



HUAFENG
華 豐

HUAFENG TEXTILE INTERNATIONAL GROUP LIMITED

華豐紡織國際集團有限公司

Stock Code 股份代號 : 364

INTERIM REPORT 2006 中期報告



CONTENTS 目錄

		Pages 頁次
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:	簡明綜合財務報表：	
Profit and loss account	損益賬	6
Balance sheet	資產負債表	7
Statement of changes in equity	權益變動表	9
Cash flow statement	現金流量表	10
Notes to financial statements	財務報表附註	11
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論與分析	22
DISCLOSURE OF ADDITIONAL INFORMATION	附加資料披露	33

CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cai Zhen Rong (*Chairman*)

Mr. Cai Zhen Yao

Mr. Cai Zhen Ying

Mr. Cai Yang Bo

Mr. Choi Wing Toon

Mr. Mak Shiu Chung, Godfrey

Independent Non-Executive Directors

Ms. Choy So Yuk

Mr. Lawrence Gonzaga

Mr. Wong Siu Hong

AUDIT COMMITTEE

Mr. Lawrence Gonzaga (*Chairman*)

Ms. Choy So Yuk

Mr. Wong Siu Hong

REMUNERATION COMMITTEE

Mr. Lawrence Gonzaga (*Chairman*)

Ms. Choy So Yuk

Mr. Wong Siu Hong

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Li Mow Ming, Sonny *SB St. J. FCPA, CPA (Aust)*

董事會

執行董事

蔡振榮先生 (*主席*)

蔡振耀先生

蔡振英先生

蔡揚波先生

蔡永團先生

麥兆中先生

獨立非執行董事

蔡素玉女士

Lawrence Gonzaga先生

黃兆康先生

審核委員會

Lawrence Gonzaga先生 (*主席*)

蔡素玉女士

黃兆康先生

薪酬委員會

Lawrence Gonzaga先生 (*主席*)

蔡素玉女士

黃兆康先生

公司秘書及合資格會計師

李茂銘先生 *SB St. J. FCPA, CPA (Aust)*

CORPORATE INFORMATION 公司資料

REGISTERED OFFICE

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681 GT
George Town, Grand Cayman
British West Indies

註冊辦事處

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681 GT
George Town, Grand Cayman
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2107, West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

總辦事處暨香港主要營業地點

香港干諾道中200號
信德中心西翼2107室

REGISTRARS

Principal Share Registrar and Transfer Office

Bank of Bermuda (Cayman) Limited
36C Bermuda House, 3rd Floor
P.O. Box 513 GT
Dr. Roy's Drive, George Town
Grand Cayman
British West Indies

股份過戶登記處

股份過戶登記總處

Bank of Bermuda (Cayman) Limited
36C Bermuda House, 3rd Floor
P.O. Box 513 GT
Dr. Roy's Drive, George Town
Grand Cayman
British West Indies

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
311-312 Two Exchange Square
Central
Hong Kong

香港股份過戶登記分處

聯合證券登記有限公司
香港中環
交易廣場第二座311-312室

CORPORATE INFORMATION 公司資料

AUDITORS

RSM Nelson Wheeler
Certified Public Accountants
7th Floor, Allied Kajima Building
138 Gloucester Road
Hong Kong

LEGAL ADVISERS

As to Cayman Islands laws:

Conyers Dill & Pearman

As to Hong Kong laws:

Morrison & Foerster

PRINCIPAL BANKERS

Bank of China
Industrial and Commercial Bank of China
Hang Seng Bank Ltd
DBS Bank (HK) Ltd

STOCK CODE

364

核數師

羅申美會計師行
執業會計師
香港告士打道138號
聯合鹿島大廈7樓

法律顧問

開曼群島法律方面：

Conyers Dill & Pearman

香港法律方面：

美富律師事務所

主要往來銀行

中國銀行
中國工商銀行
恒生銀行有限公司
星展銀行(香港)有限公司

股份代號

364

INTERIM RESULTS 中期業績

The board of directors (the “Board”) of Huafeng Textile International Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 March 2006 (the “Period”). The interim results for the Period are unaudited, but have been reviewed by the audit committee of the Company (the “Audit Committee”).

華豐紡織國際集團有限公司（「本公司」）董事會（「董事會」）欣然公佈本公司及其附屬公司（「本集團」）截至二零零六年三月三十一日止六個月（「期間」）之未經審核簡明綜合業績。期間之中期業績未經審核，惟已由本公司審核委員會（「審核委員會」）審閱。

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

簡明綜合損益賬

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

			Six months ended 31 March 截至三月三十一日止六個月	
			2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
		Notes 附註		
TURNOVER	營業額	3	279,191	263,265
Cost of services provided and cost of sales	提供服務成本 及銷售成本		(200,792)	(192,422)
Gross profit	毛利		78,399	70,843
Other revenue	其他收入		5,093	2,870
Selling and distribution expenses	銷售及分銷開支		(9,180)	(8,457)
Administrative expenses	行政開支		(14,580)	(13,803)
Other operating expenses	其他經營開支		(4,094)	(1,594)
PROFIT FROM OPERATIVE ACTIVITIES	經營業務溢利	4	55,638	49,859
Finance costs	財務成本	5	(5,955)	(5,120)
PROFIT BEFORE TAXATION	除稅前溢利		49,683	44,739
Taxation	稅項	6	(1,236)	(766)
PROFIT FOR THE PERIOD	期間溢利		48,447	43,973
Attributable to:	以下人士應佔權益：			
Equity shareholders of the company	本公司股東		49,265	44,262
Minority interest	少數股東權益		(818)	(289)
			48,447	43,973
EARNINGS PER SHARE	每股盈利			
Basic	基本	8	HK6.3 cents 港仙	HK5.7 cents 港仙
Diluted	攤薄		HK6.3 cents 港仙	HK5.7 cents 港仙

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

At 31 March 2006

於二零零六年三月三十一日

		31 March 2006 二零零六年 三月三十一日 (Unaudited) (未經審核)	30 September 2005 二零零五年 九月三十日 (Audited) (經審核)
		Notes 附註	HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	440,289	464,143
Goodwill	商譽	22,878	22,997
Investment securities	投資證券	1,461	1,461
Deposits paid for acquisition of long-term assets	收購長期資產已付 之按金	28,634	28,634
Construction in progress	在建工程	4,747	—
		498,009	517,235
CURRENT ASSETS	流動資產		
Inventories	存貨	62,445	51,325
Trade receivables	應收貿易賬款	106,067	86,876
Prepayments, deposits and other receivables	預付款項、按金 及其他應收款項	78,370	24,041
Cash and bank balances	現金及銀行結餘	90,451	88,367
		337,333	250,609
CURRENT LIABILITIES	流動負債		
Trade payables	應付貿易賬款	29,843	28,008
Other payables and accruals	其他應付款項及應計費用	38,326	36,131
Interest-bearing borrowings	計息借貸	96,117	111,300
Provision for taxation	稅項撥備	3,228	1,407
		167,514	176,846
NET CURRENT ASSETS	流動資產淨值	169,819	73,763
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	667,828	590,998

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

At 31 March 2006

於二零零六年三月三十一日

		Notes	31 March 2006 二零零六年 三月三十一日 (Unaudited) (未經審核) HK\$'000 千港元	30 September 2005 二零零五年 九月三十日 (Audited) (經審核) HK\$'000 千港元
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing borrowings	計息借貸		102,754	75,933
Deferred taxation	遞延稅項		15,671	16,174
			118,425	92,107
NET ASSETS	資產淨值		549,403	498,891
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	11	8,133	7,746
Reserves	儲備		531,365	480,421
Total equity attributable to equity shareholders of the company	本公司股東應佔總權益		539,498	488,167
Minority interest	少數股東權益		9,905	10,724
			549,403	498,891

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

		Reserves 儲備						
		Share Capital 股本	Share premium 股份溢價	Fixed assets revaluation reserve 固定資產 重估儲備	Exchange fluctuation reserve 匯率 波動儲備	Retained profits 保留溢利	Total 總計	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 October 2004	於二零零四年十月一日	7,745	135,122	33,413	—	247,778	424,058	
Net profit for the period	期間純利	—	—	—	—	44,262	44,262	
Dividend paid	已派股息	—	—	—	—	(7,745)	(7,745)	
		7,745	135,122	33,413	—	284,295	460,575	
Representing:	代表:							
At 31 March 2005 after proposed interim dividend	於二零零五年三月三十一日 (擬派中期股息後)						452,056	
Proposed interim dividend	擬派中期股息						8,519	
Shareholders' funds	股東資金						460,575	
At 1 October 2005	於二零零五年十月一日	7,746	135,186	32,050	12,672	300,513	488,167	
Dividend in shares	股份股息	387	—	—	—	(387)	—	
Increase in Reserves	儲備增長	—	3,776	—	—	—	3,776	
Net profit for the period	期間純利	—	—	—	—	49,265	49,265	
Fluctuation in exchange	匯率波動	—	—	—	(1,016)	—	(1,016)	
Deficit on revaluation on plant and machinery	廠房及機器重估虧絀	—	—	(694)	—	—	(694)	
At 31 March 2006	於二零零六年三月三十一日	8,133	138,962	31,356	11,656	349,391	539,498	
Representing:	代表:							
At 31 March 2006 after proposed interim dividend	於二零零六年三月三十一日 (擬派中期股息後)						539,417	
Proposed interim dividend	擬派中期股息						81	
							539,498	

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

		Six months ended 31 March 截至三月三十一日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES	經營業務現金 (流出)／流入淨額	(52,520)	25,083
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	投資活動現金流出淨額	(4,339)	(24,899)
NET CASH INFLOW FROM FINANCING ACTIVITIES	融資活動現金流入淨額	60,194	34,776
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值 (減少)／增加	3,335	34,960
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	期初現金及現金等值	88,367	30,501
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動影響	(1,251)	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終現金及現金等值	90,451	65,461
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終現金及現金 等值結餘分析		
Cash and bank balances	現金及銀行結餘	90,451	65,461

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” and other relevant HKASs and Interpretations, the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the applicable requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2005 except that the Group has changed certain of its accounting policies following its adoption of new and revised HKFRSs and HKASs which are effective for accounting periods beginning on or after 1 January 2005.

The relevant changes in the Group’s accounting policies resulting from the adoption of these new and revised HKFRSs and HKASs are set out in note 2 below.

1. 編製基準

未經審核簡明綜合中期財務報表乃按香港會計準則（「香港會計準則」）第34號「中期財務報告」與其他相關香港會計準則及詮釋、香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）及香港聯合交易所有限公司證券上市規則附錄十六之適用規定所編製。

編製此等簡明中期財務報表所採納之會計政策及計算方法乃與截至二零零五年九月三十日止年度之年度財務報表貫徹一致，惟本集團於採納在二零零五年一月一日起或之後會計期間生效之新增及經修訂香港財務報告準則及香港會計準則後改變其若干會計政策。

本集團之會計政策因採納此等新增及經修訂香港財務報告準則及香港會計準則而出現之相關變動載於下文附註2。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

2. IMPACT OF NEW AND REVISED HKFRSS AND HKASS

HKICPA has issued a number of new and revised HKFRSs, HKASs and interpretations which are effective for accounting periods beginning on or after 1 January 2005. The Group has adopted the HKFRSs and HKASs that are applicable to its operations. The comparative figures have been amended as required.

The relevant new and revised HKFRSs, HKASs together with their interpretations are highlighted below:

- (a) The adoption of HKAS 1 "Presentation of Financial Statements" has affected the presentation of minority interests and share of after-tax results of jointly controlled entities and an associated company.

Minority interests are presented in the consolidated balance sheet within equity and minority interests in the consolidated profit and loss account are presented as an allocation of the total profits for the period between the minority interests and the shareholders of the Company.

2. 新增及經修訂香港財務報告準則及香港會計準則之影響

香港會計師公會已頒佈多項於二零零五年一月一日起或之後會計期間生效之新增及經修訂香港財務報告準則、香港會計準則及詮釋。本集團已採納適用於其業務之香港財務報告準則及香港會計準則。比較數字已按規定修改。

相關之新增及經修訂香港財務報告準則、香港會計準則及其詮釋概述如下：

- (a) 採用香港會計準則第1號「財務報表之呈報」影響共同控制實體及聯營公司少數股東權益及分佔除稅後業績之呈報。

少數股東權益於綜合資產負債表之股權內呈列，而綜合損益賬內之少數股東權益則按期間總溢利以分配為少數股東權益及本公司股東權益形式呈報。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

(b) The adoption of revised HKAS 17 "Leases" has resulted in a change in the accounting policy relating to the classification of leasehold land. In accordance with HKAS 17, a lease of land and building should be split into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. The up-front prepayment for land is stated at cost and amortized over the period of the lease whereas the leasehold building is stated at cost less accumulated depreciation and impairment losses.

Long term portion of the land element is reclassified as "Leasehold land and rental prepayments" under the noncurrent assets and the current portion of the land element is included in "Prepayments, deposits and other receivables" under the current assets.

(c) The adoption of HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement" has resulted in a change in the accounting policy relating to the treatment of financial assets at fair value through profit or loss account. These have also resulted in a change in the recognition, measurement and classification of derivative financial instruments.

(b) 採用經修訂香港會計準則第17號「租賃」引致有關租賃土地分類之會計政策有所變動。根據香港會計準則第17號，土地及樓宇租賃應按於租賃開始時土地部分及樓宇部分租賃權益之相關公平值之比例分拆為土地租賃及樓宇租賃。土地之預付租金以成本列賬，並於租賃期間攤銷，而租賃樓宇以成本減累計折舊及減值虧損列賬。

土地部分之長期部分被重列為非流動資產項下之「租賃土地及預付租金」，而土地部分之短期部分被計入流動資產項下之「預付款項、按金及其他應收款項」。

(c) 採用香港會計準則第32號「金融工具：披露及呈報」和香港會計準則第39號「金融工具：確認及計量」引致有關以公平值於損益賬處理金融資產之會計政策有所變動，同時亦引致衍生金融工具之確認、計量及分類有所變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats:

- (i) on a primary segment reporting basis, by geographical segment; and
- (ii) on a secondary segment reporting basis, by business segment.

The principal activities of the Group are the provision of fabrics processing services, and manufacture and sale of yarns, which are managed according to the geographical location of customers.

3. 分部資料

分部資料乃按兩種分部方式呈報：

- (i) 以主要分部呈報基準，即地區分部；及
- (ii) 以次要分部呈報基準，即業務分部。

本集團主要業務活動乃提供布料加工服務以及紡紗製造及銷售，乃根據顧客之地區位置管理。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

(a) Geographical segments based on the location of customers

(a) 根據顧客所在位置之地區分部

		The Philippines 菲律賓		Greater China 大中華地區		Africa, Australia and North America 非洲、澳洲及北美洲		Consolidated 綜合	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元
Segment revenue:	分部收入：								
Sales to external customers	對外顧客銷售額	104,558	106,584	148,493	130,819	26,140	25,862	279,191	263,265
Segment results	分部業績	37,621	36,587	6,830	5,631	9,671	9,455	54,122	51,673
Unallocated revenue	未分配收入							5,093	2,870
Unallocated expenses	未分配開支							(3,577)	(4,684)
Profit from operating activities	經營業務溢利							55,638	49,859
Finance costs	財務成本							(5,955)	(5,120)
Profit before taxation	除稅前溢利							49,683	44,739
Taxation	稅項							1,236	(766)

(b) Business segments

(b) 業務分部

		Fabrics processing services 布料加工服務		Manufacture and sale of yarns 製造及銷售紡紗		Elimination 對銷		Consolidated 綜合	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元
Segment revenue:	分部收入：								
Sales to external customers	對外顧客銷售額	229,077	221,113	50,114	42,152	—	—	279,191	263,265
Intersegment sales	分部間銷售額	—	—	—	1,902	—	(1,902)	—	—
Total revenue	總收入	229,077	221,113	50,114	44,054	—	(1,902)	279,191	263,265

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging:

4. 經營業務溢利

本集團之經營業務溢利經扣除下列各項而達致：

		Six months ended 31 March 截至三月三十一日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Amortisation of goodwill	商譽攤銷	1,926	1,291
Depreciation	折舊	17,987	15,438

5. FINANCE COSTS

5. 財務成本

		Six months ended 31 March 截至三月三十一日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Interest on bank loans wholly repayable within five years	須於五年內悉數償還之銀行貸款利息	5,724	3,557
Bank charges	銀行費用	231	1,563
		5,955	5,120

6. TAXATION

6. 稅項

		Six months ended 31 March 截至三月三十一日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Elsewhere in the People's Republic of China ("PRC")	中華人民共和國 (「中國」) 其他地區		
— current	— 即期	1,830	1,300
— deferred	— 遞延	(594)	(534)
Tax charge for the period	期間稅項	1,236	766

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong in respect of the Period (2005: Nil).

Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. DIVIDEND

The Board has declared an interim dividend of HK1 cent per share for the six months ended 31 March 2006 (2005: HK1.1 cent) to all shareholders whose names appear on the register of members of the Company on 28 July 2006.

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the Period is based on the Group's net profit attributable to equity shareholders for the Period of approximately HK\$49,264,130 (2005: HK\$44,262,000) and the weighted average number of 781,148,459 (2005: 774,552,000) ordinary shares in issue during the Period.

期間內，本集團並無賺取任何產生於香港之應課稅溢利，故並無就香港利得稅作出撥備（二零零五年：無）。

其他地區之應課稅溢利稅項乃按本集團經營所在之司法權區適用之稅率及根據有關之現行法例、詮釋及慣例計算。

7. 股息

董事會已議決向於二零零六年七月二十八日名列本公司股東名冊之股東宣派截至二零零六年三月三十一日止六個月之中期股息每股1港仙（二零零五年：1.1港仙）。

8. 每股盈利

期間每股基本盈利乃按本集團期間股東應佔純利約49,264,130港元（二零零五年：44,262,000港元）及期間已發行普通股加權平均數781,148,459股（二零零五年：774,552,000股）而計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

9. TRADE RECEIVABLES

The Group normally allows credit terms to well-established customers ranging from 30 to 90 days. Full provision is made for outstanding debts aged over one year.

An aging analysis of the trade receivables as at the balance sheet date, based on the date of recognition of the service income or goods sold, is as follows:

9. 應收貿易賬款

本集團一般對有穩定關係之顧客給予30天至90天之信貸期。逾期超過一年之未償還債項會作出全數撥備。

根據確認服務收入或已售貨品之日期計算，應收貿易賬款於結算日之賬齡分析如下：

		31 March 2006 二零零六年 三月三十一日 (Unaudited) (未經審核) HK\$'000 千港元	30 September 2005 二零零五年 九月三十日 (Audited) (經審核) HK\$'000 千港元
0 — 30 days	0 — 30 天	43,329	35,182
31 — 60 days	31 — 60 天	25,929	27,859
61 — 90 days	61 — 90 天	25,633	17,921
Over 90 days	90 天以上	11,176	5,914
		106,067	86,876

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

10. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers.

An aging analysis of the trade payables as at the balance sheet date, based on the date of receipt of consumables or goods purchased, is as follows:

		31 March 2006 二零零六年 三月三十一日 (Unaudited) (未經審核) HK\$'000 千港元	30 September 2005 二零零五年 九月三十日 (Audited) (經審核) HK\$'000 千港元
0 — 30 days	0 — 30 天	17,009	12,977
31 — 60 days	31 — 60 天	8,296	7,786
61 — 90 days	61 — 90 天	812	4,373
Over 90 days	90 天以上	3,726	2,872
		29,843	28,008

10. 應付貿易賬款

本集團一般獲供應商授予30天至90天之信貸期。

根據收取所購買之消耗品或貨品日期計算，應付貿易賬款於結算日之賬齡分析如下：

11. SHARE CAPITAL

		31 March 2006 二零零六年 三月三十一日 (Unaudited) (未經審核) HK\$'000 千港元	30 September 2005 二零零五年 九月三十日 (Audited) (經審核) HK\$'000 千港元
Authorised: 2,000,000,000 ordinary shares of HK\$0.01 each	法定： 2,000,000,000 股每股 面值0.01 港元之普通股	20,000	20,000
Issued and fully paid: 813,279,600 (2005: 774,452,000) ordinary shares of HK\$0.01 each	已發行及繳足： 813,279,600股 (二零零五年： 774,452,000股) 每股面值0.01 港元 之普通股	8,133	7,745

11. 股本

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

12. CONTINGENT LIABILITIES

At 31 March 2006, the Group did not have any significant contingent liabilities (30 September 2005: Nil).

At 31 March 2006, the Company had provided corporate guarantee to the extent of HK\$12,000,000 (30 September 2005: HK\$15,000,000) for banking facilities granted to a subsidiary, which were utilised to the extent of HK\$12,000,000 (30 September 2005: HK\$15,000,000).

13. COMMITMENTS

At 31 March 2006, the Group had the following capital commitments:

12. 或然負債

於二零零六年三月三十一日，本集團並無任何重大或然負債（二零零五年九月三十日：無）。

於二零零六年三月三十一日，本公司就其附屬公司獲授之銀行貸款提供12,000,000港元（二零零五年九月三十日：15,000,000港元）之公司擔保，而12,000,000港元（二零零五年九月三十日：15,000,000港元）之貸款已被動用。

13. 承擔

於二零零六年三月三十一日，本集團之資本承擔如下：

		31 March 2006 二零零六年 三月三十一日 (Unaudited) (未經審核) HK\$'000 千港元	30 September 2005 二零零五年 九月三十日 (Audited) (經審核) HK\$'000 千港元
Authorised but not contracted for Purchases of leasehold land	已授權但未訂約 購置租賃土地	10,000	13,094
Contracted for but not provided for Construction of leasehold land and buildings	已訂約但未撥備 興建租賃土地及樓宇	—	2,453
Purchases of plant and machinery	購買廠房及機器	7,280	382
Non-current investments	非流動投資	—	91,957
		17,280	107,886

NOTES TO FINANCIAL STATEMENTS

財務報表附註

For the six months ended 31 March 2006

截至二零零六年三月三十一日止六個月

14. RELATED PARTY TRANSACTIONS

During the Period, the Group paid rentals of approximately HK\$400,000 (2005: HK\$377,000) to the minority shareholder of a subsidiary, Shenyang Huafeng Dyeing & Printing Co., Ltd. ("Shenyang Huafeng"), in respect of Shenyang Hyafeng's factory premises. The opinion of the Board is that the above transactions with related party were conducted on normal commercial terms in the ordinary course of the Group's business.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation of current Period.

14. 關連方交易

期間內，本集團就附屬公司瀋陽華豐染整有限公司（「瀋陽華豐」）之廠房向瀋陽華豐之少數股東支付租金約400,000港元（二零零五年：377,000港元）。董事會認為，上述與關連方進行之交易乃於本集團日常業務過程中按一般商業條款進行。

15. 比較數字

若干比較數字亦已重新分類，以符合本期間之呈報。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

The Group's aggregate turnover for the Period surged 6.05% to approximately HK\$279 million (corresponding period in 2005: approximately HK\$263 million). Profits attributable to the equity shareholders grow from approximately HK\$44 million in the corresponding period last year to approximately HK\$48 million, representing a year-on-year increase of approximately HK\$4 million.

The mild growth in turnover was substained by the steady demand of the market. Increase in profit was attributable to system enhancement and steady work force. Gross profit margin of the Group increased by 10% overall.

BUSINESS REVIEW

As a pioneer and leading fabric processor in Fujian, China, the Group never rests on past laurels. The Group continued fostering business growth through timely and prudent horizontal expansion initiatives. Simultaneously, the Group remain committed to research & development and sales of upstream products, to maximize benefits from larger economies of scale and to enhance profit margin.

財務回顧

期內，本集團總營業額攀升6.05%至279,000,000港元（二零零五年同期：約263,000,000港元）。股東應佔溢利由去年同期約44,000,000港元按年增加約4,000,000港元至約48,000,000港元。

營業額隨市場需求穩定而持續溫和增長。溢利增加乃由於系統升級及勞動力穩定之故。本集團之毛利率整體增了10%。

業務回顧

本集團為中國福建具領導地位之布料染整商，儘管如此，本集團未敢掉以輕心，仍然一直努力向前。本集團繼續審慎、及時地實現橫向業務擴展措施，成功帶動業務增長。與此同時，本集團在研發方面依然不遺餘力，致力增加上游產品的銷售額之餘，亦積極擴大規模經濟效益，以盡量提高利益，藉此增加毛利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

At present, the Group owns and operates five plants, including Huafeng Knitting Co., Ltd. (“Huafeng Knitting”) and Lingfeng Dyeing and Weaving Co., Ltd. (“Lingfeng”), the fabric processing operations in Shishi City; Shengyang Huafeng Dyeing & Printing Co., Ltd. (“Shengyang Huafeng”), the operating arm specializing in fabric processing and printing (corduroy and muslin); and the Group’s two major yarn spinning operations, Huafeng Textile (Lianyungang) Co., Ltd. (“Lianyungang Huafeng”) and Fenghua Textile Co., Ltd. (“Fenghua Textile”). Processing capacity of Huafeng Knitting for the Period reached 73,000 tonnes and 70 million metres, with an average utilization rate of 85%. Lingfeng yielded remarkable business improvements when compared to the turnover prior to our acquisition in 2004. Average utilization rate of the plant was 85%.

Shengyang Huafeng reported a mediocre performance during the Period. Processing and printing capacity only reached 5.4 million metres. Taking into consideration the plant’s aggregate production capacity of 36 million metres, The Group recognised that there is a tremendous room for improvement in this

本集團目前擁有及經營五家廠房，包括石獅市內經營之布料加工處理業務華豐針織有限公司（「華豐針織」）及凌峰漂染織造有限公司（「凌峰」）、專門從事布料（燈心絨及平布）加工處理及印染之營運公司瀋陽華豐染整有限公司（「瀋陽華豐」），以及本集團兩家主要紡紗營運公司華豐紡織（連雲港）有限公司（「連雲港華豐」）及豐華紡織有限公司（「豐華紡織」）。華豐針織於期內之加工處理能力達73,000噸及70,000,000米，平均使用率達85%。相比本集團於二零零四年收購凌峰前之營業額，凌峰之業務表現突出，該廠房之平均使用率為85%。

瀋陽華豐期內表現平穩。加工處理及印染能力只有5,400,000米。經考慮該廠房之總生產能力達36,000,000米，本集團確認該廠房的增長空間龐大。至於紡紗業務方面，豐華紡織於六個月回顧期內之加工處理能力為4,500噸，即使用率為65%，而連雲港華豐目前則由一獨立第

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

sector. Turning to the yarn spinning operations, processing capacity of Fenghua Textile was 4,500 tonnes during the six months under review, representing a utilization rate of 65%; while Lianyungang Huafeng is currently operated by an independent third party. The plant will be retained by the Group as a stable rental income contributor.

In respond to the escalating market demand, the Group sparked off a host of strategic acquisitions in 2004, as the utilization rate of Huafeng Knitting was approaching its saturation point. Such proactive moves brought the Group's overall processing capacity to new heights. Production capacity for fabric processing and yarn spinning reached 98,400 tonnes and 13,000 tonnes respectively; while capacity for corduroy grew to 36 million metres. The Group has inevitably solidified its market position to become one of the most established fabric processors in China. Timely implementation of our business plans in the past two years has proved effective, and the Board believes that Shishi City should be the

三方營運。本集團將會保留該廠房，作其穩定租金收入來源。

鑑於市場需求日益殷切，加上華豐針織之使用率已接近飽和，本集團遂於二零零四年展開連串策略性收購行動。自本集團積極採取上述行動後，本集團之整體加工能力再創新高。布料加工處理及紡紗生產能力分別達98,400噸及13,000噸，而平布之產能則已增至36,000,000米。本集團已藉此鞏固本身之市場領導地位，晉身成為國內規模最大之布料染整商之一。本集團於過去兩年能夠適時推行業務計劃，可見本集團之業務計劃奏效，董事會相信石獅市將會成為本集團今後發展業務之重心。石獅市於華南一帶以便服之都聞名於世，其策略位置已經吸引數以千計之製造商於石獅市設立基地。憑藉本集團於石獅市已經擁有

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

focal point for the Group's future expansions. Shishi city enjoys the worldwide fame as the capital of casual wears in Southern China, its strategic location has attracted thousands of manufacturing setups. Leveraging the Group's well-established facilities in Shishi, the Group aim at maximizing the Group's benefits by targeting future business acquisitions and expansions within the region.

The Group has experienced various price fluctuations of the supply during the Period. An 18.61% surge in cotton price and a 12% decline in polyester fiber. The combined effects impaired the net margin of the Group's fabric manufacturing business. On the other hand, despite a 9.3% increase in the cost of dyeing materials, the Group was capable of charging a higher fee for its fabric processing services, due to the newly imported technology in 2004. The Group witness tangible results from such technological investments during the first half of 2006. While the cost of knitted fabric rose 11.27%, the Group was able to attain a price increment of 36.5% for its products. It is evident that the Group's dynamic products have gained wide market acceptance.

之完善設施，本集團今後銳意集中於區內收購及擴充業務，藉此盡量擴大本集團之利益。

期內，本集團曾經歷多次供應價格波動。棉花價格飆升18.61%，而聚脂纖維卻下跌了12%，這些價格波動對本集團之布料製造業務所得純利造成一定損害。另一方面，儘管染料成本增加了9.3%，由於本集團於二零零四年引入新技術，故此本集團之布料加工仍可收取較高服務費。於二零零六年上半年，本集團於技術方面之投資已顯見成果。雖然織布成本上漲11.27%，但本集團產品之價格亦能增加36.5%。由此可見，本集團之新產品已廣為市場接納。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PROSPECTS

In line with the Group's long-term policies, the Group will continue to enhance our production facilities, upgrade our product competitiveness and strive to meet the highest standards of service excellence for our clients. The Group has embarked HK\$10 million for expanding the existing fabric processing facilities by 5% to 92,000 tonnes in 2006.

Concurrently, the Group is exploring opportunities on the construction of a new fabric manufacturing plant, adjacent to its existing facilities in Shishi. With multiple plants in close proximity, the Group would have maximum flexibility in allocation of resources to achieve considerable cost savings in operating expenses. The upstream expansion into fabric manufacturing would also complement the Group's existing businesses in fabric processing and yarn spinning, offering a one-stop comprehensive services to clients, at the same time, enhancing the Group's profit margin.

展望

配合本集團之長遠政策，本集團將繼續提升生產設備、提高產品之競爭力及致力達到給予客戶卓越服務之最高標準。本集團二零零六年已投放10,000,000港元擴充現有布料加工設備5%至92,000噸。

目前，本集團尋找機遇在石獅市之現有設備旁興建一幢新布料生產廠房。由於擁有多個鄰近之廠房，本集團在投放資源方面擁有最大之靈活性以在經營開支中省卻最大之成本。逆向擴展至生產布料將可補助本集團現有之布料加工及紡紗業務，向客戶提供一站式全面服務，同時提高本集團之邊際溢利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Following the phase-out of worldwide textile quotas in 2005, the United States and the European countries initiated to impose anti-dumping duties and to re-impose quotas on certain textile products from China to protect domestic productions, but all in all, the Group witness a more liberal and open market than before. China will inevitably emerge as the world's largest exporter of printed and dyed cloth. Capitalizing on the horizontal and upstream expansions during the period under review, the Group has successfully solidified its business foundation and expanded its revenue streams. The Board remains cautiously optimistic towards the Group's future prospects.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period under review, the Group principally met its funding requirements by cash flows from operations and bank borrowings. The net cash inflow from operating activities and financing activities were approximately HK\$52 million and HK\$60 million respectively.

繼二零零五年逐步撤銷全球紡織品限額後，美國及歐洲國家發起對來自中國之若干紡織品實施反傾銷關稅及再度實行限制配額，以保障當地生產，但總括來說，本集團看到市場比以前更自由開放。中國無可避免將漸露頭角，成為全球最大之印布及染布出口商。回顧期間之橫向及逆向擴展經資本化後，本集團已成功鞏固業務根基，並擴大收入來源。董事會對本集團未來前景審慎樂觀。

流動資金及財務資源

於回顧期間，本集團主要以經營業務之現金流量及銀行借貸應付其資金需要。經營業務及融資活動之現金流入淨額分別約為52,000,000港元及60,000,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

In February 2006, the Company had entered into a hire purchase agreement (the "Hire Purchase Agreement") in obtaining a facility of the aggregate amount of HK\$12 million with a large local bank. Under the Hire Purchase Agreement, the Company has provided corporate guarantee from Huafeng Trading Macau Commercial Offshore Limited and Treasure Wealth Assets Limited for the lender. All amounts under the hire purchase was utilised during the Period.

At 31 March 2006, the Group's total bank borrowings amounted to approximately HK\$198.8 million, of which 48.4% was short-term bank borrowings and 51.6% was longterm bank borrowings. Besides, 48% of the total bank borrowings was subject to fixed interest rates while 52% was subject to floating interest rates. The Group's bank borrowings were primarily denominated in Renminbi and Hong Kong dollars. For the Group's total bank borrowings as at 31 March 2006, 48% of the balance was denominated in Renminbi and 52% of the balance was denominated in Hong Kong dollars.

於二零零六年二月，本公司與一間大型本地銀行訂立一項租購協議（「租購協議」）以取得總額12,000,000港元之信貸。根據租購協議，本公司獲Huafeng Trading Macau Commercial Offshore Limited及Treasure Wealth Assets Limited為貸方提供公司擔保。租購項下之款項已於期間內全數動用。

於二零零六年三月三十一日，本集團之銀行借貸總額約為198,800,000港元，其中48.4%為短期銀行借貸，而51.6%為長期銀行借貸。此外，銀行借貸總額中48%按固定息率計息，而52%則按浮動息率計息。本集團之銀行借貸主要以人民幣及港元列值。至於本集團於二零零六年三月三十一日之銀行借貸總額，其中48%結餘乃以人民幣列值，而52%結餘則以港元列值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

At 31 March 2006, the Group's bank borrowings were secured by (i) certain plant and machinery of the Group; (ii) certain leasehold land and buildings of the Group; (iii) corporate guarantees given by the Company and its subsidiaries; and (iv) charges over the equity of its subsidiaries.

While the Group has increased its bank borrowings, the gearing ratio, which was calculated on the basis of total bank borrowings to the total shareholders' equity, decreased from 0.38 as at 30 September 2005 to 0.36 as at 31 March 2006. The gearing ratio of 0.36 is considered to be at a reasonably adequate level.

At 31 March 2006, the Group had current assets of approximately HK\$337.3 million and current liabilities of approximately HK\$167.5 million. The current ratio, which was calculated on the basis of current assets to the current liabilities, improved from 1.42 as at 30 September 2005 to 2.01 as at 31 March 2006, owing primarily to the increased level of long term financing. The current ratio of 2.01 was at a healthy level and indicated that the Group's liquidity remained sound.

於二零零六年三月三十一日，本集團之銀行借貸以(i)本集團若干廠房及機器；(ii)本集團若干租賃土地及樓宇；(iii)本公司及其附屬公司提供之公司擔保；及(iv)其附屬公司權益作抵押。

雖然本集團增加銀行借貸，惟資本負債比率(按銀行借貸總額對股東權益總額計算)由二零零五年九月三十日之0.38下跌至二零零六年三月三十一日之0.36。資本負債比率0.36被視為屬合理足夠水平。

於二零零六年三月三十一日，本集團之流動資產約為337,300,000港元，流動負債約為167,500,000港元。流動比率(按流動資產對流動負債計算)由二零零五年九月三十日之1.42增長至二零零六年三月三十一日之2.01，主要由於長期融資增加所致。流動比率為2.01屬於健康水平，表示本集團之流動資金狀況仍然穩健。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CAPITAL STRUCTURE

At the annual general meeting of the Company held on 24 February 2006, an ordinary resolution was duly passed by the shareholders of the Company with respect to the bonus issue of shares on the basis of 1 bonus share for every 20 existing shares of the Company (the "Bonus Issue"). Upon the granting of listing approval for the Bonus Issue by the Stock Exchange, the totaling 38,727,600 Bonus Shares were issued on 1 March 2006. As a result of the Bonus Issue, the total number of issued share capital of the Company as at 31 March 2006 was 813,279,600.

FOREIGN EXCHANGE EXPOSURE

Most assets, liabilities and transactions of the Group are denominated in Reminbi ("RMB"), except overseas sales are denominated in United States ("USD") and Hong Kong dollars ("HKD"). In view of the currency pack between HKD and USD and relatively stable RMB at HKD1.00 equals to RMB1.03, the fluctuations of foreign currencies did not have a significant impact on the performance of the Group.

股本架構

於本公司二零零六年二月二十四日舉行之股東週年大會上，本公司股東按本公司每20股現有股份發行1股紅股（「紅股發行」）之準則，正式通過有關發行紅股之普通決議案。待聯交所授出紅股發行之上市批准後，本公司已於二零零六年三月一日發行合共38,727,600股該等紅股。由於紅股發行，故本公司於二零零六年三月三十一日之已發行股本總數為813,279,600股。

外匯風險

本集團大部分資產、負債及交易均以人民幣（「人民幣」）列值，惟海外銷售則以美元（「美元」）及港元（「港元」）列值。鑒於港元與美元掛鈎，而人民幣相對穩定（1.00港元兌人民幣1.03元），外幣波動對本集團之表現並無重大影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CAPITAL EXPENDITURES

During the Period under review, the total capital expenditure of the Group was approximately HK\$16.5 million, of which approximately HK\$10 million was used for the purchase of leasehold land for the further development of the Group and approximately HK\$5.5 million was used for the expansion of fabric processing production capacity.

CHARGES ON ASSETS

As aforesaid, the Company has entered into Hire Purchase Agreement in February 2006 in obtaining a facility of the aggregate amount of HK\$12 million.

Save as disclosed above, at 31 March 2006, the Group's leasehold land and building with an aggregate net book value of approximately HK\$10 million and plant and machinery with an aggregate net book value of approximately HK\$70 million were pledged to banks to secure banking facilities granted to the Group.

CONTINGENT LIABILITIES

At 31 March 2006, the Group did not have any significant contingent liabilities (30 September 2005: Nil).

資本開支

於回顧期間，本集團之資本開支總額約為16,500,000港元，其中約10,000,000港元已用作購買租賃土地以便本集團進一步發展，而約5,500,000港元則用作擴大布料加工處理量。

資產抵押

誠如上文所述，本公司於二零零六年二月訂立一項租購協議，以取得總額12,000,000港元之信貸。

除上文所披露者外，於二零零六年三月三十一日，本集團之租賃土地及樓宇總賬面淨值約10,000,000港元及廠房及機器之總賬面淨值約70,000,000港元，已由本集團授予銀行作為本集團獲授之銀行信貸之抵押。

或然負債

於二零零六年三月三十一日，本集團並無任何重大或然負債(二零零五年九月三十日：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

At 31 March 2006, the Company had provided corporate guarantee to the extent of HK\$27 million (30 September 2005: HK\$25 million) for banking facilities granted to a subsidiary, which were utilised to the extent of HK\$27 million (30 September 2005: HK\$25 million).

於二零零六年三月三十一日，本公司就其附屬公司獲授之銀行貸款提供27,000,000港元(二零零五年九月三十日：25,000,000港元)之公司擔保，而27,000,000港元(二零零五年九月三十日：25,000,000港元)之貸款已被動用。

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There is no material acquisition or disposal of subsidiaries and associated companies during the Period under review.

附屬公司及聯營公司重大收購或出售

於回顧期間，本公司並無附屬公司及聯營公司重大收購或出售。

EMPLOYMENT INFORMATION

At 31 March 2006, the Group had a total of approximately 2,230 (2005: 2,400) employees in Hong Kong, Macau and the PRC. The Group's emoluments policies are formulated on the performance of individual employee and on the basis of the salary trends in various regions, and are reviewed periodically.

僱員資料

於二零零六年三月三十一日，本集團於香港、澳門及中國共有約2,230名(二零零五年：2,400名)僱員。本集團根據個別僱員之表現及有關地區之薪酬趨勢制訂薪酬政策，並作定期檢討。

In addition, the Group maintains a share option scheme for the purpose of providing incentives and rewards to the eligible participants for their contributions to the Group.

此外，本集團亦設立購股權計劃，旨在鼓勵及回饋對本集團有所貢獻之合資格參與者。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

INTERIM DIVIDEND

The Board has resolved to pay interim dividend of HK1 cent per share for the six months ended 31 March 2006 (2005: HK1.1 cent). The total dividend will be approximately HK\$8,804,796 (2005: HK\$8,519,000). The dividend will be payable on or around 18 August 2006 to shareholders whose names appear on the Register of Members on 28 July 2006.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 26 July 2006 to 28 July 2006 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Union Registrar Limited, at 311-312 Two Exchange Square, Central, Hong Kong no later than 4:00 p.m. on 25 July 2006.

中期股息

董事會已議決派付截至二零零六年三月三十一日止六個月之中期股息每股1港仙(二零零五年: 1.1港仙)。總股息將約為8,804,796港元(二零零五年: 8,519,000港元)。股息將於二零零六年八月十八日或前後支付予於二零零六年七月二十八日名列股東名冊之股東。

暫停辦理股份過戶登記

本公司股東名冊將會由二零零六年七月二十六日至二零零六年七月二十八日(首尾兩天包括在內)暫停辦理股份過戶登記, 期間股份轉讓將不予受理。所有過戶文件連同有關股票, 必須最遲於二零零六年七月二十五日下午四時正前, 交到本公司的股份過戶登記處聯合證券登記有限公司, 地址為香港中環交易廣場第二座311-312室, 方合資格分派中期股息。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2006, the interests of the directors of the Company or their respective associates in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be maintained pursuant to Section 352 of the SFO, or as otherwise notified to the Company or the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies

董事於股份及相關股份之權益及淡倉

於二零零六年三月三十一日，本公司董事或彼等各自之聯繫人於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中擁有依據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）；或記錄於依據證券及期貨條例第352條須存置之登記冊；或依據上市規則上市公司董事進行證券交易的標準守則（「標準守則」）須知會本

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

(the "Model Code") in the Listing Rules were as follows:

公司或聯交所之權益如下：

Long positions

好倉

Ordinary Shares of HK\$0.01 each of the Company

本公司每股面值0.01港元之普通股

Name of director	Capacity	Type of interest	Number of shares held	Approximate percentage of shareholding in the Company 於本公司之概約持股百分比
董事名稱	地位	權益性質	持有股份數目	
Mr. Cai Zhen Rong 蔡振榮先生	Beneficial owner 實益擁有人	Personal 個人	427,140,000	52.52%

Save as disclosed above, at 31 March 2006, none of the directors of the Company or their respective associates had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be maintained pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company or the Stock Exchange pursuant to the Model Code in the Listing Rules.

除上文所披露外，於二零零六年三月三十一日，本公司董事或彼等各自之聯繫人概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有依據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所；或記錄於依據證券及期貨條例第352條須存置之登記冊；或依據上市規則標準守則須知會本公司或聯交所之權益或淡倉。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

SHARE OPTION SCHEME

The Company operates a share option scheme (the "SO Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the SO Scheme include the Company's directors, including independent non-executive directors, employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons or entities providing research, development or other technological support to the Group, and any minority shareholder in the Company's subsidiaries. The SO Scheme became effective on 30 August 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

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

購股權計劃

本公司推行購股權計劃（「購股權計劃」），目的是為對本集團之成功經營有貢獻之合資格參與者提供獎勵及回報。購股權計劃之合資格參與者包括本公司之董事（包括獨立非執行董事）、本集團其他僱員、向本集團提供貨品及服務之供應商、本集團之客戶、任何向本集團提供任何研究、開發或其他技術支援之人士或實體、本公司附屬公司之任何少數股東。此購股權計劃於二零零二年八月三十日起生效，並自該日起之十年內有效，惟倘另行註銷或修訂則作別論。

目前獲准根據購股權計劃授出之未行使購股權最高數目，相等於其獲行使時本公司不時已發行股份之10%。購股權計劃各名合資格參與者根據購股權於任何十二個月年度內可獲發行之最高股份數目限額，為本公司不時已發行股份之1%。任何超出此限額所授出之購股權，均須股東於股東大會上批准。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

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

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise year of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options or the expiry date of the SO Scheme, if earlier.

授予本公司董事、行政總裁或主要股東或任何彼等之聯繫人之購股權，均須事前獲獨立非執行董事批准。此外，任何於十二個月年度內授予本公司主要股東或獨立非執行董事或任何彼等之聯繫人之購股權，超出本公司不時已發行股份之0.1%或總值(按本公司股份於授出日期之收市價計算)超過5,000,000港元，均須事前獲股東於股東大會上批准。

授出購股權之邀約可於邀約日期起計21日內接納，而承授人須支付合共1港元之象徵式代價。所授出之購股權之行使年期由董事釐定，並於若干歸屬期間起計，至授出購股權日期起計十年內之日或購股權計劃屆滿日期(以較早者為準)止。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of the grant; and (iii) the nominal value of the Company's shares.

No options had been granted or agreed to be granted or outstanding under the SO Scheme for the period ended 31 March 2006.

To ensure the transparency of the status in relation to the granting of share options, the Company will make an announcement to the public to inform the shareholders of the Company promptly every time when the directors of the Company approve granting of further share option.

購股權之行使價由董事釐定，惟不得少於(i)本公司股份於授出邀約日期(必須為交易日)在聯交所每日報價表所報之收市價；(ii)本公司股份於緊隨授出邀約日期前五個交易日在聯交所每日報價表所報之平均收市價；及(iii)本公司股份面值(以較高者為準)。

截至二零零六年三月三十一日止期間，概無根據購股權計劃授出或同意授出或尚未行使之購股權。

為確保授出購股權之透明度，本公司已向公眾發出公佈，指其將於本公司董事批准授出任何其他購股權時，發出公佈以即時知會本公司股東。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2006, to the best knowledge of the directors of the Company, the following person (other than a director of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions

Ordinary Shares of HK\$0.01 each of the Company

主要股東於股份及相關股份之權益及淡倉

於二零零六年三月三十一日，據本公司董事所深知，以下人士（本公司董事除外）於本公司股份及相關股份擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露；或記錄於本公司根據證券及期貨條例第336條規定存置之登記冊之權益或淡倉：

好倉

本公司每股面值0.01港元之普通股

Name of shareholder	Capacity	Number of shares held	Approximate percentage of shareholding in the Company 於本公司之概約持股百分比
股東姓名	地位	持有股份數目	
Ms. Su Li Yuan 蘇麗鴛女士	Interest of spouse 配偶權益 (Note) (附註)	427,140,000	52.52%

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

Note: These 427,140,000 shares are held and beneficially owned by Mr. Cai Zhen Rong, an executive director of the Company and the spouse of Ms. Su Li Yuan. Under the SFO, Ms. Su Li Yuan is deemed to be interested in these 427,140,000 shares.

Save as disclosed above, at 31 March 2006, 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 any interest or short positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' interests and short positions in shares and underlying shares" and "Share option scheme", at no time during the Period was the Company, its subsidiaries or any of its associated

附註：此等427,140,000股股份由本公司執行董事兼蘇麗鴛女士配偶蔡振榮先生持有及實益擁有。根據證券及期貨條例，蘇麗鴛女士被視為擁有此等427,140,000股股份之權益。

除上文所披露外，於二零零六年三月三十一日，本公司董事（其權益載於「董事於股份及相關股份之權益及淡倉」）以外之人士概無於本公司之股份或相關股份中擁有依據證券及期貨條例第XV部第2及3分部之條文須知會本公司及聯交所；或記錄於依據證券及期貨條例第336條項由本公司存置之登記冊之權益或淡倉。

董事購買股份或債權證之權利

除「董事於股份及相關股份之權益及淡倉」以及「購股權計劃」所披露外，期間本公司、其附屬公司或其任何相聯法團（定義見證券及期貨條例第XV部）概無訂立任何安排，以使本公司董事或其聯繫人

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

corporations (within the meaning of Part XV of the SFO) a party to any arrangements to enable the directors of the Company or their associates (as defined in the Listing Rules) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

(定義見上市規則)可透過收購本公司或任何其他法人團體之股份或債權證而獲取利益。

POST BALANCE SHEET EVENT

On 2 May 2006, there are totaling 67,200,000 share options were granted to 10 employees of the Company or its subsidiaries or its invested entity (the “Eligible Employees”) on 2 May 2006, each of Eligible Employees was granted Share Options to subscribe for 6,720,000 shares of the Company at the exercise price of HK\$0.395 and the exercise period is from 2 May 2006 to 1 May 2009 (the “Grant of Share Options”). All the Eligible Employees has accepted the Grant of Share Options and also fully exercised. The relevant announcement of the Grant of Share Options has been published on 10 May 2006.

As a result of the exercise of share options as referred to the above, the total number of issued share capital as at the date of this report was 880,479,600.

結算日後事項

於二零零六年五月二日，本公司於二零零六年五月二日向本公司或其附屬公司或其投資實體之十名僱員（「合資格僱員」）授出合共67,200,000份購股權，各合資格僱員獲授可按0.395港元之行使價認購本公司6,720,000股股份之購股權，而行使期由二零零六年五月二日至二零零九年五月一日（「授出購股權」）。所有合資格僱員已接受授出購股權，亦已全數行使購股權。本公司已於二零零六年五月十日刊登有關授出購股權之公佈。

由於行使上述購股權，本報告刊發當日之已發行股本總數為880,479,600股。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Code of Conduct regarding securities transactions by directors as set out in Appendix 10 of the Listing Rules during the Period and all directors have complied with required standard of dealings set out therein.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules during the six months ended 31 March 2006 except for the following deviations:

購回、出售或贖回本公司上市證券

於期間內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

董事進行證券交易的標準守則

本公司已於期間內採納上市規則附錄十所載有關董事進行證券交易之行為守則，而所有董事均已遵守所規定之交易準則。

企業管治

董事認為，本公司於截至二零零六年三月三十一日止六個月期間一直遵守上市規則附錄十四載列之企業管治常規守則（「企業管治守則」），惟以下者有所偏離：

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

Code A.2.1

Under the code provision A.2.1 of the CG 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 at present have any officer with the title of “chief executive officer” but the Chairman of the Board, Mr. Cai Zhen Rong, provides overall leadership for the Board and takes the lead to ensure the Board acts in the best interest of the Group. The daily management of the Group’s business is shared among the executive directors of the Company. The Group will endeavour to ensure that there is a clear division of these responsibilities at the board level to maintain a balance of power and authority.

Code A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive directors of the Company, namely Ms. Choy So Yuk, Mr. Lawrence Gonzaga and Mr. Wong Siu Hong are not appointed for specific terms, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s articles of association.

第A.2.1條守則

根據企業管治守則第A.2.1條之守則條文，主席與行政總裁之角色應有區分，並不應由一人同時兼任。本公司現時未有任何人員出任行政總裁一職，而董事會主席蔡振榮先生為董事會提供整體領導，並帶頭確保董事會凡事以本集團最大利益為先。本公司執行董事互相分擔本集團業務之日常工作。本集團將致力確保能清晰分辨此等於董事會中之責任，以維持權力平衡。

第A.4.1條守則

根據企業管治守則第A.4.1條之守則條文，非執行董事應有指定任期，並須予重選連任。本公司現時之獨立非執行董事蔡素玉女士、Lawrence Gonzaga先生及黃兆康先生概無委以特定任期，惟須根據本公司之組織章程細則於本公司股東週年大會上輪值告退及膺選連任。

DISCLOSURE OF ADDITIONAL INFORMATION

附加資料披露

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors of the Company. This interim results have been reviewed and approved by the Audit Committee, but have not been audited by the auditors of the Company. During the Period, a regular meeting of the Audit Committee has been held.

On behalf of the Board

Cai Yang Bo

Executive Director

Hong Kong, 27 June 2006

審核委員會

本公司根據守則之規定設有審核委員會，其職責為對本集團之財務報告程序及內部監控進行審閱並提供監督。該審核委員會由本公司三名獨立非執行董事組成。本中期業績未經本公司核數師審核，但已由審核委員會審閱及通過。期間內，審核委員會已舉行一次定期會議。

代表董事會

執行董事

蔡揚波

香港，二零零六年六月二十七日

