

綜合財務報表附註

Notes to the Consolidated Financial Statements

(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

1. 一般資料

申洲國際集團控股有限公司(「本公司」)於二零零五年六月二十三日在開曼群島註冊成立為獲豁免有限公司。註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司股份於二零零五年十一月二十四日起在香港聯合交易所有限公司主板(「主板」)上市。

本公司及其附屬公司(「本集團」)主要從事製造及銷售針織服裝產品(「針織業務」)。本集團主要附屬公司的詳情載於附註8。

董事認為，本公司的最終控股公司為一家於香港註冊成立的公司世通(香港)有限公司(「世通」)。本公司的中介控股公司為卓耀海外有限公司(「卓耀」)，一家於英屬處女群島註冊成立的公司。

於二零零五年十月九日，本公司已通過股份置換收購於英屬處女群島註冊成立的公司永泰投資有限公司(「永泰」)全部股本(「重組」)，並於其後成為附註8(a)所載的附屬公司的控股公司。重組乃採用合併會計法列賬，因此本集團截至二零零五年十二月三十一日止年度之綜合財務報表所呈列本集團之業績，假設經重組後的本集團自二零零五年一月一日起已存在。

除另有指明外，該等綜合財務報表均以人民幣(「人民幣」)千元列值。本公司董事會於二零零七年三月十六日批准刊發該等綜合財務報表。

1. GENERAL INFORMATION

Shenzhou International Group Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 23 June 2005. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Main Board") since 24 November 2005.

The Company and its subsidiaries (the "Group") is principally engaged in the manufacturing and sale of knitwear products (the "Knitwear Business"). Details of the principal subsidiaries of the Group are set out in Note 8.

In the opinion of the directors, the ultimate holding company of the Company is Worldon (Hong Kong) Limited ("Worldon"), a company incorporated in Hong Kong. The intermediate holding company of the Company is Excelbright Overseas Limited ("Excelbright"), a company incorporated in the British Virgin Islands.

On 9 October 2005, the Company acquired the entire share capital of Top always Investments Limited ("Top Always"), a company incorporated in the British Virgin Islands, through a share exchange (the "Reorganisation") and consequently became the holding company of the subsidiaries as set out in Note 8(a). The reorganisation has been accounted for using merger accounting and accordingly the consolidated financial statements of the Group for the year ended 31 December 2005 presented the results of the Group as if the Group resulting from the Reorganisation had been in existence from the beginning of 1 January 2005.

These consolidated financial statements are presented in Thousands of units of Renminbi ("RMB") unless otherwise stated. These consolidated financial statements have been approved for issue by the Company's Board of Directors on 16 March 2007.

2. 主要會計政策概要

編製該等綜合財務報表所用的主要會計政策載列如下。有關政策已在呈列年度內貫徹運用。

2.1 編製基準

申洲國際集團控股有限公司之綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」）編製。財務報表已按歷史成本法編製，並且經按公允值於損益表入賬並以公允值列賬之財務資產及財務負債修訂。

根據香港財務報告準則編製的財務報表須運用若干重要會計估計。管理層在運用本集團會計政策過程中亦須行使其判斷。涉及很大程度的判斷或複雜的範疇，或對財務報表有重大影響的假設及估計範疇於附註4予以披露。

(a) *目前尚未生效且與本集團所經營業務無關的準則及現有準則的詮釋*

以下為已刊發的對現有準則的詮釋，為強制本集團於二零零六年五月一日或以後開始之會計期間或之後期間所採用，惟與本集團所經營業務並不相關：

- 香港（國際財務報告釋義委員會）－釋義第7號，根據香港會計準則第29號惡性通貨膨脹經濟下之財務報告採用重列法（自二零零六年三月一日起生效）。由於本集團各實體概無以惡性通貨膨脹經濟的貨幣用作其功能性貨幣，故香港（國際財務報告釋義委員會）－釋義第7號與本集團所經營業務並不相關；

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Shenzhou International Group Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) *Standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations*

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 May 2006 or later periods but are not relevant for the Group's operations:

- HK(IFRIC)-Int 7, Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies (effective from 1 March 2006). As none of the group entities have a Currency of a hyperinflationary economy as its functional Currency, HK(IFRIC)-Int 7 is not relevant to the Group's operations;

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2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(a) 目前尚未生效且與本集團所經營業務無關的準則及現有準則的詮釋 (續)

- 香港(國際財務報告釋義委員會)一釋義第8號，香港財務報告準則第2號的範圍(自二零零六年五月一日或之後開始的年度期間生效)。預期對本集團的綜合財務報表並不構成任何影響；
- 香港(國際財務報告釋義委員會)一釋義第9號，重新評估內含衍生工具(自二零零六年六月一日或之後開始的年度期間生效)。由於本集團各實體概無更改該等工具之合約條款，故香港(國際財務報告釋義委員會)一釋義第9號與本集團所經營業務並不相關；
- 香港(國際財務報告釋義委員會)一釋義第10號，中期財務報告及減值(自二零零六年十一月一日或之後開始的年度期間生效)。預期對本集團的賬目並不構成任何影響；及
- 香港財務報告準則第7號，金融工具：披露，以及香會計準則第1號呈列財務報告－資本披露的補充修訂。該準則對本集團金融工具的分類及估值概無任何影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.1 Basis of preparation (Continued)

(a) Standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations (Continued)

- HK(IFRIC)-Int 8, Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006). This is not expected to have any impact on the Group's consolidated financial statements;
- HK(IFRIC)-Int 9, Reassessment of embedded derivatives (effective for annual periods beginning on or after 1 June 2006). As none of the group entities have changed the terms of their contracts, HK(IFRIC)-Int 9 is not relevant to the Group's operations;
- HK(IFRIC)-Int 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006). This is not expected to have any impact on the Group's accounts; and
- HKFRS 7, Financial instruments: Disclosures, and the complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures. This standard does not have any impact on the classification and valuation of the Group's financial instruments.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) 於二零零六年生效但與本集團所經營業務無關的準則、修訂及詮釋

以下為強制於二零零六年一月一日或以後開始之會計期間採用之準則、修訂及詮釋，惟與本集團所經營業務並不相關：

- 香港會計準則第19號(修訂)，僱員福利；
- 香港會計準則第21號(修訂) – 海外業務之新投資；
- 香港會計準則第39號(修訂) – 預測集團內公司間交易之現金流量對沖會計處理；
- 香港會計準則第39號(修訂) – 公允值選擇權；
- 香港會計準則第39號及國際財務報告準則第4號(修訂) – 財務擔保合約；
- 香港財務報告準則第6號 – 礦產資源之勘探及評估；
- 香港財務報告準則第1號(修訂) – 首次採納國際財務報告準則及香港財務報告準則第6號(修訂)礦產資源之勘探及評估；
- 香港(國際財務報告釋義委員會) – 釋義第4號，釐定安排是否包括租賃；
- 香港(國際財務報告釋義委員會) – 釋義第5號，解除運作、復原及環境修復基金所產生權益之權利；及

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) *Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations*

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but are not relevant to the Group's operations:

- HKAS 19 (Amendment), Employee Benefits;
- HKAS 21 Amendment – New 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 and IFRS 4 Amendment – Financial Guarantee Contracts;
- HKFRS 6, Exploration for and Evaluation of Mineral Resources;
- HKFRS 1 Amendment – First-time Adoption of International Financial Reporting Standards and HKFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources;
- HK(IFRIC)-Int 4, Determining whether an Arrangement contains a Lease;
- HK(IFRIC)-Int 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds; and

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2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) 於二零零六年生效但與本集團所經營業務無關的準則、修訂及詮釋 (續)

- 香港(國際財務報告釋義委員會)一釋義第6號，參與廢棄電器電子設備特定回收市場而產生之負債。

2.2 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日之財務報表。

(a) 附屬公司

附屬公司指本集團通常擁有其過半數投票權的持股量而有權控制其財務及經營政策的全部實體。於評估本集團是否控制另一實體時，現時可行使或可轉換的潛在投票權及其影響亦考慮在內。

附屬公司自控制權轉移至本集團當日起全面綜合，並自控制權終止起不再綜合。

本集團使用會計購買法計算收購附屬公司。計量收購成本乃按已付資產之公允值，發行權益工具及產生及假定之負債加收購應佔之直接費用計算。因商業合併而已收購可識別資產及負債及承擔之或然負債，初步按於收購日期彼等之公允值計算，並不計及任何少數股東權益之程度。收購成本超出本集團佔所收購附屬公司資產淨值之公允值之差額記錄為商譽。倘收購成本較所收購附屬公司資產淨值之公允值為低，則其差額直接在收益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.1 Basis of preparation (Continued)

(b) Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations (Continued)

- HK(IFRIC)-Int 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

2. 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

集團旗下各公司間的交易、結餘及未實現收益予以抵銷。未實現虧損亦予以抵銷，惟視為獲轉讓資產減值的減值顯示指標。本公司已對附屬公司的會計政策在必要情況下作出修改，以確保符合本集團所採納的政策。

於本公司之資產負債表內，於附屬公司的投資乃按成本值扣除累計減值虧損撥備列賬。附屬公司的業績乃由本公司按已收及應收股息列賬。

(b) 與少數股東權益的交易

本集團採用之會計政策，將與少數股東之交易作為與本集團以外各方進行之交易處理。向少數股東出售所獲盈虧計入綜合收益表。自少數股東採購所獲商譽，則為所付代價與所收購有關附屬公司淨資產賬面值之相關份額的差額。

2.3 分部報告

一個業務分部指從事提供產品或服務之一組資產及經營業務，而該組資產及業務之風險及回報與其他業務分部有別。一個地區分部乃在某一特定經濟環境下從事提供產品或服務，而該分部之風險及回報與在其他經濟環境經營的分部有別。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less accumulated impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

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2. 主要會計政策概要 (續)

2.4 外幣換算

(i) 功能性及呈列貨幣

本集團各實體賬目內包括之項目，均以該實體經營之主要經濟環境之貨幣（「功能性貨幣」）計量。本集團之功能性貨幣為美元。綜合財務報表以人民幣呈列，而人民幣為本公司的呈列貨幣。

(ii) 交易及結餘

外幣交易均按交易當日通行之匯率換算為功能性貨幣入賬。上述交易結算中以及按年終匯率換算以外幣為單位之貨幣性資產和負債時導致的匯兌收益或虧損均在損益表中確認。

(iii) 集團旗下各公司

其功能性貨幣與呈列貨幣不同的全部集團實體（各實體均無極高通脹經濟體系之貨幣）之業績及財務狀況均按以下方法換算為呈列貨幣：

- (1) 呈列於每份資產負債表的資產和負債均以該資產負債表結算日之收市匯率換算；
- (2) 每份損益表之收入及開支均按平均匯率換算（除非該平均值並非交易日通行匯率累計影響之合理近似值，在此情況下收入及開支均按交易日匯率換算）；及
- (3) 所有最終匯兌差額乃確認為權益的一個分項。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the account of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's functional currency is United States Dollars ("USD"). The consolidated financial statements are presented in RMB, which is the Company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (3) all resulting exchange differences are recognised as a separate component of equity.

2. 主要會計政策概要 (續)

2.5 物業、廠房及設備

物業、廠房及設備是按歷史成本減累計折舊和累計減值虧損(如有)列賬。歷史成本包括收購項目直接產生之開支。

僅在與該項目相關之未來經濟效益有可能歸於本集團及能可靠地計算出項目成本之情況下，其後成本會包括於資產賬面值或單獨確認為資產(如適用)。重置部分的賬面值已終止確認。所有其他維修及保養費用於其產生之財務期間內計入損益表。

折舊乃根據下列各項資產的預計使用年限計算，按直線法撇銷其成本扣除減值虧損至其剩餘價值如下：

樓宇	20年
廠房及機器	10年
汽車	5年
傢俬、裝置及設備	5年

於每個結算日審查資產之剩餘價值及可使用年限，並作出調整(如適用)。

倘資產的賬面值大於其估計可收回金額，該資產的賬面值將即時減值至其可收回金額。

出售盈虧會透過將所得款項與賬面值相比較予以釐定，並於收益表之其他收入／(虧損)內確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost less impairment loss of each asset to its residual value over its estimated useful life, as follows:

Buildings	20 years
Plant and machinery	10 years
Vehicles	5 years
Furniture, fittings and equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income/(losses) in the income statement.

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

2. 主要會計政策概要 (續)

2.5 物業、廠房及設備 (續)

在建工程指正在建設或待裝置的樓宇、廠房及機器，並按成本減累計減值虧損後入賬。成本包括興建及收購成本。在建工程並不作出折舊撥備，直至有關資產完成並可作擬定用途為止。當有關資產投入使用後，成本將轉撥至物業、廠房及設備，並且根據上文所載的政策折舊。

2.6 土地使用權

中國大陸所有土地均屬國有，概無個人土地所有權存在。本集團已收購若干土地的使用權利並將支付該等權利的代價入賬列為土地使用權，並採用直線法根據30年至50年使用期進行攤銷。

2.7 資產減值

無限定可使用年期的資產毋須攤銷，但至少每年進行一次減值測試，並於每當有事項或情況轉變顯示賬面值不可收回時檢討有否減值。而須作攤銷的資產於每當有事項或情況轉變顯示賬面值不可收回時檢討有否減值。減值虧損按資產賬面值超出其可收回金額之差額確認。可收回金額為資產之公允值減銷售成本與使用價值兩者之較高者。於評估減值時，資產將按可分開確認現金流量之最低水平(現金產生單位)集中歸類。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.5 Property, plant and equipment (Continued)

Construction-in-progress represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses. Cost includes the costs of construction and acquisition. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

2.6 Land use rights

All land in the mainland China is state-owned and no individual land ownership right exists. The Group acquired the right to use certain land and the consideration paid for such right are recorded as land use rights, which are amortised over the use terms of 30 to 50 years using the straight-line method.

2.7 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. 主要會計政策概要 (續)

2.8 存貨

存貨按成本與可實現淨值兩者之較低者入賬。成本以加權平均法釐定。製成品及在製品之成本包括原材料、勞工、其他直接成本及生產相關經常費用(按正常經營業務能力)，惟不包括借貸成本。可實現淨值指日常業務之估計售價，減適用的可變銷售開支。

2.9 應收賬款及應收票據

應收賬款及應收票據初步按公平值確認，其後採用實際利息法按已攤銷成本扣除減值撥備計量。倘有客觀證據證明本集團將不能按原定應收賬款期間收回到期款額，則確立應收賬款及應收票據之減值撥備。債務人出現重大財務困難，可能破產或進行財務重組，及拖欠或無法如期償還，均將視為應收賬款及應收票據減值之指標。撥備金額為資產賬面值與估計日後現金流量現值之差額(按實際利率作出貼現)。資產賬面值將透過撥備賬扣除，而虧損金額於收益表之銷售及市場推廣成本中確認。倘應收賬款及應收票據不可收回，則於應收賬款之撥備賬撤銷。

2.10 現金及現金等價物

現金及現金等價物包括手頭現金、隨時可提取的銀行存款和原到期日為三個月或以下屆滿的其他具有高度流動性的短期投資。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, labor, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 Accounts and bills receivable

Accounts and bills receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts and bills receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the accounts and bills receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When an accounts and bills receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

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2. 主要會計政策概要 (續)

2.11 股本

普通股乃分類為權益。

直接屬於發行新股份之增資成本於權益中列賬為所得款項之扣減項目。

2.12 應付賬款

應付賬款初步以公允值確認，其後以實際利息法按攤銷成本計算。

2.13 借貸

借貸首先按公允值扣除交易成本後確認。借貸其後按經攤銷成本列賬。所得款項(扣除交易成本)與贖回價值之差額於借貸期間以實際利息法在損益表確認。

借貸歸類為流動負債，除非本集團擁有無條件權利將償還負債的日期延至結算日後最少十二個月。

2.14 借貸成本

借貸成本均於產生時列作開支。

2.15 遞延所得稅

遞延所得稅以負債法就資產和負債的稅基與綜合財務報表所載賬面值兩者的暫時差額全數撥備。然而，倘遞延所得稅從於交易時初次確認資產或負債(業務合併除外)產生而於交易時不影響會計或應課稅利潤或虧損，則並不計算。遞延所得稅按於結算日已制定或在相當程度上已制定的稅率(及稅法)釐定，並預期於相關遞延所得稅資產實現或遞延所得稅負債償還後實行。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

2.12 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Borrowing costs

Borrowing costs are expensed as incurred.

2.15 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. 主要會計政策概要 (續)

2.15 遞延所得稅 (續)

倘可能有未來應課稅利潤，而暫時差額可用以抵銷，則有關差額會確認為遞延所得稅資產。

因於附屬公司之投資而產生的暫時差額將撥備為遞延所得稅，但倘暫時差額回撥的時間為本集團可以控制和暫時差額在可見將來可能不會回撥則除外。

2.16 僱員福利

本集團向界定退休供款計劃作出之供款均於產生時列作開支。倘該計劃未能擁有足夠資產以支付與目前和以前期間僱員相關的所有僱員福利，本集團不再負有進一步支付供款的法定責任或推定責任。

2.17 撥備

倘本集團因過往事件而有負上法定或推定責任，並可能須要資源流出以履行有關責任，而相關金額能可靠估計，則會確認撥備。

凡出現多項類似責任，會否導致資源流出以清算責任乃經考慮責任的整體類別後釐定。即使同類別責任中任何一項可能導致資源流出的機會不大，仍會確認撥備。

2.18 政府補助

政府補助在有合理保證將收取補助及本集團將遵守所有隨附條件時按其公允值確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Deferred income tax (Continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16 Employee benefits

The Group's contribution to the defined contribution retirement schemes are expensed as incurred. The Group has no legal or constructive obligations to pay further contributions if the schemes do not hold sufficient assets to pay all employees the benefits relating to employee in the current and prior periods.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.18 Government grants

Government grants are recognised at their fair value, when there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

2. 主要會計政策概要 (續)

2.18 政府補助 (續)

與成本相關的政府補助均會遞延，並於需要配比擬彌償成本之期間內，在綜合損益表確認入賬。

與購置物業、廠房及設備相關的政府補助於非流動負債項下列作遞延政府補助，並按直線法根據相關資產的預期使用年期於損益表內確認。

2.19 收益確認

收入包括於本集團日常業務中就銷售貨物而已收或應收代價的公允值。收入在扣除增值稅、退貨、回扣及折扣以及抵銷本集團內部銷售後列賬。

當收入金額能可靠地衡量、未來經濟利益可能流入有關的實體、以及符合下文所述本集團的有關業務的特定條件時，本集團將確認收入。除非有關銷售的所有或然情況已經解決，否則收入金額不被視為可以可靠地衡量。本集團以其過往業績作為估計的依據，並會考慮客戶類別、交易類別及各項安排的具體情況。

銷售貨品的收益在本集團實體付運產品予客戶，客戶收取該等產品以及收取有關應收款項獲得合理保證下確認。

利息收入乃使用實際利息法按時間比例基準確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.18 Government grants (Continued)

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are recognised in the income statement on a straight-line basis over the expected lives of the related assets.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from the sale of goods is recognised when the Group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Interest income is recognised on a time-proportion basis using the effective interest method.

2. 主要會計政策概要 (續)

2.20 經營租賃 – 作為承租人

出租人保留所有權的回報的大部分風險及租賃合約為經營租賃。根據經營租賃支付的款項(扣除任何來自出租人的獎勵)按直線基準於租賃期間內在損益表扣除。

2.21 股息分派

向本公司股東所分派的股息於本公司股東批准有關股息的期間內在本集團財務報表內確認為一項負債。

3. 財務風險管理

3.1 財務風險因素

本集團業務面臨各項的財務風險：市場風險(包括外匯風險、利率風險以及客戶及供應商集中的風險)、信貸風險及流動資金風險。

(i) 外匯風險

本集團主要於中國大陸經營業務，而產品則主要出口日本及歐洲。本集團大部分交易、資產及負債均以人民幣或美元列值。人民幣不能自由兌換為其他外幣。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Operating leases – as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and concentration of customers and suppliers risk), credit risk and liquidity risk.

(i) Foreign exchange risk

The Group mainly operates in Mainland China and exports its products mainly to Japan and Europe. Most of the Group's transactions, assets and liabilities are denominated in RMB or USD. RMB is not freely convertible into other foreign currencies.

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(Amounts expressed in RMB'000 unless otherwise stated)

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(i) 外匯風險 (續)

將人民幣兌換為外幣須受中國大陸政府頒佈的外匯管制規則及法規所規限。於二零零六年十二月三十一日，現金及銀行結餘(包括有抵押銀行存款、存期逾三個月的銀行存款以及現金及現金等價物)約為人民幣222,250,000元(二零零五年：人民幣195,659,000元)，及借貸則約為人民幣140,000,000元(二零零五年：人民幣520,000,000元)，均以人民幣列值。其餘現金及銀行結餘約人民幣51,926,000元(二零零五年：人民幣388,147,000元)，及借貸約人民幣177,336,000元(二零零五年：人民幣38,737,000元)，均以美元、日本圓(「日圓」)或香港元(「港元」)列值。

外匯風險乃來自外國經營業務的日後商業交易、經確認資產及負債以及投資淨額。本集團利用對外外匯遠期合約管理其外匯風險。

(ii) 利率風險

由於本集團概無重大計息資產，故本集團的收入及經營現金流量實質上獨立於市場利率變動。本集團的利率變動風險主要來自其銀行借貸。現金流量利率風險來自浮息的銀行借貸。公允值利率風險則來自定息銀行借貸。有關本集團銀行借貸的詳情已於附註19中披露。

本集團並無利用任何利率掉期對沖其利率風險。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

Conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by Mainland China government. As at 31 December 2006, cash and bank balances (including pledged bank deposits, bank deposits with initial term of over three months and cash and cash equivalents) of approximately RMB222,250,000 (2005: RMB195,659,000), and borrowings of approximately RMB140,000,000 (2005: RMB520,000,000) were denominated in RMB. The remaining cash and bank balances of approximately RMB51,926,000 (2005: RMB388,147,000) and borrowings of approximately RMB177,336,000 (2005: RMB38,737,000), respectively, were denominated in USD, Japanese Yen ("JPY") or Hong Kong Dollars ("HKD").

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group used external forward foreign exchange contracts to manage some of its foreign exchange risk.

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's exposure to changes in interest rates is mainly attributable to its bank borrowings. Bank borrowings at variable rates expose the Group to cash flow interest-rate risk. Bank borrowings at fixed rates expose the Group to fair value interest-rate risk. Details of the Group's bank borrowings have been disclosed in Note 19.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(iii) 客戶及供應商集中的風險

截至二零零六年十二月三十一日止年度，本集團向五大客戶的銷售額佔總銷售額約79% (二零零五年：84%)。本集團自五大供應商的採購額佔總採購額約36% (二零零五年：39%)。本集團旨在與著名客戶及供應商維持長期合作關係以擴展其業務。

(iv) 信貸風險

於二零零六年十二月三十一日，應收貿易賬款約62% (二零零五年：78%) 集中於五大客戶。現金及現金等價物、存期逾三個月的銀行存款、有抵押銀行存款、應收賬款及應收票據以及其他流動資產的賬面值 (預付款項除外) 均為本集團與財務資產相關的最高信貸風險。本集團有限制對任何金融機構信貸風險金額的政策。本集團亦有確保向具適當信貸記錄的客戶進行產品銷售的政策並本集團會定期為其客戶進行信貸評估。本集團過往收回應收貿易賬款及其他應收款項的經歷，均於備抵記錄內。

(v) 流動資金風險

謹慎的流動資金風險管理表示持有充足的現金、上市證券及通過已承擔的充足信貸額度有可供使用資金。本集團通過持有可供使用的已承擔信限額維持資金調度的彈性。

3.2 外匯遠期合約的會計處理

本集團外匯遠期合約最初按其於外匯遠期合約訂立日期當日的公允值確認，並其後按其公允值重新計量。外匯遠期合約公允值的變動即時於損益表確認。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(iii) Concentration of customers and suppliers risk

During the year ended 31 December 2006, the Group's sales to top 5 customers accounted for approximately 79% (2005: 84%) of its total sales; the Group's purchase from top 5 suppliers accounted for approximately 36% (2005: 39%) of its total purchase. The Group aims to maintain long-term relationship with reputable customers and suppliers in the expansion of its business.

(iv) Credit risk

As at 31 December 2006, approximately 62% of the trade receivables was concentrated on the top five customers (2005: 78%). The carrying amounts of cash and cash equivalents, bank deposits with initial term of over three months, pledged bank deposits, accounts and bills receivable, and other current assets except for prepayments, represent the Group's maximum exposure to credit risk in relation to financial assets. The Group has policies that limit the amount of credit exposure to any financial institutions. The Group has also policies in place to ensure that the sales of products are made to customers with appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances.

(v) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

3.2 Accounting for forward foreign exchange contracts

Forward foreign exchange contracts of the Group are initially recognised at fair value on the date a forward foreign exchange contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of the forward foreign exchange contract are recognised immediately in the income statement.

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

3. 財務風險管理 (續)

3.3 公允價值估計

本集團財務資產(包括現金與現金等價物、有抵押銀行存款、存期逾三個月的銀行存款、應收賬款及應收票據、其他應收款項及應收關連人士款項)及財務負債(包括應付賬款及票據、其他應付款項、應付關連人士款項及短期銀行借貸)的賬面值由於期限偏短，故貼近公允價值。期限不足一年的財務資產及負債的賬面值減任何估計貸方調整後(如有)，假設與其公允價值相若。

就披露而言，財務資產及財務負債的公允價值乃按可供本集團使用的當時同類金融工具的市場利率將日後合約現金流量折現而估計。

4. 重要會計估計及判斷

估計及判斷乃持續進行的評估，並以過往經驗及其他因素作為基礎，包括在該情況下相信對未來事件的合理預期。

本集團對未來作出估計及假設。所得之會計估計因而難以與相關的實際結果相同。以下所論述之估計及假設有相當風險會引致須於下個財政年度對資產及負債之賬面值作重大調整。

(a) 廠房及設備的可使用年期

本集團管理層釐定其廠房及設備的預計可使用年期及據此的相關折舊費用。該估計乃根據過往相類性質及功能的廠房及設備之實際可使用年期而做出。由於就回應嚴重的行業週期的技術創新及競爭對手行動，該估計可出現大幅變動。倘可使用年期少於先前估計的可使用年期，管理層將提高折舊費用，或將技術上過期或非策略的已報廢或出售資產撤銷或減值。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

The carrying amounts of the Group's financial assets including cash and cash equivalents, pledged bank deposits, bank deposits with initial term of over three months, accounts and bills receivable, other receivables, and amounts due from related parties; and financial liabilities including accounts and bills payable, other payables, amounts due to related parties, and short-term bank borrowings, approximate their fair values due to their short maturities. The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

The fair value of financial assets and financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of plant and equipment

The Group's management determines the estimated useful lives and consequently related depreciation charges. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 重要會計估計及判斷 (續)

(b) 物業、廠房與設備及土地使用權的估計減

本集團根據附註2.7所述會計政策，每年對物業、廠房與設備及土地使用權進行評估，確定有否任何減值跡象。物業、廠房與設備的可收回金額，乃根據使用價值而計算釐定。土地使用權的可收回金額，乃參考獨立評估而釐定。該等計算及評估需運用一定的主觀判斷和作出估算。

(c) 應收款項減值估計

本集團對應收賬款、應收票據及其他應收款項的可收回程度作出評估，據此記錄應收款項減值。若有事件或環境變化顯示，應收賬款、應收票據及其他應收款項餘額可能無法收回，則會對其作出撥備。識別呆賬時，需運用一定的主觀判斷和作出估算。若預期金額與原先估計有別，該等差額將會影響應收賬款、應收票據及其他應收款項的賬面值及更改估算期間的呆賬撥備支出。

(d) 存貨的估計可實現淨值撇減估計

本集團根據對存貨可實現程度的評估，將存貨撇減至可實現淨值。若有事件或環境變化顯示，結餘可能無法實現，則會將存貨撇減值記錄下來。識別撇減值時，需運用一定的主觀判斷和作出估算。若預期金額與原先估計有別，該等差額將會影響存貨賬面值和更改估算期間的存貨撇減值。

5. 收入及分部資料

本集團主要從事製造及銷售針織服裝產品的單一業務分部，其大部分經營業務及資產均位於中國大陸。故此，本集團並無呈列業務分部或地域分部。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

(b) Estimated impairment of property, plant and equipment and land use rights

The Group assesses annually whether property, plant and equipment and land use rights have any indication of impairment, in accordance with the accounting policy stated in Note 2.7. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations, while that of land use rights has been determined with reference to independent valuations. These calculations and valuations require the use of judgement and estimates.

(c) Estimated impairment of receivables

The Group records impairment of receivables based on an assessment of the recoverability of accounts and bills receivable and other receivables. Provisions are applied to accounts and bills receivable and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of accounts and bills receivable and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

(d) Estimated write-downs of inventories to net realisable value

The Group writes down inventories to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of inventories and write-downs of inventories in the years in which such estimate has been changed.

5. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in one business segment, the manufacture and sale of knitwear products, and most of its operations and assets are located in Mainland China. Therefore, no business segment or geographical segment is presented.

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

6. 土地使用權 – 本集團

6. LAND USE RIGHTS – GROUP

		二零零六年 2006	二零零五年 2005
成本	Cost		
年初	At beginning of year	56,921	55,856
添置	Additions	63,608	16,195
收購一家附屬公司 (附註30(b))	Acquisition of a subsidiary (Note 30(b))	14,656	–
出售	Disposals	–	(9,458)
於二零零五年五月三十一日 向股權持有人作出的分派	Distributions to equity holders on 31 May 2005	–	(5,672)
年終	At end of year	135,185	56,921
累計攤銷	Accumulated amortisation		
年初	At the beginning of year	1,463	1,675
年度攤銷	Amortisation for the year	1,348	775
出售	Disposals	–	(592)
於二零零五年五月三十一日 向股權持有人作出的分派	Distributions to equity holders on 31 May 2005	–	(395)
年終	At end of year	2,811	1,463
賬面淨額	Net book value		
年終	At end of year	132,374	55,458
年初	At beginning of year	55,458	54,181

本集團所有土地使用權均位於中國大陸，土地使用期自取得之日起計介乎30年至50年不等。於二零零六年十二月三十一日，餘下的土地使用期介乎45至47年不等，於二零五二年至二零五四年間屆滿。

All of the Group's land use rights are located in Mainland China with land use periods ranging from 30 to 50 years from the dates of acquisition. As at 31 December 2006, the remaining land use periods are ranging from 45 to 47 years and expiring in 2052 through 2054.

7. 物業、廠房及設備 – 本集團

7. PROPERTY, PLANT AND EQUIPMENT – GROUP

		樓宇 Buildings	廠房 及機器 Plant and machinery	汽車 Vehicles	傢俬、裝置 及設備 Furniture, fittings and equipment	在建工程 Construction in progress	總計 Total
於二零零五年一月一日	At 1 January 2005						
成本	Cost	148,898	849,503	30,788	40,876	298,665	1,368,730
累計折舊	Accumulated depreciation	(17,278)	(233,908)	(14,119)	(23,381)	–	(288,686)
賬面淨額	Net book amount	131,620	615,595	16,669	17,495	298,665	1,080,044
截至二零零五年 十二月三十一日止年度	Year ended 31 December 2005						
年初賬面淨額	Opening net book amount	131,620	615,595	16,669	17,495	298,665	1,080,044
匯兌差額	Exchange differences	(31)	–	(1)	–	–	(32)
添置	Additions	6,334	112,317	3,564	9,461	316,900	448,576
出售	Disposals	(71,489)	(3,969)	(5,802)	(152)	(51,507)	(132,919)
出售一家附屬公司	Disposal of a subsidiary	–	(199)	–	(30)	–	(229)
於二零零五年五月三十一日 向股權持有人作出的分派	Distribution to equity holders on 31 May 2005	(4,778)	(1,264)	(3,760)	(1,346)	–	(11,148)
折舊	Depreciation	(10,541)	(82,454)	(2,784)	(6,125)	–	(101,904)
減值	Impairment	–	(7,171)	–	–	–	(7,171)
轉撥	Transfers	384,462	139,078	–	–	(523,540)	–
年終賬面淨額	Closing net book amount	435,577	771,933	7,886	19,303	40,518	1,275,217
於二零零五年十二月三十一日	At 31 December 2005						
成本	Cost	451,033	1,084,519	16,249	39,458	40,518	1,631,777
累計折舊	Accumulated depreciation	(15,456)	(312,586)	(8,363)	(20,155)	–	(356,560)
賬面淨額	Net book amount	435,577	771,933	7,886	19,303	40,518	1,275,217
截至二零零六年 十二月三十一日止年度	Year ended 31 December 2006						
年初賬面淨額	Opening net book amount	435,577	771,933	7,886	19,303	40,518	1,275,217
匯兌差額	Exchange differences	(474)	(856)	(26)	(12)	–	(1,368)
添置	Additions	14,017	289,412	7,090	13,027	179,620	503,166
收購一家附屬公司 (附註30(b))	Acquisition of a subsidiary (Note 30(b))	–	–	–	–	4,844	4,844
出售	Disposals	–	(2,016)	(37)	–	–	(2,053)
折舊	Depreciation	(22,335)	(109,876)	(2,550)	(7,014)	–	(141,775)
轉撥	Transfers	101,580	19,793	–	–	(121,373)	–
年終賬面淨額	Closing net book amount	528,365	968,390	12,363	25,304	103,609	1,638,031
於二零零六年十二月三十一日	At 31 December 2006						
成本	Cost	566,129	1,380,390	23,136	52,148	103,609	2,125,412
累計折舊	Accumulated depreciation	(37,764)	(412,000)	(10,773)	(26,844)	–	(487,381)
賬面淨額	Net book amount	528,365	968,390	12,363	25,304	103,609	1,638,031

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(Amounts expressed in RMB'000 unless otherwise stated)

7. 物業、廠房及設備－本集團 (續)

7. PROPERTY, PLANT AND EQUIPMENT – GROUP (Continued)

下列為已計入綜合損益表的折舊開支及減值虧損：

Depreciation expense and impairment loss have been charged to the consolidated income statements as follows:

		二零零六年 2006	二零零五年 2005
銷售成本	Cost of sales	132,786	94,302
一般及行政費用	General and administrative expenses	8,989	14,773
		141,775	109,075

8. 於附屬公司的投資及向附屬公司提供的貸款－本公司

8. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY

(a) 於附屬公司的投資

(a) Investments in subsidiaries

		二零零六年 2006	二零零五年 2005
投資，按成本：	Investments, at cost:		
－非上市股份	－ Unlisted shares	727,454	727,454

於二零零六年十二月三十一日附屬公司的名單如下：

The following is a list of the subsidiaries at 31 December 2006:

公司名稱 Company name	註冊成立地點及 法人實體的類別 Place of incorporation and kind of legal entity	已發行股本詳情 Particulars of issued share capital	所持權益		主要業務及經營地點 Principal activities and place of operation
			直接 Direct	間接 Indirect	
永泰 Top Always	英屬處女群島、 有限責任公司 British Virgin Islands, limited liability company	30,002美元 USD30,002	100%	—	投資控股 Investment holding
寧波申洲針織有限公司 (「申洲針織」) Ningbo Shenzhou Knitting Co., Ltd. (“Shenzhou Knitting”)	中國大陸、外商獨資企業 Mainland China, wholly foreign owned enterprise	85,020,000美元 USD85,020,000	—	100%	於中國大陸製造及銷售針織 服裝產品 Manufacture and sale of knitwear products in Mainland China

8. 於附屬公司的投資及向附屬公司提供的貸款 – 本公司 (續)

(a) 於附屬公司的投資 (續)

公司名稱	註冊成立地點及 法人實體的類別	已發行股本詳情	所持權益	主要業務及經營地點
Company name	Place of incorporation and kind of legal entity	Particulars of issued share capital	Interest held 直接 間接 Direct Indirect	Principal activities and place of operation
寧波世興針織印花有限公司	中國大陸、外商獨資企業	2,100,000美元	— 100%	於中國大陸印製及銷售針織 服裝產品
Ningbo Shixing Knitwear Printing Co., Ltd.	Mainland China, wholly foreign owned enterprise	USD2,100,000	— 100%	Print and sale of knitwear products in Mainland China
寧波樂樂印花有限公司	中國大陸、外商獨資企業	140,000美元	— 100%	於中國大陸印製及銷售針織 服裝產品
Ningbo Lele Printing Co., Ltd.	Mainland China, wholly foreign owned enterprise	USD140,000	— 100%	Print and sale of knitwear products in Mainland China
寧波甬綿時裝有限公司	中國大陸、中外合資企業	10,000,000美元	— 91%	於中國大陸製造及銷售針織 服裝產品
Ningbo Yongmian Fashion Garment Co., Ltd.	Mainland China, foreign equity joint venture	USD10,000,000	— 91%	Manufacture and sale of knitwear products in Mainland China
寧波申蝶時裝有限公司	中國大陸、中外合資企業	5,000,000美元	— 91%	於中國大陸製造及銷售針織 服裝產品
Ningbo Shendie Fashion Co., Ltd.	Mainland China, foreign equity joint venture	USD5,000,000	— 91%	Manufacture and sale of knitwear products in Mainland China
Shenzhou (Cambodia) Co., Ltd. (「Shenzhou Cambodia」)	柬埔寨王國、外商獨資企業	5,033,806美元	— 100%	於柬埔寨製造及銷售針織 服裝產品
Shenzhou (Cambodia) Co., Ltd. ("Shenzhou Cambodia")	Kingdom of Cambodia, wholly foreign owned enterprise	USD5,033,806	— 100%	Manufacture and sale of knitwear products in Cambodia
寧波大千紡織品有限公司	中國大陸、外商獨資企業	15,080,000美元	— 100%	於中國大陸製造及銷售針織 服裝產品
Ningbo Daqian Knitting Co., Ltd.	Mainland China, wholly foreign owned enterprise	USD15,080,000	— 100%	Manufacture and sale of knitwear products in Mainland China

8. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY (Continued)

(a) Investments in subsidiaries (Continued)

公司名稱	註冊成立地點及 法人實體的類別	已發行股本詳情	所持權益	主要業務及經營地點
Company name	Place of incorporation and kind of legal entity	Particulars of issued share capital	Interest held 直接 間接 Direct Indirect	Principal activities and place of operation
寧波世興針織印花有限公司	中國大陸、外商獨資企業	2,100,000美元	— 100%	於中國大陸印製及銷售針織 服裝產品
Ningbo Shixing Knitwear Printing Co., Ltd.	Mainland China, wholly foreign owned enterprise	USD2,100,000	— 100%	Print and sale of knitwear products in Mainland China
寧波樂樂印花有限公司	中國大陸、外商獨資企業	140,000美元	— 100%	於中國大陸印製及銷售針織 服裝產品
Ningbo Lele Printing Co., Ltd.	Mainland China, wholly foreign owned enterprise	USD140,000	— 100%	Print and sale of knitwear products in Mainland China
寧波甬綿時裝有限公司	中國大陸、中外合資企業	10,000,000美元	— 91%	於中國大陸製造及銷售針織 服裝產品
Ningbo Yongmian Fashion Garment Co., Ltd.	Mainland China, foreign equity joint venture	USD10,000,000	— 91%	Manufacture and sale of knitwear products in Mainland China
寧波申蝶時裝有限公司	中國大陸、中外合資企業	5,000,000美元	— 91%	於中國大陸製造及銷售針織 服裝產品
Ningbo Shendie Fashion Co., Ltd.	Mainland China, foreign equity joint venture	USD5,000,000	— 91%	Manufacture and sale of knitwear products in Mainland China
Shenzhou (Cambodia) Co., Ltd. (「Shenzhou Cambodia」)	柬埔寨王國、外商獨資企業	5,033,806美元	— 100%	於柬埔寨製造及銷售針織 服裝產品
Shenzhou (Cambodia) Co., Ltd. ("Shenzhou Cambodia")	Kingdom of Cambodia, wholly foreign owned enterprise	USD5,033,806	— 100%	Manufacture and sale of knitwear products in Cambodia
寧波大千紡織品有限公司	中國大陸、外商獨資企業	15,080,000美元	— 100%	於中國大陸製造及銷售針織 服裝產品
Ningbo Daqian Knitting Co., Ltd.	Mainland China, wholly foreign owned enterprise	USD15,080,000	— 100%	Manufacture and sale of knitwear products in Mainland China

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

8. 於附屬公司的投資及向附屬公司提供的貸款—本公司 (續)

(a) 於附屬公司的投資 (續)

公司名稱	註冊成立地點及 法人實體的類別	已發行股本詳情	所持權益	主要業務及經營地點
Company name	Place of incorporation and kind of legal entity	Particulars of issued share capital	Interest held 直接 間接 Direct Indirect	Principal activities and place of operation
寧波林林針織有限公司	中國大陸、外商獨資企業	157,500美元	— 100%	於中國大陸製造及加工針織 服裝產品
Ningbo Linlin Knitting Co., Ltd.	Mainland China, Wholly foreign owned enterprise	USD157,500	— 100%	Manufacture and process of knitwear products in Mainland China
寧波圖騰服飾有限公司 (「圖騰服飾」)	中國大陸、外商獨資企業	4,000,000美元	— 100%	於中國大陸製造及加工針織 服裝產品
Tuteng Textile (Ningbo) Co., Ltd. ("Tuteng Textile")	Mainland China, Wholly foreign owned enterprise	USD4,000,000	— 100%	Manufacture and process of knitwear products in Mainland China
寧波大千進出口有限公司 (「大千進出口」)	中國大陸、有限責任公司	人民幣1,500,000元	— 100%	進出口商品
Ningbo Daqian Import & Export Co., Ltd. ("Daqian Import & Export")	Mainland China, limited liability company	RMB1,500,000	— 100%	Import and export commodities
申洲貿易有限公司 (「申洲貿易」)	香港、有限責任公司	100港元	— 100%	進出口商品
Shenzhou Trading Co., Ltd. ("Shenzhou Trading")	Hongkong, limited liability company	HKD100	— 100%	Import and export commodities

(b) 向附屬公司提供的貸款

於二零零六年十二月三十一日，向附屬公司提供之所有貸款(二零零五年：人民幣526,079,000元)為無抵押、免息及無還款期或在可見將來也不太可能有還款的必要。於二零零五年十二月三十一日，餘下結額約人民幣364,105,000元為無抵押及按香港銀行同業拆息利率計息。

8. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY (Continued)

(a) Investments in subsidiaries (Continued)

公司名稱	註冊成立地點及 法人實體的類別	已發行股本詳情	所持權益	主要業務及經營地點
Company name	Place of incorporation and kind of legal entity	Particulars of issued share capital	Interest held 直接 間接 Direct Indirect	Principal activities and place of operation
寧波林林針織有限公司	中國大陸、外商獨資企業	157,500美元	— 100%	於中國大陸製造及加工針織 服裝產品
Ningbo Linlin Knitting Co., Ltd.	Mainland China, Wholly foreign owned enterprise	USD157,500	— 100%	Manufacture and process of knitwear products in Mainland China
寧波圖騰服飾有限公司 (「圖騰服飾」)	中國大陸、外商獨資企業	4,000,000美元	— 100%	於中國大陸製造及加工針織 服裝產品
Tuteng Textile (Ningbo) Co., Ltd. ("Tuteng Textile")	Mainland China, Wholly foreign owned enterprise	USD4,000,000	— 100%	Manufacture and process of knitwear products in Mainland China
寧波大千進出口有限公司 (「大千進出口」)	中國大陸、有限責任公司	人民幣1,500,000元	— 100%	進出口商品
Ningbo Daqian Import & Export Co., Ltd. ("Daqian Import & Export")	Mainland China, limited liability company	RMB1,500,000	— 100%	Import and export commodities
申洲貿易有限公司 (「申洲貿易」)	香港、有限責任公司	100港元	— 100%	進出口商品
Shenzhou Trading Co., Ltd. ("Shenzhou Trading")	Hongkong, limited liability company	HKD100	— 100%	Import and export commodities

(b) Loans to subsidiaries

As at 31 December 2006, all loans to subsidiaries (2005: RMB526,079,000) were unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future. As at 31 December 2005, the remaining balance of approximately RMB364,105,000 are unsecured and bearing interest at Hong Kong Interbank Offer Rate.

8. 於附屬公司的投資及向附屬公司提供的貸款 – 本公司 (續)

(c) 應付附屬公司款項

於二零零六年及二零零五年十二月三十一日，應付附屬公司之款項為無抵押、免息及無還款期或在可見將來也不太可能有還款的必要。

9. 遞延所得稅 – 本集團

當有法定可執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與負債互相抵銷。

8. INVESTMENTS IN AND LOANS TO SUBSIDIARIES – COMPANY (Continued)

(c) Due to subsidiaries

As at 31 December 2006 and 2005, the amounts due to subsidiaries were unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future.

9. DEFERRED INCOME TAX – GROUP

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

		二零零六年 2006	二零零五年 2005
遞延稅項資產：	Deferred tax assets:		
– 將於12個月內收回之遞延稅項資產	– Deferred tax assets to be recovered within 12 months	921	1,031
遞延稅項負債：	Deferred tax liabilities:		
– 將於12個月內償還之遞延稅項負債	– Deferred tax liabilities to be settled within 12 months	(212)	(755)
		709	276

遞延所得稅賬目之總變動如下：

The gross movement on the deferred income tax accounts is as follows:

		二零零六年 2006	二零零五年 2005
年初	At the beginning of year	276	(24)
於綜合損益表內確認 (附註26)	Recognised in the consolidated income statement (Note 26)	433	1,040
於二零零五年五月三十一日 向股權持有人作出的分派	Distributions to equity holders on 31 May 2005	–	(740)
年終	At the end of year	709	276

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

9. 遞延所得稅 – 本集團 (續)

遞延稅項資產及負債於年內之變動(未計及於相同徵稅區內抵銷之結餘)如下：

(i) 遞延所得稅資產

		呆賬撥備	物業、廠房 及設備之 減值撥備	存貨 撇減撥備	其他	總計
		Provision for doubtful accounts	Provision for impairment of property, plant and equipment	Provision for write-down of inventories	Others	Total
於二零零五年一月一日	At 1 January 2005	335	-	-	335	670
於綜合損益表內確認	Recognised in the consolidated income statement	-	592	414	95	1,101
於二零零五年五月三十一日	Distributions to equity holders on May 31 2005	(335)	-	-	(405)	(740)
於二零零五年 十二月三十一日	At 31 December 2005	-	592	414	25	1,031
於綜合損益表內確認	Recognised in the consolidated income statement	-	(110)	-	-	(110)
於二零零六年 十二月三十一日	At 31 December 2006	-	482	414	25	921

(ii) 遞延所得稅負債

9. DEFERRED INCOME TAX – GROUP (Continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(i) Deferred income tax assets

		呆賬撥備	物業、廠房 及設備之 減值撥備	存貨 撇減撥備	其他	總計
		Provision for doubtful accounts	Provision for impairment of property, plant and equipment	Provision for write-down of inventories	Others	Total
於二零零五年一月一日	At 1 January 2005	335	-	-	335	670
於綜合損益表內確認	Recognised in the consolidated income statement	-	592	414	95	1,101
於二零零五年五月三十一日	Distributions to equity holders on May 31 2005	(335)	-	-	(405)	(740)
於二零零五年 十二月三十一日	At 31 December 2005	-	592	414	25	1,031
於綜合損益表內確認	Recognised in the consolidated income statement	-	(110)	-	-	(110)
於二零零六年 十二月三十一日	At 31 December 2006	-	482	414	25	921

(ii) Deferred income tax liabilities

按公允值列賬
之遠期外匯合約Forward foreign exchange
contracts at fair value

於二零零五年一月一日	At 1 January 2005	694
於綜合損益表內確認	Recognised in the consolidated income statement	61
於二零零五年十二月三十一日	At 31 December 2005	755
於綜合損益表內確認	Recognised in the consolidated income statement	(543)
於二零零六年十二月三十一日	At 31 December 2006	212

10. 存貨 – 本集團

10. INVENTORIES – GROUP

		二零零六年 2006	二零零五年 2005
原材料	Raw materials	134,276	104,171
在製品	Work in progress	278,666	219,229
製成品	Finished goods	15,254	42,801
		428,196	366,201

存貨成本人民幣2,340,483,000元(二零零五年：人民幣1,902,484,000元)已確認為開支，並計入銷售成本內。

The cost of inventories recognised as expense and included in cost of sales amounted to RMB2,340,483,000 (2005: RMB1,902,484,000).

11. 應收賬款及應收票據 – 本集團

11. ACCOUNTS AND BILLS RECEIVABLE – GROUP

		二零零六年 2006	二零零五年 2005
應收賬款	Accounts receivable	204,875	117,560
應收票據	Bills receivable	–	76,000
		204,875	193,560

應收賬款及應收票據的賬面值與其公允值相若。

The carrying amounts of accounts and bills receivable approximated their fair value.

本集團大部分銷售以信用證進行。其餘款項則一般附有1至6個月的信貸期。應收賬款及應收票據的賬齡分析如下：

Majority of the Group's sales are covered by letters of credit. The remaining amounts are generally granted with credit terms of 1 to 6 months. The ageing analysis of accounts and bills receivable is as follows:

		二零零六年 2006	二零零五年 2005
0至6個月	0 to 6 months	204,717	193,538
6個月至1年	6 months to 1 year	158	22
		204,875	193,560

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

11. 應收賬款及應收票據 – 本集團 (續)

於二零零六年十二月三十一日，應收賬款及應收票據均以下列貨幣列值：

11. ACCOUNTS AND BILLS RECEIVABLE – GROUP (Continued)

At 31 December 2006, the accounts and bills receivable were denominated in the following currencies:

	二零零六年 2006		二零零五年 2005	
	原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000	原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000
美元	USD	22,359	13,743	110,906
人民幣	RMB	30,279	82,344	82,344
歐元	EURO	-	32	310
		204,875		193,560

12. 預付款項及其他應收款項

12. PREPAYMENTS AND OTHER RECEIVABLES

		本集團 Group		本公司 Company	
		二零零六年 2006	二零零五年 2005	二零零六年 2006	二零零五年 2005
預付款項及按金	Prepayments and deposits				
— 採購原材料	— Purchase of raw materials	10,421	30,542	—	—
— 購買出口配額	— Purchase of export quotas	6,813	—	—	—
— 其他	— Others	931	1,055	—	—
應收增值稅退款 (附註a)	VAT refund receivable (note a)	22,713	9,883	—	—
按公允值列賬的外匯 遠期合約 (附註3.2)	Forward foreign exchange contracts at fair value (Note 3.2)	4,583	9,154	—	—
應收發行股份 所得款項	Receivables of proceeds from issue of shares	—	10,969	—	10,969
應收股息	Dividends receivable	—	—	379,273	211,530
可收回即期所得稅	Current income tax recoverable	6,421	—	—	—
其他應收款項	Other receivables	13,463	4,420	100	—
		65,345	66,023	379,373	222,499

(a) 應收增值稅退款：

本集團自製產品的銷售額須繳納中國大陸增值稅(「增值稅」)。進項增值稅可從銷項增值稅中扣除。應付增值稅乃銷項增值稅及可扣減進項增值稅之淨差額。本集團的內銷適用稅率為17%。就外銷而言，本集團已取得有關出口貨品以「免、抵、退」方法結算增值稅的批准，其中本集團所進行的外銷可豁免銷項增值稅並有權享有有關進項增值稅的退稅，有關退稅率為11%至13%。

預付款項及其他應收款項的賬面值與其公允值相若。

(a) VAT refund receivable:

The Group's sales of self-manufactured products are subject to Mainland China Value Added Tax ("VAT"). Input VAT on purchases can be deducted from output VAT. VAT payable is the net difference between output and deductible input VAT. The applicable tax rate for domestic sales of the Group is 17%. For export sales, the Group has obtained approval to use the "exempt, credit, refund" method in settling VAT relating to goods exported, which exempts the Group from output VAT for its export sales and entitles the Group for a refund of the relevant input VAT at the rates from 11% to 13%.

The carrying amounts of prepayments and other receivables approximated their fair value.

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

13. 有抵押銀行存款 – 本集團

13. PLEDGED BANK DEPOSITS – GROUP

		二零零六年 2006	二零零五年 2005
存放於若干銀行的存款作為銀行 授出若干貿易融資信貸之抵押	Deposits placed in certain banks as collaterals against certain trade finance facilities granted by banks	182	2,310

相應的貿易融資信貸主要為應付供應商票據及進口信用證的銀行保證。

The corresponding trade finance facilities mainly represent bank guarantees for notes payable to suppliers and letter of credits for import.

- (i) 有抵押存款的加權平均年利率為 0.90% (二零零五年：0.74%)。
- (ii) 於二零零六年十二月三十一日，有抵押存款以下列貨幣列值：

- (i) The weighted average interest rate for pledged deposits was 0.90% (2005: 0.74%) per annum.
- (ii) At 31 December 2006, the pledged deposits were denominated in currencies as follows:

		二零零六年 2006		二零零五年 2005	
		原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000	原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000
人民幣	RMB	102	102	2,221	2,221
美元	USD	10	78	11	86
歐元	EURO	0.2	2	0.2	3
			182		2,310

14. 現金及現金等價物

14. CASH AND CASH EQUIVALENTS

		本集團 Group		本公司 Company	
		二零零六年 2006	二零零五年 2005	二零零六年 2006	二零零五年 2005
銀行存款及手頭現金	Cash at bank and in hand	266,843	294,407	6,941	3,820
存期少於三個月的 短期銀行存款	Short-term bank deposits with initial terms of less than three months	7,151	265,394	–	–
		273,994	559,801	6,941	3,820

14. 現金及現金等價物 (續)

- (i) 銀行存款的加權平均實際年利率為0.86%(二零零五年:0.91%)。存期初步少於三個月的短期銀行存款的加權平均實際年利率為4.15%(二零零五年:3.87%)。上述存款平均30日到期。
- (ii) 於二零零六年十二月三十一日,現金及現金等價物以下列貨幣列值:

14. CASH AND CASH EQUIVALENTS (Continued)

- (i) The weighted average effective interest rate for cash at bank was 0.86% (2005: 0.91%) per annum. The weighted average effective interest rate on short-term bank deposits with initial terms of less than three months was 4.15% (2005: 3.87%) per annum; these deposits have an average maturity of 30 days.
- (ii) At 31 December 2006, the cash and cash equivalents were denominated in currencies as follows:

		本集團 Group				本公司 Company			
		二零零六年 2006		二零零五年 2005		二零零六年 2006		二零零五年 2005	
		原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000	原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000	原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000	原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000
銀行存款及手頭現金	Cash at bank and in hand								
- 人民幣	- RMB	222,148	222,148	163,438	163,438	-	-	-	-
- 美元	- USD	4,044	31,578	15,295	123,432	-	-	-	-
- 港元	- HKD	12,912	12,973	7,182	7,471	6,909	6,941	3,672	3,820
- 其他	- Others		144		66	-	-	-	-
			266,843		294,407		6,941		3,820
存期少於三個月的短期銀行存款	Short-term bank deposits with initial terms of less than three months								
- 美元	- USD	916	7,151	-	-	-	-	-	-
- 人民幣	- RMB	-	-	10,000	10,000	-	-	-	-
- 港元	- HKD	-	-	245,500	255,394	-	-	-	-
			7,151		265,394		-		-
			273,994		559,801		6,941		3,820

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(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

15. 股本

15. SHARE CAPITAL

		法定股本每股0.1港元		
		Authorised share capital of HKD 0.1 each		
		股份數目		
		Number		
		of shares		
		千股	千港元	人民幣千元
		'000	HKD'000	RMB'000
本公司註冊成立時	Upon incorporation of the Company	3,900	390	406
於二零零五年十月九日增加	Increase on 9 October 2005	2,996,100	299,610	311,594
於二零零五年及二零零六年 十二月三十一日	As at 31 December 2005 and 2006	3,000,000	300,000	312,000

		已發行及繳足每股0.1港元		
		Issued and fully paid up of HKD 0.1 each		
		股份數目		
		Number		
		of shares		
		千股	千港元	人民幣千元
		'000	HKD'000	RMB'000
於二零零五年七月五日發行	Issued on 5 July 2005	0.01	—	—
於二零零五年十月九日發行	Issued on 9 October 2005	234	23	24
根據配售及公开发售發行	Issue pursuant to the placing and public offer	345,000	34,500	35,946
股份溢價資本化	Capitalisation of share premium	899,765.99	89,977	93,747
於二零零五年及二零零六年 十二月三十一日	As at 31 December 2005 and 2006	1,245,000	124,500	129,717

16. 儲備

16. RESERVES

本集團

GROUP

		股份溢價	股本儲備	法定公積	匯兌差額	保留盈利	擬派 末期股息	總計
		Share premium	Capital reserve	Statutory reserves (附註a) (note a)	Translation differences	Retained earnings	Proposed final dividend	Total
於二零零五年一月一日	At 1 January 2005	-	611,475	82,537	-	577,324	-	1,271,336
本年度利潤	Profit for the year	-	-	-	-	351,487	-	351,487
根據新發行發行股份	Issue of shares pursuant to the new issue	907,626	-	-	-	-	-	907,626
股份發行成本	Share issue costs	(51,380)	-	-	-	-	-	(51,380)
股份溢價資本化	Capitalisation of share premium	(93,747)	-	-	-	-	-	(93,747)
出售一家全資附屬公司	Disposal of a wholly-owned subsidiary	-	(745)	(719)	-	-	-	(1,464)
收購少數股東權益	Purchase of minority interests	-	(1,776)	-	-	-	-	(1,776)
轉撥自保留盈利	Transfer from retained earnings	-	-	92,279	-	(92,279)	-	-
匯兌差額	Translation differences	-	-	-	(1,370)	-	-	(1,370)
集團旗下各公司向 其當時股權持有人 派付之股息	Dividends paid by group companies to their then equity holders	-	-	-	-	(292,549)	-	(292,549)
於二零零五年五月三十一日 向股權持有人作出的分派	Distributions to equity holders on 31 May 2005	-	(343,894)	(108,523)	-	(63,441)	-	(515,858)
二零零五年擬派 末期股息(附註29)	Proposed final 2005 dividend (Note 29)	-	-	-	-	(25,903)	25,903	-
於二零零五年 十二月三十一日	At 31 December 2005	762,499	265,060	65,574	(1,370)	454,639	25,903	1,572,305
本年度利潤	Profit for the year	-	-	-	-	389,031	-	389,031
向本公司股東 派付之股息	Dividends paid to the Company's shareholders	-	-	-	-	-	(25,903)	(25,903)
轉撥自保留盈利	Transfer from retained earnings	-	-	2,237	-	(2,237)	-	-
匯兌差額	Translation differences	-	-	-	(3,348)	-	-	(3,348)
二零零六年擬派 末期股息(附註29)	Proposed final 2006 dividend (Note 29)	-	-	-	-	(187,628)	187,628	-
於二零零六年 十二月三十一日	At 31 December 2006	762,499	265,060	67,811	(4,718)	653,805	187,628	1,932,085

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16. 儲備 (續)

(a) 法定公積

本集團在中國大陸註冊成立的附屬公司須在抵銷往年累計虧損後及向股權持有人分派利潤前，對若干法定公積金作出分配。對該等法定公積金作出分配的百分比，是根據中國大陸有關法規規定釐定，或是由有關公司的董事會酌情釐定。該等公積金僅可用以抵銷累計虧損、增加資本、或特別花紅或僱員集體福利，視乎公積金性質而定，而不可向股權持有人分派。

16. RESERVES (Continued)

(a) Statutory reserves

Subsidiaries of the Group incorporated in Mainland China are required to make appropriations to certain statutory reserve funds after offsetting accumulated losses from prior years and before profit distribution to equity holders. The percentages to be appropriated to such statutory reserve funds are determined according to the relevant regulations in Mainland China, or at the discretion of the board of directors of the respective companies. Such statutory reserve funds, depending on their nature, can only be used to offset accumulated losses, to increase capital, or for special bonus or collective welfare of employees. They can not be distributed to equity holders.

本公司

COMPANY

		股份溢價	匯兌差額	股本盈餘	保留盈利	擬派 末期股息 Proposed final dividend	總計
		Share premium	Translation differences	Capital surplus (附註b) (note b)	Retained earnings		Total
於二零零五年一月一日	At 1 January 2005	-	-	-	-	-	-
本年度利潤	Profit for the year	-	-	-	213,753	-	213,753
根據新發行 發行股份	Issue of Shares pursuant to the New Issue	907,626	-	-	-	-	907,626
股份發行成本	Share issue costs	(51,380)	-	-	-	-	(51,380)
股份溢價資本化	Capitalisation of share premium	(93,747)	-	-	-	-	(93,747)
重組的影響	Effect of reorganisation	-	-	727,430	-	-	727,430
匯兌差額	Translation differences	-	(1,370)	-	-	-	(1,370)
二零零五年擬派 末期股息 (附註29)	Proposed final 2005 dividend (Note 29)	-	-	-	(25,903)	25,903	-
於二零零五年 十二月三十一日	At 31 December 2005	762,499	(1,370)	727,430	187,850	25,903	1,702,312
本年度利潤	Profit for the year	-	-	-	196,984	-	196,984
向本公司股東 派付股息	Dividends paid to the Company's shareholders	-	-	-	-	(25,903)	(25,903)
匯兌差額	Translation differences	-	(40,342)	-	-	-	(40,342)
二零零六年擬派 末期股息 (附註29)	Proposed final 2006 dividend (Note 29)	-	-	-	(187,628)	187,628	-
於二零零六年 十二月三十一日	At 31 December 2006	762,499	(41,712)	727,430	197,206	187,628	1,833,051

16. 儲備 (續)

(b) 股本盈餘

股本盈餘指籌備本公司股份於二零零五年十一月在主板上市而根據集團重組收購附屬公司當時合併資產淨值與本公司當時已發行股本面值的差額。

16. RESERVES (Continued)

(b) Capital surplus

The capital surplus represents the difference between the then combined net assets value of the subsidiaries acquired pursuant to the group reorganisation in preparation for the listing of the Company's shares on the Main Board in November 2005, and the nominal value of the share capital of the Company issued correspondingly.

17. 應付賬款及應付票據 – 本集團

17. ACCOUNTS AND BILLS PAYABLE – GROUP

		二零零六年 2006	二零零五年 2005
應付賬款	Accounts payable	137,362	119,279
應付票據	Bills payable	122,483	25,500
		259,845	144,779

應付賬款及應付票據的賬齡分析如下：

Ageing analysis of accounts and bills payable is as follows:

		二零零六年 2006	二零零五年 2005
0至6個月	0 to 6 months	258,988	136,718
6個月至1年	6 months to 1 year	811	1,099
1年至2年	1 year to 2 years	20	6,908
2年以上	Over 2 years	26	54
		259,845	144,779

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17. 應付賬款及應付票據 – 本集團 (續)

於二零零六年十二月三十一日，應付賬款及應付票據以下列貨幣列值：

		二零零六年 2006		二零零五年 2005	
		原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000	原貨幣 千元 Original currency in '000	人民幣 千元等額 RMB equivalent RMB'000
人民幣	RMB	239,272	239,272	126,784	126,784
美元	USD	2,597	20,276	1,956	15,784
日圓	JPY	1,970	129	12,765	877
歐元	EURO	–	–	139	1,334
港元	HKD	167	168	–	–
			259,845		144,779

17. ACCOUNTS AND BILLS PAYABLE – GROUP (Continued)

At 31 December 2006, the accounts and bills payable were denominated in currencies as follows:

18. 應計款項及其他應付款項 – 本集團

		二零零六年 2006	二零零五年 2005
客戶按金	Customer deposits	2,988	3,638
應計開支	Accrued expenses	78,704	81,646
購置物業、廠房及設備的 應付款項	Payable for purchase of property, plant and equipment	30,868	6,595
有關建築工程之保證金	Guarantee deposits in relation to construction projects	4,400	–
收購一家附屬公司之 應付款項 (附註30(b))	Payable for acquisition of a subsidiary (Note 30(b))	16,467	–
其他	Others	8,738	8,162
		142,165	100,041

18. ACCRUALS AND OTHER PAYABLES – GROUP

19. 銀行借貸 – 本集團

19. BANK BORROWINGS – GROUP

		二零零六年 2006	二零零五年 2005
無抵押： 流動	Unsecured: Current	317,336	558,737

本集團銀行借貸的賬面值分析如下：

An analysis of the carrying amounts of the Group's bank borrowings is as follows:

		二零零六年 2006	二零零五年 2005
人民幣 – 固定利率	RMB – at fixed rates	140,000	520,000
美元 – 固定利率	USD – at fixed rates	87,067	–
– 浮動利率	– at floating rates	90,269	38,737
		177,336	38,737
總借貸 – 固定利率	Total borrowings – at fixed rates	227,067	520,000
– 浮動利率	– at floating rates	90,269	38,737
		317,336	558,737

於年終，加權平均實際年利率如下：

The weighted average effective interest rates per annum at year end are as follows:

		二零零六年 2006	二零零五年 2005
人民幣	RMB	5.38%	5.30%
美元	USD	6.26%	5.48%

銀行借貸的賬面值與其公允值相若。

The carrying amounts of bank borrowings approximate their fair values.

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19. 銀行借貸 – 本集團 (續)

19. BANK BORROWINGS – GROUP (Continued)

於年終，本集團尚有下列未提取的借貸信貸額：

The Group has the following undrawn borrowing facilities at year end:

		二零零六年 2006	二零零五年 2005
浮動利率 – 於一年內屆滿	Floating rate – expiring within one year	1,540,181	1,330,048

20. 按性質分類的費用

20. EXPENSES BY NATURE

列於銷售成本、分銷成本和一般及行政費用內的費用分析如下：

Expenses included in cost of sales, distribution costs and general and administrative expenses are analysed as follows:

		二零零六年 2006	二零零五年 2005
折舊、攤銷及減值開支	Depreciation, amortisation and impairment expenses	143,123	109,850
僱員福利開支 (附註24)	Employee benefit expense (Note 24)	547,889	402,999
製成品及在製品的存貨變動	Changes in inventories of finished goods and work in progress	(31,890)	(86,560)
所用原材料及消耗品	Raw materials and consumables used	1,619,988	1,403,272
公用開支	Utilities	189,113	159,799
存貨撇減撥備	Provision for write-down of inventories	–	3,238
物業經營租賃開支	Operating lease expenses for properties	13,263	10,854
佣金	Commission	11,787	20,562
運輸開支	Transportation expenses	14,655	10,148
差旅開支	Traveling expenses	5,199	3,934
辦公室開支	Office expense	12,488	9,045
交際費用	Entertainment expenses	4,849	5,515
核數師酬金	Auditors' remuneration	2,000	1,700
所用其他物料	Other materials used	18,144	13,051
撥回呆賬撥備	Reversal of provision for doubtful accounts	–	(2,158)
其他開支	Other expenses	10,554	19,489
總銷售成本、分銷成本和一般及行政費用	Total cost of sales, distribution costs and general and administrative expenses	2,561,162	2,084,738

21. 其他收入

21. OTHER INCOME

		二零零六年 2006	二零零五年 2005
政府補助(附註a)	Government grants (note a)	4,235	18,509
以公允值於損益表列賬的遠期 外匯公允值變動合約所得 收益(附註3.2)	Gain from change in fair value of forward foreign exchange contracts at fair value through profit and loss (Note 3.2)	4,583	1,784
		8,818	20,293

(a) 政府補助主要指當地政府給予本集團之補助。

(a) Government grants mainly represent bonus granted by local government to the Group.

22. 其他虧損淨額

22. OTHER LOSSES, NET

		二零零六年 2006	二零零五年 2005
匯兌虧損淨額	Foreign exchange losses, net	6,139	5,149
出售物業、廠房及設備虧損淨額	Loss on disposal of property, plant and equipment, net	444	6,459
出售一家全資附屬公司的虧損	Loss on disposal of a wholly-owned subsidiary	-	465
其他	Others	(304)	-
		6,279	12,073

23. 退休福利計劃及房屋福利

23. RETIREMENT BENEFIT SCHEMES AND HOUSING BENEFITS

		二零零六年 2006	二零零五年 2005
損益表已扣除 — 退休福利供款(附註24)	Income statement charge for — Retirement benefit contributions (Note 24)	18,963	12,586

本集團於中國大陸的全職僱員受多項由政府資助的退休金計劃所保障，按照該等計劃，本集團須按僱員薪金總額的若干百分比且在不過過規定上限之內承擔保險費及福利供款，並向有關政府當局繳納。

The retirement benefits of full time employees of the Group in Mainland China are covered by various government-sponsored pension plans under which the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the relevant government authorities.

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23. 退休福利計劃及房屋福利 (續)

於中國大陸的全職僱員亦有權參與多項政府資助的住房公積金。本集團按月向該等公積金作出供款。

本集團亦根據強制性公積金計劃條例於香港為合資格參與強制性公積金退休福利計劃(「強積金計劃」)之僱員參與一項界定供款強積金計劃。供款乃按僱員基本薪金之某個百分比支付，並根據強積金計劃規例在須支付時於損益表扣除。強積金計劃之資產存入一項獨立管理之基金內，與本集團之資產分開持有。本集團僱主之供款於向強積金計劃作出供款時完全屬於僱員。

一家於柬埔寨王國註冊成立的全資附屬公司Shenzhou Cambodia須根據有關當地機關之規定按僱員之薪金向退休福利計劃供款。根據有關當地機關之規例，僱員可享本公司之供款。

除上文所述的供款外，本集團毋須承擔其他退休後福利或住房公積金的責任。

24. 僱員福利開支

		二零零六年 2006	二零零五年 2005
工資及薪金	Wages and salaries	521,909	385,280
退休福利供款	Retirement benefit contributions	18,963	12,586
其他福利	Other welfares	7,017	5,133
		547,889	402,999

23. RETIREMENT BENEFIT SCHEMES AND HOUSING BENEFITS (Continued)

Full time employees in Mainland China are also entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds.

The Group also participates in a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") in Hong Kong under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. 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.

Shenzhou Cambodia, a wholly-owned subsidiary incorporated in Kingdom of Cambodia, is required to contribute amounts based on employees' salaries to the retirement benefit scheme as stipulated by relevant local authority. The employees are entitled to the Company's contributions subject to the regulation of the local authority.

The Group has no further obligation for post-retirement benefits or housing funds beyond contributions in respect of the above.

24. EMPLOYEE BENEFIT EXPENSE

24. 僱員福利開支 (續)

24. EMPLOYEE BENEFIT EXPENSE (Continued)

(a) 董事及高級管理層酬金

本公司各董事於年內的酬金載列如下：

(a) Directors and senior management's emoluments

The emoluments of every Director of the Company during the year are set out below:

董事姓名		袍金	薪金及津貼	退休計劃供款	總計
Name of Director		Fees	Salary and allowance	Contribution to pension scheme	Total
二零零六年		2006			
<i>執行董事</i>		<i>Executive Directors</i>			
– 馬建榮先生	– Mr. Ma Jianrong	–	739	6	745
– 黃關林先生	– Mr. Huang Guanlin	–	583	4	587
– 馬仁和先生	– Mr. Ma Renhe	–	447	4	451
– 陳忠靜先生	– Mr. Chen Zhongjing	–	444	4	448
– 鄭妙輝女士	– Ms. Zheng Miaohui	–	427	–	427
		–	2,640	18	2,658
<i>獨立非執行董事</i>		<i>Independent Non-executive Directors</i>			
– 錢鋒先生	– Mr. Qian Feng	60	10	–	70
– 宗平生先生	– Mr. Zong Pingsheng	60	10	–	70
– 戴祥波先生	– Mr. Dai Xiangbo	60	10	–	70
		180	30	–	210
		180	2,670	18	2,868
二零零五年		2005			
<i>執行董事</i>		<i>Executive Directors</i>			
– 馬建榮先生	– Mr. Ma Jianrong	–	739	6	745
– 黃關林先生	– Mr. Huang Guanlin	–	582	4	586
– 馬仁和先生	– Mr. Ma Renhe	–	447	4	451
– 陳忠靜先生	– Mr. Chen Zhongjing	–	444	4	448
– 鄭妙輝女士	– Ms. Zheng Miaohui	–	429	3	432
		–	2,641	21	2,662
<i>獨立非執行董事</i>		<i>Independent Non-executive Directors</i>			
– 錢鋒先生	– Mr. Qian Feng	5	7	–	12
– 宗平生先生	– Mr. Zong Pingsheng	5	7	–	12
– 戴祥波先生	– Mr. Dai Xiangbo	5	2	–	7
		15	16	–	31
		15	2,657	21	2,693

於截至二零零六年及二零零五年十二月三十一日止年度，概無董事放棄任何酬金。

No Directors waived any emoluments during the years ended 31 December 2006 and 2005.

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24. 僱員福利開支 (續)

24. EMPLOYEE BENEFIT EXPENSE (Continued)

(b) 五名最高薪酬人士

五名最高薪酬人士中，四名(二零零五年：四名)為本公司董事，彼等之酬金詳情載於上文附註(a)。截至二零零六年及二零零五年十二月三十一日止年度，應付餘下一位人士的酬金如下：

(b) Five highest paid individuals

Among five highest paid individuals, four (2005: four) are Directors of the Company, whose emoluments are detailed in note (a) above. The emoluments payable to the remaining one individual for the year ended 31 December 2006 and 2005 are as follows:

		二零零六年 2006	二零零五年 2005
薪金及津貼	Salary and allowance	456	444
退休計劃供款	Contribution to pension scheme	8	8
		464	452

25. 融資成本淨額

25. FINANCE COSTS, NET

		二零零六年 2006	二零零五年 2005
利息開支－須於五年內悉數償還的銀行借貸	Interest expense – Bank borrowings wholly repayable within five years	15,081	53,164
融資收入－利息收入	Finance income – Interest income	(3,421)	(2,479)
融資成本淨額	Net finance costs	11,660	50,685

26. 所得稅開支

26. INCOME TAX EXPENSE

		二零零六年 2006	二零零五年 2005
中國大陸企業所得稅 (「企業所得稅」)	Mainland China enterprise income tax ("EIT")	19,434	3,469
遞延稅項(附註9)	Deferred taxation (Note 9)	(433)	(1,040)
		19,001	2,429

本公司與本公司的一家附屬公司永泰均獲豁免繳納其各自註冊成立地方的所得稅。

The Company and Top Always, a subsidiary of the Company, are exempted from payment of income tax in their respective places of incorporation.

26. 所得稅開支 (續)

於中國大陸成立的附屬公司須繳納16.5%至33%稅率的企業所得稅。除大千進出口外，其他於中國大陸註冊成立為外商投資企業的附屬公司已獲中國大陸有關稅務當局發出批文，根據中國大陸適用於外商投資企業的有關稅法及法規，於首兩個獲利年度(以抵銷過往年度結轉的所有未到期稅項虧損之後為準)獲准豁免繳納企業所得稅，及其後三年享有企業所得稅減半優惠。

根據稅法，在柬埔寨王國註冊成立的全資附屬公司Shenzhou Cambodia須按9%稅率繳納所得稅，並可於首四個獲利年度免繳所得稅。

在香港註冊成立的全資附屬公司申洲貿易須按17.5%利得稅率就於香港產生的估計應課稅利潤繳納利得稅。年內本公司並無於香港產生任何應課稅利潤，故並無就香港利得稅計提撥備。

本集團除稅前利潤的稅項與中國大陸公司採用加權平均稅率計算的理論數額間之差額如下：

26. INCOME TAX EXPENSE (Continued)

The subsidiaries established in Mainland China are subject to EIT rates ranging from 16.5% to 33%. Except for Daqian Import & Export, other subsidiaries, being incorporated as foreign investment enterprises in Mainland China, have obtained approvals from the relevant tax authorities in Mainland China for their entitlement to exemption from EIT for the first two years and 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses carried forward from the previous years in accordance with the relevant tax rules and regulations applicable to foreign investment enterprises in Mainland China.

Shenzhou Cambodia, a wholly-owned subsidiary incorporated in Kingdom of Cambodia under the Law on Taxation, is subject to income tax at a rate 9% and is entitled to be exempted from income tax for the first four profit-making years.

Shenzhou Trading, a wholly-owned subsidiary incorporated in Hong Kong, is subject to a profits tax rate of 17.5% on the estimated assessable profits arising in Hong Kong. No provision of Hong Kong profits tax has been made as the company did not generate any assessable profits arising in Hong Kong during the year.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate for companies in Mainland China as follows:

		二零零六年 2006	二零零五年 2005
除所得稅前利潤	Profit before income tax	409,247	355,774
中國大陸企業所得稅加權平均稅率	Weighted-average EIT rates in Mainland China	17.1%	16.7%
按加權平均稅率計算的稅項	Tax calculated at the weighted average tax rate	69,952	59,261
豁免稅項的影響	Effect of tax exemptions	(51,599)	(59,304)
未計入遞延稅項資產之稅項虧損	Tax losses not accounted for deferred tax assets	-	969
不可扣減的稅項開支	Expenses not deductible for tax purposes	648	1,503
稅項費用	Tax charge	19,001	2,429

綜合財務報表附註

Notes to the Consolidated Financial Statements

(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

27. 本公司股權持有人應佔利潤

於本公司財務報表處理的本公司股權持有人應佔利潤為人民幣196,984,000元(二零零五年：人民幣213,753,000元)。

28. 每股盈利

年度每股基本盈利乃按照本公司股權持有人應佔綜合利潤約人民幣389,031,000元(二零零五年：人民幣351,487,000元)，以及年內已發行普通股的加權平均數約1,245,000,000股(二零零五年：934,027,000股(釐定已發行股份數目時，根據股份發行及資本化發行的合共900,000,000股股份，乃視為自二零零五年一月一日起已經發行。))計算。

由於並無任何具攤薄作用的普通股，因此並未呈列每股攤薄盈利。

29. 股息

根據董事會於二零零七年三月十六日通過的決議案，董事就截至二零零六年十二月三十一日止年度建議派發末期股息每股0.15港元(約人民幣0.15元)。該等財務報表並未反映此筆應付股息。

27. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of RMB196,984,000 (2005: RMB213,753,000).

28. EARNINGS PER SHARE

The calculation of basic earnings per share for the year is based on the consolidated profit attributable to equity holders of the Company of approximately RMB389,031,000 (2005: RMB351,487,000) and on the weighted average number of approximately 1,245,000,000 (2005: 934,027,000 (In determining the number of shares in issue, a total of 900,000,000 shares issued pursuant to the issue of shares and capitalisation issue were deemed to have been issued since 1 January 2005.)) ordinary shares in issue during the year.

Diluted earnings per share is not presented as there were no dilutive ordinary shares.

29. DIVIDENDS

Pursuant to a resolution passed by the Board of Directors on 16 March 2007, the directors have recommended the payment of a final dividend in respect of the year ended 31 December 2006 of HKD0.15 (approximately RMB0.15) per share. These financial statements have not reflected this dividend payable.

		截至十二月三十一日止年度 Year ended 31 December	
		二零零六年 2006	二零零五年 2005
擬派末期股息每股	Proposed final dividend of HKD0.15		
普通股0.15港元(約人民幣0.15元)	(approximately RMB0.15) (2005: HKD0.02)		
(二零零五年：0.02港元)	per ordinary share	187,628	25,903

30. 綜合現金流量表附註

30. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS

(a) 年度利潤與經營業務所得現金之對賬

(a) Reconciliation of profit for the year to cash generated from operations

		二零零六年 2006	二零零五年 2005
年度利潤	Profit for the year	390,246	353,345
經作出以下調整：	Adjustments for:		
– 所得稅開支	– income tax expenses	19,001	2,429
– 物業、廠房及設備 折舊及減值	– depreciation and impairment of property, plant and equipment	141,775	109,075
– 土地使用權攤銷	– amortisation of land use rights	1,348	775
– 應佔一家聯營公司業績	– share of results of an associate	–	7
– 存貨撇減撥備	– provision for write-down of inventories	–	3,238
– 撥回呆賬撥備	– reversal of provision for doubtful accounts	–	(2,158)
– 利息收入	– interest income	(3,421)	(2,479)
– 出售土地使用權以及物業、 廠房及設備虧損	– loss on disposal of land use rights and property, plant and equipment	444	6,459
– 出售一家附屬公司虧損	– loss on disposal of a subsidiary	–	465
– 利息開支	– interest expense	15,081	53,164
		564,474	524,320
營運資金變動：	Changes in working capital:		
– 有抵押銀行存款減少	– decrease in pledged bank deposits	2,128	42,292
– 應收賬款及應收票據增加	– increase in accounts and bills receivable	(11,315)	(106,305)
– 預付款項及其他應收 款項減少	– decrease in prepayments and other receivables	7,099	68,248
– 存貨增加	– increase in inventories	(61,995)	(87,176)
– 應付賬款及應付票據增加	– increase in accounts and bills payable	115,066	15,764
– 應付關連人士款項 增加／(減少) – 貿易相關	– increase/(decrease) in due to related parties-trade related	41	(739)
– 應計款項及其他應付 款項(減少)／增加	– (decrease)/increase in accruals and other payables	(2,475)	26,885
經營業務所得現金	Cash generated from operations	613,023	483,289

綜合財務報表附註

Notes to the Consolidated Financial Statements

(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

30. 綜合現金流量表附註 (續)

30. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS

(Continued)

(b) 收購一家附屬公司

於二零零六年十二月二十七日，本集團向獨立第三方收購圖騰服飾100%股本。於二零零六年十二月三十一日，所收購之公司仍在營運前準備狀況。

(b) Acquisition of a subsidiary

On 27 December 2006, the Group acquired 100% of the share capital of Tuteng Textile from an independent third party. As at 31 December 2006, the acquired company was still in pre-operation status.

收購代價：	Purchase consideration:	
— 已付現金	— Cash paid	30,327
— 應付代價	— Consideration payable	16,467
收購總代價	Total purchase consideration	46,794
所收購資產淨值詳情如下：	Details of net assets acquired are as follows:	
現金及銀行存款	Cash and bank	27,294
土地使用權	Land use rights	14,656
物業、廠房及設備	Property, plant and equipment	4,844
所收購之資產淨值	Net assets acquired	46,794
以現金支付之收購代價	Purchase consideration settled in cash	30,327
所收購附屬公司之現金	Cash in subsidiary acquired	(27,294)
收購之現金流出	Cash outflow on acquisition	3,033

31. 承擔

31. COMMITMENTS

(a) 資本承擔

於結算日尚未產生的資本開支如下：

(a) Capital commitments

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

	二零零六年 2006	二零零五年 2005
已訂約但未撥備：	Contracted but not provided for:	
— 購置物業、廠房及設備	— Acquisition of property, plant and equipment	30,794
— 興建物業、廠房及設備	— Construction of properties, plant and equipment	61,427
	189,570	92,221

31. 承擔 (續)**(b) 物業、廠房及設備的經營租賃承擔**

本集團根據不可撤銷經營租賃協議租賃其若干辦公室物業、廠房及設備。該等租賃的年期及續約權利各有不同。本集團日後根據不可撤銷經營租賃須支付的最低租金款項總額如下：

		二零零六年 2006	二零零五年 2005
不超過一年	Not later than 1 year	10,508	10,577
超過一年但不超過五年	Later than 1 year and not later than 5 years	7,141	15,848
		17,649	26,425

(c) 用水權

根據本集團與寧波市北崙區政府訂立之協議，本集團同意向當地政府支付人民幣126,000,000元，以取得保證持續供水供應為期20年。於二零零六年十二月三十一日，本集團已預付人民幣50,000,000元，而尚未履行之承擔為人民幣76,000,000元。

(d) 其他

於二零零六年十二月三十一日，本集團尚有介乎1個月至11個月期間且未交割之外匯遠期合約123,500,000美元（二零零五年：91,000,000美元）。該等合約將以約人民幣958,796,000元（二零零五年：約人民幣737,271,000元）出售。

32. 或然負債

本集團於二零零六年十二月三十一日並無重大或然負債（二零零五年：無）。

31. COMMITMENTS (Continued)**(b) Operating lease commitments for property, plant and equipment**

The Group leases certain of its office premises, plant and equipment under non-cancellable operating lease agreements. The leases have various terms and renewal rights. The Group's future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		二零零六年 2006	二零零五年 2005
Not later than 1 year	Not later than 1 year	10,508	10,577
Later than 1 year and not later than 5 years	Later than 1 year and not later than 5 years	7,141	15,848
		17,649	26,425

(c) Water Usage Right

Pursuant to an agreement entered into by the Group and the Government of Beilun District, Ningbo City, the Group has agreed to pay the local government an amount of RMB126 million in exchange for a guaranteed constant water supply with a period of 20 years. As at 31 December 2006, the Group has made a prepayment of RMB50,000,000 and had outstanding commitment amounting to RMB76,000,000.

(d) Others

As at 31 December 2006, the Group had commitments in respect of outstanding forward foreign exchange contracts to sell USD123,500,000 (2005: USD91,000,000) for approximately RMB958,796,000 (2005: approximately RMB737,271,000) within periods ranging from 1 month to 11 months.

32. CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities as at 31 December 2006 (2005: Nil).

綜合財務報表附註

Notes to the Consolidated Financial Statements

(除另有註明外，所有金額為人民幣千元)

(Amounts expressed in RMB'000 unless otherwise stated)

33. 關連人士交易

倘若一方有能力直接或間接控制另一方或對其財務及營運決策行使重大影響力，則雙方被視作有關連。倘若雙方受同一方控制，亦被視作有關連。

(a) 與關連人士的交易

本集團截至二零零六年及二零零五年十二月三十一日止年度與其關連人士（包括董事及其聯繫人士以及由馬寶興先生、馬建榮先生及黃關林先生控制的公司）進行下列重大交易：

持續 –

		二零零六年 2006	二零零五年 2005
(i) 向寧波申洲置業有限公司（「申洲置業」）租賃物業、廠房及設備	(i) Lease of property, plant and equipment from Ningbo Shenzhou Properties Co., Ltd. ("Shenzhou Properties")	8,468	8,340
(ii) 採購寧波明耀環保熱電有限公司供應的蒸汽	(ii) Purchase of steam supply from Ningbo Mingyao Environmental Thermal Power Co., Ltd.	29,563	11,642
(iii) 寧波申洲大港針織有限公司提供的加工服務	(iii) Processing services provided by Ningbo Shenzhou Dagang Knitwear Co., Ltd.	539	1,436
(iv) 向紹興縣華西包裝品有限公司（「華西包裝品公司」）採購包裝物料	(iv) Purchase of packing materials from Shaoxing County Huaxi Packaging Materials Company Limited ("Huaxi Packaging Company")	17,017	13,599
(v) 董事及高級管理層之酬金	(v) Remuneration of directors and senior management	8,221	6,301

33. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

(a) Transactions with related parties

The Group had the following significant transactions with its related parties, including directors and their associates and companies controlled by Mr. Ma Baoxing, Mr. Ma Jianrong and Mr. Huang Guanlin, for the years ended 31 December 2006 and 2005:

Continuing –

33. 關連人士交易 (續)

33. RELATED PARTY TRANSACTIONS (Continued)

(a) 與關連人士的交易 (續)
非持續 –

(a) Transactions with related parties (Continued)
Discontinued –

		二零零六年 2006	二零零五年 2005
(i) 授予關連公司的貸款及墊款 申洲置業	(i) Loans and advances to related company Shenzhou Properties	-	86,129
授予申洲置業的貸款為無抵押、 免息及於年內已全數償還。	The loans to Shenzhou Properties was unsecured, interest free and was fully settled during the year.		
(ii) 截至二零零六年十二月三十一日 止年度，本集團向寧波天山世通 紡織有限公司收購一幅位於寧波 北崙區之土地之土地使用權，及 一幢三層高工廠大樓，總現金代 價為人民幣27,500,000元。	(ii) In the year ended 31 December 2006, the Group acquired the land use right of a piece of land situated at Beilun District, Ningbo and a 3-storey industrial complex from Ningbo Tianshan Shitong Weaving Co., Ltd. for an aggregate cash consideration of RMB 27,500,000.		

(b) 與關連人士的結餘

本集團與其關連人士有下列重大結
餘：

(b) Balances with related parties

The Group had the following significant balances with its
related parties:

		二零零六年 2006	二零零五年 2005
應付關連人士款項	Due to related parties		
– 貿易相關	– Trade related		
華西包裝品公司	Huaxi Packaging Company	13	3
寧波申洲世通針織 有限公司	Ningbo Shenzhou Shitong Knitwear Co. Ltd.	31	-
		44	3
– 非貿易	– Non-trade		
世通	Worlodon	-	22,139
		44	22,142