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Directors **董事**

Poon Bun Chak (Chairman and Managing Director)	潘彬澤 (主席兼董事總經理)
Poon Kai Chak	潘佳澤
Poon Kei Chak	潘機澤
Poon Kwan Chak	潘鈞澤
Ting Kit Chung	丁傑忠
Au Son Yiu*	區樂耀*
Cheng Shu Wing*	鄭樹榮*

* Independent Non-executive Directors

* 獨立非執行董事

Company Secretary **公司秘書**

Chan Chi Hon 陳志漢

Registered Office **註冊辦事處**

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda.

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda.

Head Office and Principal Place of Business

16th Floor, Metroplaza, Tower II,
223 Hing Fong Road,
Kwai Chung, New Territories,
Hong Kong.

總辦事處及主要營業地點

香港
新界葵涌
興芳路223號
新都會廣場第二座16樓

Principal Registrar and Transfer Office

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre,
14 Bermudiana Road,
Pembroke,
Bermuda.

主要股份登記及過戶處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre,
14 Bermudiana Road,
Pembroke,
Bermuda.

Hong Kong Branch Registrar and Transfer Office

Tengis Limited
G/F., Bank of East Asia
Harbour View Centre,
56 Gloucester Road,
Wanchai, Hong Kong.

香港股份登記及過戶分處

登捷時有限公司
香港灣仔
告士打道56號
東亞銀行港灣中心地下

Auditors

Ernst & Young
Certified Public Accountants

核數師

安永會計師事務所
執業會計師

Legal Advisors

Jennifer Cheung & Co.
Wilkinson & Grist

法律顧問

張美霞律師行
高露雲律師行

Principal Bankers

Bank of America (Asia) Ltd.
Bank of China (Hong Kong) Ltd.
BNP Paribas
Citibank, N.A.
Hongkong Bank
Hang Seng Bank
Mizuho Corporate Bank, Ltd.

主要往來銀行

美國亞洲銀行
中國銀行(香港)有限公司
法國巴黎銀行
花旗銀行
滙豐銀行
恒生銀行
瑞穗實業銀行

Websites

<http://www.texwinca.com/>
<http://www.irasia.com/listco/hk/texwinca/>

網址

<http://www.texwinca.com/>
<http://www.irasia.com/listco/hk/texwinca/>

(Amounts expressed in HK\$ Million, unless specified) (以港幣百萬元單位，除非特別註明)		Notes 附註	2003	2002	2001 (Note 1) (附註1)	2000 (Note 1) (附註1)	1999 (Note 1) (附註1)
Turnover	營業額		5,199	4,720	4,309	3,093	2,725
Net profit from ordinary activities attributable to shareholders	股東應佔經常 業務溢利淨額		591	530	464	302	191
Shareholders' equity	股東資金		2,316	2,025	1,686	1,387	1,155
Total assets	資產總值		3,368	2,794	2,540	2,034	1,867
Total liabilities to equity ratio	總負債與 資本比率		0.5	0.4	0.5	0.5	0.6
Bank borrowings to equity ratio	銀行借貸與 資本比率		—	—	—	0.1	0.3
Current ratio	流動比率		2.0	2.3	1.9	1.9	1.9
Receivables turnover on sales (days)	應收賬之 周轉期(日)		27	26	34	43	32
Inventory turnover on sales (days)	存貨之 周轉期(日)		60	41	53	53	55
Net assets per share (HK cents)	每股資產淨值 (港幣仙)		175	153	132.4	108.5	90.3
Return on total assets (%)	總資產回報率(%)		17.5	19.0	18.3	14.8	10.2
Return on sales (%)	銷售回報率(%)		11.4	11.2	10.8	9.8	7.0
Interest cover (times)	利息比率(倍數)	2	239	103	86	15	5
EBITDA	未計利息、稅項、 折舊及攤銷 費用前溢利	3	828	743	653	455	359
EBITDA on sales (%)	未計利息、稅項、 折舊及攤銷費用 前溢利回報率(%)		15.9	15.7	15.2	14.7	13.2

(Amounts expressed in HK\$ Million, unless specified) (以港幣百萬元單位，除非特別註明)			2003	2002	2001	2000	1999
		Notes			(Note 1)	(Note 1)	(Note 1)
		附註			(附註1)	(附註1)	(附註1)
Earnings per share (HK cents)	每股盈利 (港幣仙)	4	44.6	41.5	36.3	23.6	14.9
Dividends per share (HK cents)	每股股息 (港幣仙)		25	20.0	15.0	9.0	5.0
Dividend yield (%)	股息回報率(%)	5	4.3	4.5	7.1	9.9	8.6
Number of issued shares (million)	已發行股份 (百萬)		1,324	1,324	1,273	1,281	1,279
Number of employees	僱員人數						
The People's Republic of China	中華人民共和國						
Hong Kong	香港		614	444	496	404	394
Taiwan	台灣		633	564	462	132	145
Elsewhere	其他地方		13,145	10,372	9,151	5,788	4,967
Singapore	新加坡		137	122	—	—	—
Total	總數		14,529	11,502	10,109	6,324	5,506

Notes:

- The financial statements have been retrospectively restated as a result of changes in accounting policies for proposed dividends, adopted by the Group in 2002.
- Interest cover was calculated by dividing the profit before interest and tax by the interest payables.
- EBITDA is the earnings before interest, tax, depreciation and amortisation expenses.
- Number of shares was on weighted average basis.
- Dividend yield was calculated by dividing the dividends per share by the closing market price per share as at the respective balance sheet date.
- All figures used were as at the respective balance sheet date, unless specified.

附註：

- 由於本集團於二零零二年採納有關擬派股息之會計政策之變動，此等變動已用於追溯舊賬目，令財務報表之數字經重新列賬。
- 利息比率之計算為稅及利息前之溢利與應付利息之比率。
- EBITDA 為未計利息、稅項、折舊及攤銷費用前溢利。
- 股份數目按加權平均基準計算。
- 股息回報率之計算為每股股息與本公司於有關結算日每股收市價之比率。
- 除特別註明外，所有數字概為於結算日之數字。

For this fiscal year, the results of the Group reached yet another new high. Turnover was HK\$5,199 million, a 10% increase from the previous year. Net profit from ordinary activities attributable to shareholders increased by 11%, to HK\$591 million. More information of the Group's operating performance can be found in the Management's Discussion and Analysis section in this annual report.

During the year, the global economy remained weak and consumer sentiment continued to deteriorate. Product prices dropped in the deflationary environment. Due to the Iraq war, the outbreak of the Severe Acute Respiratory Syndrome ("SARS") and the surge of raw material prices, the second half of the year became even more difficult. Under the circumstances, the Management had taken aggressive steps to cut cost and productivity was increased in order to benefit from the economy of scale. Our Marketing staff had also been actively searching for new customers with an aim to enlarge our market share. During the year, the Group continued to make every effort to increase its business competitiveness.

本集團於本財政年度之業績再創新高。營業額為5,199百萬港元，較去年增加10%。股東應佔經常業務溢利淨額增長11%，達591百萬港元。有關本集團更詳盡之業績資料，請參閱本年報內之管理層之論述及分析。

本年內全球經濟仍處弱勢，消費者信心亦持續下降。貨品價格在通縮環境中下挫。在伊拉克戰爭、非典型肺炎爆發及原料價格上揚等影響下，下半年情況變得更為困難。在此等情況下，管理層採取積極措施以減低成本，亦加強生產力以受惠於成本效益。市場推廣同事們亦不斷地開拓新客戶以擴大市場佔有率。本年內本集團持續致力於增強本身之業務競爭能力。

Looking ahead, we expect that the business environment will remain difficult. As one of the leaders of the industry and with our sound financial position, we are confident of the results of the coming year. On behalf of the board, I wish to thank our colleagues for their hard work and loyalty. We also wish to extend our sincere thanks again to our shareholders and business partners for their ongoing support.

Poon Bun Chak

Chairman

Hong Kong, 23 July 2003

展望前境，預計經營環境仍持續困難。然而作為市場領導者之一及在穩固財政狀況下，我們對明年之業績仍具信心。本人謹代表董事會向員工們之勤勞及忠誠致謝。對於股東們及業務伙伴之長期支持，我們亦再次深表感謝。

主席

潘彬澤

香港，二零零三年七月二十三日

BUSINESS REVIEW

For the fiscal year ended March 31, 2003, total turnover increased by 10%, to HK\$5,199 million (2002: HK\$4,720 million). Net profit from ordinary activities attributable to shareholders was HK\$591 million, an increase of 11% over last year. Gross profit amounted to HK\$1,684 million (2002: HK\$1,475 million), which represented a 14% growth from the previous year. Gross profit margin expanded to 32% (2002: 31%). The Board has recommended a final dividend of HK14.0 cents (2002: HK12.0 cents) per ordinary share. Including interim dividend, total dividend per share amounts to HK25.0 cents, an increase of 25% over last year's HK20.0 cents.

Turnover of the fabric business grew by 12% to HK\$3,005 million (2002: HK\$2,688 million). This represented 58% of the Group's total turnover. Amid a deflationary environment, product selling prices dropped by about 10% in the year. Revenue growth was mainly brought about by the expansion of approximately 20% of our production capacity. Business environment became more difficult in the second half year when raw material prices soared. However, order flow had been stable during the year. The USA remained the major market, accounting for about 62% of the total fabric revenue. To counter the adverse situation, the management imposed strict cost control measures in order to improve profit margin. With the commencement of the operation of the coal-fired electricity system in the second half year, energy costs were greatly reduced.

業務回顧

截至二零零三年三月三十一日止財政年度之總營業額上升10%至5,199百萬港元(二零零二年: 4,720百萬港元)。股東應佔經常業務溢利淨額為591百萬港元,較去年增加11%。毛利為1,684百萬港元(二零零二年: 1,475百萬港元),較去年增長14%。毛利率則增加至32%(二零零二年: 31%)。董事會建議派發末期股息每股港幣14.0仙(二零零二年: 12.0仙)。連同中期股息,每股股息總額為港幣25.0仙,較去年之港幣20.0仙增加25%。

針織布業務之營業額上升12%至3,005百萬港元(二零零二年: 2,688百萬港元),此為集團總營業額之58%。在通縮環境下,貨品售價在年內下跌約10%。銷貨增長主要由於生產力增大約20%所致。在原料價格上升情況下,下半年之經營環境變得更為困難。然而,貨品定單在期內一直保持平穩。美國仍為最主要市場,佔針織布銷貨約62%。對抗此等逆境,管理層採取嚴控成本措施以改善利潤。以煤發電之系統已於下半年啟用,能源成本得以大為節省。

Sales of the retail business amounted to HK\$2,145 million, a growth of 8% (2002: HK\$1,994 million) and represented 41% of the Group's total turnover. All markets experienced year-on-year sales improvement. Profit margin slipped due to the outbreak of SARS near the end of the fiscal year. Mainland China remained the major profit centre. At the year end, there were about 1,060 retail outlets in the Mainland, of which about 650 were "Baleno" stores and about 240 were "S&K" stores. At the year end, the development in Mainland China, Hong Kong, Taiwan and Singapore was as below:

零售業務銷售額為2,145百萬港元，增長8%（二零零二年：1,994百萬港元），佔集團總營業額41%。各市場之銷售額比去年同期均有增長。邊際利潤下滑主要由於在本財政年度之末期受非典型肺炎爆發所影響。中國大陸仍為最主要之利潤中心。於本年度完結時，在中國大陸共有約1,060銷售點，其中約650間為「Baleno」店及約240間為「S&K」店。於本年度完結時，中國大陸、香港、台灣及新加坡之發展情況茲列如下：

Mainland China

中國大陸

		2003	2002	2001	2000	1999
Net sales (HK\$ million)	銷售淨額 (百萬港元)	1,432	1,359	1,199	783	557
Net sales increase in percentage	銷售淨額之增加 百分率	5%	13%	53%	41%	7%
Retail floor area (sq.ft.)*#	零售樓面面積 (平方呎)*#	411,454	274,280	204,296	119,502	85,084
Number of sales associates*	售貨員數目*	4,770	3,741	2,732	1,487	1,291
Number of outlets*	門市數目*	1,060	831	637	377	232

Hong Kong

香港

		2003	2002	2001	2000	1999
Net sales (HK\$ million)	銷售淨額 (百萬港元)	330	310	295	179	159
Net sales increase/ (decrease) in percentage	銷售淨額之增加/ (減少) 百分率	6%	5%	65%	13%	(4%)
Retail floor area (sq.ft.)*#	零售樓面面積 (平方呎) *#	55,096	33,627	33,684	23,748	16,448
Number of sales associates*	售貨員數目*	298	212	251	142	124
Number of outlets*	門市數目*	45	37	39	21	18

Taiwan

台灣

		2003	2002	2001	2000	1999
Net sales (HK\$ million)	銷售淨額 (百萬港元)	319	282	188	69	80
Net sales increase/ (decrease) in percentage	銷售淨額之增加/ (減少) 百分率	13%	50%	172%	(14%)	25%
Retail floor area (sq.ft.)*#	零售樓面面積 (平方呎) *#	124,649	106,321	82,979	23,273	26,060
Number of sales associates*	售貨員數目*	541	469	365	98	105
Number of outlets*	門市數目*	155	114	96	39	39

Singapore

新加坡

		2003	2002	2001	2000	1999
Net sales (HK\$ million)	銷售淨額 (百萬港元)	64	43	—	—	—
Net sales increase in percentage	銷售淨額之 增加百分率	49%	—	—	—	—
Retail floor area (sq.ft.)*#	零售樓面面積 (平方呎) *#	12,894	11,107	—	—	—
Number of sales associates*	售貨員數目*	119	112	—	—	—
Number of outlets*	門市數目*	17	15	—	—	—

* As at 31 March
For self-managed stores

* 於3月31日
自營店

Net profit contributed by our associated garment manufacturing business was HK\$44 million, a decline of 27%. During the year, about 86% of the fabric consumption was supplied by the fabric division. Sales to the retail division was about 22% of its turnover. As global market conditions were unfavourable, there was severe competition within the industry. Profit margin was affected by the fall in product prices and the rise in raw material costs.

FINANCIAL CONDITION

Liquidity & Financial Resources

As in the past, the Group continued to adopt a prudent approach in managing its financial resources. During the year, the Group maintained a very sound financial position. The net cash inflow from operating activities of the year amounted to HK\$524 million (2002: HK\$714 million). The cash and cash equivalents and the current ratio at the year end were HK\$485 million (2002: HK\$557 million) and 2.0 (2002: 2.3) respectively. The Group mainly relied on the strong cash inflow to finance its capital expenditure requirements. At the year end and for the year under review, the gearing and the interest coverage ratios were 0.5 (2002: 0.4) and 239 (2002: 103) respectively. The gearing ratio refers to the ratio of total liabilities and minority interests to shareholders' equity.

At the year end, the unutilized banking facilities of the Group were HK\$856 million (2002: HK\$775 million). With ample financial resources, the Group has confidence in capturing any investment opportunities.

聯營製衣業務之淨溢利貢獻為44百萬港元，下跌27%。於年內，約86%之布料消耗由針織布部門供應。而零售部門則佔其銷售額約22%。由於全球經濟情況並不理想，此行業競爭激烈。貨品價格下調及原料價格上升使邊際利潤受影響。

財務狀況

流動現金及財務資源

本集團維持以往的審慎管理財務資源策略。於年內，本集團保持良好的財務狀況。本年的經營所得現金流入淨額為524百萬港元(二零零二年：714百萬港元)。於年結日，現金及現金等價物及流動比率分別為485百萬港元(二零零二年：557百萬港元)及2.0(二零零二年：2.3)，本集團主要以強勁的現金流入滿足資本性支出的要求。於年結日及年內，資本負債比率及利息保障比率分別為0.5(二零零二年：0.4)及239(二零零二年：103)，資本負債比率乃指總負債及少數股東權益與股東權益之比率。

於年結日，本集團未動用的銀行信貸額為856百萬港元(二零零二年：775百萬港元)。由於財務資源充足，本集團有信心應付任何投資良機。

Contingent Liabilities

The contingent liabilities of the Group, not reflected in the financial statements, were HK\$175 million (2002: HK\$100 million) at the year end. They were mainly related to discounted export bills and guarantees made by the Group for the banking facilities of an associate.

Capital Expenditure

During the year, total capital expenditure of the Group amounted to HK\$324 million (2002: HK\$344 million). Out of the total capital expenditure, about HK\$260 million (2002: HK\$269 million) was invested by the fabric division for the expansion of production plant, additions of advanced machinery and construction of coal-fired electricity system. About HK\$63 million (2002: HK\$75 million) was invested by the retail division mainly for the additions of retail outlets in the Mainland China.

Pledge of Assets

At the year end, no significant assets were pledged.

Foreign Exchange and Interest Rate Risks

During the year, the major revenue and procurement of the Group were denominated in US dollar, HK dollar and Renminbi. Hence, the Group's exposure to foreign exchange risk was minimal. During the year, the Group had entered into forward agreements to reduce foreign exchange risks.

或有負債

於年結日，本集團未於財務報表反影的或有負債為175百萬港元（二零零二年：100百萬港元），該等或有負債主要與出口票據貼現及本集團為聯營公司的銀行信貸作擔保有關。

資本性支出

於本年內，本集團資本性支出共324百萬港元（二零零二年：344百萬港元），其中針織業務佔約260百萬港元（二零零二年：269百萬港元），主要用作擴建廠房、增加先進設備和建設煤爐發電站之用。另外，零售業務佔其餘約63百萬港元（二零零二年：75百萬港元），主要用作增加中國大陸的零售點。

資產抵押

於年結日，並無重大資產已作抵押。

匯兌及利率風險

於本年，本集團主要收入、採購皆以美元、港元及人民幣為主，因此外匯風險很低。於年內，本集團曾以遠期合約減低外匯的風險。

As the recovery of the world economy is still benign, the interest rate is expected to stay at a low level in the coming year. At the year end, the outstanding bank loans, which were mainly of HIBOR based with maturity in April 2005, had outstanding balances denominated in HK dollar amounted to HK\$40 million (2002: HK\$59 million).

HUMAN RESOURCES

As at 31 March 2003, the Group had about 14,500 (2002: 11,500) employees in The PRC and Singapore. The remuneration of the employees was largely based on industry practice and the performance of individual employee.

OUTLOOK

Looking into 2004, the Management expects that the global economy will still be sluggish. Deflation will persist and consumer confidence is likely to remain weak. To further enhance the Group's competitiveness, the Management will adopt the following measures:

1. To combat deflation, the Management will continue with its stringent cost control measures.
2. For the fabric business, production capacity is expected to grow by 25% to benefit further from the economy of scale. Capital expenditure is budgeted at approximately HK\$180 million. Marketing activities will remain active to maintain our leading position in the industry and to enlarge our customer base.

由於世界經濟復甦緩慢，因此預期利率將維持於低水平。於年結日，未償還港元銀行貸款為40百萬港元（二零零二年：59百萬港元），其利率計算主要以銀行同業拆息利率作基礎，主要到期日為二零零五年四月。

人力資源

於二零零三年三月三十一日，本集團於中國及新加坡共有僱員約14,500人（二零零二年：11,500人）。員工薪酬之釐定主要基於行業之情況及員工個人之表現。

展望

展望二零零四年，管理層預計全球經濟仍然呆滯。通縮仍將持續而消費者信心則繼續疲弱。管理層將採取下列措施以加強本集團之競爭力：

1. 管理層將繼續嚴控成本以對抗通縮。
2. 針織布業務預計將再擴大25%之生產力以取得更佳之成本效益。資本投資預計約為一億八千萬港元。市場推廣仍將積極地進行以保持市場領導地位及擴大客戶基礎。

3. For the retail division, we expect to have about 250 new outlets in Asia. Mainland China will remain our focus market, we intend to operate more "S&K" stores in bigger cities and more "Baleno" outlets in newly developed cities. Capital expenditure for the store expansion is anticipated at HK\$60 million. The Management will also concentrate on product development to improve profit margin.
4. The Management of the garment division will continue to explore new markets and expand customer base. The division will also increase its productivity to improve operating efficiency.
3. 零售業務方面，預計在亞洲將再開設約250間新店。中國大陸仍為重點市場，將在大城市增設「S&K」店及在新發展城市開設更多「Baleno」店。擴展銷售點之資本開支預計約為六千萬港元。管理層亦注重產品開發以改善邊際利潤。
4. 製衣業務之管理層將繼續發展新市場及擴大客戶基礎。此部門亦再增強生產力以增進經營效益。

We foresee the year ahead to be a challenging year and the Management has made comprehensive plans to take on the challenges. With a solid financial position, the Management remains optimistic to report improved results in the coming year.

預期來年將會是充滿挑戰性之一年，而管理層已制訂週詳之計劃以接受挑戰。在穩健之財務狀況下，管理層對來年取得進步之業績仍表樂觀。

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Members of Texwinca Holdings Limited (the "Company") will be held at Grand Royal Club, Level 6, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong on Thursday, 28 August 2003 at 11:45 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 March 2003;
2. To declare a final dividend;
3. To elect Directors and to authorise the Board of Directors to fix Directors' remuneration; and
4. To appoint Auditors and to authorise the Board of Directors to fix Auditors' remuneration.

By Order of the Board

Chan Chi Hon

Secretary

Hong Kong, 23 July 2003

茲通告德永佳集團有限公司(「本公司」)謹訂於二零零三年八月二十八日星期四上午十一時四十五分正假座香港新界葵涌興芳路223號新都會廣場二座6樓帝豪會舉行股東週年大會，討論下列事項：

- 一、省覽截至二零零三年三月三十一日止年度之經審核綜合財務報表及董事會報告與核數師報告；
- 二、宣佈派發末期股息；
- 三、選舉董事及授權董事會釐定董事之酬金；及
- 四、委聘核數師並授權董事會釐定其酬金。

承董事會命

秘書

陳志漢

香港，二零零三年七月二十三日

Notes:

- (a) The Register of Members of the Company will be closed from Thursday, 21 August 2003 to Thursday, 28 August 2003 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the proposed final dividend for the year ended 31 March 2003 and for attending the Annual General Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Registrar in Hong Kong, Tengis Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 20 August 2003.
- (b) A shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (c) To be valid, a form of proxy and the instrument appointing the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's Branch Registrar in Hong Kong, Tengis Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting or the adjournment thereof.

附註：

- (a) 本公司將由二零零三年八月二十一日星期四至二零零三年八月二十八日星期四（首尾兩日包括在內）暫停辦理股份過戶登記手續，期間將不會進行任何本公司股份之過戶登記。如欲符合獲派截至二零零二年三月三十一日止年度之擬派末期股息及出席股東週年大會之資格，所有本公司股份過戶文件連同有關股票，必須於二零零三年八月二十日星期三下午四時前送達本公司在香港之股份過戶登記處登捷時有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下，辦理股份過戶登記手續。
- (b) 凡有權出席股東週年大會及於會上投票之本公司股東，均有權委任一位或以上人士為其代表，代其出席及投票。受委任人士毋須為本公司之股東。倘超過一名人士獲委任，則委任書上須註明每位受委任人士所代表之有關股份數目與類別。
- (c) 代表委任表格及經簽署之授權書或其他授權文件（如有），或經簽署證明之授權書或授權文件副本，最遲須於大會（或其續會）指定舉行時間前48小時送達本公司在香港的股份過戶登記處登捷時有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下，方為有效。

The directors has pleasure in presenting their report and the audited financial statements of the Company and the Group for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The Group's principal activities during the year consisted of the production, dyeing and sale of knitted fabric and yarn, the retailing and distribution of casual apparel and accessory, the provision of franchise services, the provision of repair and maintenance services for motors and generators, and the trading of generators. There were no significant changes in the nature of the Group's principal activities during the year.

The principal activity of the Company is investment holding.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2003 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 33 to 116.

An interim dividend of HK11.0 cents per ordinary share was paid on 10 February 2003. The directors recommend the payment of a final dividend of HK14.0 cents per ordinary share in respect of the year, to shareholders on the register of members on 28 August 2003. This recommendation has been incorporated in the financial statements as an allocation of retained profits within capital and reserves section of the balance sheet.

董事會欣然呈奉本公司與本集團截至二零零三年三月三十一日止年度之年報及經審核財務報表，敬祈省覽。

主要業務

本年度本集團之主要業務包括針織布及棉紗之產銷及整染、便服及飾物之銷售、提供特許經營服務、提供汽車及發電機之維修及保養服務及銷售發電機。本集團之業務性質在本年度並無重大轉變。

本公司之主要業務為投資控股。

業績與股息

本集團於截至二零零三年三月三十一日止年度之溢利及本公司與本集團截至該日期之業務狀況列載於第33至116頁之財務報表。

中期股息每股港幣11.0仙已於二零零三年二月十日派發。董事會茲建議派發本年度末期股息每股港幣14.0仙予二零零三年八月二十八日名列股東名冊之股東，是項建議股息已列入本財務報表，亦即於資產負債表的資本及儲備賬中撥出保留溢利。

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

財務資料概要

下表為本集團於過往五個財政年度之已公佈業績、資產、負債與少數股東權益之概述，乃摘自已公佈之經審核財務報表及按需要重新分類。

RESULTS

業績

		Year ended 31 March				
		截至三月三十一日止年度				
		2003	2002	2001	2000	1999
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
TURNOVER	營業額	5,198,585	4,720,333	4,309,436	3,092,784	2,725,293
PROFIT FROM OPERATING	經常業務溢利					
ACTIVITIES		618,734	531,418	480,475	320,881	248,956
Share of profit of an associate	應佔聯營公司溢利	46,630	62,157	56,299	30,685	12,382
Finance costs	財務費用	(2,787)	(5,770)	(6,229)	(22,963)	(51,327)
PROFIT BEFORE TAX	除稅前溢利	662,577	587,805	530,545	328,603	210,011
Tax	稅項	(37,926)	(29,501)	(59,089)	(27,011)	(19,414)
PROFIT BEFORE	未計少數股東權益前					
MINORITY INTERESTS	溢利	624,651	558,304	471,456	301,592	190,597
Minority interests	少數股東權益	(34,089)	(28,197)	(7,568)	—	—
NET PROFIT FROM	股東應佔經常業務					
ORDINARY ACTIVITIES	溢利淨額					
ATTRIBUTABLE						
TO SHAREHOLDERS		590,562	530,107	463,888	301,592	190,597

ASSETS, LIABILITIES AND MINORITY INTERESTS **資產、負債與少數股東權益**

		As at 31 March				
		於三月三十一日				
		2003	2002	2001	2000	1999
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
TOTAL ASSETS	資產總值	3,368,333	2,793,575	2,540,375	2,034,191	1,867,367
TOTAL LIABILITIES	負債總值	(1,001,912)	(731,945)	(846,071)	(646,669)	(714,876)
MINORITY INTERESTS	少數股東權益	(50,710)	(36,971)	(8,046)	(478)	2,522
		2,315,711	2,024,659	1,686,258	1,387,044	1,155,013

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Group during the year are set out in notes 13 and 14 to the financial statements, respectively.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital and share options of the Company during the year, together with the reasons therefor, are set out in note 26 and 27 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

固定資產及投資物業

本集團於本年度之固定資產及投資物業變動情況分別列載於財務報表附註13及14。

股本及購股權

本公司於年內股本及購股權變動之詳情及有關原因分別列載於財務報表附註26及27。

優先認購權

本公司之細則及百慕達之法例概無要求本公司須按現有股東持股比例出售新股的優先認購權條文。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 28 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2003, the Company's reserves available for cash distribution and/or distribution in specie amounted to HK\$612,378,000, of which HK\$185,437,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$333,628,000, may be distributed in the form of fully paid-up bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, both purchases and sales from/to the five largest suppliers and customers accounted for less than 30% of the Group's total purchases and sales for the year, respectively.

購入、贖回或出售本公司上市證券

本公司及任何附屬公司於年內概無購入、贖回或出售任何本公司之上市證券。

儲備

本公司及本集團於本年度之儲備變動詳情分別列載於財務表附註28及綜合權益變動表。

可供分派儲備

於二零零三年三月三十一日，本公司可供作現金及／或實物分派之儲備為港幣612,378,000元，其中將擬派發的本年度末期股息為港幣185,437,000元。此外，本公司股本溢價賬港幣333,628,000元亦可以繳足紅股方式予以分派。

主要客戶及供應商

於本審核年度，五大供應商／客戶佔本年度集團之總採購額／銷售額均不足30%。

DIRECTORS

The directors of the Company during the year were:

Executive Directors

Poon Bun Chak (*Chairman and Managing Director*)

Poon Kai Chak

Poon Kei Chak

Poon Kwan Chak

Ting Kit Chung

Independent Non-executive Directors

Au Son Yiu

Cheng Shu Wing

In accordance with the Company's bye-laws, all the existing directors will retire and, being eligible, will offer themselves for re-election at the forthcoming Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

The service contracts entered into between the Company and each of the executive directors as listed above may be terminable by either party by giving not less than three months' written notice or compensation in lieu.

Save as disclosed above, no director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事

本年內本公司董事如下：

執行董事

潘彬澤 (*主席兼董事總經理*)

潘佳澤

潘機澤

潘鈞澤

丁傑忠

獨立非執行董事

區燊耀

鄭樹榮

根據本公司細則，所有現任董事將於即將舉行之股東週年大會上退任，惟彼等符合資格並願膺選連任。

董事服務合約

本公司與上列執行董事簽訂之服務合約要求雙方於終止服務合約時，其中一方須給予不少於三個月之書面通知或代通知補償。

除上文所披露者外，本公司與建議在即將舉行之股東週年大會上重選連任之董事一概無簽訂本公司於一年內不作補償（法定賠償除外）則不可終止之服務合約。

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Poon Bun Chak, aged 55, is the chairman and managing director overseeing the planning and development of the Group. He founded the Group in 1975 and has more than 28 years' experience in the textile field.

Mr. Poon Kai Chak, aged 53, is a younger brother of Mr. Poon Bun Chak. He joined the Group in 1980 and has more than 23 years' experience in the industry. He is responsible for the knitting operation of the Group.

Mr. Poon Kei Chak, aged 51, is a younger brother of Mr. Poon Bun Chak. He joined the Group on its establishment in 1975 and has more than 28 years' experience in the field. He looks after the dyeing operation and assists in the overall management of the Group.

Mr. Poon Kwan Chak, aged 57, is the elder brother of Mr. Poon Bun Chak. He joined the Group in 1976 and has more than 27 years' related experience. He is responsible for the Group's merchandising and sales management.

董事合約權益

各董事於年內概無在本公司、其控股公司或附屬公司所簽訂之任何重大合約中佔有重大權益。

董事及高級管理人員履歷

執行董事

潘彬澤先生，五十五歲，主席兼董事總經理，負責監督本集團之規劃及發展。彼於一九七五年創辦本集團，擁有逾二十八年紡織業經驗。

潘佳澤先生，五十三歲，潘彬澤先生之胞弟。彼於一九八零年加入本集團，擁有逾二十三年本行業經驗，負責管理本集團織布業務。

潘機澤先生，五十一歲，潘彬澤先生之胞弟。彼於一九七五年本集團創立時加入本集團，擁有逾二十八年紡織業經驗，負責管理整染業務及協助管理本集團一般業務。

潘鈞澤先生，五十七歲，潘彬澤先生之胞兄。彼於一九七六年加入本集團，擁有逾二十七年有關業務經驗，負責管理本集團採購及銷售業務。

Mr. Ting Kit Chung, aged 47, is responsible for the general administration and financial management of the Group. He joined the Group in 1991 and has more than 10 years' banking experience. He holds a Bachelor of Arts degree from the University of Hong Kong.

Independent Non-executive Directors

Mr. Au Son Yiu, aged 58, has extensive experience in the securities industry. He is a dealing director of Realink Securities Limited, a director of China Point Stock Brokers Limited, a consultant to Dao Heng Securities Limited, and a non-executive director for several public companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In addition, he is a former deputy chairman of The Hong Kong Securities Clearing Company Limited (1992–1994) and a former council member of the Stock Exchange (1988–1994).

Mr. Cheng Shu Wing, aged 53, is a director of Worldvest Capital Limited. He holds a Bachelor of Business Administration degree from the Chinese University of Hong Kong and has more than 27 years' experience in the banking and securities industries in Hong Kong.

Senior Management

Mr. Chan Min, Samuel, aged 48, is a director of the Group's retail operation. He holds a master's degree in business administration from the Northwestern University and Hong Kong University of Science and Technology. He is a member of the British Computer Society. Prior to joining the Group in 1996, Mr. Chan had over 13 years' experience in retail operation and MIS management.

丁傑忠先生，四十七歲，負責本集團行政及財務管理。彼於一九九一年加入本集團，擁有逾十年銀行業經驗。彼持有香港大學文學士學位。

獨立非執行董事

區榮耀先生，五十八歲，有豐富證券業經驗。彼為滙訊數碼證券有限公司之交易董事，亦為中方證券有限公司之董事及道亨證券有限公司之顧問，並擔任若干在香港聯合交易所有限公司（「聯交所」）上市之公眾公司非執行董事。此外，彼為香港中央結算有限公司前任副主席（一九九二年至一九九四年）與聯交所前任理事（一九八八年至一九九四年）。

鄭樹榮先生，五十三歲，寶盛融資有限公司董事，彼持有香港中文大學工商管理學士學位。有逾二十七年香港銀行業及證券業經驗。

高級管理人員

陳勉先生，四十八歲，本集團零售業務之董事。彼持有美國西北大學及香港科技大學合作的工商管理碩士學位。彼為英國電腦學會會員。於一九九六年加入本集團前，陳先生曾從事零售業之業務及資訊科技管理超過十三年。

Mr. Chan Chi Hon, aged 41, joined the Group in 1997 and is the Group's financial controller and company secretary. Mr. Chan holds a master's degree in commerce from the University of New South Wales, Australia, and is a fellow member of the Hong Kong Society of Accountants and a certified practising accountant of the CPA Australia. He has more than 16 years' experience in auditing and accounting.

Mr. Chau Kuen Kai, aged 45, is a factory manager of the knitting operation of the Group. He joined the Group in 1979 and has more than 23 years' experience in the knitting industry.

Mr. Fung Wai Lun, Daniel, aged 46, is a director of the Group's retail operation. Before joining the Group in 1996, Mr. Fung had more than 20 years' experience in the retailing industry.

Mr. Hon Siu Kit, aged 43, is an associate director of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. He joined the Group in 1993 and has more than 25 years' experience in the textile industry.

Ms. Leung Mei Yin, aged 38, is an associate director of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. She joined the Group in 1990 and has more than 17 years' experience in the textile industry.

Mr. Ling Man, aged 50, is a factory manager of the yarn dyeing operation of the Group. He joined the Group in 1998 and has more than 27 years' experience in the dyeing and finishing industry.

陳志漢先生，四十一歲，本集團財務總監兼公司秘書。彼於一九九七年加入本集團。彼持有澳洲新南威爾斯大學商科碩士學位，並為香港會計師公會資深會員及澳洲會計師公會會員，具有超過十六年的核數與會計經驗。

周權佳先生，四十五歲，本集團針織業務工廠經理。彼於一九七九年加入本集團，擁有超過二十三年針織業經驗。

封偉倫先生，四十六歲，本集團零售業務董事。於一九九六年加入本集團之前，已具有超過二十年零售業經驗。

韓少傑先生，四十三歲，本集團從事針織布銷售之附屬公司永佳染廠有限公司業務董事。彼於一九九三年加入本集團，擁有超過二十五年紡織業經驗。

梁美賢小姐，三十八歲，本集團從事針織布銷售之附屬公司永佳染廠有限公司業務董事。彼於一九九零年加入本集團，擁有超過十七年紡織業經驗。

凌文先生，五十歲，本集團染紗業務部工廠經理。於一九九八年加入本集團，擁有超過二十七年整染業經驗。

Mr. Liu Ying Che, aged 38, is a factory manager of the fabric dyeing operation of the Group. He joined the Group in 1989 and has more than 19 years' experience in the dyeing and finishing industry.

Mr. Ting Kit Hung, aged 51, is the director and chief executive of the Group's motor and generator services operation in The People's Republic of China ("The PRC"). Mr. Ting is an associate member of the Institute of Motor Industry, the Chartered Institute of Transport and the British Institute of Management. He also holds a Master of Business Administration degree from the University of East Asia, Macau. He joined the Group in 1995 and has more than 33 years' experience in the motor industry. He is the elder brother of Mr. Ting Kit Chung.

Mr. Wong Tung Yiu, aged 48, is an associate director and the general manager of Nice Dyeing Factory Limited, a subsidiary of the Group engaged in the sale of finished knitted fabric. He joined the Group in 1994 and has more than 29 years' experience in the textile industry.

廖英智先生，三十八歲，本集團染布業務工廠經理。彼於一九八九年加入本集團，擁有超過十九年整染業經驗。

丁傑雄先生，五十一歲，本集團在中國汽車及發電機維修部董事兼行政總裁。彼為英國汽車工業學會、英國特許運輸學會及英國管理學會會員，亦擁有澳門東亞大學工商管理碩士學位。彼於一九九五年加入本集團，擁有逾三十三年汽車維修業經驗。彼為丁傑忠先生之胞兄。

王東耀先生，四十八歲，本集團從事針織布銷售之附屬公司永佳染廠有限公司業務董事兼總經理。彼於一九九四年加入本集團，擁有超過二十九年紡織業經驗。

DIRECTORS' INTERESTS IN SHARE CAPITAL

At 31 March 2003, the interests of the directors and their associates in the share capital of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

董事之股本權益

二零零三年三月三十一日，根據證券(公開權益)條例(「公開權益條例」)第29條規定而由本公司置存之股東名冊所記錄各董事及其聯繫人等所擁有之本公司及各聯營公司之股本權益如下：

Name of director	董事姓名		Number of shares of the Company held and nature of interest			
			Personal 個人	Family 家族	Corporate 公司	Total 合計
Poon Bun Chak	潘彬澤	<i>Note</i> 附註	29,720,000	168,800,104	571,200,000	769,720,104
Poon Kai Chak	潘佳澤		7,802,800	—	—	7,802,800
Poon Kei Chak	潘機澤		21,477,200	—	—	21,477,200
Poon Kwan Chak	潘鈞澤		6,442,800	—	—	6,442,800
Ting Kit Chung	丁傑忠		1,600,000	—	—	1,600,000
Au Son Yiu	區燊耀		—	—	—	—
Cheng Shu Wing	鄭樹榮		—	—	—	—
			67,042,800	168,800,104	571,200,000	807,042,904

The interests of the directors in the share options of the Company are separately disclosed in note 27 to the financial statements.

各董事所持有本公司之購股權權益已披露於財務報表附註27。

Note: 168,800,104 shares are owned by Farrow Star Limited, which is wholly-owned by Perfection Inc. as the trustee for The Evergreen Trust, a discretionary trust, the objects of which include the family members of Mr. Poon Bun Chak. These shares are held as family interests under the SDI Ordinance.

附註： 168,800,104股股份由 Farrow Star Limited 持有，而 Perfection Inc. 則以 The Evergreen Trust 之信託人身份完全擁有 Farrow Star Limited，該全權信託之受益人包括潘彬澤先生之家族成員。根據公開權益條例，該等股份屬於以家族權益持有。

571,200,000 shares are owned by Giant Wizard Corporation in which Farrow Star Limited has an 87.51% equity interest, and are held as corporate interests under the SDI Ordinance. A 12.4% interest in Giant Wizard Corporation is owned by Messrs. Poon Bun Chak, Poon Kai Chak, Poon Kei Chak and Poon Kwan Chak.

571,200,000股股份由 Farrow Star Limited 擁有 87.51% 股本權益之 Giant Wizard Corporation 擁有，根據公開權益條例，屬於以公司權益持有。Giant Wizard Corporation 之 12.4% 權益由潘彬澤先生、潘佳澤先生、潘機澤先生及潘鈞澤先生擁有。

Save as disclosed above, none of the directors, or their respective spouse or children under 18 years of age or any of the chief executives or their associates, had any personal, family, corporate or other interests in the share capital of the Company or any of its associated corporations, as defined in the SDI Ordinance.

除上文所披露者外，本公司各董事或任何董事或主要行政人員之配偶或十八歲以下之子女或其聯繫人等概無以個人、家族、公司或其他權益方式擁有本公司或任何聯營公司（定義見公開權益條例）之股本權益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed in the share option scheme disclosures in note 27 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse, or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

董事之購股權利

除披露於財務報表附註27之購股權計劃外，於本年度任何時間內，本公司或各附屬公司概無訂立任何安排致使本公司董事或其配偶或十八歲以下之子女可藉收購本公司或任何其他法人團體之股份或債券而獲益。

SHARE OPTION SCHEME

Due to the adoption of Statement of Standard Accounting Practice No.34 "Employee benefits" during the year, most of the detailed disclosures relating to the Company's share option scheme have been moved to note 27 to the financial statements.

購股權計劃

由於年內採納標準會計實務準則第三十四條「僱員福利」，大部份有關本公司購股權計劃之詳細披露事項已移至財務報表附註27。

Concerning the share options granted during the year to the directors and employees, as detailed in note 27 to the financial statements, the directors of the Company do not consider it appropriate to disclose a theoretical value of the share options granted to the directors and employees of the Company during the year, because a number of factors crucial for the valuation cannot be determined. Accordingly, any valuation of the share options based on various speculative assumptions would not be meaningful, but would be misleading to the shareholders of the Company.

SUBSTANTIAL SHAREHOLDERS

At 31 March 2003, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name 名稱	Number of shares of the Company held 持有本公司 股份數目	Percentage of issued share capital as at 31 March 2003 在二零零三年 三月三十一日 佔已發行股本之百分率
The Capital Group Companies, Inc.	171,666,700	12.96%

Save as disclosed above, no person, other than Mr. Poon Bun Chak, whose interests are set out in the section "Directors' Interests in Share Capital" above, had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

就年內授予董事及僱員之購股權而言(詳情見財務報表附註27)，本公司董事認為不宜披露本年度已授予本公司董事及僱員之購股權之理論價值，皆因在評估該價值時所需要之多個重要因素並未能確定。因此，根據多種推測性假設而對購股權作出任何價值評估實為毫無意義，並會對本公司股東構成誤導。

主要股東

於二零零三年三月三十一日，以下股東擁有本公司已發行股份之10%或以上權益，已根據公開權益條例第16(1)條規定記載於主要股東登記冊內：

除以上披露外，只有潘彬澤先生(其權益已載於「董事之股本權益」段中)按公開權益條例第16(1)條已登記於主要股東登記冊。

CONNECTED TRANSACTIONS

Details of connected transactions have been set out in note 34(b) to the financial statements.

AUDIT COMMITTEE

Pursuant to the Code, the Company established an Audit Committee (the "Committee") on 15 March 1999. The members of the Committee comprise the two independent non-executive directors of the Group, Mr. Au Son Yiu and Mr. Cheng Shu Wing.

The terms of reference and duties have been laid down as a guideline for the Committee. The principal duties of the Committee include the review and supervision of the financial reporting process and internal controls. During the year, the Committee held two meetings to review the internal controls and annual results and provide recommendations to the board of directors.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code"), as set out in Appendix 14 of the Listing Rules of the Stock Exchange, throughout the accounting period covered by the annual report.

關連交易

關連交易的細則已載於財務報表附註34(b)。

審核委員會

本公司遵照《最佳應用守則》，於一九九九年三月十五日成立審核委員會（「委員會」），其成員包括本公司之兩位獨立非執行董事，分別為區燊耀先生及鄭樹榮先生。

委員會備有明確之條文及職責細則作指引。委員會之主要職責包括審核本公司之財務報告及內部監控制度。於本年度內，已進行過兩次會議，審核公司之內部監控制度及年度財務報告，並向董事會提交意見。

最佳應用守則

董事會認為，本公司於本年報所述之會計期間均遵守根據聯交所《證券上市規則》附錄十四指引所載之《最佳應用守則》。

AUDITORS

Ernst & Young retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Poon Bun Chak

Chairman

Hong Kong, 23 July 2003

核數師

安永會計師事務所任滿告退，惟本公司將於應屆股東週年大會上提呈續聘該核數師之決議案。

承董事會命

主席

潘彬澤

香港，二零零三年七月二十三日



To the members

Texwinca Holdings Limited

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 33 to 116 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

致德永佳集團有限公司

(在百慕達註冊成立之有限公司)

列位股東

本核數師已根據香港審核標準，審核列載於本年報第33頁至116頁之財務報表。

董事及核數師之責任

貴公司董事須負責編製真實及公平之財務報表。在編製該等財務報表時，董事必須選擇並貫徹採用合適之會計政策。本核數師之責任乃根據審核工作之結果，對該等財務報表作出獨立意見，並向 貴股東報告。

意見基礎

本核數師乃根據香港會計師公會頒佈之審核準則進行審核。審核包括以抽查方式，審查財務報表所載數額及披露之有關證據，亦包括評估董事於編製財務報表期間提供之重要估計及判斷、所採用之會計政策是否適合貴公司及 貴集團之狀況，是否貫徹使用及詳盡披露。

BASIS OF OPINION (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2003 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong, 23 July 2003

意見基礎 (續)

本核數師在策劃及進行審核工作時，務求取得一切認為需要之資料及解釋，作為充份之證據，以合理地保證財務報表內並無重大之錯誤陳述。本核數師在作出意見時，亦評估財務報表內所載資料整體上是否足夠。本核數師相信審核工作已為本核數師之意見提供合理基礎。

意見

依本核數師意見，上述財務報表足以真實及公平地顯示 貴公司及 貴集團於二零零三年三月三十一日之財務狀況及 貴集團截至該日止年度內之溢利及現金流量，並根據香港公司條例有關資料披露之規定適當地編製。

執業會計師

安永會計師事務所

香港，二零零三年七月二十三日

綜合損益表 *Consolidated Profit and Loss Account*

Year ended 31 March 2003

截至二零零三年三月三十一日止年度

			2003	2002
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
TURNOVER	營業額	5	5,198,585	4,720,333
Cost of sales	銷售成本		(3,514,174)	(3,244,939)
Gross profit	毛利		1,684,411	1,475,394
Other revenue and gains	其他收入及收益	5	29,004	29,686
Selling and distribution costs	銷售及分銷費用		(777,238)	(656,710)
Administrative expenses	行政費用		(339,300)	(311,711)
Other operating expenses, net	其他營運費用，淨額		21,857	(5,241)
PROFIT FROM OPERATING ACTIVITIES	經常業務溢利	6	618,734	531,418
Share of profit of an associate	應佔聯營公司溢利		46,630	62,157
Finance costs	財務費用	8	(2,787)	(5,770)
PROFIT BEFORE TAX	除稅前溢利		662,577	587,805
Tax	稅項	9	(37,926)	(29,501)
PROFIT BEFORE MINORITY INTERESTS	未計少數股東權益前溢利		624,651	558,304
Minority interests	少數股東權益		(34,089)	(28,197)
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔經常業務溢利淨額	10	590,562	530,107
DIVIDENDS	股息	11		
Interim	中期		145,642	101,812
Proposed final	擬派末期		185,437	158,838
			331,079	260,650
EARNINGS PER SHARE (HK cents)	每股盈利 (港幣仙)	12		
Basic	基本		44.6	41.5
Diluted	攤薄後		44.6	40.3

綜合資產負債表 *Consolidated Balance Sheet*

31 March 2003

二零零三年三月三十一日

			2003	2002
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
NON-CURRENT ASSETS				
非流動資產				
Fixed assets	固定資產	13	1,070,035	851,470
Investment properties	投資物業	14	35,710	29,260
Construction in progress	在建工程	15	52,485	124,971
Trademarks	商標	16	38,814	41,478
Interest in an associate	於聯營公司之權益	17	136,265	126,897
Long term rental deposits	長期租金按金		67,068	65,905
			1,400,377	1,239,981
CURRENT ASSETS				
流動資產				
Inventories	存貨	19	853,492	528,013
Trade and bills receivables	應收賬款及應收票據	20	381,830	334,921
Prepayments, deposits and other receivables	預付款項、訂金及其他應收賬款		247,853	134,068
Cash and cash equivalents	現金及現金等價物	21	484,781	556,592
			1,967,956	1,553,594
CURRENT LIABILITIES				
流動負債				
Due to an associate	應付聯營公司	18	68,635	21,945
Trade and bills payables	應付賬款及應付票據	22	680,637	437,942
Other payables and accrued liabilities	其他應付及應計負債		153,386	147,368
Tax payable	應付稅項		52,401	37,506
Interest-bearing bank borrowings	付息銀行貸款	23	17,901	19,455
			972,960	664,216
NET CURRENT ASSETS	流動資產淨額		994,996	889,378

綜合資產負債表 *Consolidated Balance Sheet*

31 March 2003

二零零三年三月三十一日

			2003	2002
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
TOTAL ASSETS LESS	總資產減流動負債			
CURRENT LIABILITIES			2,395,373	2,129,359
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank loans	付息銀行貸款	24	22,011	39,538
Provision for long service payments	長期服務金撥備		4,941	—
Deferred tax	遞延稅項	25	2,000	28,191
			28,952	67,729
MINORITY INTERESTS	少數股東權益		50,710	36,971
			2,315,711	2,024,659
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	26	66,208	66,183
Reserves	儲備	28(a)	2,064,066	1,799,638
Proposed final dividend	擬派末期股息	11	185,437	158,838
			2,315,711	2,024,659

Poon Bun Chak

Director

Ting Kit Chung

Director

董事

潘彬澤

董事

丁傑忠

綜合權益變動表 *Consolidated Statement of Changes in Equity*

Year ended 31 March 2003

截至二零零三年三月三十一日止年度

		Issued	Share	Capital		Goodwill	Exchange	Investment	Asset	Retained	Proposed	
		share	premium	redemption	Contributed	on	fluctuation	property	revaluation	profits	final	Total
		capital	account	reserve	surplus	acquisition	reserve	revaluation	revaluation	reserve	dividend	
		股本	溢價賬	股本贖回	實繳盈餘	收購產生之	外匯變動	投資物業	資產	保留溢利	擬派	總額
		已發行股本	溢價賬	儲備	實繳盈餘	商譽儲備	儲備	重估儲備	重估儲備	保留溢利	末期股息	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2001	於二零零一年 四月一日	63,662	305,960	1,228	3,986	(110,603)	(10,360)	7,238	7,840	1,302,404	114,903	1,686,258
Final 2001 dividend declared	2001年宣派 末期股息	—	—	—	—	—	—	—	—	—	(114,903)	(114,903)
Foreign exchange adjustments	外匯調整	—	—	—	—	—	(2,720)	—	—	—	—	(2,720)
Transfer on repurchase of own shares	購回股份而轉撥	(359)	(16,684)	359	—	—	—	—	—	(359)	—	(17,043)
Exercise of share options	行使購股權	2,880	41,892	—	—	—	—	—	—	—	—	44,772
Net profit for the year	年內溢利淨額	—	—	—	—	—	—	—	—	530,107	—	530,107
Interim 2002 dividend	2002年中期股息	—	—	—	—	—	—	—	—	(101,812)	—	(101,812)
Proposed final 2002 dividend	2002年擬派 末期股息	—	—	—	—	—	—	—	—	(158,838)	158,838	—
At 31 March 2002 and 1 April 2002	於二零零二年 三月三十一日及 二零零二年 四月一日	66,183	331,168	1,587	3,986	(110,603)	(13,080)	7,238	7,840	1,571,502	158,838	2,024,659
Final 2002 dividend declared	2002年宣派 末期股息	—	—	—	—	—	—	—	—	—	(158,838)	(158,838)
Surplus on revaluation (note 14)	重估盈餘 (附註14)	—	—	—	—	—	—	1,722	—	—	—	1,722
Foreign exchange adjustments	外匯調整	—	—	—	—	—	763	—	—	—	—	763
Exercise of share options (note 26)	行使購股權 (附註26)	25	2,460	—	—	—	—	—	—	—	—	2,485
Net profit for the year	年內溢利淨額	—	—	—	—	—	—	—	—	590,562	—	590,562
Interim 2003 dividend (note 11)	2003年中期股息 (附註11)	—	—	—	—	—	—	—	—	(145,642)	—	(145,642)
Proposed final 2003 dividend (note 11)	2003年擬派末期 股息 (附註11)	—	—	—	—	—	—	—	—	(185,437)	185,437	—
At 31 March 2003	於二零零三年 三月三十一日	66,208	333,628	1,587	3,986	(110,603)	(12,317)	8,960	7,840	1,830,985	185,437	2,315,711

綜合權益變動表 *Consolidated Statement of Changes in Equity*

Year ended 31 March 2003

截至二零零三年三月三十一日止年度

		Issued share capital	Share premium account	Capital redemption reserve	Contributed surplus	Goodwill on acquisition	Exchange fluctuation reserve	Investment property revaluation reserve	Asset revaluation reserve	Retained profits	Proposed final dividend	Total
		股本	溢價賬	股本贖回 儲備	實繳盈餘	收購產生之 商譽儲備	外匯變動 儲備	投資物業 重估儲備	資產 重估儲備	保留溢利	末期股息 擬派	總額
		已發行股本	溢價賬	股本贖回 儲備	實繳盈餘	商譽儲備	外匯變動 儲備	投資物業 重估儲備	資產 重估儲備	保留溢利	末期股息 擬派	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Represented by:	源自:											
Company and subsidiaries	本公司及 附屬公司	66,208	333,628	1,587	3,986	(110,603)	(12,317)	8,960	7,840	1,734,072	185,437	2,218,798
Associate	聯營公司	—	—	—	—	—	—	—	—	96,913	—	96,913
31 March 2003	於二零零三年 三月三十一日	66,208	333,628	1,587	3,986	(110,603)	(12,317)	8,960	7,840	1,830,985	185,437	2,315,711
Company and subsidiaries	本公司及 附屬公司	66,183	331,168	1,587	3,986	(110,603)	(13,080)	7,238	7,840	1,483,957	158,838	1,937,114
Associate	聯營公司	—	—	—	—	—	—	—	—	87,545	—	87,545
31 March 2002	於二零零二年 三月三十一日	66,183	331,168	1,587	3,986	(110,603)	(13,080)	7,238	7,840	1,571,502	158,838	2,024,659

綜合現金流量表 *Consolidated Cash Flow Statement*

Year ended 31 March 2003

截至二零零三年三月三十一日止年度

			2003	2002
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元 (Restated) (經修訂)
CASH FLOWS FROM OPERATING ACTIVITIES				
經營所得現金流量				
Profit before tax	除稅前溢利		662,577	587,805
Adjustments for:	調整：			
Finance costs	財務費用	8	2,787	5,770
Share of profit of an associate	應佔聯營公司溢利		(46,630)	(62,157)
Interest income	利息收入	5	(7,199)	(8,917)
Depreciation	折舊	6	159,781	146,650
Amortisation of trademarks	商標攤銷	6	2,913	2,904
Loss on disposal of fixed assets	出售固定資產虧損	6	3,824	4,432
Provision/(write back of provision) for doubtful debts	呆賬撥備/ (撥回)	6	(4,731)	460
Write back of provision for value-added tax recoverable	撥回應退 增值稅撥備	6	(38,250)	(2,800)
Write back of minority interests	少數股東權益撥回	6	(21,000)	—
Deficit on revaluation of investment properties	投資物業 重估減值	6	50	340
Operating profit before working capital changes	營運資金變動前 經營溢利		714,122	674,487
Decrease/(increase) in inventories	存貨減少/(增加)		(325,479)	101,172
Decrease/(increase) in trade and bills receivables	應收賬款及應收 票據減少/(增加)		(42,178)	66,279
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、訂金及其他 應收賬款減少/(增加)		(75,535)	24,226
Increase in an amount due to an associate	應付聯營公司增加		46,690	14,215
Increase/(decrease) in trade and bills payables	應付賬款及應付 票據增加/(減少)		242,695	(86,083)
Increase/(decrease) in other payables and accrued liabilities	其他應付及應計 負債增加/(減少)		6,018	(15,292)
Increase in provision for long service payments	長期服務金 撥備增加		4,941	—
Cash generated from operations	經營所得現金流入		571,274	779,004
Hong Kong and The PRC taxes paid	已付香港及中國之稅項		(46,960)	(64,913)
Net cash inflow from operating activities	經營所得現金流入淨額		524,314	714,091

綜合現金流量表 *Consolidated Cash Flow Statement*

Year ended 31 March 2003

截至二零零三年三月三十一日止年度

			2003	2002
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元 (Restated) (經修訂)
CASH FLOWS FROM INVESTING ACTIVITIES				
投資活動現金流量				
Interest received	利息收入		7,199	8,917
Dividends received from an associate	收聯營公司股息		35,000	32,000
Purchases of fixed assets	購置固定資產	13	(253,541)	(228,602)
Additions to trademarks	商標支出	16	(249)	(171)
Additions to construction in progress	在建工程支出	15	(70,544)	(115,360)
Proceeds from disposal of fixed assets	出售固定資產收入		10,197	2,103
Increase in long term rental deposits	長期租約按金增加		(1,163)	(25,267)
Net cash outflow from investing activities	投資活動現金流出淨額		(273,101)	(326,380)
CASH FLOWS FROM FINANCING ACTIVITIES				
融資活動現金流量				
Issue of new shares on exercise of share options	購股權行使所發售新股	26	2,485	44,772
Payments on repurchase of own shares	購回公司股份支出	26	—	(17,043)
New bank loans and trust receipt loans	新銀行貸款及信託收據貸款		—	71,612
Repayment of bank loans and trust receipt loans	償還銀行貸款及信託收據貸款		(19,051)	(62,383)
Interest paid	已付利息		(2,787)	(5,770)
Dividends paid	已付股息		(304,480)	(216,715)
Net cash outflow from financing activities	融資活動之現金流出淨額		(323,833)	(185,527)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物淨額之增加／(減少)		(72,620)	202,184
Cash and cash equivalents at beginning of year	年初之現金及現金等價物		556,195	354,562
Foreign exchange adjustments	外匯調整		839	(551)
CASH AND CASH EQUIVALENTS AT END OF YEAR	於年結日之現金及現金等價物		484,414	556,195
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
現金及現金等價物結餘分析				
Cash and bank balances	現金及銀行結存	21	208,605	103,749
Non-pledged time deposits with original maturity of less than three months when acquired	到期日少於3個月之無抵押定期存款	21	276,176	452,843
Bank overdrafts	銀行透支	23	(367)	(397)
			484,414	556,195

公司資產負債表 *Company Balance Sheet*

31 March 2003

二零零三年三月三十一日

			2003	2002
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
NON-CURRENT ASSETS				
非流動資產				
Interests in subsidiaries	於附屬公司之權益	29	828,297	723,412
CURRENT ASSETS				
流動資產				
Prepayments and other receivables	預付款及其他應收賬款		140	286
Dividend receivable	應收股息		186,000	261,000
Cash and cash equivalents	現金及現金等價物	21	105	30
			186,245	261,316
CURRENT LIABILITIES				
流動負債				
Accrued liabilities	應計負債		741	1,003
Tax payable	應付稅項		—	35
			741	1,038
NET CURRENT ASSETS				
流動資產淨額				
			185,504	260,278
			1,013,801	983,690
CAPITAL AND RESERVES				
股本及儲備				
Issued capital	已發行股本	26	66,208	66,183
Reserves	儲備	28(b)	762,156	758,669
Proposed final dividend	擬派末期股息	11	185,437	158,838
			1,013,801	983,690

Poon Bun Chak

Director

Ting Kit Chung

Director

董事

潘彬澤

董事

丁傑忠

1. CORPORATE INFORMATION

The registered office of Texwinca Holdings Limited is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of Texwinca Holdings Limited is situated at 16th Floor, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong.

During the year, the Group was involved in the following principal activities:

- Production, dyeing and sale of knitted fabric
- Production, dyeing and sale of yarn
- Retailing and distribution of casual apparel and accessory
- Provision of franchise services
- Provision of repair and maintenance services for motors and generators, and trading of generators

In the opinion of the directors, the ultimate holding company is Farrow Star Limited, which is incorporated in the British Virgin Islands.

1. 公司資料

德永佳集團有限公司註冊辦事處為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。德永佳集團有限公司主要營業地址為香港新界葵涌興芳路223號新都會廣場第二座十六樓。

於本年度，集團主要經營以下業務：

- 針織布之產銷及整染
- 棉紗之產銷及整染
- 便服及飾物之零售及分銷
- 特許經營服務
- 汽車及發電機之維修保養及發電機銷售

按董事之意見，最終控股公司為於英屬處女群島成立之 Farrow Star Limited。

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs")

The following new and revised SSAPs are effective for the first time for the current year's financial statements:

- SSAP 1 (Revised): "Presentation of financial statements"
- SSAP 11 (Revised): "Foreign currency translation"
- SSAP 15 (Revised): "Cash flow statements"
- SSAP 34: "Employee benefits"

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of adopting these SSAPs are summarised as follows:

SSAP 1 (Revised) prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The principal impact of the revision of this SSAP is that a consolidated statement of changes in equity is now presented on pages 36 and 37 of the financial statements in place of the consolidated statement of recognised gains and losses that was previously required and in place of the Group's reserves note.

2. 新訂及經修訂之會計實務準則之影響

本年度首次生效以用於編製財務報表之新訂及經修訂之會計實務準則如下：

- 會計實務準則第一條（經修訂）：「財務報表之呈報」
- 會計實務準則第十一條（經修訂）：「外幣換算」
- 會計實務準則第十五條（經修訂）：「現金流量表」
- 會計實務準則第三十四條：「僱員福利」

此等會計實務準則訂明了新訂會計核算及披露方式。採納此等會計實務準則對本集團會計政策及財務報表披露金額之主要影響概述如下：

會計實務準則第一條（經修訂）訂明了財務報表的呈列基準，並列出結構及內容的最低要求指引。該會計實務準則修訂之主要影響為，以現載於財務報表第36頁及第37頁之綜合權益變動報表取代過往要求之已確認收益虧損綜合計算表及本集團儲備附註。

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs")

(continued)

SSAP 11 (Revised) prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of the revision of this SSAP on the consolidated financial statements is that the profit and loss accounts of overseas subsidiaries and associates are now translated into Hong Kong dollars at the weighted average exchange rates for the year, whereas previously they were translated at the exchange rates ruling at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements.

SSAP 15 (Revised) prescribes the revised format for the cash flow statement. The principal impact of the revision of this SSAP is that the consolidated cash flow statement now presents cash flows under three headings, cash flows from operating, investing and financing activities, rather than the five headings previously required. In addition, cash flows from overseas subsidiaries arising during the year are now translated to Hong Kong dollars at the exchange rates at the dates of the transactions, or at an approximation thereto, whereas previously they were translated at the exchange rates at the balance sheet date, and the definition of cash equivalents for the purpose of the consolidated cash flow statement has been revised. Further details of these changes and the prior year adjustments that have resulted from them are included in the accounting policies for "Cash and cash equivalents" and "Foreign currencies" in note 3 and in note 30 to the financial statements.

2. 新訂及經修訂之會計實務準則之影響 (續)

會計實務準則第十一條(經修訂)訂明了外幣交易及財務報表之換算基準。該會計實務準則修訂對綜合財務報表之主要影響為，海外附屬公司及聯營公司之損益賬現按本年度加權平均滙率換算為港幣，而過往則按結算日適用之滙率換算為港幣。採納經修訂會計實務準則第十一條對財務報表並無構成重大影響。

會計實務準則第十五條(經修訂)訂明了現金流量表之經修訂格式。該會計實務準則修訂之主要影響為，綜合現金流量表現時根據三個標題呈列現金流轉，即來自營運業務、投資活動及融資活動之現金流轉，而非過往規定之五個標題。此外，年內海外附屬公司之現金流轉現按交易當日之滙率或其概約數換算為港幣，而過往則按結算日之滙率換算。綜合現金流量表內現金等價物之定義亦作出修訂。該等變動及因採納該等會計實務準則導致轉變及往年度調整之進一步詳情載於財務報表附註3「現金及現金等價物」和「外幣」之會計政策及附註30內。

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs")

(continued)

SSAP 34 prescribes the recognition and measurement criteria to apply to employee benefits, together with the required disclosures in respect thereof. The adoption of this SSAP has resulted in no material change to the previously adopted accounting treatments for employee benefits. Disclosures are now required in respect of the Company's share option scheme, as detailed in note 27 to the financial statements. These share option scheme disclosures are similar to the Listing Rules disclosures previously included in the Report of the Directors, which are now included in the notes to the financial statements as a consequence of this SSAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the remeasurement of certain fixed assets and investment properties, as further explained below.

2. 新訂及經修訂之會計實務準則之影響 (續)

會計實務準則第三十四條訂明了僱員福利之確認及衡量準則，並連同所需披露資料。採納本會計實務準則並無導致之前採納的僱員福利會計處理方法有重大變動。惟現需就本公司購股權計劃作出披露，詳情載於財務報表附註27。此等購股權計劃披露與過往載於董事會報告之上市規則披露相類似，現須要按會計實務準則載於財務報表附註。

3. 主要會計政策摘要

會計基準

財務報表乃根據會計實務準則、香港公認會計準則及香港公司法有關資料披露之規定而編撰。除部份固定資產及投資物業重新釐定價值，財務報表乃按原始成本法編撰，有關詳細資料載於下文。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2003. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

3. 主要會計政策摘要 (續)

綜合基準

綜合財務報表包括本公司及各附屬公司截至二零零三年三月三十一日止年度之財務報表。於本年度內收購或出售之附屬公司之業績分別由其實際收購日期起或截至出售日期止綜合計算。所有本集團內部重大交易及結餘均於綜合時對銷。

少數股東權益即外界股東佔本公司附屬公司業績及資產淨值之權益。

附屬公司

附屬公司乃本公司直接或間接地控制其財務及營運政策，藉以從其業務得益之公司。

附屬公司業績計入本公司損益賬，以已收及應收股息為限。本公司於附屬公司權益按原值入賬，撇減任何減值損失。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Associates

An associate is a company, not being a subsidiary, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of 20 years. In the case of associates, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

3. 主要會計政策摘要 (續)

聯營公司

聯營公司乃附屬公司以外，本集團長期持有其實質擁有投票權不少於20%及本集團之地位足以對其發揮相當影響力之公司。

本集團應佔聯營公司收購日後之業績及儲備，已分別列入綜合損益表及綜合儲備內，而本集團於聯營公司權益則按本集團應佔之資產淨值按權益法計算減去減值損失，列入綜合資產負債表內。

商譽

收購附屬公司及聯營公司所產生之商譽指收購成本超逾本集團所佔於收購日期所收購之可識別資產與負債之公平價值之數。

收購所產生之商譽乃於綜合資產負債表中以資產確認，並按其估計可用20年年期作直線攤銷。如屬聯營公司，任何未經攤銷之商譽乃包括在其賬面金額之內，而非在綜合資產負債表中作獨立識別資產。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

SSAP 30 "Business combinations" was adopted as at 1 April 2001. Prior to that date, goodwill arising on the acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to 1 April 2001 is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of subsidiaries or associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

3. 主要會計政策摘要 (續)

商譽 (續)

會計實務準則第三十條「企業合併」於二零零一年四月一日被採納。於此日前，因收購所產生之商譽乃於收購年度與綜合儲備撇銷。於採納會計實務準則第三十條後，本集團引用會計實務準則第三十條之過渡性條款，允許該等商譽仍可繼續與綜合儲備撇銷。於二零零一年四月一日後因收購而產生之商譽，則按照會計實務準則第三十條商譽會計政策處理。

出售附屬公司或聯營公司時，出售損益乃參照出售當日資產淨值計算，包括仍未攤銷商譽或任何有關儲備(如適用)之應佔金額。凡先前於收購當時於綜合儲備撇銷之任何應佔商譽乃予撥回並列入出售損益之計算當中。

商譽之賬面值，包括維持在綜合儲備撇銷之商譽，乃作每年審閱，並會視乎情況需要作減值撇減。先前已確認之商譽減值虧損不予撥回，除非有關減值虧損乃因性質特殊且預期不會再度發生之特定外界事件所引致，而其後發生之外界事件亦扭轉該事件之影響。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries and associates represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

3. 主要會計政策摘要 (續)

負商譽

收購附屬公司及聯營公司所產生負商譽指本集團所佔於收購日期所收購之可識別資產與負債之公平價值超逾收購成本之數。

倘若負商譽乃與本集團收購計劃中已識別及能可靠衡量之預期未來虧損及開支有關，惟並非指截至收購日期之可識別負債，該部份之負商譽乃於確認未來虧損及開支時於綜合損益賬確認為收入。

負商譽並非與截至收購日期之可識別預期未來虧損及開支有關，乃於可識別之已購入須作出折舊／攤銷之資產之餘下平均使用年期內，有系統地於綜合損益賬確認入賬。凡超逾所購入之非貨幣資產之公平價值之負商譽乃即時確認為收入。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Negative goodwill (continued)

In the case of associates, any negative goodwill not yet recognised in the consolidated profit and loss account is included in the carrying amount thereof, rather than as a separately identified item on the consolidated balance sheet.

SSAP 30 "Business combinations" was adopted as at 1 April 2001. Prior to that date, negative goodwill arising on the acquisitions was credited to the consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such negative goodwill to remain credited to the consolidated reserves. Negative goodwill on acquisitions subsequent to 1 April 2001 is treated according to the SSAP 30 negative goodwill accounting policy above.

On disposal of subsidiaries or associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

3. 主要會計政策摘要 (續)

負商譽 (續)

收購聯營公司所產生並未於綜合損益賬確認入賬之負商譽，乃計入該聯營公司之賬面值中，而非在綜合資產負債表中獨立呈列為一識別項目。

會計實務準則第三十條「企業合併」於二零零一年四月一日被採納。於此日前，因收購所產生之負商譽乃計入收購年度之綜合儲備。於採納會計實務準則第三十條後，本集團應用會計實務準則第三十條之過渡性條款，允許該等負商譽仍可繼續維持計入綜合儲備。於二零零一年四月一日後因收購而產生之負商譽，則按照會計實務準則第三十條商譽會計政策處理。

出售附屬公司或聯營公司時，出售損益乃參照出售當日資產淨值計算，包括仍未於綜合損益賬確認之負商譽或任何有關儲備(如適用)之應佔金額。任何過往於收購時計入綜合儲備之應佔負商譽均予撥回及於計算出售盈虧時包括在內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. 主要會計政策摘要 (續)

資產減值

於各結算日進行評估，以決定是否有任何顯示任何資產出現減值，或有任何顯示往年度已確認之減值虧損不再存在或已減少。倘有任何該等顯示存在，該資產之可收回值須予以評估。資產之可收回值定為資產之使用價值與銷售淨值之較高者。

減值虧損僅於資產賬面值超出其可收回值時予以確認。減值虧損於其產生之期間在損益賬內扣除，惟當該資產以重估價值為其賬面值時，減值虧損則按重估資產之有關會計政策入賬。

僅於資產之估計可收回值出現變動時，過往已確認之減值虧損方予以撥回，然而，倘往年度該資產並無已確認之減值虧損，則撥回金額不得超過資產扣除任何折舊／攤銷之賬面值。撥回之減值虧損於其產生之期間計入損益賬內，惟當該資產以重估價值為其賬面值時，減值虧損則按重估資產之有關會計政策入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Fixed assets and depreciation

Fixed assets, other than investment properties and construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an asset, the expenditure is capitalised as an additional cost of that asset.

3. 主要會計政策摘要 (續)

固定資產及折舊

除投資物業及在建工程外，固定資產均按原值或估值減累計折舊入賬。資產之成本包括資產之購買價及將資產達至運作狀況及地點及作計劃用途之任何直接應計成本。固定資產投入運作後之開支（如維修及保養之費用），一般在產生期間於損益賬中扣除。當明顯證明上述開支已致使預期日後因使用該固定資產而取得之經濟利益增加，則該開支會作資本化，列為該固定資產之增加成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Fixed assets and depreciation (continued)

Depreciation is calculated on a straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Leasehold land	Over the remaining lease terms
Buildings	25 years or over the lease terms, if shorter
Leasehold improvements	Over the lease terms
Plant and machinery	10 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Yacht	5 years

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset. On disposal or retirement of a revalued asset, the attributable revaluation surplus not previously dealt with in retained profits is transferred directly to retained profits.

3. 主要會計政策摘要 (續)

固定資產及折舊 (續)

折舊之計算方法乃按個別資產之估計可使用年期以直線法撇銷其原值或估值。估計可使用年期如下：

租賃土地	按餘下之租約年期
樓宇	25年或租約年期 (倘為較短者)
租賃樓宇裝修	按租約年期
廠房設備及機械	10年
傢俬、裝置及辦公室設備	5年
汽車	5年
遊艇	5年

於損益表中入賬關於固定資產在出售或棄用時之收益或虧損，乃出售所得款項淨額與有關資產結存值之差額。於出售或棄用已重估之資產時，原先無撥入保留溢利之應佔重估增值均直接撥入保留溢利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Construction in progress

Construction in progress represents cost incurred for development and building of factories, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held on a long term basis for their investment potential, any rental income being negotiated at arm's length. Such properties are not depreciated and are stated at their open market values on the basis of an annual professional valuation performed at the end of each financial year. Changes in the values of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged.

On disposal of an investment property, the relevant portion of the investment property revaluation reserve realised in respect of previous valuations is released to the profit and loss account.

3. 主要會計政策摘要 (續)

在建工程

在建工程指興建中之廠房，其乃按成本減任何減值虧損列賬，且不予折舊。成本為直接建築成本。

投資物業

投資物業乃已完成建築及發展工程並擬長期持有作投資用途之土地及樓宇權益，任何租金收入乃按市場價格釐定。此等物業不予折舊，並於每年年結按專業估值基準以其公開市值入賬。投資物業價值之變動將計入投資物業重估儲備。如儲備總額不足以抵銷減值，則差額會於損益賬內扣除，之後任何估值溢價也直接反映於損益表中，直至完全抵補以往反映於損益表的不足額為止。

投資物業於出售時，過往估值變現列入投資物業重估儲備賬內之部份須列入損益賬內計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Trademarks

Trademarks are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on a straight-line basis to write off the cost of each trademark over its estimated useful life of 20 years.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Inventories

Inventories are stated at the lower of cost and net realisable value. For fabric and yarn, cost is determined on a weighted average basis and for work in progress and finished goods, cost comprises direct materials, direct labour and an appropriate proportion of overheads. For casual apparel and accessory, cost is determined on a weighted average basis and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less further costs expected to be incurred to completion and disposal or to make the sale.

3. 主要會計政策摘要 (續)

商標

商標乃成本值減累積攤銷及任何減損列賬。攤銷以直線法進行，按估計可使用年期20年撇銷每項商標成本。

經營租賃

凡出租人實際上仍保留資產擁有權之絕大部分收益及風險之租賃，均以經營租賃入賬。倘本集團為出租人，本集團按經營租賃之資產列作非流動資產及該等經營租賃之應收租金乃按租賃年期，以直線法計入損益賬。倘本集團為承租人，則按經營租賃應付之租金按租賃年期以直線法在損益賬中扣除。

存貨

貨物乃按原值或可變現淨值二者之較低者入賬。布和紗方面，成本乃按加權平均法計算。半成品與成品之成本包括直接材料、直接工資及適當比例之間接費用。另外有關便服及飾物成本則以加權平均法計算，並包括所有購進費用及其他將貨物送達至目前地點及保持狀況之成本。可變現淨值乃根據預算銷售價減去於完成及出售所需之成本計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Trade receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any amounts deemed uncollectible by the directors. A provision for doubtful debts is estimated when the collection of any of the receivables deemed to be no longer probable. Bad debts and provisions for doubtful debts are charged to the profit and loss account as incurred.

Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3. 主要會計政策摘要 (續)

應收賬款

應收賬款入賬乃按發票原本金額減去董事認為不能收回之數作準備。呆賬撥備乃按估計之不可能收回金額作全數撥備，並按有關壞賬及呆賬產生時間反影於財務損益賬中。

遞延稅項

遞延稅項乃採用負債法就所有重大時差於可見將來可能引起之負債而提撥準備。除非遞延稅項資產肯定會出現，否則不予確認。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為可知數額現金而價值變動風險不大，且一般於購入後三個月內到期之短期高流通性投資，減除須應銀行要求償還及構成本集團現金管理整體的一部份之透支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Cash and cash equivalents (continued)

Prior to the adoption of the revised SSAP 15 during the year, as explained in note 2 to the financial statements, cash equivalents in the consolidated cash flow statement also included advances from banks repayable within three months from the date of the advance, in addition to bank overdrafts. This change in definition has resulted in a prior year adjustment relating to trust receipt loans, further details of which are included in note 30 to the financial statements.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

3. 主要會計政策摘要 (續)

現金及現金等價物 (續)

於年內採納經修訂會計實務準則第十五條前，誠如財務報表附註2所闡釋，於綜合現金流量表內呈列之現金等價物除包含銀行透支外，還包括自貸款日起計三個月內須償還之銀行貸款。此定義上之更改導致一項有關信託收據貸款之前年度調整，進一步詳情載於財務報表附註30。

就資產負債表而言，現金及現金等價物包括手頭及存於銀行之現金，包括並無限制用途之定期存款。

收益確認

倘本集團可能獲得經濟利益及當收益可按下列基準作可靠計算時，則收益確認入賬：

- (a) 如銷售貨品，則當擁有權之重大風險及收益轉移至買方，惟本集團並不對所出售貨品保持與擁有權有關之管理層參與，亦無實際控制該等貨品；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition *(continued)*

- (b) from the rendering of services, when the services are provided;
- (c) rental income, in accordance with the terms of the rental agreements;
- (d) franchise income, in accordance with the contract payment terms of the franchise agreements;
- (e) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (f) dividend income, when the shareholders' rights to receive payment has been established.

3. 主要會計政策摘要 (續)

收益確認 (續)

- (b) 如提供服務，則當該等服務提供時；
- (c) 租金收入，按照租約之條款；
- (d) 特許經營收入，按特許經營協議之合約規定付款期；
- (e) 利息收入，以本金及應計利率按時間比例計算；及
- (f) 股息收入，則當確定股東收取款項之權利時。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances and with approval from the management, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. No accrual has been made for unpaid leave at 31 March 2003 as there was no material approved untaken leave carried forward at the balance sheet date.

3. 主要會計政策摘要 (續)

股息

董事建議派付之末期股息於資產負債表之資本及儲備項下重新分類，列作保留溢利之獨立分配，直至股東於股東週年大會批准派付該等股息。倘該等股息獲股東批准，並予以宣派，則確認為負債入賬。

中期股息由本公司同時建議及宣派，因本公司之組織章程大綱及細則及章程授權董事宣派中期股息之權利。故此，中期股息於建議派付及宣派時隨即確認為負債。

僱員福利

有薪假期結轉

本集團根據僱傭合約按曆年基準給予其僱員有薪年假。在若干情況及管理層批准下，於結算日未支取之年假准予結轉，留待有關僱員於來年享用。於二零零三年三月三十一日，由於並無重大已批准的未支取年假須結轉，因此並無就有關年假計列支出。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits (continued)

Employment Ordinance long service payments

The Group's Hong Kong employees who have completed the required number of years of service to the Group are eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employments. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

A further contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated in the circumstances specified. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

3. 主要會計政策摘要 (續)

僱員福利 (續)

僱傭條例長期服務金

符合本集團要求完成若干服務年份之香港僱員，可依據香港僱傭條例在終止僱用時，可取得長期服務金。當終止僱用的情形符合僱傭條例的特定情況，本集團有責任支付該等費用。

撥備將會在預期可能須支付日後之長期服務金時確認。有關撥備乃根據於結算日就僱員向本集團提供服務而可能在日後取得之金額之最佳評估款項而計算。

於結算日，由於若干現任僱員服務本集團之年期，根據僱傭條例，已屆合資格於若干情況下終止任職而可獲取長期服務金之指定年數，故已就日後可能須付予僱員之長期服務金作出或然負債披露。由於預期該等情況不大可能會導致本集團日後出現重大資源流出，故並無就有關可能支付之款項確認撥備。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits *(continued)*

Retirement benefits scheme

The Group operates a defined contribution retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension scheme.

3. 主要會計政策摘要 (續)

僱員福利 (續)

退休福利計劃

本集團根據強制性公積金計劃條例，為所有在香港受僱之僱員設立一項定額供款退休福利計劃（「強積金計劃」）。按照強積金計劃之規則，供款乃按僱員基本薪金之百分比作出，並於應付時自損益表扣除。強積金計劃的資產由獨立管理之基金與本集團之資產分開持有。本集團作出之僱主供款繳入計劃後即全數歸僱員。

本集團於中國大陸營運之附屬公司的僱員均須參加由地方市政府設立之中央退休保障計劃。該等附屬公司須按其工資成本之若干百分比向該中央退休保障計劃作出供款。根據該中央退休保障計劃的規定，供款於應付時在損益賬內扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Employee benefits *(continued)*

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

3. 主要會計政策摘要 (續)

僱員福利 (續)

購股權計劃

本公司設有購股權計劃，旨在向對本集團之業務成就作出貢獻之合資格參與人士提供獎勵及獎賞。根據購股權計劃所授出購股權之財務影響，並不會於授出時列入本公司或集團的資產負債表，有關成本亦並不計入損益表或資產負債表，直至購股權被行使。購股權獲行使時，因而發行之股份按股份面值列為本公司額外股本，而每股行使價超出股份面值之差額則列入本公司股份溢價賬。於行使日期前註銷或失效之購股權自尚未行使購股權登記冊刪除。

外幣

外幣交易按個別交易日之適用滙率計算。於結算日，以外幣結算之貨幣資產及負債均按該日之適用滙率換算。滙兌差額均列入損益表。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

On consolidation, the financial statements of overseas subsidiaries and associates are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries and associates are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries and associates which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Prior to the adoption of the revised SSAPs 11 and 15 during the year, as explained in note 2 to the financial statements, the profit and loss accounts and the cash flows of overseas subsidiaries and associates were translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements. The adoption of the revised SSAP 15 has had no material effect on the amounts of the previously-reported cash flows of the prior year.

3. 主要會計政策摘要 (續)

外幣 (續)

在綜合賬目時，海外附屬公司及聯營公司之財務報表按淨投資法換算為港幣。海外附屬公司及聯營公司之損益賬按該年之加權平均滙率換算為港幣，而其資產負債表則按結算日適用之滙率換算為港幣。因而產生之換算差額撥入外匯波動儲備。

就綜合現金流量表而言，海外附屬公司及聯營公司之現金流轉按現金流轉日期適用之滙率換算為港幣。海外附屬公司及聯營公司於年內經常產生之現金流轉，則按該年之加權平均滙率換算為港幣。

於年內採納經修訂會計實務準則第十一條及第十五條前，誠如財務報表附註2所闡釋，海外附屬公司及聯營公司之損益賬及海外附屬公司之現金流轉乃按結算日之滙率換算為港幣。採納經修訂會計實務準則第十一條對本財務報表並無構成重大影響。採納經修訂會計實務準則第十五條對過往呈報之前年度現金流轉數額並無構成重大影響。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

Related parties

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. Related parties may be individuals or corporate entities.

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the production, dyeing and sale of knitted fabric and yarn segment;

3. 主要會計政策摘要 (續)

關連人士

關連人士乃指其中一方能直接或間接控制另外一方，或能對另一方之財務或運作決策施予重大之影響。有關人士亦將被視為關連，如該等人士是受到共同的控制或重大影響。關連人士可以是個人或公司。

4. 分類資料

分類資料乃按兩種分類方式呈列：(i)主要分類呈報方式乃按業務分類；及(ii)次要分類呈報方式乃按地域分類。

本集團之營運業務劃分乃按其業務性質、產品及服務分類。集團每一個業務分類代表該策略性業務之產品及服務之風險回報與其他業務不同，業務分類之滙總明細如下：

- (a) 針織布及棉紗之產銷及整染分類；

4. SEGMENT INFORMATION (continued)

(b) the casual apparel and accessory retailing and distribution segment; and

(c) the "others" segment comprises principally the Group's motor and generator repair and maintenance and trading segment and the franchise services segment.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the markets, and assets are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 分類資料 (續)

(b) 便服及飾物零售及分銷分類；及

(c) 其他分類主要包含集團汽車及發電機之維修保養及銷售分類和特許經營分類。

集團地域分類之決定，乃按收入之來源市場地域分類，而資產則按資產之所在地分類。

業務間之銷售及轉撥交易之售價乃參照售予第三者之現市場價格。

4. SEGMENT INFORMATION (continued)

(a) Business segments

The following tables present revenue, profit, certain asset, liability and expenditure information for the Group's business segments:

Group

		Production, dyeing and sale of knitted fabric and yarn 針織布及棉紗之產銷及整染		Casual apparel and accessory retailing and distribution 便服及飾物零售及分銷		Others 其他		Eliminations 對銷		Consolidated 綜合	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue:	分類收入：										
Sales to external customers	售予集團外客戶	3,005,047	2,688,219	2,145,487	1,994,386	48,051	37,728	—	—	5,198,585	4,720,333
Intersegment sales	業務間之銷售	—	—	—	—	1,625	3,300	(1,625)	(3,300)	—	—
Other revenue	其他收入	10,801	11,383	11,159	9,491	1,023	1,065	(1,178)	(1,170)	21,805	20,769
Total	合計	3,015,848	2,699,602	2,156,646	2,003,877	50,699	42,093	(2,803)	(4,470)	5,220,390	4,741,102
Segment results	分類業績	513,123	438,812	84,719	75,373	14,928	9,002	(1,235)	(686)	611,535	522,501
Interest income	利息收入									7,199	8,917
Profit from operating activities	經常業務溢利									618,734	531,418
Share of profit of an associate	應佔聯營公司溢利									46,630	62,157
Finance costs	財務費用									(2,787)	(5,770)
Profit before tax	除稅前溢利									662,577	587,805
Tax	稅項									(37,926)	(29,501)
Profit before minority interests	未計少數股東權益前溢利									624,651	558,304
Minority interests	少數股東權益									(34,089)	(28,197)
Net profit from ordinary activities attributable to shareholders	股東應佔經常業務溢利淨額									590,562	530,107
Segment assets	分類資產	2,542,321	1,924,910	687,940	587,145	78,915	83,451	(353,284)	(381,671)	2,955,892	2,213,835
Interest in an associate	於聯營公司之權益									136,265	126,897
Unallocated assets	未分配資產									276,176	452,843
Total assets	總資產									3,368,333	2,793,575
Segment liabilities	分類負債	617,856	406,490	538,914	501,584	105,245	109,440	(352,049)	(381,671)	909,966	635,843
Unallocated liabilities	未分配負債									91,946	96,102
Total liabilities	總負債									1,001,912	731,945
Other segment information:	其他分類資料：										
Depreciation and amortisation	折舊及攤銷	102,685	87,993	55,205	55,720	4,804	5,841	—	—	162,694	149,554
Other non-cash expenses	其他非現金支出	(62,900)	1,678	2,749	4,702	44	(1)	—	(1,147)	(60,107)	5,232
Capital expenditure	資本開支	260,387	268,813	63,437	75,145	261	4	—	—	324,085	343,962
Surplus on revaluation recognised directly in equity	重估盈餘直接確認於資本權益中	(1,722)	—	—	—	—	—	—	—	(1,722)	—

4. 分類資料 (續)

(a) 業務分類

下表為本集團業務分類之收入、溢利、部份資產、負債及支出資料：

集團

4. SEGMENT INFORMATION (continued)

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments:

4. 分類資料 (續)

(b) 地域分類

下表為本集團地域分類之收入、
部份資產及支出資料：

Group		集團													
		USA 美國		Japan 日本		Mainland China 中國大陸		Hong Kong 香港		Others 其他		Eliminations 對銷		Consolidated 綜合	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue:	分類收入：														
Sales to external customers	售予集團外客戶	1,859,864	1,313,845	336,969	747,566	1,641,918	1,527,756	681,445	581,098	678,389	550,068	—	—	5,198,585	4,720,333
Other segment information:	其他分類資料：														
Segment assets	分類資產					3,342,884	2,251,956	3,270,201	2,126,367	580,777	744,831	(3,825,529)	(2,329,579)	3,368,333	2,793,575
Capital expenditure	資本開支					289,392	293,210	15,112	12,238	19,581	38,514	—	—	324,085	343,962

5. TURNOVER, OTHER REVENUE AND GAINS

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered, but excludes intra-group transactions.

An analysis of the Group's turnover, other revenue and gains is as follows:

5. 營業額、其他收入及收益

營業額指銷貨及所提供服務之發票淨值但分別扣除退貨額及貿易折扣與集團內部交易。

本集團之營業額、其他收入及收益分析如下：

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Turnover:	營業額：		
Sale of goods	銷售貨品	5,134,012	4,673,868
Rendering of services	提供服務	35,884	29,016
Franchise income	特許經營收入	28,689	17,449
		5,198,585	4,720,333
Other revenue and gains:	其他收入及收益：		
Interest income	利息收入	7,199	8,917
Gross rental income	總租金收入	3,631	3,949
Sundry income	雜項收入	18,174	16,820
		29,004	29,686

6. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

6. 經常業務溢利

本集團經營溢利已扣除/(加上)下列各項：

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Notes	附註		
	Cost of inventories sold	3,514,174	3,244,939
	Depreciation	159,781	146,650
	Amortisation of trademarks	2,913	2,904
	Staff costs, including directors' remuneration (note 7):		
	Wages, salaries and other allowances	471,876	390,115
	Provision for long service payments	5,253	—
	Retirement benefits scheme contributions	6,839	3,640
	Minimum lease payments under operating leases:		
	Land and buildings	411,411	355,395
	Plant and machinery	9,430	9,430
	Auditors' remuneration	1,636	1,345
	Loss on disposal of fixed assets	3,824	4,432
	Deficit on revaluation of investment properties	50	340
	Exchange losses/(gains), net	(1,285)	3,703
	Net rental income	(3,510)	(3,839)
	Provision/(write back of provision) for doubtful debts	(4,731)	460
	Write back of provision for value-added tax recoverable included in cost of sales	(38,250)	(2,800)
	Write back of minority interests	(21,000)	—

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES **7. 董事酬金及最高薪酬五位僱員**

Directors' remuneration, disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance, is as follows:

按《證券上市規則》及公司法第161條，董事酬金之披露如下：

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Fees:	袍金：		
Executive directors	執行董事	50	50
Independent non-executive directors	獨立非執行董事	360	350
Other emoluments:	其他酬金：		
Executive directors:	執行董事：		
Basic salaries, housing, allowances and benefits in kind	基本薪金、房屋、津貼與實物利益	24,425	25,106
Bonuses	花紅	40,467	34,829
Retirement benefits scheme contributions	退休福利計劃貢獻	60	60
		65,362	60,395

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(continued)*

The number of directors, including independent non-executive directors, whose remuneration fell within the bands set out below, is as follows:

7. 董事酬金及最高薪酬五位僱員 (續)

按下列酬金級別劃分之董事(包括獨立非執行董事)人數如下:

		Number of directors	
		董事人數	
		2003	2002
Nil — HK\$1,000,000	零至港幣1,000,000元	2	2
HK\$5,500,001 — HK\$6,000,000	港幣5,500,001元 — 港幣6,000,000元	—	1
HK\$6,000,001 — HK\$6,500,000	港幣6,000,001元 — 港幣6,500,000元	1	1
HK\$7,000,001 — HK\$7,500,000	港幣7,000,001元 — 港幣7,500,000元	1	—
HK\$8,000,001 — HK\$8,500,000	港幣8,000,001元 — 港幣8,500,000元	—	1
HK\$8,500,001 — HK\$9,000,000	港幣8,500,001元 — 港幣9,000,000元	1	—
HK\$12,000,001 — HK\$12,500,000	港幣12,000,001元 — 港幣12,500,000元	—	1
HK\$15,500,001 — HK\$16,000,000	港幣15,500,001元 — 港幣16,000,000元	1	—
HK\$26,500,001 — HK\$27,000,000	港幣26,500,001元 — 港幣27,000,000元	1	—
HK\$27,500,001 — HK\$28,000,000	港幣27,500,001元 — 港幣28,000,000元	—	1
		7	7

There were no arrangements under which a director waived or agreed to waive any remuneration during the year.

於年內，並無董事放棄或同意放棄任何酬金的安排。

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(continued)*

During the year, 24,400,000 share options were granted to the directors in respect of their services rendered to the Group, further details of which are set out in note 27 to the financial statements. No value in respect of the share options granted during the year has been charged to the profit and loss account or is otherwise included in the above directors' remuneration disclosures.

The five highest paid individuals employed by the Group during the year were all directors, details of whose remuneration are set out above.

8. FINANCE COSTS

7. 董事酬金及最高薪酬五位僱員 (續)

於年內，24,400,000份購股權已授予向本集團提供服務之董事，詳細情況已在財務報表附註27呈列。上列董事酬金披露並不包括本年度授出之購股權價值，亦無在本年度之損益表扣除該等購股權之價值。

於年內，集團最高薪酬5位人士全為董事，其薪酬明細已呈列如上。

8. 財務費用

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest on bank loans and overdrafts	銀行貸款及透支利息	2,787	5,770

9. TAX

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits in respect of subsidiaries operating overseas have been calculated at the rates of tax prevailing in the respective tax jurisdictions in which they operate based on existing legislation, interpretations and practices in respect thereof.

9. 稅項

香港利得稅乃根據年內源於香港之估計應課稅溢利，按適用之稅率16%（二零零二年：16%）撥備。海外附屬公司之稅項則依據現時當地法例、解釋及推行，並按有關司法權區之現行稅率計算。

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Group:	集團：		
Hong Kong and The PRC taxes:	香港及中國稅項：		
Current year provision	本年度準備	61,825	37,629
Under/(over) provision in prior years	往年度不足／(超額)準備	30	(12,801)
Deferred tax charge/(credit) (note 25)	遞延稅項準備／(回撥) (附註25)	(26,191)	3,712
		35,664	28,540
Share of tax attributable to an associate	應佔聯營公司稅項	2,262	961
Tax charge for the year	本年度稅項	37,926	29,501

10. NET PROFIT FROM ORDINARY ACTIVITIES

ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 March 2003 dealt with in the financial statements of the Company was HK\$332,106,000 (2002: HK\$261,005,000).

11. DIVIDENDS

10. 股東應佔經常業務溢利淨額

於二零零三年三月三十一日止年度，列入本公司之財務報表內之股東應佔溢利淨額為港幣332,106,000元（二零零二年：港幣261,005,000元）。

11. 股息

		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interim of HK11.0 cents	中期股息每股港幣11仙		
(2002: HK8.0 cents) per share	(二零零二年：每股港幣8.0仙)	145,642	101,812
Proposed final of HK14.0 cents	擬派發末期股息每股港幣14仙		
(2002: HK12.0 cents) per share	(二零零二年：每股港幣12.0仙)	185,437	158,838
		331,079	260,650

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting.

本年度擬派發之末期股息須待本公司股東於即將來臨週年股東會通過。

12. EARNINGS PER SHARE

The basic and diluted earnings per share for the year ended 31 March 2003 have been calculated as follows:

(a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$590,562,000 (2002: HK\$530,107,000) and the weighted average number of 1,323,760,433 (2002: 1,278,145,271) shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$590,562,000 (2002: HK\$530,107,000) and the weighted average number of 1,325,574,912 (2002: 1,314,826,580) shares in issue, as adjusted to reflect the effects of all potential dilutive shares during the year.

12. 每股盈利

截至二零零三年三月三十一日止年度之基本每股盈利及攤薄後之每股盈利的計算為：

(a) 基本每股盈利

基本每股盈利乃按本年度之股東應佔經常業務溢利淨額港幣590,562,000元(二零零二年：港幣530,107,000元)及已發行股份之加權平均數1,323,760,433股(二零零二年：1,278,145,271股)計算。

(b) 攤薄後之每股盈利

攤薄後之每股盈利乃按本年度之股東應佔經常業務溢利淨額港幣590,562,000元(二零零二年：港幣530,107,000元)及已發行股份之加權平均數1,325,574,912股(二零零二年：1,314,826,580股)計算，加上就所有具攤薄潛力之股份之影響作出調整計算。

12. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

A reconciliation of the weighted average number of shares used in the calculation of basic earnings per share and diluted earnings per share is as follows:

		Number of shares	
		股份數目	
		2003	2002
Weighted average number of shares in issue during the year used in the calculation of basic earnings per share	用作計算每股基本盈利之已發行股份加權平均股數	1,323,760,433	1,278,145,271
Weighted average number of shares deemed to be issued for no consideration on deemed exercise of all share options outstanding during the year	假設所有於年內未行使購股權皆已行使而被視作以無償發行之股份加權平均股數	1,814,479	36,681,309
Weighted average number of shares used in the calculation of diluted earnings per share	用作計算攤薄後每股盈利之加權平均股數	1,325,574,912	1,314,826,580

12. 每股盈利 (續)

(b) 攤薄後之每股盈利 (續)

以下為用作計算基本每股盈利及攤薄後之每股盈利之加權平均股數調節表：

13. FIXED ASSETS

Group

13. 固定資產

集團

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Yacht	Total
		租賃土地 及樓宇 HK\$'000 港幣千元	租賃 樓宇裝修 HK\$'000 港幣千元	廠房設備 及機械 HK\$'000 港幣千元	傢俬、 裝置及 辦公室設備 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	遊艇 HK\$'000 港幣千元	合計 HK\$'000 港幣千元
Cost or valuation:	成本或估值：							
At beginning of year	年初	411,563	197,661	834,623	104,746	54,356	4,791	1,607,740
Additions	添置	2,997	48,216	178,056	16,004	8,268	—	253,541
Disposals	出售	—	(4,983)	(38,611)	(1,625)	(1,881)	—	(47,100)
Transfers from construction in progress (note 15)	在建工程 撥入(附註15)	82,931	—	60,019	80	—	—	143,030
Transfers to investment properties (note 14)	撥往投資 物業(附註14)	(7,560)	—	—	—	—	—	(7,560)
Foreign exchange adjustments	外匯調整	—	649	—	126	23	—	798
At 31 March 2003	於二零零三年 三月三十一日	489,931	241,543	1,034,087	119,331	60,766	4,791	1,950,449
Accumulated depreciation:	累計折舊：							
At beginning of year	年初	104,110	120,275	412,020	72,410	44,160	3,295	756,270
Provided during the year	本年準備	11,032	46,054	90,110	8,980	2,852	753	159,781
Disposals	出售	—	(3,149)	(27,901)	(907)	(1,122)	—	(33,079)
Transfers to investment properties (note 14)	撥往投資 物業(附註14)	(2,782)	—	—	—	—	—	(2,782)
Foreign exchange adjustments	外匯調整	—	195	—	24	5	—	224
At 31 March 2003	於二零零三年 三月三十一日	112,360	163,375	474,229	80,507	45,895	4,048	880,414
Net book value:	賬面淨值：							
At 31 March 2003	於二零零三年 三月三十一日	377,571	78,168	559,858	38,824	14,871	743	1,070,035
At 31 March 2002	於二零零二年 三月三十一日	307,453	77,386	422,603	32,336	10,196	1,496	851,470

13. FIXED ASSETS (continued)

An analysis of the leasehold land and buildings at 31 March 2003 is as follows:

13. 固定資產 (續)

於二零零三年三月三十一日之租賃土地及樓宇分析如下：

		1992		
		Professional	Cost	Total
		valuation	Cost	Total
		專業估值	成本值	合計
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元	港幣千元
Medium term leasehold land and buildings situated in Hong Kong	位於香港之中期租賃土地及樓宇	27,769	109,164	136,933
Medium term leasehold land and buildings situated outside Hong Kong	位於香港以外之中期租賃土地及樓宇	—	352,998	352,998
		27,769	462,162	489,931

All of the other fixed assets are stated at cost less accumulated depreciation.

所有其他固定資產均按成本減累計折舊列賬。

During the year, certain leasehold land and buildings with a net carrying value of HK\$4,778,000 (2002: Nil) were transferred from fixed assets to investment properties (note 14).

本年度，由固定資產撥往投資物業(附註14)之部份租賃土地及樓宇賬面淨值為港幣4,778,000元(二零零二年：無)。

13. FIXED ASSETS (continued)

Certain medium term leasehold land and buildings were revalued in 1992. The Group has adopted the transitional provisions of SSAP 17 "Property, plant and equipment", issued in 1995, of not making further regular revaluations by class of those assets stated at revalued amounts based on revaluations which were reflected in financial statements prior to that date. Had such leasehold land and buildings been carried at cost less accumulated depreciation, their carrying amounts would have been stated at approximately HK\$13,076,000 (2002: HK\$13,713,000).

As at 31 March 2002 and 2003, certain motor vehicles were pledged to the Group's bankers to secure the Group's banking facilities (note 24).

13. 固定資產 (續)

部份中期租賃土地及樓宇曾於一九九二年進行重估。本集團採用於一九九五年發出之會計實務準則第十七條「物業、廠房及設備」之過渡性規定，不再對已於過往財務報表以重估值入賬之分類資產進行定期重估。倘該等土地及樓宇按成本減累計折舊列賬，其賬面金額應約為港幣13,076,000元（二零零二年：港幣13,713,000元）。

於二零零二年及二零零三年三月三十一日，部份汽車已抵押予集團往來銀行作集團銀行信貸之用（附註24）。

14. INVESTMENT PROPERTIES

14. 投資物業

		Group 集團	
		2003	2002
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
At beginning of year	年初	29,260	29,600
Transfers from fixed assets (note 13)	由固定資產轉撥 (附註13)	4,778	—
Revaluation surplus credited to investment property revaluation reserve	於投資物業重估儲備中 加入重估盈餘	1,722	—
Revaluation deficit charged to the profit and loss account	於損益賬中扣除之 重估減值	(50)	(340)
At balance sheet date	於結算日	35,710	29,260

The investment properties, including those transferred from fixed assets during the year (note 13), are all situated in Hong Kong and held under medium term leases. At 31 March 2003, the investment properties were revalued on an open market, existing use basis by Chung, Chan & Associates, Chartered Surveyors, independent professionally qualified valuers. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 32 to the financial statements.

投資物業包括本年度由固定資產轉撥(附註13)，全部位於香港，並按中期租約持有。於二零零三年三月三十一日，投資物業曾由獨立專業評估師、特許測量師 Chung, Chan & Associates, Chartered Surveyors 按公開市場現有用途基準進行重估。此投資物業乃以經營租約租予第三者，詳細資料載於財務報表附註32。

14. INVESTMENT PROPERTIES (continued)

Certain investment properties were transferred from leasehold land and buildings in Hong Kong at their 1992 professional valuation. The related revaluation reserve of HK\$7,238,000 (2002: HK\$7,238,000), which has been reclassified from the asset revaluation reserve to the investment property revaluation reserve, was frozen upon the transfer and will be released directly to retained profits upon the disposal of the related investment properties.

The gross rental income earned from the investment properties during the year amounted to HK\$3,631,000 (2002: HK\$3,949,000).

15. CONSTRUCTION IN PROGRESS

14. 投資物業 (續)

若干投資物業已按一九九二年專業估值從香港租賃土地及樓宇轉撥。自資產重估儲備撥往投資物業重估儲備港幣7,238,000元（二零零二年：港幣7,238,000元），已於轉撥時凍結，並將於出售有關投資物業時直接撥往保留溢利。

年內源於自投資物業之總租金收入為港幣3,631,000元（二零零二年：港幣3,949,000元）。

15. 在建工程

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At beginning of year	年初	124,971	9,605
Additions	添置	70,544	115,360
Transfer to fixed assets (note 13)	撥往固定資產 (附註13)	(143,030)	—
Foreign exchange adjustments	外匯調整	—	6
At balance sheet date	於結算日	52,485	124,971

15. CONSTRUCTION IN PROGRESS (continued)

The construction in progress represents costs incurred for the development and building of factories in Dongguan, Guangdong Province, The PRC and is stated at cost, which comprises all development expenditure and other direct costs attributable to the construction.

15. 在建工程 (續)

在建工程代表在中國廣東省東莞市發展及興建廠房所需之成本，按成本值入賬，並包括所有發展開銷及建築工程之應佔其他直接成本。

16. TRADEMARKS

16. 商標

		Group 集團 HK\$'000 港幣千元
Cost:	成本：	
At beginning of year	年初	52,211
Additions	添置	249
At 31 March 2003	於二零零三年三月三十一日	52,460
Accumulated amortisation:	累計攤銷：	
At beginning of year	年初	10,733
Amortised during the year	本年度內攤銷	2,913
At 31 March 2003	於二零零三年三月三十一日	13,646
Net book value:	賬面淨值：	
At 31 March 2003	於二零零三年三月三十一日	38,814
At 31 March 2002	於二零零二年三月三十一日	41,478

17. INTEREST IN AN ASSOCIATE

17. 於聯營公司之權益

		Group 集團	
		2003	2002
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
Share of net assets	應佔資產淨值	136,265	126,897

As detailed in note 3 to the financial statements, the Group applied the transitional provision of SSAP 30 which permitted goodwill in respect of the acquisition of the associate of HK\$110,648,000, which occurred prior to 1 April 2001, to remain eliminated against consolidated reserves (note 28(a)).

按財務報表附註3，本集團已應用會計實務準則第三十條之過渡性條文，該條文容許於二零零一年四月一日前收購聯營公司產生之商譽港幣110,648,000元仍然維持沖銷於綜合儲備中（附註28(a)）。

Particulars of the associate are as follows:

聯營公司之資料如下：

Name 名稱	Business structure 商業架構	Place of incorporation/ operations 註冊成立及 營業地點	Percentage of equity interest attributable to the Group 本集團應佔權益 百份比		Principal activity 主要業務
			2003	2002	
Megawell Industrial Limited	Corporate 公司	Hong Kong/The PRC 香港／中國	50%	50%	Manufacturing of garments 成衣生產

17. INTEREST IN AN ASSOCIATE (continued)

A summary of the financial information of Megawell Industrial Limited, based on its audited financial statements for the year ended 31 March 2003, is as follows:

		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Balance sheet:			
	資產負債表：		
Fixed assets	固定資產	75,385	79,615
Current assets	流動資產	294,373	266,131
Current liabilities	流動負債	(127,514)	(125,257)
Net assets as at year end	於結算日資產淨值	242,244	220,489
Profit and loss account:			
	損益表：		
Turnover	營業額	852,957	1,025,638
Profit before tax	除稅前溢利	94,280	125,123

18. DUE TO AN ASSOCIATE

The amount due to the associate is unsecured, interest-free and repayable on agreed credit terms.

17. 於聯營公司之權益 (續)

以下為 Megawell Industrial Limited 截至二零零三年三月三十一日止年度經審核財務報表的簡略財務資料：

18. 應付聯營公司

應付聯營公司欠款乃無抵押、無息及須按協訂賬期還款。

19. INVENTORIES

19. 存貨

		Group	
		集團	
		2003	2002
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
Raw materials	原料	404,951	231,983
Work in progress	在製品	59,663	24,769
Finished goods	製成品	388,878	271,261
		853,492	528,013

As at 31 March 2003, no inventories were stated at net realisable value (2002: Nil).

於二零零三年三月三十一日，沒有存貨以變現淨值入賬（二零零二年：無）。

20. TRADE AND BILLS RECEIVABLES

20. 應收賬款及應收票據

		Group	
		集團	
		2003	2002
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
Trade receivables	應收賬款	367,714	325,618
Bills receivable	應收票據	14,116	9,303
		381,830	334,921

20. TRADE AND BILLS RECEIVABLES (continued)

The trading terms with customers are largely on credit. Invoices are normally payable within 90 days of issue, except for certain well-established customers, where the terms are extended up to 120 days, subject to the approval of directors. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are regularly reviewed by directors.

An aged analysis of trade receivables as at the balance sheet date, based on invoice date and net of provisions, is as follows:

20. 應收賬款及應收票據 (續)

本公司與客戶交易一般有賬期。除部份基礎良好客戶獲董事批予賬期達120天外，其餘基本按發票發出日90天內到期付款。本集團對應收款有一套嚴謹監察制度，以減少信貸風險，並且董事亦會定期審閱逾期賬款跟進情況。

於年結日，按發票日期扣除撥備之應收賬款之賬齡分析如下：

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	359,514	323,207
Over 90 days	90日以上	8,200	2,411
		367,714	325,618

20. TRADE AND BILLS RECEIVABLES (continued)

An aged analysis of bills receivable as at the balance sheet date is as follows:

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	14,116	8,601
Over 90 days	90日以上	—	702
		14,116	9,303

20. 應收賬款及應收票據 (續)

於年結日，應收票據之賬齡分析如下：

21. CASH AND CASH EQUIVALENTS

		Group		Company	
		集團		公司	
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cash and bank balances	現金及銀行結存	208,605	103,749	105	30
Time deposits	定期儲蓄	276,176	452,843	—	—
		484,781	556,592	105	30

21. 現金及現金等價物

21. CASH AND CASH EQUIVALENTS (continued)

At the balance sheet date, the cash and bank balance of the Group denominated in Renminbi ("RMB") amounted to HK\$138,407,000 (2002: HK\$68,218,000). The RMB is not freely convertible into other currencies, however, under Mainland China Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks.

22. TRADE AND BILLS PAYABLES

20. 應收賬款及應收票據 (續)

於結算日，本集團以人民幣定值之現金及銀行結餘為港幣138,407,000元（二零零二年：港幣68,218,000元）。人民幣不能自由兌換其他貨幣，惟根據中國大陸外匯管制法規及結匯、售匯及付匯管理規定，本集團獲准透過獲授權之銀行將人民幣兌換為外幣。

22. 應付賬款及應付票據

		Group 集團	
		2003	2002
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
Trade payables	應付賬款	657,699	389,229
Bills payable	應付票據	22,938	48,713
		680,637	437,942

22. TRADE AND BILLS PAYABLES (continued)

An aged analysis of trade payables as at balance sheet date, based on invoice date, is as follows:

		Group 集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 90 days	90日內	644,996	360,917
Over 90 days	90日以上	12,703	28,312
		657,699	389,229

At 31 March 2003, all bills payable were aged within 90 days (2002: 90 days).

23. INTEREST-BEARING BANK BORROWINGS

		Group 集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bank overdrafts, unsecured	銀行透支，無抵押	367	397
Trust receipt loans, unsecured	信託收據貸款，無抵押	—	1,449
Current portion of bank loans	銀行貸款之短期部份	17,534	17,609
		17,901	19,455

22. 應付賬款及應付票據 (續)

於年結日，按發票日期之應付賬款之賬齡分析如下：

於二零零三年三月三十一日，所有應付票據賬齡也是90日內(二零零二年：90日內)。

23. 附息銀行貸款

24. INTEREST-BEARING BANK LOANS

24. 附息銀行貸款

		Group 集團	
		2003	2002
		Notes 附註	Notes 附註
		HK\$'000 港幣千元	HK\$'000 港幣千元
Bank overdrafts, unsecured	銀行透支，無抵押	23	367
Trust receipt loans, unsecured	信託收據貸款，無抵押	23	—
Bank loans:	銀行貸款：		
Secured	有抵押		170
Unsecured	無抵押		39,375
			56,875
			39,545
			57,147
			39,912
			58,993
Bank overdrafts repayable within one year or on demand	銀行透支於一年內償還或按要求		367
Trust receipt loans repayable within one year	信託收據貸款於一年內償還		—
Long term bank loans repayable:	長期銀行貸款須於下列期間清還：		
Within one year	於一年內	23	17,534
In the second year	第二年		17,534
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)		4,475
Beyond five years	第五年後		2
			39,545
			57,147
Total interest-bearing bank loans and overdrafts	附息銀行貸款及透支合計		39,912
Less: Portion classified as current liabilities	減：於一年內到期流動負債內之部份	23	(17,901)
Long term portion	長期部份		22,011
			39,538

As at 31 March 2002 and 2003, certain bank loans were secured by pledges of certain motor vehicles of the Group (note 13).

於二零零二年及二零零三年三月三十一日，部份銀行貸款乃以集團部份汽車作抵押(附註13)。

25. DEFERRED TAX

25. 遞延稅項

		Group 集團	
		2003	2002
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
At beginning of year	年初	28,191	24,479
Charge/(credit) for the year (note 9)	本年度準備／(回撥) (附註9)	(26,191)	3,712
At 31 March	於三月三十一日	2,000	28,191

The provision for deferred tax, calculated at 17.5% (2002: 16%), relates to timing differences arising from accelerated depreciation allowances.

遞延稅項準備以17.5%計算(二零零二年：16%)乃就按加速折舊免稅額引起之時差而提撥準備。

There are no significant potential deferred tax liabilities for which provision has not been made (2002: Nil).

本年內並無未作撥備之重大遞延稅務負債(二零零二年：無)。

The revaluations of the Group's properties do not constitute timing differences and, consequently, the amount of potential deferred tax thereon has not been quantified.

重估本集團之物業並不構成時差，因此不必計算可能由此產生之遞延稅項。

31 March 2003

二零零三年三月三十一日

26. SHARE CAPITAL

Shares

26. 股本

股份

		2003	2002
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
Authorised:	法定：		
2,000,000,000 shares of	2,000,000,000股		
HK\$0.05 each	每股面值港幣0.05元	100,000	100,000
Issued and fully paid:	已發行及繳足：		
1,324,148,104	1,324,148,104		
(2002: 1,323,648,104)	(二零零二年：		
shares of HK\$0.05 each	1,323,648,104)股		
	每股面值港幣0.05元	66,208	66,183

26. SHARE CAPITAL (continued)

A summary of the movements in the Company's share capital during the year is as follows:

26. 股本 (續)

於本年度內，本公司股本之變動簡略如下：

		Number of shares in issue 股份數量	Issued share capital 已發行 股本 HK\$'000 港幣千元	Share premium account 股本 溢價賬 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 April 2001	於二零零一年 四月一日	1,273,236,104	63,662	305,960	369,622
Repurchases of shares	股份之回購	(7,188,000)	(359)	(16,684)	(17,043)
Exercise of share options	購股權之行使	57,600,000	2,880	41,892	44,772
At 31 March 2002 and 1 April 2002	於二零零二年 三十一日 及二零零二年 四月一日	1,323,648,104	66,183	331,168	397,351
Exercise of share options	購股權之行使	500,000	25	2,460	2,485
At 31 March 2003	於二零零三年 三月三十一日	1,324,148,104	66,208	333,628	399,836

Subsequent to the balance sheet date, on 29 May 2003 and on 2 July 2003, a total of 400,000 new shares were issued upon the exercise of 400,000 share options by certain employees of the Company (note 27).

於結算日後，二零零三年五月二十九日及二零零三年七月二日，本公司部份僱員行使總數400,000份購股權導至本公司發行新股400,000份(附註27)。

27. SHARE OPTION SCHEME

SSAP 34 was adopted during the year, as explained in note 2 and under the heading "Employee benefits" in note 3 to the financial statements. As a result, the following detailed disclosures relating to the Company's share option scheme are now included in the notes to the financial statements. In the prior year, these disclosures were included in the Report of the Directors, as their disclosure is also a requirement of the Listing Rules.

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the schemes include the Company's directors, including independent non-executive directors, and other employees of the Group. During the year, the share option scheme which was adopted on 15 July 1992 expired on 14 July 2002 and all the outstanding share options granted thereunder lapsed before the expiry of this scheme. A new share option scheme (the "Scheme"), in compliance with the requirements of Chapter 17 of the Listing Rules, was adopted by the Company with effect from 28 August 2002 for a period of ten years.

27. 購股權計劃

如財務報表附註2及附註3「僱員福利」一節所闡述，年內採納會計實務準則第34條。故財務報表附註現載入有關本公司購股權計劃之詳細資料披露。往年有關披露按上市規則規定載於董事會報告內。

本公司之購股權計劃主要目的是向符合資格及曾對集團作出貢獻的參與者給與鼓勵及獎賞。該計劃符合資格參與者包括本公司董事（包括獨立非執行董事）及集團其他僱員。本年度內，於一九九二年七月十五日採納的購股權計劃在二零零二年七月十四日屆滿，尚餘未行使的購股權於計劃屆滿前失效。本公司採納一個符合《證券上市規則》第十七章要求的新購股權計劃「該計劃」，有效期為由二零零二年八月二十八日起計之十年內。

27. SHARE OPTION SCHEME (continued)

The maximum number of unexercised share options permitted to be granted under the Scheme was an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. As at 31 March 2003, the number of shares issuable under the share options granted under the Scheme was 28,100,000, which represented approximately 2% of the Company's shares in issue as at that date. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

27. 購股權計劃 (續)

該計劃允許之最多可授與之未行使購股權為相等於本公司任何時間之10%已發行股份。於二零零三年三月三十一日，該計劃已授與購股權可認購之股份數目為28,100,000股，即等於約2%本公司當日之已發行股份數目。於任何十二個月期間內根據購股權計劃可向每名合資格參與人士發行之股份數目，最多不得超過任何時間之本公司已發行股份1%。進一步授出超過該限額之購股權必須獲股東於股東大會批准。

向董事、行政總裁或主要股東或彼等任何聯繫人士授出購股權必須獲獨立非執行董事事先批准。此外，於任何十二個月期間內任何購股權授予主要股東或獨立非執行董事或彼等聯繫人士超過本公司在任何時間已發行股本0.1%或總值（按本公司股份於該授予日期之價格計算）超過港幣5,000,000元，必須事先獲股東於股東大會批准。

27. SHARE OPTION SCHEME (continued)

The offer of a grant of share options may be accepted within 28 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors but is not more than 10 years from the date of grant.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of a share. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

27. 購股權計劃 (續)

購股權之被授與人必須於頒授日起之28日內支付名義代價港幣1元。購股權之行使限期由董事會決定，但最長不超過頒授日起計之十年。

購股權之認購價由董事釐定，惟不得低於以下之較高者：(i)本公司股份於頒授購股權日期在聯交所之收市價；(ii)本公司股份於緊接頒授日期前五個交易日在聯交所之平均收市價；及(iii)股份票面值。購股權並無賦予持有人收取股息或於股東大會投票之權利。

27. SHARE OPTION SCHEME (continued)

The following share options were outstanding at the balance sheet date:

27. 購股權計劃 (續)

於年結日，未行使之購股權明細如下：

Name or category of participant	Date of grant of share options*	Exercise price of share options**	Number of share options					Exercise period of share options	Price of Company's shares***	
			At 1 April 2002	Granted during the year	Lapsed during the year	Exercised during the year	At 31 March 2003		At grant date of options	At exercise date of options
參與者名稱或類別	購股權頒授日期*	行使價格**	於二零零二年四月一日	年內已頒授	年內已失效	年內於二零零三年三月三十一日	購股權行使期限	於購股權頒授日	於購股權行使日	
		HKS 港幣						HKS 港幣	HKS 港幣	
Directors										
董事										
Poon Bun Chak 潘彬澤	11 September 2002 二零零二年九月十一日	4.97	—	1,000,000	—	—	1,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	—
Poon Kai Chak 潘佳澤	11 September 2002 二零零二年九月十一日	4.97	—	7,500,000	—	—	7,500,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	—
Poon Kei Chak 潘機澤	11 September 2002 二零零二年九月十一日	4.97	—	7,500,000	—	—	7,500,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	—
Poon Kwan Chak 潘鈞澤	11 September 2002 二零零二年九月十一日	4.97	—	4,000,000	—	—	4,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	—
Ting Kit Chung 丁傑忠	11 September 2002 二零零二年九月十一日	4.97	—	4,000,000	—	—	4,000,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	—
Au Son Yiu 區焯耀	11 September 2002 二零零二年九月十一日	4.97	—	200,000	—	—	200,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	—
Cheng Shu Wing 鄭樹榮	11 September 2002 二零零二年九月十一日	4.97	—	200,000	—	—	200,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	—
Other employees										
其他僱員										
In aggregate 合共	26 February 1998 一九九八年二月二十六日	0.72	200,000	—	(200,000)	—	—	26 February 1998 to 27 May 2002 一九九八年二月二十六日至二零零二年五月二十七日	0.93	—
In aggregate 合共	11 September 2002 二零零二年九月十一日	4.97	—	4,200,000	—	(500,000)	3,700,000	11 September 2002 to 10 September 2012 二零零二年九月十一日至二零一二年九月十日	4.80	5.6
			200,000	28,600,000	(200,000)	(500,000)	28,100,000			

27. SHARE OPTION SCHEME (continued)

- * *The vesting period of the share options is from the date of the grant until the commencement of the exercise period.*
- ** *The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.*
- *** *The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure category.*

The 500,000 share options exercised during the year resulted in the issue of 500,000 ordinary shares of the Company and new share capital of HK\$25,000 and share premium of HK\$2,460,000, as detailed in note 26 to the financial statements.

At 31 March 2003, 28,100,000 share options remained outstanding under the Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 28,100,000 additional ordinary shares of the Company and additional share capital of HK\$1,405,000 and share premium of HK\$138,252,000 (before issue expenses).

Subsequent to the balance sheet date, on 29 May 2003 and on 2 July 2003, a total of 400,000 share options were exercised by certain employees of the Company and 400,000 new shares of the Company were issued (note 26).

27. 購股權計劃 (續)

- * 購股權有效日期乃由頒授購股權日起至行使期開始止。
- ** 購股權的行使價於本公司配股或派發紅股或在股本中有其他類似轉變時可予調整。
- *** 緊接授出購股權日期之交易日本公司股份在聯交所之收市價。購股權行使日本公司股份價格為所有相同披露類別中所有購股權相對之股份加權平均價。

本年度內，500,000份購股權獲行使，導致發行500,000股本公司普通股，並產生新股本港幣25,000元及股份溢價港幣2,460,000元，詳情見財務報表附註26。

於二零零三年三月三十一日，該計劃下尚有28,100,000份購股權未獲行使，根據本公司之現有資本架構，全面行使餘下之購股權將導致額外發行28,100,000股本公司之普通股，並額外產生股本港幣1,405,000元及股份溢價港幣138,252,000元（未計發行開支）。

於結算日後，二零零三年五月二十九日及二零零三年七月二日，本公司部份僱員行使總數400,000份購股權及本公司發行新股400,000份（附註26）。

28. RESERVES

(a) Group

The amount of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 36 and 37 of the financial statements.

As detailed in notes 3 and 17 to the financial statements, certain amounts of goodwill and negative goodwill arising on the acquisitions of an associate and a subsidiary in prior years, of HK\$110,648,000 and HK\$45,000, respectively, remain eliminated against or credited, to the consolidated reserves. The amount of goodwill is stated at cost.

The Group's contributed surplus derives from the difference between the nominal value of the share capital issued by the Company and the then nominal value of the share capital of the subsidiaries acquired at the date of acquisition, as a result of the reorganisation which occurred before the listing of the Company's shares in 1992.

28. 儲備

(a) 集團

本年度及前年度本集團儲備及其間變動之數額呈列於財務報表第36及第37頁之綜合權益變動報表內。

載於財務報表附註3及17已列明，從往年度收購聯營及附屬公司產生之商譽及負商譽保留沖銷於綜合儲備中分別為港幣110,648,000元及港幣45,000元，商譽乃按成本入賬。

因應本公司在一九九二年上市前的重組，本集團之實繳盈餘，即本公司已發行股本之面值，與所收購附屬公司於收購日期之股本面值之差額。

28. RESERVES (continued)

(b) Company

28. 儲備 (續)

(b) 公司

	Share premium account 股本溢價賬 HK\$'000 港幣千元	Capital redemption reserve 股本贖回 儲備 HK\$'000 港幣千元	Contributed surplus 實繳盈餘 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 April 2001 於二零零一年 四月一日	305,960	1,228	48,708	377,210	733,106
Transfer on 購回股份而 repurchase of 轉撥 own shares	(16,684)	359	—	(359)	(16,684)
Exercise of share 行使購股權 options	41,892	—	—	—	41,892
Net profit for 本年度溢利 the year 淨額	—	—	—	261,005	261,005
Interim 2002 2002年中期 dividend 股息	—	—	—	(101,812)	(101,812)
Proposed final 2002年擬派 2002 dividend 末期股息	—	—	—	(158,838)	(158,838)
At 31 March 2002 於二零零二年 and at 1 April 三月三十一日 2002 及二零零二年 四月一日	331,168	1,587	48,708	377,206	758,669
Exercise of share 行使購股權 options	2,460	—	—	—	2,460
Net profit for 本年度溢利 the year 淨額	—	—	—	332,106	332,106
Interim 2003 2003年中期 dividend 股息	—	—	—	(145,642)	(145,642)
Proposed final 2003年擬派 2003 dividend 末期股息	—	—	—	(185,437)	(185,437)
At 31 March 2003 於二零零三年 三月三十一日	333,628	1,587	48,708	378,233	762,156

28. RESERVES (continued)

(b) **Company** (continued)

The Company's contributed surplus represents the difference between the nominal value of the share capital issued by the Company and the then combined net assets of the subsidiaries acquired on the date of acquisition, as a result of the reorganisation which occurred before the listing of the Company's shares in 1992. Under the Companies Act 1981 of Bermuda (as amended), a distribution may be made out of the contributed surplus under certain circumstances.

29. INTERESTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，成本值
Due from subsidiaries	應收附屬公司賬款
Due to subsidiaries	應付附屬公司賬款

The balances with subsidiaries are unsecured, interest-free and not repayable within one year.

28. 儲備 (續)

(b) **公司** (續)

因應本公司在一九九二年上市前的重組，本公司之實繳盈餘，即本公司已發行股本之面值，與所收購附屬公司於收購日之合併資產淨值之差額。根據百慕達一九八一年公司法（經修訂），可於若干情況下派發實繳盈餘。

29. 於附屬公司權益

		Company	
		公司	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unlisted shares, at cost	非上市股份，成本值	48,908	48,908
Due from subsidiaries	應收附屬公司賬款	2,474,122	1,941,722
Due to subsidiaries	應付附屬公司賬款	(1,694,733)	(1,267,218)
		828,297	723,412

附屬公司之餘額，乃無抵押、無利息及無須於一年內償還。

29. INTERESTS IN SUBSIDIARIES (continued)

All subsidiaries, other than Trustland Inc., are indirectly held by the Company. The particulars of the Company's principal subsidiaries are as follows:

29. 於附屬公司權益 (續)

除 Trustland Inc.外，所有附屬公司均由本公司間接持有。本公司之附屬公司詳情如下：

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Group 本集團應佔股權 之百分比		Principal activities 主要業務
			2003	2002	
Trustland Inc.	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$18,000 18,000美元	100%	100%	Investment holding 投資控股
Nice Dyeing Factory Limited	Hong Kong	Ordinary HK\$1,000 Non-voting deferred HK\$3,125,000 普通股本港幣1,000元 無投票權遞延股本 港幣3,125,000元	100%	100%	Sale of finished knitted fabric, raw and dyed yarn 銷售針織布、胚紗及色紗
永佳染廠有限公司	香港				
Texwinca Enterprises (China) Limited	British Virgin Islands/ The PRC	US\$1	100%	100%	Investment holding and provision of subcontracting services 投資控股及提供加工服務
德永佳(中國)發展有限公司	英屬處女群島/中國	1美元			

29. INTERESTS IN SUBSIDIARIES (continued)

29. 於附屬公司權益 (續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Group 本集團應佔股權 之百分比		Principal activities 主要業務
			2003	2002	
Dongguan Texwinca Textile & Garment Limited* 東莞德永佳紡織製衣 有限公司*	The PRC 中國	HK\$878,115,007 港幣 878,115,007元	100%	97.6%	Production of finished knitted fabric and dyed yarn 生產整染針織布及 色紗
Texwinca Enterprises Limited 德永佳實業有限公司	Hong Kong 香港	HK\$2 港幣 2元	100%	100%	Provision of management services 提供管理服務
Win Ready Industrial Limited 永備實業有限公司	Hong Kong 香港	Ordinary HK\$10 Non-voting deferred HK\$2 普通股本港幣 10元 無投票權遞延股本 港幣 2元	100%	100%	Property holding 持有物業
Winlife Trading Limited 永生行有限公司	Hong Kong 香港	HK\$15,903,100 港幣 15,903,100元	100%	100%	Property holding 持有物業
Baleno Holdings Limited 班尼路集團有限公司	British Virgin Islands 英屬處女群島	US\$10,000 10,000美元	54%	54%	Investment holding 投資控股

29. INTERESTS IN SUBSIDIARIES (continued)

29. 於附屬公司權益 (續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Group 本集團應佔股權 之百分比		Principal activities 主要業務
			2003	2002	
Baleno Kingdom Limited	Hong Kong	HK\$10,000	54%	54%	Retail and distribution of casual apparel and accessory
班尼路有限公司	香港	港幣 10,000元			便服及飾物 零售及分銷
Guangzhou Friendship Baleno Company Limited	The PRC	HK\$4,680,000	54%	54%	Retail and distribution of casual apparel and accessory
廣州友誼班尼路服飾 有限公司	中國	港幣 4,680,000元			便服及飾物 零售及分銷
Shanghai Haiwen Baleno Garment Company Limited	The PRC	US\$210,000	51.4%	51.4%	Retail and distribution of casual apparel and accessory
上海海文班尼路服飾 有限公司	中國	210,000美元			便服及飾物 零售及分銷
Beijing Xingyu Baleno Garment & Decoration Company Limited	The PRC	US\$500,000	54%	54%	Retail and distribution of casual apparel and accessory
北京興宇班尼路服裝服飾 有限公司	中國	500,000美元			便服及飾物 零售及分銷

29. INTERESTS IN SUBSIDIARIES (continued)

29. 於附屬公司權益 (續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Group 本集團應佔股權 之百分比		Principal activities 主要業務
			2003	2002	
Chongqing Dasheng Baleno Company Limited 重慶大生班尼路服飾 有限公司	The PRC 中國	HK\$3,880,000 港幣 3,880,000元	54%	54%	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
天津市班尼路服飾 有限公司	The PRC 中國	RMB500,000 人民幣 500,000元	54%	54%	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Silver Kingdom Limited 銀鯨有限公司	British Virgin Islands/ Taiwan 英屬處女群島/台灣	US\$1 1美元	54%	54%	Retail and distribution of casual apparel and accessory 便服及飾物 零售及分銷
Bigpoint Limited 大班有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100%	100%	Holding of trademarks and provision of franchise services 持有商標及 提供商標服務

29. INTERESTS IN SUBSIDIARIES (continued)

29. 於附屬公司權益 (續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Group 本集團應佔股權 之百分比		Principal activities 主要業務
			2003	2002	
Highrich Corporation	British Virgin Islands/ The PRC	US\$1	54%	54%	Provision of management services and sub-licensing of trademarks
大富有限公司	英屬處女群島/中國	1美元			提供管理服務 及代理版權服務
Winca Trading Limited	British Virgin Islands/ Hong Kong	US\$1	100%	100%	Provision of repair and maintenance services for generators and trading of generators
永佳貿易有限公司	英屬處女群島/香港	1美元			提供發電機之 維修及銷售
Winca (Dongguan) Motor Service Limited**	The PRC	HK\$28,460,000	100%	100%	Provision of repair and maintenance services for motors
永佳(東莞)汽車維修 股務有限公司**	中國	港幣28,460,000元			提供汽車之維修

29. INTERESTS IN SUBSIDIARIES (continued)

29. 於附屬公司權益 (續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Group 本集團應佔股權 之百分比		Principal activities 主要業務
			2003	2002	
Overseas Union Ltd 聯合海外有限公司	Hong Kong 香港	HK\$2 港幣2元	54%	54%	Leasing of properties 租賃物業
Successful Channel Corporation	British Virgin Islands/Hong Kong 英屬處女群島/香港	US\$1 1美元	54%	54%	Property holding 持有物業
Samuel & Kevin Macau Fashion Company Ltd.	Macau	MOP25,000	54%	—	Retail and distribution of casual apparel and accessory
Samuel & Kevin 服裝 服飾澳門有限公司	澳門	葡幣 25,000元			便服及飾物 零售及分銷
Billion Global Ltd	British Virgin Islands/Taiwan	US\$1	54%	—	Retail and distribution of casual apparel and accessory
億皓股份有限公司	英屬處女群島/ 台灣	1美元			便服及飾物 零售及分銷

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of all subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表僅列出本公司之主要附屬公司，董事認為彼等對本集團之業績構成主要影響或組成本集團淨資產之主要部份。董事認為詳列所有附屬公司會令篇幅過於冗長。

29. INTERESTS IN SUBSIDIARIES (continued)

- * *Dongguan Texwinca Textile & Garment Limited ("DGT") was formed as a co-operative joint venture in The PRC under a joint venture agreement with a term of 50 years with effect from 28 July 1992. This agreement is subject to renewal by the mutual consent of the then joint venture partners upon expiry. Pursuant to a revised agreement between the Group and the other joint venture partners dated 28 July 1993, the entire operations of DGT became subject to the management and control of the Group and all profits and losses arising from DGT's operations became wholly attributable to the Group. On 29 April 2001, Dongguan Texwinca Knitting Limited ("DTKL"), which had been formed as a co-operative joint venture in the PRC with the entire operations subject to the management and control of the Group and all of whose profits and losses had been attributable to the Group, was merged into DGT under The PRC regulations. The registered capital of DGT became HK\$898,500,000 after the merger. During the current year, the registered capital of DGT was increased to HK\$1,038,500,000, and the paid-up capital thereof as at 31 March 2003 was HK\$878,115,007.*

In a prior year, an advance of HK\$21,000,000 was made by the Group to one of the joint venture partners of DGT for its investment in 2.4% equity interest in DGT, and the Group had already written off this advance of HK\$21,000,000 to the consolidated profit and loss account in prior years. During the year, this joint venture partner of DGT transferred its 2.4% equity interest in DGT to the Group and thus, the Group had written back this 2.4% minority interest in DGT of HK\$21,000,000 to the consolidated profit and loss account for the current year.

- ** *Winca (Dongguan) Motor Service Limited was formed as a wholly foreign-owned enterprise with a term of 50 years in The PRC with effect from 26 July 1994. The paid-up capital as at 31 March 2003 was HK\$28,460,000.*

29. 於附屬公司權益 (續)

- * 東莞德永佳紡織製衣有限公司(「紡織公司」)根據一項合營協議，以共同合作方式在中華人民共和國(「中國」)成立，合營期由一九九二年七月二十八日起計五十年。該項協議在合約期滿可由合營各方同意續期。根據本集團與其他合營方在一九九三年七月二十八日訂立之修訂協議，紡織公司之一切業務由本集團全權管理及控制，而其業務所產生之盈虧全部撥歸本集團或由本集團承擔。東莞德永佳針織有限公司(「針織公司」)成立於中國的合作企業，其管理及控制及一切盈利虧損全歸集團擁有。於二零零一年四月二十九日，針織公司與紡織公司按中國法規合併。合併後，紡織公司續存，其註冊資本為港幣898,500,000元。本年度，註冊資本增加至港幣1,038,500,000元及於二零零三年三月三十一日，實繳資本為港幣878,115,007元。

於以往，本集團向紡織公司其中一位合營方借出港幣21,000,000元作為其應佔紡織公司2.4%權益的投資，本集團已將該港幣21,000,000元的借款於以往年度撤銷於綜合損益表。在本年內，該紡織公司之合營方將其持有的紡織公司2.4%權益轉給本集團，因此本集團於本年將少數股東權益於紡織公司的2.4%權益撥回至綜合損益表。

- ** 永佳(東莞)汽車維修服務有限公司以外商獨資企業方式在中國成立，經營期由一九九四年七月二十六日起計五十年。已繳股本於二零零三年三月三十一日為港幣28,460,000元。

30. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

Prior year adjustments

SSAP 15 (Revised) was adopted during the current year, as detailed in note 2 to the financial statements, which has resulted in a change to the layout of the consolidated cash flow statement. The consolidated cash flow statement is now presented under three headings: cash flows from operating activities, investing activities and financing activities. Previously five headings were used, comprising the three headings listed above, together with cash flows from returns on investments and servicing of finance and from taxes paid. The significant reclassifications resulting from the change in presentation are that taxes paid are now included in cash flows from operating activities, interest and dividends received are now included in cash flows from investing activities, and interest and dividends paid are now included in cash flows from financing activities. The presentation of the 2002 comparative consolidated cash flow statement has been changed to accord with the new layout.

30. 綜合現金流量表附註

前年度調整

誠如財務報表附註2所詳述，於年內採納會計實務準則第十五條（經修訂），導致綜合現金流量表之呈列格式出現變動。綜合現金流量表現按三個標題呈列：營運業務、投資活動及融資活動之現金流轉。先前則按五個標題呈列，其中包括上述三個標題，連同投資回報及融資費用及已繳稅項之現金流轉。呈列方式變更引致之重大重新分類為現將已繳稅項列入營運業務之現金流轉；而已收利息及股息列入投資活動之現金流轉及已付利息及股息現列入融資活動之現金流轉。用作比較之二零零二年綜合現金流量表之呈列方式已作出變更，以符合新呈格式。

30. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

(continued)

Prior year adjustments*(continued)*

Also, the definition of “cash equivalents” under the revised SSAP 15 has been revised from that under the previous SSAP 15, as explained under the heading “Cash and cash equivalents” in note 3 to the financial statements. This has resulted in trust receipt loans no longer qualifying as cash equivalents. The amount of cash equivalents in the consolidated cash flow statement at 31 March 2002 has been adjusted to remove trust receipt loans amounting to HK\$1,449,000, previously included at that date. The year’s movement in trust receipt loans is now included in cash flows from financing activities and the comparative cash flow statement has been changed accordingly.

30. 綜合現金流量表附註 (續)

前年度調整 (續)

此外，誠如財務報表附註3之「現金及現金等值項目」標題下所闡釋，過往會計實務準則第十五條內有關「現金等價物」之定義已根據經修訂會計實務準則第十五條作出修訂。此舉導致信託收據貸款不再符合列作現金等價物的資格。於二零零二年三月三十一日綜合現金流量表內之現金等價物數額已作出調整，將先前於當日包括在內為數港幣1,449,000元之信託收據貸款刪除。本年度之信託收據貸款變動現已包含在融資活動之現金流轉內，而用作對比之綜合現金流量表已按此作出更改。

31. CONTINGENT LIABILITIES

(a) At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

31. 或有負債

(a) 於結算日，沒有呈列在財務報表之或有負債如下：

		Group		Company	
		集團		公司	
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Guarantee given in lieu of property rental deposit	代替租用物業按金所發出之擔保書	—	—	1,580	—
Bank guarantee given in lieu of property rental deposit	代替租用物業按金所發出之銀行擔保書	2,358	2,207	—	—
Guarantees of banking facilities granted to an associate	為聯營公司銀行信貸所作之擔保	14,000	14,000	14,000	14,000
Guarantees of banking facilities granted to subsidiaries	為附屬公司銀行信貸所作之擔保	—	—	1,093,000	1,119,000
Export bills discounted with recourse	有追索權之出口票據貼現	158,672	86,219	—	—

31. CONTINGENT LIABILITIES (continued)

- (b) In respect of possible future long service payments to employees under the Hong Kong Employment Ordinance as further explained under the heading "Employee benefits" in note 3 to financial statements, the Group has made a provision of HK\$4,941,000 and has a further contingent liability with a maximum possible amount of HK\$5,855,000 as at 31 March 2003.

The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

32. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 14) under operating lease arrangements, with leases negotiated for terms ranging from two to three years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

31. 或有負債 (續)

- (b) 根據香港僱傭條例可能須於未來向僱員支付長期服務金，如財務報表附註3「僱員福利」一節所詳述，於二零零三年三月三十一日，本集團已撥備港幣4,941,000元及或有負債可能涉及之金額最多為港幣5,855,000元。

有關或有負債產生之原因為於結算日，若干現任僱員服務本集團年數已屆僱傭條例下合資格於若干情況終止任職時可獲付長期服務金之規定。由於預期該等情況不大可能會對本集團日後資源流出有任何重大影響，故並無就有關可能支付之款項確認撥備。

32. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租用旗下投資物業(附註14)，議定期期由兩年至三年不等。租約條款一般規定租戶須繳付保證按金及訂明可根據當時市場情況定期作出租金調整。

32. OPERATING LEASE ARRANGEMENTS (continued)

(a) **As lessor** (continued)

At 31 March 2003, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	3,596	3,765
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	1,214	3,831
		4,810	7,596

(b) **As lessee**

The Group leases certain of its land for factories, retail stores, plant and machinery, and staff and directors' quarters under operating lease arrangements. Such leases are negotiated for terms not more than 50 years.

32. 經營租賃安排 (續)

(a) **作為出租人** (續)

於二零零三年三月三十一日，本集團根據與租戶訂立之不可撤銷經營租賃未來最低應收租金總額到期情況如下：

(b) **作為承租人**

本集團根據經營租賃安排租用若干旗下土地用作工廠、零售商店、廠房設備及機器，以及員工及董事宿舍。該等租約議定租期不超過五十年。

32. OPERATING LEASE ARRANGEMENTS (continued)

(b) **As lessee** (continued)

At 31 March 2003, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	於一年內	359,436	323,797
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	536,479	490,476
After five years	第五年後	307,863	143,818
		1,203,778	958,091

32. 經營租賃安排 (續)

(b) **作為承租人** (續)

於二零零三年三月三十一日，本集團根據與租戶訂立之不可撤銷經營租賃未來最低應付租金總額到期情況如下：

33. CAPITAL COMMITMENTS

Commitments for capital expenditure at the balance sheet date were as follows:

33. 資本承擔

於結算日，資本支出承擔如下：

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
In respect of fixed assets, contracted, but not provided for	已就固定資產訂約，但未作準備	81,507	116,891
In respect of fixed assets, authorised, but not contracted for	已就固定資產核准，但沒有訂約	375,600	—
In respect of investments in subsidiaries in The PRC, contracted, but not provided for	已就於中華人民共和國投資於附屬公司訂約，但未作準備	493,390	388,613
		950,497	505,504

34. RELATED PARTY TRANSACTIONS

(a) During the year, the Group had the following transactions with its associate:

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		附註	港幣千元
		港幣千元	港幣千元
Sales to Megawell Industrial Limited ("Megawell")	銷售予 Megawell Industrial Limited (「Megawell」)	(i) 378,063	513,972
Purchases from Megawell	向 Megawell 採購	(ii) 185,834	162,987

Notes:

- (i) The sales to Megawell, the associate of the Group, were made according to the prices and conditions offered to the major customers of the Group.
- (ii) The directors consider that the purchases from Megawell were made according to the prices and conditions similar to those offered to other customers of the associate.

In addition, the Company and the Group have provided certain guarantees for banking facilities granted to the associate, as detailed in note 31(a) to the financial statements.

34. 關連人士交易

(a) 本年度，本集團曾與其聯營公司進行下列交易：

		Group	
		集團	
		2003	2002
		HK\$'000	HK\$'000
		附註	港幣千元
		港幣千元	港幣千元
Sales to Megawell Industrial Limited ("Megawell")	銷售予 Megawell Industrial Limited (「Megawell」)	(i) 378,063	513,972
Purchases from Megawell	向 Megawell 採購	(ii) 185,834	162,987

附註：

- (i) 向本集團之聯營公司 Megawell 銷售乃根據向本集團主要客戶提供之價格及條件進行。
- (ii) 董事認為向 Megawell 採購之價格及條件，與聯營公司向其他客戶所提供之價格及條件相若。

此外，公司及集團作出若干銀行信貸擔保予聯營公司，詳細載於財務報表附註31(a)。

34. RELATED PARTY TRANSACTIONS (continued)

(b) As at 31 March 2003, Nice Dyeing Factory Limited, a wholly-owned subsidiary of the Company, has provided advances of HK\$245,651,000 (2002: HK\$228,484,000) to Baleno Kingdom Limited, a non wholly-owned subsidiary, at prime rate minus 1.25% (2002: prime rate minus 1.25%) per annum. The advances are unsecured and have no fixed terms of repayment. The principal purpose of these advances is to finance the operations of Baleno Kingdom Limited.

35. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified to conform with the current year's presentation.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 23 July 2003.

34. 關連人士交易 (續)

(b) 於二零零三年三月三十一日，本公司之全資擁有附屬公司永佳染廠有限公司向本公司之非全資擁有附屬公司班尼路有限公司提供之未償還貸款為港幣245,651,000元（二零零二年：港幣228,484,000元），年利息為最優惠利率減1.25%（二零零二年：最優惠利率減1.25%），有關貸款並無抵押及無協定之還款期，主要用作此非全資附屬公司的營運資金。

35. 比較金額

按財務報表附註2解釋，由於本年度採納新及經修訂的會計實務準則，部份數字及結餘的會計處理及呈列方式已修訂以符合新的要求。因此，部份比較金額已重新分類以符合本年之呈列。

36. 財務報表之核准

本財務報表已於二零零三年七月二十三日由董事會核准及授權刊發。