

Financial Assistance and Guarantees provided to An Entity and Affiliated Companies

At 31 March 2004

Relevant advances to an entity

In accordance with rule 13.20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), details of relevant advance made by the Group to an entity which exceeded 8% of the Company’s market capitalization as at 31 March 2004 of approximately HK\$672,585,000 (“Market Capitalization”) based on the total number of 259,685,289 shares of the Company in issue on 31 March 2004 and the average closing price of HK\$2.59 per share for the five business days immediately preceding 31 March 2004 are as follows:

As at 31 March 2004, shareholder’s loan made by the Group to Goodwill (Overseas) Ltd., in which the Group has an 18% equity interest, amounted to HK\$102,654,000. The loan is unsecured, interest free and has no fixed terms of repayment. No guarantee has been provided by the Group for the benefit of Goodwill (Overseas) Ltd. A repayment of HK\$2,106,000 has been made by Goodwill (Overseas) Ltd. since 31 March 2004.

Financial assistance and guarantees to affiliated companies

In accordance with rule 13.16 of the Listing Rules, details of loans advanced to, and guarantees provided by the Group for the benefit of the Group’s affiliated companies (Note) as at 31 March 2004, which in aggregate exceeded 8% of the Company’s Market Capitalization as at 31 March 2004, are as follows:

Name of affiliated company	Attributable interest held	Loans as at 31	Guarantee	Guaranteed	Total
		March 2004	provided	facilities	
		(A)	(B)	utilized	(A+B)
		HK\$’000	HK\$’000	HK\$’000	HK\$’000
Malayan Weaving Mills Sdn. Bhd.	46.09%	5,776	—	—	5,776
Man-Made Fibres Industries (HK) Ltd.	50.00%	1,660	—	—	1,660
National Garments Manufacturing Pte Ltd.	50.00%	27,958	20,850	17,098	48,808
Tat Yeung Trading Company Ltd.	50.00%	4,739	—	—	4,739
Textile Corporation (Malaysia) Sdn. Bhd.	50.00%	28,527	—	—	28,527
Winner Heshan Knitting, Dyeing & Printing Works Ltd.	30.00%	10,214	—	—	10,214
Winsor Health Products Ltd.	50.00%	—	1,000	—	1,000
Winwider International Ltd.	50.00%	9,197	12,000	6,357	21,197
Xing Nan Industrial (Hong Kong) Ltd.	50.00%	20,705	—	—	20,705
Total		108,776	33,850	23,455	142,626

The loans have been provided by the Group from internal sources to the affiliated companies as shareholders’ loans which are unsecured, interest free and have no fixed terms of repayment. Save for the loans disclosed above, no capital injection has been committed by the Group. The guarantees are provided by the Group in respect of general banking facilities granted to the affiliated companies and have not specified any maturity dates. No further material loans or other forms of financial assistance have been provided by the Group to, and no material repayment of the loans or further material utilization of the guaranteed facilities have been made by, the affiliated companies since 31 March 2004.

Note:

As such term is defined in Chapter 13 of the Listing Rules, it means associated companies and jointly controlled entities in the context of the Group.

Financial Assistance and Guarantees provided to An Entity and Affiliated Companies *(continued)*

At 31 March 2004

Pro forma combined balance sheet of affiliated companies

In accordance with rule 13.22 of the Listing Rules, a pro forma combined balance sheet of the Group's affiliated companies as at 31 March 2004 and the Group's attributable interest therein are set out below:

	Pro forma combined balance sheet HK\$'000	Group's attributable interest HK\$'000
Fixed assets	99,479	44,382
Associated companies	5,256	2,628
Investment securities	22,982	11,491
Current assets	185,303	113,768
Current liabilities	(115,017)	(54,968)
Long term liabilities	(6,557)	(2,075)
Amounts and loans due to shareholders	<u>(178,954)</u>	<u>(108,776)</u>
	<u>12,492</u>	<u>6,450</u>