consideration will be payable by instalments over six years (note 21).

YML and VHL were both investment holding companies and wholly-owned subsidiaries of the Company. YML was beneficially interested in the entire issued share capital of YangtzeKiang Myanmar. VHL held 50% of the issued share capital of YangtzeKiang Myanmar on trust for YML. As Mr. Wong Pui Lam is a director of YangtzeKiang Myanmar and Mr. Wong Chun Yu is the son of Mr. Wong Pui Lam, the Disposal constitutes a connected transaction of the Company.

Completion of the Disposal (other than the assignment of YML Group Loan) took place immediately after the signing of the Share Purchase Agreement. Completion of the assignment of the YML Group Loan shall take place at the sixth anniversary of completion upon payment in full of the consideration.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***38. 與關連人士之重大交易 (續)**

- (k) 出售 YangtzeKiang Industries (Myanmar) Limited (「YangtzeKiang Myanmar」) :

於二零零四年三月三十日，本公司(作為賣方)與王沛霖先生、王震宇先生、徐崇勝先生及曾秀娥女士(作為買方)訂立股份購買協議，內容乃有關 YangtzeKiang (Myanmar) Limited (「YML」)，YangtzeKiang Myanmar及 Victoria Harbor Limited (「VHL」)之全部已發行股本及於二零零四年三月三十日，YML及 YangtzeKiang Myanmar結欠本公司之免息貸款約1,860,000美元(約14,500,000元)(「YML集團貸款」)，涉及之總現金代價為1,360,000美元(約10,608,000元)。代價將按六年每年分期付款之方式支付(附註21)。

YML及VHL均為投資控股公司及本公司之全資附屬公司。YML實益擁有 YangtzeKiang Myanmar之全部已發行股本。VHL以YML信託之身份持有 YangtzeKiang Myanmar之全部已發行股本之50%。由於王沛霖先生為 YangtzeKiang Myanmar之董事，而王震宇先生為王沛霖先生之兒子，故此出售事項構成本公司之關連交易。

出售事項之完成緊隨簽訂股份購買協議後完成(不包括轉讓YML集團貸款)。於完成後之第六週年在悉數支付代價後，轉讓YML集團貸款將完成。

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***39. SUBSEQUENT EVENTS**

- (i) Subcontracting transactions with YangtzeKiang Myanmar:

On 8th June, 2004, the Company entered into the Master Subcontracting Agreement with YangtzeKiang Myanmar in relation to subcontracting services. As detailed in note 38(k), the Group disposed of its interests in YangtzeKiang Myanmar on 30th March, 2004. YangtzeKiang Myanmar has been providing subcontracting services to the Company in the past and will continue to provide such services after the disposal. Since Mr. Wong Pui Lam is a director of YangtzeKiang Myanmar, a subsidiary of the Company before the disposal, Mr. Wong Pui Lam remains a connected person of the Company for 12 months after completion of the disposal on 30th March, 2004. The subcontracting services will constitute continuing connected transactions for the Company during the said period.

The Stock Exchange has granted the Company a waiver from strict compliance with the requirement to hold a shareholders' meeting to approve the subcontracting services and the maximum aggregate annual value for the subcontracting services for the financial year ending 31st March, 2005, is US\$2 million (approximately \$15.6 million).

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***39. 期後事項**

- (i) 與YangtzeKiang Myanmar進行外發加工交易：

於二零零四年六月八日，本公司與YangtzeKiang Myanmar就外發加工服務訂立主要外發加工協議。載於附註38(k)，於二零零四年三月三十一日本集團出售YangtzeKiang Myanmar之權益。YangtzeKiang Myanmar在過往一直為本公司提供外發加工服務，並將於出售事項後繼續提供該等服務。由於王沛霖先生於出售事項前為本公司附屬公司YangtzeKiang Myanmar之董事，故此王沛霖先生在出售事項於二零零四年三月三十日完成後之十二個月內仍為本公司之關連人士。外發加工交易將於上述期間內構成本公司之持續關連交易。

本公司已獲得聯交所授出豁免，毋須嚴格遵守須舉行股東大會以批准外發加工交易及外發加工服務於截至二零零五年三月三十一日止財政年度之最高年度總值2,000,000美元（約15,600,000元）之規定。

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***39. SUBSEQUENT EVENTS (continued)****(ii) Investment in a PRC Joint Venture**

The directors announced that on 10th July, 2004, Broad Plan Investment Limited (“Broad Plan”) (a wholly-owned subsidiary of the Company) entered into a Joint Venture Agreement with Qinghai Wanli Investment Company Ltd. (“Wanli”), Qinghai Province Qiaodian Company (“Qiaodian”) and Qinghai Electric Power Company (“Qinghai Power”) to establish a PRC Joint Venture, Qinghai Wan Zhao Ningbei Electric Corporation Ltd. (“New JV”) for the purpose of development and operating power plants in Qinghai. Upon its establishment, New JV will be owned as to 35% by Broad Plan, 40% by Wanli, 20% by Qiaodian and 5% by Qinghai Power. The total investment and registered capital of the New JV are RMB1,250,000,000 (equivalent to \$1,176,625,000) and RMB200,000,000 (equivalent to \$188,260,000) respectively. The total commitment of the Group in this New JV is RMB70,000,000 (equivalent to \$65,891,000). The Group will only contribute to the registered capital of the New JV after the New JV has received the approval of National Development and Reform Commission and certain other conditions as set out in the Joint Venture Agreement have been met.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***39. 期後事項 (續)****(ii) 於一間中國合營企業之投資：**

董事會謹公佈，於二零零四年七月十日，兆策投資有限公司（「兆策」）（本公司之全資附屬公司）與青海萬立投資股份有限公司（「萬立」）、青海橋電實業總公司（「橋電」）及青海省電力公司（「青海電力」）訂立合營協議成立中國合營企業青海萬兆寧北發電有限公司（「新合營企業」），以發展及經營青海省之發電廠。新合營企業於成立後將由兆策、萬立、橋電及青海電力分別擁有35%、40%、20%及5%。新合營企業之投資總額及註冊資本分別為人民幣1,250,000,000元（等值1,176,625,000元）及人民幣200,000,000元（等值188,260,000元）。本集團須向新合營企業出資人民幣70,000,000元（約65,891,000元）。本集團將於新合營企業取得國家發展及改革委員會審批及符合合營企業合同規定的部分其他條件後，向新合營企業出繳註冊資本。

NOTES ON THE FINANCIAL STATEMENTS**For the year ended 31st March, 2004***(Expressed in Hong Kong dollars)***40. COMPARATIVE FIGURES**

Certain comparative figures have been adjusted as a result of the change in accounting policy for deferred tax, details of which are set out in note 11 and as a result of the change in presentation of segment information as set out in note 12.

In addition, certain administrative expenses in 2003 have been reclassified to selling and distribution costs and trust receipt loans as at 31st March, 2003 have been reclassified from trade and other payables to bank loans in order to conform with current year's presentation.

財務報表附註**截至二零零四年三月三十一日止年度***(以港元計)***40. 比較數字**

由於修訂了關於遞延所得稅的會計政策，故部分比較數字已作出調整，有關詳情載於附註11；及修訂了分部報告的列示形式，詳情載於附註12。

此外，為符合本年度之表達形式，二零零三年部分行政費用已被重列記入銷售及分銷費用，及於二零零三年三月三十一日之信託收據貸款，從應付賬款及其他應付款重列至銀行貸款中。