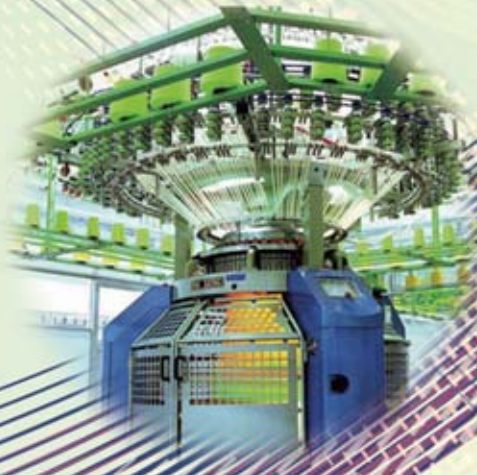




PACIFIC TEXTILES HOLDINGS LIMITED
互太紡織控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
(Stock Code 股份代號: 01382)



Annual Report 年報
2008



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Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. WAN Wai Loi (*Chairman*)
Mr. TSANG Kang Po (*Vice Chairman*)
Mr. LAM Wing Tak (*Chief Executive Officer*)
Dr. LAM King Man

Non-executive Directors

Mr. CHOI Kin Chung
Mr. IP Ping Im
Mr. HO Hsiang Ming, James
Mr. LAU Yiu Tong
Mr. Vivek KALRA
(*Alternate Director to Mr. Ho Hsiang Ming, James*)

Independent Non-executive Directors

Mr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel

Audit Committee

Mr. SZE Kwok Wing, Nigel (*Chairman*)
Mr. NG Ching Wah
Mr. CHAN Yue Kwong, Michael

Remuneration Committee

Mr. CHAN Yue Kwong, Michael (*Chairman*)
Mr. SZE Kwok Wing, Nigel
Mr. NG Ching Wah
Mr. LAM Wing Tak
Mr. TSANG Kang Po

Nomination Committee

Mr. NG Ching Wah (*Chairman*)
Mr. CHAN Yue Kwong, Michael
Mr. SZE Kwok Wing, Nigel
Mr. LAM Wing Tak
Mr. TSANG Kang Po

Company Secretary

Mr. WU Tai Cheung, CPA

Qualified Accountant

Mr. LAM Hing Chau, Leon, FCPA

Principal Bankers

BNP Paribas, Hong Kong Branch
Citibank N.A.
Hang Seng Bank Ltd.
The Hongkong and Shanghai Banking Corp. Ltd.
Industrial and Commercial Bank of China (Asia) Ltd.
Standard Chartered Bank (Hong Kong) Ltd.

董事局

執行董事

尹惠來先生(*主席*)
曾鏡波先生(*副主席*)
林榮德先生(*行政總裁*)
林景文博士

非執行董事

蔡建中先生
葉炳棧先生
賀象民先生
劉耀棠先生
Vivek KALRA先生
(*賀象民先生之替任董事*)

獨立非執行董事

陳裕光先生
伍清華先生
施國榮先生

審核委員會

施國榮先生(*主席*)
伍清華先生
陳裕光先生

薪酬委員會

陳裕光先生(*主席*)
施國榮先生
伍清華先生
林榮德先生
曾鏡波先生

提名委員會

伍清華先生(*主席*)
陳裕光先生
施國榮先生
林榮德先生
曾鏡波先生

公司秘書

胡大祥先生 · CPA

合資格會計師

林興就先生 · FCPA

主要往來銀行

法國巴黎銀行香港分行
花旗銀行
恒生銀行有限公司
香港上海滙豐銀行有限公司
中國工商銀行(亞洲)有限公司
渣打銀行(香港)有限公司

Corporate Information

公司資料

Auditor

PricewaterhouseCoopers
Certified Public Accountants

Legal Advisers

Linklaters (as to Hong Kong Laws)
King & Wood (as to PRC Laws)

Compliance Adviser

Anglo Chinese Corporate Finance, Limited

Registered Office

P.O. Box 309GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

7/F, Block B, Eastern Sea Industrial Building
48-56 Tai Lin Pai Road, Kwai Chung
New Territories, Hong Kong

Principal Place of Business in the PRC

Liu Chong Tong Xin County
Wan Qing Sha Town
Nansha, Guangzhou City
Guangdong Province, PRC

Principal Share Registrar

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
Grand Cayman, Cayman Islands

Hong Kong Branch Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Hong Kong Stock Exchange Stock Code

01382

Company Website

www.pacific-textiles.com

核數師

羅兵咸永道會計師事務所
香港執業會計師

法律顧問

年利達律師事務所(香港法律)
金杜律師事務所(中國法律)

合規顧問

英高財務顧問有限公司

註冊辦事處

P.O. Box 309GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

總辦事處及香港主要營業地點

香港新界葵涌
大連排道48-56號
東海工業大廈B座8樓

中國主要營業地點

中國廣東省
廣州市南沙
萬頃沙鎮
六涌同興村

主要股份過戶登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
Grand Cayman, Cayman Islands

股份過戶登記處香港分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712-1716室

香港聯合交易所股份代號

01382

公司網址

www.pacific-textiles.com

Chairman's Statement

主席報告書

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report of the Group for the year ended 31 March 2008.

The year under review saw challenges as well as opportunities that drove the Group to implement various strategies to maintain its leading position in the textile industry, as well as pave the way for the development of its future business growth. Even in the face of challenging market conditions, the Group managed to uphold its competitive edge and firmly sustained the Group as the leading manufacturer of customized knitted fabrics in the textile industry.

Financial Highlights

The financial year under review was a very challenging year for the Group. Uncertain economic environment brought by the subprime crisis led to volatility in purchase order flow from customers. The surging crude oil and commodity prices also raised the costs of yarns, fuel, dyestuff and other raw materials. Together with rising overheads in China and the appreciation of the Renminbi, all these contributed to a tough and volatile operating environment during the reporting financial year. Nevertheless, the Group managed to maintain its core competencies and sustained a stable revenue growth.

During the reporting period, the Group's sales volume increased by about 1% to reach 155 million pounds. Revenue reached HK\$4,280.6 million, up by 1.8%. Due to the increase in overheads and raw materials costs during the year, there was a drop in the Group's gross profit margin from 21.9% to 16.3%. Profit attributable to shareholders amounted to HK\$392.1 million, while earnings per share was HK\$0.28.

The Board has proposed a final dividend of HK 7.5 cents per share. Together with the interim dividend of HK 6.5 cents per share, the total dividend for the 2008 Financial Year will be HK 14 cents per share.

Business Review

The 2008 Financial Year was a consolidating year in the textile industry, but the Group continued to leverage on our core competencies to maintain a solid business operation. During the year, we invested considerably in upgrading equipment as well as improving our facilities in Panyu, Guangdong to enhance manufacturing processes. In our production plant in Sri Lanka, expansion plan to double production capacity has been fully completed and production volume will be increased progressively in the coming financial year. During the reporting year, we continued to maintain close collaborations with apparel brand owners.

Besides maintaining close relationships with our existing customers, the Group has also been exploring opportunities to diversify geographically, particularly into China's domestic market, during the reporting period. We see the PRC market with huge potential and the Group shall continue to deploy more resources into this new business arm. During the year, the Group expanded its China domestic sales team to further penetrate into this enormous market.

During the reporting period, both the automotive fabric manufacturing joint venture, SPM Automotive Textile Co., Ltd., and the joint venture Fillattice-Pacific Ltd. were making good progress and sales began to take off. We believe these new business arms will contribute to our profitability.

至各股東：

本人謹代表董事局欣然提呈本集團截至2008年3月31日止年度之年報。

本回顧年度是挑戰與機遇並存的一年，而本集團亦因時制宜推出了多項策略，以維持其於紡織業之領導地位，同時為集團未來業務發展作好部署。儘管市場環境充滿挑戰，本集團仍然保持競爭優勢，鞏固集團作為紡織業內主要訂製針織布生產商之領導地位。

財務摘要

本回顧財政年度對本集團而言具相當挑戰性。次按危機為經濟環境增添不明朗因素，導致客戶訂單數量反覆。原油及商品價格急升亦令紗線、燃料、染料及其他原料成本增加。加上中國間接生產成本攀升和人民幣升值，形成財政年度內之經營環境較為動盪。雖然如此，本集團依然成功維持其核心競爭能力並保持穩定之收入增長。

報告期間，本集團銷售量增加約1%至155百萬磅。收入達到4,280.6百萬港元，增加1.8%。因年內間接成本及原料成本上漲，本集團毛利率由21.9%下降至16.3%。股東應佔溢利達392.1百萬港元，每股盈利為0.28港元。

董事局建議派發末期股息每股港幣 7.5仙，連同中期股息每股港幣 6.5仙，2008年財政年度的股息總額為每股港幣14仙。

業務回顧

紡織業於2008年財政年度進入整固期，然而，本集團繼續藉著其核心競爭實力，確保業務營運維持穩健。年內，本集團作出大量投資於提升及改良廣東省番禺的設備及設施，以完善製造工序。集團在斯里蘭卡的生產廠房擴大一倍產能之計劃已完成。集團預料產量在緊接之財政年度逐步增加。於報告年度內，本集團繼續與各個服裝品牌擁有人維持緊密合作。

除與現有客戶維持密切關係外，於報告期間，本集團亦一直探索擴展地域市場的機會，尤其中國內地市場。我們相信中國市場擁有巨大潛力，本集團將繼續投放更多資源至此新業務分部。年內，本集團擴充其中國內地銷售隊伍，以進一步滲透此龐大市場。

於報告期間，製造汽車布料之合營企業住江互太（廣州）汽車紡織產品有限公司，及合營企業互力有限公司之業務進展理想，並開始錄得銷售。我們相信該全新業務將對本集團提供盈利貢獻。

Chairman's Statement

主席報告書

Prospects

Looking forward, although the uncertain economic climate in the US will still impact the operating environment of the fabric manufacturing industry that will result in a wave of industry consolidation, we are confident to maintain the Group's competitiveness by exercising stringent cost-control strategies and pursuing market diversification. The huge potential of the PRC market will fuel our future business growth and create solid and consistent returns to our shareholders. We shall continue to leverage on our established clientele and our unique positioning with value-added products and services, to further expand into the PRC market and capture the enormous opportunities brought by the strong domestic market growth and increased international demand for garments manufactured in China.

In addition to our continuous effort to strengthen and consolidate our leading position in manufacturing complex, value-added fabrics, we shall also continue to further explore other markets, including the non-apparel products, to further broaden our customer base. We will also dedicate our research and development efforts on new types of valued-added fabrics to enhance our profitability in the long run. At the same time, we will explore potential strategic partnerships that will create added value and synergistic benefits to our existing business.

In order to maintain our competitiveness in the industry, we will continue to expand our production capacity in accordance with the market demand and upgrade our equipment and technology on an on-going basis. We shall also continue to exercise stringent costs control to maintain the Group's operation efficiency.

With our unique positioning with value-added products and services, strong manufacturing capabilities in complex fabrics and solid financial position, we are confident that the Group possesses the competitive attributes and qualities to further consolidate our market leadership position and take us into the next level.

Appreciation

Finally, I would like to express my sincere appreciation to all shareholders for their support, and thank my fellow Board members and the management for their hard work and dedication, and our customers for their continuous support.

On behalf of the Board

Wan Wai Loi
CHAIRMAN

Hong Kong, 11 July 2008

展望

展望未來，儘管美國經濟氣候之不明朗狀況未來將繼續影響布料製造業之經營環境，並會引發行業整合浪潮，然而我們仍有十足信心，可透過實施嚴謹成本控制策略及開拓多元化市場以維持本集團之競爭力。中國市場之優厚潛力將推動集團未來之業務增長，並為股東帶來穩健持續之回報。本集團會繼續善用基礎穩固之客戶組合和專注增值產品及服務之獨特市場定位，進一步擴展業務至中國市場，抓緊中國本地市場強勁增長及海外對中國製造服裝需求日增之巨大機遇。

除持續積極強化及鞏固本集團於生產複雜增值布料範疇之領導地位外，本集團亦將繼續進一步開闢其他市場，包括非服裝產品，以進一步擴闊客戶基礎。我們也會致力研發新類型增值布料以提升長遠盈利能力。同時，本集團將探索能夠為現有業務創造價值及協同效益之潛在戰略夥伴合作機會。

為保持集團在業內之競爭力，集團將繼續按照市場需求擴大產能並持續提升本集團之設備及技術水平。集團亦會貫徹實行嚴格成本控制措施，確保本集團之營運效率。

透過我們專注增值產品及服務的獨特市場定位，生產複雜布料的強大生產能力及穩健的財務狀況等競爭優勢，我們深信本集團具備優越條件及素質，可進一步鞏固其市場領導地位並將業務提升至更高層次。

致謝

最後，本人在此感謝各位股東之支持，亦向董事局成員及管理層辛勤工作與貢獻、客戶持續支持致以萬分謝意。

承董事局命

主席
尹惠來

香港，2008年7月11日

Management Discussion and Analysis

管理層討論與分析



Business Review

Overview

The 2008 Financial Year was a challenging year for the Group and the industry. The surging overheads costs in China, the increasing costs of raw materials and the impact from the subprime crisis in the U.S. were challenges to the Group's business. However, in spite of the challenging operating environment, the Group sustained growth in both sales revenue and volume during the year under review.

The Group achieved revenue of HK\$4,280.6 million for the year under review, representing an increase of 1.8% as compared to last financial year.

With the rising crude oil and commodity prices that had led to an increase in the costs of yarns, fuel, dyestuff and other raw materials, gross profit for the year and profit attributable to equity holders declined to HK\$696.9 million and HK\$392.1 million respectively. During the year, gross profit margin and net profit margin were 16.3% (2007: 21.9%) and 9.2% (2007: 13.2%) respectively. The management of the Group will strive to mitigate the impact as far as possible through improving operational efficiency, upgrading production facilities and raising selling prices.

The Group's other revenue was HK\$57.8 million (2007: HK\$52.4 million) for 2008 Financial Year, representing an increase of 10.3%. The increase was mainly attributable to higher sub-contracting income.

Other net gains, mainly fair value gain from derivative financial instruments and net foreign exchange gains, rose 326.1% to HK\$50.7 million (2007: HK\$11.9 million). Gain on derivative financial instruments represented the mark-to-market gain on valuation for forward contracts entered to hedge the currency fluctuations against the US dollar and Renminbi.

Distribution and selling expenses were HK\$181.0 million (2007: HK\$130.5 million), representing an increase of HK\$50.5 million, or 38.7%. The rise was due mainly to higher freight charges resulting from the surge in oil price and higher customer claims due to a temporary production adjustment caused by the installation of new production equipment. The management believes that despite the short-term hiccups, the equipment upgrade will improve the operational efficiency and competitiveness of the Group in the long run.

業務回顧

綜述

2008年財政年度對本集團以致整體行業均為充滿挑戰之一年。中國間接生產成本急升、原材料成本上漲以及美國次按危機造成之影響，均對本集團業務帶來考驗。然而，儘管經營環境挑戰重重，於回顧年度本集團依然在銷售收入及銷售量兩方面錄得增長。

回顧年度內，本集團收入達4,280.6百萬港元，較上一個財政年度上升1.8%。

因原油及商品價格上升導致紗線、燃料、染料及其他原料成本增加，本年度毛利及權益持有人應佔溢利分別下跌至696.9百萬港元及392.1百萬港元。年內，毛利率及淨利潤率分別為16.3% (2007年：21.9%) 及9.2% (2007年：13.2%)。本集團管理層將致力通過改善營運效率、提升生產設施及調高售價，以盡可能減低有關影響。

本集團2008年財政年度之其他收入為57.8百萬港元 (2007年：52.4百萬港元)，增長10.3%，主要原因為分包收入增加。

其他收益淨額 (主要包括衍生金融工具公平值收益及外匯收益淨值) 增加326.1%，至50.7百萬港元 (2007年：11.9百萬港元)。衍生金融工具收益指評估遠期合約價值時產生按市價計值之增益，該等合約主要為對沖美元及人民幣之匯兌波動而訂立。

分銷及銷售開支為181.0百萬港元 (2007年：130.5百萬港元)，增加50.5百萬港元或38.7%。此項上升主要由於油價急升令運輸費用提高及由於裝置新生產設備造成短暫生產調整令客戶索償增加所致。管理層認為，儘管造成短暫干擾，惟長遠而言，優化生產設施將可改善本集團之營運效率及競爭力。

Management Discussion and Analysis

管理層討論與分析



Business Review (Continued)

Overview (Continued)

During the year, general and administrative expenses were HK\$170.9 million (2007: HK\$169.4 million), representing a slight increase of HK\$1.5 million or 0.9%. The increase was mainly due to the share-based compensation expenses and additional legal and professional fees after the listing of the Group. The increase was alleviated by the HK\$9.6 million gain on disposal of aged equipment and replacement of more advanced model to improve efficiency. The Group maintained an efficient cost structure and will continue to exercise a tight cost control.

For the 2008 Financial Year, our operating profit was HK\$453.5 million (2007: HK\$686.5 million), representing a decrease of HK\$233 million, or 33.9%.

As a result of funds raised from our listing on the Main Board of the Stock Exchange in May 2007 and positive cash flow generated from operations, finance income for the 2008 Financial Year was HK\$44.3 million (2007: HK\$4.5 million), an increase HK\$39.8 million compared to last year. The reduction of borrowings and interest rates has contributed to a decrease in finance costs by HK\$8.9 million, or 21.1% to HK\$33.3 million (2007: HK\$42.2 million) for the 2008 Financial Year.

Customers and Products

Leveraging on the long-standing and close relationship with leading brand owners, the Group's sales volume reached 155 million pounds, with blended average selling price up by 1% to HK\$27.6 per pound. Well established relationships with leading brands such as Calvin Klein, Liz Claiborne, Maidenform, Marks & Spencer, Triumph, UNIQLO, VF Intimates and Victoria's Secret, allowed the Group to enjoy stable orders. During the year, 44.5% of the Group's overall sales revenue was derived from its top five brand owners. The Group closely collaborated with apparel brand owners to design fabrics that meet customized-order preferences. The capabilities to provide customized fabrics that suit client's specific needs are one of the dominant strengths of the Group, securing its leading position in the market.

As demand for quality fabrics continue to rise, the management also believes that the China domestic market is an important market for future business growth. As such, the Group expanded its China domestic sales team during the year under review and will dedicate more resources towards this market segment going forward.

業務回顧(續)

綜述(續)

年內，一般及行政開支為170.9百萬港元(2007年：169.4百萬港元)，微升1.5百萬港元或0.9%。上升主要由於股份酬金支出以及於本集團上市後產生之額外法律及專業費用，惟已因出售舊設備錄得之9.6百萬港元收益得以被部分抵銷。該等舊設備已由較先進型號的設備替代，以改善效率。本集團維持具效益之成本架構並將繼續實行嚴謹監控成本之措施。

於2008年財政年度，本集團經營溢利為453.5百萬港元(2007年：686.5百萬港元)，減少233百萬港元或33.9%。

於2008年財政年度，財務收入為44.3百萬港元(2007年：4.5百萬港元)，較上一個年度上升39.8百萬港元。財務收入增加是由於本集團2007年5月於聯交所主板上市集資，加上經營業務產生之現金流入所致。借貸金額及利率下降令財務成本於2008年財政年度減少8.9百萬港元或21.1%，至33.3百萬港元(2007年：42.2百萬港元)。

客戶與產品

憑藉本集團與主要品牌擁有人之間長期緊密的關係，集團銷售量達155百萬磅，而綜合平均銷售價上升1%，至每磅27.6港元。本集團與一眾知名服裝品牌擁有人如Calvin Klein、Liz Claiborne、Maidenform、馬莎、黛安芬、UNIQLO、VF Intimates及Victoria's Secret等關係穩固，令本集團能夠獲得穩定之訂單。年內之整體銷售收入中有44.5%來自本集團之五大品牌擁有人客戶。本集團與服裝品牌擁有人保持緊密合作，設計符合客戶訂單指定要求之布料。本集團能提供符合指定要求之布料迎合客戶之特定需要，實為本集團其中一種主要優勢，確保其於市場之領導地位。

正當優質布料之需求繼續增加，管理層同時相信，中國國內市場為未來業務增長之關鍵市場。為此，於回顧年度內，本集團已擴充中國國內的銷售團隊，未來並會投放更多資源在此市場。

Management Discussion and Analysis

管理層討論與分析



Business Review (Continued)

Production Facilities

Panyu

During the year under review, the Group expanded its supporting facilities at Panyu such as power plant, water treatment facilities and a new water recycling plant. The completion of these facilities has put in place the necessary infrastructures to meet the Group's expansion in the next two to three years. In order to improve its production efficiency, the Group has upgraded a number of production equipment including installation of new dyeing machines that are more cost efficient and environmentally friendly. The Group will closely monitor the market situation and fine-tune our capacity expansion accordingly.

Sri Lanka

The expansion plan for the Sri Lanka plant was fully completed during the year as planned. The production capacity doubled and production volume will be increased progressively in the coming financial year. These new developments further enhanced the Group's manufacturing capabilities and operating efficiency, and enabled the Group to sustain its competitive edges in order to capture future growth opportunities.

Strategic Partnership

SPM Automotive Textile Co., Ltd., our automotive fabric joint venture with Suminoe Textile Co., Ltd and Marubeni Corporation, has made satisfactory progress during the year under review. Initial product development was completed and sales began to take off. Progress of Fillattice Pacific Limited, our 50/50 joint venture with Fillattice S.p.A., was also on track and sales have begun in the third quarter of the year under review. During the reporting period, SPM Automotive Textile Co., Ltd achieved a close to breakeven position while Fillattice Pacific Ltd. began to contribute to our profitability. The Group believes that the two joint venture businesses will make greater contribution to Group in the future.

業務回顧(續)

生產設施

番禺

於回顧年度內，本集團在番禺已擴充生產輔助設施如發電廠、淨水廠及新再生水廠。該等設施的落成為本集團未來兩至三年之擴充計劃奠定所需基礎。為改善生產效率，本集團提升了多項生產設施，包括裝設成本效益較高及更符合環保原則之新染色機。本集團將緊密監察市場情況，以便就產能擴張計劃作出相應調整。

斯里蘭卡

斯里蘭卡廠房之擴建計劃已於年內如期完成，令產能擴大一倍，產量亦將於緊隨之財政年度逐步增加。此等新發展進一步提升了本集團之生產能力及營運效能，讓本集團可保持競爭優勢以把握日後的增長機遇。

戰略合作

於回顧年度，本集團與住江織物株式會社及丸紅株式會社共同成立之汽車布料製造合營企業－住江互太(廣州)汽車紡織產品有限公司取得滿意之發展，已完成初期產品研發，現正開始錄得銷售。本集團與Fillattice S.p.A.各佔一半權益之合營企業－互力有限公司之發展亦符合預期，已於回顧年度第三季開始錄得銷售。於呈報期間，住江互太(廣州)汽車紡織產品有限公司之業績達致接近收支平衡，而互力有限公司更已開始為集團帶來盈利貢獻。本集團相信，兩家合營企業未來將為本集團作出更重大之貢獻。

Management Discussion and Analysis

管理層討論與分析



Financial Review

Liquidity and Financial Information

As at 31 March 2008, our bank and cash equivalents and time deposits totalled HK\$1,175.5 million (2007: HK\$226.2 million), including Hong Kong dollar of 681.9 million, the equivalent of HK\$409.6 million in US currency, the equivalent of HK\$56.9 million in Renminbi, the equivalent of HK\$24.6 million in Japanese Yen and the equivalent of HK\$2.5 million in other currencies. The bank and cash balances and time deposits are to finance the Group's working capital and part of the capital expenditure plans. The loans, with the exception of a syndicated loan, are generally short-term, principally ranging from two weeks to three months, and are denominated mainly in Hong Kong and US dollars.

As at 31 March 2008, the Group's total assets amounted to HK\$4,403.0 million (2007: HK\$3,040.9 million), representing an increase of 44.8%. Non-current assets and current assets were HK\$1,571.3 million and HK\$2,831.7 million respectively. The Group has current liabilities of HK\$1,122.4 million, non-current liabilities of HK\$394.6 million, minority interests of HK\$46.2 million and equity attributable to shareholders of HK\$2,839.8 million. The current ratio (which is calculated on the basis of current assets over current liabilities) was 2.5 (2007: 1.6). The gearing ratio, being the ratio of total debts (including current and non-current borrowings and finance lease obligations) to total assets was 15.2% (2007: 30.7%). Such decrease was mainly attributable to the reduction in borrowings and an increased level of cash and bank balances resulting from positive operating cash flow and the initial public offering in May 2007. As at 31 March 2008, the Group was in a net cash position of HK\$504.4 million as opposed to a net debt position of HK\$707.1 million as at 31 March 2007.

During the year under review, the Group incurred a total capital expenditure of HK\$456.9 million (2007: HK\$432.4 million) in property, plant and equipment, which was mainly used to purchase plant and machinery, and construction projects related to cogeneration power plant, water treatment plant, water recycling plant, automated warehouses, workshop and others.

Foreign Exchange Risk Management

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar and Renminbi. The Group manages its foreign exchange risks by performing regular review and monitoring its foreign exchange exposure. The Group will continue to enter into forward currency contracts to manage and reduce the risk involved in the net position in each foreign currency.

財務回顧

資金流動性及財務資料

於2008年3月31日，本集團的銀行及現金結餘連同定期存款合共1,175.5百萬港元(2007年：226.2百萬港元)，當中包括681.9百萬港元，相等於409.6百萬港元之美元，相等於56.9百萬港元之人民幣，相等於24.6百萬港元之日圓及相等於2.5百萬港元之其他貨幣。銀行及現金結餘連同定期存款為營運資金及為本集團部份資本開支計劃提供資本來源。除銀團貸款外，本集團的貸款一般屬為期兩星期至三個月不等之短期貸款，主要以港元和美元計值。

於2008年3月31日，本集團總資產為4,403.0百萬港元(2007年：3,040.9百萬港元)，增加44.8%。非流動資產及流動資產分別為1,571.3百萬港元及2,831.7百萬港元。本集團並有流動負債1,122.4百萬港元、非流動負債394.6百萬港元、少數股東權益46.2百萬港元及股東應佔權益2,839.8百萬港元。流動資產比率(根據流動資產除以流動負債計算)為2.5(2007年：1.6)。資產負債比率即負債總額(包括流動及非流動借貸和融資租賃承擔)與資產總值之比率為15.2%(2007年：30.7%)。比率下降主要由於借貸減少，以及由於經營現金流入和2007年5月首次公開發售使現金及銀行結餘增加所致。於2008年3月31日，本集團之淨現金水平為504.4百萬港元，而於2007年3月31日之淨負債水平則為707.1百萬港元。

於回顧年度，本集團錄得物業、廠房及設備方面之資本開支為456.9百萬港元(2007年：432.4百萬港元)，主要應用於購買設備及機器及興建廢熱能發電廠、淨水廠、再生水廠、自動化倉庫、廠房及其他項目。

匯率風險管理

本集團面對多項貨幣之匯率風險，主要涉及美元及人民幣。本集團通過定期檢討及監察其持有外幣之情況以管理匯兌風險。本集團將繼續訂立遠期貨幣合約管理及減低持有各種外幣淨額所涉及之風險。

Management Discussion and Analysis

管理層討論與分析

Financial Review (Continued)

Pledge of Assets

As at 31 March 2008, the Group's bank loans of HK\$98.3 million (2007: HK\$109.1 million) were secured by certain property, plant and equipment with a carrying amount of HK\$94.9 million (2007: HK\$96.8 million) and inventories with net realisable value of HK\$78 million (2007: HK\$78 million).

Employees and Remuneration Policies

As at 31 March 2008, the Group had a total of 7,962 full-time employees (2007: 6,715), 6,726 of whom were based in China, 1,055 in Sri Lanka, 171 in Hong Kong and 10 in other regions. Additional employees were recruited to support the expansion plans at the Group's Sri Lanka plant and to comply with the New PRC Labour Contract Law, which was launched on 1 January 2008. There is no significant change in the Group's remuneration policy. The Group's remuneration package for its employees includes salary, bonuses, allowances and retirement benefits, based on employee's performance, skills and knowledge. The Group will continue to provide trainings regularly and to offer competitive remuneration package to its staff. The Group also provides additional benefits to its employees, such as subsidized accommodation and meals for workers at the production facilities, and accident and medical insurance.

In July 2007, the Company granted options to 88 eligible full-time employees to subscribe for a total of 22,820,000 shares of the Company, representing about 1.6% of total issued shares. The amortised fair value of share options for the year ended 31 March 2008 amounting to approximately HK\$6.5 million (2007: Nil) was charged to the income statement.

Dividends

The Board proposed to pay a final dividend of HK 7.5 cents per share for the 2008 Financial Year. Together with the interim dividend of HK 6.5 cents per share, the total dividend for the 2008 Financial Year will be HK 14 cents per share. The final dividend, if approved by shareholders at the forthcoming AGM, will be paid on or around 12 September 2008.

財務回顧(續)

資產抵押

於2008年3月31日，本集團之銀行貸款98.3百萬港元(2007年：109.1百萬港元)，以賬面值94.9百萬港元(2007年：96.8百萬港元)之若干物業、廠房及設備和可變現淨值為78百萬港元(2007年：78百萬港元)之存貨作為抵押。

僱員及薪酬政策

於2008年3月31日，本集團共僱用合共7,962名全職僱員(2007年：6,715名)，其中6,726名駐於中國、1,055名駐於斯里蘭卡、171名駐於香港及10名駐於其他地區。增加招聘僱員是為了本集團斯里蘭卡廠房之擴展計劃與遵守於2008年1月1日起生效之中國新勞動合同法。此對本集團薪酬政策並無重大的影響。本集團僱員薪酬待遇組合包括基本薪金、花紅、津貼及退休福利其乃根據僱員表現、技能及知識釐訂。本集團將持續提供定期訓練與具競爭性的薪酬予員工。本集團亦提供額外福利予僱員，如食宿津貼予駐生產設施之工人、提供意外及醫療保險等。

於2007年7月，本公司授出購股權予88位合資格全職僱員以認購合共22,820,000股本公司股份，佔已發行股本總額約1.6%。於截至2008年3月31日止年度，購股權之經攤銷公平值總計約6.5百萬港元(2007年：無)已於收益表內入賬。

股息

董事局建議就2008年財政年度派發末期股息每股港幣 7.5仙。連同中期股息每股港幣 6.5仙，2008年財政年度之股息總額將為每股港幣 14仙。倘獲股東於應屆股東週年大會上批准，末期股息將於2008年9月12日前後派付。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Executive Directors

Mr. WAN Wai Loi, aged 58, is an executive Director and Chairman and a founder of our Group. Mr. Wan is responsible for production of our products and the formulation of the overall corporate direction and business strategies of the Group. Mr. Wan has over 35 years of experience in the textile industry. He obtained a Bachelor of Science Degree in Chemical Engineering from Taiwan National Cheng Kung University. Mr. Wan joined the Group in 1997 and was appointed as a Director in 2004.

Mr. TSANG Kang Po, aged 57, is an executive Director and the vice Chairman and a founder of our Group. Mr. Tsang is responsible for sales and marketing and the formulation of the overall corporate direction and business strategies for the Group. Mr. Tsang has over 29 years of experience in the textile industry. He is the vice chairman of Hong Kong Intimate Apparel Industries' Association. Mr. Tsang obtained a MBA degree from The Open University of Hong Kong and a Master of Science in Business Economics from The Chinese University of Hong Kong. Mr. Tsang joined the Group in 1997 and was appointed as a Director in 2004.

Mr. LAM Wing Tak, aged 57, is an executive Director and the Chief Executive Officer of our Company. Mr. Lam is responsible for sales and marketing and the formulation of the overall corporate direction and business strategies for the Group. Mr. Lam has over 31 years of experience in the textile industry. Mr. Lam obtained a MBA degree from The University of Macau and a Bachelor of Business Administration from The Chinese University of Hong Kong. Mr. Lam joined the Group in 1998 and was appointed as a Director in 2004.

Dr. LAM King Man, aged 52, is an executive Director. Dr. Lam is responsible for overseeing manufacturing and research and development. Dr. Lam has over 26 years of experience in the textile, garment, dyeing and finishing industry. Dr. Lam obtained a Ph.D. degree from the Postgraduate School of Colour Chemistry and Colour Technology at the University of Bradford, United Kingdom and a Higher Diploma in Textile Chemistry from Hong Kong Polytechnic. He is a Chartered Colourist and a Fellow of The Society of Dyers and Colourists, United Kingdom. Dr. Lam joined the Group in 1998 and was appointed as a Director in 2004.

執行董事

尹惠來先生，58歲，本集團執行董事兼主席及創辦人之一。尹先生負責本集團產品生產，並為本集團制定整體企業方向及業務策略。尹先生有逾35年紡織業經驗。彼持有台灣國立成功大學頒授之化學工程學理學士學位。尹先生於1997年加入本集團，並於2004年獲委任為董事。

曾鏡波先生，57歲，本集團執行董事兼副主席及創辦人之一。曾先生負責本集團銷售及市場推廣工作，並為本集團制定整體企業方向及業務策略。曾先生在紡織業有逾29年經驗，現為香港內衣業聯會副主席。曾先生持有香港公開大學頒授之工商管理學碩士學位及香港中文大學頒授之商業經濟學理碩士學位。曾先生於1997年加入本集團，並於2004年獲委任為董事。

林榮德先生，57歲，本公司執行董事兼行政總裁。林先生負責銷售及市場推廣工作，並為本集團制定整體企業方向及業務策略。林先生在紡織業有逾31年經驗。林先生持有澳門大學頒授之工商管理學碩士學位及香港中文大學頒授之工商管理學學士學位。林先生於1998年加入本集團，並於2004年獲委任為董事。

林景文博士，52歲，執行董事。林博士負責生產、研究及開發工作。林博士於紡織、成衣、漂染及整理業有逾26年經驗。林博士持有英國 University of Bradford 之 Postgraduate School of Colour Chemistry and Colour Technology 頒授之博士學位及香港理工學院頒授之紡織化學高級文憑。彼為特許著色師 (Chartered Colourist) 及英國 The Society of Dyers and Colourists 之資深會員。林博士於1998年加入本集團，並於2004年獲委任為董事。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Non-executive Directors

Mr. CHOI Kin Chung, aged 72, is a non-executive Director and a founder of the Group. Mr. Choi co-founded our Group in 1997 and has been the chairman of the Group since its inception until 2005. Mr. Choi is the emeritus chairman of the Company. He has over 40 years of experience in the textile industry. Mr. Choi was educated in the 華南理工大學，建築系 (School of Architecture, South China University of Technology) and is a Honorary Professor of the University. He is also a Honorary Citizen of Guangzhou City. Mr. Choi was appointed as a Director in 2004.

Mr. IP Ping Im, aged 71, is a non-executive Director. He is a co-founder and senior partner of our Group. Mr. Ip has over 31 years of experience in the textile industry. Mr. Ip was appointed as a Director in 2004.

Mr. HO Hsiang Ming, James, aged 49, is a non-executive Director. Mr. Ho is a vice president of Capital International, Inc., responsible for private equity in Asia. Prior to joining Capital International, Inc. in 1996, Mr. Ho was a vice president of global equity investments at the Bank of America in Hong Kong. Mr. Ho is a director of China Digital TV Holding Co. Limited, a New York Stock Exchange listed company since November 2006 and was a director of ON*Media Corporation, a Korea listed company, from June 2000 to March 2007. He received a Bachelor of Arts in Economics from the National Taiwan University and an MBA from the Wharton School of Business at the University of Pennsylvania. Mr. Ho was appointed as a Director in 2004.

Mr. LAU Yiu Tong, aged 60, is a non-executive Director. Mr. Lau has over 31 years of experience in the textile industry. Mr. Lau holds a Higher Diploma in Textile Technology from the Hong Kong Technical College. He is a member of the General Committee of Federation of Hong Kong Industries. Mr. Lau was appointed as a non-executive Director in 2007.

Mr. Vivek Kalra, aged 44, alternate Director to Mr. Ho Hsiang Ming, James, non-executive Director of the Company. Mr. Kalra is a Vice President of Capital International, Inc., responsible for private equity business in Asia, including India. Prior to joining Capital International, Inc. in 1999, Mr. Kalra worked for McKinsey & Company, Inc. in New York and India. Mr. Kalra holds directorship in Manipal Universal Learning Private Limited, India since September 2006. Mr. Kalra previously held directorships in Mindtree Consulting Limited, India from August 2001 to January 2008 and Deccan Aviation Limited, India from March 2005 to July 2007, both companies are listed on the National Stock Exchange of India. He holds an MBA from the Stanford Graduate School of Business, USA and a Bachelor of Technology degree in Electrical Engineering from the Indian Institute of Technology in Bombay, India. Mr. Kalra was appointed as an alternate Director in 2008.

非執行董事

蔡建中先生，72歲，本集團非執行董事及創辦人之一。蔡先生於1997年連同其他人士共同創辦本集團，由本集團開業至2005年出任本集團主席。蔡先生為本公司榮譽主席，在紡織業擁有逾40年經驗。蔡先生曾就讀於華南理工大學建築系，現為該大學榮譽教授。彼亦為廣州市榮譽市民。蔡先生於2004年獲委任為董事。

葉炳棧先生，71歲，非執行董事。彼為本集團創辦人之一，並為資深合夥人。葉先生在紡織業有逾31年經驗。葉先生於2004年獲委任為董事。

賀象民先生，49歲，非執行董事。賀先生為Capital International, Inc.之副總裁，負責亞洲私募基金業務。於1996年加入Capital International, Inc.前，賀先生曾任香港美國銀行全球證券投資部副總裁。賀先生自2006年11月起出任於紐約證券交易所上市之公司中華數位電視控股有限公司之董事，另於2000年6月至2007年3月為韓國上市公司ON*Media Corporation之董事。彼持有國立台灣大學頒授之經濟學文學士學位以及賓夕凡尼亞大學華頓學院(Wharton School of Business at the University of Pennsylvania)頒授之工商管理學碩士學位。賀先生於2004年獲委任為董事。

劉耀棠先生，60歲，非執行董事。劉先生在紡織業有逾31年經驗。劉先生持有香港工業學院頒授之紡織工藝高級文憑，並為香港工業總會理事。劉先生於2007年獲委任為非執行董事。

Vivek Kalra先生，44歲，非執行董事賀象民先生之替任董事。Kalra先生為Capital International, Inc.之副總裁，負責亞洲包括印度之私募基金業務。於1999年加入Capital International, Inc.前，Kalra先生曾於麥肯錫公司紐約與印度辦事處工作。Kalra先生自2006年9月起為印度Manipal Universal Learning Private Limited之董事。Kalra先生曾於2001年8月至2008年1月為印度Mindtree Consulting Limited之董事，另曾於2005年3月至2007年7月為印度Deccan Aviation Limited之董事，此兩間公司皆於印度國家證券交易所上市。Kalra先生持有美國Stanford Graduate School of Business頒授之工商管理學碩士學位及印度孟買Indian Institute of Technology頒授之電機工程學科技學士學位。Kalra先生於2008年獲委任為替任董事。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Independent Non-executive Directors

Mr. CHAN Yue Kwong, Michael, aged 56, is an independent non-executive Director. He is currently the executive chairman of Cafe de Coral Holdings Limited, a Hong Kong listed company which he joined in 1984, and has considerable experience in planning and management. Mr. Chan is also an independent non-executive director of Starlite Holdings Limited since 1993 and Kingboard Laminates Holdings Limited since 2006 and a non-executive director of Tao Heung Holdings Limited in 2007, all three companies are listed on the Main Board of the Hong Kong Stock Exchange. Mr. Chan holds a Bachelor of Arts, a Master's degree in City Planning from the University of Manitoba, Canada and an Honorary Doctorate Degree in Business Administration from Southern California University for Professional Studies, U.S.A. He is currently an executive committee member of the Hong Kong Retail Management Association, general committee member of the Employers' Federation of Hong Kong, elected member of the Quality Tourism Services Association, a full member of the Canadian and the Hong Kong Institute of Planners, a Fellow of the Chartered Institute of Marketing, Honorary President of Hong Kong Foodstuffs Association and the Honorary Adviser of the Hong Kong Institute of Marketing. He is currently the chairman of Business Enterprise Management Centre of the Hong Kong Management Association and a member of the Hong Kong Tourism Board. Mr. Chan was appointed as an independent non-executive Director in 2007.

Mr. NG Ching Wah, aged 59, is an independent non-executive Director. Mr. Ng has over 21 years of senior management experience in the telecommunications industry. Mr. Ng is currently the non-executive director of HKC International Holdings Limited, a Hong Kong listed company and director and member of the executive committee of Advanced Info Service Public Company Limited, a Thailand listed company. He was the chief executive officer of Hong Kong CSL Limited. He was the chief executive officer of SmarTone Telecommunications Holdings Limited, a Hong Kong listed company and the President of PCCW Mobility Services Limited. Mr. Ng is the Honorary Advisor of the Communications Association of Hong Kong and a member of the Digital 21 Strategy Advisory Committee (D21SAC). Mr. Ng graduated from the Chinese University of Hong Kong in 1975, with a Bachelor of Business and Administration. Mr. Ng was appointed as an independent non-executive Director in 2007.

Mr. SZE Kwok Wing, Nigel, aged 51, is an independent non-executive Director. Mr. Sze has senior management experience in the private and investment banking industry serving high net worth clients and institutions. He currently serves as the managing director, head of investment of Citi Wealth Management for Asia Pacific region. Prior to his current position, Mr. Sze was the chief executive officer of Asia-Pacific for International Private Bank, Barclays Wealth and an executive director in the private clients division at Morgan Stanley Asia Limited, Hong Kong. Mr. Sze holds a Master of Business from the University of Newcastle, Australia. He is a Fellow of CPA Australia. Mr. Sze was appointed as an independent non-executive Director in 2007.

獨立非執行董事

陳裕光先生，56歲，獨立非執行董事。彼現為香港上市公司大家樂集團有限公司之執行主席。彼於1984年加入該公司，於策劃及管理工作方面擁有豐富經驗。陳先生自1993年起出任星光集團有限公司之獨立非執行董事，自2006年起出任建滔積層板控股有限公司之獨立非執行董事及於2007年出任稻香控股有限公司之非執行董事。此三間公司均於香港聯交所主板上市。陳先生持有加拿大曼尼托巴大學(University of Manitoba) 頒授之文學士學位及城市規劃碩士學位，以及美國南加州大學(Southern California University) 頒授之工商管理學榮譽博士學位。彼現為香港零售管理協會執委會成員、香港僱主聯合會理事會成員、優質旅遊服務協會選任委員、加拿大及香港規劃師學會會員、英國特許市務學會資深會員、香港食品商會永遠名譽會長及香港市務學會之榮譽顧問。陳先生是香港管理專業協會企業管理發展中心現任主席與香港旅遊發展局成員。陳先生於2007年獲委任為獨立非執行董事。

伍清華先生，59歲，獨立非執行董事。伍先生於電訊業有逾21年資深管理經驗。伍先生現為香港上市公司香港通訊國際控股有限公司之非執行董事及泰國上市公司Advanced Info Service Public Company Limited 之董事與執行委員會成員。彼曾出任香港流動通訊有限公司行政總裁、香港上市公司數碼通電訊集團有限公司行政總裁及PCCW Mobility Services Limited總裁。伍先生為香港通訊業聯會榮譽顧問及數碼21資訊科技策略委員會(D21SAC)委員。伍先生於1975年自香港中文大學畢業，獲頒工商管理學士學位。伍先生於2007年獲委任為獨立非執行董事。

施國榮先生，51歲，獨立非執行董事。施先生於私人及投資銀行業擁有高級管理經驗，服務高資產淨值客戶及機構。彼現為Citi Wealth Management亞太區投資部主管與董事總經理。出任現職前，施先生為International Private Bank, Barclays Wealth亞太區之行政總裁與香港Morgan Stanley Asia Limited私人客戶部之執行董事。施先生持有澳洲University of Newcastle頒授之工商管理學碩士學位，並為澳洲註冊會計師公會資深會員。施先生於2007年獲委任為獨立非執行董事。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Senior Management

Mr. LAM Hing Chau Leon, aged 50, joined the Group in 2005 and is the chief financial officer and qualified accountant. Mr. Lam is responsible for finance, accounting and shipping. Mr. Lam holds a Bachelor's Degree in Social Sciences from the University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Lam also holds Master's degrees in Business Administration, Information Systems, Applied Finance and Electronic Commerce. Prior to joining the Group, he was the executive director, vice president and chief financial officer of CK Life Sciences Int'l (Holdings) Inc., a company listed on the Growth Enterprises Market of the Stock Exchange.

Mr. KONG Yuen Ching, aged 59, joined the Group in 1998 and is the general manager, responsible for the raw materials procurement. Mr. Kong has over 31 years of experience in the textile industry. Mr. Kong is also a director of Pacific Textiles Ltd, a wholly-owned subsidiary of the Company.

Mr. PANG Ping Hung, aged 57, joined the Group in 2005 and is the general manager, responsible for the printing and finishing division of our Group. Mr. Pang has over 31 years of experience in the textile industry.

Mr. GOONETILLEKE Rohan, aged 55, is the managing director of Textured Jersey Lanka (Private) Limited, a subsidiary of the Company since June 2003. Mr. Goonetilleke holds a Bachelor of Science degree in Mechanical Engineering from the University of Portsmouth, United Kingdom. Prior to joining the Group, he was the managing director of Linea Clothing (Private) Limited.

Mr. WU Tai Cheung, aged 50, joined the Group in 2006 and is the company secretary and head of internal audit. Mr. Wu has over 23 years of experience in the field of financials, auditing, accounting and secretarial matters. He holds an MBA and is a member of the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and the Hong Kong Institute of Certified Public Accountants.

高級管理人員

林興就先生，50歲，於2005年加入本集團，獲委任為本公司財務總監及合資格會計師。林先生負責財務、會計及船運事宜。林先生持有香港大學頒授之社會科學學士學位，為香港會計師公會、澳洲註冊會計師公會、英國特許公認會計師公會以及英格蘭及威爾斯特許會計師公會會員。林先生另持有工商管理學、資訊系統、應用財務及電子商貿多個碩士學位。於加入本集團前，他曾出任聯交所創業板上市公司長江生命科技集團有限公司之執行董事、副總裁及財務總監。

江遠清先生，59歲，總經理。於1998年加入本集團，負責原料採購工作。江先生在紡織業有逾31年經驗。江先生亦為互太紡織有限公司(本公司全資附屬公司)之董事。

彭炳雄先生，57歲，總經理。於2005年加入本集團，負責本公司印花及整理部工作。彭先生在紡織業有逾31年經驗。

GOONETILLEKE Rohan先生，55歲，自2003年6月起出任Textured Jersey Lanka (Private) Limited (本公司附屬公司)董事總經理。Goonetilleke先生持有英國University of Portsmouth頒授之機械工程學理學士學位。加入本集團前，他曾出任Linea Clothing (Private) Limited之董事總經理。

胡大祥先生，50歲，於2006年加入本集團，獲委任為本公司秘書與內部審計主管。胡先生擁有逾23年財務、核數、會計及秘書事務經驗。彼持有工商管理學碩士學位及為英國特許公認會計師公會、香港稅務學會及香港會計師公會會員。

Directors' Report

董事局報告

The Board is pleased to present the annual report and the audited consolidated financial statements of the Company and the Group for 2008 Financial Year.

Principal Activities

The Company acts as an investment holding company. Its subsidiaries are principally engaged in manufacturing and trading of textile products. The activities of its principal subsidiaries are set out in note 9 to the financial statements.

Results and Dividends

The results of the Group for the 2008 Financial Year are set out in the consolidated income statement on page 49 of this annual report.

Prior to the Listing, a special dividend of approximately HK\$72.58 per share, totalling approximately HK\$780,000,000, was paid to the then shareholders.

An interim dividend of HK 6.5 cents per share was paid on 25 January 2008 to shareholders. The Directors have recommended the payment of a final dividend of HK 7.5 cents per share to shareholders whose names appear on the Register of Members of the Company at the close of business on 29 August 2008.

Closure of Register of Members

The Register of Members will be closed from 26 August 2008 to 29 August 2008 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited not later than 4:30 p.m. on 25 August 2008. Computershare Hong Kong Investor Services Limited is located at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Financial Summary

A summary of the consolidated results and consolidated balance sheet of the Group for the last five financial years is set out on page 118 of this annual report.

Share Capital

Details of the movements in the issued share capital of the Company during the 2008 Financial Year are set out in note 16 to the financial statements.

Purchase, Sale or Redemption of Listed Securities of the Company

During the 2008 Financial Year, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles, or the law of Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事局欣然提呈本公司及本集團2008年財政年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其附屬公司主要從事紡織產品之製造及貿易。其主要附屬公司的業務載於財務報表附註9。

業績及股息

本集團之2008年財政年度業績載於本年報第49頁綜合收益表內。

於上市前，特別股息約每股72.58港元，總數約780,000,000港元已宣派予當時股東。

本公司已於2008年1月25日派發中期股息每股港幣6.5仙予股東。董事已建議派發末期股息每股港幣7.5仙予2008年8月29日辦公時間結束時，名列於公司股東名冊之股東。

暫停辦理股份過戶登記

股東名冊將由2008年8月26日至2008年8月29日（包括首尾兩天在內），暫停辦理股份過戶登記手續。為符合獲派末期股息資格，股東須於2008年8月25日下午四時三十分之前，將所有過戶文件連同有關股票送達本公司股份過戶登記處香港分處之香港中央證券登記有限公司。香港中央證券登記有限公司之地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

財務概要

本集團於過去五個財政年度之綜合業績和綜合資產負債表概要載於本年報第118頁。

股本

本公司已發行股本於2008年財政年度之變動詳情載於財務報表附註16。

購入、出售或贖回本公司之上市證券

於2008年財政年度，本公司或其任何附屬公司概無購買、贖回或出售任何本公司之上市證券。

優先權

本公司之章程細則或開曼群島公司法例（公司註冊地點）並無關於優先權之規定，要求本公司依比例向現有股東發行新股。

Directors' Report

董事局報告

Reserves

Details of the movements in the reserves of the Group during the 2008 Financial Year are set out in note 17 to the financial statements.

In addition to the retained profits of the Company, the share premium and capital reserve of the Company are also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

At 31 March 2008, the sum of the retained earnings, the share premium, share-based reserve and the capital reserve of the Company amounted to approximately HK\$1,882,242,000.

Property, Plant and Equipment

Expenditure of approximately HK\$456,948,000 was incurred during the 2008 Financial Year primarily to expand the production capacity of the Group.

Details of the movements in property, plant and equipment of the Group are set out in note 8 to the financial statements.

Principal Subsidiaries

Details of the Company's principal subsidiaries at 31 March 2008 are set out in note 9 to the financial statements.

Donations

During the 2008 Financial Year, the Group made charitable and other donation totalling approximately HK\$1,567,000 (2007: HK\$354,000).

Capitalised interest

During the 2008 Financial Year, no interest had been capitalised.

Directors and Directors' Service Contracts

The Directors of the Company during the 2008 Financial Year and up to the date of this report were:

Executive Directors

Mr. WAN Wai Loi (*Chairman*)
Mr. TSANG Kang Po (*Vice Chairman*)
Mr. LAM Wing Tak (*Chief Executive Officer*)
Dr. LAM King Man

Non-executive Directors

Mr. CHOI Kin Chung
Mr. IP Ping Im
Mr. HO Hsiang Ming, James
Mr. LAU Yiu Tong
Mr. Vivek KALRA (appointed on 19 May 2008)
(*Alternate Director to Mr. Ho Hsiang Ming, James*)

Independent Non-executive Directors

Mr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel

儲備

本集團儲備於2008年財政年度之變動詳情載於財務報表附註17。

除本公司之保留溢利外，本公司之股份溢價和資本儲備亦可向股東分派，惟於緊隨建議進行上述分派當天之後，本公司必須仍有能力償還在日常業務中到期支付之欠款。

於2008年3月31日，本公司之保留溢利、股份溢價、以股本為基準之儲備及資本儲備總額約為1,882,242,000港元。

物業、廠房及設備

於2008年財政年度，主要就擴充本集團生產設施之支出約456,948,000港元。

本集團物業、廠房及設備的變動詳情載於財務報表附註8。

主要附屬公司

本公司主要附屬公司於2008年3月31日之詳情載於財務報表附註9。

捐款

本集團於2008年財政年度作出之慈善及其他捐款共約1,567,000港元(2007年：354,000港元)。

利息資本化

本集團於2008年財政年度並無將利息資本化。

董事及董事之服務合約

於2008年財政年度期間及直至本報告日期止之本公司董事如下：

執行董事

尹惠來先生(*主席*)
曾鏡波先生(*副主席*)
林榮德先生(*行政總裁*)
林景文博士

非執行董事

蔡建中先生
葉炳棧先生
賀象民先生
劉耀棠先生
Vivek KALRA先生(於2008年5月19日被委任)
(*賀象民先生之替任董事*)

獨立非執行董事

陳裕光先生
伍清華先生
施國榮先生

Directors' Report

董事局報告

Directors and Directors' Service Contracts (Continued)

Pursuant to article 130 of the Articles, at every AGM one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. Accordingly, Mr. Wan Wai Loi, Mr. Tsang Kang Po, Dr. Lam King Man and Mr. Ho Hsiang Ming, James will retire by rotation from the Board at the forthcoming AGM and, being eligible, will offer themselves for re-election as Directors.

Each of the executive Directors had entered into a service agreement with the Company for an initial term of two years with effect from 1 April 2007. Each service agreement will continue thereafter until terminated by either party by giving to the other party at least six months' prior notice in writing.

Each of the non-executive and independent non-executive Directors had been appointed for an initial term of two years on the terms and conditions effective from 1 May 2007. All Directors are subject to retirement by rotation in accordance with the Articles and the Listing Rules.

Profile of the above Directors are set out on pages 11 to 13 of this annual report.

No Director proposed for re-election at the forthcoming AGM of the Company has a service contract with Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事及董事之服務合約(續)

根據章程細則第130條，三分之一董事(如人數不是三的倍數，以最接近且不少於三分之一)將於每次股東週年大會輪席告退，各董事(包括以特別條件委任)須最少每三年輪席退任一次。因此，尹惠來先生、曾鏡波先生、林景文博士和賀象民先生將於即將舉行之股東週年大會輪席告退，惟彼等合資格並願膺選連任。

各執行董事已與本公司訂立服務協議，任期由2007年4月1日起，初步為期二年。每份服務協議於其後將繼續有效，直至其中一方向另一方發出不少於六個月書面通知終止合約為止。

各非執行董事及獨立非執行董事之任期由2007年5月1日起，初步為期兩年。全體董事須根據章程細則及上市規則輪席退任。

上述董事之簡介詳列於本年報第11至13頁。

擬於本公司應屆股東週年大會重選連任之董事概無與本公司或任何附屬公司訂有任何於一年內終止而須作出賠償(法定賠償除外)之服務合約。

Directors' Report

董事局報告

Directors' interests and Short Positions in Shares and Underlying Shares

As at 31 March 2008, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in Shares

董事於股份和相關股份之權益及淡倉

於2008年3月31日，董事及本公司行政總裁於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及／或淡倉（包括彼等根據證券及期貨條例之規定被當作或視為擁有的權益或淡倉）；或根據證券及期貨條例第352條已登記於根據該條須予存置的登記冊或根據上市規則之標準守則須知會本公司及聯交所的權益及／或淡倉如下：

股份之好倉

Number of issued Shares held and nature of interest

持已發行股份數目及權益性質

Name of Director/Chief Executive	Note	Personal interests	Family interests	Corporate interests	Trust interests	Total	Approximate percentage of issued share capital of Company
董事／行政總裁名稱	附註	個人權益	家屬權益	法團權益	信託權益	總數	於本公司已發行股本之概約百分比
Choi Kin Chung 蔡建中	1	-	-	-	171,102,000	171,102,000	11.94%
Ip Ping Im 葉炳棧	2	-	1,600,000	400,900,000	-	402,500,000	28.09%
Lam King Man 林景文	3	-	-	30,000,000	-	30,000,000	2.09%
Lam Wing Tak 林榮德	4	2,084,000	200,000	100,000,000	-	102,284,000	7.14%
Lau Yiu Tong 劉耀棠		51,229,000	-	-	-	51,229,000	3.58%
Tsang Kang Po 曾鏡波	5	1,176,000	-	100,000,000	-	101,176,000	7.06%
Wan Wai Loi 尹惠來	6	1,743,000	-	100,000,000	-	101,743,000	7.10%

Notes:

附註：

1. These shares in the Company are directly held by Silver Bay International Holdings Limited, whose issued share capital is wholly-owned by Trustcorp Limited, the trustee of the United Harmony Trust, a discretionary trust. For the purposes of the SFO, Mr. Choi Kin Chung is the founder of the United Harmony Trust.

1. 該等本公司股份由Silver Bay International Holdings Limited直接持有，而Trustcorp Limited全數擁有Silver Bay International Holdings Limited之已發行股本。Trustcorp Limited為酌權信託United Harmony Trust之信託人。就證券及期貨條例而言，蔡建中先生為United Harmony Trust之創辦人。

Directors' Report

董事局報告

Directors' interests and Short Positions in Shares and Underlying Shares (Continued)

Notes: (Continued)

2. These shares in the Company are directly held by Far East Asia Limited, whose issued share capital is wholly-owned by Mr. Ip Ping Im.
3. These shares in the Company are directly held by Effective Approach Technology Limited, whose issued share capital is 50% owned by Dr. Lam King Man and 50% owned by the spouse of Dr. Lam King Man.
4. These shares in the Company are directly held by Fifth Element Enterprises Limited, whose issued share capital is 75% owned by Mr. Lam Wing Tak and 25% owned by the spouse of Mr. Lam Wing Tak.
5. These shares in the Company are directly held by Top Strong Holdings Limited, whose issued share capital is 50% owned by Mr. Tsang Kang Po and 50% owned by the spouse of Mr. Tsang Kang Po.
6. These shares in the Company are directly held by Hollywood Pacific Limited, whose issued capital is 25% owned by Mr. Wan Wai Loi and 25% owned by the spouse of Mr. Wan Wai Loi.

Save as disclosed above, none of the Directors or chief executive of the Company, as at 31 March 2008, had any interests and/or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

At no time during the 2008 Financial Year were the rights to acquire benefits by means of the acquisition of shares in the Company granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

董事於股份和相關股份之權益及淡倉(續)

附註：(續)

2. 該等本公司股份由Far East Asia Limited直接持有，而葉炳棧先生全數擁有Far East Asia Limited之已發行股本。
3. 該等本公司股份由Effective Approach Technology Limited直接持有，而林景文博士及其配偶分別擁有Effective Approach Technology Limited之50%已發行股本。
4. 該等本公司股份由Fifth Element Enterprises Limited直接持有，而林榮德先生及其配偶分別擁有Fifth Element Enterprises Limited之75%及25%已發行股本。
5. 該等本公司股份由Top Strong Holdings Limited直接持有，而曾鏡波先生及其配偶分別擁有Top Strong Holdings Limited之50%已發行股本。
6. 該等本公司股份由Hollywood Pacific Limited直接持有，而尹惠來先生及其配偶分別擁有Hollywood Pacific Limited之25%已發行資本。

除上文披露者外，於2008年3月31日，概無董事及本公司行政總裁於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的任何權益及/或淡倉(包括彼等根據證券及期貨條例之規定被當作或視為擁有的權益及淡倉)；或擁有根據載於上市規則的標準守則須知會本公司及聯交所的任何權益及/或淡倉。

於2008年財政年度任何時間，概無任何董事或彼等各自的配偶或未成年子女獲授可藉購入本公司的股份而獲益的權利，或彼等行使任何此等權利而獲利；或本公司、其控股公司或其任何附屬公司概無參與任何安排，致令董事可於任何其他法人團體獲得此等權利。

Directors' Report

董事局報告

Substantial Shareholders' interests and Short Positions in Shares and Underlying Shares

So far as any Director or the chief executive of the Company is aware, as at the 31 March 2008, the following persons (not being Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was (directly or indirectly) interested in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Long positions in Shares

Name of substantial shareholder	Note	Nature of interest	Number of issued Shares	Aggregate long position	Approximate percentage interest of issued share capital of the Company 於本公司已發行股本之概約百分比
主要股東名稱	附註	權益性質	已發行股份數目	好倉總數	
Chiu Bo Lan 趙寶蘭	1	Interest of a controlled corporation 於共同控制實體之權益	100,000,000	101,743,000	7.10%
	2	Interest of spouse 配偶之權益	1,743,000		
Hollywood Pacific Limited	1	Beneficial owner 實益擁有人	100,000,000	100,000,000	6.98%
Lam Wai Yee 林慧儀		Beneficial owner 實益擁有人	1,600,000	402,500,000	28.09%
	3	Interest of spouse 配偶之權益	400,900,000		
Far East Asia Limited	4	Beneficial owner 實益擁有人	400,900,000	400,900,000	27.98%
Wong Bik Ha 黃碧霞		Beneficial owner 實益擁有人	200,000	102,284,000	7.14%
	5	Interest of a controlled corporation 於共同控制實體之權益	100,000,000		
	6	Interest of spouse 配偶之權益	2,084,000		
Fifth Element Enterprises Limited	5	Beneficial owner 實益擁有人	100,000,000	100,000,000	6.98%
Law Oi Mui 羅愛梅	7	Interest of spouse 配偶之權益	171,102,000	171,102,000	11.94%

主要股東於股份和相關股份之權益及淡倉

就任何董事或本公司行政總裁所知悉，於2008年3月31日，以下人士（非董事或本公司行政總裁）於股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定向本公司披露的權益或淡倉，或直接或間接擁有附有權利可在任何情況下於本集團任何其他成員公司的股東大會上投票的任何類別股本面值10%或以上權益或淡倉：

股份之好倉

Directors' Report

董事局報告

Substantial Shareholders' interests and Short Positions in Shares and Underlying Shares (Continued)

Long positions in Shares (Continued)

主要股東於股份和相關股份之權益及淡倉(續) 股份之好倉(續)

Name of substantial shareholder	Note	Nature of interest	Number of issued Shares	Aggregate long position	Approximate percentage interest of issued share capital of the Company 於本公司已發行股本之概約百分比
主要股東名稱	附註	權益性質	已發行股份數目	好倉總數	
Trustcorp Limited	8	Trustee 信託人	171,102,000	171,102,000	11.94%
Silver Bay International Holdings Limited	8	Beneficial owner 實益擁有人	171,102,000	171,102,000	11.94%
Wong Mei Ling 黃美玲	9 10	Interest of a controlled corporation 於共同控制實體之權益 Interest of spouse 配偶之權益	100,000,000 1,176,000	101,176,000	7.06%
Top Strong Holdings Limited	9	Beneficial owner 實益擁有人	100,000,000	100,000,000	6.98%
The Capital Group Companies, Inc.		Interest of a controlled corporation 於共同控制實體之權益	123,600,000	123,600,000	8.63%
Capital Group International, Inc.		Interest of a controlled corporation 於共同控制實體之權益	123,600,000	123,600,000	8.63%
Capital International, Inc.	11	Interest of a controlled corporation 於共同控制實體之權益 Investment manager 投資經理	123,600,000	123,600,000	8.63%
Capital International Investments IV, LLC	11	Interest of a controlled corporation 於共同控制實體之權益	123,600,000	123,600,000	8.63%
Capital International Investments IV, L.P.	11	Interest of a controlled corporation 於共同控制實體之權益	119,620,100	119,620,100	8.35%
Capital International Private Equity Fund IV, L.P.	11	Beneficial owner 實益擁有人	119,620,100	119,620,100	8.35%

Directors' Report

董事局報告

Substantial Shareholders' interests and Short Positions in Shares and Underlying Shares (Continued)

Long positions in Shares (Continued)

Notes:

1. Hollywood Pacific Limited is 25% owned by Mr. Wan Wai Loi and 25% owned by Ms. Chiu Bo Lan, the spouse of Mr. Wan Wai Loi.
2. Ms. Chiu Bo Lan is the spouse of Mr. Wan Wai Loi, a Director.
3. Ms. Lam Wai Yee is the spouse of Mr. Ip Ping Im, a Director.
4. Far East Asia Limited is wholly-owned by Mr. Ip Ping Im, a Director.
5. Fifth Element Enterprises Limited is 75% owned by Mr. Lam Wing Tak and 25% owned by Ms. Wong Bik Ha, the spouse of Mr. Lam Wing Tak.
6. Ms. Wong Bik Ha is the spouse of Mr. Lam Wing Tak, a Director.
7. Ms. Law Oi Mui is the spouse of Mr. Choi Kin Chung, a Director.
8. Silver Bay International Holdings Limited is wholly-owned by Trustcorp Limited, the trustee of the United Harmony Trust, a discretionary trust. For the purposes of the SFO, Mr. Choi Kin Chung, a Director, is the founder of the United Harmony Trust.
9. Top Strong Holdings Limited is 50% owned by Mr. Tsang Kang Po and 50% owned by Ms. Wong Mei Ling, the spouse of Mr. Tsang Kang Po.
10. Ms. Wong Mei Ling is the spouse of Mr. Tsang Kang Po, a Director.
11. Capital International Private Equity Fund IV, L.P. is a private equity fund managed by Capital International, Inc. Capital International Investments IV, L.P. is the general partner of Capital International Private Equity Fund IV, L.P. The general partner of Capital International Investments IV, L.P. is Capital International Investments IV, LLC, which is also the general partner of CGPE IV L.P., an employee securities fund formed to invest side-by-side with Capital International Private Equity Fund IV, L.P. Capital International, Inc. is the managing member of Capital International Investments IV, LLC.

主要股東於股份和相關股份之權益及淡倉(續)

股份之好倉(續)

附註:

1. 尹惠來先生及其配偶趙寶蘭女士分別擁有Hollywood Pacific Limited之25%權益。
2. 趙寶蘭女士為董事尹惠來先生之配偶。
3. 林慧儀女士為董事葉炳棧先生之配偶。
4. Far East Asia Limited由董事葉炳棧先生全資擁有。
5. 林榮德先生及其配偶黃碧霞女士分別擁有Fifth Element Enterprises Limited之75%及25%權益。
6. 黃碧霞女士為董事林榮德先生之配偶。
7. 羅愛梅女士為董事蔡建中先生之配偶。
8. Silver Bay International Holdings Limited由Trustcorp Limited全資擁有，Trustcorp Limited為酌權信託United Harmony Trust之信託人。就證券及期貨條例而言，董事蔡建中先生為United Harmony Trust之創辦人。
9. 曾鏡波先生及其配偶黃美玲女士分別擁有Top Strong Holdings Limited之50%權益。
10. 黃美玲女士為董事曾鏡波先生之配偶。
11. Capital International Private Equity Fund IV, L.P.乃由Capital International, Inc.管理之私募證券基金。Capital International Investments IV, L.P.為Capital International Private Equity Fund IV, L.P.之普通合夥人。Capital International Investments IV, L.P.之普通合夥人為Capital International Investments IV, LLC，該公司亦為CGPE IV, L.P.之普通合夥人。CGPE IV, L.P.為僱員證券基金，成立之目的為與Capital International Private Equity Fund IV, L.P.共同投資。Capital International, Inc.為Capital International Investments IV, LLC之管理成員公司。

Directors' Report

董事局報告

Substantial Shareholders' interests and Short Positions in Shares and Underlying Shares (Continued)

Long positions in shares and underlying shares of any other member in the Group

主要股東於股份和相關股份之權益及淡倉(續)

於本集團任何其他成員公司之股份及相關股份之好倉

Name of member of the Group	Name of substantial shareholder	Note	Nature of interest	Number of issued shares	Approximate percentage of issued share capital 於本公司已發行股本之概約百分比
本集團成員公司名稱	主要股東名稱	附註	權益性質	已發行股份數目	
Textured Jersey Lanka (Private) Limited	Brandix Lanka Limited	1	Beneficial owner 實益擁有人	76,666,992	40%

Note:

1. Textured Jersey Lanka (Private) Limited is owned as to 60% by Pacific Textured Jersey Holdings Ltd., a wholly-owned subsidiary of the Company, and 40% by Brandix Lanka Limited.

附註:

1. Pacific Textured Jersey Holdings Ltd. 及 Brandix Lanka Limited 分別擁有 Textured Jersey Lanka (Private) Limited 60% 及 40% 權益，Pacific Textured Jersey Holdings Ltd. 為本公司之全資附屬公司。

Save as disclosed above, so far as is known to any Director or chief executive of the Company, as at 31 March 2008, no other person had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

除上文所披露者外，就本公司任何董事或行政總裁所知，於2008年3月31日，概無其他人士於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露之權益或淡倉，或直接或間接擁有附帶於所有情況下可於本集團任何成員公司股東大會上投票之任何類別股本面值達10%或以上之權益或淡倉。

Arrangements to Purchase Shares or Debentures

At no time during the 2008 Financial Year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

購買股份或債券之安排

本公司、其控股公司或其任何附屬公司或同系附屬公司於2008年財政年度任何時間概無參與訂立任何安排，致使董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

Share Option Scheme

Pursuant to the written resolutions of shareholder of the Company passed on 27 April 2007, the Company adopted a Share Option Scheme.

A. Summary of the Share Option Scheme

1. Purpose

The purpose of the Share Option Scheme is to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons (as defined in paragraph 2 below).

2. Participants

The Board may grant options to any "Eligible Person", namely an employee, Director or non-executive Director (including INED) of any Member of the Group.

"Member of the Group" means the Company, any holding company, subsidiaries or affiliates of the Company or other companies or associated companies of the Company which the Board determines will be subject to the Share Option Scheme.

3. Maximum number of Shares

(a) *Overriding limit*

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Share Option Scheme and any other scheme must not exceed 30% of the Shares of the Company in issue from time to time ("Overriding Limit"). No options may be granted under the Share Option Scheme or any other schemes if this will result in the Overriding Limit being exceeded.

(b) *10% limit*

Subject to the Overriding Limit and paragraphs 3(c) and 3(d) below, the total number of Shares which may be issued upon exercise of all options (excluding options which have lapsed in accordance with the terms of the Share Option Scheme and any other schemes) to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the Shares in issue as at the date of Listing (the "Listing Date"), representing 143,293,600 Shares.

購股權計劃

根據本公司股東於2007年4月27日透過一項書面決議案及採納之購股權計劃。

A. 購股權計劃概要

1. 目的

購股權計劃之目的為使本公司能靈活地挽留、激勵、回饋、酬報、補償合資格人士(定義見下文第2段)及/或為合資格人士提供利益。

2. 參與者

董事局可向任何「合資格人士」，包括任何本集團任何成員公司之僱員、董事或非執行董事(包括獨立非執行董事)授出購股權。

「本集團成員公司」指本公司、任何本公司之控股公司、附屬公司或聯屬公司或董事局認為符合購股權計劃之其他公司或本公司聯營公司。

3. 最高股份數目

(a) *絕對限額*

行使根據購股權計劃及其他計劃已授出及將予行使之所有尚未行使購股權而可予發行之股份數目總和不得超過不時已發行股份之30% (「絕對限額」)。倘可能導致超過絕對限額，則不得根據購股權計劃或本公司任何其他計劃授出任何購股權。

(b) *10%限額*

在遵守絕對限額及下文3(c)及3(d)段之前提下，根據購股權計劃及任何其他計劃可能授出之所有購股權獲行使(不包括根據購股權計劃及任何其他計劃條款失效之購股權)而可發行之股份總數，合共不得超過於上市日期(「上市日」)本公司已發行股本10%，相當於143,293,600股股份。

Directors' Report

董事局報告

Share Option Scheme (Continued)

A. Summary of the Share Option Scheme (Continued)

3. Maximum number of Shares (Continued)

(c) Refreshing the 10% limit

The Company may “refresh” the 10% limit under paragraph 3(b) above at any time subject to prior shareholder approval in general meeting. However, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any options to be granted under any other scheme under the limit as “refreshed” shall not exceed 10% of the Shares of the Company in issue at the date on which shareholders approve the “refreshed” limit (where applicable). Options previously granted under the Share Option Scheme and any other scheme (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.

(d) Exceeding the 10% limit

The Company may grant options to any Eligible Person(s) specifically identified by it which would cause the 10% limit under paragraph 3(b) above (including, for the avoidance of doubt, any such limit as “refreshed” under paragraph 3(c) above) to be exceeded, but only with the prior approval of the shareholders in general meeting, and subject always to the Overriding Limit and the Individual Limit (as defined in paragraph 3(e) below).

(e) Individual limit

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person (including exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue at the date of grant of the option (“Individual Limit”). Any further grants of options to an Eligible Person which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to that Eligible Person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be subject to prior approval of the shareholders in general meeting with such Eligible Person and his associates (as defined in the Listing Rules) abstaining from voting.

購股權計劃(續)

A. 購股權計劃概要(續)

3. 最高股份數目(續)

(c) 更新10%限額

本公司經股東於股東大會上批准後，可隨時「更新」上文第3(b)段下之10%限額，惟在「經更新」限額下，根據購股權計劃授出之所有購股權及根據任何其他計劃將授出之任何購股權於行使時可能發行之股份總數，不得超過股東批准之「經更新」限額（如適用）當天本公司已發行股份10%。根據購股權計劃及任何其他計劃以往授出之購股權（包括按照有關計劃之條款未行使、註銷、失效之購股權或已行使之購股權），就計算所「經更新」限額時將不予計入。

(d) 超出10%限額

本公司可向其特別指定之任何合資格人士（一名或多名）授出購股權，以致超出上文3(b)段之10%限額，（為釋疑慮，包括根據上文3(c)段所「經更新」之任何該等限額），惟須事先獲股東在股東大會上批准，並受絕對限額及個人限額（定義見下文第3(e)段）所限制。

(e) 個人限額

在任何12個月期間，因合資格人士行使獲授之購股權（包括已行使及尚未行使之購股權）而已經或將予發行之股份總數，不得超過購股權授出之日已發行股份1%（「個人限額」）。任何向合資格人士進一步授出購股權而導致因其行使所有獲授予或將予授予之購股權（包括已行使、已註銷及尚未行使之購股權）而已經或將予發行之股份於截至有關進一步授出購股權止12個月期間超過已發行股份1%，有關進一步授予須事先獲股東在股東大會上批准，且有關合資格人士及其聯繫人（定義見上市規則）須放棄表決。

Share Option Scheme (Continued)

A. Summary of the Share Option Scheme (Continued)

4. Grant of options to connected persons

Each grant of options to a Director (including an INED), chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, must be approved by the INEDs (excluding any INED who is the proposed grantee of the options).

Where any grant of options to a substantial shareholder or an INED, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such grant of options must be approved by the shareholders in general meeting. Any shareholder who is a connected person (as defined under the Listing Rules) of the Company must abstain from voting in favor of the resolution to approve such grant of options.

5. Performance conditions

Unless the Board otherwise determines (on a case-by-case basis) and specifies in the offer of grant of an option to a grantee, a grantee is not required to achieve any performance conditions or targets before the grantee's options can be exercised.

購股權計劃(續)

A. 購股權計劃概要(續)

4. 向關連人士授予購股權

向董事(包括獨立非執行董事)、行政總裁或主要股東(定義見上市規則)或任何彼等各自之聯繫人授予任何購股權,必須經獨立非執行董事(不包括任何身為購股權建議獲授人之獨立非執行董事)批准。

倘授予主要股東或獨立非執行董事或任何彼等各自之聯繫人購股權,將會導致於截至向該等人士授出購股權日期(包括授出日期)止任何12個月期間,因行使根據購股權計劃授出或將予授出之購股權(包括已行使、已註銷及尚未行使之購股權)而已經或將予發行之股份:

- (a) 總數超過當時已發行股份之0.1%;及
- (b) 根據每次授出購股權當天股份之收市價計算,上述股份總價值超過5百萬港元。

則該購股權之授出必須經股東在股東大會批准。任何身為本公司關連人士(定義見上市規則)之股東均須就批准有關授予購股權之決議案放棄投票。

5. 表現條件

除非董事局另有指明(按個別個案基準)及於向獲授人授出購股權時指明,獲授人毋須於行使其購股權前達致任何表現條件或目標。

Directors' Report

董事局報告

Share Option Scheme (Continued)

A. Summary of the Share Option Scheme (Continued)

6. Time of exercise of options and duration of Share Option Scheme

(a) General vesting period

The general vesting period for options granted under the Share Option Scheme is set out in the table below unless the Board specifies a different vesting period under the terms of the offer. The option period will not be more than 10 years from the date of grant.

Anniversary of grant date	授出日期週年	Vesting 歸屬
---------------------------	--------	---------------

First	一週年	20%
Second	兩週年	20%
Third	三週年	20%
Fourth	四週年	20%
Fifth	五週年	20%

An option may be exercised to the extent that it has vested and any performance conditions or targets set by the Board have been met.

購股權按已歸屬程度於達致任何由董事局釐定之表現條件或目標時行使。

(b) Duration of the Share Option Scheme

The duration of the Share Option Scheme shall be 10 years from the Listing Date.

(b) 購股權計劃之期限

購股權計劃之期限為上市日起計10年。

7. Exercise price and payment on grant

(a) Exercise price

The exercise price for the Shares under the Share Option Scheme shall be the price determined by the Board and notified to the option holder which shall not be less than the higher of:

- the average closing price of the Shares for the five business days immediately preceding the date of grant of the option as stated in the Stock Exchange's daily quotation sheets;
- the closing price of the Shares as stated on the Stock Exchange's daily quotations sheet of the Shares on the date of grant of the option; and
- the nominal value of the Shares.

7. 行使價及授出時付款

(a) 行使價

購股權計劃項下之股份行使價將由董事局釐定並通知購股權持有人，惟該價格不得低於以下各項之最高者：

- 緊接購股權授出日期前五個營業日根據聯交所每日報價表所示股份之平均收市價；
- 於購股權授出日期根據聯交所每日報價表所示股份之收市價；及
- 股份之面值。

(b) Payment on grant

Eligible Persons are not required to pay for the acceptance of an option granted to them.

(b) 授出時付款

合資格人士毋須就付款接納授予彼等之購股權。

購股權計劃(續)

A. 購股權計劃概要(續)

6. 行使購股權之時間及購股權計劃之期限

(a) 一般歸屬期

根據購股權計劃授出購股權之一般歸屬期載列於下表，除非董事局根據授予之條款指明另一歸屬期。購股權期間將不會超過授出日期起計10年。

Share Option Scheme (Continued)

A. Summary of the Share Option Scheme (Continued)

8. Rights attaching to the Shares

(a) Dividends and voting rights

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an option that has not been exercised. Shares issued or transferred on the exercise of an option will rank equally in all respects with the Shares in issue on the date of issue or transfer. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of issue or transfer.

(b) Restrictions on transfer

Except for the transmission of an option on the death of an option holder to his/her personal representatives, options granted under the Share Option Scheme are personal to the grantee and neither the option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any option holder to any other person or entity. If an option holder transfers, assigns or disposes of any such option or rights, whether voluntarily or involuntarily, then the relevant option will immediately lapse.

9. Lapsing provisions

(a) Immediate lapse

An option will lapse immediately on the earlier of (i) the tenth anniversary of the date the option was granted; (ii) breach of the transfer restrictions referred to in paragraph 8(b) above; and (iii) subject to paragraphs 9(b) to 9(e) below, the option holder ceasing to be an Eligible Person.

(b) Any circumstances

The Board may specify at the date of grant of the option any circumstances in which the option may lapse.

購股權計劃(續)

A. 購股權計劃概要(續)

8. 股份所賦予權利

(a) 股息及表決權

尚未行使之購股權不獲發股息(包括因本公司清盤而作出之分派)，亦不附帶任何表決權。根據行使購股權而獲發行或轉讓之股份於各方面均與發行或轉讓日期已發行之股份享有同等地位。該等股份將不會享有記錄日期訂於發行或轉讓日期前賦予股份之任何權利。

(b) 轉讓限制

除因購股權持有人身故而將購股權轉歸其遺產代理人外，根據購股權計劃授出之購股權為獲授人之個人權益，購股權持有人均不得將購股權或任何有關權利轉讓、出讓或以其他方式出售予任何其他人士或實體。倘購股權持有人轉讓、出讓或出售有關購股權或權利(不論是否自願)，有關購股權將即時失效。

9. 失效條文

(a) 即時失效

購股權於以下較早時限者失效：
(i) 購股權授出日期之第十週年當日；
(ii) 違反上文第8(b)段所述轉讓限制；及
(iii) 根據下文第9(b)至9(e)段所述，購股權持有人不再為合資格人士。

(b) 任何情況

董事局可於購股權授出日期列明任何導致購股權失效之情況。

Share Option Scheme (Continued)

A. Summary of the Share Option Scheme (Continued)

9. Lapsing provisions (Continued)

(c) *Death, illness, retirement, redundancy or transfer*

In the event of death, serious illness or injury, retirement, redundancy, transfer of the business or sale of the Member of the Group by which the option holder is employed or appointed, or any other circumstance which the Board decides, then any unvested options will lapse and any vested options must be exercised within 12 months or such longer period as the Board may determine. Any vested option not exercised within this period shall lapse.

(d) *Resignation, misconduct or breach of contract*

If an option holder resigns or if he or she is guilty of misconduct justifying the termination of his or her employment/appointment or if the option holder is in breach of any material term of his or her employment/appointment or any confidentiality agreement, non-competition agreement or non-solicitation agreement, then all options held by the option holder will lapse, whether the option is vested or not.

(e) *Cessation of employment for any other reason*

If an option holder ceases to be an employee for any other reason not set out in paragraphs 9(c) or 9(d) above, then any unvested options will immediately lapse and any vested options must be exercised within 30 days of the date of cessation of employment or such longer period as the Board may determine.

(f) *Change of control, compromise or arrangement*

In the event of a change of control of the Company or compromise or arrangement, an option holder may exercise an option to the extent it has vested within 30 days of the date of the relevant event subject to any conditions which must be satisfied. However, the above will not apply to the extent that an offer to exchange the option (in whole or in part) is made and accepted by the option holder or if the Board with the consent of the person acquiring Shares decides that the option will be automatically exchanged. Where an option is to be exchanged, the option holder will be granted a new option to replace the option granted under the Share Option Scheme but on the same terms and subject to the same rules.

購股權計劃(續)

A. 購股權計劃概要(續)

9. 失效條文(續)

(c) *死亡、疾病、退任、遣散或轉讓*

倘由於死亡、嚴重疾病或傷殘、退任、遣散、購股權持有人所受僱或獲委任之本集團成員公司業務轉讓或出售、或其他任何董事局決定之情況，任何未歸屬之購股權將失效，而任何已歸屬購股權則須於12個月內或其他董事局可能釐定之較長期間內行使。任何已歸屬但未於此期間獲行使之購股權將告失效。

(d) *辭任、不正當行為或違反合約*

倘購股權持有人辭任或倘因不正當行為被終止僱用／委任或倘購股權持有人違反其僱用／委任之任何重大條款或任何保密協議、不競爭協議或不招攬協議，購股權持有人持有之全部購股權將失效(不論是否已歸屬)。

(e) *因任何其他原因終止僱用*

倘購股權持有人因除第9(c)段或第9(d)段所述者外任何其他原因終止為僱員，任何未歸屬購股權將即時失效，而任何已歸屬購股權必須於終止僱用後30日內或任何董事局可能指定之較長時間內行使。

(f) *控制權、償債協議或安排變動*

倘本公司之控制權、償債協議或安排有變動，購股權持有人可於已符合任何必要條件情況下於有關事件後30日內行使已歸屬購股權。然而，倘購股權持有人提出及接納交換部分或全部購股權之建議，或倘董事局在收購股份人士同意下決定購股權將自動交換，則上述情況並不適用。倘將交換購股權，購股權持有人將獲授予新購股權以取代根據購股權計劃所授出之購股權，惟有關條款及規則均維持不變。

Share Option Scheme (Continued)

A. Summary of the Share Option Scheme (Continued)

9. Lapsing provisions (Continued)

(g) Winding-up

In the event of a voluntary winding-up or court sanctioned winding-up, vested options may be exercised within 3 months of the date of the resolution or the date of the winding-up order (whichever is applicable). All vested options not exercised within the 3-month period will lapse and unvested options will lapse at the end of the 3-month period.

(h) Cancellation of options

The Board may cancel any option only if (i) the option holder is paid an amount equal to fair market value of the Shares subject to the option less the exercise price (see paragraph 7 above); or (ii) the option holder is granted replacement options of equivalent value; or (iii) the Board makes such arrangements as the option holder may agree to compensate for the cancellation of the option.

10. Adjustments

If there is a special dividend, dividend in specie, demerger, capitalisation of profits or reserves, rights issue, consolidation or subdivision of Shares or reduction of the share capital of the Company (or other variation of capital), the Board may make such adjustments (if any) as they consider reasonable to (i) the number of Shares, (ii) the kind of securities subject to the option; and/or (iii) the exercise price, as the auditor or independent financial adviser appointed by the Board shall certify in writing to the Board to be in their opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the notes thereto and the supplementary guidance issued on 5 September 2005 by the Stock Exchange, except where such adjustment is made on a capitalisation issue.

11. Amendments to the Share Option Scheme

The Board may amend any of the provisions of the Share Option Scheme (including, without limitation, amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions imposed by the provisions of the Share Option Scheme, other than those imposed by Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any option holder at that date).

購股權計劃(續)

A. 購股權計劃概要(續)

9. 失效條文(續)

(g) 清盤

倘本公司自願清盤或法庭下令清盤，已歸屬購股權可於決議案日期或清盤令日期後3個月內(以適用者為準)行使。所有於3個月期間未行使之已歸屬購股權將告失效，而未歸屬購股權則將於3個月期間結束失效。

(h) 註銷購股權

董事局僅可於以下情況註銷購股權：(i)倘已向購股權持有人支付相等於購股權所涉股份的公平市值減行使價格之款額(詳見上文第7段)；或(ii)購股權持有人已獲授等值之購股權作替補；或(iii)董事局就補償被註銷購股權作出購股權持有人可能同意之安排。

10. 調整

倘有特別股息、實物股息、分拆、溢利或儲備資本化、供股、股份合併或分拆或削減本公司股本(或其他股本變動)，董事局可就(i)股數；(ii)購股權所涉及證券類別；及/或(iii)行使價作出有關調整(如有)，而按照聯交所於2005年9月5日刊發之上市規則第17.03(13)條及隨附附註及補充指引，有關調整需經由董事局所委任之核數師或獨立財務顧問以書面核實為公平合理，惟倘有關調整乃就資本化發行作出則除外。

11. 購股權計劃之修訂

董事局可於任何時間修訂購股權計劃任何條文，包括但不限於作出修訂以符合法律或規例規定轉變，以就豁免任何購股權計劃條文之限制作出修訂，惟上市規則第17章所施加之限制則除外，而有關修訂不可對當時任何購股權持有人任何權益構成重大不利影響。

Share Option Scheme (Continued)

A. Summary of the Share Option Scheme (Continued)

11. Amendments to the Share Option Scheme (Continued)

The specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of option holders unless prior shareholder approval is obtained. Changes to the authority of the Board in relation to the alteration to any of the terms of the Share Option Scheme may only be made with the approval of the shareholders in general meeting.

Any amendment to the terms and conditions of the Share Option Scheme or the terms and conditions of an option which are of a material nature may only be made with the approval of the shareholders save where the amendments take effect automatically under the Share Option Scheme.

12. Termination and suspension

(a) Automatic termination

The Share Option Scheme will terminate automatically at midnight on the day immediately before the 10th anniversary of the Listing Date.

(b) Termination by the Board

The Board may terminate the Share Option Scheme at any time by resolving that no further options shall be granted under the Share Option Scheme. Once terminated, no new offers to grant Options under the Scheme will be made and the Board may determine whether Options which have been previously granted but not yet exercised shall either continue to be subject to the terms of the Share Option Rules (which shall remain in full force and effect to the extent necessary to give effect to such Options) or be cancelled in accordance with paragraph 9(h) above.

(c) Suspension

The Board may in the event of specific and unusual circumstances (including but not limited to capital operations requiring adjustment or redefinition of the share capital of the Company or significant negative variations in the income statement or balance sheet of the Company) at any time suspend the exercise of outstanding options to the extent not contrary to relevant law. Each suspension(s) shall not be for more than 3 months. The Board shall give at least 8 days written notice to the option holders specifying the starting date of suspension, its duration and the expected date of resumption of the relevant suspended rights.

13. Status of the Share Option Scheme

The Share Option Scheme has been approved by the Stock Exchange for the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of the options granted under the Share Option Scheme.

購股權計劃(續)

A. 購股權計劃概要(續)

11. 購股權計劃之修訂(續)

購股權計劃有關載於上市規則第17.03條之事宜之特定條文將不可作出有利於購股權持有人之變動，除非已獲股東事先批准。董事局只可在獲得股東於股東大會批准後方可更改有關董事局修訂購股權計劃權力的條款。

購股權計劃或購股權之條款及條件之任何重大修訂，須獲股東批准方可作出，惟根據購股權計劃自動生效之變動則除外。

12. 終止及暫停

(a) 自動終止

購股權計劃將於緊接上市日第十週年屆滿當天一天零晨起自動終止。

(b) 由董事局終止

董事局可藉議決不再根據購股權計劃授予購股權，並隨時終止計劃。購股權計劃一經被終止，則不會根據購股權計劃再行提呈授予新購股權，而董事局可決定之前已授出但未行使的購股權須否繼續受購股權計劃之條款規限(此等條款須維持十足效力及生效致使該等購股權生效)，或根據上文第9(h)段所述予以註銷。

(c) 暫停

董事局可在發生特定事件及非一般的情況下(包括但不限於資金運作需要調整或重訂本公司股本，或本公司損益表或資產負債表出現重大負面變動)，在不與有關法律抵觸之情況下隨時暫停尚未行使購股權的行使。每次暫停不得超過3個月。董事局須給予購股權持有人最少8天的書面通知期，並在通知書內列明暫停的開始日期、限期和有關被暫停權利的預期恢復生效日期。

13. 購股權計劃之現況

本公司已獲聯交所批准根據購股權計劃所授出之購股權獲行使而須發行之股份上市及買賣。

Directors' Report

董事局報告

Share Option Scheme (Continued)

B. Options granted by the Company

As at 31 March 2008, options to subscribe for an aggregate of 22,230,000 shares of the Company granted to eligible full-time employees pursuant to the terms of the Share Option Scheme remained outstanding, details of which were as follows:

Date of grant	Number of share options					
	Outstanding as at 1 April 2007	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 31 March 2008
授出日期	於2007年4月1日 尚未行使	於期間內授出	於期間內行使	於期間內失效	於期間內註銷	於2008年3月31日 尚未行使
18 July 2007 2007年7月18日	-	22,820,000	-	590,000	-	22,230,000

The fair value of options granted is approximately at an average of HK\$1.222 per share on the basis of binomial model (the "Model"). The significant inputs into the Model were the closing price of the Share of the Company at the date of grant of HK\$4.8 per share, annual risk-free interest rate of approximately 4.8%, an expected option life of approximate six years, expected volatility of 32% and annual dividend yield of 4%. The amortised fair value of share options for the year ended 31 March 2008 amounting to approximately HK\$6,533,000 (2007: Nil) was charged to the income statement.

The Model was developed for use in estimating fair value of traded options that are fully transferable. The Model requires input of highly subjective assumptions, including the expected stock price volatility. Since the Company's share options have characteristics significantly different from those of traded options, and because change in the subjective input assumptions can materially affect the fair value estimate, the Model does not necessarily provide a reliable measure of the fair value of the share options.

The options are exercisable from 18 July 2010 to 17 July 2017 (both days inclusive) up to 100% of the options at an exercise price of HK\$5.04 per share. The closing price of the share of the Company immediately before the date of grant was HK\$4.86 per share.

No option had been granted to the Directors, chief executive or substantial shareholders of the Company or their respective associates under the Share Option Scheme since its adoption.

Directors' interests in Contracts

There was no contract of significance, to which the Company, or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the 2008 Financial Year or at any time during the 2008 Financial Year.

購股權計劃(續)

B. 本公司授出之購股權

於2008年3月31日，根據購股權計劃之條款授予合資格全職僱員以認購合共22,230,000股本公司股份之購股權尚未行使，有關詳情如下：

根據二項式期權定價模式(「定價模式」)，所授出購股權之公平值平均約為每股1.222港元。該定價模式主要基於本公司股份於授出購股權日期之收市價為每股4.8港元、每年約4.8%的無風險利率、約六年的預期購股權有效期、32%的預期引伸波幅及每年4%的股息回報率計算。於截至2008年3月31日止年度，購股權之經攤銷公平值總計約6,533,000港元(2007年：無)已於收益表內入賬。

定價模式是為評估所買賣的可悉數轉讓期權的公平值而設。該定價模式涉及大量主觀假設，包括預期股價波動。由於本公司的購股權與所買賣的期權截然不同，加上主觀假設更改可能對公平值估計有重大影響，故此該定價模式不一定能對購股權的公平值作出可靠的評估。

該等購股權可由2010年7月18日至2017年7月17日(包括首尾兩天在內)期間行使，最高可全數100%行使，行使價為每股5.04港元。本公司股份於緊接授出購股權日期前之收市價為每股4.86港元。

自採納購股權計劃，本公司董事、最高行政人員或主要股東或彼等個別的聯繫人士概無根據購股權計劃獲授購股權。

董事於合同的權益

本公司、或其任何子公司概無訂立於2008年財政年度年末或年內任何時間仍然生效，且董事直接或間接於其中佔有重大權益之重大合約。

Directors' Report

董事局報告

Competing interest and Non-compete Undertaking

None of Directors had, either directly or indirectly, an interest in a business which causes or may cause any significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

Major Customers and Suppliers

During the 2008 Financial Year, sales to the Group's five largest customers accounted for approximately 28.7% of the Group's total sales and the percentage of sales attributable to the Group's largest customer amounted to approximately 7.0%. Purchases from the Group's five largest suppliers accounted for approximately 23.1% of the total purchases and the percentage of purchase attributable to the Group's largest supplier amounted to approximately 7.9%.

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued shares) had any interests in the Group's five largest customers or suppliers noted above.

Connected Transactions

The related party transactions set out in note 33 to the financial statements also constitute continuing connected transactions under the Listing Rules.

During the 2008 Financial Year, the Group had the following connected transactions and continuing connected transactions not exempted under the Listing Rules 14A.31 and 14A.33 respectively:

A. Connected Transaction

(1) Acquisition of 8% interest in PT Sri Lanka (the "8% Acquisition")

On 25 January 2008, a wholly owned subsidiary of the Company, Pacific Textured Jersey Holdings Limited ("PTJH"), entered into an agreement with Brandix to purchase from Brandix 8% of the issued share capital of PT Sri Lanka for a cash consideration of US\$1,630,000 (approximately HK\$12,714,000). Details of the 8% Acquisition are set out in the announcement of the Company dated 28 January 2008.

Brandix is a connected person by virtue of its 48% shareholding in PT Sri Lanka at the time of the 8% Acquisition.

競爭權益及不競爭承諾

董事概無在與本集團業務構成或可能構成任何重大競爭的業務中直接或間接擁有任何權益，而任何該等人士與本集團亦無存在或可能存在其他利益衝突。

主要客戶及供應商

於2008年財政年度，銷售予本集團五大客戶的銷量佔本集團年度總銷量約28.7%，而本集團最大客戶應佔的銷量百分比約為7.0%。從本集團五大供應商處採購的數量佔本集團年度總採購約23.1%，而本集團最大供應商應佔採購百分比約為7.9%。

本公司各董事、其聯繫人或任何股東（就董事所知擁有本公司已發行股份5%以上）概無於上述本集團五大客戶或供應商中有任何權益。

關連交易

詳載於財務報表附註33的關連人士交易，亦屬上市規則所界定的持續關連交易。

於2008年財政年度，本集團有下列分別不獲上市規則14A.31與14A.33豁免之關連交易與持續關連交易：

A. 關連交易

(1) 收購PT斯里蘭卡之8%權益（「8%收購事宜」）

於2008年1月25日，本公司之全資附屬公司 Pacific Textured Jersey Holdings Limited（「PTJH」）與Brandix訂立一項協議向Brandix收購PT斯里蘭卡已發行股本8%，現金代價為1,630,000美元（約12,714,000港元）。8%收購事宜之詳情載於本公司於2008年1月28日之公佈。

於8%收購事宜時，Brandix因擁有PT斯里蘭卡之48%股權，而被視為本公司之關連人士。

Connected Transactions (Continued)

B. Continuing Connected Transactions

(1) Sale of products to MAS Group and its associates

Sales of knitted fabrics to MAS together with its subsidiaries ("MAS Group") and its associates pursuant to a sale of products master agreement (the "MAS Sale of Products Master Agreement") dated 30 April 2007 between the Company and MAS. Details of the MAS Sale of Products Master Agreement are set out in the Prospectus. Transactions took place under MAS Sale of Products Master Agreement for the 2008 Financial Year did not exceed the annual cap of HK\$459 million.

At the time of entering the MAS Sale of Products Master Agreement, MAS held 66.7% interests in Linea and its subsidiaries. According to the Listing Rules, Linea was regarded as a connected person by virtue of its 48% shareholding in PT Sri Lanka, a subsidiary of the Company. MAS, as Linea's associates, was regarded a connected person as well. Linea and MAS Group and its associates ceased to be connected persons upon the completion of the Brandix Acquisition (as defined below).

(2) Sale of products to Brandix Group and its associates

Sale of knitted fabric to Brandix together with its subsidiaries ("Brandix Group") and its associate pursuant to a sale of products master agreement (the "Brandix Sale of Products Master Agreement") dated 27 August 2007 between the Company and Brandix Group. Details of the Brandix Sale of Products Master Agreement are set out in the circular of the Company dated 14 September 2007 (the "Circular"). Transactions took place under the Brandix Sale of Products Master Agreement for the 2008 Financial Year did not exceed the annual cap of HK\$363 million.

On 24 August 2007, Brandix acquired from Linea 48% shareholding in PT Sri Lanka, a subsidiary of the Company (the "Brandix Acquisition"). Following the Brandix Acquisition, Brandix owned 48% shareholding in PT Sri Lanka. On 25 January 2008, Brandix sold 8% interest in PT Sri Lanka to PTJH. According to the Listing Rules, Brandix, by virtue of its shareholding in PT Sri Lanka, a subsidiary of the Company, is a substantial shareholder (as defined in the Listing Rules) and hence a connected person of the Company. Brandix Group and its associates are therefore also regarded as connected persons of the Company upon the completion of Brandix Acquisition.

關連交易(續)

B. 持續關連交易

(1) 向MAS集團及其聯繫人銷售產品

向MAS連同其附屬公司(「MAS集團」)及其聯繫人銷售針織布是根據本公司與MAS於2007年4月30日訂立之產品銷售總協議(「MAS產品銷售總協議」)作出。MAS產品銷售總協議之詳情載於招股章程。於2008年財政年度，根據MAS產品銷售總協議進行之交易不多於年度上限459百萬港元。

當訂立MAS產品銷售總協議時，MAS持有Linea及其附屬公司66.7%之權益。根據上市規則，基於Linea擁有本公司附屬公司PT斯里蘭卡48%股權，Linea被視為本公司之關連人士。而MAS作為Linea之聯繫人，亦被視為本公司之關連人士。於Brandix收購事宜(定義見下文)完成後，Linea與MAS集團及其聯繫人將不再為本公司之關連人士。

(2) 向Brandix集團及其聯繫人銷售產品

向Brandix連同其附屬公司(「Brandix集團」)及其聯繫人銷售針織布是根據本公司與Brandix於2007年8月27日訂立之產品銷售總協議(「Brandix產品銷售總協議」)作出。Brandix產品銷售總協議之詳情載於2007年9月14日之通函(「通函」)。於2008年財政年度，根據Brandix產品銷售總協議進行之交易不多於年度上限363百萬港元。

於2007年8月24日，Brandix向Linea收購本公司附屬公司PT斯里蘭卡48%股權(「Brandix收購事宜」)。於Brandix收購事宜後，Brandix擁有PT斯里蘭卡48%股權。於2008年1月25日，Brandix向PTJH出售其於PT斯里蘭卡之8%權益。根據上市規則，基於Brandix擁有本公司附屬公司PT斯里蘭卡股權，Brandix為主要股東(依上市規則之定義)因而為本公司之關連人士。因此，於Brandix收購事宜完成後，Brandix集團及其聯繫人亦被視為本公司之關連人士。

Directors' Report

董事局報告

Connected Transactions (Continued)

B. Continuing Connected Transaction (Continued)

(3) Sale of Products to PT Sri Lanka

Sale of knitted fabrics and greige fabrics to PT Sri Lanka pursuant to a master agreement (the "PT Sri Lanka Sale of Products Master Agreement") dated 30 April 2007 between the Company and PT Sri Lanka. Details of PT Sri Lanka Sale of Products Master Agreement are set out in the Prospectus. Transactions took place under the PT Sri Lanka Sale Products Master Agreement for the 2008 Financial Year did not exceed the annual cap of HK\$43 million.

According to the Listing Rules, PT Sri Lanka is regarded as a connected person as PT Sri Lanka is an associate of connected persons as mentioned above.

(4) Sale of Products to HC Companies

Sale of knitted fabrics to companies in which Mr. Henry Choi has substantial interest (the "HC Companies") pursuant to a master agreement (the "HC Companies Sale of Products Master Agreement") dated 30 April 2007 between the Company and the HC Companies. Details of HC Companies Sale of Products Master Agreement are set out in the Prospectus. Transactions took place under the HC Companies Sale Products Master Agreement for the 2008 Financial Year did not exceed the annual cap of HK\$19.6 million.

Mr. Henry Choi, who is the son of Mr. Choi Kin Chung (a Director), is regarded as a connected person of the Company by virtue of Listing Rule 14A.11(4)(b).

The Directors, including the INED, have reviewed the above-mentioned continuing connected transactions made during the 2008 Financial Year and confirmed that these transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or on terms no less favourable to the Company than terms available to or from independent third parties; and
- (3) in accordance with each of the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

關連交易(續)

B. 持續關連交易(續)

(3) 向PT斯里蘭卡銷售產品

向PT斯里蘭卡銷售針織布與胚布是根據本公司與PT斯里蘭卡於2007年4月30日訂立之總協議(「PT斯里蘭卡產品銷售總協議」)進行。PT斯里蘭卡產品銷售總協議之詳情載於招股章程。於2008年財政年度，根據PT斯里蘭卡產品銷售總協議進行之交易不多於年度上限43百萬港元。

根據上市規則，PT斯里蘭卡被視為本公司之關連人士基於PT斯里蘭卡被視為如上述本公司關連人士之聯繫人。

(4) 向HC公司銷售產品

向蔡穎剛先生擁有重大權益之公司(「HC公司」)銷售針織布是根據本公司與HC公司於2007年4月30日訂立之總協議(「HC公司產品銷售總協議」)。HC公司產品銷售總協議之詳情載於招股章程。於2008年財政年度，根據HC公司產品銷售總協議進行之交易不多於年度上限19.6百萬港元。

根據上市規則第14A.11(4)(b)條，董事蔡建中先生之兒子蔡穎剛先生被視為本公司的關連人士。

董事(包括獨立非執行董事)已審閱上述於2008年財政年度進行的持續關連交易，並確認該等交易：

- (1) 於本集團日常業務過程中訂立；
- (2) 按一般商業條款或不遜於本公司給予獨立第三方或獲獨立第三方提供的條款訂立；及
- (3) 根據規管有關交易的相關協議按公平合理且對本公司股東整體有利的條款進行。

Directors' Report

董事局報告

Connected Transactions (Continued)

B. Continuing Connected Transaction (Continued)

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged the auditor of the Company to perform certain factual finding procedures on the above continuing connected transactions for the 2008 Financial Year (the "Transactions") on a sample basis in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their factual findings for the selected samples based on the agreed procedures to the Board stating that:

- (1) the Transactions had been approved by the Directors;
- (2) the pricing of Transactions in respect of provision of goods or services by the Group (for the sample selected) were entered into in accordance with the pricing policies of the Group;
- (3) the Transactions were entered into in accordance with the terms of the agreements governing such transactions (for the sample selected); and
- (4) the Transactions had not exceeded the relevant caps as disclosed in the Prospectus and the Circular respectively.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules and no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the 2008 Financial Year or at any time during the 2008 Financial Year.

Remuneration Policy

The remuneration of the Directors are decided by the Remuneration Committee based on the relevant Director's experience, responsibility and the time devoted to the business of the Group.

Use of Proceeds

The shares of the Company were listed on the Stock Exchange on 18 May 2007 and raised net proceeds of approximately HK\$1,796 million.

During the 2008 Financial Year, approximately HK\$762 million and HK\$431 million were used from the net proceeds to repay a syndicated loan and other bank loans and for the capital expenditures respectively. The balance of the net proceeds has been deposited into interest-bearing bank accounts with licensed commercial banks in Hong Kong.

關連交易(續)

B. 持續關連交易(續)

根據上市規則第14A.38條，董事局聘用本公司核數師按照香港會計師公會頒佈的香港相關服務準則第4400號「就財務資料執行協定程序之應聘事宜」以抽樣方式對上述於2008年財政年度進行的持續關連交易(「交易」)進行若干實證查閱程序。核數師已向董事局匯報根據協定程序對所抽選樣本進行的實證查閱結果，當中指出：

- (1) 交易已獲董事批准；
- (2) 有關本集團提供貨品及服務的交易價格(就所抽選樣本而言)乃根據本集團的定價政策進行；
- (3) 交易(就所抽選樣本而言)乃根據規管有關交易之協議條款進行；及
- (4) 交易並無超逾分別於招股章程及通函所披露的有關限額。

本公司確認已符合上市規則第14A章的披露規定。除上述披露外，概無於2008年財政年度終結時或在2008年財政年度內任何時間仍然生效之交易為須根據上市規則之規定披露為關連交易者，而本公司或其附屬公司亦無訂立任何與董事有直接或間接重大利益之重要合約。

薪酬政策

薪酬委員會按有關董事之經驗、職責及於本集團所投放之時間決定董事之薪酬。

所得款項用途

本公司股份於2007年5月18日在聯交所上市並籌得所得款項淨額約為1,796百萬港元。

於2008年財政年度，所得款項淨額約762百萬港元及431百萬港元已分別用作償還銀團貸款及其他銀行貸款，以及用於資本開支。餘下的所得款項淨額存放於香港持牌商業銀行附息銀行賬戶內。

Directors' Report

董事局報告

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Shares.

Audit Committee

An audit committee (the "Audit Committee") was established by the Board on 27 April 2007 with written terms of reference in compliance with the CG Code contained in Appendix 14 to the Listing Rules. The Audit Committee comprises three INED, namely Mr. Sze Kwok Wing, Nigel, Mr. Ng Ching Wah and Mr. Chan Yue Kwong, Michael. Mr. Sze Kwok Wing, Nigel is the chairman of the Audit Committee.

Corporate Governance

Principal corporate governance practices adopted by the Company since the Listing are set out in the Corporate Governance Report from page 38 to page 46 of this annual report.

Sufficiency of Public Float

According to the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a sufficient public float as required by the Listing Rules as at the latest practicable date prior to the issue of this annual report.

Subsequent Events

The Group had no significant events after the balance sheet date.

Auditor

The financial statements for 2008 Financial Year have been audited by PricewaterhouseCoopers. A resolution to re-appoint PricewaterhouseCoopers as auditor of the Company will be proposed for approval by shareholders of the Company at the forthcoming AGM of the Company.

On behalf of the Board

Wan Wai Loi

CHAIRMAN

Hong Kong, 11 July 2008

稅務減免與豁免

董事並不知悉任何本公司的股東因持有股份而可享有任何稅務減免與豁免。

審核委員會

董事局於2007年4月27日成立審核委員會(「審核委員會」)，其以書面訂明之職權範圍符合上市規則附錄14所載的企業管治守則。審核委員會的成員由三位獨立非執行董事組成，即施國榮先生、伍清華先生及陳裕光先生。施國榮先生為審核委員會的主席。

企業管治

本公司自上市以來所採納的主要企業管治常規載列於本年報第38頁至46頁的企業管治報告中。

充足公眾持股量

根據本公司可獲得之公開資料顯示及就董事所知，截至刊發本年報前之最後實際可行日期，本公司一直維持上市規則所規定之充足公眾持股量。

結算日後事項

本集團於結算日後並無重大事項。

核數師

羅兵咸永道會計師事務所已審核2008年財政年度的財務報表。於本公司應屆股東週年大會上將提出決議案續聘羅兵咸永道會計師事務所為本公司核數師。

承董事局命

主席

尹惠來

香港，2008年7月11日

Corporate Governance Report

企業管治報告

Corporate Governance Practices

The Board recognises the importance of corporate governance practice to the success of a listed company. The Company is committed to achieving high standard of corporate governance in the interest of the shareholders of the Company.

The Company complied with the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules throughout the accounting period covered by the annual report. In addition to the CG Code, the Board also observed certain recommended best practices ("Recommended Best Practices") contained in the Appendix 14 to the Listing Rules where suitable to the Company so as to enhance the corporate governance standard of the Company.

The Company will ensure the high level of corporate governance practices to be maintained in future.

Directors' Securities Transactions

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Based on specific enquiries made by the Company, all Directors confirmed that they have complied with the Model Code for the year ended 31 March 2008.

Directors

The Board

The Board currently has 11 members (excluding alternate Director) consisting of 4 executive Directors and 7 non-executive Directors of which 3 are INED.

The overall management of the business of the Group is vested to the Board. The Board is responsible for setting strategic, management and financial objectives and ensuring that the interest of shareholders including those minority shareholders are protected. Daily operations and administration of the Group are delegated to the executive Directors and the management.

The Board meets regularly and additional meetings are convened when deemed necessary by the Board. Regular Board meetings are scheduled at least 4 times per year. The schedule of regular meetings for the whole year has been informed to each Director. Notices of meeting will be provided to the Directors at least 14 days before the meeting. Notices and agenda of the Board meeting are prepared by the Company Secretary as delegated by the Chairman. All the Directors are given the opportunity to include matters in the agenda for the Board meetings.

企業管治常規

董事局明瞭企業管治常規對成功的上市公司的重要性。本公司致力達至高質素的企業管治以符合股東的利益。

在本年報所涵蓋之會計期間，本公司遵守上市規則附錄14所載的企業管治守則載列的守則條文。除企業管治守則外，董事局亦遵守適合本公司之上市規則附錄14所載的若干建議最佳常規（「最佳常規」），以提高本公司的企業管治標準。

本公司會確保將來維持高水平的企業管治常規。

董事的證券交易

本公司已採納上市規則附錄10所載列的標準守則，作為其內部有關董事所進行證券交易的行為守則。按本公司向全體董事作出具體查詢，全體董事確認於截至2008年3月31日止年度，彼等已遵守本公司所採納的標準守則。

董事

董事局

董事局現由11位成員(不包括替任董事)組成，包括4位執行董事和7位非執行董事，當中3位為獨立非執行董事。

本集團整體業務由董事局負責管理。董事局負責釐訂策略、管理和財務目標，以及確保股東(包括少數股東)的利益得以保障。而本集團的日常營運及行政管理委派執行董事和管理層處理。

董事局定期召開會議並根據需要隨時增開會議。每年常規董事局會議不少於4次。全年定期會議時間表已通知各董事。召開董事局會議通告將會於會議舉行前不少於14天送呈董事。召開董事局會議通告及議程由董事局主席委派公司秘書負責編製。全體董事皆有機會提出商討事項列入董事局會議議程。

Corporate Governance Report

企業管治報告

Directors (Continued)

The Board (Continued)

Agenda and accompanying board papers with adequate background information and supporting analysis are sent to the Directors at least 3 days before the intended date of the Board meeting. All the Directors are given separate and independent access to the Company's senior management for further information and enquiries. The Company Secretary and senior management attend all the meetings of the Board and Board Committees to advise on corporate governance, statutory compliance and financial matters.

During the 2008 Financial Year, the Board held 7 meetings to approve interim and final results announcements, interim reports and annual reports, to consider dividend policy and to discuss significant issues and the general operation of the Company. The attendance of the Directors is set out in the table on page 43 of this annual report.

Any material matters that would have conflict of interest between the Directors/substantial shareholders and the Company will be dealt with in the Board meetings. Pursuant to the Articles, a Director is not entitled to vote on (nor is counted in the quorum) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his associates (including any person who would be deemed to be an "associate" of the Directors under the Listing Rules) has any material interest, except in certain special circumstances. The chairman of the Board meeting is required to ensure that each Director is aware of such requirement at the commencement of each Board meeting and declaration of interest is properly made in the Board meeting where conflicts of interest arise.

Directors have access to the advices and services of the Company Secretary and key officers of the Company in relation to the Board procedures. Draft minutes of Board/Board Committee meetings recorded in sufficient detail the matters considered by the participants of such meetings and decisions reached are forwarded to the participants for comments within a reasonable time after the meetings and final versions of minutes of Board meetings and meetings of Board Committee are kept by the Company Secretary, which are open for inspection by Directors at any reasonable time on reasonable notice.

Board members are provided with complete, adequate and timely information to allow the Directors to fulfill their duties properly. Directors may seek independent professional advice at the Company's expense, if necessary, with the approval of the Board.

As permitted under the Articles, the Company has arranged Directors and Officers Liability Insurance against possibility of legal proceedings against Directors and management.

董事(續)

董事局(續)

議程和會議文件附有適時的背景資料與相關支持的分析在預期的董事局會議前最少3天送呈各董事查閱。所有董事可各自接觸本公司高級管理人員索取進一步的資訊與查詢。公司秘書與高級管理人員參與所有董事局與董事局委員會會議，與董事局成員就企業管治、遵守法則和財務方面提供意見。

於2008年財政年度，董事局舉行7次會議以批准中期與全年業績之公佈、中期報告與年報、商討派息政策、討論本公司重要事項及一般運作。董事出席會議記錄載於本年報第43頁之表內。

任何重要事項中存有董事／大股東和公司有利益衝突時，將在董事局會議上處理。根據章程細則規定，除若干特殊情況外，董事無權就彼或彼任何聯繫人(包括上市規則項下被視為董事「聯繫人」之任何人士)擁有任何重大權益之任何合約或安排或任何其他建議，就董事局決議案投票(或就此計入法定人數)。董事局主席須於每次董事局會議舉行時確保每名董事均知悉有關規定，並於出現利益衝突時妥為向董事局申報其權益。

董事有權要求本公司公司秘書和主要職員提供有關董事局程序的意見和服務。董事局／其轄下委員會會議草稿詳細記錄該等會議所考慮的事項及達致的決定。於會議後的合理時間內送呈會議草稿與議會者表達意見。董事局／其轄下委員會會議最後定稿由公司秘書存檔。於合理時段，在合理通知下會議記錄供董事查閱。

董事局向其成員提供完整、適當、及時之資料，以使董事能夠恰當地履行其職責，如有需要，得到董事局批准後，可尋求獨立專業意見，費用由本公司支付。

於章程細則允許下，本公司已為董事和管理人員就可能面對之法律行動安排董事和行政人員責任保險。

Corporate Governance Report

企業管治報告

Directors (Continued)

The Chairman and Chief Executive Officer

The Board is headed by the Chairman Mr. Wan Wai Loi, with the assistance of the Vice Chairman, Mr. Tsang Kang Po. The roles of the Chairman and the Chief Executive Officer, Mr. Lam Wing Tak are segregated and not exercised by the same individual.

The Chairman is responsible for the leadership and effective running of the Board and ensuring that all material issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is responsible for the management of the Group's business and the implementation of the approved strategies of the Group. In addition, each executive Director is responsible for the management of the different functions of the business of the Group.

With the support of the Company Secretary, the Chairman ensures all the Directors are properly briefed on issues arising at Board meetings and be provided with adequate information in a timely manner.

Board Composition

The composition of the Board's members is as follows:

Executive Directors

Mr. WAN Wai Loi (Chairman)
Mr. TSANG Kang Po (Vice Chairman)
Mr. LAM Wing Tak (Chief Executive Officer)
Dr. LAM King Man

Non-executive Directors

Mr. CHOI Kin Chung (Emeritus Chairman)
Mr. IP Ping Im (Senior Partner)
Mr. HO Hsiang Ming, James
Mr. LAU Yiu Tong
Mr. Vivek KALRA (appointed on 19 May 2008)
(Alternate Director to Mr. Ho Hsiang Ming, James)

Independent Non-executive Directors

Mr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel

Profile of the Directors is set out on pages 11 to 13 of this annual report and is updated on the website of the Company.

During the 2008 Financial Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least 3 INED with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

董事(續)

主席及行政總裁

董事局由主席尹惠來先生領導，副主席曾鏡波先生協助。主席及行政總裁，林榮德先生各有獨立職務，非由一人擔任。

主席負責董事局的領導及有效管理，並須確保董事局以合時及建設性的方式討論一切重大事項。行政總裁則負責管理本集團業務及執行本集團所批准的策略。再者，各執行董事於管理本集團的業務上擔當不同的職責。

在公司秘書協助下，主席致力確保董事局會議上所有董事均適當知悉當前的事項，並適時獲得充份及可靠的資料。

董事局組成

董事局由下列成員組成：

執行董事

尹惠來先生(主席)
曾鏡波先生(副主席)
林榮德先生(行政總裁)
林景文博士

非執行董事

蔡建中先生(榮譽主席)
葉炳棧先生(資深合夥人)
賀象民先生
劉耀棠先生
Vivek Kalra先生(於2008年5月19日獲委任)
(賀象民先生之替任董事)

獨立非執行董事

陳裕光先生
伍清華先生
施國榮先生

有關各董事的資料載於本年報第11頁至第13頁及於本公司網頁更新。

於2008年財政年度，董事局於所有時間均符合上市規則之規定，委任最少3名獨立非執行董事，而其中一名獨立非執行董事具備適當專業資格，或會計或有關財務管理之專業知識。

Corporate Governance Report

企業管治報告

Directors (Continued)

Board Composition (Continued)

The appointment of INED strictly adheres to the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received in writing confirmation of their independence from each of the INED and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgment. The Board considers that each of the non-executive Directors and INED brings his/her own relevant expertise to the Board.

The Board comprises Directors who collectively provide core competencies, sales and marketing experience and technical knowledge in fabric business, administration and management experience in the PRC factories, financial and accounting skill. The current Board size of 11 Directors with a balance of skills and experience is appropriate for effective decision making, taking into account the nature and scope of the operations of the Group.

Appointment and Re-election of Directors

The Board is empowered under the Articles to appoint any person as a Director to fill a casual vacancy on or as an additional member of the Board. Suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board.

Each of the non-executive Directors (including the INED) was appointed for a specific term of 2 years but are subject to retirement by rotation and are eligible for re-election pursuant to the Articles.

Pursuant to the Articles, any Director appointed by the Board either to fill a casual vacancy or as addition to the Board shall retire and be eligible for re-appointment at the next following general meeting after appointment. The appointment of Directors is fixed for a specified term, but at every AGM one-third of the Directors, including the Chairman, shall be subject to retirement by rotation and re-election by shareholders. The Directors appointed by the Board who are subject to retirement and re-election as mentioned above shall be taken into account in calculating the total number of Directors for the time being but shall not be taken into account in calculating the number of Directors who are to retire by rotation. All Directors eligible for re-election shall have their biographical details made available to the shareholders to enable them to make an informed decision on their re-election. Any appointment, resignation, removal or re-designation of Director shall be timely disclosed to the shareholders by announcement and shall include in such announcement, the reasons given by the Director for his resignation.

董事(續)

董事局組成(續)

獨立非執行董事之委任乃嚴格遵守上市規則第3.13條所列有關評估獨立性的指引。本公司已接獲各獨立非執行董事發出之獨立性確認函，並認同獨立非執行董事乃獨立於管理層，且並無任何足以重大干預彼等進行獨立判斷之任何關係。董事局認為，各非執行董事及獨立非執行董事均能將其本身之專業知識帶入董事局。

董事局由多名董事組成，共同提供核心能力有關布料業務之銷售及市場推廣經驗及技術知識、中國工廠之行政及管理經驗、財務及會計技能。董事局現有11名成員，擁有不同資歷及經驗，考慮到本公司之業務性質及規模，董事局成員人數對其決策效率而言實屬合適。

董事委任及重選

董事局依照細則有權委任任何人士出任董事以補替臨時空缺或作為董事局新增成員。具豐富經驗及才能，有能力履行受託職責，有技能、盡職審查及處理能力之候選人士將獲推薦予董事局。

根據章程細則，各非執行董事(包括獨立非執行董事)之委任指定任期為2年，惟須輪值退任並符合資格膺選連任。

根據章程細則，董事局委任之任何董事(不論為填補臨時空缺或屬董事局新增成員)均須於獲委任後首個股東大會退任並合資格膺選連任。董事之委任設有固定任期，惟於每屆股東週年大會上，三分之一之董事(包括主席)均須輪值退任及由股東重選。於計算當時董事總數時，將會計入按上文所述由董事局委任而須退任及膺選連任之董事，惟於計算將輪值退任董事人數時則不予計算。所有符合資格膺選連任之董事均須向股東披露個人履歷，以便股東於重選時作出知情決定。任何董事委任、辭任、罷免或調任事宜均須以公佈形式及時向股東披露，並須在公佈中註明該董事辭任之理由。

Corporate Governance Report

企業管治報告

Directors (Continued)

Responsibilities of Directors

The Company and the Board require each Director to keep abreast of his responsibilities as a Director of the Company and of the business and operating activities and development of the Company. Every Director is required to devote sufficient time and involvement in the affairs of the Board and the material matters of the Company and to serve the Board with such degree of care and due diligence given his own expertise, qualification and professionalism.

Prior to the Listing, Directors have attended trainings provided by the legal advisers of the Company in relation to his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements. Every newly appointed Director has been provided with comprehensive and tailored induction of business operation of the Group, including a site visit of our factory in China on the first occasion of his appointment. A comprehensive Compliance Manual has been provided to each Director and has been updated. All Directors have been updated and briefed the relevant changes in legal and regulatory matters to ensure that they have a proper understanding of the operations and the business of the Company and that they are fully aware of their responsibilities under the applicable laws and regulations.

The non-executive Directors attended the Board meetings and advised their opinion on the business strategy of the Company and reviewed the financial and operation performance of the Group.

INED are members of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Management Function

The Articles set out matters which are specifically reserved to the Board for its decision. Executive Directors normally meet on an informal basis and participate in senior management meetings on a regular basis to keep abreast of the latest operations and performance of the Group and to monitor and ensure the management carries out the directions and strategies set by the Board correctly and appropriately.

董事(續)

董事責任

本公司及董事局要求每名董事清楚彼作為本公司董事之職責，以及了解本公司之經營和業務活動及發展。每名董事均須投入足夠時間及精神處理董事局事務及本公司重要事宜，並按照各自之專門知識、資歷及專業技能，以謹慎盡責之態度為董事局服務。

上市前，董事已接受本公司之法律顧問提供有關成文法和普通法下的董事責任、上市規則、相關法例及其他監管要求的培訓。每名新委任董事均會獲得本集團詳盡而合適的業務營運導言包括實地考察本集團於中國的廠房。詳盡的合規守則已提供給每一位董事，並會不時更新。每位董事皆獲得最新有關法例和監管事項的變動簡要提示。以確保彼等清楚了解本公司之營運及業務，且充分明瞭彼等於法律及規定下之責任。

非執行董事參與董事局會議及就本公司業務策略提供意見和審閱本集團財務和營運表現。

獨立非執行董事為本公司審核委員會、薪酬委員會和提名委員會成員。

管理功能

章程細則載列指明須由董事局決定之事項。執行董事一般定期舉行非正式會議，並定期參與高級管理層之會議，以便掌握本集團近期之營運及表現，且監察及確保管理層正確及恰當地執行董事局制訂之指示及策略。

Corporate Governance Report

企業管治報告

Directors (Continued)

Attendance Record at Meetings

The attendance of the individual Director at the meetings of the Board, the Audit Committee, Remuneration Committee and Nomination Committee during the 2008 Financial Year is set out in the following table:

		No. of meetings attended/No. of meetings held 出席會議次數/開會次數			
		Board 董事局	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors		執行董事			
Mr. Wan Wai Loi	尹惠來先生	7/7	N/A	N/A	N/A
Mr. Tsang Kang Po	曾鏡波先生	6/7	N/A	2/2	1/1
Mr. Lam Wing Tak	林榮德先生	7/7	N/A	2/2	1/1
Dr. Lam King Man	林景文博士	6/7	N/A	N/A	N/A
Non-executive Directors		非執行董事			
Mr. Choi King Chung	蔡建中先生	3/7	N/A	N/A	N/A
Mr. Ip Ping Im	葉炳棧先生	6/7	N/A	N/A	N/A
Mr. Ho Hsiang Ming, James	賀象民先生	4/7	N/A	N/A	N/A
Mr. Lau Yiu Tong	劉耀棠先生	5/7	N/A	N/A	N/A
Independent Non-executive Directors		獨立非執行董事			
Mr. Chan Yue Kwong, Michael	陳裕光先生	7/7	6/6	2/2	1/1
Mr. Ng Ching Wah	伍清華先生	7/7	6/6	2/2	1/1
Mr. Sze Kwok Wing, Nigel	施國榮先生	6/7	6/6	2/2	1/1

Board Committees

The Board has set up 3 main Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, each chaired by different INED, to assist the Board for overseeing particular aspects of the Company's affairs. The terms of reference setting out the principles, procedures and arrangements of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the website of the Company.

The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

Board committees report to the Board of their decisions and recommendations at the Board meetings.

董事(續)

會議之出席記錄

下表展示於2008年財政年度董事出席董事局、審核委員會、薪酬委員會及提名委員會會議之出席記錄：

董事局委員會

董事局已成立3個主要董事局委員會，分別為審核委員會、薪酬委員會及提名委員會，分別由不同獨立非執行董事出任主席，以協助董事局以監督本公司事務之各項特定範疇。載列審核委員會、薪酬委員會及提名委員會之原則、程序及安排之職權範圍刊載於本公司網頁。

董事局委員會獲提供充足資源以履行其職責，並於提出合理要求後，可於適當情況下尋求獨立專業意見，費用概由本公司承擔。

董事局委員會於董事局會議向董事局匯報其決定和建議。

Corporate Governance Report

企業管治報告

Board Committees (Continued)

Audit Committee

An audit committee (the "Audit Committee") was established by the Board on 27 April 2007 with written terms of reference in compliance with the CG Code.

The members of the audit committee are Mr. Sze Kwok Wing, Nigel; Mr. Ng Ching Wah and Mr. Chan Yue Kwong, Michael (who are INED). Mr. Sze Kwok Wing, Nigel, a Fellow of CPA Australia, is the chairman of the audit committee.

The primary duties of the Audit Committee are to review and to approve the Group's financial reporting process and internal control system.

The Audit Committee held 6 meetings during 2008 Financial Year. The major work performed by the Audit Committee in respect of 2008 Financial Year included approving the terms of engagements (including the remuneration) of the external auditor, reviewing the unaudited interim report and interim results announcement for the six months ended 30 September 2007, reviewing the audited accounts and final results announcement for the year ended 31 March 2008, reviewing the work of the Group's internal audit department and assessing the effectiveness of the Group's systems of risk management and internal control. The attendance of the Directors for the Audit Committee meetings is set out in the table on page 43 of this annual report.

The Audit Committee has reviewed the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company's auditor. For 2008 Financial Year, the fees in respect of audit and non-audit services provided by the Company's auditor were as follows:

Audit Services	審核服務
Non-audit Services	非審核服務
– Tax consultation services and review interim financial information	– 稅務顧問服務與審閱中期財務資料

The Audit Committee has undertaken a review of all the non-audit services provided by the Company's auditor and concluded that in their opinion such services did not affect the independence of the auditor.

The Audit Committee recommended to the Board to re-appoint PricewaterhouseCoopers as the Company's external auditor for the ensuing year and the related resolutions shall be put forth in the coming AGM.

The Audit Committee has met with external auditor without the presence of management to discuss matters arising from the audit and any matters may be raised by auditor.

The Audit Committee has reviewed with the management in conjunction with the auditor, the audited annual financial statements of the Group for the 2008 Financial Year and the accounting principles and practices adopted by the Group. The Annual Report for 2008 Financial Year has been reviewed by the Audit Committee.

董事局委員會(續)

審核委員會

董事局於2007年4月27日成立審核委員會，並符合企業管治守則定明書面職權範圍。

審核委員會之成員為施國榮先生、伍清華先生及陳裕光先生(彼等為獨立非執行董事)。施國榮先生，澳洲註冊會計師公會資深會員，為審核委員會主席。

審核委員會之主要職責為審閱及批准本集團之財務匯報程序以及內部監控制度。

於2008年財政年度，審核委員會舉行了6次會議。有關於2008年財政年度，審核委員會已履行之主要職務包括批准聘任外聘核數師之條款(包括酬金)、審閱截至2007年9月30日止六個月之未經審核之中期報告及中期業績公佈、審閱截至2008年3月31日止年度之經審核財務報表及全年業績公佈、審閱本集團內部審計部之工作及評估本集團之風險管理系統與內部監控系統之成效。董事出席審核委員會會議記錄載於本年報第43頁之表內。

審核委員會已檢討審核之範疇、結果及成本效益，以及本公司核數師的獨立性和客觀性。就2008年財政年度，本公司核數師向本集團提供的審核或非審核服務之費用如下：

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
2,139	1,447
472	200

審核委員會已檢討本公司核數師所提供之全部非審核服務，認為該等服務並不影響核數師之獨立性。

審核委員會建議董事局重新聘任羅兵咸永道會計師事務所為本公司下年度之外聘核數師，並建議於來屆股東週年大會提呈有關決議案。

審核委員會在管理層不在場之情況下已與外聘核數師會面，以討論審核事宜事項與考慮任何由核數師提出的事宜。

審核委員會已和管理層聯同核數師審閱經審核本集團2008年財政年度之財務報表，及本集團所採納之會計原則及常規。2008年財政年度之年報已由審核委員會審閱。

Corporate Governance Report

企業管治報告

Board Committees (Continued)

Remuneration Committee

A remuneration committee (the "Remuneration Committee") was established by our Board on 27 April 2007 with written terms of reference in compliance with the CG Code.

The members of the remuneration committee are Mr. Chan Yue Kwong, Michael; Mr. Sze Kwok Wing, Nigel and Mr. Ng Ching Wah (who are INED) and Mr. Lam Wing Tak and Mr. Tsang Kang Po (who are executive Directors). Mr. Chan Yue Kwong, Michael is the chairman of the remuneration committee.

The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management of the Group with reference to the nature of their work, complexity of the responsibilities and performance. No Director is allowed to take part in any discussion about his own remuneration.

The Remuneration Committee met twice during the 2008 Financial Year. The major work performed by the Remuneration Committee for the 2008 Financial Year included reviewing the terms of reference of the Remuneration Committee and the remuneration of the Directors with reference to the remuneration level of directors of comparable listed companies. The attendance of the Directors for the Remuneration Committee meetings is set out in the table on page 43 of this annual report.

Particulars of the Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance and Appendix 16 of the Listing Rules are set out in note 25 to the financial statement on page 107 and page 108 of this annual report. The Directors' fee shall be subject to shareholders' approval at general meetings. Other emoluments shall from time to time be determined by the Board with reference to the Directors' duties and responsibilities and subject to a review by the Remuneration Committee.

Nomination Committee

The Board has set up a nomination committee (the "Nomination Committee") on 27 April 2007 with written terms of reference in compliance with the Recommended Best Practice.

The members of the Nomination Committee are Mr. Ng Ching Wah; Mr. Chan Yue Kwong, Michael; Mr. Sze Kwok Wing, Nigel (who are INED); Mr. Lam Wing Tak and Mr. Tsang Kang Po (who are executive Directors). Mr. Ng Ching Wah is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and the management of the Board succession.

The Nomination Committee met once during the 2008 Financial Year. The major work performed by the Nomination Committee in respect of the 2008 Financial Year included assessing the independence of the INED and make recommendation on the re-election of Mr. Wan Wai Loi, Mr. Tsang Kang Po, Dr. Lam King Man and Mr. Ho Hsiang Ming, James as the Directors of the Company to be proposed for shareholders' approval at the coming AGM. The attendance of the Directors for the Nomination Committee meetings is set out in the table on page 43 of this annual report.

董事局委員會(續)

薪酬委員會

董事局已於2007年4月27日成立薪酬委員會，並符合企業管治守則定明書面職權範圍。

薪酬委員會之成員為陳裕光先生、施國榮先生及伍清華先生(彼等為獨立非執行董事)及林榮德先生及曾鏡波先生(彼等為執行董事)。陳裕光先生為薪酬委員會主席。

薪酬委員會之主要職責為參照其工作性質、負責範圍的複雜性和表現、審閱及釐定付予本集團董事及高級管理人員之薪酬組合條款、花紅及其他應付補償。任何董事是不可參與討論其個人薪酬。

於2008年財政年度，薪酬委員會舉行了2次會議。有關於2008年財政年度，薪酬委員會已履行之主要職務包括審閱薪酬委員會之職權範圍，亦參照可資比較上市公司之董事薪酬水平以審閱董事酬金。董事出席薪酬委員會會議記錄載於本年報第43頁之表內。

依照香港公司條例第161條及上市規則附錄16而披露之董事酬金資料詳列於本年報第107頁與第108頁財務報表附註25中。董事收取之袍金須於股東大會上經股東同意。董事之其他酬金則由董事局不時參照董事之職責以釐定及經薪酬委員會審閱。

提名委員會

董事局已於2007年4月27日成立提名委員會，並符合最佳常規定明書面職權範圍。

提名委員會之成員為伍清華先生、陳裕光先生、施國榮先生(彼等為獨立非執行董事)，以及林榮德先生及曾鏡波先生(彼等為執行董事)。伍清華先生為提名委員會主席。

提名委員會之主要職責為就委任董事及董事局繼任之管理向董事局提供建議。

於2008年財政年度，提名委員會舉行了1次會議。有關於2008年財政年度，提名委員會已履行之主要職務包括審閱獨立非執行董事之獨立性，以及就於應屆股東週年大會上須獲股東批准重選尹惠來先生、曾鏡波先生、林景文博士及賀象民先生連任本公司董事之事宜作出建議。董事出席提名委員會會議記錄載於本年報第43頁之表內。

Corporate Governance Report

企業管治報告

Accountancy and Audit

Financial reporting

The Directors acknowledged their responsibilities for preparing the Company's financial statements for the 2008 Financial Year which give a true and fair view of the financial position of the Group. The Company deploys appropriate and sufficient resources to prepare and to publish interim report and annual report in accordance with statutory requirements and Hong Kong Financial Reporting Standards in a timely manner required under the Listing Rules.

Directors are provided with adequate information to enable them to make an informed assessment of financial and other information on matters for their approval.

The statement by the external auditor of the Company regarding their reporting responsibility to the shareholders on the financial statements is set out in the Independent Auditor's Report on page 47 and page 48 of this annual report.

Internal controls

The Group has in place the sound and effective internal controls to safeguard the shareholders' investment and the assets of the Group. The Company has from time to time reviewed the effectiveness of the internal control systems in order to ensure that they meet with the dynamic and ever changing business environment.

During the 2008 Financial Year, the Board has reviewed the effectiveness of the Group's internal control systems through the Internal Audit Department and the Audit Committee with the assistance of an international independent risk consulting firm.

Communication with Shareholders

Effective Communication

The Board endeavours to maintain an on-going dialogue with shareholders and use general meetings to communicate with shareholders. The Chairman of the Board and the representative of each Board Committee have attended the general meeting to answer any questions from shareholders. As a channel to further promote effective communication, the Group maintains a website where the Company's announcements, financial information and other information are posted.

Separate resolutions are proposed at general meetings on each substantially separate issue. A shareholder is permitted to appoint any number of proxies to attend and vote in his stead.

Voting by Poll

The Articles has set out the rights of shareholders and procedures demanding a poll on resolutions at general meeting, procedures for and shareholders' right to demand a poll have been specified in corporate communications to shareholders and explained details of such rights at the commencement of the general meeting of shareholders by the Chairman. The results of the poll, if any, are published on the websites of the Stock Exchange and the Company.

問責及審核

財務匯報

董事知悉其編製2008年財政年度內財務報表的責任，賬目須真實公平地反映本集團的財政狀況。本公司調配合適及足夠的資源，並根據上市規則要求，適時編製符合香港財務報告準則的中期報告及年報。

董事獲提供適當資料，以便彼等就批准的事項作出財務和其他的知情決定。

本公司外聘核數師就其對財務報表向股東承擔之申報責任作出之聲明載於本年報第47頁與第48頁之獨立核數師報告。

內部監控

本集團已設立穩健及有效的內部監控，以保障股東的投資和本集團的資產。本公司不時檢討內部監控系統之效益，以確保系統能應付瞬息萬變之商業環境。

於2008年財政年度內，董事局經內部審計部及審核委員會與國際獨立風險顧問公司協助下，就本集團內部監控系統作出檢討。

與股東溝通

有效溝通

董事局致力與股東保持持續對話，並以股東大會作為與股東溝通之橋樑。董事局主席及各董事局委員會代表均須出席股東大會，回應股東所作出之任何提問。本集團已設立網頁，以作為增進有效溝通之渠道，而本公司之公佈、財務資料及其他資料皆於網頁刊登。

本公司須就各項實質上個別事項於股東大會上個別提呈決議案。股東可委派任何數目之代表出席大會及代其投票。

以投票方式表決

本公司之組織章程細則已載列股東權利及於股東大會須以投票方式表決決議案之程序，以及於致股東之公司通訊載列股東要求投票方式表決之權利及主席於股東大會開始時亦會闡釋該等股東權利。投票方式表決的結果(如有)在聯交所網頁及本公司網頁公佈。

Independent Auditor's Report

獨立核數師報告

PRICEWATERHOUSECOOPERS 

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF PACIFIC TEXTILES HOLDINGS LIMITED

(incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Pacific Textiles Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 49 to 117, which comprise the consolidated and Company balance sheets as at 31 March 2008, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致互太紡織控股有限公司股東

(在開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第49至117頁互太紡織控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表。此綜合財務報表包括於2008年3月31日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

Auditor's responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 11 July 2008

核數師的責任(續)

審核涉及執行情序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於 2008年3月31日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，2008年7月11日

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財務資料

Consolidated Income Statement For the year ended 31 March 2008

綜合收益表 截至2008年3月31日止年度

		Note	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
		附註		
Revenue	收入	6	4,280,646	4,203,357
Cost of sales	銷售成本		(3,583,759)	(3,281,266)
Gross profit	毛利		696,887	922,091
Other revenue	其他收入	23	57,781	52,438
Other gains – net	其他收益—淨	23	50,712	11,917
Distribution and selling expenses	分銷及銷售開支		(181,020)	(130,507)
General and administrative expenses	一般及行政開支		(170,901)	(169,459)
Operating profit	經營溢利	24	453,459	686,480
Finance income	財務收入	26	44,351	4,548
Finance costs	財務成本	26	(33,283)	(42,169)
Share of profit/(loss) of associates	分佔聯營公司溢利／(虧損)	10	886	(1,997)
Profit before income tax	所得稅前溢利		465,413	646,862
Income tax expense	所得稅開支	27	(68,599)	(83,216)
Profit for the year	年度溢利		396,814	563,646
Attributable to:	下列人士應佔：			
Equity holders of the Company	本公司權益持有人	34	392,093	555,698
Minority interests	少數股東權益		4,721	7,948
			396,814	563,646
Earnings per share for profit attributable to the equity holders of the Company during the year – basic and diluted (HK\$)	本公司權益持有人應佔年度溢利之每股盈利—基本及攤薄 (港元)	28	0.28	0.52
Dividends	股息	29	980,610	234,000

The notes are an integral part of these consolidated financial statements.

附註乃綜合財務報表之部份。

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財務資料

Consolidated Balance Sheet As at 31 March 2008

綜合資產負債表 於2008年3月31日

		Note 附註	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	7	28,336	22,050
Property, plant and equipment	物業、廠房及設備	8	1,522,587	1,197,086
Interest in associates	於聯營公司之權益	10	15,086	13,070
Deferred taxation	遞延稅項	19	3,467	3,760
Available-for-sale financial assets	可供出售金融資產	11	1,808	1,824
			1,571,284	1,237,790
Current assets	流動資產			
Inventories	存貨	12	993,285	953,335
Trade and bills receivables	應收賬款及票據	13	608,708	579,621
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	14	35,390	35,391
Derivative financial instruments	衍生金融工具	22	18,813	8,618
Cash and bank balances	現金及銀行結餘	15	1,175,481	226,156
			2,831,677	1,803,121
Total assets	資產總值		4,402,961	3,040,911
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔資本及儲備			
Share capital	股本	16	1,433	11
Reserves	儲備	17	2,838,332	1,440,734
			2,839,765	1,440,745
Minority interests	少數股東權益		46,244	50,748
Total equity	權益總額		2,886,009	1,491,493

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Consolidated Balance Sheet As at 31 March 2008

綜合資產負債表 於2008年3月31日

		Note 附註	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	18	393,687	415,773
Finance lease obligations	融資租賃承擔	18	871	814
			394,558	416,587
Current liabilities	流動負債			
Trade and bills payables	應付賬款及票據	20	611,021	464,574
Accruals and other payables	應計項目及其他應付款項	21	221,792	140,806
Borrowings	借貸	18	275,022	513,628
Finance lease obligations	融資租賃承擔	18	1,462	3,090
Derivative financial instruments	衍生金融工具	22	1,327	234
Current income tax liabilities	本期所得稅負債		11,770	10,499
			1,122,394	1,132,831
Total liabilities	負債總額		1,516,952	1,549,418
Total equity and liabilities	總權益及負債		4,402,961	3,040,911
Net current assets	流動資產淨值		1,709,283	670,290
Total assets less current liabilities	資產總值減流動負債		3,280,567	1,908,080

Approved by the Board of Directors on 11 July 2008:

董事局於2008年7月11日批准通過：

Mr. Wan Wai Loi

尹惠來先生
Director
董事

Mr. Tsang Kang Po

曾鏡波先生
Director
董事

The notes are an integral part of these consolidated financial statements.

附註乃綜合財務報表之部份。

Financial Information

財務資料

Balance Sheet As at 31 March 2008

資產負債表 於2008年3月31日

		Note 附註	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	9	8	-
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	33	1,121,826	234,400
Deposits, prepayments and other receivables	按金、預付款項及 其他應收款項	14	850	914
Cash and bank balances	現金及銀行結餘	15	834,253	41
			1,956,929	235,355
Total assets	資產總值		1,956,937	235,355
EQUITY	權益			
Share capital	股本	16	1,433	11
Reserves	儲備	17	1,882,242	189,147
			1,883,675	189,158
LIABILITIES	負債			
Current liabilities	流動負債			
Amounts due to subsidiaries	應付附屬公司款項	33	69,435	46,069
Accruals and other payables	應計項目及其他應付款項	21	3,827	128
Total liabilities	負債總額		73,262	46,197
Total equity and liabilities	總權益及負債		1,956,937	235,355
Net current assets	流動資產淨值		1,883,667	189,158
Total assets less current liabilities	資產總值減流動負債		1,883,675	189,158

Approved by the Board of Directors on 11 July 2008:

董事局於2008年7月11日批准通過：

Mr. Wan Wai Loi
尹惠來先生
Director
董事

Mr. Tsang Kang Po
曾鏡波先生
Director
董事

The notes are an integral part of these consolidated financial statements.

附註乃綜合財務報表之部份。

Financial Information

財務資料

Consolidated Statement of Changes in Equity For the year ended 31 March 2008

綜合權益變動表 截至2008年3月31日止年度

		Note 附註	Attributable to equity holders of the Company			Minority interests	Total
			本公司權益持有人應佔			少數股東 權益	權益總額
			Share capital 股本	Reserves 儲備	Total 總計		
			HK\$'000 千港元 (Note 16) (附註16)	HK\$'000 千港元 (Note 17) (附註17)	HK\$'000 千港元	HK\$'000 千港元	
Balance at 1 April 2006	於 2006年4月1日 之結餘		11	1,044,485	1,044,496	42,800	1,087,296
Profit for the year	年度溢利		-	555,698	555,698	7,948	563,646
Currency translation differences	外幣換算差額		-	74,551	74,551	-	74,551
Dividends paid	已派付股息	29	-	(234,000)	(234,000)	-	(234,000)
Balance at 31 March 2007	於 2007年3月31日 之結餘		11	1,440,734	1,440,745	50,748	1,491,493
Profit for the year	年度溢利		-	392,093	392,093	4,721	396,814
Issuance of share capital by global offering	以全球發售方式發行股本	16	358	1,916,194	1,916,552	-	1,916,552
Global offering expenses	全球發售支出	17	-	(120,597)	(120,597)	-	(120,597)
Shares issued by capitalisation from share premium account	於股份溢價賬 資本化發行股份	16	1,064	(1,064)	-	-	-
Acquisition of additional interest in a subsidiary from a minority shareholder	向一名少數股東增購一間 附屬公司之權益	17	-	(3,559)	(3,559)	(9,225)	(12,784)
Currency translation differences	外幣換算差額		-	81,138	81,138	-	81,138
Share-based compensation expenses	股份酬金支出	16	-	6,533	6,533	-	6,533
Dividends paid	已派付股息	29	-	(873,140)	(873,140)	-	(873,140)
Balance at 31 March 2008	於 2008年3月31日 之結餘		1,433	2,838,332	2,839,765	46,244	2,886,009

The notes are an integral part of these consolidated financial statements.

附註乃綜合財務報表之部份。

Financial Information

財務資料

Consolidated Cash Flow Statement For the year ended 31 March 2008

綜合現金流量表 截至2008年3月31日止年度

		Note	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
		附註		
Cash flow from operating activities	經營業務之現金流量			
Cash generated from operations	經營業務產生之現金	30(a)	787,206	665,623
Interest paid	已付利息		(33,283)	(42,169)
Hong Kong profits tax paid	已付香港利得稅		(41,134)	(81,296)
Overseas tax paid	已付海外稅款		(25,901)	(27,410)
Net cash generated from operating activities	經營業務產生之現金淨額		686,888	514,748
Cash flow from investing activities	投資活動之現金流量			
Purchase of property, plant and equipment	購置物業、廠房及設備		(425,436)	(428,157)
Prepayment of leasehold land and land use rights	租賃土地及土地使用權預付款項		(5,265)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	30(b)	14,123	3,077
Additions of available-for-sale financial assets	增加可供出售金融資產	11	-	(276)
Disposals of available-for-sale financial assets	出售可供出售金融資產	11	-	280
Acquisition of additional interest in a subsidiary from a minority shareholder	向一名少數股東增購一間附屬公司之權益	30(c)	(12,784)	-
Investment in associates	於聯營公司之投資	10	-	(4,524)
Interest income received	已收利息收入		44,351	4,548
Dividend income	股息收益		9	8
Net cash used in investing activities	投資活動動用之現金淨額		(385,002)	(425,044)
Net cash inflow before financing activities	融資活動前現金流入淨額		301,886	89,704
Cash flow from financing activities	融資活動之現金流量			
Proceeds from issuance of shares (net of share issue expenses)	發行股份所得款項 (扣除發行股份支出)		1,795,955	-
Advance from a minority shareholder	一名少數股東之墊款		28,786	18,947
New borrowings	新造借貸		945,234	547,548
Repayment of borrowings	償還借貸		(1,223,713)	(356,938)
Repayment of capital element of finance lease obligations	償還融資租賃承擔之資本部分		(3,611)	(877)
Dividends paid	已付股息		(873,140)	(234,000)
Net cash generated from/(used in) financing activities	融資活動所得/(動用)之現金淨額		669,511	(25,320)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額		971,397	64,384
Cash and cash equivalents at 1 April	於4月1日現金及現金等值項目		186,445	93,611
Foreign exchange adjustment	外幣換算調整		(11,073)	28,450
Cash and cash equivalents at 31 March	於3月31日現金及現金等值項目		1,146,769	186,445
Analysis of cash and cash equivalents	現金及現金等值項目分析			
Cash and bank balances	現金及銀行結餘	15(a)	1,175,481	226,156
Bank overdrafts	銀行透支	18(a)	(28,712)	(39,711)
			1,146,769	186,445

The notes are an integral part of these consolidated financial statements.

附註乃綜合財務報表之部份。

Financial Information

財務資料

Notes to the Financial Statements

1 General information

Pacific Textiles Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the manufacture and trading of textile products. Its production bases are primarily located in the People’s Republic of China (the “PRC”) and Sri Lanka.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 18 May 2007.

These consolidated financial statements are presented in thousands of units of HK dollars (HK\$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 11 July 2008.

2 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the principal accounting policies below.

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 financial statements, are disclosed in Note 5.

(a) Standard, amendment and interpretation to existing standards that have become effective in 2007/08 and are relevant to the Group’s operations

The following standard, amendment and interpretation to existing standards are mandatory for accounting periods beginning on or after 1 April 2007 and are relevant to the Group’s operations:

- HKFRS 7 “Financial Instruments: Disclosures”, and the complementary amendment to HKAS 1 “Presentation of Financial Statements – Capital Disclosures” introduces new disclosures relating to financial instruments and do not have any significant impact on the classification and valuation of the Group’s financial instruments; and
- HK(IFRIC)-Int 11 “HKFRS 2 – Group and Treasury Share Transactions” provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent’s shares) should be accounted for as equity-settled or cash settled share-based payment transactions in the stand-alone accounts of the parent and group companies.

財務報表附註

1 一般資料

互太紡織控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事紡織產品之製造及貿易。其生產基地主要位於中華人民共和國(「中國」)及斯里蘭卡。

本公司是於開曼群島註冊成立之有限公司。其註冊地址為P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands。

在2007年5月18日本公司之股份於香港聯合交易所有限公司(「聯交所」)上市。

除另有說明外，該等綜合財務報表以千港元呈報。該等綜合財務報表於2008年7月11日經董事局批准刊發。

2 編製基準

本公司綜合財務報表乃按照香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃根據歷史成本慣例編製，除於以下主要會計政策披露外。

遵照香港財務報告準則編製財務報表須運用若干重要會計估計，而管理層於應用本集團會計原則時亦須作出判斷。涉及較高程度之判斷或複雜性，或假設及估計屬重大之範圍，乃於附註5中披露。

(a) 於2007/2008年生效且與本集團營運有關的準則、現行準則修訂及詮釋

下列準則、現行準則之修訂與詮釋須於2007年4月1日或其後開始的會計期間採用，且與本集團之業務有關：

- 香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號「財務報表之呈報－資本披露」引入與金融工具有關之新披露規定，此項準則對本集團金融工具之分類及估值並無任何重大影響；及
- 香港(國際財務報告詮釋委員會)－詮釋第11號「香港財務報告準則第2號－集團及庫存股份交易」提供指引，說明涉及庫存股份或集團實體(例如母公司股份的購股權)之股份基礎交易是否應於母公司及集團公司之獨立賬目內以權益計算或以現金計算的股份基礎交易入賬。

Notes to the Financial Statements (Continued)

2 Basis of preparation (Continued)

(b) Interpretations to existing standards that have become effective in 2007/08 but not relevant to the Group's operations

The following interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2007 but are not relevant to the Group's operations:

- 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”; and
- HK(IFRIC)-Int 10 “Interim Financial Reporting and Impairment”.

(c) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2008 or later periods, but the Group has not early adopted them:

- HKAS 1 (Revised) “Presentation of Financial Statements” (effective for accounting periods beginning on or after 1 January 2009). HKAS 1 (Revised) requires all owner changes in equity to be presented in a statement of changes in equity. All comprehensive income is presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). It requires presenting a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when there are retrospective adjustments or reclassification adjustments. However, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs. The Group will apply HKAS 1 (Revised) from 1 April 2009;

財務報表附註(續)

2 編製基準(續)

(b) 於2007/2008年生效但與本集團營運無關的現行準則詮釋

下列現行準則之詮釋須於2007年4月1日或其後開始的會計期間採用，惟與本集團之業務無關：

- 香港（國際財務報告詮釋委員會）－詮釋第7號「應用香港財務報告準則第29號嚴重通脹經濟之財務報告重列法」；
- 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號的範圍」；
- 香港（國際財務報告詮釋委員會）－詮釋第9號「重新評估嵌入式衍生工具」；及
- 香港（國際財務報告詮釋委員會）－詮釋第10號「中期財務報告及減值」。

(c) 本集團並無提前採納的未生效準則及現行準則修訂

下列為已頒佈及須於2008年4月1日或其後開始的會計期間採用而本集團並無提前採用的準則與現行準則之修訂：

- 香港會計準則第1號（經修訂）「財務報表的呈報」（由2009年1月1日起或其後開始的會計期間生效）。香港會計準則第1號（經修訂）要求權益中一切擁有權變動於權益變動報表中呈列。一切詳盡收入會呈列於一份詳盡收入報表或兩份報表（一份獨立收入報表及一份詳盡收入報表）。此規定倘有回逆調整或重新分類調整時，於一系列完整的財務報表中呈列在最早可比較期間開始時的財務狀況報表。然而，其不會修改其他香港財務報告準則規定的特定交易確認、計量或披露，以及其他事件。本集團將會自2009年4月1日起應用香港會計準則第1號（經修訂）；

Notes to the Financial Statements (Continued)

2 Basis of preparation (Continued)

(c) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

- HKAS 23 (Amendment) “Borrowing Costs” (effective for accounting periods beginning on or after 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Amendment) from 1 April 2009;
- HKAS 27 (Revised) “Consolidated and Separate Financial Statements” (effective for accounting periods beginning on or after 1 July 2009). HKAS 27 (Revised) requires non-controlling interests (i.e. minority interests) to be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When control of a subsidiary is lost, the assets and liabilities and related equity components of the former subsidiary are derecognised. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost. The Group will apply HKAS 27 (Revised) from 1 April 2010;
- HKFRS 2 (Amendment) “Share-based Payment Vesting Conditions and Cancellations” (effective for accounting periods beginning on or after 1 January 2009). HKFRS 2 (Amendment) clarifies the definition of “vesting conditions” and specifies the accounting treatment of “cancellations” by the counterparty to a share-based payment arrangement. Vesting conditions are service conditions (which require a counterparty to complete a specified period of service) and performance conditions (which require a specified period of service and specified performance targets to be met) only. All “non-vesting conditions” and vesting conditions that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted. All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately. The Group will apply HKFRS 2 (Amendment) from 1 April 2009;

財務報表附註(續)

2 編製基準(續)

(c) 本集團並無提前採納的未生效準則及現行準則修訂(續)

- 香港會計準則第23號(修訂本)「借貸成本」(由2009年1月1日起或其後開始的會計期間生效)。該修訂規定實體將收購、建造或生產合資格資產(需經一段長時間方能使用或出售之資產)直接應佔借貸成本撥充資本，作為該資產成本其中部分，並取消即時支銷該等借貸成本之選擇權。本集團將會自2009年4月1日起應用香港會計準則第23號(修訂本)；
- 香港會計準則第27號(經修訂)「綜合及獨立財務報表」(自2009年7月1日起或其後開始會計期間生效)。香港會計準則第27號(經修訂)規定非控制權益(即少數股東權益)必須在綜合財務狀況報表的權益中呈列，並與母公司擁有人權益分開列報。即使會導致非控制權益出現虧絀結餘，全面收入總額必須歸屬於母公司擁有人和非控制權益。若母公司在附屬公司的權益變動並不導致失去控制權，則在權益入賬。當失去對附屬公司的控制權時，該前附屬公司的資產、負債和相關權益部分將剔除確認。任何損益在收益表中確認。在該前附屬公司所保留的任何投資按失去控制權當日的公平值計量。本集團將自2010年4月1日起應用香港會計準則第27號(經修訂)；
- 香港財務報告準則第2號(修訂本)「股份形式付款歸屬條款及取消」(自2009年1月1日起或其後開始會計期間生效)。香港財務報告準則第2號(修訂本)澄清了「歸屬條件」的定義，並列明了交易對方涉及股份付款安排中對於「註銷」的會計處理。歸屬條件僅指服務條件(即規定交易對方必須完成某段指定服務期間)及表現條件(即規定必須符合某段指定服務期間和達到指定表現目標)。在估計所授出權益工具的公平價值時，所有屬於市場條件的「非歸屬條件」和歸屬條件必須列入為考慮範圍。所有註銷列為歸屬情況加速入賬，而原應按歸屬期間餘下時間入賬的數額，則須即時確認入賬。本集團將由2009年4月1日起應用香港財務報告準則第2號(修訂本)；

Notes to the Financial Statements (Continued)

2 Basis of preparation (Continued)

(c) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

- HKFRS 3 (Revised) “Business Combination” (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). HKFRS 3 (Revised) may bring more transactions into acquisition accounting as combinations by contract alone and combinations of mutual entities are brought into the scope of the standard and the definition of a business has been amended slightly. It now states that the elements are ‘capable of being conducted’ rather than ‘are conducted and managed’. It requires considerations (including contingent consideration), each identifiable asset and liability to be measured at its acquisition-date fair value, except leases and insurance contracts, reacquired right, indemnification assets as well as some assets and liabilities required to be measured in accordance with other HKFRSs. They are income taxes, employee benefits, share-based payment and non current assets held for sale and discontinued operations. Any non-controlling interest in an acquiree is measured either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net identifiable assets. The Group will apply HKFRS 3 (Revised) from 1 April 2010; and
- HKFRS 8 “Operating Segments” (effective for accounting periods beginning on or after 1 January 2009). HKFRS 8 supersedes HKAS 14 “Segment Reporting”. The new standard uses a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 April 2009.

The Group has commenced, but not yet completed, an assessment of the impact of the standards and amendments to existing standards on its results of operations and financial position. The directors are of the view that the impact on the consolidated financial statements will not be significant.

財務報表附註(續)

2 編製基準(續)

(c) 本集團並無提前採納的未生效準則及現行準則修訂(續)

- 香港財務報告準則第3號(經修訂)「業務合併」(適用於業務合併的收購日期為2009年7月1日或之後開始首個年度報告期間開始或以後之業務合併)。香港財務報告準則第3號(經修訂)或會令更多交易採用收購會計法入賬，因為單純以合約方式合併和互助實體的合併已納入此項準則的範圍內，而企業的定義已作出輕微修改。該準則現說明有關成份乃「能夠進行」而非「進行和管理」。該修訂規定了代價(包括或然代價)、每項可識別的資產和負債必須按其收購日的公平值計量，惟租賃和保險合約、重新購入的權利、賠償保證資產以及須根據其他香港財務報告準則計量的若干資產和負債則除外。這些項目包括所得稅、僱員福利、以股份為基礎的付款以及持作出售的非流動資產和已終止業務。在某一被收購方的任何非控制權益可按公平值，或按非控制權益以比例應佔被收購方的可識別淨資產計量。本集團將自2010年4月1日起應用香港財務報告準則第3號(經修訂)；及
- 香港財務報告準則第8號「經營分部」(由2009年1月1日起或其後開始的會計期間生效)。香港財務報告準則第8號取代香港會計準則第14號「分部報告」。新準則規定遵從「管理方法」，據此，分部資料按內部申報採用之相同基準呈列。本集團將會自2009年4月1日起應用香港財務報告準則第8號。

本集團現正評估會計準則及現行準則修訂對營運與財務方面的影響，惟有有關評估尚未完成。董事均認為不會對綜合財務報表造成任何重大影響。

Notes to the Financial Statements (Continued)

2 Basis of preparation (Continued)

(d) Interpretations to existing standards that are not yet effective and not relevant to the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2008 or later periods but are not relevant to the Group's operations:

- HK(IFRIC)-Int 12 "Service Concession Arrangements" (effective for accounting periods beginning on or after 1 January 2008);
- HK(IFRIC)-Int 13 "Customer loyalty programmes" (effective for accounting periods beginning on or after 1 July 2008); and
- HK(IFRIC)-Int 14 "HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" (effective for accounting periods beginning on or after 1 January 2008).

3 Principal accounting policies

3.1 Consolidated financial statements

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

Subsidiaries are all entities (including special purpose 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 recognised directly in the income statement.

財務報表附註(續)

2 編製基準(續)

(d) 尚未生效且與本集團營運無關的現行準則詮釋

下列為已頒佈及必須自2008年4月1日起或其後開始期間生效，但與本集團業務無關的現行準則詮釋：

- 香港（國際財務報告詮釋委員會）－詮釋第12號「服務特許權安排」(由2008年1月1日起或其後開始的會計期間生效)；
- 香港（國際財務報告詮釋委員會）－詮釋第13號「客戶忠誠計劃」(由2008年7月1日起或其後開始的會計期間生效)；及
- 香港（國際財務報告詮釋委員會）－詮釋第14號「香港會計準則第19號－界定福利資產限額、最低資金規定及其相互關係」(由2008年1月1日起或其後開始的會計期間生效)。

3 主要會計政策

3.1 綜合財務報表

綜合財務報表包括本公司及其所有附屬公司截至3月31日之財務報表。

附屬公司指本集團有權控制其財務及營運政策之實體(包括特定用途實體)，一般擁有其過半數表決權之股權。在評估本集團是否控制另一實體時，會考慮目前是否存在可行使或可兌換的潛在表決權及其影響。

附屬公司於控制權轉移至本集團之日起全面綜合入賬，及於該控制權終止之日起終止綜合入賬。

本集團收購附屬公司以會計收購方法列賬。收購成本乃按交易日期所提供資產、所發行權益工具及所引致或所承擔負債之公平值，加收購直接應佔成本計算。企業合併時所收購可識別資產及所承擔負債及或有負債，初步以收購日之公平值計量，而不考慮任何少數股東權益。收購成本超出本集團應佔所收購可識別資產淨值公平值之差額乃記錄為商譽。倘收購成本低於所收購附屬公司資產淨值之公平值，則該差額直接於收益表確認。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.1 Consolidated financial statements (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence 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 provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

3.2 Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to minority interests are also recorded in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also recorded in equity.

3.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

財務報表附註(續)

3 主要會計政策(續)

3.1 綜合財務報表(續)

集團內公司間之交易、結餘及未變現收入會作對銷。除非交易顯示所轉讓資產出現減值，否則未變現虧損亦予對銷。附屬公司之會計政策如有需要已作出改變，以確保與本集團所採納者一致。

本公司之資產負債表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。附屬公司之業績由本公司按已收及應收股息入賬。

3.2 與少數股東權益之交易

本集團應用的政策視與少數股東進行的交易為與本集團的權益擁有人進行的交易。向少數股東進行收購所產生的任何已付代價與所收購附屬公司資產淨值賬面值有關部分之間的差額從權益扣減。向少數股東進行出售所帶來的盈虧乃記錄於權益內。向少數股東進行出售，任何已收所得款項及少數股東權益之相關股份於權益中記錄。

3.3 聯營公司

聯營公司指本集團對其行使重大影響力但並無控制權之實體，一般擁有佔其表決權20%至50%之股權。於聯營公司之投資按權益會計法列賬，並初步按成本確認。本集團於聯營公司之投資包括收購時確定之商譽(扣除任何累計減值虧損)。

本集團應佔其聯營公司之收購後損益於收益表確認，應佔收購後儲備變動則於儲備確認。累計收購後變動對投資賬面值作出調整。倘本集團應佔聯營公司虧損相等於或超過其於該聯營公司之權益(包括任何其他無抵押應收款項)，本集團不會進一步確認虧損，除非其已代表該聯營公司產生債務或付款則作別論。

本集團與其聯營公司間進行交易之未變現收入會作對銷，惟以本集團於適用聯營公司之權益為限。未變現虧損亦作對銷，除非交易有證據顯示所轉讓資產出現減值則作別論。聯營公司之會計政策已按需要作出修訂，以確保與本集團採納之政策貫徹一致。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.3 Associates (Continued)

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

3.4 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.

3.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements 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 consolidated financial statements are presented in Hong Kong Dollar ("HK\$"), which is the Company's functional and presentation currency.

(b) 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.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in income statement and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

財務報表附註(續)

3 主要會計政策(續)

3.3 聯營公司(續)

於本公司之資產負債表內，於聯營公司之投資按成本扣除減值虧損撥備列賬。聯營公司之業績由本公司按已收及應收股息入賬。

3.4 分部呈報

業務分部指提供產品或服務之一組資產及業務，其所涉及之風險及回報與其他業務分部不同。地區分部乃於特定經濟環境內提供產品或服務之業務，而其所涉及之風險及回報與其他經濟環境內經營之分部不同。

3.5 外幣換算

(a) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以該實體經營所在主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表乃以本公司之功能及呈列貨幣港元呈列。

(b) 交易及結餘

外幣交易按交易日之匯率換算為功能貨幣。結算該等交易及按年結日之匯率換算以外幣列值之貨幣資產及負債所產生外匯盈虧均於收益表確認。

分類為可供出售之外幣列值貨幣證券之公平值變動，分析為證券攤銷成本變動產生之換算差額及證券賬面值之其他變動。攤銷成本變動相關之換算差額乃於收益表確認，而賬面值其他變動則於權益確認。

非貨幣金融資產及負債之換算差額呈列為公平值損益之一部分。非貨幣金融資產及負債(例如按公平值計入損益之權益)之換算差額乃於損益中確認為公平值損益之一部分。分類為可供出售之權益等非貨幣金融資產之換算差額列入權益內之可供出售儲備中。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.5 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group's 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:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) 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
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities or operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3.6 Leasehold land and land use rights

The up-front prepayments made for leasehold land and land use rights are accounted for as operating leases. They are expensed in the income statement on a straight-line basis over the periods of the lease or the land use rights, or when there is impairment, the impairment is expensed in the income statement.

財務報表附註(續)

3 主要會計政策(續)

3.5 外幣換算(續)

(c) 集團公司

集團旗下所有實體(當中不持有嚴重通脹經濟之貨幣)之功能貨幣倘有別於呈列貨幣,則其業績及財務狀況須按以下方式換算為呈列貨幣:

- (i) 每份資產負債表內所呈列資產及負債按該結算日之收市匯率換算;
- (ii) 每份收益表所列收益及開支按平均匯率換算,除非此平均匯率不足以合理反映於交易日期適用匯率之累計影響,則在此情況下,收益及開支按交易日期之匯率換算;及
- (iii) 所有由此產生之匯兌差額均確認為權益獨立部分。

於綜合賬目時,因換算海外實體或業務之淨投資以及借貸及其他指定對沖該等投資之貨幣工具而產生之匯兌差額均計入股東權益內。當出售部份海外業務時,該等已列入權益之匯兌差額會於收益表確認為部分出售盈虧。

收購海外實體時產生之商譽及公平值調整視為該海外實體之資產及負債處理,並按收市匯率換算。

3.6 租賃土地及土地使用權

就租賃土地及土地使用權作出之前期預付款項按經營租約列賬,並於該租約年期或按土地使用權以直線法在收益表支銷,或倘出現減值,則於收益表支銷減值。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.7 Property, plant and equipment

Property, plant and equipment other than construction in progress 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. All other repairs and maintenance are expensed in the income statement during the period in which they are incurred.

Depreciation of property, plant and equipment other than construction in progress are calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	2% – 4%
Leasehold improvements	20%
Plant and machinery	10% – 20%
Furniture and equipment	12.5% – 25%
Motor vehicles and vessel	20% – 25%

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.

Construction in progress represents buildings or leasehold improvements on which construction work has not been completed. It is carried at cost which includes construction expenditures and other direct costs less any impairment losses. On completion, construction in progress is transferred to the appropriate categories of property, plant and equipment at cost less accumulated impairment losses. No depreciation is provided for construction in progress until they are completed and available for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are charged to the income statement.

財務報表附註(續)

3 主要會計政策(續)

3.7 物業、廠房及設備

除在建工程外，物業、廠房及設備乃按歷史成本法減累計折舊及累計減值虧損(如有)列賬。歷史成本包括收購項目直接產生之開支。

只有當與項目相關之日後經濟效益有可能流入本集團及能可靠地計算項目成本之情況下，往後成本方會計入資產之賬面值或確認為獨立資產(按適用情況)。所有其他維修及保養於其產生期間在收益表支銷。

除在建工程外，物業、廠房及設備以直線法計算折舊，以按其估計可使用年期分配成本至其餘值如下：

樓宇	2% – 4%
租賃物業裝修	20%
廠房及機器	10% – 20%
傢具及設備	12.5% – 25%
汽車及船隻	20% – 25%

資產之餘值及可使用年期會於每個結算日檢討及(倘適用)作出調整。倘資產之賬面值超過其估計可收回金額，則資產之賬面值將即時撇減至其可收回金額。

在建工程指建設工程尚未完成之樓宇或租賃物業裝修，乃按成本(包括工程開支及其他直接成本)減任何減值虧損列賬。完成時，在建工程會按成本減累計減值虧損轉撥至適當類別的物業、廠房及設備。在建工程於落成及可投入使用時方就折舊撥備。

出售盈虧按比較所得款項與賬面值釐定，並自收益表扣除。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.8 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets 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). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.9 Financial assets

The Group classifies its financial assets as available-for-sale or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of financial assets classified as available-for-sale are recognised in equity. Loans and receivables are carried at amortised cost using the effective interest method.

財務報表附註(續)

3 主要會計政策(續)

3.8 於附屬公司、聯營公司之投資及非金融資產之減值

無確定可使用年期或未投入使用之資產毋須攤銷，會每年最少檢測減值一次。資產在出現顯示未必能收回賬面值之事件或情況變化時檢討有否減值。減值虧損按資產賬面值超逾其可收回金額之差額確認。可收回金額為資產公平值減出售成本與使用價值兩者間之較高者。就評估減值而言，資產按可獨立識別之現金流量之最低層次(現金產生單位)分類。已減值之非金融資產(商譽除外)於每個報告日期檢討是否可能撥回減值。

3.9 金融資產

本集團將其金融資產分類為可供出售金融資產或貸款及應收款項，分類視乎購入金融資產之目的而定。管理層在初步確認時釐定其金融資產分類。

(i) *可供出售金融資產*

可供出售金融資產乃指定為此類別或並無歸類為任何其他類別之非衍生金融工具。除非管理層擬在結算日後12個月內出售有關投資，否則列為非流動資產。

(ii) *貸款及應收款項*

貸款及應收款項為附帶固定或待定期款而並無活躍市場報價之非衍生金融資產，均列入流動資產，惟到期日為結算日後超過12個月者，則歸類為非流動資產。貸款及應收款項於資產負債表中列為應收賬款及其他應收款項。

金融資產之買賣於交易日(即本集團承諾購買或出售該資產當日)予以確認。所有並非按公平值計入損益之金融資產投資初步按公平值加交易成本確認。當獲取投資所產生現金流量之權利已屆滿或轉讓，及本集團已轉讓絕大部分擁有權之風險及回報時，將剔除確認金融資產。可供出售金融資產其後按公平值入賬。分類為可供出售之金融資產的公平值變動於權益內確認。貸款及應收款項以實際利率法按攤銷成本列賬。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.9 Financial assets (Continued)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities. The fair values of quoted investments are based on current bid prices.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

3.10 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, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.11 Trade and other receivables

Trade and other receivables 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 trade and other receivables 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 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 as indicators that the trade 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 amount of the provision or subsequent recoveries of amounts previously written off are recognised in the income statement within distribution and selling expenses in the income statement.

財務報表附註(續)

3 主要會計政策(續)

3.9 金融資產(續)

當分類為可供出售之證券出售或出現減值時，其於權益確認之累計公平值調整將列入收益表為投資證券之盈虧。具市場報價之投資之公平值乃按現行買入價計算。

本集團在每個結算日評估是否存在客觀證據顯示一項金融資產或一組金融資產出現減值。對於分類為可供出售之股本證券，其公平值重大或長期下跌至低於其成本會視為證券已減值之指標。倘可供出售金融資產出現任何該等跡象，則其累計虧損金額(即收購成本與當前公平值間之差額)減先於損益確認之金融資產的任何減值虧損，會從權益中剔除，並於收益表確認。就股本工具於收益表中確認之減值虧損不會於收益表撥回。

3.10 存貨

存貨以成本與可變現淨值之較低者列賬。成本以加權平均法釐定。製成品及在製品之成本包括原料、直接勞工、其他直接成本及相關生產間接費用(按正常營運能力計算)，而不包括借款成本。可變現淨值為日常業務過程中之估計售價減適用之變動銷售開支。

3.11 應收賬款及其他應收款項

應收賬款及其他應收款項初步按公平值確認，其後則按實際利率法以攤銷成本扣除減值撥備計量。應收賬款及其他應收款項減值撥備於有客觀跡象顯示本集團將無法按應收款項之原定條款收回所有到期金額時作出。債務人出現重大財務困難、可能破產或進行財務重組及延誤繳付或拖欠款項均被視為應收賬款已減值之指標。撥備金額為資產賬面值與估計日後現金流量按實際利率貼現之現值間之差額。撥備金額或其後收回早前撤銷之金額會於收益表內分銷及銷售開支中確認。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.13 Forward foreign exchange contracts

Derivatives are classified as held for trading unless they are designated as hedges. Assets or liabilities in this category are classified as current assets or current liabilities if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Forward foreign exchange contracts are classified as held for trading.

Forward foreign exchange contracts are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value. Changes in fair value are recognised immediately in the income statement.

3.14 Share capital

Shares are classified as equity.

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

3.15 Trade and other payables

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

3.16 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.

3.17 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

財務報表附註(續)

3 主要會計政策(續)

3.12 現金及現金等值項目

現金及現金等值物包括手持現金、活期銀行存款及銀行透支。銀行透支列入資產負債表中流動負債之借款內。

3.13 遠期外匯合約

除非指定作對沖用途，否則衍生工具分類為持作買賣。倘持作買賣或預期於結算日後12個月內變現，此類別內之資產或負債會分類為流動資產或流動負債。

遠期外匯合約分類為持作買賣。

遠期外匯合約初步按於訂立合約日期之公平值確認，其後按其公平值重新計量。公平值之變動即時於收益表確認。

3.14 股本

股份分類為權益。

發行新股份或購股權直接應佔之成本增加，於權益中列為所得款項之扣減(扣除款項)。

3.15 應付賬款及其他應付款項

應付賬款及其他應付款項初步按公平值確認，其後以實際利率法按攤銷成本計量。

3.16 借貸

借貸初步按公平值扣除所產生之交易成本確認。借款其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間任何差額乃以實際利率法按借款期於收益表確認。

借貸分類為流動負債，惟本集團有無條件權利遞延償還負債之日期至結算日後最少12個月者除外。

3.17 即期及遞延所得稅

當期所得稅費用根據本公司、其附屬公司及聯營公司營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報表的狀況，並在適當情況下根據預期須向稅務機關支付之稅款設定撥備。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.17 Current and deferred income tax (Continued)

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.

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 and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3.18 Employee benefits

(i) Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Retirement benefits

Group companies participate in various defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The schemes are generally funded through payments to insurance companies or state/trustee-administered funds. The Group pays contributions on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employment costs when they are due.

財務報表附註(續)

3 主要會計政策(續)

3.17 即期及遞延所得稅(續)

遞延所得稅以負債法就資產與負債之稅基與綜合財務報表內之賬面值間之暫時差額作全數撥備。然而，倘遞延所得稅因初次確認一項交易(業務合併除外)之資產或負債而產生，而交易時並無對會計或應課稅溢利或虧損造成影響，則該等遞延所得稅不予計算。遞延所得稅乃按於結算日已經頒佈或大致上已頒佈，及預期在有關遞延所得稅資產變現或遞延所得稅負債清償時適用之稅率及稅務法例釐定。

遞延所得稅資產於可能出現日後應課稅溢利抵銷暫時差額時方會確認。

遞延所得稅按於附屬公司及聯營公司之投資所產生之暫時差額作出撥備，惟本集團可控制撥回暫時差額之時間，且暫時差額在可見未來不會撥回則除外。

3.18 僱員福利

(i) 僱員假期福利

僱員可享有之年假及長期服務假期之權利於該等假期累計予僱員時確認。本集團就僱員截至結算日止所提供服務而享有之年假及長期服務假期之估計負債作出撥備。僱員可享有之病假及產假於提取假期時方予確認。

(ii) 退休福利

本集團旗下公司推行多項定額供款退休福利計劃。定額供款計劃為本集團向獨立實體作出定額供款之退休福利計劃。倘有關基金並無足夠資產就僱員於現行及過往期間所提供服務支付所有僱員福利，本集團並無法律或推定責任作出進一步供款。

計劃一般透過向保險公司或國家受託人管理之基金作出供款撥資。本集團按強制性、合約或自願基準作出供款。一經作出供款後，本集團並無進一步付款責任。供款於到期應付時確認為僱員成本。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.18 Employee benefits (Continued)

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(iv) Bonus plans

The Group recognises a liability and an expense for bonuses. It recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

3.19 Provisions

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

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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

財務報表附註(續)

3 主要會計政策(續)

3.18 僱員福利(續)

(iii) 股份酬金

本集團實行兩項以股本結算的股份酬金計劃。授出購股權所相應獲得的僱員服務公平值確認為開支。於歸屬期列為開支的總額乃參考已授購股權的公平值釐定，不包括非市場歸屬條件影響(例如獲盈及銷售增長目標)。非市場歸屬條件包括在預期歸屬購股權數目的假設。於各結算日，本集團修訂預期歸屬購股權的估計。本集團會於損益表確認修訂原來估計(如有)的影響，並相應調整股本。

已收所得款項減任何直接交易成本後計入股本(面值)，當行使時計入股份溢價。

(iv) 花紅計劃

本集團就花紅確認負債及開支。倘有合約承擔或根據過往慣例產生推定責任，則會確認撥備。

3.19 撥備

倘本集團須就過去事件承擔現有法律或推定責任，而有可能須產生資源流出以履行該責任，並能可靠估計金額，則會確認撥備。日後營運虧損不予確認撥備。

倘出現多項類似責任，會否導致資源流出以履行責任之可能性乃於整體考慮該責任類別後確定。即使同一責任類別中任何一項可能流出資源的機會不大，仍會確認撥備。

撥備採用反映當時市場對金錢時間價值之評估及該責任之特定風險之稅前貼現率，計算預期須履行責任之開支現值作為計量準則。因時間流逝而產生之撥備增加確認為利息開支。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services 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.

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Advance payments received from customers prior to delivery of goods and provision of services are recorded as receipts in advance.

(b) Interest income

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

3.21 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the assets for its intended use. Other borrowing costs are expensed.

3.22 Leases (as the lessee)

(a) Operating leases

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.

財務報表附註(續)

3 主要會計政策(續)

3.20 收入確認

收入包括於本集團日常業務過程中銷售貨品及提供服務之已收或應收代價之公平值，並於扣除增值稅、回扣及折扣，以及對銷集團內銷售後呈列。

本集團於收入金額能可靠計算，及日後可能有經濟利益流入實體，且已符合下述本集團各業務之特定條件時確認收入。與銷售相關之所有可能發生之附帶項目解決後，收入金額方視為能可靠計算。本集團按過往業績作出估計，並考慮客戶種類、交易種類及各項安排之細節。

(a) 銷售貨品

銷售貨品於本集團實體向客戶交付產品，及客戶接納有關產品，並可合理確定收回相關應收款項時確認。

於交付貨品及提供服務前自客戶獲取之預付款項列賬為預收款項。

(b) 利息收益

利息收益以實際利率法按時間比例基準確認。

3.21 借貸成本

建造任何合資格資產時，於完成及籌備資產作其擬定用途期間所發生的借貸成本將予以資本化。其他借貸成本予以支出處理。

3.22 租賃(作為承租人)

(a) 經營租賃

資產擁有權之絕大部分風險及回報仍屬出租人所有之租賃，分類為經營租賃。根據經營租賃支付之款項扣除自出租人獲得之任何優惠後，按直線法於租期內自收益表扣除。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.22 Leases (as the lessee) (Continued)

(b) Finance leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

3.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

3.24 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 or directors, where appropriate.

財務報表附註(續)

3 主要會計政策(續)

3.22 租賃(作為承租人)(續)

(b) 融資租賃

本集團租借若干物業、廠房及設備。本集團擁有權絕大部分風險及回報之物業、廠房及設備租約分類為融資租賃。融資租賃於租賃開始時按所租物業之公平值與最低租金付款現值之較低者撥充資本。

每項租金付款會於負債與財務支出間劃撥，以就尚餘財務結餘達致固定支銷率。相關租金承擔於扣除財務支出後，列入即期借貸及非即期借貸。財務成本之利息部份乃於租期內自收益表扣除，以就各段期間餘下負債結餘達致固定之周期利息率。根據融資租賃購入之物業、廠房及設備按資產可使用年期與租期之較短者折舊。

3.23 或有負債

或有負債指可能因過往事件而產生之可能責任，而有關責任存在須透過一或多項並非本集團控制範圍內無法肯定之日後事件發生或不發生與否方能確定。或有負債亦指因過往事件而產生之現有責任，由於可能不需要流出經濟資源或責任金額無法可靠計量而未有確認。

或有負債不予確認，惟會於財務報表內披露。倘資源流出之可能性有變，以致可能流出資源，則將確認為撥備。

3.24 股息分派

分派予本公司股東之股息於本公司股東或董事(倘適用)批准股息之期間，在本集團之財務報表確認為負債。

Notes to the Financial Statements (Continued)

3 Principal accounting policies (Continued)

3.25 Financial guarantees

A financial guarantee (a kind of insurance contract) is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument. The Group does not recognise liabilities for financial guarantees at inception, but perform a liability adequacy test at each reporting date by comparing its net liability regarding the financial guarantee with the amount that would be required if the financial guarantee would result in a present legal or constructive obligation. If the liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the income statement immediately.

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including commodities price risk, foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Because of the simplicity of the financial structure and current operations of the Group, no major hedging activities other than the use of external forward currency contracts are undertaken by management.

(a) *Market risk*

(i) *Commodities price risk*

Majority of the raw materials used by the Group are yarn, dye and other chemical and are subject to market price risk. The Group has not used any hedging activities to hedge its exposure to commodities price risk.

At 31 March 2008, if the market price of the yarn had increased/decreased by 1% with all other variables held constant, post-tax profit for the year would have been approximately HK\$18,962,000 (2007: HK\$19,677,000) lower/higher as a result of the change in market price of yarn.

At 31 March 2008, if the market price of the dye and other chemical had increased/decreased by 1% with all other variables held constant, post-tax profit for the year would have been approximately HK\$3,143,000 (2007: HK\$2,638,000) lower/higher as a result of the change in market price of dye and other chemical.

財務報表附註(續)

3 主要會計政策(續)

3.25 財務擔保

財務擔保(一項保險合約)為一項要求發行人須對持有人就個別債務人未能履行債務合約之原有或經修改條文而在付款期限前作出付款時承諾補償該持有人損失之合約。本集團未就財務擔保之負債作初步確認,但於每個報告日將其財務擔保之負債淨額與倘財務擔保之負債淨額與倘財務擔保會引致現行法定或推定責任所需之金額進行比較而對負債之充足性作出測試。倘負債低於其現行法定或推定責任之金額時,所有差額即時於收益表確認。

4 財務風險管理

4.1 財務風險因素

本集團業務面臨多種財務風險:市場風險(包括商品價格風險、外匯風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。本集團之整體風險管理程序專注於金融市場之不可預測性,並尋求將對本集團財務表現之潛在不利影響降至最低。為了簡化本集團的財務架構與現行的營運,管理層除了採用遠期合約外,並沒有重大的對沖活動。

(a) *市場風險*

(i) *商品價格風險*

本集團所用原料主要包括紗線、染料及其他化學品,須面對市場價格之風險。本集團並無採取任何對沖活動沖其商品價格風險。

於2008年3月31日,倘紗線價格增加/減少1%,而全部其他可變因素保持不變,於本年度的除稅後溢利將會減少/增加約18,962,000港元(2007年:19,677,000港元),主要由於紗線價格改變所致。

於2008年3月31日,倘染料及其他化學品價格增加/減少1%,而全部其他可變因素保持不變,於本年度的除稅後溢利將會減少/增加約3,143,000港元(2007年:2,638,000港元),主要由於染料及其他化學品價格改變所致。

Notes to the Financial Statements (Continued)

4 Financial risk management (Continued)

4.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Chinese Renminbi ("RMB") and United States dollar ("US\$"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group's transactions in the PRC are settled in RMB, therefore the foreign exchange risk is considered to be insignificant. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

As the Hong Kong dollar is pegged against the US dollar, the related foreign exchange risk is considered to be insignificant.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group manages its foreign exchange risks by performing regular review and monitoring its foreign exchange exposure.

(iii) Cash flow and fair value interest rate risk

Except for the cash at bank and short-term bank deposits and borrowings, details of which have been disclosed in Notes 15 and 18 respectively, the Group has no other significant interest-bearing assets or liabilities.

Bank deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Bank deposits and borrowings at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate risk by performing regular review and monitoring its interest rate exposures. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

財務報表附註(續)

4 財務風險管理(續)

4.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 外匯風險

本集團涉及多種貨幣之風險，主要涉及中國人民幣(「人民幣」)和美元(「美元」)。外匯風險來自未來商業交易，已確認為資產及負債及於海外業務淨投資。

本集團於中國的交易以人民幣進行，因此，外匯風險被認為微不足道。此外，人民幣轉換成外幣是受到中國政府的所頒佈的外匯管制規則與規例約束。

鑑於港元與美元掛鈎，相關的外匯風險被認為微不足道。

本集團擁有若干境外營運投資，其資產淨值面臨外幣換算風險。本集團管理外匯風險是以定期審閱和監測外匯風險。

(iii) 現金流量及公平值利率風險

除銀行現金及短期銀行存款與借貸，其詳情已分別載列於附註15與附註18外，本集團並無其他重大計息資產或負債。

按浮動利率計息之銀行存款及借貸令本集團面對現金流量利率風險。按固定利率計息之銀行存款及借貸令本集團面對公平值利率風險。本集團透過定期審閱及監察其利率所承受風險而管理其利率風險。本集團並無利用任何利率掉期交易以對沖其所承受之利率風險。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

4 Financial risk management (Continued)

4.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk (Continued)

At 31 March 2008, if the market interest rates had been 50 basis points higher/lower with all other variables held constant, the Group's net profit would have been approximately HK\$4,359,000 (2007: HK\$543,000) higher/lower, mainly as a result of higher/lower interest income from bank deposits.

At 31 March 2008, if the market interest rates had been 50 basis points higher/lower with all other variables held constant, the Group's net profit would have been approximately HK\$3,995,000 (2007: HK\$4,117,000) lower/higher, mainly as a result of higher/lower interest expenses on floating rate borrowings.

(b) Credit risk

Credit risk arises from cash at bank and short-term bank deposits with banks and financial institutions and credit exposures to customers, including outstanding receivables.

At 31 March 2008 and 2007, substantially all the bank balances and short-term bank deposits as detailed in Note 15 are held in major financial institutions located in Hong Kong, Mainland China, Sri Lanka and Macau; all derivative financial instruments are also entered into with these financial institutions, which management believes are of high credit quality. The Group has a policy to limit the amount of credit exposure to any financial institution and management does not expect any losses arising from non-performance by these financial institutions.

財務報表附註(續)

4 財務風險管理(續)

4.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 現金流量及公平值利率風險(續)

於2008年3月31日，倘市場利率上升／下降50基點，而其他可變因數維持不變，本集團純利將增加／減少約4,359,000港元(2007年：543,000港元)，主要由於銀行存款利息收入增加／減少所致。

於2008年3月31日，倘市場利率上升／下降50基點，而其他可變因數維持不變，本集團純利將增加／減少約3,995,000港元(2007年：4,117,000港元)，主要由於以浮動利率計息的借貸之利息開支增加／減少所致。

(b) 信貸風險

信貸風險來自存放於銀行之現金，及銀行與金融機構的銀行現金及短期銀行存款，與及客戶之信貸風險(包括尚未償還之應收款項)。

誠如附註15所詳列，於2008年及2007年3月31日，所有銀行結餘及短期銀行存款及存放於香港、中國內地、斯里蘭卡及澳門主要金融機構；所有衍生金融工具均由管理層認為屬高信貸質素的金融機構訂立。本集團採取限額政策限制對任何金融機構的信貸風險且管理層並不預期會出現任何因該等金融機構不履約而產生的虧損。

Notes to the Financial Statements (Continued)

4 Financial risk management (Continued)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group has no significant concentrations of credit risk with customers. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The credit quality of the customers is assessed based on its financial position, past experience and other factors. Normally the Group does not require collaterals from trade debtors. The existing debtors have no significant defaults in the past. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible receivables has been made.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements have been for additions of and upgrades on property, plant and equipment, payment of debts and payment for purchases and operating expenses. The Group finances its working capital requirements through a combination of funds generated from its operations and bank borrowings.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure it maintains sufficient cash and cash equivalents and has available funding through adequate amount of committed credit facilities to meet its working capital requirements.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

財務報表附註(續)

4 財務風險管理(續)

4.1 財務風險因素(續)

(b) 信貸風險(續)

本集團並無高度集中之客戶信貸風險。本集團亦有政策確保銷售予有良好信貸記錄的客戶，而且本集團會定期評估客戶信貸。客戶信貸質素乃按其財務狀況、過往經驗及其他因素作出評估。一般而言，本集團並無要求借款人提供抵押品。現有借款人於過往期間並無重大欠付記錄。本集團過往未收回的應收賬款及其他應收款並沒有超出已計提的壞賬準備金額，並且董事認為財務報表中就不可收回的應收款項已計提足夠的壞帳準備。

(c) 流動資金風險

審慎的流動性風險管理，意味著維持充足的現金並通過充足的信貸額度獲得資金。

本集團的現金需求主要用添置及更新於物業、廠房及設備、償還債務及支付採購費用及營運開支。本集團通過營運產生之資金及銀行借款以撥付營運資金所需要求。

本集團的政策為定期監察現時及預期流動資金要求，從而確保本集團有足夠的現金及現金等值項目及通過充足的信貸額度獲得資金，以符合營運資金之要求。

下表為本集團和本公司於結算日至合約到期日的剩餘期間的財務負債情況的分析。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

4 Financial risk management (Continued)

4.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

(i) Group

		Within 1 year 1年內 HK\$'000 千港元	Between 1 and 2 years 1年至2年 HK\$'000 千港元	Between 2 and 5 years 2年至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Borrowings	借貸	275,022	260,992	132,695	668,709
Finance lease obligations	融資租賃承擔	1,462	756	115	2,333
Trade and bills payables	應付賬款及票據	611,021	-	-	611,021
Accruals and other payables	應計項目及其他 應付款項	221,792	-	-	221,792
Derivative financial instruments	衍生金融工具	1,327	-	-	1,327
At 31 March 2008	於2008年3月31日	1,110,624	261,748	132,810	1,505,182
Borrowings	借貸	513,628	382,242	33,531	929,401
Finance lease obligations	融資租賃承擔	3,090	736	78	3,904
Trade and bills payables	應付賬款及票據	464,574	-	-	464,574
Accruals and other payables	應計項目及其他 應付款項	140,806	-	-	140,806
Derivative financial instruments	衍生金融工具	234	-	-	234
At 31 March 2007	於2007年3月31日	1,122,332	382,978	33,609	1,538,919

(ii) Company

(ii) 本公司

		Within 1 year 1年內 HK\$'000 千港元	Between 1 and 2 years 1年至2年 HK\$'000 千港元	Between 2 and 5 years 2年至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts due to subsidiaries	應付附屬公司款項	69,435	-	-	69,435
Accruals and other payables	應計項目及其他 應付款項	3,827	-	-	3,827
At 31 March 2008	於2008年3月31日	73,262	-	-	73,262
Amounts due to subsidiaries	應付附屬公司款項	46,069	-	-	46,069
Accruals and other payables	應計項目及其他 應付款項	128	-	-	128
At 31 March 2007	於2007年3月31日	46,197	-	-	46,197

Financial Information

財務資料

Notes to the Financial Statements (Continued)

4 Financial risk management (Continued)

4.2 Fair value estimation

The carrying amounts of the Group's current financial assets, including cash and bank balances, trade and bills receivables and other receivables, and the Group's current financial liabilities, including trade and bills payables, other payables and borrowings, approximate their fair values due to their short maturities. The nominal value less estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

The carrying amounts of the Group's non-current liabilities, including long-term bank loans and loan from a minority shareholder approximate their fair values as the impact of discounting is not significant.

4.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings (including current and non-current borrowings and finance lease obligations as shown in the consolidated balance sheet) divided by total assets. The gearing ratios at 31 March 2008 and 2007 were as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Total borrowings	借貸總額	671,042	933,305
Total assets	資產總值	4,402,961	3,040,911
Gearing ratio	資本負債比率	15%	31%

財務報表附註(續)

4 財務風險管理(續)

4.2 公平值估計

本集團之流動金融資產(包括現金及銀行結餘、應收賬款及票據及其他應收款項)及本集團之流動金融負債(包括應付賬款及票據、其他應付款項及借款)之賬面值因其屬短期性質而與其公平值相若。到期日為一年內之金融資產及負債之面值減估計信貸調整假定為與其公平值相若。

由於貼現之影響輕微，本集團的非流動負債(包括長期銀行貸款及少數股東貸款)之賬面值與其公平值相若。

4.3 資本風險管理

本集團的資金管理政策為保障本集團能繼續營運，以為股東提供回報，同時兼顧其他股權持有人之利益，並維持最佳之資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整向股東派付之股息金額、向股東發還資金、發行新股或出售資產以減低債務。

與其他同業相同，本集團以資本負債比率監察資本。該比率按借貸總額(包括綜合資產負債表所列的非流動借貸與融資租賃承擔)除以資產總值計算。於2008年與2007年3月31日之資本負債比率如下：

Notes to the Financial Statements (Continued)

5 Critical accounting estimates and judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience 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 and residual values of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

(b) Impairment of property, plant and equipment, leasehold land and land use rights

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair values less cost to sell. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement.

財務報表附註(續)

5 重大會計估計及判斷

編製財務報表時所作出估計及判斷會定期評估，並根據過往經驗及其他因素作出，包括於有關情況下相信為合理之日後事項預測。

本集團作出有關日後之估計及判斷。作出之會計估計顧名思義地甚少與相關實際結果相同。存有重大風險須對下一個財政年度資產及負債賬面值作出重大調整之估計及假設論述如下。

(a) 物業、廠房及設備之可使用年期及餘值

本集團管理層釐定物業、廠房及設備之估計可使用年期、餘值及相關折舊支出。此估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期的過往經驗作出。管理層將於可使用年期少於早前估計時增加折舊支出，並撤銷或撤減已廢棄或售出之技術上陳舊或非策略性資產。實際經濟年期可能有別於估計可使用年期；而實際餘值亦可能有別於估計餘值。定期作出之檢討可能導致可折舊年期及餘值出現變動，因而導致日後折舊開支有變。

(b) 物業、廠房及設備、租賃土地及土地使用權減值

物業、廠房及設備、租賃土地及土地使用權於出現顯示可能無法收回賬面值之事件或狀況變化時檢討有否減值。可收回金額乃按使用價值或市場估值釐定。此等計算需要作出判斷及估計。

管理層須就資產檢測減值之情況作出判斷，特別是：(i)評估有否發生可能顯示有關資產價值可能無法收回之事件；(ii)評估資產之可收回金額能否支持其賬面值，可收回金額為公平值減出售成本，或估計於業務中持續使用該資產可產生之日後現金流量現值之較高者；及(iii)評估編製現金流量預測時所用適當主要假設，包括該等現金流量預測是否按適當比率貼現。管理層評估減值時所選用假設(包括現金流量預測所用貼現率或增長率假設)如有任何變化，均可能對減值檢測中所用淨現值，以致本集團財務狀況及營運業績造成重大影響。倘所預測表現及因此作出之日後現金流量預測出現重大負面變動，則或須於收益表作出減值支出。

Notes to the Financial Statements (Continued)

5 Critical accounting estimates and judgements (Continued)

(c) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

(d) Provision for impairment of trade, bills and other receivables

The Group's management determines the provision for impairment of trade, bills and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition, and requires the use of judgements and estimates. Management reassesses the provision at each balance sheet date.

(e) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6 Segment information

(a) Analysis of sales by category

Sales for the year represent principally income derived from manufacturing and trading of textile products.

(b) Primary reporting format – business segments

No business segment analysis is shown as more than 90% of the Group's principal activity is manufacturing and trading of textile products.

財務報表附註(續)

5 重大會計估計及判斷(續)

(c) 存貨可變現淨值

存貨之可變現淨值乃按日常業務過程中之估計售價減估計完成成本及出售開支計算。該等估計乃按現行市況及製造及銷售類似性質產品之過往經驗作出。這可能因客戶口味轉變及競爭對手因應嚴峻行業周期而作出之行動而大幅變化。管理層於每個結算日重新評估該等估計。

(d) 應收賬款、票據及其他應收款項之減值撥備

本集團管理層按對應收款項之可收回程度之評估決定應收賬款、票據及其他應收款項之減值撥備。有關評估乃按其客戶及其他借入人之信貸記錄以及當前市況作出，並需要作出判斷及估計。管理層於每個結算日重新評估撥備。

(e) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重大假設。日常業務過程中有若干無法確定最終稅款之交易及計算。倘該等事項最終稅款結果有別於最初記錄之金額，有關差額將影響作出有關決定之期間之所得稅及遞延稅項撥備。

6 分部資料

(a) 按銷售類別之分析

年內銷售主要為製造及買賣紡織品。

(b) 主要報告方式 – 業務分部

由於本集團超過90%之主要業務為製造及買賣紡織品，故並無呈示業務分部分析。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

6 Segment information (Continued)

(c) Secondary reporting format – geographical segments

The Group primarily operates in China and Hong Kong.

The Group's sales by geographical locations are determined by the final destination where the products are delivered:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
China	中國	1,050,030	1,030,283
South East Asia	東南亞	1,065,600	797,346
Hong Kong	香港	791,989	895,418
Sri Lanka	斯里蘭卡	710,267	712,543
Others	其他	662,760	767,767
		4,280,646	4,203,357

The Group's assets are located in the following geographical areas:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
China	中國	2,140,217	1,866,278
Hong Kong	香港	1,694,462	770,772
Sri Lanka	斯里蘭卡	401,599	286,718
Others	其他	166,683	117,143
		4,402,961	3,040,911

The Group's capital expenditure, based on where the assets are located, is allocated as follows:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
China	中國	352,355	399,773
Hong Kong	香港	1,946	8,808
Sri Lanka	斯里蘭卡	102,606	23,524
Others	其他	41	249
		456,948	432,354

財務報表附註(續)

6 分部資料(續)

(c) 次要報告方式 – 地區分部

本集團主要於中國及香港經營。

本集團按地區劃分之銷售乃以產品交付之最終目的地分類：

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
China	1,050,030	1,030,283
South East Asia	1,065,600	797,346
Hong Kong	791,989	895,418
Sri Lanka	710,267	712,543
Others	662,760	767,767
	4,280,646	4,203,357

本集團之資產位於以下地區：

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
China	2,140,217	1,866,278
Hong Kong	1,694,462	770,772
Sri Lanka	401,599	286,718
Others	166,683	117,143
	4,402,961	3,040,911

本集團之資本開支按資產所在地劃撥如下：

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
China	352,355	399,773
Hong Kong	1,946	8,808
Sri Lanka	102,606	23,524
Others	41	249
	456,948	432,354

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Notes to the Financial Statements (Continued)

7 Leasehold land and land use rights

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
At 1 April	於4月1日	22,050	21,775
Additions	添置	5,265	-
Amortisation	攤銷	(564)	(535)
Currency translation differences	外幣換算差額	1,585	810
At 31 March		28,336	22,050
		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
In Hong Kong held on:	於香港持有：		
Leases of between 10 to 50 years	年期介乎10至50年之租約	3,791	3,888
In China held on:	於中國持有：		
Land use rights of between 10 to 50 years	年期介乎10至50年之土地使用權	17,497	16,334
In Sri Lanka held on:	於斯里蘭卡持有：		
Leases of between 10 to 50 years	年期介乎10至50年之租約	7,048	1,828
		28,336	22,050

Amortisation of prepaid operating lease payments for the years ended 31 March 2007 and 2008 has been included in general and administrative expenses in the income statements.

財務報表附註(續)

7 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益為預付經營租約款項，其賬面淨值分析如下：

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
At 1 April	於4月1日	22,050	21,775
Additions	添置	5,265	-
Amortisation	攤銷	(564)	(535)
Currency translation differences	外幣換算差額	1,585	810
At 31 March		28,336	22,050
		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
In Hong Kong held on:	於香港持有：		
Leases of between 10 to 50 years	年期介乎10至50年之租約	3,791	3,888
In China held on:	於中國持有：		
Land use rights of between 10 to 50 years	年期介乎10至50年之土地使用權	17,497	16,334
In Sri Lanka held on:	於斯里蘭卡持有：		
Leases of between 10 to 50 years	年期介乎10至50年之租約	7,048	1,828
		28,336	22,050

截止2007年及2008年3月31日止年度之預付經營租約款項之攤銷已計入收益表內一般及行政開支。

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財務資料

Notes to the Financial Statements (Continued)

財務報表附註(續)

8 Property, plant and equipment

8 物業、廠房及設備

		Buildings	Construction in progress	Leasehold improvements	Plant and machinery	Furniture and equipment	Motor vehicles and vessel	Total
		樓宇	在建工程	租賃物業裝修	廠房及機器	傢具及設備	汽車及船隻	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2006	於2006年4月1日							
Cost	成本	322,371	117,197	7,151	1,023,165	110,812	17,552	1,598,248
Accumulated depreciation	累計折舊	(31,567)	-	(3,456)	(570,228)	(63,737)	(11,897)	(680,885)
Net book amount	賬面淨值	290,804	117,197	3,695	452,937	47,075	5,655	917,363
Year ended 31 March 2007	截至2007年3月31日止年度							
Opening net book amount	年初賬面淨值	290,804	117,197	3,695	452,937	47,075	5,655	917,363
Currency translation differences	外幣換算差額	13,766	9,816	-	21,488	1,694	114	46,878
Additions	添置	-	213,622	714	194,998	17,486	5,534	432,354
Disposals	出售	-	(1,031)	-	(630)	(82)	(10)	(1,753)
Depreciation	折舊	(13,501)	-	(1,688)	(161,819)	(18,005)	(2,743)	(197,756)
Transfers	轉撥	41,976	(68,565)	-	24,275	2,235	79	-
Closing net book amount	年終賬面淨值	333,045	271,039	2,721	531,249	50,403	8,629	1,197,086
At 31 March 2007	於2007年3月31日							
Cost	成本	379,016	271,039	7,865	1,282,032	130,330	21,794	2,092,076
Accumulated depreciation	累計折舊	(45,971)	-	(5,144)	(750,783)	(79,927)	(13,165)	(894,990)
Net book amount	賬面淨值	333,045	271,039	2,721	531,249	50,403	8,629	1,197,086
Year ended 31 March 2008	截至2008年3月31日止年度							
Opening net book amount	年初賬面淨值	333,045	271,039	2,721	531,249	50,403	8,629	1,197,086
Currency translation differences	外幣換算差額	40,290	13,181	-	51,617	3,400	233	108,721
Additions	添置	5,823	208,644	-	224,677	13,050	4,754	456,948
Disposals	出售	(3,171)	-	-	(441)	(31)	(884)	(4,527)
Depreciation	折舊	(20,214)	-	(1,733)	(192,106)	(18,645)	(2,943)	(235,641)
Transfers	轉撥	185,021	(306,486)	-	114,613	6,307	545	-
Closing net book amount	年終賬面淨值	540,794	186,378	988	729,609	54,484	10,334	1,522,587
At 31 March 2008	於2008年3月31日							
Cost	成本	611,232	186,378	7,864	1,715,240	158,030	23,277	2,702,021
Accumulated depreciation	累計折舊	(70,438)	-	(6,876)	(985,631)	(103,546)	(12,943)	(1,179,434)
Net book amount	賬面淨值	540,794	186,378	988	729,609	54,484	10,334	1,522,587

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Notes to the Financial Statements (Continued)

8 Property, plant and equipment (Continued)

Depreciation expense recognised in the income statement is analysed as follows:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Cost of sales	銷售成本	228,046	189,605
General and administrative expenses	一般行政開支	7,595	8,151
		235,641	197,756

The carrying amount of property, plant and equipment pledged to secure bank facilities of the Group amounted to approximately HK\$94,881,000 (2007: HK\$96,849,000).

Summary of property, plant and equipment held under finance leases are analysed as follows:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Cost – capitalised finance lease	成本 – 融資租約撥充資本	4,922	4,990
Less: accumulated depreciation	減: 累計折舊	(1,472)	(591)
Net book value	賬面淨值	3,450	4,399
Depreciation for the year	年內折舊	886	481

財務報表附註(續)

8 物業、廠房及設備(續)

於收益表內確認之折舊開支分析如下:

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
Cost of sales	228,046	189,605
General and administrative expenses	7,595	8,151
	235,641	197,756

本集團獲取銀行融資而抵押之物業、廠房及設備的賬面值約為94,881,000港元(2007年: 96,849,000港元)。

根據融資租約持有之物業、廠房及設備概要分析如下:

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
Cost – capitalised finance lease	4,922	4,990
Less: accumulated depreciation	(1,472)	(591)
Net book value	3,450	4,399
Depreciation for the year	886	481

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財務資料

Notes to the Financial Statements (Continued)

9 Investments in subsidiaries

財務報表附註(續)

9 於附屬公司之投資

	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Unlisted shares, at cost 非上市股份·按成本	8	—

As at 31 March 2008 and 2007, the Company has direct and indirect interests in the following subsidiaries:

於2008年與2007年3月31日，本公司於下列附屬公司擁有直接或間接權益：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operation 註冊/成立/ 運作地點	Issued and fully paid up share capital/registered capital 已發行及繳足之 股本/註冊資本	Equity interest attributable to the Group 本集團 應佔股本權益		Principal activities 主要業務
			2008 2008年	2007 2007年	
Shares held directly: 直接持有股份：					
Pacific Textured Jersey Holdings Ltd. (Note (iii)) (附註(iii))	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific Textiles Overseas Holdings Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific HK & China Holdings Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific SPM Holdings Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Solid Ally International Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Lehan Resources Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Fast Right Group Ltd. 正迅集團有限公司	British Virgin Islands 英屬處女群島	US\$1,000 1,000美元	100%	—	Investment holding 投資控股
Shares held indirectly: 間接持有股份：					
Pacific Textiles Limited 互太紡織有限公司	Hong Kong 香港	HK\$103,000,000 103,000,000港元	100%	100%	Textiles trading 紡織品貿易
Pacific SPM Investment Limited 互太汽車紡織投資有限公司	Hong Kong 香港	HK\$1 1港元	100%	—	Investment holding 投資控股
Pacific (Nansha) Investments Limited 互太(南沙)投資有限公司	Hong Kong 香港	HK\$22,000,000 22,000,000港元	100%	—	Investment holding 投資控股
Pacific Overseas Textiles Macao Commercial Offshore Limited 互太海外紡織澳門離岸商業服務有限公司	Macau 澳門	MOP1,030,000 1,030,000澳門幣	100%	100%	Textiles trading 紡織品貿易

Financial Information

財務資料

Notes to the Financial Statements (Continued)

9 Investments in subsidiaries (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operation 註冊/成立/ 運作地點	Issued and fully paid up share capital/registered capital 已發行及繳足之 股本/註冊資本
Textured Jersey Lanka (Private) Limited (Note (ii)) (附註(ii))	Sri Lanka 斯里蘭卡	Rs1,597,229,000 1,597,229,000 斯里蘭卡盧布
Pacific (Panyu) Textiles Limited (Note (i)) 互太(番禺)紡織印染有限公司(附註(i))	Mainland China 中國內地	Registered/ paid up capital US\$55,700,000 註冊/繳足資本 55,700,000美元
Pacific/Textured Jersey Ltd.	United Kingdom 英國	GBP100 100英鎊

Note:

- (i) Company established as wholly foreign owned enterprise in Mainland China.
- (ii) On 25 January 2008, Pacific Textured Jersey Holdings Ltd., a wholly owned subsidiary of the Company, acquired an additional 8% equity interest in Textured Jersey Lanka (Private) Limited at a cash consideration of approximately HK\$12,784,000. Consequently, the Group's equity interest in Textured Jersey Lanka (Private) Limited was increased from 52% to 60%.

10 Interest in associates

Movements of share of net assets of associates are as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
At 1 April	於4月1日	13,070	10,024
Capital injection (Note)	注資(附註)	-	4,524
Currency translation differences	外幣換算差額	1,130	519
Share of results - profit/(loss) for the year	應佔業績 - 年內溢利/(虧損)	886	(1,997)
At 31 March	於3月31日	15,086	13,070

Note: On 25 May 2006, the Group subscribed for a 50% equity interest in Fillattice-Pacific Ltd. at a cash consideration of HK\$1,950,000. The other 50% equity interest is owned by an independent third party.

On 8 June 2006, the Group injected further capital of HK\$2,574,000 in SPM Automotive Textile Co., Ltd..

財務報表附註(續)

9 於附屬公司之投資(續)

Equity interest attributable to the Group 本集團 應佔股本權益	Principal activities 主要業務
2008 2008年 60%	2007 2007年 52% Textiles manufacturing and trading 紡織品製造及貿易
100%	100% Manufacture and sale of textile products 紡織產品製造及銷售
100%	100% Fabrics agency 布匹代理

附註:

- (i) 該本公司是在中國內地成立的全資外商企業。
- (ii) 於2008年1月25日，本公司全資附屬公司 Pacific Textured Jersey Holdings Ltd. 收購 Textured Jersey Lanka (Private) Limited 額外8%股本權益，現金代價約12,784,000港元。期後，本集團於Textured Jersey Lanka (Private) Limited之股本權益由52%增加至60%。

10 於聯營公司之權益

應佔聯營公司資產淨值之變動如下：

	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
At 1 April	13,070	10,024
Capital injection (Note)	-	4,524
Currency translation differences	1,130	519
Share of results - profit/(loss) for the year	886	(1,997)
At 31 March	15,086	13,070

附註：於2006年5月25日，本集團按現金代價1,950,000港元認購互力有限公司50%股本權益。其餘50%股本權益乃由一名獨立第三方擁有。

於2006年6月8日，本集團對住江互太(廣州)汽車紡織產品有限公司進一步注資2,574,000港元。

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財務資料

Notes to the Financial Statements (Continued)

10 Interest in associates (Continued)

The particulars of the associates as at 31 March 2008 and 2007 are set out as follows:

Name of associate 聯營公司名稱	Place of incorporation/ establishment/ operation 註冊/成立/ 運作地點	Issued and fully paid up share capital/registered capital 已發行及繳足之 股本/註冊資本	Equity interest attributable to the Group 本集團 應佔股本權益		Principal activities 主要業務
			2008 2008年	2007 2007年	
SPM Automotive Textile Co., Ltd. (i) 住江互太(廣州)汽車紡織產品有限公司(i)	Mainland China 中國內地	Registered/ paid up capital US\$5,000,000 註冊/繳足資本 5,000,000美元	33%	33%	Manufacturing and trading of vehicles related textile products 製造及買賣汽車相關 紡織品
Fillattice-Pacific Ltd. 互力有限公司	Hong Kong 香港	HK\$3,900,000 3,900,000港元	50%	50%	Trading of textile products 買賣紡織品

Note:

- (i) Company established as wholly foreign owned enterprise in Mainland China.

The Group's share of assets, liabilities, commitments and results of interest in associates were as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Total assets	資產總值	22,750	16,050
Total liabilities	負債總額	7,665	2,980
Revenue	收入	23,238	2,827
Profit/(loss) for the year	年內溢利/(虧損)	886	(1,997)

財務報表附註(續)

10 於聯營公司之權益(續)

於2008年及2007年3月31日聯營公司之詳情載列如下：

Name of associate 聯營公司名稱	Place of incorporation/ establishment/ operation 註冊/成立/ 運作地點	Issued and fully paid up share capital/registered capital 已發行及繳足之 股本/註冊資本	Equity interest attributable to the Group 本集團 應佔股本權益		Principal activities 主要業務
			2008 2008年	2007 2007年	
SPM Automotive Textile Co., Ltd. (i) 住江互太(廣州)汽車紡織產品有限公司(i)	Mainland China 中國內地	Registered/ paid up capital US\$5,000,000 註冊/繳足資本 5,000,000美元	33%	33%	Manufacturing and trading of vehicles related textile products 製造及買賣汽車相關 紡織品
Fillattice-Pacific Ltd. 互力有限公司	Hong Kong 香港	HK\$3,900,000 3,900,000港元	50%	50%	Trading of textile products 買賣紡織品

附註：

- (i) 該公司是在中國內地成立的全資外商企業。

本集團應佔聯營公司之資產、負債、承擔及業績如下：

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Notes to the Financial Statements (Continued)

11 Available-for-sale financial assets

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
At 1 April	於4月1日	1,824	1,830
Additions	增加	–	276
Disposals	出售	–	(282)
Impairment loss charged to the income statement	已計入收益表之減值虧損	(16)	–
At 31 March	於3月31日	1,808	1,824
Listed equity securities in Hong Kong, at fair value	於香港上市之證券，按公平值	67	83
Club debentures, at fair value	會籍債券，按公平值	1,741	1,741
		1,808	1,824
Maximum exposure to credit risk	最大信貸風險	1,808	1,824

The fair values of listed equity securities and club debentures are based on quoted/available market prices.

Available-for-sale financial assets are denominated in Hong Kong dollar.

上市證券及會籍債券之公平值乃根據所報／當前市價釐定。

可供出售金融資產以港元列值。

12 Inventories

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Raw materials	原料	695,366	675,153
Work-in-progress	在製品	119,565	102,338
Finished goods	製成品	132,923	140,653
Consumables	消耗品	45,431	35,191
		993,285	953,335

The cost of inventories recognised as expense and included in cost of sales during the year amounted to HK\$3,100,806,000 (2007: HK\$2,852,552,000).

There were no inventories carried at net realisable value as at 31 March 2007 and 2008.

Inventories pledged as security for the banking facilities available to the Group amounted to approximately HK\$78,000,000 (2007: HK\$78,000,000).

12 存貨

本年度確認為開支，並計入銷售成本之存貨成本分別為3,100,806,000港元（2007年：2,852,552,000港元）。

於2007年與2008年3月31日並無按可變現淨值列賬之存貨。

本集團所獲銀行融資作出抵押之存貨約為78,000,000港元（2007年：78,000,000港元）。

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財務資料

Notes to the Financial Statements (Continued)

13 Trade and bills receivables

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Trade receivables	應收賬款	481,130	461,611
Bills receivables	應收票據	137,565	133,010
		618,695	594,621
Less: provision for impairment of trade receivables	減：應收賬款減值撥備	(9,987)	(15,000)
		608,708	579,621

The carrying amounts of trade and bills receivables approximate their fair values.

Majority of the Group's sales are with credit terms of 30 to 60 days. The ageing analysis of the trade and bills receivables was as follows:

財務報表附註(續)

13 應收賬款及票據

應收賬款及票據之賬面值與公平值相若。

本集團大部分銷售之信貸期介乎30至60天。應收賬款及票據之賬齡分析如下：

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
0 – 60 days	0至60天	472,098	449,994
61 – 120 days	61至120天	122,646	121,118
Over 120 days	超過120天	23,951	23,509
		618,695	594,621

The Group has no significant concentration of credit risk with respect to trade and bills receivables. Trade receivables within credit terms are normally not considered impaired. The Group's credit risk control policy is disclosed in Note 4.

本集團並沒有應收賬款及票據之重大集中信貸風險。信貸期內之應收賬款一般不會視為減值。本集團的信貸風險管理於附註4披露。

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財務資料

Notes to the Financial Statements (Continued)

13 Trade and bills receivables (Continued)

As at 31 March 2008, trade receivables of HK\$9,987,000 (2007: HK\$15,000,000) were impaired. The amount of the provision was HK\$9,987,000 as at 31 March 2008 (2007: HK\$15,000,000). The ageing analysis of these trade receivables was as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Past due by:	已逾期：		
0 – 60 days	0至60天	3,759	524
61 – 120 days	61至120天	843	5,038
Over 120 days	超過120天	5,385	9,438
		9,987	15,000

Movements on the provision for impairment of trade receivables are as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
At 1 April	於4月1日	15,000	33,730
Reversal of provision	撥回撥備	(5,013)	(18,730)
At 31 March	於3月31日	9,987	15,000

The creation and release of provision for impaired receivables have been included in distribution and selling expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

財務報表附註(續)

13 應收賬款及票據(續)

於2008年3月31日，已減值之應收賬款為9,987,000港元(2007年：15,000,000港元)。於2008年3月31日撥備數額為9,987,000港元(2007年：15,000,000港元)。該等應收賬款之賬齡分析如下：

就應收賬款作出減值撥備之變動如下：

對已減值應收款撥備的設立及撥回已計入收益表之分銷及銷售開支內。計入撥備賬戶之款項在預期不能取得額外現金之情況下一般會撇銷。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

13 Trade and bills receivables (Continued)

As at 31 March 2008, trade receivables of HK\$107,415,000 (2007: HK\$158,159,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables was as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Past due by:	已逾期：		
0 – 60 days	0至60天	91,494	142,563
61 – 120 days	61至120天	11,659	14,292
Over 120 days	超過120天	4,262	1,304
		107,415	158,159

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

Trade and bills receivables were denominated in the following currencies:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
HK\$	港元	302,933	295,184
RMB	人民幣	16,707	2,768
US\$	美元	297,827	296,539
Others	其他	1,228	130
		618,695	594,621

財務報表附註(續)

13 應收賬款及票據(續)

於2008年3月31日，逾期但並無減值之應收賬款為107,415,000港元(2007年：158,159,000港元)與若干客戶在最近並無壞賬記錄有關。該等應收賬款之賬齡分析如下：

於報告日期，最大信貸風險為上述各級別應收賬款之公平值。本集團並無持有任何作為抵押品作擔保。

應收賬款及票據按下列貨幣計值：

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Notes to the Financial Statements (Continued)

14 Deposits, prepayments and other receivables

(a) Group

Rental, utility and other deposits	租金、公用服務及其他按金
Prepayments	預付款項
Tax recoverable	可收回稅項
Insurance claims recoverable	可收回保險賠償金
Other receivables	其他應收款項

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
464	416
15,628	15,388
18,406	15,928
–	1,194
892	2,465
35,390	35,391

Deposits, prepayments and other receivables were denominated in the following currencies:

HK\$	港元
RMB	人民幣
US\$	美元
Others	其他

按金、預付款項及其他應收款項按下列貨幣計值：

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
2,649	6,848
13,995	12,079
12,153	13,420
6,593	3,044
35,390	35,391

(b) Company

Other receivables	其他應收款項
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Other receivables were denominated in Hong Kong dollar.

The carrying amounts of deposits, prepayments and other receivables approximate their fair values.

The maximum exposure to credit risk at the reporting date is the fair value of the receivable balances mentioned above. The Group does not hold any collateral as security.

(b) 本公司

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
850	914

其他應收賬款以港元列值。

按金、預付款項及其他應收款項之賬面值與公平值相若。

於報告日期，最大信貸風險為上述應收款項結餘之公平值。本集團並無持有任何抵押品作擔保。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

15 Cash and bank balances

(a) Group

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Cash at bank and in hand	銀行及手持現金	303,684	117,458
Short-term bank deposits	短期銀行存款	871,797	108,698
		1,175,481	226,156
Maximum exposure to credit risk	最大信貸風險	1,173,895	225,801

The effective interest rate on short-term bank deposits was 4.2% (2007: 3.9%) for the year; these deposits have maturities between 1 to 90 days (2007: 1 to 12 days) at inception.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Cash and bank balances were denominated in the following currencies:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	681,937	79,039
RMB	人民幣	56,840	41,914
US\$	美元	409,584	101,496
Japanese Yen	日圓	24,638	-
Others	其他	2,482	3,707
		1,175,481	226,156

The Group's cash and cash equivalents denominated in RMB are deposited with banks in Mainland China. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Mainland China Government.

財務報表附註(續)

15 現金及銀行結餘

(a) 本集團

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
Cash at bank and in hand	303,684	117,458
Short-term bank deposits	871,797	108,698
	1,175,481	226,156
Maximum exposure to credit risk	1,173,895	225,801

本年度短期銀行存款實際利率為4.2% (2007年：3.9%)；該等存款於確認到期日介乎1至90天(2007年：1至12天)。

於銀行之現金以每日銀行存款利率之浮息計息。

現金及銀行結餘按以下貨幣列值：

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
HK\$	681,937	79,039
RMB	56,840	41,914
US\$	409,584	101,496
Japanese Yen	24,638	-
Others	2,482	3,707
	1,175,481	226,156

本集團以人民幣列值之現金及現金等值物乃存放於中國大陸之銀行。兌換該等人民幣列值結餘為外幣以及匯款至中國內地境外須遵守中國內地政府頒布之外匯管制規則及規定。

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Notes to the Financial Statements (Continued)

15 Cash and bank balances (Continued)

(b) Company

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Cash at bank	銀行現金	25,584	41
Short-term bank deposits	短期銀行存款	808,669	-
		834,253	41
Maximum exposure to credit risk	最大信貸風險	834,253	41

The effective interest rate on short-term bank deposits was 4.1% (2007: Nil) for the year; these deposits have maturities between 1 to 90 days (2007: Nil) at inception.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Cash and bank balances were denominated in the following currencies:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
HK\$	港元	566,523	5
US\$	美元	243,094	36
Japanese Yen	日圓	24,636	-
		834,253	41

本年度短期銀行存款實際利率為4.1% (2007年：無)；該等存款於確認到期日介乎1至90天(2007年：無)。

於銀行之現金以每日銀行存款利率之浮息計息。

現金及銀行結餘按以下貨幣列值：

財務報表附註(續)

15 現金及銀行結餘(續)

(b) 本公司

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財務資料

Notes to the Financial Statements (Continued)

財務報表附註(續)

16 Share capital

(a) Share capital

16 股本

(a) 股本

		Number of shares 股份數目	Nominal value of shares 股份面值 HK\$'000 千港元
Authorised:	法定：		
Shares of HK\$0.001 each at 1 April 2006 and 2007	於2006年及2007年4月1日 每股面值0.001港元之股份	50,000,000	50
Increase in authorised share capital of HK\$0.001 each (Note (i))	增加每股面值0.001港元 之法定股本(附註(i))	4,950,000,000	4,950
At 31 March 2008	於2008年3月31日	5,000,000,000	5,000
Issued and fully paid:	已發行及繳足：		
Shares of HK\$0.001 each at 1 April 2006 and 2007	於2006年及2007年4月1日 每股面值0.001港元之股份	10,747,020	11
Shares issued to the then equity shareholders of the Company credited as fully paid of HK\$0.001 each (Note (iii))	向當時之本公司股本權益持有人 發行每股0.001港元之入賬列作 繳足之股份(附註(iii))	1,063,954,980	1,064
Share issued by global offering as fully paid of HK\$0.001 each (Note (iv))	以全球發行方式發行每股面值 0.001港元之繳足股份(附註(iv))	358,234,000	358
At 31 March 2008	於2008年3月31日	1,432,936,000	1,433

Note:

- (i) On 27 April 2007, the Company's authorised share capital was increased by HK\$4,950,000 by the creation of 4,950,000,000 shares of HK\$0.001 each.
- (ii) Pursuant to the written resolution of shareholders of the Company passed on 27 April 2007, the Company adopted a share option scheme (the "Share Option Scheme") subject to the terms and conditions therein. The Board of Directors may, under the Share Option Scheme, grant options to eligible full-time employees, directors or non-executive directors of the Group. On 18 July 2007, the Company granted options to 88 eligible full-time employees to subscribe for a total of 22,820,000 shares of the Company at an exercise price of HK\$5.04 per share.
- (iii) On 17 May 2007, 1,063,954,980 shares of HK\$0.001 each were allotted and issued to the then equity shareholders of the Company in proportion to their respective shareholdings, by the capitalisation of HK\$1,063,955 from the share premium account as payment in full of par value.
- (iv) On 18 May 2007, the Company completed a global offering of 358,234,000 shares of HK\$0.001 each at a price of HK\$5.35 per share.

附註：

- (i) 於2007年4月27日，本公司透過新增4,950,000,000股每股面值0.001港元之股份，將本公司之註冊股本增加4,950,000港元。
- (ii) 根據本公司股東於2007年4月27日透過一項書面決議案，本公司已採納購股權計劃(「購股權計劃」)，惟須遵從當中所定之條款及條件。根據購股權計劃，董事局可向本集團合資格全職僱員、董事或非執行董事授出購股權。於2007年7月18日，本公司授出購股權予88位合資格全職僱員，以每股5.04港元認購共22,820,000股本公司股份。
- (iii) 於2007年5月17日以其股權比例，配發及發行1,063,954,980股每股面值0.001港元之股份給當時權益持有人，於股份溢價賬中資本化1,063,955港元列作已繳足股份。
- (iv) 於2007年5月18日，本公司以每股5.35港元完成全球發售358,234,000股每股面值0.001港元之股份。

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Notes to the Financial Statements (Continued)

16 Share capital (Continued)

(b) Share option scheme

The Share Option Scheme was approved and adopted by the shareholders of the Company on 27 April 2007. On 9 July 2007, the Board of Directors approved to grant options to 88 eligible full-time employees on 18 July 2007 to subscribe for a total of 22,820,000 shares of the Company at an exercise price of HK\$5.04 per share with vesting periods of 3 years. The options are exercisable from 18 July 2010 to 17 July 2017 (both days inclusive), and shall expire on 18 July 2017.

Movements in the above share options are as follows:

		Number of share options 購股權數目
Granted on 18 July 2007	於2007年7月18日授出	22,820,000
Forfeited	沒收	(590,000)
Balance at 31 March 2008	於2008年3月31日結餘	22,230,000

The fair value of the share options granted on 18 July 2007 was determined using the Binomial valuation model. The fair value determined was approximately HK\$27,755,000 of which approximately HK\$6,533,000 was recognised in the income statement for the year ended 31 March 2008 (2007: Nil). The significant inputs into the valuation model are as follows:

Share price at the date of grant	HK\$4.8
Annual risk-free interest rate	4.8%
Expected option life	6 years
Expected volatility	32%
Expected dividend yield	4%
Expected employee exit rate	11%

財務報表附註(續)

16 股本(續)

(b) 購股權計劃

購股權計劃已於2007年4月27日獲本公司股東批准及採納。於2007年7月9日，董事局批准於2007年7月18日向88名合資格全職僱員授出購股權，可按行使價每股5.04港元認購本公司合共22,820,000股股份，歸屬期為三年。購股權可於2010年7月18日至2017年7月17日(包括首尾兩天在內)行使，並於2017年7月18日屆滿。

上述購股權之變動如下：

	Number of share options 購股權數目
Granted on 18 July 2007	22,820,000
Forfeited	(590,000)
Balance at 31 March 2008	22,230,000

於2007年7月18日已授出購股權根據二項期權定價模式確定其公平值。其公平值約為27,755,000港元，當中約為6,533,000港元於截至2008年3月31日止年度收益表內確認(2007年：無)。輸入該模式的主要參數如下：

於授出當日之股份價格	4.8港元
無風險年利率	4.8%
預期購股權有效期	6年
預期波幅	32%
預期股息率	4%
預期僱員流失率	11%

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Notes to the Financial Statements (Continued)

17 Reserves

(a) Group

		Share premium	Capital reserve (Note (i)) 資本儲備 (附註(i))	Legal reserve (Note (ii)) 合法儲備 (附註(ii))	Statutory reserve (Note (iii)) 法定儲備 (附註(iii))	Foreign currency translation reserve 外幣換算儲備	Share-based reserve 以股本為基準之儲備	Other reserves (Note (iv)) 其他儲備 (附註(iv))	Retained earnings 保留溢利	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2006	於2006年4月1日	177,314	11,299	500	14,299	9,573	-	-	831,500	1,044,485
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	-	-	-	-	-	-	-	555,698	555,698
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	20,603	-	-	-	(20,603)	-
Currency translation differences	外幣換算差額	-	-	-	-	74,551	-	-	-	74,551
Dividends paid	已派付股息	-	-	-	-	-	-	-	(234,000)	(234,000)
At 31 March 2007	於2007年3月31日	177,314	11,299	500	34,902	84,124	-	-	1,132,595	1,440,734
At 1 April 2007	於2007年4月1日	177,314	11,299	500	34,902	84,124	-	-	1,132,595	1,440,734
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	-	-	-	-	-	-	-	392,093	392,093
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	20,403	-	-	-	(20,403)	-
Premium from issuance for share capital by global offering	以全球發售方式發行股本之溢價 (附註(v))	1,916,194	-	-	-	-	-	-	-	1,916,194
Global offering expenses	全球發售開支	(120,597)	-	-	-	-	-	-	-	(120,597)
Shares issued by capitalisation from share premium account	於股份溢價賬資本化發行股份	(1,064)	-	-	-	-	-	-	-	(1,064)
Acquisition of additional interest in a subsidiary from a minority shareholder	向少數股東增購附屬公司權益 (附註(iv))	-	-	-	-	-	-	(3,559)	-	(3,559)
Currency translation differences	外幣換算差額	-	-	-	-	81,138	-	-	-	81,138
Share-based compensation expenses	股份酬金支出	-	-	-	-	-	6,533	-	-	6,533
Dividends paid	已派付股息	(177,314)	(10,299)	-	-	-	-	-	(685,527)	(873,140)
At 31 March 2008	於2008年3月31日	1,794,533	1,000	500	55,305	165,262	6,533	(3,559)	818,758	2,838,332
Representing:	表示:									
Final dividend proposed	建議末期股息	107,470							-	
Others	其他	1,687,063							818,758	
		1,794,533							818,758	

財務報表附註(續)

17 儲備

(a) 本集團

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財務資料

Notes to the Financial Statements (Continued)

17 Reserves (Continued)

(b) Company

		Share premium	Capital reserve (Note (i)) 資本儲備 (附註(i))	Share-based reserve 以股本為 基準之儲備	Retained earnings 保留溢利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2006	於2006年4月1日	177,314	10,299	-	1,542	189,155
Profit for the year	年度溢利	-	-	-	233,992	233,992
Dividends paid	已派付股息	-	-	-	(234,000)	(234,000)
At 31 March 2007	於2007年3月31日	177,314	10,299	-	1,534	189,147
At 1 April 2007	於2007年4月1日	177,314	10,299	-	1,534	189,147
Profit for the year	年度溢利	-	-	-	765,169	765,169
Premium from issuance for share capital by global offering (Note (v))	以全球發售方式發行股本之溢價 (附註(v))	1,916,194	-	-	-	1,916,194
Global offering expenses	全球發售開支	(120,597)	-	-	-	(120,597)
Shares issued by capitalisation from share premium account	於股份溢價賬資本化發行股份	(1,064)	-	-	-	(1,064)
Share-based compensation expenses	股份酬金支出	-	-	6,533	-	6,533
Dividends paid	已派付股息	(177,314)	(10,299)	-	(685,527)	(873,140)
At 31 March 2008	於2008年3月31日	1,794,533	-	6,533	81,176	1,882,242
Representing:	表示:					
Final dividend proposed	建議末期股息	107,470			-	
Others	其他	1,687,063			81,176	
		1,794,533			81,176	

Notes:

- (i) Capital reserve represents the difference between the nominal value of shares of subsidiaries acquired pursuant to a reorganisation in November 2004 over the nominal value of the share capital of the Company issued in exchange thereof.
- (ii) In accordance with relevant Macao Commercial Code, the subsidiary incorporated in Macau, Pacific Overseas Textiles Macao Commercial Offshore Limited, is required to set aside a minimum of 25% of its profit after taxation to legal reserve until the balance of this reserve reaches a level equivalent to 50% of its capital. As at 31 March 2005, the appropriation to legal reserve of the subsidiary has reached 50% of its capital.
- (iii) As stipulated by regulations in Mainland China, the Company's subsidiary established and operated in Mainland China is required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to statutory reserve at a rate of 10%. The statutory reserve is non-distributable.
- (iv) Other reserves represent the difference between any consideration paid to acquire additional interest in a subsidiary from a minority shareholder and the relevant carrying value of net assets acquired.
- (v) On 17 and 18 May 2007, the Company issued a total of 358,234,000 shares with a par value of HK\$0.001 each at a price of HK\$5.35 per share and raised an amount of approximately HK\$1,916,552,000. All these shares rank pari passu with the then existing shares. The Company's shares commenced trading on the Hong Kong Stock Exchange on 18 May 2007. The proceeds of the aforementioned shares, net of listing expenses amounted to approximately HK\$1,795,955,000. The resulting share premium amounted to approximately HK\$1,795,597,000.

附註:

- (i) 資本儲備為根據2004年11月之重組所收購附屬公司股份之面值與本公司就此發行之股本面值之差額。
- (ii) 根據有關澳門商法典，於澳門註冊成立之附屬公司互太海外紡織澳門離岸商業服務有限公司須將其除稅後溢利最少25%撥入合法儲備，直至該儲備結餘達至相當於其股本50%為止。於2005年3月31日，劃撥至該附屬公司合法儲備之金額已達其股本50%。
- (iii) 按中國內地法規所規定，本公司於中國成立及經營之附屬公司須按10%比率，將其一部分除稅後溢利(抵銷往年度虧損後)劃撥至法定儲備。法定儲備不可供分派。
- (iv) 其他儲備指向一名少數股東收購一間附屬公司之額外權益已支付之任何代價與及有關所收購之資產賬面值之差額。
- (v) 於2007年5月17日及18日，本公司以每股5.35港元發行合共358,234,000股每股面值0.001港元之股份，並籌得約1,916,552,000港元。所有該等股份與當其時之現有股份享有同等權益。本公司股份於2007年5月18日在香港聯交所開始進行買賣。經扣除上市費用後，上述股份所得之款項約為1,795,955,000港元。因此股份溢價賬約為1,795,597,000港元。

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財務資料

Notes to the Financial Statements (Continued)

財務報表附註(續)

18 Borrowings

Borrowings are analysed as follows:

18 借貸

借貸分析如下：

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Bank and other borrowings (Note (a))	銀行及其他借貸(附註(a))	668,709	929,401
Finance lease obligations (Note (b))	融資租賃承擔(附註(b))	2,333	3,904
		671,042	933,305

(a) Bank and other borrowings

(a) 銀行及其他借貸

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Non-current	非即期		
Long-term bank loans – secured	長期銀行貸款 – 有抵押	12,051	31,800
Long-term bank loans – unsecured	長期銀行貸款 – 無抵押	511,200	606,840
Loan from a minority shareholder (Note)	一名少數股東提供貸款 (附註)	59,229	30,443
		582,480	669,083
Less: current portion of long-term bank loans	減：長期銀行貸款即期部分	(188,793)	(253,310)
		393,687	415,773
Current	即期		
Current portion of long-term bank loans – secured	長期銀行貸款即期 部分 – 有抵押	9,393	19,310
Current portion of long-term bank loans – unsecured	長期銀行貸款即期 部分 – 無抵押	179,400	234,000
Short-term bank loans – secured	短期銀行貸款 – 有抵押	57,517	65,607
Short-term bank loans – unsecured	短期銀行貸款 – 無抵押	–	155,000
Bank overdrafts – secured	銀行透支 – 有抵押	28,712	11,662
Bank overdrafts – unsecured	銀行透支 – 無抵押	–	28,049
		275,022	513,628
Total borrowings	借貸總額	668,709	929,401

Note: In 2007, the loan was borrowed from Linea Clothing (Private) Limited ("Linea"), 48% minority shareholder of Textured Jersey Lanka (Private) Limited.

附註：於2007年，該筆貸款乃向擁有Textured Jersey Lanka (Private) Limited 48%權益之少數股東Linea Clothing (Private) Limited(「Linea」)借出。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

18 Borrowings (Continued)

(a) Bank and other borrowings (Continued)

On 24 August 2007, Brandix Lanka Limited ("Brandix") became the 48% minority shareholder of Textured Jersey Lanka (Private) Limited as a result of the acquisition of 48% shareholding in Textured Jersey Lanka (Private) Limited from Linea. Following the acquisition, Brandix owned 48% shareholding in Textured Jersey Lanka (Private) Limited. The loan granted by Linea was assigned to Brandix.

On 25 January 2008, Pacific Textured Jersey Holdings Ltd., a wholly owned subsidiary of the Company, acquired additional 8% interest in Textured Jersey Lanka (Private) Limited from Brandix. Consequently, the Group's interest in Textured Jersey Lanka (Private) Limited was increased from 52% to 60% and Brandix's interest in Textured Jersey Lanka (Private) Limited is 40%.

The loan is unsecured, interest-free and has no fixed repayment terms.

The carrying amounts of the borrowings are denominated in the following currencies:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	511,200	789,889
US\$	美元	154,053	135,214
Sri Lankan Rupee ("LKR")	斯里蘭卡盧比(「盧比」)	3,456	4,298
		668,709	929,401

The effective interest rates (per annum) at the balance sheet date were as follows:

		2008			2007		
		HK\$	US\$	LKR	HK\$	US\$	LKR
		港元	美元	盧比	港元	美元	盧比
Bank overdrafts	銀行透支	7% – 8%	3.8%	24.0%	7% – 8%	6.4%	23.0%
Bank loans	銀行貸款	4.5%	4.5%	8.5%	5.0%	7.0%	8.5%

The carrying amounts of all bank borrowings approximate their fair values, as the impact of discounting is not significant.

財務報表附註(續)

18 借貸(續)

(a) 銀行及其他借貸(續)

於2007年8月24日，Brandix Lanka Limited (「Brandix」) 透過向Linea收購其於Textured Jersey Lanka (Private) Limited 48%股權，成為Textured Jersey Lanka (Private) Limited 48%股權少數股東。繼該項收購後，Brandix擁有Textured Jersey Lanka (Private) Limited 48%股權。Linea授出之貸款出讓予Brandix。

於2008年1月25日，本公司全資附屬公司 Pacific Textured Jersey Holdings Ltd 向 Brandix 額外收購 Textured Jersey Lanka (Private) Limited 8%權益。因此，本集團於 Textured Jersey Lanka (Private) Limited 之權益由52%增加至60%，而Brandix於Textured Jersey Lanka (Private) Limited 之權益為40%。

該筆貸款為無抵押、免息及無固定還款期。

借貸之賬面值乃以下列貨幣列值：

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	511,200	789,889
US\$	美元	154,053	135,214
Sri Lankan Rupee ("LKR")	斯里蘭卡盧比(「盧比」)	3,456	4,298
		668,709	929,401

於結算日實際(年)利率如下：

		2008			2007		
		HK\$	US\$	LKR	HK\$	US\$	LKR
		港元	美元	盧比	港元	美元	盧比
Bank overdrafts	銀行透支	7% – 8%	3.8%	24.0%	7% – 8%	6.4%	23.0%
Bank loans	銀行貸款	4.5%	4.5%	8.5%	5.0%	7.0%	8.5%

由於貼現之影響不大，故所有銀行借貸之賬面值均與其公平值相若。

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Notes to the Financial Statements (Continued)

18 Borrowings (Continued)

(a) Bank and other borrowings (Continued)

The maturity of borrowings is as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Wholly repayable within 5 years	須於5年內悉數償還	668,709	929,401

The borrowings are repayable as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Within 1 year	1年內	275,022	513,628
Between 1 and 2 years	1至2年	260,992	382,242
Between 2 and 5 years	2至5年	132,695	33,531
		668,709	929,401

(b) Finance lease obligations

At 31 March 2008, the Group had obligations under finance lease repayable as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Finance lease liabilities – minimum lease payments:	融資租賃承擔 – 最低租賃款項：		
– Not later than 1 year	– 1年內	1,675	3,231
– Later than 1 year and not later than 5 years	– 1年後但5年內	944	883
		2,619	4,114
Future finance charges on finance leases	融資租賃日後財務支出	(286)	(210)
Present value of finance lease obligations	融資租賃承擔現值	2,333	3,904

財務報表附註(續)

18 借貸(續)

(a) 銀行及其他借貸(續)

借貸之到期日如下：

	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Wholly repayable within 5 years	668,709	929,401

借貸之還款狀況如下：

	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Within 1 year	275,022	513,628
Between 1 and 2 years	260,992	382,242
Between 2 and 5 years	132,695	33,531
	668,709	929,401

(b) 融資租賃承擔

於2008年3月31日，本集團的融資租賃應付賬款如下：

	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Finance lease liabilities – minimum lease payments:		
– Not later than 1 year	1,675	3,231
– Later than 1 year and not later than 5 years	944	883
	2,619	4,114
Future finance charges on finance leases	(286)	(210)
Present value of finance lease obligations	2,333	3,904

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財務資料

Notes to the Financial Statements (Continued)

18 Borrowings (Continued)

(b) Finance lease obligations (Continued)

The present value of finance lease liabilities is as follows:

– Not later than 1 year	– 1年內
– Later than 1 year and not later than 5 years	– 1年後但5年內

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
		1,462	3,090
		871	814
		2,333	3,904

Finance lease obligations were denominated in the following currencies:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	–	2,284
RMB	人民幣	2,333	1,620
		2,333	3,904

19 Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable tax rates which are expected to apply at the time of reversal of the temporary differences.

The movement in the deferred taxation account is as follows:

At 1 April	於4月1日	3,760	5,300
Recognised in the income statement (Note 27)	於收益表確認(附註27)	(293)	(1,540)
At 31 March	於3月31日	3,467	3,760

財務報表附註(續)

18 借貸(續)

(b) 融資租賃承擔(續)

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
		1,462	3,090
		871	814
		2,333	3,904

融資租賃承擔以下列貨幣列值：

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	–	2,284
RMB	人民幣	2,333	1,620
		2,333	3,904

19 遞延稅項

遞延稅項乃就當時差額以負債法按撥回時間預期適用之稅率全數計算。

遞延稅項賬之變動如下：

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
		3,760	5,300
		(293)	(1,540)
		3,467	3,760

Financial Information

財務資料

Notes to the Financial Statements (Continued)

19 Deferred taxation (Continued)

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

Deferred tax liabilities:

		Accelerated tax depreciation and others 加速折舊稅項及其他 HK\$'000 千港元
At 1 April 2006	於2006年4月1日	(220)
Recognised in the income statement	於收益表確認	(530)
At 31 March 2007	於2007年3月31日	(750)
Recognised in the income statement	於收益表確認	(1,143)
At 31 March 2008	於2008年3月31日	(1,893)

Deferred tax assets:

		Provision 撥備 HK\$'000 千港元
At 1 April 2006	於2006年4月1日	5,520
Recognised in the income statement	於收益表確認	(1,010)
At 31 March 2007	於2007年3月31日	4,510
Recognised in the income statement	於收益表確認	850
At 31 March 2008	於2008年3月31日	5,360

財務報表附註(續)

19 遞延稅項(續)

未經考慮抵銷同一稅務司法權區的年內遞延稅項資產及負債之變動結餘如下：

遞延稅項負債：

		Accelerated tax depreciation and others 加速折舊稅項及其他 HK\$'000 千港元
At 1 April 2006	於2006年4月1日	(220)
Recognised in the income statement	於收益表確認	(530)
At 31 March 2007	於2007年3月31日	(750)
Recognised in the income statement	於收益表確認	(1,143)
At 31 March 2008	於2008年3月31日	(1,893)

遞延稅項資產：

		Provision 撥備 HK\$'000 千港元
At 1 April 2006	於2006年4月1日	5,520
Recognised in the income statement	於收益表確認	(1,010)
At 31 March 2007	於2007年3月31日	4,510
Recognised in the income statement	於收益表確認	850
At 31 March 2008	於2008年3月31日	5,360

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Notes to the Financial Statements (Continued)

19 Deferred taxation (Continued)

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. The offset amounts are as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Deferred tax assets:	遞延稅項資產：		
– Deferred tax asset to be recovered after 12 months	– 超過12個月後收回之遞延稅項資產	5,360	4,510
Deferred tax liabilities:	遞延稅項負債：		
– Deferred tax liabilities to be settled after 12 months	– 超過12個月後支付之遞延稅項負債	(1,893)	(750)
Net deferred tax assets	遞延稅項資產淨值	3,467	3,760

20 Trade and bills payables

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Trade payables	應付賬款	432,511	273,869
Bills payables	應付票據	178,510	190,705
		611,021	464,574

Trade and bills payables approximate their fair value.

The credit period granted by the creditors generally ranges from 30 to 60 days.

The ageing analysis of the trade and bills payables was as follows:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
0 – 60 days	0 – 60天	539,578	374,190
61 – 120 days	61 – 120天	62,038	87,568
Over 120 days	超過120天	9,405	2,816
		611,021	464,574

財務報表附註(續)

19 遞延稅項(續)

當有可依法強制執行之權利將即期稅項資產與即期稅項負債抵銷，並遞延所得稅涉及同一財務機關，遞延所得稅資產與負債可互相抵銷。有關抵銷金額如下：

20 應付賬款及票據

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Trade payables	應付賬款	432,511	273,869
Bills payables	應付票據	178,510	190,705
		611,021	464,574

應付賬款及票據之賬面值與其公平值相若。

貸方給予之信貸期一般介乎30至60天。

應付賬款及票據之賬齡分析如下：

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
0 – 60 days	0 – 60天	539,578	374,190
61 – 120 days	61 – 120天	62,038	87,568
Over 120 days	超過120天	9,405	2,816
		611,021	464,574

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Notes to the Financial Statements (Continued)

20 Trade and bills payables (Continued)

Trade and bills payables were denominated in the following currencies:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	187,235	114,067
RMB	人民幣	77,795	57,251
US\$	美元	345,506	293,035
Others	其他	485	221
		611,021	464,574

21 Accruals and other payables

(a) Group

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Accruals for other operating expenses	其他營運開支之應計項目	85,765	41,820
Provision for staff welfare and other related costs	員工福利撥備及其他相關成本	88,836	83,834
Provision for customer claims	客戶索賠撥備	26,545	3,518
Provision for bonus	花紅撥備	13,281	9,322
Others	其他應付款項	7,365	2,312
		221,792	140,806

Accruals and other payables were denominated in the following currencies:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	62,472	29,394
RMB	人民幣	141,496	98,537
US\$	美元	17,439	12,513
Others	其他	385	362
		221,792	140,806

財務報表附註(續)

20 應付賬款及票據(續)

應付賬款及票據以下列貨幣計值：

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	187,235	114,067
RMB	人民幣	77,795	57,251
US\$	美元	345,506	293,035
Others	其他	485	221
		611,021	464,574

21 應計項目及其他應付款項

(a) 本集團

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Accruals for other operating expenses	其他營運開支之應計項目	85,765	41,820
Provision for staff welfare and other related costs	員工福利撥備及其他相關成本	88,836	83,834
Provision for customer claims	客戶索賠撥備	26,545	3,518
Provision for bonus	花紅撥備	13,281	9,322
Others	其他應付款項	7,365	2,312
		221,792	140,806

應計項目及其他應付款項以下列貨幣計值：

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	62,472	29,394
RMB	人民幣	141,496	98,537
US\$	美元	17,439	12,513
Others	其他	385	362
		221,792	140,806

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Notes to the Financial Statements (Continued)

21 Accruals and other payables (Continued)

(b) Company

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Accruals for other operating expenses	其他營運開支之應計開支	3,820	128
Other payables	其他應付款項	7	-
		3,827	128

Accruals and other payables were denominated in Hong Kong dollar.

22 Derivative financial instruments

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Forward foreign exchange contracts	遠期外匯合約		
– held for trading	– 持作買賣		
– Assets	– 資產	18,813	8,618
– Liabilities	– 負債	1,327	234

The notional principal amounts of the outstanding forward exchange contracts at the balance sheet date are HK\$574,000,000 (2007: HK\$811,682,000).

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

23 Other revenue and gains – net

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Other revenue:	其他收入：		
– Sub-contracting income	– 分包收入	19,945	15,743
– Sale of residual materials	– 出售剩餘物料	23,426	23,481
– Dividend income from listed investments	– 上市投資股息收益	9	8
– Sundry income	– 雜項收入	14,401	13,206
		57,781	52,438
Other gains – net:	其他收益 – 淨：		
– Derivative financial instruments	– 衍生金融工具		
– forward contracts	– 遠期合約	20,857	8,403
– Net foreign exchange gains	– 外匯收益淨值	29,855	3,514
		50,712	11,917

財務報表附註(續)

21 應計項目及其他應付款項(續)

(b) 本公司

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Accruals for other operating expenses	其他營運開支之應計開支	3,820	128
Other payables	其他應付款項	7	-
		3,827	128

應計項目及其他應付款項均以港元計值。

22 衍生金融工具

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Forward foreign exchange contracts	遠期外匯合約		
– held for trading	– 持作買賣		
– Assets	– 資產	18,813	8,618
– Liabilities	– 負債	1,327	234

於結算日，未到期之遠期外匯合約之名義本金額為574,000,000港元(2007年：811,682,000港元)。

於報告日期，信貸風險之最高風險承擔為於資產負債表內之衍生資產之公平值。

23 其他收入及收益 – 淨

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Other revenue:	其他收入：		
– Sub-contracting income	– 分包收入	19,945	15,743
– Sale of residual materials	– 出售剩餘物料	23,426	23,481
– Dividend income from listed investments	– 上市投資股息收益	9	8
– Sundry income	– 雜項收入	14,401	13,206
		57,781	52,438
Other gains – net:	其他收益 – 淨：		
– Derivative financial instruments	– 衍生金融工具		
– forward contracts	– 遠期合約	20,857	8,403
– Net foreign exchange gains	– 外匯收益淨值	29,855	3,514
		50,712	11,917

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Notes to the Financial Statements (Continued)

24 Operating profit

The following items have been charged/(credited) to operating profit:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation of property, plant and equipment (Note 8)	物業、廠房及設備折舊 (附註8)	235,641	197,756
Amortisation of leasehold land and land use rights (Note 7)	租賃土地及土地使用權攤銷 (附註7)	564	535
Cost of inventories sold	存貨銷售成本	3,100,806	2,852,552
Reversal of bad and doubtful debts	呆壞賬撥回	(5,013)	(18,730)
Write-off of bad and doubtful debts	呆壞賬撇銷	4,568	1,672
Employment costs (Note 25)	僱員成本(附註25)	330,678	311,099
Operating lease rental of land and buildings	土地及樓宇經營租約租金	4,524	3,612
Gain on disposal of property, plant and equipment (Note 30(b))	出售物業、廠房及設備之收益 (附註30(b))	(9,596)	(1,324)
Provision for slow-moving and obsolete inventories	滯銷及陳舊存貨撥備	14,272	18,700
Impairment loss on available-for-sale financial assets	可供出售金融資產減值虧損	16	-
Auditor's remuneration	核數師酬金	2,139	1,447

25 Employment costs (including directors' emoluments)

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Wages, salaries, bonus and allowances	工資、薪金、花紅及津貼	287,274	251,482
Provision for long-service payment	長期服務金撥備	893	438
Retirement benefit – defined contribution schemes (Note (a))	退休福利—定額供款計劃 (附註(a))	10,896	7,952
Staff welfare and benefits	員工福利及利益	25,082	51,227
Share-based compensation expenses	股份酬金支出	6,533	-
		330,678	311,099

財務報表附註(續)

24 經營溢利

經營溢利已扣除/(計入)下列項目：

25 僱員成本(包括董事酬金)

Notes to the Financial Statements (Continued)

25 Employment costs (including directors' emoluments)

(Continued)

(a) Retirement benefit costs – defined contribution schemes

The Company's subsidiary in Mainland China is a member of the state-managed retirement benefits scheme operated by the Government of Mainland China. The Group contributes a certain percentage of the basic salaries of the subsidiary's employees, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-managed retirement plans are responsible for the entire pension obligations payable to the retired employees.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme ("the MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary.

The Group has arranged for its Sri Lanka employees to join the Employees' Provident Fund ("EPF") and Employees' Trust Fund ("ETF"). Under these defined contribution plans, the Group contributes 12% and 3% of the employees' monthly gross emoluments to the EPF and ETF, respectively.

財務報表附註(續)

25 僱員成本(包括董事酬金)(續)

(a) 退休福利－定額供款計劃

本公司於中國之附屬公司為中國內地政府所推行國家管理退休福利計劃之成員。本集團按附屬公司僱員基本薪金若干百分比作出供款，而除年度供款外，並無實際支付退休金或離職福利之進一步責任。國家管理之退休計劃負責向退休僱員支付所有退休金。

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)。該計劃為由獨立受託人管理之定額供款計劃。根據強積金計劃，本集團及其僱員按強制性公積金條例定義之僱員收入之5%每月向計劃作出供款。本集團及僱員供款均以每月1,000港元為上限，其後作出之供款屬自願性質。

本集團已安排其斯里蘭卡僱員參加僱員公積金計劃(「公積金計劃」)及僱員信託基金(「僱員信託基金」)。根據該等定額供款計劃，本集團分別按僱員每月酬金總額之12%及3%向公積金計劃及僱員信託基金供款。

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Notes to the Financial Statements (Continued)

25 Employment costs (including directors' emoluments)

(Continued)

(b) Directors' emoluments

The remuneration of every director of the Company for the year ended 31 March 2008 is set out below:

		Fees	Salaries	Discretionary bonuses	Employer's Contribution to retirement schemes	Total
		袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	僱主供款 退休計劃之 HK\$'000 千港元	總計 HK\$'000 千港元
Ip Ping Im	葉炳棧	-	-	-	-	-
Choi Kin Chung	蔡建中	-	-	-	-	-
Wan Wai Loi	尹惠來	1,500	2,790	2,222	12	6,524
Tsang Kang Po	曾鏡波	1,000	2,900	2,116	12	6,028
Lam Wing Tak	林榮德	1,000	2,900	1,816	12	5,728
Lam King Man	林景文	1,000	1,730	1,295	12	4,037
Ho Hsiang Ming, James	賀象文	-	-	-	-	-
Lau Yiu Tong	劉耀棠	-	-	-	-	-
Chan Yue Kwong, Michael	陳裕光	138	-	-	-	138
Ng Ching Wah	伍清華	138	-	-	-	138
Sze Kwok Wing, Nigel	施國榮	138	-	-	-	138
		4,914	10,320	7,449	48	22,731

財務報表附註(續)

25 僱員成本(包括董事酬金)(續)

(b) 董事酬金

截至2008年3月31日止年度，本公司各董事之酬金如下：

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財務資料

Notes to the Financial Statements (Continued)

財務報表附註(續)

25 Employment costs (including directors' emoluments)

25 僱員成本(包括董事酬金)(續)

(Continued)

(b) Directors' emoluments (Continued)

The remuneration of every director of the Company for the year ended 31 March 2007 is set out below:

				Employer's Contribution to retirement schemes	Total
	Fees	Salaries	Discretionary bonuses	退休計劃之 僱主供款	總計
	袍金	薪金	酌情花紅	僱主供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Ip Ping Im	-	-	-	-	-
Choi Kin Chung	-	-	-	-	-
Wan Wai Loi	1,500	2,790	3,415	12	7,717
Tsang Kang Po	1,000	2,900	2,799	12	6,711
Lam Wing Tak	1,000	2,900	3,175	12	7,087
Lam King Man	1,000	1,650	1,781	12	4,443
Ho Hsiang Ming, James	-	-	-	-	-
Lau Yiu Tong	-	-	-	-	-
Chan Yue Kwong, Michael	-	-	-	-	-
Ng Ching Wah	-	-	-	-	-
Sze Kwok Wing, Nigel	-	-	-	-	-
	4,500	10,240	11,170	48	25,958

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 4 directors (2007: 4 directors), whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 1 individual (2007: 1 individual) are as follows:

(c) 五名最高薪人士

本集團之五名最高薪人士分別包括4名董事(2007年: 4名董事), 彼等之酬金已於上列分析反映。應付餘下1名人士(2007年: 1名人士)之酬金如下:

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Basic salaries, housing allowances and other allowances	基本薪金、房屋津貼及其他津貼	1,426	2,073
Discretionary bonuses	酌情花紅	1,230	1,383
Retirement benefit – defined contribution schemes	退休福利 – 定額供款計劃	12	12
Share-based compensation	股份酬金	134	-
		2,802	3,468

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財務資料

Notes to the Financial Statements (Continued)

25 Employment costs (including directors' emoluments)

(Continued)

(c) Five highest paid individuals (Continued)

The number of non-directors with emoluments fell within the following bands:

		2008 2008年	2007 2007年
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	1	–
HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元	–	1

26 Finance income and costs

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Finance income:	財務收入：		
– bank interest income	– 銀行利息收入	44,351	4,548
Finance costs:	財務成本：		
– bank loans and overdrafts	– 銀行貸款及透支	33,098	42,064
– finance lease obligations	– 融資租賃承擔	185	105
		33,283	42,169

27 Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profits for the year.

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "new CIT Law") and the State Council has announced the Detailed Implementation Regulations on 6 December 2007 which has become effective from 1 January 2008. The new CIT Law standardises the corporate income tax rate to 25% for both domestic and foreign investment enterprises effective from 1 January 2008. As such, the subsidiary established in Mainland China as a wholly-owned foreign enterprise is subject to enterprise income tax rate of 25% from 1 January 2008 (2007: 12%).

The subsidiary established and operated in Sri Lanka, Textured Jersey Lanka (Private) Limited, is exempted from income tax on its profits for a period of 12 years from the first year of commencement of commercial operations in September 2001.

財務報表附註(續)

25 僱員成本(包括董事酬金)(續)

(c) 五名最高薪人士(續)

非董事人士之酬金在以下範圍的人數：

26 財務收入及成本

27 所得稅開支

香港利得稅乃就有關年內估計應課稅溢利按17.5%(2007年：17.5%)作出撥備。

於2007年3月16日，全國人民代表大會通過《中華人民共和國企業所得稅法》(「新企業所得稅法」)，而國務院於2007年12月6日頒佈具體實施細則，並已於2008年1月1日生效。自2008年1月1日起，新企業所得稅法將內資及外商投資企業之企業所得稅劃一為25%。因此，於中國內地成立之附屬公司(全資外資企業)將自2008年1月1日起須按企業所得稅率25%繳稅(2007年：12%)。

於斯里蘭卡成立及經營之附屬公司Textured Jersey Lanka (Private) Limited自2001年9月投入商業運作首個年度起計12年間，獲豁免就其溢利繳納所得稅。

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財務資料

Notes to the Financial Statements (Continued)

27 Income tax expense (Continued)

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

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Current income tax	即期所得稅		
– Hong Kong profits tax	– 香港利得稅	32,182	57,492
– Mainland China income tax	– 中國內地所得稅	36,112	24,401
– Others	– 其他	12	15
Over-provision	超額撥備	–	(232)
Deferred taxation (Note 19)	遞延稅項(附註19)	293	1,540
		68,599	83,216

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group companies as follows:

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before income tax	所得稅前溢利	465,413	646,862
Tax calculated at weighted average domestic tax rate applicable to profits in the respective places/countries	按適用於相關地區／國家之加權平均地方稅率計算之稅項	63,659	78,998
Income not subject to tax	毋須課稅收益	(1,346)	(1,444)
Expenses not deductible for tax purposes	不可扣稅開支	6,262	5,960
Over provision in prior years	過往年度超額撥回	–	(232)
Others	其他	24	(66)
		68,599	83,216

The weighted average applicable tax rate was:

		2008	2007
		2008年	2007年
Weighted average domestic applicable tax rate	加權平均地方適用稅率	13.7%	12.2%

The change in weighted average applicable tax rate above is mainly caused by a change in the corporate income tax rate for the PRC subsidiary from 1 January 2008.

財務報表附註(續)

27 所得稅開支(續)

於綜合收益表扣除之稅項為：

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
Current income tax		
– Hong Kong profits tax	32,182	57,492
– Mainland China income tax	36,112	24,401
– Others	12	15
Over-provision	–	(232)
Deferred taxation (Note 19)	293	1,540
	68,599	83,216

就本集團除所得稅前溢利之稅項與按適用於集團公司溢利之加權平均稅率計算之理論金額之差異如下：

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
Profit before income tax	465,413	646,862
Tax calculated at weighted average domestic tax rate applicable to profits in the respective places/countries	63,659	78,998
Income not subject to tax	(1,346)	(1,444)
Expenses not deductible for tax purposes	6,262	5,960
Over provision in prior years	–	(232)
Others	24	(66)
	68,599	83,216

加權平均適用稅率如下：

	2008	2007
	2008年	2007年
Weighted average domestic applicable tax rate	13.7%	12.2%

上述加權平均適用稅率之變動主要由於2008年1月1日中國附屬公司之企業所得稅率出現變動。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

28 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 shares in issue during the year.

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	392,093	555,698
Weighted average number of shares in issue (thousands)	已發行股份加權平均數(千股)	1,388,157	1,074,702
Basic earnings per share (HK\$ per share)	每股基本盈利(每股港元)	0.28	0.52

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The Company has one category of dilutive potential shares: share options.

As the exercise price of the share options granted by the Company was higher than the average market price of the Company's shares for the year ended 31 March 2008, those outstanding share options granted which amounted to 22,230,000 shares as at 31 March 2008 (2007: Nil) have no dilutive effect on earnings per share in 2008 and diluted earnings per share is therefore the same as basic earnings per share.

29 Dividends

		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Dividend paid (Note (i))	已派付股息(附註(i))	-	234,000
Special dividend paid (Note (iii))	已派付特別股息(附註(iii))	779,999	-
Interim dividend paid of HK 6.5 cents (2007: Nil) (Note (iii))	已派付港幣 6.5仙之中期股息(2007年: 無)(附註(iii))	93,141	-
Proposed final dividend of HK 7.5 cents (2007: Nil) (Note (iv))	擬派付港幣 7.5仙之末期股息(2007年: 無)(附註(iv))	107,470	-
		980,610	234,000

財務報表附註(續)

28 每股盈利

(a) 基本

每股基本盈利按本公司權益持有人應佔溢利除年內已發行股份加權平均數計算。

	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Profit attributable to equity holders of the Company	392,093	555,698
Weighted average number of shares in issue (thousands)	1,388,157	1,074,702
Basic earnings per share (HK\$ per share)	0.28	0.52

(b) 攤薄

每股攤薄盈利乃經調整未發行股份之加權平均數至假設兌換所有攤薄潛在股份計算。本公司有一類攤薄潛在股份：購股權。

由於本公司授出之購股權之行使價高於截至2008年3月31日止年度本公司股份之平均市價，於2008年3月31日已授出但尚未行使之購股權之數目為22,230,000股股份(2007年：無)，對2008年每股盈利並無攤薄影響，因此，每股攤薄盈利與每股基本盈利相等。

29 股息

	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
Dividend paid (Note (i))	-	234,000
Special dividend paid (Note (iii))	779,999	-
Interim dividend paid of HK 6.5 cents (2007: Nil) (Note (iii))	93,141	-
Proposed final dividend of HK 7.5 cents (2007: Nil) (Note (iv))	107,470	-
	980,610	234,000

Notes to the Financial Statements (Continued)

29 Dividends (Continued)

Note:

- (i) On 6 June 2006, the Board of Directors of the Company declared a dividend of HK\$234 million for the year ended 31 March 2007. The amount was paid on 12 June 2006.
- (ii) On 26 April 2007, the Board of Directors of the Company declared a special dividend of approximately HK\$780 million payable to the then equity holders of the Company. The amount was paid on 17 May 2007.
- (iii) On 14 December 2007, the Board of Directors of the Company declared an interim dividend of HK 6.5 cents per share, totalling HK\$93,141,000 for the year ended 31 March 2008. The amount was paid on 31 January 2008.
- (iv) On 11 July 2008, the Board of Directors of the Company declared a final dividend of HK 7.5 cents per share for the year ended 31 March 2008. This proposed dividend is not reflected as dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 March 2009.

財務報表附註(續)

29 股息(續)

附註：

- (i) 於2006年6月6日，本公司董事局宣派截至2007年3月31日止年度股息234百萬港元。該等款項已於2006年6月12日支付。
- (ii) 於2007年4月26日，本公司董事局宣派特別股息780百萬港元予當其時本公司權益持有人。該等款項已於2007年5月17日支付。
- (iii) 於2007年12月14日，本公司董事局宣派截至2008年3月31日止年度中期股息每股港幣6.5仙，合共93,141,000港元。該等款項已於2008年1月31日支付。
- (iv) 於2008年7月11日，本公司董事局宣派截至2008年3月31日止年度末期股息每股港幣7.5仙。擬派付股息並無於該等財務報表上反映為應付股息，但將於截至2009年3月31日止年度之股份溢價之分配中反映。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

30 Consolidated cash flow statement

(a) Cash generated from operations

		2008	2007
		2008年	2007年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before income tax	所得稅前溢利	465,413	646,862
Adjustment for:	以下各項之調整：		
Share of (profit)/loss of associates	應佔聯營公司(溢利)/虧損	(886)	1,997
Depreciation of property, plant and equipment	物業、廠房及設備折舊	235,641	197,756
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	564	535
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之得益	(9,596)	(1,324)
Loss on disposal of available-for-sale financial assets	可供出售金融資產之虧損	-	2
Interest income	利息收益	(44,351)	(4,548)
Interest expense	利息開支	33,283	42,169
Share-based compensation	股份酬金	6,533	-
Dividend income	股息收益	(9)	(8)
Impairment loss on available-for-sale financial assets	可供出售金融資產減值虧損	16	-
Net fair value gains on derivative financial instruments	衍生金融工具公平值淨收益	(9,102)	(8,403)
Unrealised gains on exchange difference	匯兌差額未變現收益	(19,017)	(2,021)
Operating profit before working capital changes	營運資金變動前之經營溢利	658,489	873,017
Increase in inventories	存貨增加	(39,950)	(263,435)
Increase in trade and bills receivables	應收賬款及票據增加	(29,087)	(19,406)
Decrease/(increase) in deposits, prepayments and other receivables	按金、預付款項及其他應收款項減少/(增加)	1	(18,578)
Increase in trade and bills payables	應付賬款及票據增加	146,447	45,295
Increase in accruals and other payables	應計項目及其他應付款項增加	51,306	48,730
Cash generated from operations	經營業務產生之現金	787,206	665,623

財務報表附註(續)

30 綜合現金流量表

(a) 經營業務所產生現金

Financial Information

財務資料

Notes to the Financial Statements (Continued)

30 Consolidated cash flow statement (Continued)

- (b) In the cash flow statement, proceeds from disposal of property, plant and equipment comprise:

Net book amount (Note 8)	賬面淨值(附註8)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之得益
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項

- (c) Acquisition of additional interest in a subsidiary from a minority shareholder (Note 9)

Net assets attributable to minority interest acquired	少數股東應佔所收購之資產淨值
Excess of consideration over the carrying value of the minority interest acquired	代價較所收購的少數股東權益賬面值高出
Purchase consideration settled by cash	現金支付之購買代價

- (d) Significant non-cash transactions

- (i) During the year, the Group entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of approximately HK\$1,832,000 (2007: HK\$4,197,000).
- (ii) At 31 March 2008, the amount of approximately HK\$29,680,000 (2007: Nil) in respect of purchase of property, plant and equipment has been provided for.

31 Contingent liabilities

As at 31 March 2008, the Group had no material contingent liabilities (2007: HK\$Nil).

財務報表附註(續)

30 綜合現金流量表(續)

- (b) 於現金流量表內，出售物業、廠房及設備所得款項包括：

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
4,527	1,753
9,596	1,324
14,123	3,077

- (c) 向一名少數股東增購一間附屬公司之權益(附註9)

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
9,225	-
3,559	-
12,784	-

- (d) 重大非現金交易

- (i) 年內，本集團就物業、廠房及設備訂立融資租賃安排，於訂立租約時之資本總值約為1,832,000港元(2007年：4,197,000港元)。
- (ii) 於2008年3月31日，就物業、廠房及設備已作撥備約為29,680,000港元(2007年：無)。

31 或有負債

於2008年3月31日，本集團並無重大或有負債(2007年：無)。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

32 Commitments

(a) Capital commitments

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

Property, plant and equipment Contracted but not provided for	已訂約但未撥備之物業、 廠房及設備
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As at 31 March 2008, the Group had authorised the injection of capital into an associate to be established in Mainland China with an independent third party totalling approximately HK\$24,304,000 to provide steam generated by the Group to potential users.

(b) Operating lease commitments

The Group had future aggregate minimum lease payments under non-cancellable operating leases of land and buildings, as follows:

Not later than 1 year	一年內
Later than 1 year and not later than 5 years	一年後但五年內

33 Related party transactions

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

The Company has no immediate or ultimate controlling party.

財務報表附註(續)

32 承擔

(a) 資本承擔

於結算日尚未產生之資本開支如下：

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
155,211	72,320

於2008年3月31日，本集團已批准向一家與獨立第三方合作而將於中國成立之聯營公司注資合共約24,304,000港元，以提供本集團所產生之蒸氣予鄰近潛在使用者。

(b) 經營租約承擔

本集團根據土地及樓宇之不可撤銷經營租約未來最低租金款項總額如下：

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
2,276	2,299
644	1,004
2,920	3,303

33 有關連人士交易

倘任何一方有能力直接或間接控制另一方，或對另一方之財政及營運決策行使重大影響力，則此等人士被視為有關連。倘有關連人士受共同控制或共同重大影響，則亦被視為有關連。

本公司並無直接及最終控股人士。

Financial Information

財務資料

Notes to the Financial Statements (Continued)

33 Related party transactions (Continued)

The following transactions were carried out with related parties:

(a) Sale of goods

Continuing

A minority shareholder and its related parties (Note (i))	一名少數股東及其有關連人士 (附註(i))
A related party (Note (ii))	一名有關連人士(附註(ii))

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
	222,618	332,341
	14,574	12,568
	237,192	344,909

Goods are sold at prices mutually agreed by both parties.

貨品乃按雙方協定之價格銷售。

(b) Management charges

A minority shareholder and its related parties (Note (i))	一名少數股東及其有關連人士 (附註(i))
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	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
	224	457

(c) Year-end balances (included in trade receivables and trade payables) arising from sale/purchase of goods:

Receivables from related parties	應收有關連人士款項：
A minority shareholder and its related parties (Note (i))	一名少數股東及其有關連人士 (附註(i))
A related party (Note (ii))	一名有關連人士(附註(ii))

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
	20,316	38,597
	2,030	1,337
	22,346	39,934

Payables to related parties	應付有關連人士款項：
A minority shareholder (Note (i))	一名少數股東(附註(i))

	176	2,021
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財務報表附註(續)

33 有關連人士交易(續)

與有關連人士進行之交易如下：

(a) 銷售貨品

持續

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
	222,618	332,341
	14,574	12,568
	237,192	344,909

(b) 管理費用

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
	224	457

(c) 因銷售／採購貨品產生之年結日結餘(列入應收賬款及應付賬款)：

	2008	2007
	2008年	2007年
	HK\$'000	HK\$'000
	千港元	千港元
	20,316	38,597
	2,030	1,337
	22,346	39,934

	176	2,021
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Financial Information

財務資料

Notes to the Financial Statements (Continued)

33 Related party transactions (Continued)

(c) Year-end balances (included in trade receivables and trade payables) arising from sales/purchases of goods: (Continued)

Note:

- (i) In 2007, Linea was a minority interest shareholder, with 48% equity interest, of Textured Jersey Lanka (Private) Limited. Its related parties include its holding company and fellow subsidiaries.

On 24 August 2007, Brandix became the 48% minority shareholder of Textured Jersey Lanka (Private) Limited as a result of the acquisition of 48% shareholding in Textured Jersey Lanka (Private) Limited from Linea. Following the acquisition, Brandix owned 48% shareholding in Textured Jersey Lanka (Private) Limited.

On 25 January 2008, Pacific Textured Jersey Holdings Ltd., a wholly owned subsidiary of the Company, acquired additional 8% interest in Textured Jersey Lanka (Private) Limited from Brandix. Consequently, the Group's interest in Textured Jersey Lanka (Private) Limited was increased from 52% to 60% and Brandix's interest in Textured Jersey Lanka (Private) Limited is 40%. The related parties of Brandix include its holding company and fellow subsidiaries.

- (ii) Companies controlled by Mr. Henry Choi Wing Kong, son of Mr. Choi Kin Chung, a director of the Company, is a related party of the Company.

(d) Key management compensation

Wages, salaries, bonus and allowances	工資、薪金、花紅及津貼
Retirement benefits – defined contribution schemes	退休福利 – 一定額供款計劃
Share-based compensation expenses	股份酬金支出

- (e) The amounts due from and due to subsidiaries are unsecured, interest free and repayable on demand.

34 Profit attributable to equity holders

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$765,169,000 (2007: HK\$233,992,000).

財務報表附註(續)

33 有關連人士交易(續)

(c) 因銷售／採購貨品產生之年結日結餘 (列入應收賬款及應付賬款)：(續)

附註：

- (i) 於2007年，Linea為Textured Jersey Lanka (Private) Limited之少數股東，擁有其48%股本權益。其有關連人士包括其控股公司及同系附屬公司。

於2007年8月24日，Brandix透過向Linea收購其於Textured Jersey Lanka (Private) Limited 48% 股權，成為Textured Jersey Lanka (Private) Limited 48% 股權 少數股東。繼該項收購後，Brandix 擁有 Textured Jersey Lanka (Private) Limited 48%股權。

於2008年1月25日，本公司全資附屬公司 Pacific Textured Jersey Holdings Ltd. 向Brandix額外收購Textured Jersey Lanka (Private) Limited 8%權益。因此，本集團於Textured Jersey Lanka (Private) Limited之權益由52%增加至60%，而Brandix於Textured Jersey Lanka (Private) Limited之權益為40%。Brandix有關連人士包括其控股公司及同系附屬公司。

- (ii) 由本公司董事蔡建中先生之兒子蔡穎剛先生控制之公司為本公司有關連人士。

(d) 主要管理人員酬金

2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元
23,957	38,979
63	84
134	–
24,154	39,063

- (e) 應收及應付附屬公司款項為無抵押、免息及須按要求償還。

34 權益持有人應佔溢利

本公司權益持有人應佔溢利於財務報表所示約765,169,000港元(2007年：233,992,000港元)。

Financial Summary

財務概要

Consolidated Results

綜合業績

		Year ended 31 March 截至3月31日止年度				
		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元	2006 2006年 HK\$'000 千港元	2005 2005年 HK\$'000 千港元	2004 2004年 HK\$'000 千港元
Revenue	收入	4,280,646	4,203,357	3,363,029	2,922,840	2,265,821
Gross Profit	毛利	696,887	922,091	802,256	639,461	637,313
Equity holders of the Company	本公司權益持有人應佔權益	392,093	555,698	458,855	351,679	307,299
Minority interests	少數股東權益	4,721	7,948	10,495	(1,255)	-
		396,814	563,646	469,350	350,424	307,299

Consolidated Balance Sheet

綜合資產負債表

		As at 31 March 於3月31日				
		2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元	2006 2006年 HK\$'000 千港元	2005 2005年 HK\$'000 千港元	2004 2004年 HK\$'000 千港元
Non-current assets	非流動資產	1,571,284	1,237,790	956,292	854,419	624,429
Current assets	流動資產	2,831,677	1,803,121	1,398,436	1,230,243	1,194,793
Total assets	資產總值	4,402,961	3,040,911	2,354,728	2,084,662	1,819,222
Current liabilities	流動負債	1,122,394	1,132,831	797,514	479,400	674,315
Total assets less current liabilities	資產總值減流動負債	3,280,567	1,908,080	1,557,214	1,605,262	1,144,907
Non-current liabilities	非流動負債	394,558	416,587	469,918	81,624	26,776
Total equity	權益總額	2,886,009	1,491,493	1,087,296	1,523,638	1,118,131
Net current assets	流動資產淨值	1,709,283	670,290	600,922	750,843	520,478
Equity shareholders of the Company	本公司權益持有人應佔權益	2,839,765	1,440,745	1,044,496	1,519,414	1,118,131
Minority interests	少數股東權益	46,244	50,748	42,800	4,224	-
		2,886,009	1,491,493	1,087,296	1,523,638	1,118,131

Glossary

專用詞彙

In this annual report (other than the Independent Auditor's Report and Financial Information), unless the context otherwise requires, the following expression shall have the following meanings:

2008 Financial Year

For the year ended 31 March 2008

AGM

Annual general meeting of the Company

Articles

the Articles of Association of the Company, as amended from time to time

Board

the board of Directors of the Company

Brandix

Brandix Lanka Limited, a company with limited liability and incorporated in Sri Lanka

CG Code

The Code on Corporate Governance Practices

Company

Pacific Textiles Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange

Directors

the director(s) of the Company

Group

the Company and its subsidiaries

INED

The independent non-executive Directors

Linea

Linea Clothing (Private) Limited, a company incorporated in Sri Lanka

Listing

Listing of the Shares on the Stock Exchange on 18 May 2007

Listing Rules

The Rules Governing the Listing of Securities on the Stock Exchange

MAS

MAS Capital Private Limited, a company incorporated in Sri Lanka

於本年報內(獨立核數師報告與財務資料除外)，除非文義另有所指，下列詞彙具有以下含義：

2008年財政年度

截至2008年3月31日止年度

股東週年大會

本公司之股東週年大會

章程細則

本公司不時修訂之公司組織章程細則

董事局

本公司之董事局

Brandix

Brandix Lanka Limited，一間在斯里蘭卡註冊成立之有限公司

企業管治守則

企業管治常規守則

本公司

互太紡織控股有限公司，一間於開曼群島註冊成立之受豁免有限公司，其股份於聯交所上市

董事

本公司之董事

本集團

本公司及其附屬公司

獨立非執行董事

本公司的獨立非執行董事

Linea

Linea Clothing (Private) Limited，一間於斯里蘭卡註冊成立之公司

上市

股份於2007年5月18日於聯交所上市

上市規則

聯交所證券上市規則

MAS

MAS Capital Private Limited，一間於斯里蘭卡註冊成立之公司

Glossary

專用詞彙

Model Code

Model Code for Securities Transactions by Directors of Listed Issuers

Prospectus

The prospectus of the Company dated 7 May 2007

PT Sri Lanka

Textured Jersey Lanka (Private) Limited, a limited liability company incorporated under the laws of Sri Lanka

SFO

The Securities and Futures Ordinance

Shares

Shares with a nominal value of HK\$0.001 each in the capital of the Company

Share Option Scheme

The share option scheme adopted by the Company pursuant to the written resolutions of the Shareholders of the Company passed on 27 April 2007

Stock Exchange

The Stock Exchange of Hong Kong Limited

標準守則

上市公司董事進行證券交易的標準守則

招股章程

本公司於2007年5月7日之招股章程

PT斯里蘭卡

Textured Jersey Lanka (Private) Limited，一間根據斯里蘭卡法律註冊成立之有限公司

證券及期貨條例

證券及期貨條例

股份

本公司股本中每股面值0.001港元之股份

購股權計劃

根據本公司股東於2007年4月27日通過之書面決議案批准及採納之購股權計劃

聯交所

香港聯合交易所有限公司



PACIFIC TEXTILES HOLDINGS LIMITED
互太紡織控股有限公司