

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General information

Carry Wealth Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") manufactures and trades garment products. The Group has production facilities in Indonesia, El Salvador, Lesotho and Mainland China.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These unaudited condensed consolidated financial statements have been approved for issue by the Board of Directors on 25th August, 2006.

2. Basis of preparation

These unaudited condensed consolidated financial statements for the period ended 30th June, 2006 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31st December, 2005.

簡明財務報表附註

1. 一般資料

恒富控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)生產及買賣成衣產品。本集團於印尼、薩爾瓦多、萊索托及中國大陸均有生產設施。

本公司是一間於百慕達註冊成立的有限公司。註冊地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司於香港聯合交易所有限公司(「聯交所」)上市。

此等未經審核簡明綜合財務報表已於二零零六年八月二十五日獲董事會批准刊發。

2. 編製基準

該等截至二零零六年六月三十日止期間之未經審核簡明綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務申報」而編製。

該等簡明綜合財務報表應與截至二零零五年十二月三十一日止年度之年度財務報表一併閱覽。

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st December, 2005.

The following new standards, amendments to standards and interpretations, which are relevant to its operations are mandatory for financial year ending 31st December, 2006.

HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS – Int 4	Determining whether an Arrangement Contains a Lease

Management has assessed the impact of the above HKAS where the adoption of these HKAS did not result in material impact on the financial statements of the Group and no substantial changes to the Group's accounting policies.

The HKICPA has issued a number of new standards, amendments to standards and interpretations, which are not effective for 2006. The Group has not early adopted these new standards, amendments to standards and interpretations. The Directors anticipate that the adoption of these new standards, amendments to standards or interpretations in future periods will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives

3. 會計政策

期內所採納之會計政策與截至二零零五年十二月三十一日止年度之年度財務報表一致。

以下與本集團經營業務有關之新準則、準則之修訂及詮釋須於截至二零零六年十二月三十一日止財政年度強制採納。

香港會計準則第21號 (修訂)	海外業務的淨投資
香港會計準則第39號 (修訂)	預測集團內部交易之現金流量對沖會計法
香港會計準則第39號(修訂)	選擇以公允值入賬
香港會計準則第39號及 香港財務報告準則第4號 (修訂)	財務擔保合約
香港財務報告準則 — 詮釋第4號	釐定一項安排是否包含租賃

管理層已評估上述香港會計準則之影響，採納此等香港會計準則不會對本集團之財務報表構成重大影響，亦不會對本集團之會計政策造成重大變動。

香港會計師公會已頒佈若干於二零零六年並未生效之新準則、準則之修訂及詮釋。本集團並無提前採納此等新準則、準則之修訂及詮釋。董事預期於未來期間採納此等新準則、準則之修訂或詮釋將不會對本集團之財務報表造成重大影響。

香港會計準則第1號(修訂)	財務報表之呈報：資本披露
香港財務報告準則第7號	金融工具：披露
香港(國際財務報告 詮釋委員會)－詮釋第7號	根據香港會計準則第29號嚴 重通脹經濟中之 財務報告應用重列法
香港(國際財務報告 詮釋委員會)－詮釋第8號	香港財務報告準則第2號 之範圍
香港(國際財務報告 詮釋委員會)－詮釋第9號	重新評估嵌入衍生工具

4. Segment information

The Group's turnover was solely contributed by garment manufacturing business. The customers are located in five main geographical areas namely United States of America, Europe, Canada, Southeast Asia and other countries.

An analysis of the Group's turnover and contribution to operating profit for the period by geographical segment is as follows:

Primary reporting format – geographical segments by location of customers

4. 分部資料

本集團之營業額全數來自成衣製造業務。客戶分佈於五大地區：美國、歐洲、加拿大、東南亞及其他國家。

本集團於期內按地區分佈劃分之營業額及經營溢利貢獻分析如下：

主要報告形式 – 按客戶地區分佈劃分

		Turnover Six months ended 30th June, 營業額 截至六月三十日 止六個月		Contribution to operating profit Six months ended 30th June, 經營溢利貢獻 截至六月三十日 止六個月	
		2006 (Unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (Unaudited) HK\$'000 二零零五年 (未經審核) 千港元	2006 (Unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (Unaudited) HK\$'000 二零零五年 (未經審核) 千港元
United States of America	美國	565,910	466,768	63,060	50,800
Europe	歐洲	13,510	5,266	619	254
Canada	加拿大	30,253	19,491	3,495	1,965
Southeast Asia	東南亞	9,266	16,738	165	2,228
Other countries	其他國家	13,167	4,622	513	71
		632,106	512,885	67,852	55,318
Unallocated other revenues	不能分攤之其他收入			1,339	1,313
Unallocated fair value gains on investment properties	不能分攤之投資物業 公允值之收益			–	4,075
Unallocated administrative expenses	不能分攤之行政開支			(26,575)	(23,106)
Operating profit	經營溢利			42,616	37,600
Finance costs	財務費用			(3,565)	(2,318)
Share of profit/(loss) of an associate	分佔一間聯營公司 溢利/(虧損)			1,097	(162)
Profit before taxation	除稅前溢利			40,148	35,120
Income tax expense	所得稅開支			(8,431)	(1,792)
Profit for the period	期間溢利			31,717	33,328

5. Operating profit

Operating profit is stated after crediting and charging the following:

		Six months ended 30th June, 截至六月三十日止六個月	
		2006 (Unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (Unaudited) HK\$'000 二零零五年 (未經審核) 千港元
<i>Crediting</i>			
	計入		
Interest income	利息收入	837	923
Rental income	租金收入	578	26
<i>Charging</i>			
	扣除		
Cost of inventories sold	銷售存貨成本	511,325	414,932
Amortisation of leasehold land	租賃土地攤銷	431	143
Depreciation of properties, plant and equipment	物業、廠房 及設備折舊	7,518	8,420
Impairment of goodwill	商譽減值	-	187

6. Income tax expense

Hong Kong profits tax was provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the six months ended 30th June, 2006. No Hong Kong profits tax was provided on the estimated assessable profit for the period ended 30th June, 2005 as the Group had tax loss brought forward. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries which the Group operates.

The amount of taxation charged to the consolidated income statement represents:

		Six months ended 30th June, 截至六月三十日止六個月	
		2006 (Unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (Unaudited) HK\$'000 二零零五年 (未經審核) 千港元
<i>Current income tax:</i>			
	本期所得稅:		
- Hong Kong profits tax	- 香港利得稅	6,643	-
- Overseas taxation	- 海外稅項	1,347	1,315
<i>Deferred income tax</i>			
	遞延所得稅	441	477
		8,431	1,792

5. 經營溢利

經營溢利已計入及扣除下列各項：

6. 所得稅開支

香港利得稅乃根據截至二零零六年六月三十日止六個月之估計應課稅溢利按稅率17.5% (二零零五年: 17.5%) 計算準備。由於本集團有稅項虧損結轉，故於截至二零零五年六月三十日止期間並無根據估計應課稅溢利計算任何香港利得稅準備。海外利得稅乃根據期內估計應課稅溢利按本集團經營業務所在國家之現行稅率計算。

於綜合收入報表扣除之稅項金額為：

7. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

7. 每股盈利

(a) 基本

期內每股基本盈利乃根據本公司權益持有人應佔溢利除以期內已發行普通股之加權平均數計算。

		Six months ended 30th June, 截至六月三十日止六個月	
		2006 (Unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (Unaudited) HK\$'000 二零零五年 (未經審核) 千港元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	30,707	30,481
Weighted average number of ordinary shares in issue (thousands)	已發行普通股之加權平均數(千股)	360,249	360,034
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	8.52	8.47

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares that is share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(b) 攤薄

每股攤薄盈利是在假設所有攤薄性潛在普通股已轉換的情況下，經調整普通股加權平均數計算。本公司有一類潛在攤薄性普通股，即購股權。就購股權而言，本公司會根據尚未行使購股權所附之認購權幣值計算，以釐定按公允值（按本公司股份之平均市場股價而定）而可購入之股份數目。以上計算所得之股份數目乃與假設該等購股權獲行使後將會發行之股份數目比較。

Six months ended
30th June, 2006
(Unaudited)
HK\$'000
截至二零零六年
六月三十日止六個月
(未經審核)
千港元

Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	30,707
Weighted average number of ordinary shares in issue (thousands)	已發行普通股之加權平均數 (千股)	360,249
Adjustments for share options (thousands)	購股權之調整 (千股)	1,308
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利之普通股之加權平均數 (千股)	361,557
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	8.49

No diluted earnings per share is calculated for the period ended 30th June, 2005 since the exercise price of the Company's outstanding share options was higher than the average fair value per share of the Company during the last period.

由於上期尚未行使之本公司購股權之行使價高於本公司股份於期內之每股平均公允值，故並無計算截至二零零五年六月三十日止期間之每股攤薄盈利。

8. Share capital

At 1st January, 2005	於二零零五年一月一日
Shares issued	已發行股份
– employee share option scheme	– 僱員購股權計劃
At 30th June, 2005	於二零零五年六月三十日
At 1st January, 2006	於二零零六年一月一日
Shares issued	已發行股份
– employee share option scheme	– 僱員購股權計劃
At 30th June, 2006	於二零零六年六月三十日

Employee share option scheme: options exercised during the first half of 2006 resulted in 860,000 shares being issued (30th June, 2005: Nil shares), with exercise proceeds of HK\$461,000 (30th June, 2005: HK\$Nil). An amount of HK\$89,000 is transferred from share-based compensation reserve to share premium on the options exercised.

9. Dividends

Interim dividend of 3.0 HK cents (2005: 2.0 HK cents) per ordinary share	中期股息每股普通股3.0港仙 (二零零五年: 2.0港仙)
---	----------------------------------

The interim dividend has not been recognised as a liability at the balance sheet date.

The 2005 final dividend of 5.0 HK cents (2004: HK\$Nil) per ordinary share, totalling approximately HK\$18,045,000 was paid in May 2006.

8. 股本

Number of shares (Unaudited) thousands 股份數目 (未經審核) 千股	Ordinary shares (Unaudited) HK\$'000 普通股 (未經審核) 千港元
360,034	36,003
–	–
360,034	36,003
860	86
360,894	36,089

僱員購股權計劃: 二零零六年上半年度行使購股權導致發行股份860,000股(二零零五年六月三十日: 無), 行使所得款項為461,000港元(二零零五年六月三十日: 無)。已行使的購股權導致89,000港元自以股份支付僱員酬金儲備轉撥至股份溢價。

9. 股息

Six months ended 30th June, 截至六月三十日止六個月	
2006 (Unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (Unaudited) HK\$'000 二零零五年 (未經審核) 千港元
10,827	7,201

中期股息於結算日並無確認為一項負債。

本公司於二零零六年五月派付二零零五年末期股息每股普通股5.0港仙(二零零四年: 無), 合共約18,045,000港元。

10. Trade and other receivables

		At 30th June, 2006 (Unaudited) HK\$'000	At 31st December, 2005 (Audited) HK\$'000
		於二零零六年 六月三十日 (未經審核) 千港元	於二零零五年 十二月三十一日 (已審核) 千港元
Trade receivables	貿易應收款項	95,381	95,349
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	31,560	25,493
		126,941	120,842

The majority of the Group's sale to customers is on letter of credit at sight to 90 days. The remaining sales are on an open account basis with credit terms ranging from 30 to 45 days.

The ageing analysis of trade receivables was as follows:

10. 貿易及其他應收款項

	At 30th June, 2006 (Unaudited) HK\$'000	At 31st December, 2005 (Audited) HK\$'000
	於二零零六年 六月三十日 (未經審核) 千港元	於二零零五年 十二月三十一日 (已審核) 千港元
Trade receivables	95,381	95,349
Prepayments, deposits and other receivables	31,560	25,493
	126,941	120,842

本集團大部份銷售予客戶之款額均以即期至90日信用狀付款。餘下銷售款額以記賬方式進行，而信貸期則介乎30至45日。

貿易應收款項之賬齡分析如下：

		At 30th June, 2006 (Unaudited) HK\$'000	At 31st December, 2005 (Audited) HK\$'000
		於二零零六年 六月三十日 (未經審核) 千港元	於二零零五年 十二月三十一日 (已審核) 千港元
Within 30 days	30日內	81,533	77,131
31-60 days	31-60日	9,369	14,841
61-90 days	61-90日	3,814	3,316
Over 90 days	超過90日	665	61
		95,381	95,349

11. Trade and other payables

11. 貿易及其他應付款項

		At 30th June, 2006 (Unaudited) HK\$'000	At 31st December, 2005 (Audited) HK\$'000
		於二零零六年 六月三十日 (未經審核) 千港元	於二零零五年 十二月三十一日 (已審核) 千港元
Trade payables	貿易應付款項	100,123	100,517
Other payables and accruals	其他應付款項及應計費用	54,032	46,372
		154,155	146,889

The ageing analysis of trade payables was as follows:

貿易應付款項之賬齡分析如下：

		At 30th June, 2006 (Unaudited) HK\$'000	At 31st December, 2005 (Audited) HK\$'000
		於二零零六年 六月三十日 (未經審核) 千港元	於二零零五年 十二月三十一日 (已審核) 千港元
Within 30 days	30日內	72,868	56,138
31-60 days	31-60日	15,167	29,979
61-90 days	61-90日	2,382	5,424
Over 90 days	超過90日	9,706	8,976
		100,123	100,517

12. Related party transactions/connected transactions

- (a) In 2005, the Group's interest in ShanDong WeiQiao HengFu Textile Limited ("SWHT") was diluted from 60% to 40% following an increase in registered capital of SWHT which was solely contributed by Shandong Weiqiao Chuangye Group Company Limited ("SDWQ"). The dilution of interest was treated as a deemed disposal and constituted a connected transaction. The gain arising from the disposal was approximately HK\$969,000. Following the deemed disposal, SWHT ceased to be a subsidiary of the Group and recognized as an associate.

In the last period, the Group had the following transactions which were carried out at prices determined with reference to market prices for similar transactions with related parties/persons deemed "connected persons" by the Stock Exchange, being entities controlled by the group of SDWQ, a substantial shareholder of SWHT.

Supply of electricity and steam	供應電力及蒸氣	-	819
Supply of water	供水	-	11
Provision of waste water treatment service	提供排污服務	-	65
Supply of cotton yarn	供應綿紗	-	6,107

(b) Key management compensation

Salaries and other short-term employee benefits	薪酬及其他短期僱員福利	5,115	4,671
Contributions to the Mandatory Provident Fund Scheme	強制性公積金計劃供款	171	154

12. 關連方交易／關連交易

- (a) 於二零零五年，本集團於山東魏橋恒富針織印染有限公司（「魏橋恒富」）之權益由60%攤薄至40%，原因乃山東魏橋創業集團有限公司（「魏橋創業」）單獨承擔魏橋恒富增加的註冊資本所致。該項權益攤薄被視為出售事項，並構成關連交易。出售事項所產生之收益約為969,000港元。該被視為出售事項後，魏橋恒富不再為本集團之附屬公司，而被確認為聯營公司。

於上期，本集團與被聯交所視為「關連人士」之有關連人士（即由魏橋恒富之主要股東魏橋創業之集團公司控制之實體）有以下交易，該等交易之價格乃參考同類交易之市場價格而釐定。

Six months ended 30th June, 截至六月三十日止六個月	
2006 (Unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (Unaudited) HK\$'000 二零零五年 (未經審核) 千港元

(b) 主要管理人員酬金

Six months ended 30th June, 截至六月三十日止六個月	
2006 (Unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (Unaudited) HK\$'000 二零零五年 (未經審核) 千港元

Salaries and other short-term employee benefits	薪酬及其他短期僱員福利	5,115	4,671
Contributions to the Mandatory Provident Fund Scheme	強制性公積金計劃供款	171	154
		5,286	4,825

13. Contingent liabilities

As at 30th June, 2006 and 2005, the Group had no contingent liabilities.

14. Commitments

(a) Operating leases commitments

As at 30th June, 2006, the Group had total future aggregate minimum lease payments for land and buildings under non-cancellable operating leases as follows:

		At 30th June, 2006 (Unaudited) HK\$'000 於二零零六年 六月三十日 (未經審核) 千港元	At 31st December, 2005 (Audited) HK\$'000 於二零零五年 十二月三十一日 (已審核) 千港元
Not later than one year	一年內	9,131	5,559
Later than one year and not later than five years	一年後但不遲於五年	7,133	7,165
Later than five years	五年後	4,388	4,623
		20,652	17,347

(b) Capital Commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

		At 30th June, 2006 (Unaudited) HK\$'000 於二零零六年 六月三十日 (未經審核) 千港元	At 31st December, 2005 (Audited) HK\$'000 於二零零五年 十二月三十一日 (已審核) 千港元
Contracted but not provided for:	已簽約但未撥備:		
Land use right	土地使用權	3,005	-
Properties, plant and equipment	物業、廠房及設備	479	-
		3,484	-

13. 或然負債

於二零零六年及二零零五年六月三十日，本集團並無或然負債。

14. 承擔

(a) 經營租賃承擔

於二零零六年六月三十日，本集團根據不可撤銷經營租賃而須於未來就土地及樓宇支付之最低租金總額如下：

(b) 資本承擔

於結算日但仍未產生之資本開支如下：

代表董事會

Rusli Hendrawan

主席

香港，二零零六年八月二十五日

On behalf of the board

Rusli Hendrawan

Chairman

Hong Kong, 25th August, 2006