

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st January, 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these financial statements is provided in note 2.

(b) Basis of preparation and measurement

The consolidated financial statements for the year ended 31st March, 2006 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as set out in the accounting policies below.

The preparation of the financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1. 主要會計政策

(a) 遵例聲明

本財務報表乃按照香港會計師公會頒佈所有適用之香港財務報告準則(「財務報告準則」)香港公認會計原則及香港公司條例之披露要求編製。財務報告準則是統稱，包括所有適用的個別香港財務報告準則、香港會計準則(「會計準則」)及詮釋。本財務報表同時符合適用的香港聯合交易所有限公司證券上市規則之披露規定。以下為本集團採用之主要會計政策概要。

香港會計師公會已頒佈若干全新及修訂的財務報告準則，並於二零零五年一月一日或其後開始的會計期間生效，或可以提早採納。於本年或前期會計年度，因首度採納這些全新或修訂的財務報告準則而令會計政策有所變動的資料，反映在本財務報表附註2內。

(b) 編製及計算基準

截至二零零六年三月三十一日止年度的綜合財務報表，包括本公司及其附屬公司(統稱為「本集團」)及本集團於聯營公司及合營公司之權益。

本財務資料是根據歷史成本基準編製，下列會計政策所述者則除外。

按照財務報告準則編製的財務資料需要管理層為有關財務資料作出判斷、估計及假設，該等判斷、估計及假設影響會計政策的應用，以及所呈報之資產、負債、收入及支出的金額。資產及負債的賬面金額如果未能明顯地從其他來源取得，其金額將根據歷史經驗和在相關情況下認為合理的其他因素作出評估。實際結果可能與估計出現差異。

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation and measurement (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 39.

(c) Subsidiaries and controlled entities

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital or controls more than half the voting power or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a controlled subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1. 主要會計政策 (續)

(b) 編製及計算基準 (續)

本公司持續進行估計及相關假設的評估。會計估計的改變如果只影響當期，則有關的影響在估計變更的當期確認。如果該項會計估計的更改影響當期和以後的期間，則有關的影響在當期和以後期間確認。

管理層於應用財務報告準則時所作出而將會對財務報表有重大影響的判斷和可能於下年度作出重大調整的估計，已列於附註39。

(c) 附屬公司及受控制企業

根據香港《公司條例》，附屬公司指該公司為本集團直接或間接地持有超過半數已發行股本、或控制超過半數投票權、或控制董事局的組成。如本公司有權直接或間接管治其財務與營運活動而從中取得利益，該附屬公司會被視為受控制。

於受控制之附屬公司投資，其賬項是由受控制日起直至控制終止日歸納入綜合財務報表內。

集團內部往來的餘額和集團內部交易及其產生的未變現溢利，均在編製財務資料時全數抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現溢利相同，但抵銷額只限於沒有證據顯示已轉讓資產已出現減值。

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries and controlled entities (continued)

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year/period between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority interests in the equity of a subsidiary, the excess and any further losses attributable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note I(m)).

(d) Associates and jointly controlled entities

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or the Company and other parties, where the contractual arrangement establishes that the Group or the Company and one or more of the other parties share joint control over the economic activity of the entity.

1. 主要會計政策 (續)

(c) 附屬公司及受控制企業 (續)

於結算日的少數股東權益是指並非由本公司直接或透過附屬公司間接擁有的股權所佔附屬公司資產淨值的部分；這些權益在綜合資產負債表及綜合權益股本變動表的權益項目中與本集團的股權持有人應佔權益分開列示。而少數股東所佔本集團期內業績的權益則在綜合損益表內列為在少數股東權益與本集團的股權持有人之間分配的年內或期內利潤及虧損總額。

如果少數股東應佔的虧損超過其所佔附屬公司資產淨值的權益，超額部分和任何歸屬於少數股東的進一步虧損便會沖減本集團所佔權益；但如少數股東須承擔具有約束力的義務並有能力彌補虧損則除外。附屬公司的所有其後溢利均會分配予本集團，直至本集團收回以往承擔的少數股東應佔虧損為止。

在本公司的資產負債表中，附屬公司投資是以成本減除減值損失(參閱附註I(m))列賬。

(d) 聯營公司及合營公司

聯營公司是指本集團或本公司可以對其管理層發揮重大影響的實體，包括參與其財務及經營決策，但不是控制或聯合控制管理層。

合營公司是指本集團或本公司與第三者在合約安排下經營之企業，而有關合約安排亦訂定本集團或本公司與一個或多個第三者對該企業之經濟活動分享共同控制。

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1. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(d) Associates and jointly controlled entities (continued)

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associates' or the jointly controlled entity's net assets, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(y)). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates and jointly controlled entities for the year, including any impairment of goodwill relating to the investment in associates and jointly controlled entities recognised for the year (see note 1(e) and 1(m)).

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the jointly controlled entity. For this purpose, the Group's interest in the associate or the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associate or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the income statement.

In the Company's balance sheet, its investments in associates and jointly controlled entities are stated at cost less impairment losses (see note 1(m)), unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(y)).

1. 主要會計政策 (續)

(d) 聯營公司及合營公司 (續)

於聯營公司或合營公司之投資在綜合財務報表是按權益會計法入賬，最初是以成本列賬，隨後則按本集團應佔該聯營公司或合營公司之購入後應佔淨資產變動作調整，除非有關投資是分類為持作出售之投資或包括在分類為持作出售之出售組別 (參閱附註 1(y))。綜合損益表已反映本集團應佔購入聯營公司與合營公司權益後年度除稅後之業績，及減除於有關年度內聯營公司與合營公司投資的商譽減值損失 (參閱附註 1(e) 及 1(m))。

當本集團分擔聯營公司或合營公司的虧損大於其所持的權益，該投資的賬面值會減至零；除非本集團另有法律責任、推定責任或曾代聯營公司或合營公司付款，否則會停止分擔聯營公司或合營公司的虧損。就此而言，本集團於聯營公司或合營公司之權益乃根據權益會計法計算之投資項目賬面值連同本集團之長期權益，即實際上構成本集團於該聯營公司或合營公司之部份投資淨額。

本集團與其聯營公司及合營公司之間交易所產生的未變現損益，均按本集團在聯營公司或合營公司所佔之權益比率抵銷；但假如未變現虧損顯示已轉讓資產出現減值，則這些未變現虧損會即時在損益表內確認。

本公司資產負債表所示於聯營公司及合營公司的投資，是按成本減去減值虧損 (參閱下文附註 1(m)) 後入賬，除非有關投資是分類為持作出售之投資或包括在分類為持作出售之出售組別 (參閱附註 1(y))。

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate or a jointly controlled entity over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses (see note I(m)). Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of associates or jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the interest in the associate or jointly controlled entity.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or a jointly controlled entity is recognised immediately in the income statement.

On disposal of a cash generating unit, an associate or a jointly controlled entity during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

Goodwill, which arose prior to 1st January, 2001, which had previously been taken directly to reserves will not be recognised in the income statement on disposal or impairment of the acquired business, or under any other circumstances. On disposal of the acquired business, the related goodwill will be transferred to retained profits.

(f) Other investments in equity securities

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note I(m)).

Other investments in securities are classified as available-for-sale securities and are initially recognised at fair value plus transaction costs. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except for impairment losses (see note I(m)).

1. 主要會計政策 (續)

(e) 商譽

商譽即商業合併或投資聯營公司或合營公司的成本超過本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值。

商譽按成本減累計減值損失列賬 (參閱下文附註 I(m))。商譽被分配予現金生產單位，並須每年作減值測試。就聯營公司或合營公司而言，商譽的賬面值已包括於聯營公司或合營公司權益之賬面值內。

在商業合併或投資聯營公司或合營公司時，若本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值高於成本價，超出的金額立即在損益表確認。

在年度內出售單一現金生產單位或聯營公司或合營公司，計算出售溢利或虧損時會計入任何可歸屬的購入商譽金額。

於二零零一年一月一日前產生並已直接計入儲備的商譽，當所收購的業務被出售或出現減值時亦不會於損益表內確認。於出售有關收購業務時，相關的商譽將會被轉入保留溢利。

(f) 其他證券投資

就股票證券投資，如未能從活躍市場中取得市場報價，其公平值亦不能夠可靠的計量，則該等投資會以成本減除減值損失列賬於資產負債表 (參閱下文附註 I(m))。

其他證券投資則分類為可供銷售證券，於始初期按公平值連同交易成本確認。而公平值會於每一結算日作重新計量，除減值損失外 (參閱下文附註 I(m))，所得盈虧直接在股東權益中被確認。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Other investments in equity securities (continued)

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to the income statement, except where the derivatives qualify for cash flow hedge accounting in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 1(h)).

(h) Hedging

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised directly in equity. The ineffective portion of any gain or loss is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the asset acquired or liability assumed affects the profit or loss (such as when interest income or expense is recognised).

1. 主要會計政策 (續)

(f) 其他證券投資 (續)

在本集團於承諾購入／出售投資或投資已到期當日，有關投資會被確認／取消確認。

(g) 衍生金融工具

衍生金融工具於始初時以公平值確認。而公平值會於每一結算日作重新計量，公平值重新計量所產生之盈虧會即時於損益表反映，除非該衍生工具符合現金流量對沖，在此情況下其最終盈虧之確認會視乎所對沖之專案而定 (參閱下文附註 1(h))。

(h) 對沖

現金流量對沖

如果某項衍生金融工具已被界定為已確認資產或負債的現金流量變動、或很可能發生的預期交易、或已承諾未來交易的外幣風險的對沖，按公平價值重新計量衍生金融工具時產生的任何收益或虧損的有效部分會直接在權益中確認。任何收益或虧損的非有效部分則即時在損益表中確認。

如果預期交易的對沖其後引致需確認非金融資產或非金融負債，相關的收益或虧損便會從權益中轉出，然後計入非金融資產或負債的初始成本或其他賬面金額內。

如果預期交易的對沖其後引致需確認金融資產或金融負債，相關的收益或虧損便會從權益中轉出，然後在收購相關資產或所承擔負債對損益造成影響 (例如確認利息收入或支出時) 的同一或多個期間內在損益表中確認。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Hedging (continued)

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

(i) Fixed assets

(i) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(l)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the income statement. Rental income from investment properties is accounted for as described in note 1(v)(ii).

When the Group holds a property interest under an operating lease to earn rental income and / or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 1(l)(i)), and the same accounting policies are applied to other investment properties leased under finance leases.

1. 主要會計政策 (續)

(h) 對沖 (續)

至於上述兩項會計政策沒有覆蓋的現金流量對沖，相關的收益或虧損便會從權益中轉出，然後在所對沖預期交易對損益造成影響的同一或多個期間內在損益表中確認。

當對沖工具到期或被出售、終止或行使，或公司撤銷了界定的對沖關係但仍然預計會進行對沖預期交易時，截至當時為止的累計收益或虧損會留在權益中，並於交易進行時按照上述會計政策確認。如果預計不會進行對沖交易，已在權益中確認的累計未變現收益或虧損便會即時在損益表中確認。

(i) 固定資產

(i) 投資物業

投資物業乃為賺取租金收入及／或資本增值而以租賃權益擁有或持有之土地及／或樓宇（參閱下文附註1(l)），包括尚未決定日後用途之土地。

投資物業乃按公平價值於資產負債表列賬。公平價值變動或報廢或出售投資物業所產生之任何損益乃於損益表確認。投資物業的租金收入按附註1(v)(ii)所述基準入賬。

本集團以經營租賃方式持有用作租金收入及／或資本增值的物業權益是按個別物業作投資物業分類。此等被分類為投資物業之物業權益是假定以融資租賃方式持有入賬（參閱附註1(l)(i)），與應用在其他以融資租賃方式持有的投資物業權益之會計政策相同。

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Fixed assets (continued)

(ii) Other property, plant and equipment

The following items of property, plant and equipment are stated in the balance sheet at cost/valuation less accumulated depreciation and impairment losses (see note I(m)):

- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease (see note I(l)(i));

In preparing these financial statements, advantage has been taken of the provisions set out in paragraph 80A of HKAS 16 "Property, plant and equipment" with the effect that land and buildings which have been revalued in prior years have not been revalued at the balance sheet date. Such properties are stated at their carrying value less accumulated depreciation and impairment losses (see note I(m)) and will not be revalued in future years.

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note I(l)(i)); and
- other items of plant and equipment.

1. 主要會計政策 (續)

(i) 固定資產 (續)

(ii) 其他物業、廠房及設備

以下各項物業、廠房及設備乃按原值／估值扣除累計折舊及減值虧損於資產負債表列賬(參閱下文附註I(m))：

- 根據經營租賃持有之土地及建於其上之樓宇，而有關土地及樓宇之租賃權益的公允值無法於租賃開始時分開計量，以及有關樓宇並非根據經營租賃持有(參閱下文附註I(l)(i))；

於編製本財務報表時，曾於過往年度重估之土地及樓宇利用會計準則第16號「物業、廠房及設備」之80A段之附例而並未於結算日作出重估。那些物業是按賬面值扣除累計折舊及減值虧損(參閱附註I(m))記賬，而且並不會在未來年度作出評估。

- 存在於租賃土地持有作自用的樓宇，而其公平值是能夠與租賃初始時已存在之租賃土地的公平值分開計量(參閱附註I(l)(i))；及
- 其他廠房及設備

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Fixed assets (continued)

(ii) Other property, plant and equipment (continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal.

Upon disposal of land and buildings which were valued in prior years, the attributable revaluation surplus is transferred from the land and building revaluation reserve to retained profits.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Leasehold land is depreciated on a straight-line basis over the remaining term of the lease;
- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no more than 40 years after the date of completion;
- Plant and machinery between 4 to 40 years;
- Other fixed assets between 3 to 5 years.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

1. 主要會計政策 (續)

(i) 固定資產 (續)

(ii) 其他物業、廠房及設備 (續)

報廢或出售物業、廠房及設備所產生的損益以出售所得淨額與資產的賬面金額之間的差額釐定，並於報廢或出售當日在損益表確認。

當在過往年度曾作重估的土地及樓宇出售時，相關之重估盈餘會由土地及樓宇重估儲備轉至保留溢利。

物業、廠房及設備的折舊是按下列預計可用年限，在扣除估計剩餘值後，以直線法撇銷其成本計算：

- 租賃土地按租賃尚餘年期以直線法計算折舊；
- 存在於租賃土地上的樓宇以租賃年期與估計可用年限較短者計算折舊，但不多於樓宇完成後四十年；
- 廠房及機器按可用年期 (四年至四十年) 計算折舊；
- 其他固定資產按可用年期 (三年至五年) 計算折舊。

當一項物業、廠房及設備的各部份有不同的可使用年期，這項目各部份的成本將按合理基礎分配，而每部份將作個別折舊。剩餘價值 (如適合)、可使用年期和折舊方法於每年進行檢討和修正。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Construction in progress

Construction in progress is stated at cost less impairment losses (see note 1(m)). Cost comprises direct costs of construction incurred during the periods of construction and installation. The asset concerned is transferred to property, plant and equipment when substantially all the activities necessary to prepare the asset for its intended use are completed, at which time it commences to be depreciated in accordance with the Group's depreciation policy.

(k) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is other than indefinite) and impairment losses (see note 1(m)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets is charged to the income statement on a straight-line basis over the assets' estimated useful lives unless such lives are indefinite.

Both the period and method of amortisation and any conclusion that the useful life of an intangible asset is indefinite are reviewed annually.

(l) Leased assets

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 1(i)(i)); and

1. 主要會計政策 (續)

(j) 在建工程

在建工程以成本減減值虧損列賬 (參閱下文附註1(m))。成本包括建築與安裝期內的直接建築成本。待資產投入擬定用途所需的準備工作大致完成時，在建工程便會被轉撥往物業、廠房及設備，之後按照本集團折舊政策折舊。

(k) 無形資產 (商譽除外)

由本集團購入的無形資產按成本減累計攤銷 (無預計可使用年期者除外) 及減值虧損 (參閱下文附註1(m)) 後列入資產負債表。內部產生之商譽和品牌開支於產生期內確認為開支。

無形資產攤銷乃按資產的估計可用年期以直線法在損益表扣除，惟並無無限定期可用年期者除外。

攤銷之年數及方法及無形資產之可使用年期為不確定之任何結論乃每年予以檢討。

(l) 租賃資產

(i) 本集團的租賃資產分類

本集團根據租賃持有之資產，而其中絕大部份風險及擁有權利均轉移至本集團之租賃乃分類為融資租賃。不會轉移絕大部份風險及擁有權利之租賃乃分類為經營租賃，惟以下例外：

- 倘根據經營租賃持有之物業可另行符合投資物業之定義，則按個別物業之基準分類為投資物業，而倘分類為投資物業，則入賬列作猶如根據融資租賃持有 (參閱附註1(i)(i))；及

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Leased assets (continued)

(i) Classification of assets leased to the Group (continued)

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight line basis over the period of the lease term except where the property is classified as an investment property (see note I(i)).

1. 主要會計政策 (續)

(I) 租賃資產 (續)

(i) 本集團的租賃資產分類 (續)

- 若根據經營租賃持有的自用土地的公平價值無法於租賃開始時與位於其上的樓宇的公平價值分開計算，將視作根據融資租賃持有，除非該樓宇明確根據經營租賃持有。就此而言，租賃開始日期指本集團首次訂立租約時、或承接先前承租人租約之日、或該等樓宇建築完成日 (如較遲)。

(ii) 經營租賃支出

如屬本集團透過經營租賃使用資產的情況，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額在損益表扣除；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的激勵措施均在損益表中確認為租賃淨付款總額的組成部份。或有租金在其產生的會計期間內在損益表扣除。

根據經營租賃所持有土地之收購成本乃於租賃期內以直線法攤銷，惟該物業分類為投資物業則例外 (參閱附註 I(i))。

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1. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(m) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities and current receivables that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial assets and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for current receivables are reversed if in a subsequent period the amount of the impairment loss decreases. Impairment losses for equity securities are not reversed.
- For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets).

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1. 主要會計政策 (續)

(m) 資產減值

(i) 股本證券投資及其他應收款減值

按成本或經攤銷成本或分類為可出售證券列賬之股本證券投資及其他即期及其他非即期應收款於每個結算日進行審閱，以確定是否出現減值之客觀憑證。倘存在任何該項憑證，則按以下方式計算及確認任何減值虧損：

- 就按成本列賬之非上市股本證券及即期應收款而言，減值虧損乃按財務資產之賬面值與估計未來現金流量的現值之差額，並按類似財務資產之目前市場回報率貼現計算 (倘貼現產生重大影響)。倘減值虧損數額於隨後期間減少，則即期應收款之減值虧損將撥回。財務資產減值虧損將不會撥回。
- 就經攤銷成本列賬之財務資產，減值虧損乃按財務資產之賬面值與估計未來現金流量現值之差額並按財務資產之原先實際利率貼現計算 (即按初步確認該等資產計算之實際利率)。

倘減值虧損數額於隨後期間減少，而有關減少可客觀地連繫至於確認減值虧損後之事件，則減值虧損乃於損益表撥回。撥回減值虧損將不會導致資產之賬面值超過倘並無於先前年度確認減值虧損而計算之賬面值。

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

- For available-for-sale securities, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in equity.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased.

- property, plant and equipment (other than properties carried at revalued amounts);
- pre-paid interests in leasehold land classified as being held under an operating lease;
- intangible assets;
- investments in subsidiaries, associates and jointly controlled entities; and
- goodwill.

1. 主要會計政策 (續)

(m) 資產減值 (續)

(i) 股本證券投資及其他應收款減值 (續)

- 就可供出售證券，已直接確認在股東權益內的累積虧損將會從股東權益中剔除，並於損益表內確認。須於損益表內確認累積虧損之金額，是購入價(減除任何本金償還及攤銷)與現時公平價值二者之差額，再減除往年已於損益表內確認的減值損失。

有關已確認可供出售股本證券的減值損失是不能轉回損益表的。其後該資產之公平價值增加須直接在股東權益內確認。

(ii) 其他資產減值

董事在每個結算日審閱內部和外來的信息，以確定下列資產有否出現減值跡象，或是以往確認的減值虧損不復存在或已經減少(商譽則除外)。

- 物業、廠房及設備(按重估數額列賬的物業除外)；
- 預付租賃土地權益分類為按經營租賃持有；
- 無形資產；
- 於附屬公司、聯營公司及合營公司的投資；及
- 商譽。

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I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(m) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

If any such indication exists, the assets's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

1. 主要會計政策 (續)

(m) 資產減值 (續)

(ii) 其他資產減值 (續)

如果出現減值跡象，資產的可收回數額便會作估計。

– 計算可收回數額

資產的可收回數額以其銷售淨價和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折現率將估計未來現金流量折現至現值。該折現率應是反映市場當時所評估的金錢時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別 (即現金產生單位) 來釐定可收回數額。

– 確認減值虧損

倘資產或其所屬之賺取現金業務之賬面值超過其可收回數額，則於損益表確認減值虧損。就現金產生單位確認之減值虧損首先分配作為減少分配至現金產生單位 (或單位類別) 之任何商譽之賬面數額，繼而按比例基準作為減少單位 (或單位類別) 之其他資產之賬面數額，惟資產之賬面值將不會減少至低於其個別公平價值減出售成本或使用價值 (倘能計算)。

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(n) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1. 主要會計政策 (續)

(m) 資產減值 (續)

(ii) 其他資產減值 (續)

- 減值虧損轉回

倘若用以釐定可收回數額的估計發生有利的變化，便會將資產減值虧損轉回。商譽之減值虧損不會撥回。

所轉回的減值虧損以假設沒有在往年確認減值虧損而應釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入損益表。

(n) 存貨

存貨乃以成本及可變現淨值兩者中的較低數額入賬。

成本以加權平均成本法計算，其中包括所有採購成本、加工成本以及令存貨變成現狀和運輸之成本。

可變現淨值是以日常業務過程中的估計售價減去完成生產及銷售所需的估計成本後所得之數。

所有出售存貨的賬面金額在相關收入確認的期間內確認為支出。存貨數額撇減至可變現淨值及存貨的所有虧損均在出現減值或虧損的期間內確認為支出。存貨的任何減值轉回的數額，均在出現轉回的期間內確認為已列作支出的存貨數額減少。

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1. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter are stated at amortised cost less impairment losses for bad and doubtful debts (see note 1(m)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(m)).

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit and loss over the period of the borrowings using the effective interest method.

(q) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

1. 主要會計政策 (續)

(o) 應收賬款及其他應收款

應收賬款及其他應收款初步按公平價值入賬，其後則按經攤銷成本扣除呆壞賬減值虧損(參閱附註1(m))，惟應收款屬於向關連人士所提供並無任何固定還款期之免息貸款或貼現並無重大影響則除外。於該等情況下，應收款乃按成本扣除呆壞賬減值虧損列賬(參閱附註1(m))。

(p) 帶息借款

帶息借款首次確認時以公平價值減有關交易成本入賬。首次確認後，以攤銷成本列示。成本與贖回價值的差異按有效利率基準在有關期間記入損益表。

(q) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平價值入賬，其後則按經攤銷成本列賬，惟貼現之影響屬輕微則除外，於該情況下則按成本列賬。

(r) 現金及現金等價物

現金及現金等價物包含銀行存款及現金、存放於銀行和其他財務機構的活期存款，以及短期和流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額、所須承受的價值變動風險甚小，並在購入後三個月內到期。就編製現金流量表而言，現金及現金等價物也包括須於接獲通知時償還，並構成本集團現金管理一部分的銀行透支。

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I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(s) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values

(ii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1. 主要會計政策 (續)

(s) 僱員福利

(i) 短期僱員福利及既定供款退休計劃供款

薪金、年終獎金、有薪年假、既定供款退休計劃供款及各項非金錢福利的成本，均在僱員提供相關服務的年度內累計。倘遞延支付或結算款項，且影響重大，則按現值將該等款項入賬。

(ii) 終止受僱福利

終止受僱福利僅於本集團具備詳細、正式及不可能撤回方案的情況下，明確顯示終止僱傭關係或因採取自願離職措施而提供福利時，方予確認。

(t) 所得稅

本年度所得稅包括本期所得稅及遞延所得稅資產和負債的變動。本期所得稅及遞延所得稅資產和負債的變動均在損益表內確認，但與直接確認為股東權益項目相關的，則確認為股東權益。

本期所得稅是按本年度應稅收入按結算日已執行或實質上已執行稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延所得稅資產和負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面金額與這些資產和負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

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1. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(t) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

1. 主要會計政策 (續)

(t) 所得稅 (續)

除了某些有限的例外情況外，所有遞延所得稅負債和遞延所得稅資產（只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應稅溢利）都會確認。支持確認由可抵扣暫時差異所產生遞延所得稅資產的未來應稅溢利包括因轉回目前存在的應稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年或遞延所得稅資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應稅實體有關，並是否預期在能使用未利用可抵扣虧損稅款抵減撥回的同一年內轉回。

不確認為遞延所得稅資產和負債的暫時差異是產生自以下有限的例外情況：不可在稅務方面獲得扣減的商譽；不影響會計或應稅溢利的資產或負債的初始確認（如屬業務合併的一部分則除外）；以及投資附屬公司（如屬應稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異）。

遞延所得稅額是按照資產和負債賬面金額的預期實現或清償方式，就結算日已執行或實質上已執行的稅率計算。遞延所得稅資產和負債均不貼現計算。

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I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1. 主要會計政策 (續)

(t) 所得稅 (續)

本集團會在每個結算日評估遞延所得稅資產的賬面金額。如果本集團預期不再可能獲得足夠的應稅溢利以抵扣相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後又可能獲得足夠的應稅溢利，有關減額便會轉回。

因分派股息而額外產生的所得稅是在支付相關股息的責任確立時確認。

本期和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。本期和遞延所得稅資產只會在本公司或本集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延所得稅負債：

- 本期所得稅資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延所得稅資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應稅實體；或
 - 不同的應稅實體。這些實體計劃在日後每個預計有大額遞延所得稅負債需要清償或大額遞延所得稅資產可以收回的期間，按淨額基準實現本期所得稅資產和清償本期所得稅負債，或同時變現該資產和清償該負債。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(v) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Sales of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added or other sales taxes and is after deduction of any trade discounts.

1. 主要會計政策 (續)

(u) 準備及或有負債

倘若本集團或本公司須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益的資源外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提準備。如果金錢時間價值的影響重大，準備的金額是履行義務預期所需支出的現值。

倘若含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債；但假如這類資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或有負債；但假如這類資源外流的可能性極低則除外。

(v) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本 (如適用) 時，根據下列方法在損益表內確認：

(i) 貨品銷售

收入在貨品送達客戶場地，而且客戶接收貨品及其他相關的風險及回報時確認。收入不包括增值稅及其他銷售稅，並已扣除任何貿易折扣。

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I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(v) Revenue recognition (continued)

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in the income statement in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Interest income

Interest income is recognized as it accrues using the effective interest method.

(v) Government grants

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement as revenue on a systematic basis over the useful life of the asset.

1. 主要會計政策 (續)

(v) 收入確認 (續)

(ii) 經營租賃之租金收入

經營租賃之應收租金收入在租賃期所涵蓋的期間內，以等額在損益表確認；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的激勵措施均在損益表中確認應收租賃淨付款總額的組成部份。或有租金在其產生的會計期間內確認為收入。

(iii) 股息

- 非上市投資之股息收入在股東收取股息之權利被確認時入賬確認。
- 上市投資之股息收入在有關投資股份之價格除息時入賬確認。

(iv) 利息收入

利息收入是在產生時按實際利息法確認。

(v) 政府補助金

當可以合理確定本集團將會收到政府補助金並會履行該補助的附帶條件時，便會初次在資產負債表將政府補助確認為遞延收入。用於彌補本集團已產生開支的補助，會在開支產生的期間有系統地在損益表確認為收入。用於彌補本集團資產成本的補助，則按該資產的預計可用年限有系統地在損益表確認為收入。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(x) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

1. 主要會計政策 (續)

(w) 外幣換算

相關年度內的外幣交易按交易日外幣兌換率換算。以外幣計值的貨幣資產及負債均按結算日的外幣兌換率換算。匯兌盈虧均撥入損益表處理。

以歷史成本計量的外幣非貨幣資產與負債按交易日的匯率換算。以公平價值計量的外幣非貨幣資產及負債，則以釐定其公平價值當日的匯率換算。

海外業務之業績是按照貼近交易日的匯率折算為港幣。資產負債表項目 (包括二零零五年一月一日或以後購入之海外業務在綜合賬目時所產生之商譽) 以結算日的匯率折算。所得匯兌差額會直接於權益內作獨立確認。就二零零五年一月一日或以前購入之海外業務在綜合賬目時所產生之商譽，以在購入該海外業務當日的匯率作折算。

計算出售海外業務的損益包括該業務所確認於權益內的累積匯兌差額。

(x) 借貸成本

除直接用作收購、建設或生產而需要相當長時間才可以投入原定用途或銷售的資產的借貸成本予以資本化外，借貸成本均在產生的期間內在損益表列支。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Borrowing costs (continued)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(y) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note I.

1. 主要會計政策 (續)

(x) 借貸成本 (續)

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生及使資產投入原定用途或銷售所必須的準備工作進行期間開始資本化。在使合資格資產投入原定用途或銷售所必須的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

(y) 持作出售非流動資產

當非流動資產 (或處置組) 的賬面餘額很有可能是通過銷售交易而非通過持續使用收回及當該資產 (或處置組) 可以現狀立即出售時，則會分類為持作出售。處置組是指在一次交易中一同處置的一組資產及與該資產直接相關的並一同轉出的一組負債。

分類為持作出售之前，非流動資產 (處置組中所有的資產及負債) 的計算與被分類前所採用的會計政策應保持一致。初次分類為持作出售後直至處置完畢期間，非流動資產或處置組按其賬面值和公平價值減銷售成本中的較低者列示 (以下列示的某些資產除外)。該計算政策對於本集團和本公司的會計報表中的一些資產有所例外，這些資產包括遞延稅項資產、員工福利產生的資產、除附屬公司、聯營公司及合營公司投資之外的金融資產以及投資物業。這些資產即使持作出售，也繼續依照附註 I 中所述的會計政策計量。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

1. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(y) Non-current assets held for sale (continued)

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in the income statement. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

(z) Related parties

For the purposes of the financial statements, parties are considered to be related to the Group if the Group have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

(aa) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

1. 主要會計政策 (續)

(y) 持作出售非流動資產 (續)

初次分類為持作出售及期後的重新計量而產生的減值虧損均在損益表中確認。一旦一項非流動資產被分類為持作出售或包含在持作出售的處置組中，該項資產就不再計提折舊或攤銷。

(z) 關連人士

就本財務報表而言，如果本集團能夠直接或間接監控另一方人士或對另一方人士之財務及經營決策發揮重大之影響力，或另一方人士能夠直接或間接監控本集團或對本集團之財務及經營決策發揮重大之影響力，或本集團與另一方人士均受制於共同之監控或共同之重大影響下，有關人士即被視為本集團的關連人士。關連人士可以是個別人士（即主要管理層職員之成員、重大股東及／或彼等之近親家族成員）或其他實體，及包括受到本集團關連人士（該等人士為個別人士）重大影響之實體，及就本集團僱員利益而設之受僱後福利計劃或屬於本集團關連人士之任何實體。

(aa) 分部報告

分部是指本集團內可明顯區分的組成部分，並且負責提供單項或一組相關的產品或服務（業務分部），或在一個特定的經濟環境中提供產品或服務（地區分部），並且承擔着不同於其他分部的風險和回報。

按照本集團的內部財務報告模式，本集團已就本財務報表選擇以業務分部為報告分部信息的主要形式，而地區分部則是次要的分部報告形式。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods beginning on or after 1st January, 2005.

The accounting policies of the Group and / or the Company after the adoption of these new and revised HKFRSs have been summarised in note 1. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 40).

1. 主要會計政策 (續)

(aa) 分部報告 (續)

分部收入、支出、經營成果、資產及負債包含直接歸屬某一分部，以及可按合理的基準分配至該分部的項目的數額。例如，分部資產可能包括存貨、應收賬款及物業、廠房及設備。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分部的本集團企業之間的集團內部往來的餘額和交易除外。分部之間的轉移事項定價按與其他外界人士相若的條款計算。

分部資本開支是指在期內購入預計可於超過一個會計期間使用的分部資產 (包括有形和無形資產) 所產生的成本總額。

未能分配至分部的項目主要包括財務及企業資產、帶息借款、借款、稅項餘款、企業及融資支出。

2. 會計政策變動

香港會計師公會已頒佈若干全新及經修訂的財務報告準則，並於二零零五年一月一日或其後開始的會計期間生效。

本集團及／或本公司的會計政策經採納這些全新及修訂的財務報告準則，其摘要在附註1。以下列出反映在此財務報表內關於本期及前期會計期間會計政策重要更改的資料。

本集團並無採納於本會計期間並未生效的新準則或詮釋 (參閱附註40)。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)

a) Restatement of prior periods and opening balances

The following tables disclose the adjustments that have been made in accordance with the transitional provisions of the respective HKFRSs to each of the line items in the consolidated income statement and balance sheet and the Company's balance sheet as previously reported for the year ended 31st March, 2005. The effects of the changes in accounting policies on reserves at 1st April, 2004 and 2005 are disclosed in note 32.

(i) Effect on the consolidated financial statements

Consolidated income statement

for the year ended 31st March, 2005

		Effect of new policy (increase/(decrease) in profit for the year)						
		新政策之影響(增加/(減少)本年度溢利)						
		2005	HKAS 17			2005		
		二零零五年	HKAS 1	HKAS 17	HKAS 40	Sub-total	二零零五年	
		(as previously reported)	會計準則 1	會計準則 17	會計準則 40	小計	(as restated)	
		(如前列報)	(note 2(d))	(note 2(e))	(note 2(g))	(附註2(g))	(重列)	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	千元	
Turnover	營業額	1,665,835	-	-	-	-	1,665,835	
Cost of sales	銷售成本	(1,329,117)	-	-	-	-	(1,329,117)	
Gross profit	毛利	336,718	-	-	-	-	336,718	
Administrative expenses	行政費用	(102,944)	-	944	-	944	(102,000)	
Other income and expenses	其他收入及支出	(161,530)	-	-	-	-	(161,530)	
Profit from operations	經營溢利	72,244	-	944	-	944	73,188	
Finance costs	融資成本	(31,800)	-	-	-	-	(31,800)	
Share of profits less losses of associates	應佔聯營公司溢利減虧損	2,028	(1,900)	-	(161)	(2,061)	(33)	
Net valuation gains on investment properties	投資物業估值收益淨額	-	-	-	6,180	6,180	6,180	
Profit before taxation	除稅前溢利	42,472	(1,900)	944	6,019	5,063	47,535	
Income tax	所得稅	(3,480)	1,900	-	(2,784)	(884)	(4,364)	
Minority interests	少數股東權益	38,992	-	944	3,235	4,179	43,171	
		(3,976)	3,976	-	-	3,976	-	
Profit for the year	本年度溢利	35,016	3,976	944	3,235	8,155	43,171	

2. 會計政策變動(續)

a) 以往年度及期初結餘重報

下表披露了根據財務報告準則之過渡條款對如前列報的截至二零零五年三月三十一日止年度之綜合損益表、綜合資產負債表、本公司資產負債表內各個項目所作出之調整。會計政策變動對二零零四年及二零零五年四月一日儲備之影響披露於下文附註32。

(i) 對綜合財務報表之影響

截至二零零五年三月三十一日止

年度之綜合損益表

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)

2. 會計政策變動 (續)

a) Restatement of prior periods and opening balances
(continued)

a) 以往年度及期初結餘重報 (續)

(i) Effect on the consolidated financial statements (continued)

(i) 對綜合財務報表之影響 (續)

Consolidated income statement

截至二零零五年三月三十一日止

for the year ended 31st March, 2005 (continued)

年度之綜合損益表 (續)

		Effect of new policy (increase/(decrease)) in profit for the year					
		新政策之影響 (增加/(減少) 本年度溢利)					
		2005				2005	
		二零零五年	HKAS 1	HKAS 17	HKAS 40	Sub-total	2005
		(as previously	會計準則 1	會計準則 17	會計準則 40	(as restated)	二零零五年
		reported)	(note 2(d))	(note 2(e))	(note 2(g))	小計	(重列)
		(如前列報)	(附註2(d))	(附註2(e))	(附註2(g))		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Attributable to:	應撥歸於:						
Equity shareholders	本公司股權						
of the Company	持有人	35,016	-	944	3,235	4,179	39,195
Minority interests	少數股東權益	-	3,976	-	-	3,976	3,976
Profit for the year	本年度溢利	35,016	3,976	944	3,235	8,155	43,171
Earnings per share	每股盈利						
Basic	基本	\$0.20	-	\$0.01	\$0.01	\$0.02	\$0.22

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)a) Restatement of prior periods and opening balances
(continued)

(i) Effect on the consolidated financial statements (continued)

Consolidated balance sheet
at 31st March, 2005

2. 會計政策變動 (續)

a) 以往年度及期初結餘重報 (續)

(i) 對綜合財務報表之影響 (續)

於二零零五年三月三十一日之綜
合資產負債表

		Effect of new policy (increase/(decrease) in net assets)					
		新政策之影響 (增加 / (減少) 資產淨值)					
		2005				2005	
		二零零五年	HKAS 1	HKAS 17	HKAS 40	2005	
		(as previously	會計準則 1	會計準則 17	會計準則 40	(as restated)	
		reported)	(note 2(d))	(note 2(e))	(note 2(g))	(as restated)	
		(如前列報)	(附註2(d))	(附註2(e))	(附註2(g))	(重列)	
		\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	
					Sub-total		
					小計		
Non-current assets	非流動資產						
Fixed assets	固定資產						
Investment properties	投資物業	51,309	-	-	-	51,309	
Other property, plant and equipment	其他物業、 廠房及設備	569,613	-	(36,573)	-	533,040	
Interests in leasehold land held for own use under operating leases	持作經營租賃 之自用租賃 土地	-	-	15,020	-	15,020	
Other non-current assets	其他非流動資產	258,080	-	-	-	258,080	
		879,002	-	(21,553)	-	857,449	
Net current liabilities	淨流動負債	(41,989)	-	-	-	(41,989)	
Non-current liabilities	非流動負債						
Deferred tax liabilities	遞延所得稅負債	(12,017)	-	5,122	(5,002)	(11,897)	
Other non-current liabilities	其他非流動負債	(219,766)	-	-	-	(219,766)	
		(231,783)	-	5,122	(5,002)	(231,663)	
Minority interests	少數股東權益	(38,873)	38,873	-	-	-	
NET ASSETS	資產淨值	566,357	38,873	(16,431)	(5,002)	583,797	

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)

2. 會計政策變動 (續)

a) Restatement of prior periods and opening balances
(continued)

a) 以往年度及期初結餘重報 (續)

(i) Effect on the consolidated financial statements (continued)

(i) 對綜合財務報表之影響 (續)

Consolidated balance sheet

於二零零五年三月三十一日之綜

at 31st March, 2005 (continued)

合資產負債表 (續)

		Effect of new policy (increase/(decrease) in net assets)					
		新政策之影響 (增加/(減少) 資產淨值)					
2005		HKAS 1	HKAS 17	HKAS 40		2005	
(as previously reported)		會計準則 1	會計準則 17	會計準則 40	Sub-total	(as restated)	
(如前列報)		(note 2(d))	(note 2(e))	(note 2(g))	小計	(重列)	
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	
千元		千元	千元	千元	千元	千元	
CAPITAL AND RESERVES	資本及儲備						
Revaluation reserves	重估儲備						
– land and buildings	– 土地及樓宇	42,635	–	(24,539)	(24,539)	18,096	
– investment properties	– 投資物業	34,373	–	(34,373)	(34,373)	–	
Retained profits	保留溢利	327,923	–	8,108	37,479	365,402	
Share capital and other reserves	股本及其他儲備	161,426	–	–	–	161,426	
Total equity attributable to equity shareholders of the Company	應撥歸於本公司股權持有人	566,357	–	(16,431)	(5,002)	544,924	
Minority interests	少數股東權益	–	38,873	–	38,873	38,873	
TOTAL EQUITY	權益總額	566,357	38,873	(16,431)	(5,002)	583,797	

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)a) Restatement of prior periods and opening balances
(continued)

(ii) Effect on the Company's balance sheet

Balance sheet at 31st March, 2005

2. 會計政策變動 (續)

a) 以往年度及期初結餘重報 (續)

(ii) 對本公司資產負債表之影響

於二零零五年三月三十一日之資
產負債表

		Effect of new policy (increase/(decrease) in net assets) 新政策之影響 (增加/(減少) 資產淨值)				
		2005			2005	
		二零零五年	HKAS 17	HKAS 40	二零零五年	
		(as previously	會計準則 17	會計準則 40	(as restated)	
		reported)	(note 2(e))	(note 2(g))	(重列)	
		(如前列報)	(附註2(e))	(附註2(g))		
		\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	
Non-current assets	非流動資產					
Fixed assets	固定資產					
Investment properties	投資物業	39,060	-	18,256	57,316	
Other property, plant and equipment	其他物業、 廠房及 設備	62,406	(21,552)	(6,340)	34,514	
Other non-current assets	其他非流動 資產	422,179	-	-	422,179	
		523,645	(21,552)	11,916	514,009	
Net current assets	淨流動資產	85,124	-	-	85,124	
Non-current liabilities	非流動負債					
Deferred tax liabilities	遞延所得稅負債	(9,113)	5,121	(6,423)	(10,415)	
Other non-current liabilities	其他非流動 負債	(36,041)	-	-	(36,041)	
		(45,154)	5,121	(6,423)	(46,456)	
NET ASSETS	資產淨值	563,615	(16,431)	5,493	552,677	

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)

2. 會計政策變動 (續)

a) Restatement of prior periods and opening balances
(continued)

a) 以往年度及期初結餘重報 (續)

(ii) Effect on the Company's balance sheet (continued)

(ii) 對本公司資產負債表之影響 (續)

Balance sheet at 31st March, 2005 (continued)

於二零零五年三月三十一日之資產負債表 (續)

	2005 二零零五年 (as previously reported) (如前列報)	Effect of new policy (increase/(decrease) in net assets) 新政策之影響 (增加/(減少) 資產淨值)			2005 二零零五年 (as restated) (重列)
		HKAS 17 會計準則 17 (note 2(e)) (附註2(e))	HKAS 40 會計準則 40 (note 2(g)) (附註2(g))	Sub-total 小計	
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
CAPITAL AND RESERVES					
Revaluation reserves					
– land and buildings	42,635	(24,539)	–	(24,539)	18,096
– investment properties	29,239	–	(29,239)	(29,239)	–
Retained profits	282,923	8,108	34,732	42,840	325,763
Share capital and other reserves	208,818	–	–	–	208,818
TOTAL EQUITY	563,615	(16,431)	5,493	(10,938)	552,677

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)

b) Estimated effect of changes in accounting policies on the current period

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement and balance sheet and the Company's balance sheet for the year ended 31st March, 2006 is higher or lower than it would have been had the previous policies still been applied in the year, where it is practicable to make such estimates.

(i) Effect on the consolidated financial statements

Estimated effect on the consolidated income statement for the year ended 31st March, 2006:

2. 會計政策變動 (續)

b) 估計會計政策變動對本期間的影響

下表列出，在實際情況可行時，就截至二零零六年三月三十一日止年度的綜合損益表、綜合資產負債表及本公司資產負債表內各個項目與假設本年度仍採納以往沿用的政策為高或低作比較的估計：

(i) 對綜合財務報表之影響

估計對於截至二零零六年三月三十一日止年度的綜合損益表的影響：

Estimated effect of new policy (increase/(decrease) in profit for the year)
估計新政策之影響(增加/(減少)本年度溢利)

		HKFRS 3		HKAS 32 & 39			Total 合計
		財務報告 準則 3 (note 2(c)) (附註2(c))	HKAS 1 會計準則 1 (note 2(d)) (附註2(d))	HKAS 17 會計準則 17 (note 2(e)) (附註2(e))	會計準則 32及39 (note 2(f)) (附註2(f))	HKAS 40 會計準則 40 (note 2(g)) (附註2(g))	
Other revenue	其他收入	-	-	-	2,933	-	2,933
Administrative expenses	行政費用	-	-	944	-	-	944
Other operating expense	其他經營費用	2,008	-	-	-	-	2,008
Profit from operations	經營溢利	2,008	-	944	2,933	-	5,885
Share of profits less losses of associates and jointly controlled entities	應佔聯營公司及合營公司溢利減虧損	32,147	(1,624)	-	-	7,061	37,584
Impairment of an associate	一家聯營公司減值	(14,493)	-	-	-	-	(14,493)
Net valuation gains on investment properties	投資物業估值收益淨額	-	-	-	-	23,299	23,299
Profit before taxation	除稅前溢利	19,662	(1,624)	944	2,933	30,360	52,275
Income tax	所得稅	-	1,624	-	-	(3,636)	(2,012)
Profit for the year	本年度溢利	19,662	-	944	2,933	26,724	50,263

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)b) Estimated effect of changes in accounting policies on
the current period (continued)

(i) Effect on the consolidated financial statements (continued)

Estimated effect on the consolidated income statement for
the year ended 31st March, 2006: (continued)

2. 會計政策變動 (續)

b) 估計會計政策變動對本期間的影響
(續)

(i) 對綜合財務報表之影響 (續)

估計對於截至二零零六年三月三十一日止年度的綜合損益表的影響：(續)

Estimated effect of new policy (increase/(decrease) in profit for the year)
估計新政策之影響 (增加/(減少) 本年度溢利)

		HKFRS 3		HKAS 17		HKAS 32&39		Total
		財務報告 準則 3 (note 2(c)) (附註2(c))	HKAS 1 會計準則 1 (note 2(d)) (附註2(d))	會計準則 17 (note 2(e)) (附註2(e))	會計準則 32及39 (note 2(f)) (附註2(f))	HKAS 40 會計準則 40 (note 2(g)) (附註2(g))	Total 合計	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Attributable to:	應撥歸於：							
Equity shareholders of the Company	本公司之股 權持有人	19,662	-	944	2,933	26,724	50,263	
Profit for the year	本年度溢利	<u>19,662</u>	<u>-</u>	<u>944</u>	<u>2,933</u>	<u>26,724</u>	<u>50,263</u>	
Earnings per share Basic	每股盈利 基本	\$0.09	-	\$0.01	\$0.01	\$0.13	\$0.24	

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)b) Estimated effect of changes in accounting policies on
the current period (continued)

(i) Effect on the consolidated financial statements (continued)

Estimated effect on the consolidated balance sheet as at 31st
March, 2006:

2. 會計政策變動 (續)

b) 估計會計政策變動對本期間的影響
(續)

(i) 對綜合財務報表之影響 (續)

估計對於二零零六年三月三十一
日的綜合資產負債表的影響：

Estimated effect of new policy (increase/(decrease) in net assets)

估計新政策之影響 (增加/(減少) 資產淨值)

		HKFRS 3		HKAS 32 & 39		Total
		財務報告 準則 3 (note 2(c)) (附註2(c)) \$'000 千元	HKAS 17 會計準則 17 (note 2(e)) (附註2(e)) \$'000 千元	會計準則 32及39 (note 2(f)) (附註2(f)) \$'000 千元	HKAS 40 會計準則 40 (note 2(g)) (附註2(g)) \$'000 千元	
Non-current assets	非流動資產					
Fixed assets	固定資產					
Other property, plant and equipment	其他物業、 廠房及設備	-	(27,848)	-	-	(27,848)
Interests in leasehold land held for own use under operating leases	持作經營租賃 之自用租賃 土地	-	7,240	-	-	7,240
Goodwill	商譽	6,714	-	-	-	6,714
Interest in associates	聯營公司權益	6,509	-	-	-	6,509
Interest in jointly controlled entities	合營公司權益	40,619	-	-	-	40,619
		53,842	(20,608)	-	-	33,234

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)

2. 會計政策變動 (續)

b) Estimated effect of changes in accounting policies on
the current period (continued)

b) 估計會計政策變動對本期間的影響
(續)

(i) Effect on the consolidated financial statements (continued)

(i) 對綜合財務報表之影響 (續)

Estimated effect on the consolidated balance sheet as at 31st
March, 2006: (continued)

估計對於二零零六年三月三十一
日的綜合資產負債表的影響：
(續)

Estimated effect of new policy (increase/(decrease) in net assets)
估計新政策之影響 (增加/(減少) 資產淨值)

		HKFRS 3 財務報告 準則 3 (note 2(c)) 附註2(c)	HKAS 17 會計準則 17 (note 2(e)) 附註2(e)	HKAS 32 & 39 會計準則 32及39 (note 2(f)) 附註2(f)	HKAS 40 會計準則 40 (note 2(g)) 附註2(g)	Total 合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Current assets	流動資產					
Trade and other receivables	應收賬款及 其他應收款	-	-	128,464	-	128,464
Current liabilities	流動負債					
Bank loans and overdrafts	銀行貸款及 透支	-	-	(125,531)	-	(125,531)
Net current assets	流動資產淨值	-	-	2,933	-	2,933
Total assets less current liabilities	資產總額減 流動負債	53,842	(20,608)	2,933	-	36,167
Non-current liabilities	非流動負債					
Deferred tax liabilities	遞延稅項負債	-	5,121	-	(8,638)	(3,517)
NET ASSETS	資產淨值	<u>53,842</u>	<u>(15,487)</u>	<u>2,933</u>	<u>(8,638)</u>	<u>32,650</u>
CAPITAL AND RESERVES	資本及儲備					
Revaluation reserves	重估儲備					
- land and buildings	- 土地及樓宇	-	(24,539)	-	-	(24,539)
- investment properties	- 投資物業	-	-	-	(64,733)	(64,733)
Retained profits	保留溢利	53,842	9,052	2,933	56,095	121,922
TOTAL EQUITY	權益總額	<u>53,842</u>	<u>(15,487)</u>	<u>2,933</u>	<u>(8,638)</u>	<u>32,650</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)b) Estimated effect of changes in accounting policies on
the current period (continued)

(i) Effect on the consolidated financial statements (continued)

Estimated effect on net income recognised directly in
consolidated equity for the year ended 31st March, 2006:

2. 會計政策變動 (續)

b) 估計會計政策變動對本期間的影響
(續)

(i) 對綜合財務報表之影響 (續)

估計對截至二零零六年三月三十
一日止年度直接在綜合權益中確
認之收入淨額之影響：Effect of new policy
(increase/(decrease))

新政策之影響

(增加 / (減少))

HKAS 40

會計準則40

(note 2(g))

(附註2(g))

\$'000

千元

Attributable to equity shareholders
of the Company應撥歸於本公司
股權持有人(64,733)

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)2. CHANGES IN ACCOUNTING POLICIES
(continued)

2. 會計政策變動 (續)

b) Estimated effect of changes in accounting policies on
the current period (continued)b) 估計會計政策變動對本期間的影響
(續)

(ii) Effect on Company's balance sheet

(ii) 對本公司資產負債表之影響

Estimated effect on the balance sheet as at 31st March, 2006:

估計對於二零零六年三月三十一
日之資產負債表之影響：

		Estimated effect of new policy (increase/(decrease) in net assets) 估計新政策之影響 (增加/(減少) 資產淨值)			
		HKAS 32 & 39			
		HKAS 17 會計準則 17 (note 2(e)) (附註2(e)) \$'000 千元	會計準則 32及39 (note 2(f)) (附註2(f)) \$'000 千元	HKAS 40 會計準則 40 (note 2(g)) (附註2(g)) \$'000 千元	Total 合計 \$'000 千元
Non-current assets	非流動資產				
Fixed assets	固定資產				
Investment properties	投資物業	-	-	26,365	26,365
Other property, plant and equipment	其他物業、 廠房及設備	(20,608)	-	(6,082)	(26,690)
		(20,608)	-	20,283	(325)
Current assets	流動資產				
Trade and other receivables	應收賬款及其他 應收款	-	82,607	-	82,607
Current liabilities	流動負債				
Bank loans and overdrafts	銀行貸款及透支	-	(79,674)	-	(79,674)
Net current assets	流動資產淨值	-	2,933	-	2,933
Non-current liabilities	非流動負債				
Deferred tax liabilities	遞延稅項負債	5,121	-	(11,795)	(6,674)
NET ASSETS	資產淨值	(15,487)	2,933	8,488	(4,066)

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)b) Estimated effect of changes in accounting policies on
the current period (continued)

(ii) Effect on Company's balance sheet (continued)

Estimated effect on the balance sheet as at 31st March, 2006:
(continued)

2. 會計政策變動 (續)

b) 估計會計政策變動對本期間的影響
(續)

(ii) 對本公司資產負債表之影響 (續)

估計對於二零零六年三月三十一
日之資產負債表之影響：(續)

		Estimated effect of new policy (increase/(decrease) in net assets) 估計新政策之影響 (增加/(減少) 資產淨值)			
		HKAS 32 & 39			
		HKAS 17 會計準則 17 (note 2(e)) (附註2(e)) \$'000 千元	會計準則 32及39 (note 2(f)) (附註2(f)) \$'000 千元	HKAS 40 會計準則 40 (note 2(g)) (附註2(g)) \$'000 千元	Total 合計 \$'000 千元
CAPITAL AND RESERVES	資本及儲備				
Revaluation reserves	重估儲備				
- land and buildings	- 土地及樓宇	(24,539)	-	-	(24,539)
- investment properties	- 投資物業	-	-	(51,434)	(51,434)
Retained profits	保留溢利	9,052	2,933	59,922	71,907
TOTAL EQUITY	權益總額	(15,487)	2,933	8,488	(4,066)

Estimated effect on net income recognised directly in the
Company's equity for the year ended 31st March, 2006:估計對截至二零零六年三月三十
一日止年度直接在本公司權益中
確認之收入淨額之影響：

		Effect of new policy (increase/(decrease)) 新政策之影響 (增加/(減少)) HKAS 40 會計準則 40 (note 2(g)) (附註2(g)) \$'000 千元
For the year ended 31st March, 2006	截至二零零六年三月三十一日止年度	(51,434)

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES (continued)

c) Amortisation of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)

In prior years:

- positive or negative goodwill which arose prior to 1st January, 2001 was taken directly to reserves at the time it arose, and was not recognised in the income statement until disposal or impairment of the acquired business;
- positive goodwill which arose on or after 1st January, 2001 was amortised on a straight-line basis over its useful life and was subject to impairment testing when there were indications of impairment; and
- negative goodwill which arose on or after 1st January, 2001 was amortised over the weighted average useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognised in the income statement as those expected losses were incurred.

With effect from 1st April, 2005, in order to comply with HKFRS 3 and HKAS 36, the Group has changed its accounting policies relating to goodwill. Under the new policy, the Group no longer amortises positive goodwill but tests it at least annually for impairment. Also with effect from 1st April, 2005 and in accordance with HKFRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in the income statement as it arises. Further details of these new policies are set out in note 1(e).

2. 會計政策變動 (續)

(c) 正商譽和負商譽的攤銷 (財務報告準則第3號 - 企業合併及會計準則第36號 - 資產減值)

以往年度：

- 於二零零一年一月一日前產生之正商譽或負商譽乃於產生時直接計入儲備，並於所收購之業務被出售或出現減值後方會於損益表確認；
- 於二零零一年一月一日或以後產生之正商譽乃按其可使用年期以直線法攤銷，並於有跡象顯示出現減值時須進行減值測試；及
- 於二零零一年一月一日或以後產生之負商譽乃按所收購之可折舊／可攤銷非貨幣資產之加權平均可使用年期攤銷，惟與收購當日之可辨別預期日後虧損有關之負商譽則除外。在該情況下，負商譽乃於該等預期虧損產生時在損益表確認。

自二零零五年四月一日起，為符合財務報告準則第3號及會計準則第36號之規定，本集團已更改其有關商譽之會計政策。根據新政策，本集團不再攤銷正商譽，惟最少於每年作減值測試。此外，由二零零五年四月一日起及根據財務報告準則第3號，倘自業務合併收購之資產淨值之公平值超過已付代價（即根據以往會計政策原被稱為負商譽之金額），有關差額於產生時立即在損益表確認。新政策的進一步詳情載於附註1(e)。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES (continued)

c) Amortisation of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets) (continued)

The new policy in respect of the amortisation of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. The adjustments for each consolidated financial statement line affected for the year ended 31st March, 2006 are set out in note 2(b).

The change in accounting policy relating to negative goodwill was adopted by way of an opening balance adjustment to retained profits as at 1st April, 2005.

Also in accordance with the transitional arrangements under HKFRS 3, goodwill which had previously been taken directly to reserve (i.e. goodwill which arose before 1st January, 2001) will not be recognised in the income statement on disposal or impairment of the acquired business, or under any other circumstances. On disposal of the acquired business, the related goodwill will be transferred to retained profits.

(d) Changes in presentation (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

(i) Presentation of shares of associates' taxation (HKAS 1, Presentation of financial statements)

In prior years, the Group's share of taxation of associates accounted for using the equity method was included as part of the Group's income tax in the consolidated income statement. With effect from 1st April, 2005, in accordance with the implementation guidance in HKAS 1, the Group has changed the presentation and includes the share of taxation of associates accounted for using the equity method in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax. The change in presentation has been applied retrospectively with comparatives restated as shown in note 2(a).

2. 會計政策變動 (續)

(c) 正商譽和負商譽的攤銷 (財務報告準則第3號－企業合併及會計準則第36號－資產減值) (續)

有關攤銷正商譽之新政策已按財務報告準則第3號之過渡期安排並無作追溯性應用。於二零零六年三月三十一日的受影響的綜合財務報表的各項目已相應地作出調整 (載於附註2(b))。

有關負商譽之會計政策的變更已採納透過調整二零零五年四月一日期初保留溢利。

此外，根據財務報告準則第3號之過渡性安排，當所收購之業務被出售或出現減值時，或在任何其他情況下，以往直接計入儲備之商譽 (即在二零零一年一月一日前產生之商譽) 亦不會於損益表內確認。於出售有關收購的業務時，相關的商譽轉入保留溢利。

(d) 呈列方式之改變 (會計準則第1號－財務報表之呈報和會計準則第27號－綜合及獨立財務報表)

(i) 應佔聯營公司稅項的呈列方式 (會計準則第1號－財務報表之呈報)

於過往年度，本集團以權益法入賬的應佔聯營公司稅項計入集團綜合損益表所得稅一部份。自二零零五年四月一日起，根據會計準則第1號執行指引規定，本集團已更改呈列方式，以權益法入賬的應佔聯營公司稅項現於計算集團除稅前溢利或虧損前計入綜合損益表中呈報的應佔聯營公司溢利或虧損項下，該呈列方式變動已追溯調整，比較數字經已重列 (見附註2(a))。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES
(continued)

(d) Changes in presentation (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements) (continued)

(ii) Minority interests (HKAS 1, Presentation of financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders (the equity shareholders of the Company).

With effect from 1st April, 2005, in order to comply with HKAS 1 and HKAS 27, the Group has changed its accounting policy relating to the presentation of minority interests. Under the new policy, minority interests are presented as part of equity, separately from interests attributable to equity shareholders of the Company. Further details of the new policy are set out in note 1(c). These changes in presentation have been applied retrospectively with comparatives restated as shown in note 2(a).

2. 會計政策變動 (續)

(d) 呈列方式之改變 (會計準則第1號 – 財務報表之呈報和會計準則第27號 – 綜合及獨立財務報表) (續)

(ii) 少數股東權益 (會計準則第1號 – 財務報表之呈報)

在以往年度，於結算日的少數股東權益是在綜合資產負債表內與負債分開呈報，並列作淨資產的扣減。少數股東所佔本集團本年度業績的權益亦會在綜合損益表內分開呈報，並列作計算股東 (本公司之股權持有人) 應佔利潤前作出的扣減。

自二零零五年四月一日起，為符合會計準則第1號及會計準則第27號的規定，本集團已更改其有關少數股東權益呈列方式的會計政策。根據新政策，少數股東權益呈列為權益一部分，並與本公司股權持有人應佔權益分開呈列。新政策的進一步詳情載於附註1(c)。該等呈列方式變更已追溯調整，比較數字經已重列 (見附註2(a))。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES (continued)

(e) Leasehold land and buildings held for own use (HKAS 17, Leases)

In prior years, leasehold land and buildings held for own use were stated at cost/valuation less accumulated depreciation and accumulated impairment losses.

With effect from 1st April, 2005, in order to comply with HKAS 17, the Group has adopted a new policy for leasehold land and buildings held for own use. Under the new policy, the leasehold interest in the land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be measured separately from the fair value of the leasehold interest in the land at the time the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

Further details of the new policy are set out in notes 1(i) and 1(l). Any buildings held for own use which are situated on such land leases continue to be presented as part of property, plant and equipment. However, as from 1st April, 2005 the buildings are also stated at cost less accumulated depreciation, rather than at fair value, to be consistent with the new policy required to be adopted for the land element.

The above new accounting policies relating to leases have been adopted retrospectively. The adjustments for each financial statement line item affected for 31st March, 2005 and 2006 are set out in notes 2(a) and 2(b).

2. 會計政策變動 (續)

(e) 持有作自用的租賃土地及樓宇 (會計準則第17號 – 租賃)

於過往年度，持有作自用的租賃土地及樓宇是按成本或估值減累計折舊及累計減值虧損列賬。

由二零零五年四月一日開始，為符合會計準則第17號的規定，本集團採納有關持有自用的租賃土地及樓宇的新政策。根據新政策，倘若於本集團首次訂立租約時，或從前承租人接手時，或於該等樓宇的建造日期 (倘若為較後者)，位於租賃土地上的任何樓宇的公平價值與租賃土地權益的公平價值可以分開計量，則持有自用的租賃土地權益乃按持有經營租賃持有入賬。

新政策的進一步詳情載於附註1(i)及1(l)。位於上述租賃土地持有自用的任何樓宇繼續列為物業、廠房及設備的一部份。但由二零零五年四月一日開始，租賃樓宇亦會按成本減累計折舊及減值虧損列賬，而非按公平價值列賬以維持因採納新會計政策對土地租賃部份之要求一致。

以上關於租賃的新會計政策已追溯採用，於二零零五年及二零零六年三月三十一日財務報表的各項目已相應地作出調整 (載於附註2(a)及2(b))。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES (continued)

(f) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement)

With effect from 1st April, 2005, in order to comply with HKAS 32 and HKAS 39, the Group has changed its accounting policies relating to financial instruments to those as set out in notes 1(f) to (h), (m) and (o) to (q). Further details of the changes are as follows:

(i) Derivative financial instruments

In prior years, derivative financial instruments entered into by management to hedge the interest rate risk of a recognised asset or liability or the foreign currency risk of a committed future transaction were recognised on an accruals basis with reference to the timing of recognition of the hedged transaction.

With effect from 1st April, 2005, and in accordance with HKAS 39, all derivative financial instruments entered into by the Group are stated at fair value. Changes in the fair value of derivatives held as hedging instruments in a cash flow hedge are recognised in equity to the extent that the hedge is effective and until the hedged transaction occurs. Any other changes in fair value of the derivatives are recognised in the income statement. Further details of the new policies are set out in notes 1(g) and (h).

The Group had no outstanding derivative financial instruments as at 1st April, 2005. The Group entered into interest rate swaps to reduce risk of changes in market interest rates during the year. The Group's interest rate swaps can not fulfill the criteria for hedging accounting because the hedge relationship was not documented at the inception of the hedge. Accordingly, the gain on remeasurement to fair value at 31st March, 2006 of \$2,933,000 has been charged to the income statement.

2. 會計政策變動 (續)

(f) 金融工具 (會計準則第32號 – 金融工具：披露及呈列及會計準則第39號 – 金融工具：確認及計量)

由二零零五年四月一日開始，為符合會計準則第32號及第39號的規定，本集團已把其對有關金融工具的會計政策變更 (詳見附註1(f)至(h)、(m)及(o)至(q))。變更的進一步詳情如下：

(i) 金融衍生工具

於過往年度，管理層所訂立用以對沖已確認資產或負債之利率風險或已承諾日後交易之外匯風險之衍生金融工具，參考確認對沖交易之時間後按應計基準確認。

自二零零五年四月一日起，根據會計準則第39號，本集團訂立之所有衍生金融工具均按公平值列賬。對持作現金流量對沖工具之衍生工具公平值變動，以有效之對沖為限於權益確認，直至進行對沖交易為止。衍生金融工具公平值之任何其他變動於損益賬中確認。新政策的進一步詳情載於附註1(g)及1(h)。

於二零零五年四月一日，本集團沒有衍生金融工具。本集團利用利率掉期以減少市場利率變動的風險。由於在對沖開始時沒有文檔記錄對沖的關係，本集團的利率掉期不符合對沖會計處理的條件。因此，於二零零六年三月三十一日公平價值的變化所產生的收益2,933,000元已直接在損益表中列支。

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截至二零零六年三月三十一日止年度 (以港元計)

2. CHANGES IN ACCOUNTING POLICIES (continued)

(f) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement) (continued)

(ii) Discounting of bills receivable

In prior years, bills receivable discounted with banks were derecognised from the balance sheet and disclosed as contingent liabilities.

With effect from 1st April 2005, and in accordance with HKAS 32 and HKAS 39, bills discounted with banks with recourse totalling \$125,531,000 as at 31st March 2006 have been recognised in the balance sheet, and the related bills receivable and advances from banks have been reported under "bills receivable" and "secured bank loans" respectively. The comparatives have not been restated. The discounted bills as at 31st March, 2005 totalling \$144,863,000 were not recognised in the balance sheet and are disclosed as contingent liabilities.

(g) Investment properties (HKAS 40, Investment property, and HK(SIC) Interpretation 21, Income taxes - Recovery of revalued non-depreciable assets)

Changes in accounting policies relating to investment properties are as follows:

(i) Definition of an investment properties in the Company's financial statements

In prior years, property that was leased to, and occupied by group companies was not considered to be an investment property for the purposes of the Company's financial statements. With effect from 1st April, 2005, in order to comply with HKAS 40, property that is leased to, and occupied by group companies is an investment property for the purposes of the Company's financial statements.

2. 會計政策變動 (續)

(f) 金融工具 (會計準則第32號 - 金融工具: 披露及呈列及會計準則第39號 - 金融工具: 確認及計量) (續)

(ii) 票據貼現

於過往年度, 給予銀行之票據貼現於資產負債表中解除確認並當作或有負債予以披露。

由二零零五年四月一日起, 根據財務報告準則第32號及第39號, 於二零零六年三月三十一日合共125,531,000元之可追溯銀行貼現票據從資產負債表中確認, 相關應收票據及銀行墊款已分別呈報為「應收票據」及「有抵押銀行貸款」。比較數字並無重列。於二零零五年三月三十一日, 合共144,863,000元之貼現票據於資產負債表中並無確認並於或有負債項目披露。

(g) 投資物業 (會計準則第40號 - 投資物業及HK(SIC) 詮釋 21 - 所得稅 - 收回經重估的不可折舊資產)

關於投資物業的會計政策變更如下:

(i) 於本公司財務報表中投資物業的定義

於過往年度, 本公司出租予其它集團內公司使用的物業在本公司的財務報表中不當作投資物業。由二零零五年四月一日開始, 為符合會計準則第40號, 本公司出租予其它集團內公司使用的物業在本公司的財務報表中當作投資物業。

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2. CHANGES IN ACCOUNTING POLICIES
(continued)

(g) Investment properties (HKAS 40, Investment property, and HK(SIC) Interpretation 21, Income taxes - Recovery of revalued non-depreciable assets)
(continued)

(ii) Timing of recognition of movements in fair value in the consolidated income statement

In prior years movements in the fair value of the Group's investment properties were recognised directly in the investment properties revaluation reserve except when, on a portfolio basis, the reserve was insufficient to cover a deficit on the portfolio, or when a deficit previously recognised in the income statement had reversed, or when an individual investment property was disposed of. In these limited circumstances, movements in the fair value were recognised in the income statement.

Upon adoption of HKAS 40 as from 1st April, 2005, the Group and the Company has adopted a new policy for investment properties. Under this new policy, all changes in the fair value of investment property are recognised directly in the income statement in accordance with the fair value model in HKAS 40. Further details of the new policy for investment properties are set out in note 1(i).

(iii) Measurement of deferred tax on movements in fair value

In prior years, the Group was required to apply the tax rate that would be applicable to the sale of investment properties to determine whether any amounts of deferred tax should be recognised on revaluation of investment properties. Consequently, deferred tax was only provided to the extent that tax allowances already given would be clawed back if the property were disposed of at its carrying value, as there would be no additional tax payable on disposal.

2. 會計政策變動 (續)

(g) 投資物業 (會計準則第40號 – 投資物業及HK(SIC) 詮釋 21 – 所得稅 – 收回經重估的不可折舊資產) (續)

(ii) 於綜合損益表內確認公平價值變動之時間

於以往年度 (以投資組合為基準), 除了當儲備不足以沖銷投資組合之虧絀時、或以前於損益表已確認之虧絀回撥、或當某一投資物業已被出售, 集團投資物業之公平價值變動直接於投資物業重估儲備內確認。在這些特別情況下, 公平價值之變動將確認於損益表內。

自二零零五年四月一日起採納會計準則第40號, 投資物業的公平價值之全部變動皆根據會計準則第40號公平價值模式直接確認於損益表內。投資物業的新政策的進一步詳情載於附註1(i)。

(iii) 計算公平價值變動之遞延稅項

於過往年度, 本集團須應用適用於出售投資物業之稅率, 以釐定產生於重估投資物業之遞延稅項。因此, 倘有關物業乃按其面值出售 (於出售時並無任何額外應付稅項), 則遞延稅項僅當所給予稅項抵免會遭撥回時作出撥備。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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2. CHANGES IN ACCOUNTING POLICIES (continued)

(g) Investment properties (HKAS 40, Investment property, and HK(SIC) Interpretation 21, Income taxes - Recovery of revalued non-depreciable assets) (continued)

(iii) Measurement of deferred tax on movements in fair value (continued)

As from 1st April, 2005, in accordance with HK(SIC) Interpretation 21, the Group recognises deferred tax on movements in the value of an investment property using tax rates that are applicable to the property's use, if the Group has no intention to sell it and the property would have been depreciable had the Group not adopted the fair value model. Further details of the policy for deferred tax are set out in note 1(t).

(iv) Description of transitional provisions and effect of adjustments

All the above changes in accounting policies relating to investment properties have been adopted retrospectively. The adjustments for each financial statement line affected for 31st March, 2006 and 2005 are set out in notes 2(a) and 2(b).

(h) Definition of related parties (HKAS 24, Related party disclosures)

As a result of the adoption of HKAS 24, the definition of related parties as disclosed in note 1(z) has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosures made in the current period, as compared to those that would have been reported had SSAP 20, Related party disclosures, still been in effect.

2. 會計政策變動 (續)

(g) 投資物業 (會計準則第40號, 投資物業及HK(SIC) 詮釋 21, 所得稅 - 收回經重估的不可折舊資產) (續)

(iii) 計算公平價值變動之遞延稅項 (續)

自二零零五年四月一日起, 根據HK(SIC) 詮釋 21, 若集團無計劃出售一投資物業及該投資物業若不採納公平價值模式須作折舊處理, 集團按該投資物業使用模式之稅率去確認該投資物業價值變動之遞延稅項。遞延稅項的新政策的進一步詳情載於附註1(t)。

(iv) 過度性條文的內容及調整的影響

以上有關投資物業所有會計政策的變更已追溯採用。於二零零五年及二零零六年三月三十一日的受影響的財務報表的各項目已相應地作出調整 (載於附註2(a)及2(b))。

(h) 關連人士之定義 (香港會計準則第24號 - 關連人士披露)

由於採納會計準則第24號, 載列於附註1(z)內關連人士之定義經已擴大及澄清關聯人士包括可受個人 (即主要管理人員、重大股權股東及/或其親近家庭成員) 重大影響的公司及提供福利予本集團僱員的離職後福利計劃或某些與本集團關聯的實體。假設《會計實務準則》第20號「關連人士披露」仍然生效, 二者比較, 此項定義上之澄清並未對往年度或本年度已披露人士交易構成重大影響。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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3. TURNOVER

The principal activities of the Group are the manufacture and sale of garments and textiles, the provision of processing services and the rental of properties. The principal activities and other particulars of the subsidiaries are set out on pages 154 to 155.

Turnover represents the sales value of goods supplied to customers, fee income from processing services and rental income from external customers, including associates, and is analysed as follows:

3. 營業額

本集團之主要業務是製造及銷售成衣及紡織品、提供加工服務和物業租賃。附屬公司之主要業務及其他資料詳載於第154頁至155頁。

營業額為供應給客戶(包括聯營公司)貨品的銷售價值、加工服務收入及租金收入，並分析如下：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Manufacture and sale of garments	製造及銷售成衣	1,345,994	1,388,348
Manufacture and sale of textiles	製造及銷售紡織品	185,038	196,250
Processing services	加工服務收入	62,677	75,701
Property rental	物業租賃	7,272	5,536
		<u>1,600,981</u>	<u>1,665,835</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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截至二零零六年三月三十一日止年度 (以港元計)

4. OTHER REVENUE AND NET INCOME

4. 其他收入及收益淨額

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Other revenue	其他收入		
Fair value gain on interest rate swap agreement	利率掉期協議公平價值之收益	2,933	-
Commission income	佣金收入	2,277	1,716
Tax refund upon reinvestment of dividend income from an associate and a subsidiary	聯營公司及附屬公司股息收入再投資之退稅	-	2,034
Dividend income from unlisted equity securities	非上市股本證券之股息收入	376	364
Interest income	利息收入	705	670
Management fee income	管理費用收入	804	804
Sundry income	其他收入	5,822	2,698
		<u>12,917</u>	<u>8,286</u>
Other net income	其他收入淨額		
Gain on disposal of quota	出售配額收益	-	9,689
Loss on deconsolidation of subsidiaries in liquidation	不再綜合計算在清盤中之附屬公司虧損	-	(5,654)
Net exchange(loss)/gain	匯兌淨(虧損)/收益	(2,241)	1,909
Profit on sale of raw materials	銷售原材料溢利	5,913	2,696
Gain/(loss) on disposal of fixed assets	出售固定資產收益/(虧損)	229	(6,228)
Net claims paid	賠償淨支出	(2,039)	(120)
Others	其他	(491)	1,290
		<u>1,371</u>	<u>3,582</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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截至二零零六年三月三十一日止年度 (以港元計)

5. PROFIT BEFORE TAXATION

5. 除稅前溢利

Profit before taxation is arrived at after charging/(crediting):

除稅前溢利已扣除/(計入):

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank loans wholly repayable within five years (including bank charges)	須於五年內悉數償還之銀行貸款利息 (包括銀行費用)	46,442	31,800
Less: Borrowing costs capitalised*	減：借貸成本資本化*	(5,594)	—
		<u>40,848</u>	<u>31,800</u>

* The borrowing costs for the year ended 31st March, 2006 were capitalised at rates ranging from 5.76% to 5.85% per annum for construction in progress.

* 截至二零零六年三月三十一日止年度在建工程之借貸成本已按每年介乎5.76%至5.85%的利率資本化。

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
(b) Staff costs:#	(b) 員工成本：#		
Salaries, wages and other benefits	薪金、工資及其他福利	213,331	214,263
Contributions to defined contribution retirement schemes	既定供款退休計劃供款	3,684	2,817
Reversal of provision for long service payments	長期服務金準備撥回	(1,428)	(2,712)
		<u>215,587</u>	<u>214,368</u>

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5. PROFIT BEFORE TAXATION (continued)

Profit before taxation is arrived at after charging/
(crediting):(continued)

5. 除稅前溢利 (續)

除稅前溢利已扣除/(計入):(續)

		2006 二零零六年	2005 二零零五年 (Restated) (重列)
		\$'000 千元	\$'000 千元
(c) Other items	(c) 其他項目：		
Amortisation of land lease premium#	租賃土地款項攤銷#	336	335
Amortisation (other than of land lease premium)	攤銷 (租賃土地款項除外)		
– positive goodwill	– 正商譽	–	6,522
– negative goodwill	– 負商譽	–	(2,051)
– negative goodwill included in share of profits less losses of associates	– 負商譽已包括在 應佔聯營公司 溢利減虧損	–	(8,471)
– other intangible assets	– 其他無形資產	1,725	1,851
Negative goodwill credited to the income statement	計入損益表內之負商譽	(4,059)	–
Depreciation#	折舊#	51,657	50,834
Impairment losses made/ (written back)	減值虧損/ (撥回)		
– trade and other receivables	– 應收賬款及 其他應收款	58	(641)
– positive goodwill	– 正商譽	2,177	–
Auditors' remuneration	核數師酬金	2,254	1,787
Operating lease charges:	經營租賃費用：		
minimum lease payments#	最低租賃付款額#		
– property rentals	– 物業之租金	7,362	4,766
Share of associates' taxation	應佔聯營公司稅項	5,728	1,900
Rental receivable from investment properties less direct outgoings of \$2,020,000 (2005: \$1,685,000)	投資物業應收租金減 直接支出 2,020,000元 (二零零五年： 1,685,000元)	(5,252)	(3,851)
Cost of inventories#	存貨成本#	<u>1,293,525</u>	<u>1,329,117</u>

Cost of inventories includes \$126,036,000 (2005(restated): \$118,028,000) relating to staff costs, depreciation expenses, amortisation of land lease premium and operating lease charges, which amount is also included in the respective total amounts disclosed separately above for each of these type of expenses.

存貨成本包括員工成本、折舊費用、租賃土地款項攤銷及經營租賃費用，有關款項共126,036,000元(二零零五年(重列): 118,028,000元)。有關數額亦已記入在上文分開列示之各項有關費用總額中。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

6. 綜合損益表所示的所得稅

(a) Income tax in the consolidated income statement represents:

(a) 綜合損益表中所示的所得稅為：

		2006 二零零六年	2005 二零零五年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Current tax – Hong Kong Profits Tax	本年稅項 – 香港利得稅		
Provision for the year	本年稅項準備	4,970	8,449
Over-provision in respect of prior years	以往年度過剩撥備	(517)	(1,290)
		<u>4,453</u>	<u>7,159</u>
Current tax – Overseas	本年稅項 – 海外		
Tax for the year	本年稅項	1,216	–
Under/(over)-provision in respect of prior years	以往年度撥備不足/ (過剩)	534	(24)
		<u>1,750</u>	<u>(24)</u>
Deferred tax	遞延所得稅		
Origination and reversal of temporary differences	暫時差異的產生和撥回	4,799	(2,771)
		<u>4,799</u>	<u>(2,771)</u>
		<u><u>11,002</u></u>	<u><u>4,364</u></u>

The provision for Hong Kong Profits Tax for 2006 is calculated at 17.5% (2005: 17.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

二零零六年度香港利得稅準備是按本年度之估計應評稅溢利以17.5% (二零零五年: 17.5%) 的稅率計算。海外附屬公司稅項以相關國家適用的現行稅率計算。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

6. 綜合損益表所示的所得稅 (續)

(b) 所得稅支出和會計溢利按適用稅率計算的對賬：

		2006 二零零六年	2005 二零零五年 (Restated) (重列)
		\$'000 千元	\$'000 千元
Profit before taxation	除稅前溢利	<u>39,017</u>	<u>47,535</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	按照在相關國家獲得溢利的適用稅率計算除稅前溢利的名義稅項	5,659	4,378
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	9,184	10,692
Tax effect of non-taxable revenue	毋須計稅收入的稅項影響	(7,765)	(1,097)
Tax effect of unused tax losses not recognised	未使用而且未確認的可抵扣虧損的稅項影響	11,827	1,179
Tax effect of tax losses not previously recognised but utilised in the current year	本年度使用先前未確認可抵扣虧損之稅項影響	(1,570)	(2,700)
Tax effect of tax exempted entities	企業獲免稅優惠的稅務影響	(6,350)	(6,774)
Under/(over)-provision in respect of prior years	以往年度準備不足／(過剩)	<u>17</u>	<u>(1,314)</u>
Actual tax expense	實際稅項支出	<u>11,002</u>	<u>4,364</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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截至二零零六年三月三十一日止年度 (以港元計)

7. DIRECTORS' REMUNERATION

7. 董事酬金

Directors' remuneration, disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance, is as follows:

根據香港公司條例第161條之規定而須披露之董事酬金如下：

Name of director	董事姓名	Directors' fees \$'000 千元	Salaries, allowances and benefits in kind	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	2006 二零零六年 Total 合計 \$'000 千元
			薪金、津貼 及其他福利 \$'000 千元			
Executive directors						
Mr. Chan Sui Kau	陳瑞球先生	30	1,463	700	-	2,193
Mr. Chan Wing Fui Peter	陳永奎先生	30	2,496	525	60	3,111
Mr. Chan Wing Kee	陳永祺先生	30	2,470	1,050	60	3,610
Mr. Chan Wing To	陳永滔先生	30	-	375	-	405
Ms. Chan Suk Man	劉陳淑文女士	30	1,560	700	60	2,350
Mr. Chan Wing Sun Samuel	陳永燊先生	30	-	-	-	30
Ms. Chan Suk Ling Shirley	周陳淑玲女士	30	-	-	-	30
Mr. So Ying Woon Alan	蘇應垣先生	30	470	-	18	518
Mr. Chan Wing Chak David	陳永澤先生	-	99	180	-	279
Independent non-executive directors						
Mr. Leung Hok Lim	梁學灝先生	160	-	-	-	160
Mr. Wong Lam	王霖先生	60	-	-	-	60
Mr. Lin Keping	林克平先生	60	-	-	-	60
		<u>520</u>	<u>8,558</u>	<u>3,530</u>	<u>198</u>	<u>12,806</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

7. DIRECTORS' REMUNERATION (continued)

7. 董事酬金 (續)

Name of director	董事姓名	Directors' fees	Salaries, allowances and benefits			Retirement scheme contributions	2005 二零零五年 Total 合計
			in kind	Discretionary bonuses	in kind		
		\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	
Executive directors	執行董事						
Mr. Chan Sui Kau	陳瑞球先生	30	1,463	700	–	2,193	
Mr. Chan Wing Fui Peter	陳永奎先生	30	2,046	525	60	2,661	
Mr. Chan Wing Kee	陳永祺先生	30	2,470	1,050	60	3,610	
Mr. Chan Wing To	陳永滔先生	30	–	375	–	405	
Ms. Chan Suk Man	劉陳淑文女士	30	1,560	700	60	2,350	
Mr. Chan Wing Sun Samuel	陳永燊先生	30	–	–	–	30	
Ms. Chan Suk Ling Shirley	周陳淑玲女士	30	–	–	–	30	
Mr. Chan Wing Chak David	陳永澤先生	30	215	180	–	425	
Non-executive directors	非執行董事						
Mr. Yeung Wing Tak	楊永德先生	30	–	–	–	30	
Independent non-executive directors	獨立非執行董事						
Mr. Leung Hok Lim	梁學濂先生	120	–	–	–	120	
Mr. Wong Lam	王霖先生	50	–	–	–	50	
Mr. Lin Keping	林克平先生	50	–	–	–	50	
		<u>490</u>	<u>7,754</u>	<u>3,530</u>	<u>180</u>	<u>11,954</u>	

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, five (2005: four) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining one for the year ended 31st March, 2005 are as follows:

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	—	1,130
Discretionary bonuses	酌情花紅	—	600
Retirement scheme contributions	退休計劃供款	—	51
		<u>—</u>	<u>1,781</u>

The emoluments of the one individual for the year ended 31st March, 2005 with the highest emoluments are within the following band:

		2006 二零零六年 Number of individuals 人數	2005 二零零五年 Number of individuals 人數
\$1,500,001 – \$2,000,000	1,500,001元 – 2,000,000元	—	1

9. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of \$47,508,000 (2005(restated): \$66,007,000) which has been dealt with in the financial statements of the Company (note 32(b)).

8. 最高酬金人士

五位最高酬金人士中，五位（二零零五年：四位）為本公司董事，彼等酬金之分析見上文附註7。截至二零零五年三月三十一日止年度內應付予餘下一名人士之酬金總額如下：

截至二零零五年三月三十一日止年度內最高酬金之人士，其酬金在以下範圍內：

9. 本公司股權持有人應佔溢利

本公司股權持有人應佔綜合溢利包括一筆已列入本公司財務報表的溢利47,508,000元（二零零五年（重列）：66,007,000元）（附註32(b)）。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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10. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Interim dividend declared and paid of \$Nil (2005: \$0.02 per share)	並未宣派及支付中期股息 (二零零五：每股0.02元)	-	4,207
Final dividend proposed after the balance sheet date of \$0.08 (2005: \$0.08) per share	於結算日後建議派發 末期股息每股0.08元 (二零零五年：每股0.08元)	<u>16,829</u>	<u>16,829</u>
		<u><u>16,829</u></u>	<u><u>21,036</u></u>

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

於結算日後建議分派的末期股息尚未在結算日確認為負債。

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year of \$0.08 (2005: \$0.09) per share	屬於上一財政年度，並於 本年度核准及支付末期 股息每股0.08元 (二零零五年：每股0.09元)	<u>16,829</u>	<u>12,622</u>

10. 股息

(a) 應付本公司股權持有人本年度股息

(b) 應付本公司股權持有人屬於上一財政年度，並於本年度核准及支付的股息

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11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$25,275,000 (2005(restated) : \$39,195,000) and the weighted average of 210,369,000 shares (2005: 175,326,000 shares) in issue during the year.

(b) Diluted earnings per share

The diluted earnings per share is not presented as there were no dilutive potential ordinary shares in existence during the years ended 31st March, 2005 and 2006.

12. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because it is more relevant to the Group's internal financial reporting. Geographical segment information has been chosen as the secondary reporting format.

Business segments

The Group comprises the following main business segments:

- Manufacture and sale of garments: the manufacture, retail and wholesale of garments
- Manufacture and sale of textiles: the manufacture and wholesale of textiles

11. 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據應撥歸於本公司股權持有人應佔溢利25,275,000元(二零零五年(重列): 39,195,000元)及年內已發行股份之加權平均數210,369,000股(二零零五年: 175,326,000股)計算。

(b) 每股攤薄盈利

截至二零零五年及二零零六年三月三十一日止年度,本公司並無具有潛在攤薄能力之普通股;因此,攤薄後每股盈利並無予以呈報。

12. 分部報告

分部資料乃按本集團之業務及地區分部呈列。業務分部資料獲選用作為主要呈報方式,蓋因業務分部資料較切合本集團之內部財務報告。地區分部資料則獲選用作為次要呈報方式。

業務分部

本集團由下列主要業務分部組成:

- 製造及銷售成衣: 製造、零售及批發成衣
- 製造及銷售紡織品: 製造及批發紡織品

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截至二零零六年三月三十一日止年度 (以港元計)

12. SEGMENT REPORTING (continued)

12. 分部報告 (續)

Business segments (continued)

業務分部 (續)

		Manufacture and sale of garments 製造及銷售成衣		Manufacture and sale of textiles 製造及銷售紡織品		Others 其他		Unallocated 未分類		Consolidated 綜合總額	
		2006 二零零六年	2005 二零零五年 (Restated) (重列)	2006 二零零六年	2005 二零零五年 (Restated) (重列)	2006 二零零六年	2005 二零零五年 (Restated) (重列)	2006 二零零六年	2005 二零零五年 (Restated) (重列)	2006 二零零六年	2005 二零零五年 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Revenue from external customer	來自外界客戶的收入	1,361,372	1,397,110	232,337	263,189	7,272	5,536	-	-	1,600,981	1,665,835
Other revenue	其他收入	10,894	4,396	351	19	804	804	868	3,067	12,917	8,286
Total revenue	收入總額	<u>1,372,266</u>	<u>1,401,506</u>	<u>232,688</u>	<u>263,208</u>	<u>8,076</u>	<u>6,340</u>	<u>868</u>	<u>3,067</u>	<u>1,613,898</u>	<u>1,674,121</u>
Segment result	分部經營結果	22,788	30,682	37,455	36,461	4,167	2,978	868	3,067	65,278	73,188
Finance costs	融資成本									(40,848)	(31,800)
Share of profits less losses of associates and jointly controlled entities	應佔聯營公司及合營公司溢利減虧損	1,028	940	45,266	2,600	(2,201)	(3,573)	-	-	44,093	(33)
Gain on disposal of subsidiaries	出售附屬公司收益									960	-
Loss on disposal of associates	出售聯營公司虧損									(39,272)	-
Impairment of an associate	一家聯營公司減值									(14,493)	-
Net valuation gains on investment properties	投資物業估值收益									23,299	6,180
Income tax	所得稅									(11,002)	(4,364)
Profit for the year	本年度溢利									<u>28,015</u>	<u>43,171</u>
Depreciation and amortisation for the year	年度內折舊及攤銷	27,505	32,381	24,804	24,327	1,409	783	-	-	53,718	57,491
Impairment of positive goodwill	正商譽減值	2,177	-	-	-	-	-	-	-	2,177	-
Segment assets	分部資產	669,864	646,272	-	432,209	189,686	104,351	-	-	859,550	1,182,832
Interest in associates and jointly controlled entities	於聯營公司及合營公司權益	10,221	24,951	281,788	67,736	4,589	154,225	-	-	296,598	246,912
Unallocated assets	未分類資產									76,863	18,510
Total assets	資產總值									<u>1,233,011</u>	<u>1,448,254</u>
Segment liabilities	分部負債	337,139	393,930	-	4,849	58	43	-	-	337,197	398,822
Unallocated liabilities	未分類負債									312,199	465,635
Total liabilities	負債總額									<u>649,396</u>	<u>864,457</u>
Capital expenditure incurred during the year	年度內資本開支	12,313	30,807	509,323	14,848	6,372	16,055	-	-	528,008	61,710

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12. SEGMENT REPORTING (continued)

Geographical segments

The Group's business is managed on a worldwide basis, but participates in four principal economic environments.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

12. 分部報告 (續)

地區分部

本集團的業務遍及世界各地，可劃分為四個主要的經濟環境經營。

在呈述地區分部信息時，分部收入是以客戶的所在地為計算基準。分部資產及資本開支則以資產的所在地為計算基準。

		Revenue from external customers 來自外界客戶的收入	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
- Europe	- 歐洲		
United Kingdom	英國	275,996	186,242
France	法國	202,587	244,358
Other European countries	其他歐洲國家	437,627	316,402
- North America	- 北美洲	224,575	398,056
- Asia Pacific	- 亞太地區	438,364	502,980
- Others	- 其他	21,832	17,797
		<u>1,600,981</u>	<u>1,665,835</u>

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12. SEGMENT REPORTING (continued)

12. 分部報告 (續)

Geographical segments (continued)

地區分部 (續)

		Segment assets 分部資料		Capital expenditure incurred during the year 年度內資本開支	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
- Hong Kong	- 香港	434,991	315,593	237,395	19,187
- The People's Republic of China	- 中國	239,396	677,079	288,807	35,948
- South East Asia	- 東南亞	46,754	68,287	1,338	765
- Europe	- 歐洲	134,777	119,407	468	5,161
- Others	- 其他	3,632	2,466	-	649
		<u>859,550</u>	<u>1,182,832</u>	<u>528,008</u>	<u>61,710</u>

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13. FIXED ASSETS

13. 固定資產

(a) The Group

(a) 本集團

		Land and buildings held for own use	Plant and machinery	Other fixed assets	Sub-total	Investment properties	Interests in leasehold land held for own use under operating leases	Total
		持作自用的 土地及樓宇	廠房 及機器	其他 固定資產	小計	投資物業	租賃之自用 租賃土地	合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Cost or valuation:	成本或估值：							
At 1st April, 2004 (restated)	於二零零四年 四月一日 (重列)	211,958	511,208	106,643	829,809	28,001	16,379	874,189
Exchange adjustments	匯兌調整	862	591	642	2,095	-	-	2,095
Transfer from construction in progress (note 14)	轉撥自在建工程 (附註14)	18,969	7,949	1,710	28,628	-	-	28,628
Additions	增置	4,574	4,751	10,320	19,645	8,217	-	27,862
Disposals	出售	-	(23,511)	(10,248)	(33,759)	-	-	(33,759)
Reclassification	重新分類	(11,391)	-	-	(11,391)	8,911	-	(2,480)
Surplus on revaluation	重估盈餘	-	-	-	-	6,180	-	6,180
At 31st March, 2005 (restated)	於二零零五年三月 三十一日 (重列)	224,972	500,988	109,067	835,027	51,309	16,379	902,715
Representing:	代表：							
Cost	成本	185,101	500,988	109,067	795,156	-	16,379	811,535
Valuation - 1988	估值 - 一九八八年	39,871	-	-	39,871	-	-	39,871
- 2005	- 二零零五年	-	-	-	-	51,309	-	51,309
		224,972	500,988	109,067	835,027	51,309	16,379	902,715

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13. FIXED ASSETS (continued)

13. 固定資產 (續)

(a) The Group (continued)

(a) 本集團 (續)

		Land and buildings held for own use	Plant and machinery	Other fixed assets	Sub-total	Investment properties	Interests in leasehold land held for own use under operating leases 持作經營 租賃之自用 租賃土地	Total
		持作自用的 土地及樓宇	廠房 及機器	其他 固定資產	小計	投資物業	租賃土地	合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Cost or valuation:	成本或估值：							
At 1st April, 2005 (restated)	於二零零五年 四月一日 (重列)	224,972	500,988	109,067	835,027	51,309	16,379	902,715
Exchange adjustments	匯兌調整	2,719	11,532	127	14,378	598	244	15,220
Transfer from construction in progress (note 14)	轉撥自在建工程 (附註14)	-	21,994	392	22,386	-	-	22,386
Additions	增置	-	6,268	10,507	16,775	-	3,146	19,921
Disposals	出售							
- through disposal of subsidiaries	- 透過出售 附屬公司	(103,048)	(351,685)	(7,836)	(462,569)	-	(11,244)	(473,813)
- others	- 其他	-	(1,886)	(4,722)	(6,608)	-	-	(6,608)
Reclassification	重新分類	(2,847)	-	-	(2,847)	4,432	-	1,585
Surplus on revaluation	重估盈餘	-	-	-	-	23,299	-	23,299
At 31st March, 2006	於二零零六年三月三十一日	121,796	187,211	107,535	416,542	79,638	8,525	504,705
Representing:	代表：							
Cost	成本	84,772	187,211	107,535	379,518	-	8,525	388,043
Valuation - 1988	估值 - 一九八八年	37,024	-	-	37,024	-	-	37,024
- 2006	- 二零零六年	-	-	-	-	79,638	-	79,638
		121,796	187,211	107,535	416,542	79,638	8,525	504,705

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13. FIXED ASSETS (continued)

13. 固定資產 (續)

(a) The Group (continued)

(a) 本集團 (續)

		Land and buildings held for own use	Plant and machinery	Other fixed assets	Sub-total	Investment properties	Interests in leasehold land held for own use under operating leases	Total
		持作自用的 土地及樓宇	廠房 及機器	其他 固定資產	小計	投資物業	租賃之自用 租賃土地	合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Accumulated amortisation and depreciation:	累計攤銷 及折舊:							
At 1st April, 2004 (restated)	於二零零四年 四月一日 (重列)	50,982	148,742	75,687	275,411	-	1,024	276,435
Exchange adjustments	匯兌調整	523	127	416	1,066	-	-	1,066
Charge for the year	本年度攤銷及折舊	6,732	37,025	7,077	50,834	-	335	51,169
Reclassification	重新分類	(2,480)	-	-	(2,480)	-	-	(2,480)
Written back on disposals	出售時撥回	-	(13,577)	(9,267)	(22,844)	-	-	(22,844)
		<u>55,757</u>	<u>172,317</u>	<u>73,913</u>	<u>301,987</u>	<u>-</u>	<u>1,359</u>	<u>303,346</u>
At 31st March, 2005 (restated)	於二零零五年三月 三十一日 (重列)							
At 1st April, 2005 (restated)	於二零零五年 四月一日 (重列)	55,757	172,317	73,913	301,987	-	1,359	303,346
Exchange adjustments	匯兌調整	(59)	3,343	96	3,380	-	22	3,402
Charge for the year	本年度攤銷及折舊	6,713	34,731	10,213	51,657	-	336	51,993
Reclassification	重新分類	(655)	-	-	(655)	-	-	(655)
Written back on disposals	出售時撥回							
- through disposal of subsidiaries	- 透過出售附屬 公司	(5,976)	(63,900)	(1,074)	(70,950)	-	(432)	(71,382)
- others	- 其他	-	(1,635)	(4,698)	(6,333)	-	-	(6,333)
		<u>55,780</u>	<u>144,856</u>	<u>78,450</u>	<u>279,086</u>	<u>-</u>	<u>1,285</u>	<u>280,371</u>
At 31st March, 2006	於二零零六年 三月三十一日							
Net book value:	賬面淨值:							
At 31st March, 2006	於二零零六年 三月三十一日	<u>66,016</u>	<u>42,355</u>	<u>29,085</u>	<u>137,456</u>	<u>79,638</u>	<u>7,240</u>	<u>224,334</u>
At 31st March, 2005 (restated)	於二零零五年 三月三十一日 (重列)	<u>169,215</u>	<u>328,671</u>	<u>35,154</u>	<u>533,040</u>	<u>51,309</u>	<u>15,020</u>	<u>599,369</u>

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13. FIXED ASSETS (continued)

(b) The Company

13. 固定資產 (續)

(b) 本公司

		Land and buildings held for own use 持作自用的 土地及樓宇 \$'000 千元	Plant and machinery 廠房 及機器 \$'000 千元	Other fixed assets 其他 固定資產 \$'000 千元	Sub-total 小計 \$'000 千元	Investment properties 投資物業 \$'000 千元	Total 合計 \$'000 千元
Cost or valuation:	成本或估值：						
At 1st April, 2004 (restated)	於二零零四年 四月一日 (重列)	47,068	21,652	50,311	119,031	44,455	163,486
Additions	增置	-	1,309	491	1,800	-	1,800
Disposals	出售	-	(3,892)	(316)	(4,208)	-	(4,208)
Reclassification	重新分類	(11,391)	-	-	(11,391)	8,911	(2,480)
Surplus on revaluation	重估盈餘	-	-	-	-	3,950	3,950
At 31st March, 2005 (restated)	於二零零五年三月 三十一日 (重列)	35,677	19,069	50,486	105,232	57,316	162,548
Representing:	代表：						
Cost	成本	5,939	19,069	50,486	75,494	-	75,494
Valuation - 1988 - 2005	估值 - 一九八八年 - 二零零五年	29,738	-	-	29,738	-	29,738
		-	-	-	-	57,316	57,316
		35,677	19,069	50,486	105,232	57,316	162,548
At 1st April, 2005 (restated)	於二零零五年 四月一日 (重列)	35,677	19,069	50,486	105,232	57,316	162,548
Additions	增置	-	167	832	999	-	999
Disposals	出售	-	(3,692)	(3,031)	(6,723)	-	(6,723)
Reclassification	重新分類	(2,847)	-	-	(2,847)	4,432	1,585
Surplus on revaluation	重估盈餘	-	-	-	-	31,408	31,408
At 31st March, 2006	於二零零六年 三月三十一日	32,830	15,544	48,287	96,661	93,156	189,817
Representing:	代表：						
Cost	成本	5,939	15,544	48,287	69,770	-	69,770
Valuation - 1988 - 2006	估值 - 一九八八年 - 二零零六年	26,891	-	-	26,891	-	26,891
		-	-	-	-	93,156	93,156
		32,830	15,544	48,287	96,661	93,156	189,817

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13. FIXED ASSETS (continued)

13. 固定資產 (續)

(b) The Company (continued)

(b) 本公司 (續)

		Land and buildings held for own use 持作自用的 土地及樓宇	Plant and machinery 廠房 及機器	Other fixed assets 其他 固定資產	Sub-total	Investment properties 投資物業	Total 合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Accumulated amortisation and depreciation:	累計攤銷及折舊：						
At 1st April, 2004 (restated)	於二零零四年 四月一日 (重列)	11,807	19,458	40,275	71,540	-	71,540
Charge for the year	本年度攤銷及折舊	813	1,019	2,409	4,241	-	4,241
Reclassification	重新分類	(2,480)	-	-	(2,480)	-	(2,480)
Written back on disposals	出售時撥回	-	(2,276)	(307)	(2,583)	-	(2,583)
At 31st March, 2005 (restated)	於二零零五年三月 三十一日 (重列)	10,140	18,201	42,377	70,718	-	70,718
At 1st April, 2005 (restated)	於二零零五年 四月一日 (重列)	10,140	18,201	42,377	70,718	-	70,718
Charge for the year	本年度攤銷及折舊	671	246	1,990	2,907	-	2,907
Reclassification	重新分類	(655)	-	-	(655)	-	(655)
Written back on disposals	出售時撥回	-	(3,484)	(3,031)	(6,515)	-	(6,515)
At 31st March, 2006	於二零零六年 三月三十一日	10,156	14,963	41,336	66,455	-	66,455
Net book value:	賬面淨值：						
At 31st March, 2006	於二零零六年 三月三十一日	<u>22,674</u>	<u>581</u>	<u>6,951</u>	<u>30,206</u>	<u>93,156</u>	<u>123,362</u>
At 31st March, 2005 (restated)	於二零零五年 三月三十一日 (重列)	<u>25,537</u>	<u>868</u>	<u>8,109</u>	<u>34,514</u>	<u>57,316</u>	<u>91,830</u>

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13. FIXED ASSETS (continued)

(c) All investment properties of the Group were revalued at 31st March, 2006 on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. The valuations were carried out by independent firms of surveyors, Knight Frank Petty Limited, Vigers Appraisal and Consulting Limited and RHL Appraisal Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of the properties being valued.

(d) The analysis of net book value of properties is as follows:

13. 固定資產 (續)

(c) 本集團的投資物業按租金收入淨額並且考慮到物業市場潛在租金變化作為計算公開市值的評估基準重估。並經由獨立測量師行卓德萊坊測計師行有限公司, 威格斯資產評估顧問有限公司及永利行評值顧問有限公司作出估值, 該等測量師行之職員為香港測量師學會資深會員, 對近期所估值物業之地點及類別具備豐富經驗。

(d) 物業之賬面淨值分析如下:

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年 (Restated) (重列)	2006 二零零六年	2005 二零零五年 (Restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Long term leases	長期租約				
– outside Hong Kong	– 香港以外地區	19,454	126,561	229	229
Medium term leases	中期租約				
– in Hong Kong	– 香港	64,532	50,794	84,815	62,710
– outside Hong Kong	– 香港以外地區	38,123	38,277	–	–
Freehold	永久業權				
– outside Hong Kong	– 香港以外地區	30,785	19,912	30,786	19,914
		<u>152,894</u>	<u>235,544</u>	<u>115,830</u>	<u>82,853</u>
Representing:	代表:				
Land and buildings	土地及樓宇	66,016	169,215	22,674	25,537
Investment properties	投資物業	79,638	51,309	93,156	57,316
		145,654	220,524	115,830	82,853
Interests in leasehold land held for own use under operating leases	持作經營租賃之自用租賃土地	7,240	15,020	–	–
		<u>152,894</u>	<u>235,544</u>	<u>115,830</u>	<u>82,853</u>

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13. FIXED ASSETS (continued)

- (e) The Group and the Company leases out investment properties under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The gross carrying amounts of investment properties of the Group and the Company held for use in operating leases were \$79,638,000 and \$93,156,000 respectively (2005 (restated): \$51,309,000 and \$57,316,000 respectively).

All properties held under operating leases that would otherwise meet the definition of an investment property are classified as investment properties.

- (f) The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

13. 固定資產 (續)

- (e) 本集團及本公司以經營租賃合約出租投資物業。租賃合約初期一般為一年至三年，並且有權選擇在約滿後續約，屆時所有租約條款均重新協議。所有租賃合約並不包括或有租金。

本集團及本公司持作經營租賃的投資物業總賬面值分別為79,638,000元及93,156,000元(二零零五年(重列):分別為51,309,000元及57,316,000元)。

所有符合投資物業定義以經營租賃持有的物業分類為投資物業。

- (f) 本集團根據不可解除的經營租賃在日後應收的最低租賃付款額總數如下:

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Within 1 year	一年內	8,329	3,082
After 1 year but within 5 years	一年後但五年內	2,915	1,679
		<u>11,244</u>	<u>4,761</u>

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14. CONSTRUCTION IN PROGRESS

14. 在建工程

		The Group 本集團	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
At 1st April	於四月一日	877	18,508
Exchange adjustments	匯兌調整	27	20
Additions	增置	276,754	10,977
Transfer to fixed assets (note 13(a))	轉撥往固定資產 (附註13(a))	(22,386)	(28,628)
Reduction through disposal of subsidiaries	透過出售附屬公司 減少	(255,246)	-
At 31st March	於三月三十一日	<u>26</u>	<u>877</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

15. INTANGIBLE ASSETS

15. 無形資產

		The Group 本集團		The Company 本公司	
		Club debentures 會籍 \$'000 千元	Brand names 品牌 \$'000 千元	Total 合計 \$'000 千元	Club debentures 會籍 \$'000 千元
Costs:	成本：				
At 1st April, 2004	於二零零四年 四月一日	2,874	5,231	8,105	2,384
Exchange adjustments	匯兌調整	—	325	325	—
At 31st March, 2005	於二零零五年 三月三十一日	2,874	5,556	8,430	2,384
At 1st April, 2005	於二零零五年 四月一日	2,874	5,556	8,430	2,384
Exchange adjustments	匯兌調整	—	(386)	(386)	—
At 31st March, 2006	於二零零六年 三月三十一日	2,874	5,170	8,044	2,384
Accumulated amortisation:	累計攤銷：				
At 1st April, 2004	於二零零四年 四月一日	—	(1,753)	(1,753)	—
Exchange adjustments	匯兌調整	—	(100)	(100)	—
Charge for the year	本年度攤銷	—	(1,851)	(1,851)	—
At 31st March, 2005	於二零零五年 三月三十一日	—	(3,704)	(3,704)	—
At 1st April, 2005	於二零零五年 四月一日	—	(3,704)	(3,704)	—
Exchange adjustments	匯兌調整	—	259	259	—
Charge for the year	本年度攤銷	—	(1,725)	(1,725)	—
At 31st March, 2006	於二零零六年 三月三十一日	—	(5,170)	(5,170)	—
Net book value:	賬面淨值：				
At 31st March, 2006	於二零零六年 三月三十一日	2,874	—	2,874	2,384
At 31st March, 2005	於二零零五年 三月三十一日	2,874	1,852	4,726	2,384

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

15. INTANGIBLE ASSETS (continued)

Club debentures represent the rights to use the club facilities over an indefinite period of time.

Brand names represent the cost of purchase of the right to brand names from an independent third party. The cost is being amortised over an estimated useful life of three years. The amortisation charge for the year is included in "other operating expenses" in the consolidated income statement.

15. 無形資產 (續)

會籍指於不限期時間內使用會所設施之權利。

品牌指向一名獨立第三方購買品牌權利之成本。該成本乃按三年之估計可使用年期內攤銷。年度攤銷支出列於綜合損益表中「其他經營費用」。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

16. GOODWILL

16. 商譽

		Positive goodwill 正商譽 \$'000 千元	Negative goodwill 負商譽 \$'000 千元	Total 合計 \$'000 千元
Costs:	成本：			
At 1st April, 2004	於二零零四年四月一日	15,928	(13,082)	2,846
Written off on deconsolidation of subsidiaries	於不再綜合計算附屬 公司時沖銷	(10,390)	-	(10,390)
At 31st March, 2005	於二零零五年三月三十一日	5,538	(13,082)	(7,544)
At 1st April, 2005	於二零零五年四月一日	5,538	(13,082)	(7,544)
Opening balance adjustments to - eliminate accumulated amortisation	期初結餘調整 - 沖銷累計攤銷	(3,361)	-	(3,361)
- derecognise negative goodwill against retained profits	- 於保留溢利中終止確認 負商譽	-	13,082	13,082
At 1st April, 2005 (as restated) and at 31st March, 2006	於二零零五年四月一日 (重列) 及二零零六年三月三十一日	2,177	-	2,177
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：			
At 1st April, 2004	於二零零四年四月一日	7,229	(2,266)	4,963
Amortisation for the year	本年度攤銷	6,522	(2,051)	4,471
Written off on deconsolidation of subsidiaries	於不再綜合計算附屬 公司時沖銷	(10,390)	-	(10,390)
At 31st March, 2005	於二零零五年三月三十一日	3,361	(4,317)	(956)
At 1st April, 2005	於二零零五年四月一日	3,361	(4,317)	(956)
Opening balance adjustments to - eliminate against cost	期初結餘調整 - 沖銷成本	(3,361)	-	(3,361)
- derecognise the accumulated amortisation of negative goodwill	- 不予確認累計 負商譽攤銷	-	4,317	4,317
Impairment loss	減值虧損	2,177	-	2,177
At 31st March, 2006	於二零零六年三月三十一日	2,177	-	2,177
Carrying amount:	賬面金額：			
At 31st March, 2006	於二零零六年三月三十一日	-	-	-
At 31st March, 2005	於二零零五年三月三十一日	2,177	(8,765)	(6,588)

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

16. GOODWILL (continued)

Prior to 1st April, 2005, positive goodwill was amortised to the income statement on a straight line basis over three years. Negative goodwill was recognised as income on a straight line basis over four to eight years. The amortisation of positive and negative goodwill for the year ended 31st March, 2005 was included in "other operating expenses" in the consolidated income statement.

As explained further in note 2, with effect from 1st April, 2005 the Group no longer amortises goodwill. In accordance with the transitional provisions set out in HKFRS 3, the accumulated amortisation of positive goodwill as at 1st April, 2005 has been eliminated against the cost of positive goodwill as at that date. Negative goodwill as at 1st April, 2005 has been derecognised with a corresponding adjustment to the opening balance of retained profits as at that date.

17. INTEREST IN SUBSIDIARIES

Unlisted shares, at cost
Amounts due from subsidiaries

Less: Impairment loss

非上市股份，按成本
應收附屬公司款項

減：減值虧損

16. 商譽 (續)

於二零零五年四月一日以前，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。截至二零零五年三月三十一日止年度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。

如附註2進一步詳述，於二零零五年四月一日起，本集團不再攤銷商譽。根據香港財務報告準則第3號載列之過渡條文，於二零零五年四月一日之正商譽累計攤銷已與當日之正商譽成本對銷。於二零零五年四月一日之負商譽已取消確認，並對當日之保留溢利期初結餘作出相應調整。

17. 附屬公司權益

The Company
本公司

2006 二零零六年	2005 二零零五年
\$'000 千元	\$'000 千元
64,123	64,122
195,847	332,022
259,970	396,144
(6,500)	(6,500)
<u>253,470</u>	<u>389,644</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

17. INTEREST IN SUBSIDIARIES (continued)

Balances with subsidiaries are unsecured, not expected to be repayable within one year of the balance sheet date and are analysed as follows:

Amounts due from subsidiaries:	應收附屬公司款項：
Interest free	不帶利息
Interest bearing at Hong Kong Prime Rate	以香港最優惠利率計算利息

Details of principal subsidiaries at 31st March, 2006 are set out on pages 154 to 155.

17. 附屬公司權益(續)

附屬公司所欠款項是沒有抵押，但預期於結算日一年內不會償還，並分析如下：

The Company 本公司	
2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
150,358	282,552
45,489	49,470
195,847	332,022

於二零零六年三月三十一日主要附屬公司之資料載於第154頁至155頁。

18. INTEREST IN ASSOCIATES

Unlisted shares, at cost	非上市股本，按成本
Share of net assets	應佔資產淨值
Negative goodwill	負商譽
Less: Impairment loss	減：減值虧損

The Group 本集團		The Company 本公司	
2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
-	-	22,881	22,881
14,810	272,327	-	-
-	(25,415)	-	-
14,810	246,912	22,881	22,881
-	-	(12,445)	(516)
14,810	246,912	10,436	22,365

18. 聯營公司權益

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

18. INTEREST IN ASSOCIATES (continued)

Prior to 1st April, 2005, negative goodwill arising on the acquisition of associates was amortised over the remaining weighted average useful life of the identifiable acquired depreciable assets. The calculation of the negative goodwill was based on the Group's share of the fair value of the identifiable assets and liabilities acquired as determined by the directors. In accordance with the transitional provisions set out in HKFRS 3, negative goodwill as at 1st April, 2005 has been derecognised with a corresponding adjustment to the opening balance of retained profits as at that date.

Details of the principal associates at 31st March, 2006 are set out on page 156.

Summary financial information on associates

		Assets	Liabilities	Equity	Revenue	Profit/(loss)
		資產	負債	權益	收入	溢利/ 虧損
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
2006	二零零六年					
100 per cent	百分之一百	71,708	32,441	39,267	70,953	763
Group's effective interest	本集團實際權益	<u>26,904</u>	<u>12,094</u>	<u>14,810</u>	<u>27,647</u>	<u>(6)</u>
2005	二零零五年					
100 per cent	百分之一百	1,959,132	1,142,016	817,116	1,940,349	(23,897)
Group's effective interest	本集團實際權益	<u>662,773</u>	<u>390,446</u>	<u>272,327</u>	<u>670,480</u>	<u>(8,504)</u>

During the year, the Group disposed of certain associates to an independent third party and Wuxi Talak Investment Co., Ltd., a jointly controlled entity of the Group, for an aggregate consideration of \$123,570,000, resulting in a loss on disposal of \$39,272,000.

18. 聯營公司權益 (續)

於二零零五年四月一日前，因收購聯營公司產生之負商譽在已識別被收購可予折舊資產之餘下加權平均可使用年期內攤銷。負商譽為根據由董事釐定之本集團應佔所收購已識別資產及負債之公平值計算。根據香港財務報告準則第3號載列之過渡條文，於二零零五年四月一日之負商譽已取消確認，並對當日之保留溢利期初結餘作出相應調整。

於二零零六年三月三十一日主要聯營公司之資料載於第156頁。

聯營公司財務資料概要

於年內，本集團出售某幾家聯營公司予一獨立第三者及無錫長聯投資有限公司(本集團之一家合營公司)，總代價為123,570,000元，導致本集團錄得39,272,000元之出售聯營公司虧損。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

19. INTEREST IN JOINTLY CONTROLLED ENTITIES

19. 合營公司權益

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Unlisted shares, at cost	非上市股份， 按成本	-	-	230,818	-
Share of net assets	應佔資產淨值	281,788	-	-	-
		281,788	-	230,818	-

Details of the Group's interest in jointly controlled entities are set out on pages 157 to 158.

本集團於合營公司權益之資料載於第157頁至158頁。

Summary financial information on the jointly controlled entities – Group's effective interest:

合營公司財務資料概要 – 本集團實際權益：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Non-current assets	非流動資產	554,732	-
Current assets	流動資產	345,739	-
Current liabilities	流動負債	(420,584)	-
Non-current liabilities	非流動負債	(198,099)	-
Net assets	淨資產	281,788	-
Income	收入	40,619	-
Expenses	支出	-	-
Profit for the year	本年度溢利	40,619	-

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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截至二零零六年三月三十一日止年度 (以港元計)

19. INTEREST IN JOINTLY CONTROLLED ENTITIES (continued)

As at 31st March, 2006, the consolidated financial statements of the jointly controlled entity reported net current liabilities of approximately RMB158,000,000. The consolidated financial statements of the jointly controlled entity have been prepared in accordance with the going concern basis, on the basis that (i) Wuxi No.1, Cotton Mill, a wholly owned subsidiary of one of the investors in the jointly controlled entity, has undertaken to provide such continuing financial support to the jointly controlled entity and its subsidiaries as may be necessary to enable them to operate as going concerns and meet their liabilities as they fall due for the foreseeable future; (ii) the jointly controlled entity and its subsidiaries will be able to obtain continued support from their bankers and, upon request, the bank loans due in the next twelve months can be successfully renewed. The directors of the jointly controlled entity believe that, if necessary, additional banking facilities will be provided by the bankers for the foreseeable future to enable the jointly controlled entity and its subsidiaries to meet their day-to-day commitments as and when they fall due. If the jointly controlled entity and its subsidiaries were unable to continue operating as going concerns and, accordingly, the adoption of the going concern basis in the preparation of the consolidated financial statements of the jointly controlled entity was not appropriate, adjustments would have to be made to the consolidated financial statements of the jointly controlled entity to restate the value of assets to their realisable values, and to provide for further liabilities which might arise.

The Group's share of the net assets of the jointly controlled entity as at 31st March, 2006 includes an amount of \$12,118,000 which represents the unrealised losses on disposal of certain associates and subsidiaries to Wuxi Talak Investment Co., Ltd. by the Group during the year. Such unrealised losses have been accounted for to the extent that they have been retained within the Group.

The profit of the jointly controlled entity for the year attributable to the Group represents principally the Group's share of negative goodwill arising upon consolidation of Wuxi Talak Investment Co., Ltd. which has been recognised in the income statement of the jointly controlled entity.

19. 合營公司權益 (續)

於二零零六年三月三十一日，合營公司之綜合財務報表之流動負債淨值約為人民幣158,000,000元。合營公司之綜合財務報表已根據持續經營基準編製，原因為(i)合營公司的其中一個投資者的全資附屬公司－無錫市第一棉紡織廠已承諾於必需之情況，向合營公司及其附屬公司繼續提供財務支援，以便合營公司及其附屬公司可繼續按持續經營基準經營，並於可見將來償還到期應付之負債；(ii)合營公司及其附屬公司有從其銀行處取得持續的財務支持，並能依據合營公司的要求，為其持有而將於未來十二個月內到期的貸款提供展期。合營公司董事相信，如需要，其銀行願意向合營公司及其附屬公司提供財務支援以滿足合營公司及其附屬公司日常經營及用於償還到期應付之負債之需要。倘任何合營公司及其附屬公司未能按持續經營基準經營，採納持續經營基準編製合營公司之綜合財務報表則屬不當，則須對合營公司之綜合財務報表作出調整，以便將資產之價值重列為可變現價值，並就可能產生之任何進一步負債作出撥備。

本集團應佔於二零零六年三月三十一日之合營公司淨資產包括一筆12,118,000元之款額，該款額為年內本集團出售若干聯營公司及附屬公司予無錫長聯投資有限公司(本集團之一合營公司)之未變現虧損。該等未變現虧損已按本集團保留之部份為限入賬。

本集團應佔年度合營公司溢利主要為本集團應佔於綜合無錫長聯投資有限公司賬目時產生之負商譽，該負商譽已於合營公司之損益表確認。

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截至二零零六年三月三十一日止年度 (以港元計)

20. OTHER FINANCIAL ASSETS

20. 其他金融資產

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Available-for-sale equity securities:	可供出售股本權益				
– Unlisted	– 非上市	895	895	895	895
– Listed outside Hong Kong, at market value	– 香港以外上市，按市值	3,443	558	558	558
Loans receivable	應收貸款	4,676	6,333	4,676	6,333
		<u>9,014</u>	<u>7,786</u>	<u>6,129</u>	<u>7,786</u>

The loans receivable represent the consideration received from the disposal of subsidiaries during the year ended 31st March, 2004. The total loans receivable are interest bearing at 3% per annum on the principal outstanding. At 31st March, 2006, the loans receivable were repayable as follows:

應收貸款為於二零零四年三月三十一日止年度出售附屬公司收取之代價。應收貸款總額以年利率3%計算利息。於二零零六年三月三十一日，應收貸款之還款期如下：

		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Within 1 year (note 22)	於年內 (附註22)	1,680	1,693
After 1 year but within 2 years	一年後但兩年內	1,680	1,693
After 2 years but within 5 years	兩年後但五年內	2,996	4,640
		<u>4,676</u>	<u>6,333</u>
		<u>6,356</u>	<u>8,026</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

20. OTHER FINANCIAL ASSETS (continued)

The fair value of the loans receivable as at 31st March, 2006 was approximately \$5,385,000 (2005: approximately \$6,985,000).

21. INVENTORIES

(a) Inventories in the balance sheet comprise:

20. 其他金融資產 (續)

於二零零六年三月三十一日，應收貸款之公平價值約為5,385,000元(二零零五年：約6,985,000元)。

21. 存貨

(a) 存貨於資產負債表包括：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Raw materials	原材料	22,406	86,219	2,638	5,934
Work in progress	在製品	92,773	103,075	36,086	31,696
Finished goods	製成品	36,662	44,542	594	568
		<u>151,841</u>	<u>233,836</u>	<u>39,318</u>	<u>38,198</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

21. INVENTORIES (continued)

- (b) The analysis of the amount of inventories recognised as an expense is as follows:

21. 存貨 (續)

- (b) 存貨數額列作支出分析如下：

		The Group 本集團	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Carrying amount of inventories sold	存貨銷售賬面值	1,293,525	1,329,117
Write down of inventories	存貨撇減	730	1,903
Reversal of write-down of inventories	存貨撇減撥回	(6,615)	(8,909)
		<u>1,287,640</u>	<u>1,322,111</u>

The reversal of write-down of inventories made in prior years arose due to an increase in the estimated net realisable value of certain garments goods as a result of a change in consumer preferences.

撥回曾於過往年度撇減之存貨數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。

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22. TRADE AND OTHER RECEIVABLES

22. 應收賬款及其他應收款

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Trade debtors	應收賬款	111,262	101,307	21,143	17,106
Bills receivable	應收票據	174,512	61,151	102,157	24,751
Loans receivable (note 20)	應收貸款 (附註 20)	1,680	1,693	1,680	1,693
Deposits, prepayments and other debtors	訂金、預付款及其他應收款	73,565	25,072	7,187	3,689
Prepayment for investment (note 24)	投資預付款 (附註 24)	33,235	33,235	-	-
Amounts due from related companies	應收關連公司款項	7,529	8,257	-	439
Amounts due from associates	應收聯營公司款項	-	1,392	-	21
Amounts due from subsidiaries	應收附屬公司款項	-	-	142,930	76,382
Dividends receivable from associates and jointly controlled entities	應收聯營公司及合營公司股息	39,425	19,905	-	-
		441,208	252,012	275,097	124,081

Included in deposits, prepayments and other debtors as at 31st March, 2006 is an amount of \$40,061,000 which represents the sales proceeds receivable in respect of the disposal of an associate. Pursuant to the sale and purchase agreement, the amount will be settled by two instalments in September 2006 and March 2007.

Amounts due from subsidiaries totalling \$31,377,000 (2005: \$15,992,000) are interest bearing at Hong Kong Prime Rate. Except for the foregoing, all other amounts due from subsidiaries, related companies and associates are unsecured, interest-free and repayable on demand.

於二零零六年三月三十一日之訂金、預付款及其他應收款中，包括一筆出售一家聯營公司之應收出售所得款項，金額為40,061,000元。根據買賣協議，此金額將會於二零零六年九月及二零零七年三月分兩期償還。

應收附屬公司款項中共31,377,000元 (二零零五年：15,992,000元) 以香港最優惠利率計算利息。除以上所述之外，其他所有應收附屬公司、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。

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22. TRADE AND OTHER RECEIVABLES (continued)

As at 31st March, 2006, bills receivable of the Group and the Company amounting to \$98,960,000 and \$79,674,000 have been pledged to secure bank loans of \$98,960,000 and \$79,674,000 respectively. In addition, as at 31st March, 2006, trade debtors of the Group amounting to \$29,584,000 (2005: \$6,782,000) have been pledged to secure bank loans of the Group amounting to \$29,584,000 (2005: \$6,782,000).

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 impairment losses for bad and doubtful debts) with the following ageing analysis:

22. 應收賬款及其他應收款 (續)

於二零零六年三月三十一日，本集團及本公司將98,960,000元及79,674,000元之應收票據分別作為抵押98,960,000元及79,674,000元之銀行貸款擔保。此外，於二零零六年三月三十一日，本集團將29,584,000元(二零零五年：6,782,000元)之應收賬款作為抵押29,584,000元(二零零五年：6,782,000元)之銀行貸款擔保。

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有以下賬齡分析之應收賬款及應收票據(已扣除呆壞賬減值虧損)：

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
0 – 60 days	0 – 60日	266,101	154,253	122,439	41,056
61 – 90 days	61 – 90日	14,521	4,541	453	366
> 90 days	90日以上	5,152	3,664	408	435
Trade debtors and bills receivable	應收賬款及 應收票據	<u>285,774</u>	<u>162,458</u>	<u>123,300</u>	<u>41,857</u>

The Group's credit policy is set out in the note 34 (a).

本集團的信貸政策載於附註34(a)。

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22. TRADE AND OTHER RECEIVABLES (continued)

Included in trade and other receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Euros	歐羅	2,236	242	1,874	83
Pounds Sterling	英鎊	353	508	353	508
Renminbi	人民幣	84,220	22,354	1,359	813
United States Dollars	美元	18,021	13,771	9,348	4,041

23. NON-CURRENT ASSETS HELD FOR SALE

On 31st March, 2006, the Group entered into an agreement to dispose of its entire 39.12% interest in W. Haking Enterprises Limited ("W. Haking"), an associate of the Group, with one of the major shareholders of W. Haking for a consideration of \$60,000,000. The disposal is scheduled to be completed in March 2007. Accordingly, the interests in W. Haking are presented as non-current assets held for sale. Immediately before classification as non-current assets held for sale, based on the agreed disposal proceeds, the carrying amount of the interest in W. Haking was written down by \$14,493,000 to reflect the recoverable value. As at 31st March, 2006, an initial deposit of \$1,000,000 had been received and is included in other payables.

22. 應收賬款及其他應收款 (續)

應收賬款及其他應收款包括下列以相關實體的功能貨幣以外的貨幣計值的金額：

23. 持作出售非流動資產

於二零零六年三月三十一日，本集團訂立協議出售其於寶源基業有限公司（「寶源」）（本集團的聯營公司）之全部39.12%權益予寶源其中一名主要股東，總代價為60,000,000元。出售事項擬訂於二零零七年三月內完成，據此，於寶源之權益被列入持作出售非流動資產。在被分類為持作出售非流動資產前，根據商定的出售價格，於寶源之權益的賬面價值被註銷14,493,000元以反映可收回金額。於二零零六年三月三十一日，已收到首期訂金1,000,000元並記入其他應付款中。

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24. PREPAYMENT FOR INVESTMENT

On 10th July, 2004, the Board approved the entering into a joint venture agreement with three PRC parties to establish a joint venture, Qinghai Wan Zhao Ningbei Electric Corporation Limited ("Qinghai Electric"), for the purpose of developing and operating power plants in Qinghai Province, the PRC.

The registered capital of Qinghai Electric was to be RMB200,000,000 (equivalent to approximately \$188,000,000) of which the Company was required to contribute RMB70,000,000 (equivalent to approximately \$65,000,000) for its 35% interest.

Contributions to the registered capital of Qinghai Electric were to be made by all parties in stages according to their proportionate equity interests in Qinghai Electric. The first contribution to the registered capital of Qinghai Electric amounted to RMB100,000,000 (equivalent to approximately \$94,000,000). The Company contributed RMB35,000,000 (equivalent to \$33,235,000) on 16th December, 2004 in respect of its investment in Qinghai Electric. As the approval documents from the relevant PRC authorities in relation to the formal establishment of the joint venture had not been obtained as at 31st March, 2006, the contribution paid is recorded in the balance sheet as a prepayment.

Given the delay of the set up of Qinghai Electric, the Group decided to withdraw from the joint venture in April 2006. The prepayment was refunded in full on 7th April, 2006.

25. PLEDGED DEPOSITS

Pledged deposits as at 31st March, 2005 represents deposits pledged to designated banks for general banking facilities.

24. 投資預付款

於二零零四年七月十日，董事局批准與三家中國公司訂立合營企業協議成立合營企業青海萬兆寧北發電有限公司(「青海發電」)，以發展及經營青海之發電廠。

青海發電註冊資本為人民幣200,000,000元(相等於約188,000,000港元)，其中本公司將出繳人民幣70,000,000元(相等於約65,000,000港元)佔其權益35%。

訂約各方將根據應佔青海發電股本權益比例向青海發電出繳註冊資本。首批向青海發電出繳註冊資本款項總額為人民幣100,000,000元(相等於約94,000,000港元)。本公司已於二零零四年十二月十六日就青海發電投資出繳人民幣35,000,000元(相等於33,235,000港元)。於二零零六年三月三十一日，由於仍未取得中國當局批准正式成立合營企業文件，已付之出繳金額於資產負債表被記入預付款中。

鑒於青海發電延遲成立，於二零零六年四月，本集團撤回於新合營企業之投資。本集團已於二零零六年四月七日收回該筆預付款。

25. 抵押存款

於二零零五年三月三十一日，抵押存款乃存款抵押於指定銀行以用作銀行融資。

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26. CASH AND CASH EQUIVALENTS

26. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Deposits with banks	銀行存款	-	30,000	-	30,000
Cash at bank and in hand	銀行活期存款 及現金	43,820	65,269	6,932	23,944
Cash and cash equivalents in the balance sheet	於資產負債表內 之現金及 現金等價物	43,820	95,269	6,932	53,944
Bank overdrafts (note 28)	銀行透支 (附註28)	(3,950)	(4,960)		
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	39,870	90,309		

Included in cash and cash equivalents in the balance sheet are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

資產負債表所示的現金及現金等價物包括下列以相關實體的功能貨幣以外的貨幣計值的金額：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
United States Dollars	美元	407	1,227	347	1,125
Sri Lanka Rupees	斯里蘭卡盧比	2,514	-	-	-
Khmer Riels	里爾	5,021	-	-	-
Macau Patacas	葡幣	169	174	169	174
Pounds Sterling	英鎊	9	320	9	320

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27. TRADE AND OTHER PAYABLES

27. 應付賬款及其他應付款

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Trade creditors	應付賬款	137,280	127,956	45,684	40,558
Bills payable	應付票據	17,333	54,747	10,450	6,759
Accrued charges and other creditors	應計費用及 其他應付款	166,247	138,906	53,217	43,086
Amounts payable for construction in progress	應付在建工程款	-	1,413	-	-
Amounts due to related companies	應付關連公司 款項	2,877	15,928	1,077	449
Amounts due to associates and jointly controlled entities	應付聯營公司及 合營公司款項	5,467	47,984	1,837	3,293
Amount due to a shareholder	應付一股東款項	3,720	5,868	-	-
Amounts due to subsidiaries	應付附屬公司款項	-	-	85,988	11,286
		332,924	392,802	198,253	105,431

The amounts due to and advance from subsidiaries, related companies, associates and jointly controlled entities, and the shareholder are unsecured, interest-free and repayable on demand.

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

應付及借貸自附屬公司、關連公司、聯營公司及合營公司及股東款項是沒有抵押、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。

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27. 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	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
0 – 60 days	0 – 60日	118,633	168,734	47,073	44,674
61 – 90 days	61 – 90日	17,812	7,792	6,220	1,741
> 90 days	90日以上	18,168	6,177	2,841	902
Trade creditors and bills payable	應付賬款及 應付票據	<u>154,613</u>	<u>182,703</u>	<u>56,134</u>	<u>47,317</u>

Included in trade and other payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
United States Dollars	美元	3,696	6,701	3,348	3,247
Pounds Sterling	英磅	100	340	100	186
Euros	歐羅	<u>302</u>	<u>141</u>	<u>196</u>	<u>35</u>

27. 應付賬款及其他應付款 (續)

包括在應付賬款及其他應付款內有以下賬齡分析之應付賬款及應付票據：

應付賬款及其他應收款所示的包括下列以相關實體的功能貨幣以外的貨幣計值的金額：

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28. BANK LOANS AND OVERDRAFTS

At 31st March, 2006, the bank loans and overdrafts were repayable as follows:

28. 銀行貸款及透支

於二零零六年三月三十一日，銀行貸款及透支之還款期如下：

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Within 1 year or on demand	一年內或按通知	<u>232,318</u>	<u>237,778</u>	<u>118,007</u>	<u>24,167</u>
After 1 year but within 2 years	一年後但兩年內	51,765	103,843	22,500	33,333
After 2 years but within 5 years	二年後但五年內	13,205	109,145	7,500	—
After 5 years	五年後	54	758	—	—
		<u>65,024</u>	<u>213,746</u>	<u>30,000</u>	<u>33,333</u>
		<u>297,342</u>	<u>451,524</u>	<u>148,007</u>	<u>57,500</u>

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28. BANK LOANS AND OVERDRAFTS (continued)

At 31st March, 2006, the bank loans and overdrafts were secured as follows:

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Bank overdrafts	銀行透支				
– unsecured (note 26)	– 無抵押 (附註26)	3,950	4,960	–	–
Bank loans	銀行貸款				
– secured	– 有抵押	129,615	188,364	79,674	–
– unsecured	– 無抵押	163,777	258,200	68,333	57,500
		<u>297,342</u>	<u>451,524</u>	<u>148,007</u>	<u>57,500</u>

As at 31st March, 2006, bank loans of the Group and the Company amounting to \$98,960,000 and \$79,674,000 were secured by bills receivable of the Group and the Company amounting to \$98,960,000 and \$79,674,000 respectively.

In addition, bank loans of the Group as at 31st March, 2006 amounting to \$30,655,000 were secured by certain land and buildings with an aggregate net book value of \$1,252,000 and trade debtors amounting to \$29,584,000.

As at 31st March, 2005, bank loans of the Group amounting to \$188,364,000 were secured by machinery and certain land and buildings with an aggregate net book value of \$324,540,000 and trade debtors amounting to \$6,782,000.

Certain of the Group's banking facilities are subject to the fulfilment of covenants, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31st March, 2006, none of the covenants relating to drawn down facilities had been breached (2005: Nil).

28. 銀行貸款及透支 (續)

於二零零六年三月三十一日，銀行貸款及透支之抵押情況如下：

於二零零六年三月三十一日，本集團及本公司分別將 98,960,000 元及 79,674,000 元之應收票據為 98,960,000 元及 79,674,000 元之銀行貸款作出抵押。

此外，於二零零六年三月三十一日，銀行貸款 30,655,000 元是以累計賬面淨值為 1,252,000 元的部份土地及樓宇及 29,584,000 元的應收賬款作出抵押。

於二零零五年三月三十一日，銀行貸款 188,364,000 元是以累計賬面淨值為 324,540,000 元的機器及部份土地及樓宇及 6,782,000 元的應收賬款作出抵押。

本集團的部份銀行授信額度須符合借貸條款，這是財務機構貸款安排的慣例。如果本集團不遵守貸款條款，貸款便變為即時到期。本集團定期監管以符合這些條款。於二零零六年三月三十一日，本集團並無違反有關貸款之條款。

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截至二零零六年三月三十一日止年度 (以港元計)

29. EMPLOYEE RETIREMENT BENEFITS

In Hong Kong, the Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. The MPF Scheme has operated since 1st December, 2000. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also operated a Mandatory Provident Fund Exempted ORSO retirement benefit scheme for those employees who were eligible to participate in the scheme. This scheme is operated in a way similar to the MPF scheme, except that when an employee leaves the scheme prior to his/her interest in the Group’s employee contributions vesting fully, the ongoing contributions payable by the Group are reduced by the relevant amount of forfeited employer’s contributions or refunded to the employer. The amount of employer contributions forfeited during the year was immaterial.

The employees of the subsidiaries in the People’s Republic of China (“the PRC”) and Sri Lanka are members of a state-sponsored retirement benefit scheme organised by the local government in the PRC and members of an Approved Provident Fund and Employees’ Trust Fund in Sri Lanka, respectively. The subsidiaries are required to contribute, based on a certain percentage of payroll, to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to these retirement benefit schemes is to make the required contributions under the terms of the schemes.

29. 僱員退休福利

於香港，本集團已按照強制性公積金計劃條例為所有合資格參與強積金計劃之僱員設有既定供款強制性公積金計劃（「強積金計劃」）。強積金計劃自二零零零年十二月一日起運作。供款乃按照僱員底薪百分比計算，當需要按照強積金計劃條款規定供款時，即在損益表中計入有關供款。強積金計劃資產乃由獨立管理基金持有並與本集團資產分開管理。當向強積金計劃供款時，本集團僱主強制供款將全數歸於僱員所得。

本集團亦為合資格參與強制性公積金豁免職業退休計劃之僱員設有計劃。該計劃以類似強積金計劃之方式經營，惟當僱員於符合資格全數享有本集團僱員供款前離職，被沒收之僱主供款將用作減低集團日後之供款或退還僱主，年度內被沒收之僱主供款之數額不大。

在中華人民共和國及斯里蘭卡境內集團附屬公司之僱員乃當地政府組織之職工社會養老保險計劃之成員。該等附屬公司須按僱員工資之若干百分比作出退休福利計劃供款。本集團就退休福利計劃所承擔之唯一責任是支付該計劃規定之供款。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

30. INCOME TAX IN THE BALANCE SHEET

30. 資產負債表所示的所得稅

(a) Current taxation in the balance sheet represent:

(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	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	4,970	8,449	2,160	4,004
Provisional Profits Tax paid	已付暫繳利得稅	(5,949)	(6,236)	(2,740)	(2,503)
		(979)	2,213	(580)	1,501
Tax (recoverable)/ payable in respect of overseas subsidiaries	海外附屬公司 (可發還) / 應付稅項				
- current year	- 本年度	-	(1,266)	-	-
- prior year	- 過往年度	(199)	(426)	-	-
Net tax payable	應付稅項淨額	<u>(1,178)</u>	<u>521</u>	<u>(580)</u>	<u>1,501</u>
Representing:	代表：				
Tax recoverable	可發還稅項	(1,743)	(1,693)	(959)	-
Tax payable	應付稅項	565	2,214	379	1,501
		<u>(1,178)</u>	<u>521</u>	<u>(580)</u>	<u>1,501</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)
截至二零零六年三月三十一日止年度 (以港元計)

30. INCOME TAX IN THE BALANCE SHEET

(continued)

(b) Deferred tax (assets)/liabilities recognised:

(i) The Group

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

		Future benefit of tax losses	Revaluation of investment properties	Revaluation of other properties	Depreciation allowances in excess of the related depreciation	Others	Total
		可抵扣虧損之未來利益	投資物業重估	其他物業重估	折舊的折舊免稅額	其他	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Deferred tax arising from:	來自下列各項的遞延稅項:						
At 1st April, 2004 (restated)	於二零零四年四月一日(重列)	-	4,764	3,502	2,035	-	10,301
(Credited)/charged to the income statement	在損益表(計入)/列支	(4,367)	2,784	-	(603)	(585)	(2,771)
At 31st March 2005 (restated)	於二零零五年三月三十一日(重列)	<u>(4,367)</u>	<u>7,548</u>	<u>3,502</u>	<u>1,432</u>	<u>(585)</u>	<u>7,530</u>
At 1st April, 2005 (restated)	於二零零五年四月一日(重列)	(4,367)	7,548	3,502	1,432	(585)	7,530
Exchange adjustment	匯兌調整	18	116	-	(3)	-	131
Charged/(credited) to the income statement	在損益表列支/(計入)	2,464	3,586	-	(1,229)	(22)	4,799
Charged to reserves	在儲備列支	-	-	280	-	-	280
At 31st March 2006	於二零零六年三月三十一日	<u>(1,885)</u>	<u>11,250</u>	<u>3,782</u>	<u>200</u>	<u>(607)</u>	<u>12,740</u>

30. 資產負債表所示的所得稅

(續)

(b) 已確認遞延所得稅(資產)/負債:

(i) 本集團

已在綜合資產負債表確認的遞延所得稅(資產)/負債淨值的組成部份和本年度變動如下:

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

30. INCOME TAX IN THE BALANCE SHEET

(continued)

(b) Deferred tax (assets)/liabilities recognised (continued)

(ii) The Company

The components of deferred tax (assets)/liabilities recognised in the balance sheet and the movements during the year are as follows:

		Revaluation of investment properties	Revaluation of other properties	Depreciation allowances in excess of the related depreciation 超過相關 折舊的折舊 免稅額	Provisions	Total
		投資物業 重估 \$'000 千元	其他物業 重估 \$'000 千元	折舊的折舊 免稅額 \$'000 千元	準備 \$'000 千元	總額 \$'000 千元
Deferred tax arising from:	來自下列各項的 遞延稅項：					
At 1st April, 2004 (restated)	於二零零四年 四月一日(重列)	5,870	3,502	1,803	-	11,175
Charged/(credited) to the income statement	在損益表列支/ (計入)	692	-	(1,076)	(376)	(760)
At 31st March 2005 (restated)	於二零零五年 三月三十一日(重列)	<u>6,562</u>	<u>3,502</u>	<u>727</u>	<u>(376)</u>	<u>10,415</u>
At 1st April, 2005 (restated)	於二零零五年 四月一日(重列)	6,562	3,502	727	(376)	10,415
Charged/(credited) to the income statement	在損益表列支/ (計入)	5,055	-	(680)	(185)	4,190
Charged to reserves	在儲備列支	-	280	-	-	280
At 31st March 2006	於二零零六年 三月三十一日	<u>11,617</u>	<u>3,782</u>	<u>47</u>	<u>(561)</u>	<u>14,885</u>

30. 資產負債表所示的所得稅

(續)

(b) 已確認遞延所得稅(資產)/負債(續)

(ii) 本公司

已在資產負債表確認的遞延所得稅(資產)/負債的組成部份和本年度變動如下：

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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截至二零零六年三月三十一日止年度 (以港元計)

30. INCOME TAX IN THE BALANCE SHEET

(continued)

(b) Deferred tax (assets)/liabilities recognised: (continued)

30. 資產負債表所示的所得稅

(續)

(b) 已確認遞延所得稅(資產)/負債：(續)

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Net deferred tax assets recognised in the balance sheet	在資產負債表確認的遞延所得稅資產淨值	(1,553)	(4,367)	-	-
Net deferred tax liabilities recognised in the balance sheet	在資產負債表確認的遞延所得稅負債淨值	14,293	11,897	14,885	10,415
		<u>12,740</u>	<u>7,530</u>	<u>14,885</u>	<u>10,415</u>

(c) Deferred tax assets not recognised:

The Group has not recognised deferred tax assets in respect of tax losses of \$40,576,000 (2005: \$10,910,000) attributable to certain subsidiaries as the directors consider it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses expire five years after they are incurred.

(c) 未確認的遞延所得稅資產

本集團尚未就若干附屬公司為數40,576,000元(二零零五年：10,910,000元)的可抵扣虧損確認有關的遞延所得稅資產，因董事認為由於在有關之稅務司法權區及就有關實體而言，有可供動用之虧損以抵銷未來應課稅溢利之可能性很低。這些可抵扣虧損應用限期為五年。

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截至二零零六年三月三十一日止年度 (以港元計)

31. PROVISION FOR LONG SERVICE PAYMENTS

31. 長期服務金準備

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1st April	於四月一日	6,020	8,948	2,708	4,872
Add: Additional provisions made	加：年內準備	421	-	164	-
Less: Payments during the year	減：年內付款	(320)	(216)	(36)	(127)
Less: Reversal of provision	減：準備撥回	(1,849)	(2,712)	(771)	(2,037)
At 31st March	於三月三十一日	<u>4,272</u>	<u>6,020</u>	<u>2,065</u>	<u>2,708</u>

Long service payments are provided by the Group in accordance with Part VB of the Hong Kong Employment Ordinance based on the employees' service to date and current salary levels for those employees in Hong Kong who have been employed by the Group for at least five years.

是項準備指根據《僱傭條例》第五節乙部份為在職不少於五年之僱員，按其在職年資及現時薪酬水平，提撥長期服務金。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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32. CAPITAL AND RESERVES

32. 股本及儲備

(a) The Group

(a) 本集團

Attributable to equity shareholders of the Company

應攤歸於本公司股權持有人

		Share capital	Share premium	Capital redemption reserve	Exchange reserve	Goodwill arising on consolidation	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Other reserve	Retained profits	Total	Minority interests	Total equity
		股本	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	少數股東權益	權益總額
		\$'000	\$'000	\$'000	\$'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	千元	千元	千元
As at 1st April, 2004	於二零零四年四月一日	70,123	13,731	481	(14,731)	(46,161)	400	42,635	30,793	4,808	312,282	414,361	34,651	449,012
- as previously reported	一如前報													
- prior period adjustments in respect of:	前期調整:													
- HKAS 17	- 會計準則 17	-	-	-	-	-	-	(24,539)	-	-	8,108	(16,431)	-	(16,431)
- HKAS 40	- 會計準則 40	-	-	-	-	-	-	-	(30,793)	-	25,192	(5,601)	-	(5,601)
- as restated	重列	70,123	13,731	481	(14,731)	(46,161)	400	18,096	-	4,808	345,582	392,329	34,651	426,980
Dividend approved in respect of the previous year (note 10(b))	本年度內批准屬於上一年度的股息 (附註 10(b))	-	-	-	-	-	-	-	-	-	(12,622)	(12,622)	-	(12,622)
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	-	-	-	1,728	-	-	-	-	-	-	1,728	246	1,974
Share of associates' exchange reserve	應佔聯營公司匯兌儲備	-	-	-	621	-	-	-	-	-	-	621	-	621
Rights issue net of issue expenses	配售供股股份扣除配售費用	35,061	89,022	-	-	-	-	-	-	-	-	124,083	-	124,083
Deconsolidation of subsidiaries in liquidation	不再綜合計算在清盤中的附屬公司	-	-	-	3,797	-	-	-	-	-	-	3,797	-	3,797
Profit for the year (restated)	本年度溢利 (重列)	-	-	-	-	-	-	-	-	-	39,195	39,195	3,976	43,171
Dividend declared for the year (note 10(a))	本年度已宣派股息 (附註 10(a))	-	-	-	-	-	-	-	-	-	(4,207)	(4,207)	-	(4,207)
Appropriation to other reserves	撥往其他儲備	-	-	-	-	-	-	-	-	2,546	(2,546)	-	-	-
As at 31st March, 2005	於二零零五年三月三十一日	105,184	102,753	481	(8,585)	(46,161)	400	18,096	-	7,354	365,402	544,924	38,873	583,797

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32. CAPITAL AND RESERVES (continued)

32. 股本及儲備 (續)

(a) The Group (continued)

(a) 本集團 (續)

		Attributable to equity shareholders of the Company 應歸屬於本公司股權持有人												
		Share capital	Share premium	Capital redemption reserve	Exchange reserve	Goodwill arising on consolidation	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Other reserve	Retained profits	Total	Minority interests	Total equity
		股本	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	少數股東權益	權益總額
		\$'000	\$'000	\$'000	\$'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	千元	千元	千元
As at 1st April, 2005	於二零零五年四月一日													
- as previously reported	- 如前列報	105,184	102,753	481	(8,585)	(46,161)	400	42,635	34,373	7,354	327,923	566,357	38,873	605,230
- prior period adjustments in respect of:	- 前期調整:													
- HKAS 17	- 會計準則 17	-	-	-	-	-	-	(24,539)	-	-	8,108	(16,431)	-	(16,431)
- HKAS 40	- 會計準則 40	-	-	-	-	-	-	-	(34,373)	-	29,371	(5,002)	-	(5,002)
- as restated, before opening balance adjustments	- 期初結餘調整前重列	105,184	102,753	481	(8,585)	(46,161)	400	18,096	-	7,354	365,402	544,924	38,873	583,797
- HKFRS 3	- 財務報告準則 3	-	-	-	-	-	-	-	-	-	34,180	34,180	-	34,180
- as restated, after opening balance adjustments	- 期初結餘調整後重列	105,184	102,753	481	(8,585)	(46,161)	400	18,096	-	7,354	399,582	579,104	38,873	617,977
Dividend approved in respect of the previous year (note 10(b))	本年度內批准屬於上一年度的股息 (附註 10(b))	-	-	-	-	-	-	-	-	-	(16,829)	(16,829)	-	(16,829)
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	-	-	-	2,865	-	-	-	-	-	-	2,865	1,472	4,337
Share of associates' / jointly controlled entities' exchange reserve	應佔聯營公司 / 合營公司匯兌儲備	-	-	-	5,375	-	-	-	-	-	-	5,375	-	5,375
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	25,275	25,275	2,740	28,015
Dividend declared in respect of the current year	本年度已宣派股息	-	-	-	-	-	-	-	-	-	-	-	(10,369)	(10,369)
Capital injection by minority interest	少數股東股本投入	-	-	-	-	-	-	-	-	-	-	-	28,080	28,080
Disposal of subsidiaries and associates	出售附屬公司及聯營公司	-	-	-	(14,135)	-	-	-	-	(5,535)	5,535	(14,135)	(60,796)	(74,931)
Valuation surplus on transfer of land and buildings to investment properties, net of deferred tax	土地及樓宇轉讓至投資物業之估值盈餘, 已扣除遞延稅項	-	-	-	-	-	-	1,960	-	-	-	1,960	-	1,960
Appropriation to other reserves	撥往其他儲備	-	-	-	-	-	-	-	-	3,688	(3,688)	-	-	-
As at 31st March, 2006	於二零零六年三月三十一日	105,184	102,753	481	(14,480)	(46,161)	400	20,056	-	5,507	409,875	583,615	-	583,615

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32. CAPITAL AND RESERVES (continued)

32. 股本及儲備 (續)

(b) The Company

(b) 本公司

		Share capital	Share premium	Capital redemption reserve	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Retained profits	Total
		股本	股份溢價	資本贖回儲備	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	保留溢利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
As at 1st April, 2004	於二零零四年四月一日								
- as previously reported	- 如前列報	70,123	13,731	481	400	42,635	27,121	238,205	392,696
- prior period adjustments	- 前期調整:								
in respect of:									
- HKAS 17	- 會計準則 17	-	-	-	-	(24,539)	-	8,108	(16,431)
- HKAS 40	- 會計準則 40	-	-	-	-	-	(27,121)	30,272	3,151
- as restated	- 重列	70,123	13,731	481	400	18,096	-	276,585	379,416
Dividend approved in respect of the previous year (note 10(b))	本年度內批准屬於上一年度的股息 (附註 10(b))	-	-	-	-	-	-	(12,622)	(12,622)
Rights issue net of issue expenses	配售供股股份扣除配售費用	35,061	89,022	-	-	-	-	-	124,083
Profit for the year (restated)	本年度溢利 (重列)	-	-	-	-	-	-	66,007	66,007
Dividend declared in respect of the current year (note 10(a))	本年度已宣派股息 (附註 10(a))	-	-	-	-	-	-	(4,207)	(4,207)
As at 31st March, 2005	於二零零五年三月三十一日	105,184	102,753	481	400	18,096	-	325,763	552,677

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32. CAPITAL AND RESERVES (continued)

(b) The Company (continued)

32. 股本及儲備 (續)

(b) 本公司 (續)

		Share capital	Share premium	Capital redemption reserve	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Retained profits	Total
		股本	股份溢價	資本贖回儲備	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	保留溢利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
As at 1st April, 2005	於二零零五年四月一日								
- as previously reported	- 如前列報	105,184	102,753	481	400	42,635	29,239	282,923	563,615
- prior period adjustments	- 前期調整:								
in respect of:									
- HKAS 17	- 會計準則 17	-	-	-	-	(24,539)	-	8,108	(16,431)
- HKAS 40	- 會計準則 40	-	-	-	-	-	(29,239)	34,732	5,493
- as restated	- 重列	105,184	102,753	481	400	18,096	-	325,763	552,677
Dividend approved in respect of the previous year (note 10(b))	本年度內批准屬於上一年度的股息 (附註 10(b))	-	-	-	-	-	-	(16,829)	(16,829)
Valuation surplus on transfer of land and buildings to investments properties, net of deferred tax	土地及樓宇轉撥至投資物業之估值盈餘, 已扣除遞延稅項	-	-	-	-	1,960	-	-	1,960
Profit for the year	本年度溢利	-	-	-	-	-	-	47,508	47,508
As at 31st March, 2006	於二零零六年三月三十一日	105,184	102,753	481	400	20,056	-	356,442	585,316

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32. CAPITAL AND RESERVES (continued)

32. 股本及儲備 (續)

(c) Share capital

(c) 股本

(i) Authorised and issued share capital

(i) 法定及已發行股本

		2006 二零零六年		2005 二零零五年	
		No. of shares 股份數目	Amount 金額	No. of shares 股份數目	Amount 金額
		'000 千股	\$'000 千元	'000 千股	\$'000 千元
Authorised:	法定股本：				
Ordinary shares of \$0.50 each	每股面值0.5元之 普通股	<u>400,000</u>	<u>200,000</u>	<u>400,000</u>	<u>200,000</u>
Issued and fully paid:	已發行及 繳足股本：				
At 1st April	於四月一日	210,369	105,184	140,246	70,123
Rights shares	供股	—	—	70,123	35,061
At 31st March	於三月三十一日	<u>210,369</u>	<u>105,184</u>	<u>210,369</u>	<u>105,184</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有者有權收取不時宣派的股息，並且有權在本公司股東大會上按照每股一票的比例參與投票。所有普通股在本公司餘剩資產上均享有同等權利。

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32. CAPITAL AND RESERVES (continued)

(c) Share capital (continued)

(ii) Increase in authorised share capital

By an ordinary resolution passed at the Extraordinary General Meeting held on 20th September, 2004, the Company's authorised share capital was increased to \$200,000,000 by the creation of an additional 200,000,000 ordinary shares of \$0.50 each, ranking pari passu with the existing shares of the Company.

(iii) Rights issue

On 12th October, 2004, the Company has completed a rights issue and raised funds of approximately \$126 million by issuing 70,122,896 rights shares at a price of \$1.8 per rights shares on the basis of one rights share for every two existing shares held by qualifying shareholders.

(d) Nature and purpose of reserves

(i) Share premium and capital redemption reserve

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.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 1(w).

32. 股本及儲備 (續)

(c) 股本 (續)

(ii) 法定股本增加

在二零零四年九月二十日股東特別大會上通過之普通議案，議決透過增加200,000,000股每股面值0.5元股份，本公司之法定股本增加至200,000,000元。該等股份享有與本公司已發行股份同等權利。

(iii) 供股

於二零零四年十月十二日，本公司已完成以每股供股股份1.8元之價格供股配售70,122,896股供股股份予合資格股東，集資約1億2千6百萬元。比例以每持有兩股現有股份可獲發一股供股股份計算。

(d) 儲備的性質及用途

(i) 股份溢價及資本贖回儲備

股份溢價及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。

(ii) 匯兌儲備

匯兌儲備包括因換算香港以外業務之財務報表而產生之所有匯兌差額。該儲備乃根據附註1(w)所載之會計政策處理。

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32. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(iii) Land and buildings revaluation reserve

The revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings in note 1(i)(ii).

The land and buildings revaluation reserve is not available for distribution to equity shareholders of the Company.

(iv) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policies in notes 1(f) and (m).

The investment revaluation reserve is not available for distribution to equity shareholders of the Company.

(e) Distributability of reserves

At 31st March, 2006, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$356,442,000 (2005 (restated): \$325,763,000). After the balance sheet date the directors proposed a final dividend of \$0.08 per share (2005: \$0.08 per share), amounting to \$16,829,000 (2005: \$16,829,000). This dividend has not been recognised as a liability at the balance sheet date.

32. 股本及儲備 (續)

(d) 儲備的性質及用途 (續)

(iii) 土地及樓宇重估儲備

本公司已設立重估儲備，並根據就重估所採用的會計政策 (附註 1(i)(ii)) 處理這些儲備。

土地及樓宇之重估儲備並不可供分派予本公司股權持有人。

(iv) 投資重估儲備

投資重估儲備包含於資產負債表結算日持有可供出售證券公平價值的累計淨變動，並根據載於附註 1(f) 及 1(m) 的會計政策處理。

投資重估儲備不可供分派予本公司股權持有人。

(e) 可供分派儲備

於二零零六年三月三十一日，本公司可供分派予本公司股權持有人的儲備總額為356,442,000元(二零零五年(重列): 325,763,000元)。於結算日後，董事建議派發末期股息每股0.08元(二零零五年: 每股0.08元)，合計16,829,000元(二零零五年: 16,829,000元)。該股息於結算日尚未確認為負債。

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33. SUPPLEMENT INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Disposal of subsidiaries

In March 2006, the Group disposed of two subsidiaries, namely Wuxi YGM Textile Co., Ltd. and Wuxi YangtzeKiang Textile Co., Ltd. to Wuxi Talak Investment Co., Ltd., a jointly controlled entity of the Group. The net assets of the subsidiaries at the date of disposal were as follows:

Interests in leasehold land held for own use under operating leases	持作經營租賃之自用租賃土地
Other property, plant and equipment	其他物業、廠房及設備
Construction in progress	在建工程
Inventories	存貨
Trade and other receivables	應收賬款及其他應收款
Tax recoverable	可發還稅項
Pledged deposits	抵押存款
Cash and cash equivalents	現金及現金等價物
Bank loans and overdrafts	銀行貸款及透支
Trade and other payables	應付賬款及其他應付款
Tax payable	應付稅項
Exchange reserve	匯兌儲備
Minority interests	少數股東權益
Gain on disposal	出售收益
Satisfied by:	收取方式：
Cash received	已收取現金
Analysis of net inflow of cash and cash equivalents in respect of disposals of subsidiaries:	出售附屬公司之現金及現金等價物流入淨額分析如下：
Cash consideration	現金代價
Cash and cash equivalents of the subsidiaries disposed of	出售之附屬公司之現金及現金等價物
Net inflow of cash and cash equivalents in respect of disposal of subsidiaries	出售附屬公司之現金及現金等價物流入淨額

33. 綜合現金流量表之補充資料

(a) 出售附屬公司

於二零零六年三月，本集團出售兩間附屬公司：無錫長江精密紡織有限公司及無錫揚子江精密紡織有限公司予本集團一合營公司—無錫長聯投資有限公司。於出售日該等附屬公司之資產淨值如下：

2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
10,812	—
391,619	—
255,246	—
123,253	—
41,708	—
4,331	—
7,438	—
9,455	—
(491,040)	—
(150,045)	—
(591)	—
(5,583)	—
196,603	—
(60,796)	—
960	—
136,767	—
136,767	—
136,767	—
(9,455)	—
127,312	—

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33. SUPPLEMENT INFORMATION TO THE
CONSOLIDATED CASH FLOW STATEMENT
(continued)

(b) Deconsolidation of subsidiaries

On 31st March, 2005, the Group deconsolidated its 100% equity interest in H.K. International Knitters (Proprietary) Limited and Capstone 161 (Pty) Ltd. as the operations of these companies have ceased and the companies have been placed in liquidation.

Net assets deconsolidated:
Trade debtors, deposits and prepayments
Cash and cash equivalents
Trade creditors and accrued charges
Exchange reserve

Loss on deconsolidation of subsidiaries

Net cash outflow from deconsolidation
of subsidiaries

33. 綜合現金流量表之補充資料 (續)

(b) 不再綜合計算之附屬公司

於二零零五年三月三十一日，本集團不再綜合計算已停止業務運作及被置放清盤之 H.K. International Knitters (Proprietary) Limited 及 Capstone 161 (Pty) Ltd. 之 100% 權益。

\$'000
千元

不再綜合計算資產淨值：	
應收賬款，存款及預付款	2,052
現金及現金等價物	250
應付賬款及應計費用	(445)
匯兌儲備	3,797
	<hr/>
不再綜合計算附屬公司虧損	5,654
	<hr/> <hr/>
不再綜合計算附屬公司 現金流出淨額	250
	<hr/> <hr/>

(c) Non-cash transaction

During the year ended 31st March, 2005, dividends receivable from an associate of \$7,838,000 were re-invested in the associate as capital contributions.

(c) 非現金交易

於截至二零零五年三月三十一日止年度內，將一聯營公司之應收股息合共 7,838,000 元再投資，作為於一聯營公司資本投入。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

34. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, credit evaluations are performed on all customers requiring credit over a certain amount and for all new customers. These receivables are due between 30 days to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

34. 金融工具

本集團會在正常業務過程中出現信貸、流動資金、利率和外幣風險。本集團是透過下述財務管理政策及慣常做法，對這些風險加以限制。

(a) 信貸風險

本集團的信貸風險主要來自應收賬款及其他應收款。管理層已實施信貸政策，並且不斷監察所承受信貸風險的程度。

就應收賬款及其他應收款而言，本集團對要求超過一定金額信貸的所有客戶及所有新客戶均會進行信貸評估。該等應收款乃於賬單日期後30至90日內到期。

本集團所承受的信貸風險上限為資產負債表中每項財務資產的賬面值。

(b) 流動資金風險

本集團內之個別經營實體須自己負責本身之現金管理。本集團之政策為定期監察目前及預期之流動資金需要，以確保其維持足夠現金儲備及來自主要銀行之充裕承諾資金限額，以應付其短期至長期流動資金需要。

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34. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

The Group has significant bank borrowings and is exposed to risk arising from changes in market interest rates. The Group uses interest rate swaps to reduce risk of changes in market interest rates. The interest rate swaps entered into by the Group swap variable rates to fixed rates. The Group's interest rate swaps can not fulfill the criteria for hedge accounting because the hedge relationship was not documented at the inception of the hedge. Accordingly, the gain or loss on remeasurement to fair value is charged to the income statement.

As at 31 March, 2006, the aggregate notional amount of the outstanding interest rate swap agreements was approximately \$100,000,000 which will expire in 2008. A gain of \$2,933,000 arising from the changes in the fair value subsequent to initial recognition was recognised during the year ended 31st March, 2006.

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or the maturity dates, if earlier.

34. 金融工具 (續)

(c) 利率風險

本集團擁有重大銀行借貸並承受由於市場利率變動而引致的風險。本集團利用利率掉期以減少市場利率變動的風險。本集團所進行之利率掉期將可變利率轉換至固定利率。由於在利率掉期開始時沒有文檔記錄對沖的關係，本集團的利率掉期不符對期會計處理的條件。因此，公平價值的變化所產生的收益或虧損已直接在損益表中列支。

於二零零六年三月三十一日餘下之利率掉期協議名義金額約為100,000,000元，將於二零零八年到期。截至二零零六年三月三十一日止年度內於首次確認後因公平價值的變化所產生2,933,000元的收益已被確認。

就獲得收入的財務資產及帶息財務負債而言，下表列示其於結算日及利率重定期間或到期日(若較早)的實際利率。

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截至二零零六年三月三十一日止年度 (以港元計)

34. FINANCIAL INSTRUMENTS (continued)

34. 金融工具 (續)

The Group

本集團

		2006 二零零六年					2005 二零零五年						
		Effective	One		More	Effective	One		More				
		interest	year	1-2	2-5	than	interest	year	1-2	2-5	than		
		rate %	Total	or less	years	years	5 years	rate %	Total	or less	years	years	5 years
實際	總額	一年或	一至	二至	五年	實際	總額	一年或	一至	二至	五年		
利率%	千	元	元	元	元	元	千	元	元	元	元	元	
Repricing dates for assets/(liabilities) which reprice before maturity	於到期前重定利率的資產/(負債)的重定日期												
Cash and cash equivalents	現金及現金等價物	0.9%	26,342	26,342	-	-	-	1.6%	60,148	60,148	-	-	-
Bank loans and overdrafts	銀行貸款及透支	4.8%	(297,342)	(297,342)	-	-	-	4.3%	(451,524)	(451,524)	-	-	-
Effect of interest rate swaps	利率掉期合約的影響	3.5%	-	100,000	(100,000)	-	-	-	-	-	-	-	-
Maturity dates for assets which do not reprice before maturity	非於到期前重定利率的資產的到期日												
Loans receivable	應收貸款	3.0%	6,356	1,680	1,680	2,996	-	3.0%	8,026	1,693	1,693	4,640	-

The Company

		2006 二零零六年					2005 二零零五年						
		Effective	One		More	Effective	One		More				
		interest	year	1-2	2-5	than	interest	year	1-2	2-5	than		
		rate %	Total	or less	years	years	5 years	rate %	Total	or less	years	years	5 years
實際	總額	一年或	一至	二至	五年	實際	總額	一年或	一至	二至	五年		
利率%	千	元	元	元	元	元	千	元	元	元	元	元	
Repricing dates for assets/(liabilities) which reprice before maturity	於到期前重定利率的資產/(負債)的重定日期												
Cash and cash equivalents	現金及現金等價物	1.9%	2,507	2,507	-	-	-	2.3%	38,404	38,404	-	-	-
Bank loans and overdrafts	銀行貸款及透支	4.8%	(148,007)	(148,007)	-	-	-	3.1%	(57,500)	(57,500)	-	-	-
Amounts due from subsidiaries	應收附屬公司款項	7.9%	76,866	76,866	-	-	-	5.0%	65,462	65,462	-	-	-
Effect of interest rate swaps	利率掉期合約的影響	3.5%	-	100,000	(100,000)	-	-	-	-	-	-	-	-
Maturity dates for assets which do not reprice before maturity	非於到期前重定利率的資產的到期日												
Loans receivable	應收貸款	3.0%	6,356	1,680	1,680	2,996	-	3.0%	8,026	1,693	1,693	4,640	-

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34. FINANCIAL INSTRUMENTS (continued)

(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Euros, United States dollars ("USD") and Pounds Sterling.

As the HKD is pegged to USD, the Group does not expect any significant movements in the USD/HKD exchange rate. However, management acknowledges that the Group is exposed to fluctuations in the exchange rates for other currencies.

All the Group's borrowings are denominated in the functional currency of the entity taking out the loan or, in the case of Group entities whose functional currency is HKD, in either HKD or USD. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

(e) Fair values

Except for the loans receivable disclosed in note 20, all other financial instruments are carried at amounts not materially different from their fair values as at 31st March 2006 and 2005.

34. 金融工具 (續)

(d) 外幣風險

本集團涉及的外幣風險主要來自有關業務所涉及功能貨幣以外的外幣計值的買賣交易。引致此項風險的貨幣主要為歐羅、美元及英鎊。

由於港幣與美元掛鈎，本集團預期美元／港幣匯率並不會有重大波動。然而，管理層認為，本集團面對其他貨幣匯率變動的風險。

本集團的借貸均以借取貸款的實體的功能貨幣計值或，倘功能貨幣為港幣的本集團公司，則以港幣或美元計值。因此，管理層並不預期本集團的借貸會附帶任何重大的外幣風險。

(e) 公平價值

除於附註20所述之應收貸款外，其他所有金融工具所列賬之金額均與其於二零零五年及二零零六年三月三十一日之公平價值相差不大。

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截至二零零六年三月三十一日止年度 (以港元計)

35. COMMITMENTS

- (a) Capital commitments outstanding at 31st March, 2006 not provided for in the financial statements were as follows:

		The Group 本集團		The Company 本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Contracted for	已訂約				
– fixed assets	– 固定資產	1,066	1,200	1,066	1,200
– capital contribution	– 資本投入	–	98,501	–	–
		<u>1,066</u>	<u>99,701</u>	<u>1,066</u>	<u>1,200</u>

The Group's and the Company's share of the capital commitments of jointly controlled entities outstanding at 31st March, 2006 were as follows:

35. 承擔

- (a) 於二零零六年三月三十一日，仍未在財務報表作出準備之資本承擔如下：

於二零零六年三月三十一日，本集團及本公司應佔合營公司未償付的資本承擔如下：

		The Group and the Company 本集團及本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Authorised but not contracted for	已授權但未訂約	6,920	–
Contracted but not provided for	已訂約但未作出準備	2,117	–
		<u>9,037</u>	<u>–</u>

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35. COMMITMENTS (continued)

- (b) At 31st March, 2006, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Within 1 year	一年內	2,794	2,526
After 1 year but within 2 years	一年後至兩年內	1,706	2,198
After 2 years but within 5 years	二年後至五年內	207	1,791
More than 5 years	五年以上	7,894	7,941
		12,601	14,456

Significant leasing arrangements in respect of land and buildings classified as being held under finance lease and land held under operating leases are described in note 13.

Apart from these leases, the Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease upon expiry when all terms are renegotiated.

36. CONTINGENT ASSETS AND LIABILITIES

At 31st March, 2006, guarantees were given to banks by the Company to the extent of \$49,148,000 (2005: \$49,148,000) in respect of banking facilities extended to its subsidiaries and associates.

At 31st March, 2005, bills discounted with banks amounted to approximately \$144,863,000 for the Group and \$85,835,000 for the Company.

35. 承擔 (續)

- (b) 於二零零六年三月三十一日，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：

歸類為按融資租約持有的有關土地及樓宇及按經營租約持有的土地的重大租賃安排載於附註13。

除該等租賃外，本集團為數項按經營租約持有的物業的承租人。這些租賃一般初步為期一至三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。

36. 或有資產及負債

於二零零六年三月三十一日，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(二零零五年：49,148,000元)。

於二零零五年三月三十一日，本集團及本公司分別跟銀行貼現了約共144,863,000元及85,835,000元的票據。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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37. MATERIAL RELATED PARTY TRANSACTIONS

37. 與關連人士之重大交易

(a) Recurring transactions

(a) 經常性交易

			2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
YGM Trading Limited and its subsidiaries ("YGMT Group")	YGM貿易有限公司及其附屬公司 (「YGMT集團」)			
Purchases of traded products by the Group	本集團購買貿易產品	(i)		
		(v)	7,380	2,860
Sales of traded products by the Group	本集團銷售貿易產品	(v)	45,287	35,709
Rental income received and receivable by the Group	本集團已收及應收物業租金收入	(v)	3,907	3,904
Management fees received and receivable by the Group	本集團已收及應收管理費	(vi)	804	804
Building management fees received and receivable by the Group	本集團已收及應收樓宇管理費		324	324
Commission expenses paid and payable by the Group	本集團已付及應付佣金支出	(vii)	-	898
YGM Marketing Pte Limited	YGM Marketing Pte Limited	(ii)		
Sales of traded products by the Group	本集團銷售貿易產品	(v)	4,039	6,578
Wuxi Changxin Textile Co., Ltd.	無錫長新紡織有限公司	(iii)		
Purchases of traded products by the Group	本集團購買貿易產品		75,307	100,149
Sales of traded products by the Group	本集團銷售貿易產品		19,986	20,709
Processing income received and receivable by the Group	本集團已收及應收加工收入		52,136	66,939
Subcontracting fee paid and payable by the Group	本集團已付及應付外發加工費用		914	3,250
Allied Textiles Limited	新聯興紡織有限公司	(iii)		
Purchases of traded products by the Group	本集團購買貿易產品		22,733	21,154
Purchases on behalf of and sales of traded products by the Group	本集團代購買及銷售貿易產品	(viii)	1,056	2,066
YangtzeKiang Industries Sdn. Bhd. ("YTK Industries Sdn. Bhd.")	YangtzeKiang Industries Sdn. Bhd. (「YTK Industries Sdn. Bhd.」)	(x)		
Subcontracting fees received and receivable by the Group	本集團已收及應收外發加工費用		4,310	-

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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(continued)

37. 與關連人士之重大交易 (續)

(a) Recurring transactions (continued)

(a) 經常性交易 (續)

			2006 二零零六年	2005 二零零五年
		Notes 附註	\$'000 千元	\$'000 千元
Taizhou Changxin Textile (Xinghua) Co., Ltd. Sales of traded products by the Group	泰州長新紡織(興化)有限公司 本集團銷售貿易產品	(iii)	2,384	4,128
Wuxi No. 1 Cotton Mill Import and Export Co., Ltd. Purchases of traded products by the Group	無錫一棉進出口有限公司 本集團購買貿易產品	(iv)	19,185	25,641
YangtzeKiang Industries (Myanmar) Ltd. ("YangtzeKiang Myanmar") Subcontracting fees paid and payable by the Group	YangtzeKiang Industries (Myanmar) Ltd. ("YangtzeKiang Myanmar") 本集團已付及應付外發加工費用	(ix)	-	13,647
			<u> </u>	<u> </u>

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

董事會認為上述交易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。

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37. MATERIAL RELATED PARTY TRANSACTIONS
(continued)

(a) Recurring transactions (continued)

Notes:

- (i) Certain directors of the Company are collectively the controlling shareholders of both the YGMT Group and the Group.
- (ii) YGM Marketing Pte Limited is beneficially owned by certain directors of the Company.
- (iii) Wuxi Changxin Textile Co., Ltd., Allied Textiles Limited and Taizhou Changxin Textile (Xinghua) Co., Ltd. were the associates of the Group which were disposed of to Wuxi Talak Investment Co., Ltd., a jointly controlled entity of the Group in March 2006.
- (iv) Wuxi No. 1 Cotton Mill Import and Export Co., Ltd. is a subsidiary of Wuxi No. 1 Cotton Mill which was a minority shareholder of Wuxi YGM Textile Co., Ltd. ("Wuxi YGM"), a subsidiary of the Group. Wuxi YGM was disposed of by the Group to Wuxi Talak Investment Co., Ltd., a jointly controlled entity of the Group, in March 2006.
- (v) As certain directors and their associates are collectively the controlling shareholder (as defined in the Listing Rules) of YGMT Group and the Group and ultimate beneficial owner of YGM Marketing Pte Limited, the continuing connected transactions and the licence arrangement constitute connected transactions for the Group under the Listing Rules. The SEHK has granted to the Company waivers from strict compliance with the disclosure and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

37. 與關連人士之重大交易 (續)

(a) 經常性交易 (續)

附註：

- (i) 本公司若干董事統稱為YGMT集團及本集團之控股股東。
- (ii) YGM Marketing Pte Limited為本公司若干董事實益擁有之公司。
- (iii) 無錫長新紡織有限公司、新聯興紡織有限公司、泰州長新紡織(興化)有限公司均為本集團之聯營公司。此等公司已於二零零六年三月被出售予本集團一家合營公司 - 無錫長聯投資有限公司。
- (iv) 無錫一棉進出口有限公司為無錫市第一棉紡織廠之附屬公司，而無錫市第一棉紡織廠為無錫長江精密紡織有限公司(本公司之附屬公司)一名少數股東。於二零零六年三月，無錫長江精密紡織有限公司已被本集團出售予本集團一家合營公司 - 無錫長聯投資有限公司。
- (v) 若干董事統稱為YGMT集團及本集團之控股股東(定義見上市規則)及YGM Marketing Pte Limited之最終實益擁有人，因此，持續關連交易及使用權安排構成本集團之關連交易。聯交所已授出豁免就每次進行該等交易而嚴格遵守上市規則第14A章披露及取得獨立股東批准之規定。

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37. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Recurring transactions (continued)

Notes: (continued)

- (vi) 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.
- (vii) The commission expenses were charged for referral of a customer and sales services provided by YGMT Group.
- (viii) The Group purchased trade products on behalf of Allied Textiles Limited which were reimbursed to the Group at cost.
- (ix) YangtzeKiang Myanmar was a wholly-owned subsidiary of the Group before disposal of by the Company of its entire interests in YangtzeKiang Myanmar to Mr. Wong Pui Lam, Mr. Wong Chun Yu, Mr. Chee Chong Sin and Ms. Tsang Sau Ngor on 30th March, 2004 ("Disposal"). On 8th June, 2004, the Company entered into the Master Subcontracting Agreement with YangtzeKiang Myanmar in relation to subcontracting services. 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 before the Disposal, Mr. Wong Pui Lam remains a connected person of the Company for 12 months after the Disposal. The subcontracting services constitute continuing connected transactions for the Company during the said period.
- (x) YangtzeKiang Industries Sdn. Bhd. is an associate of the Group.

37. 與關連人士之重大交易 (續)

(a) 經常性交易 (續)

附註：(續)

- (vi) 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。
- (vii) 佣金費用乃YGMT集團代尋找一客戶及提供銷售服務所收取之佣金。
- (viii) 本集團代新聯興紡織有限公司購買之貿易產品均全數按成本付還。
- (ix) 於二零零四年三月三十日本公司出售其於YangtzeKiang Myanmar之全部權益予王沛霖先生、王震宇先生、徐崇勝先生及曾秀娥女士（「出售事項」）前，YangtzeKiang Myanmar為本集團之全資擁有附屬公司。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。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YangtzeKiang Myanmar之董事，故此王沛霖先生在出售事項後之十二個月內仍為本公司之關連人士。於上述期間內之外發加工交易已構成本公司之持續關連交易。
- (x) YangtzeKiang Industries Sdn. Bhd.為本集團之聯營公司。

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37. MATERIAL RELATED PARTY TRANSACTIONS
(continued)

(b) Outstanding balances due from/(to) related companies, associates and jointly controlled entities:

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Amount due from YGMT Group	應收YGMT集團款項	7,529	8,228
Amount due to YGMT Group	應付YGMT集團款項	(2,815)	(4,103)
Amount due (to)/from YGM Marketing Pte Limited	應收YGM Marketing Pte Limited款項	(62)	29
Amount due from Wuxi Changxin Textile Co., Ltd.	應收無錫長新紡織有限公司款項	-	1,350
Amount due to Wuxi Changxin Textile Co., Ltd.	應付無錫長新紡織有限公司款項	(3,651)	(45,732)
Amount due to Allied Textiles Limited	應付新聯興紡織有限公司款項	(1,689)	(2,220)
Amount due to Wuxi No. 1 Cotton Mill Import and Export Co., Ltd	應付無錫一棉進出口有限公司款項	-	(11,825)
Amount due to a shareholder, Chan Family Investment Corporation Ltd.	應付股東款項 - Chan Family Investment Corporation Ltd.	(3,720)	(5,868)
Amount due to YTK Industries Sdn. Bhd.	應付YTK Industries Sdn. Bhd.款項	(92)	-
Amount due to YISB Services Pte Ltd	應付YISB Services Pte Ltd款項	(35)	-
		<u> </u>	<u> </u>

37. 與關連人士之重大交易 (續)

(b) 應收/(應付)關連公司、聯營公司及合營公司款項：

38. COMPARATIVE FIGURES

Certain comparative figures have been adjusted or re-classified as a result of the changes in accounting policies. Further details are disclosed in note 2.

38. 比較數字

由於修訂了會計政策，故部份比較數字已作出調整。詳情載於附註2。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

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39. ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Impairment of trade receivables

If circumstances indicate that the carrying amount of trade receivables may not be recoverable, the assets may be considered “impaired” and an impairment loss may be recognised in accordance with HKAS 36 “Impairment of assets”. The carrying amounts of trade receivables are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. The recoverable amount of trade receivables is the estimated future cash flows discounted at the current market rate of return of similar assets. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount.

(b) Write down of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analyses, projections of expected future saleability of goods and management experience and judgement. Based on this review, write down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable value. Due to changes in customers’ performance, actual saleability of goods may be different from estimation and profit or loss could be affected by differences in this estimation.

(c) Deferred tax assets – future benefit of tax losses

In accordance with the accounting policy set out in note 1(t), the Group has recognised deferred tax assets in respect of cumulative tax losses as at the year end based on management’s assessment that it is probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. In assessing the probability, both positive and negative evidence is considered, including whether it is more likely than not that the operations will have future taxable profits over the periods which the deferred tax assets are deductible or utilised. The Group uses all readily available information including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs in assessing the probability.

39. 會計估計及判斷

(a) 應收賬款減值

倘有情況顯示應收賬款的賬面值可能無法收回，該等資產可能被視為「已減值」，而減值虧損可能會根據香港會計準則第36號「資產減值」作出確認。應收賬款的賬面值均定期作出審閱，以評估有關可收回金額有否降至賬面值以下。應收賬款的可收回金額按當時類似資產的市場回報率對預計未來現金流量作出貼現。本集團運用所有可用的資料以釐定與可收回金額合理地接近的金額。

(b) 撇減存貨

本集團參考存貨賬齡分析、預期未來貨物銷售的預測及管理層的經驗及判斷來對存貨的賬面值作出定期審閱。倘存貨的賬面值跌至低於其估計可變現淨值，則本集團會根據審閱的結果而撇減存貨的價值。鑒於客戶的表現可能發生變動，實際貨物銷售可能與估計的不同，而此估計的出入可能影響盈利或虧損。

(c) 遞延稅項資產—稅項虧損的未來利益

根據附註第1(t)項所載的會計政策，由於管理層評估認為在有關的稅務司法權區及就有關實體而言有可供動用的虧損以抵銷未來應課稅溢利的可能性較大，本集團已就年內的累計稅項虧損確認遞延稅項資產。於評估可能性時，正面及負面憑證均會予以考慮，包括於遞延稅項資產可予扣減或動用之期間內，該等業務是否有較大可能擁有未來應課稅溢利。本集團運用所有現有已知資料，包括根據合理及具備憑證之假設及收益預測及經營成本款額計算之估計數字，以評估該可能性。

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39. ACCOUNTING ESTIMATES AND JUDGEMENTS
(continued)

(d) Accounting for investments in jointly controlled entities

When considering how to account for the jointly controlled entity acquired during the year, management considered the options available under prevailing accounting standards. Management have opted to account for jointly controlled entities using the equity method of accounting rather than the proportionate consolidation method of accounting as they understand that revisions currently being considered to existing accounting standards include the removal of the option to account for jointly controlled entities using the proportionate consolidation method.

The effect on the profit for the year attributable to equity shareholders of the Company and shareholders' equity at the year end is the same under both methods of accounting for jointly controlled entities.

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 31ST MARCH, 2006

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the accounting year ending 31st March, 2006 and which have not been adopted in these financial statements:

HK(IFRIC) 4

香港(國際財務報告
準則詮釋委員會)
第4號

Determining whether
an arrangement contains
a lease

釐定一項安排是否包括
一項租賃

Effective for
accounting periods
beginning on or after

1st January, 2006

會計期間開始於
或其後生效

二零零六年一月一日

Amendments to HKAS 39

修訂會計準則第39號

Financial instruments:

金融工具:

Recognition and measurement:

確認及計量:

- Cash flow hedge accounting
of forecast intragroup
transactions

- 預測集團公司間交易
的現金流量對沖之
會計處理

1st January, 2006

二零零六年一月一日

- The fair value option

- 公允價值期權

1st January, 2006

二零零六年一月一日

- Financial guarantee
contracts

- 財務擔保合約

1st January, 2006

二零零六年一月一日

39. 會計估計及判斷(續)

(d) 於合營公司的投資會計處理

當考慮對年內新成立的合營公司的會計處理方法時，管理層考慮現行會計制度下的選擇。管理層已選用權益會計法對合營公司進行會計處理，而非用比例綜合法，因管理層知道現時對現行的會計制度的修訂中包括取消對合營公司採用比例綜合法的選擇。

在這兩種對合營公司的會計處理方法下，本公司股權持有人應佔年度溢利及股東權益總額均沒有影響。

40. 於截至二零零六年三月三十一日止全年會計年度已頒佈但尚未生效的修訂、新準則及詮釋可能構成的影響

直至本財務報表簽發之日，香港會計師公會已頒佈下列的修訂、新準則及詮釋，但於二零零六年三月三十一日止會計年度尚未生效、及並尚未有被採納於本財務報表內：

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度 (以港元計)

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 31ST MARCH, 2006 (continued)

40. 於截至二零零六年三月三十一日止全年會計年度已頒佈但尚未生效的修訂、新準則及詮釋可能構成的影響 (續)

				Effective for accounting periods beginning on or after	會計期間開始於 或其後生效
Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:	因香港公司(修訂) 條例2005的修訂:				
- HKAS 1	- 會計準則第1號	Presentation of financial statements	財務報表之列報	1st January, 2006	二零零六年一月一日
- HKAS 27	- 會計準則第27號	Consolidated and separate financial statements	綜合及獨立財務報表	1st January, 2006	二零零六年一月一日
- HKFRS 3	- 財務報告準則 第3號	Business combinations	商業合併	1st January, 2006	二零零六年一月一日
HKFRS 7	財務報告準則 第7號	Financial instruments: disclosures	金融工具: 披露	1st January, 2007	二零零七年一月一日
Amendment to HKAS 1	修訂會計準則第1號	Presentation of financial statements: capital disclosures	財務報表之列報: 資本披露	1st January, 2007	二零零七年一月一日

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1st December, 2005 and would be first applicable to the Group's financial statements for the period beginning 1st April, 2006.

此外，香港公司(修訂)條例2005已於二零零五年十二月一日生效及將適用於本集團於二零零六年四月一日開始會計期間的財務報表。

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of the amendments to HKAS 1, HKAS 27 and HKFRS 3 made as a result of the Hong Kong Companies (Amendment) Ordinance 2005 are not applicable to any of the Group's operations and that the adoption of the rest of them is unlikely to have a significant impact on the Group's results of operations and financial position.

本集團現正評估此等修訂、新準則及新詮釋預期於首次應用期間之影響。截至目前為止之結論為：因二零零五年香港公司(修訂)條例而採納會計準則第1號、會計準則第27號及財務報告準則第3號修訂並不適用於本集團任何業務，而採納餘下準則不可能對本集團之營運業績及財務狀況造成重大影響。