

NOTES ON THE FINANCIAL STATEMENTS

1. Basis of Presentation

These unaudited consolidated interim financial statements are prepared in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with the Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2004.

2. Profit from ordinary activities before taxation

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

	Six months ended 30 September	
	2004 Unaudited	2003 Unaudited
<i>(in HK\$'000)</i>		
Depreciation of owned fixed assets	4,343	3,172
Depreciation of fixed assets held under finance leases	-	94
Interest on bank advances	367	449
Finance charges on obligations under finance leases	-	5
Realised and unrealised gain on trading securities	(230)	-
Gain on disposal of fixed assets	(4,441)	(18)

3. Income tax

	Six months ended 30 September	
	2004 Unaudited	2003 Unaudited
<i>(in HK\$'000)</i>		
Current tax		
Hong Kong Profits Tax	310	236
Taxation outside Hong Kong	3,171	7
	3,481	243
Deferred tax		
Origination and reversal of temporary differences	167	(762)
	3,648	(519)

The provision for Hong Kong Profits Tax is calculated at 17.5% (2003: 17.5%) on the estimated assessable profits for the six months ended 30 September 2004. Taxation for overseas subsidiary is similarly charged at the appropriate current rates of taxation ruling at the relevant countries.

4. Dividends

(in HK\$'000)	Six months ended 30 September	
	2004 Unaudited	2003 Unaudited
2003/04 final dividend paid of HK4.0 cents (2002/03: HK2.0 cents) per share	11,247	5,610
2004/05 interim dividend proposed of HK4.0 cents (2003/04: HK1.0 cent) per share	11,247	2,805

The directors have declared an interim dividend of HK4.0 cents (2003/04: HK1.0 cent) per share for the year ending 31 March 2005 payable to the shareholders on the register of members of the Company at the close of business on Wednesday, 5 January 2005. The relevant dividend warrants will be despatched to shareholders on Wednesday, 12 January 2005.

5. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of approximately HK\$29,607,000 (2003: HK\$9,740,000) and the weighted average of 280,694,044 (2003: 280,500,000) ordinary shares in issue during the period.

The diluted earnings per share is not presented as the Company did not have dilutive potential ordinary shares in existence during the periods.

6. Segment reporting

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of customers is chosen because this is in line with the Group's management information reporting system.

Segment outside Hong Kong represents sales to customers located in the PRC, Taiwan and Canada.

No business segment analysis of the Group is presented because sales of garments is the only distinguishable business segment of the Group.

(in HK\$'000)	Six months ended 30 September							
	Hong Kong		Outside Hong Kong		Unallocated		Consolidated	
	2004 Unaudited	2003 Unaudited	2004 Unaudited	2003 Unaudited	2004 Unaudited	2003 Unaudited	2004 Unaudited	2003 Unaudited
Revenue from								
external customers	93,748	70,599	31,436	20,589	-	-	125,184	91,188
Other revenue from external customers	-	-	-	-	121	220	121	220
Total	93,748	70,599	31,436	20,589	121	220	125,305	91,408
Segment result	24,216	5,338	4,216	3,747			28,432	9,085
Unallocated operating income and expenses							5,286	691
Profit from operations							33,718	9,776
Finance costs							(463)	(555)
Income tax							(3,648)	519
Profit attributable to shareholders							29,607	9,740
Depreciation for the period	4,118	3,251	225	15			4,343	3,266

7. Trade and other receivables

Included in trade and other receivables are trade debtors with the following ageing analysis:

<i>(in HK\$'000)</i>	As at 30 September 2004 Unaudited	As at 31 March 2004 Audited
Outstanding balances with ages:		
Within 30 days	6,478	9,183
Between 31 to 90 days	4,399	2,718
Between 91 to 180 days	4,755	4,114
Between 181 to 365 days	5,827	1,554
Over 365 days	621	1,046
	22,080	18,615

Customers of wholesale business are generally granted with credit terms of 30 to 90 days. Collection of sales receipts from customers of retail business is conducted on a cash basis.

8. Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis:

<i>(in HK\$'000)</i>	As at 30 September 2004 Unaudited	As at 31 March 2004 Audited
Outstanding balances with ages:		
Within 30 days	5,809	4,590
Between 31 to 90 days	687	380
Between 91 to 150 days	1,009	715
	7,505	5,685

9. Contingent liabilities

At 30 September 2004, the Company had contingent liabilities in relation to guarantees given to banks against mortgage loans and other banking facilities extended to certain wholly owned subsidiaries amounted to HK\$25,163,000 (31 March 2004: HK\$36,237,000).