



LEE & MAN HOLDING LIMITED

理文集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

INTERIM REPORT 中期報告

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2005

截至二零零五年九月三十日止六個月

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Corporate Information

公司資料

BOARD OF DIRECTORS

Ms. WAI Siu Kee (*Chairman*)
Ms. POON Lai Ming
Ms. LEE Marina Man Wai
Mr. LEE Man Yan
Mr. WAN Chi Keung, Aaron JP*
Mr. HENG Kwo Seng*
Mr. WONG Kai Tung, Tony *

* *Independent non-executive director*

COMPANY SECRETARY

Mr. CHEUNG Kwok Keung

REGISTERED OFFICE

Century Yard, Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

PRINCIPAL OFFICE

8th Floor, Liven House
61-63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Standard Chartered Bank (HK) Ltd

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

董事會

衛少琦女士 (*主席*)
潘麗明女士
李文慧女士
李文恩先生
尹志強先生，*太平紳士**
邢詒春先生*
王啟東先生*

* *獨立非執行董事*

公司秘書

張國強先生

註冊辦事處

Century Yard, Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

總辦事處

香港
九龍
觀塘
敬業街61-63號
利維大廈8樓

主要往來銀行

恒生銀行有限公司
渣打銀行(香港)有限公司

核數師

德勤•關黃陳方會計師行
執業會計師

Corporate Information

公司資料

PRINCIPAL SHARE REGISTRAR

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

HONG KONG BRANCH SHARE REGISTRAR

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

WEBSITE

<http://www.leeman.com.hk>

主要股份過戶登記處

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

香港股份過戶登記分處

秘書商業服務有限公司
香港
灣仔
告士打道56號
東亞銀行港灣中心地下

網址

<http://www.leeman.com.hk>

Interim Results

中期業績

The board of directors of Lee & Man Holding Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2005 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2005

理文集團有限公司(「本公司」)董事會欣然公布，本公司及其附屬公司(「本集團」)截至二零零五年九月三十日止六個月之未經審核簡明綜合業績連同比較數字如下：

簡明綜合收益表

截至二零零五年九月三十日止六個月

		Six months ended		
		30 September		
		截至九月三十日止六個月		
		2005	2004	
		二零零五年	二零零四年	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		HK\$'000	HK\$'000	
		千港元	千港元	
Turnover	營業額	2	377,135	642,447
Cost of sales	銷售成本		(250,751)	(404,110)
Gross profit	毛利		126,384	238,337
Other operating income	其他經營收入		5,642	4,065
Distribution costs	銷售費用		(16,830)	(76,365)
Administrative expenses	行政費用		(36,172)	(71,366)
Profit from operations	經營溢利	3	79,024	94,671
Finance costs	財務費用	4	(15)	(801)
Profit before taxation	除稅前溢利		79,009	93,870
Income tax expenses	所得稅支出	5	(7,089)	(8,562)
Profit before minority interests	未計少數股東權益前溢利		71,920	85,308
Minority interests	少數股東權益		-	(13,453)
Profit attributable to shareholders	股東應佔溢利		71,920	71,855
Interim dividend	中期股息		24,750	24,750
Earnings per share (HK cents)	每股盈利(港仙)	6	8.7	8.7

Interim Results

中期業績

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 September 2005

簡明綜合資產負債表

於二零零五年九月三十日

		Notes 附註	30 September 2005 二零零五年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2005 二零零五年 三月三十一日 (Audited) (經審核) HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	7	159,383	161,043
CURRENT ASSETS	流動資產			
Inventories	存貨	8	63,005	65,996
Trade and other receivables	應收賬款及其他應收款項	9	99,479	92,856
Defined benefit assets	界定利益資產		3,366	3,366
Bank balances and cash	銀行結餘及現金		250,642	202,905
			416,492	365,123
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬款及其他應付款項	10	77,772	59,961
Amounts due to fellow subsidiaries	應付同系集團附屬公司款項		836	544
Taxation payable	應付稅項		7,147	2,374
Land and buildings costs payable – due within one year	應付土地及樓房成本 – 於一年內到期		–	1,293
Bank overdrafts	銀行透支		541	2,234
			86,296	66,406
NET CURRENT ASSETS	流動資產淨值		330,196	298,717
TOTAL ASSETS LESS CURRENT LIABILITIES	資產減流動負債合計		489,579	459,760
NON-CURRENT LIABILITY	非流動負債			
Deferred taxation	遞延稅項		1,911	1,754
			487,668	458,006
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	11	82,500	82,500
Reserves	儲備		405,168	375,506
			487,668	458,006

Interim Results

中期業績

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2005

簡明綜合現金流量表

截至二零零五年九月三十日止六個月

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Net cash from operating activities	經營業務所得現金淨額	94,172	93,064
Net cash (used in) from investing activities	投資活動(所耗)所得之現金淨額	(3,492)	5,881
Net cash used in financing activities	融資活動所耗現金淨額	(41,250)	(56,488)
Net increase in cash and cash equivalents	現金及等同現金項目增加淨額	49,430	42,457
Cash and cash equivalents at beginning of the period	期初之現金及等同現金項目	200,671	106,067
Cash and cash equivalents at end of the period	期終之現金及等同現金項目	250,101	148,524
Analysis of the balances of cash and cash equivalents	現金及等同現金項目結餘之分析		
Bank balances and cash	銀行結餘及現金	250,642	148,861
Bank overdrafts	銀行透支	(541)	(337)
		250,101	148,524

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中期業績

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2005

簡明綜合權益變動表

截至二零零五年九月三十日止六個月

		Share capital	Share premium	Asset revaluation reserve	Translation reserve	Special reserve	Accumulated profits	Total
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2005	於二零零五年四月一日	82,500	20,307	35,966	927	(67,990)	386,296	458,006
Exchange differences arising from translation of financial statements of overseas operations	海外財務報表之匯兌差額	-	-	-	(852)	-	-	(852)
Losses not recognised in the consolidated income statement	未於綜合收益表中確認之淨虧損	-	-	-	(852)	-	-	(852)
		82,500	20,307	35,966	75	(67,990)	386,296	457,154
Realised on depreciation of property, plant and equipment	物業、廠房及設備之折舊變現	-	-	(1,029)	-	-	1,029	-
Realised on disposal of property, plant and equipment	出售物業、廠房及設備變現	-	-	(156)	-	-	156	-
Deferred tax liability arising on revaluation of property, plant and equipment	由重估物業、廠房及設備所產生之遞延稅項負債	-	-	(156)	-	-	-	(156)
Profit attributable to shareholders	股東應佔溢利	-	-	-	-	-	71,920	71,920
Final dividend paid	已付末期股息	-	-	-	-	-	(41,250)	(41,250)
At 30 September 2005	於二零零五年九月三十日	82,500	20,307	34,625	75	(67,990)	418,151	487,668

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中期業績

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 September 2005

簡明綜合權益變動表(續)

截至二零零五年九月三十日止六個月

		Share capital	Share premium	Asset revaluation reserve	Translation reserve	Special reserve	Accumulated profits	Total
		股本	股份溢價	重估儲備	匯兌儲備	特別儲備	累計溢利	合計
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2004	於二零零四年四月一日	82,500	20,307	13,604	708	(67,990)	317,342	366,471
Deficit arising on revaluation of property, plant and equipment	物業、廠房及設備之重估虧損	-	-	(244)	-	-	-	(244)
Exchange differences arising from translation of financial statements of overseas operations	海外財務報表之匯兌差額	-	-	-	(793)	-	-	(793)
Losses not recognised in the consolidated income statement	未於綜合收益表中確認之淨虧損	-	-	(244)	(793)	-	-	(1,037)
		82,500	20,307	13,360	(85)	(67,990)	317,342	365,434
Realised on depreciation of property, plant and equipment	物業、廠房及設備之折舊變現	-	-	(355)	-	-	355	-
Realised on disposal of property, plant and equipment	出售物業、廠房及設備變現	-	-	(104)	-	-	104	-
Profit attributable to shareholders	股東應佔溢利	-	-	-	-	-	71,855	71,855
Final dividend paid	已付末期股息	-	-	-	-	-	(41,250)	(41,250)
At 30 September 2004	於二零零四年九月三十日	82,500	20,307	12,901	(85)	(67,990)	348,406	396,039

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2005

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKSA") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants, under the historical cost convention, as modified for the revaluation of property, plant and equipment.

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2005 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (herein collectively referred to as "new HKFRSs") which are effective for accounting periods commencing on or after 1 January 2005.

In 2005, the Group adopted the new HKFRSs below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 16	Property, Plant and Equipment
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets

The adoption of these new HKFRSs did not have a material effect on how the results of operations and financial position of the Group are prepared and presented.

簡明綜合財務報表附註

截至二零零五年九月三十日止六個月

1. 編製基準及主要會計政策

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六所載之適用披露規定及香港會計師公會頒布之香港會計準則第34號「中期財務報告」，以歷史成本法編製，並已就物業、廠房及設備之重新估值作出調整。

除本集團因採納新增及經修訂之香港財務報告準則及香港會計準則（統稱為「新香港財務報告準則」）後更改其若干會計政策外，編製本簡明綜合中期財務報表所採用的會計政策，與截至二零零五年三月三十一日止年度全年財務報表所採納者一致。該等新香港財務報告準則於二零零五年一月一日或以後開始之會計期間生效。

於二零零五年，本集團根據營運情況採納了下列相關新香港財務報告準則。二零零四年之比較數字已根據有關規定在有需要時予以修訂。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變動及差錯
香港會計準則第16號	物業、廠房及設備
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第24號	關連人士之披露
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值

採納該等新香港財務報告準則對編製及呈列本集團之經營業績及財務狀況之方式並無重大影響。

Interim Results

中期業績

2. SEGMENTAL INFORMATION

Business segments

No business segment analysis is provided as all of the Group's turnover and contribution to results were derived from the manufacture and sales of handbags and luggage.

Geographical segments

2. 分類資料

業務分類

由於本集團所有之營業額及經營溢利貢獻均源自製造及銷售手袋及行李箱，按業務分類之分析並無提供。

地區分類

		Sales revenue by geographical market Six months ended 30 September 按地區市場之銷售收入 截至九月三十日止六個月		Contribution to profit from operations Six months ended 30 September 經營溢利貢獻 截至九月三十日止六個月	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
United States of America	美國	270,582	518,777	56,442	73,249
Europe	歐洲	83,646	101,058	16,250	18,178
South America	南美洲	3,713	4,372	834	715
Hong Kong	香港	3,419	12,336	499	2,316
Others	其他地區	15,775	5,904	2,974	452
		377,135	642,447	76,999	94,910
Unallocated corporate expenses	未分配公司開支			(1,174)	(873)
Interest income	利息收入			3,199	634
Finance costs	財務費用			(15)	(801)
Profit before taxation	除稅前溢利			79,009	93,870
Income tax expenses	所得稅支出			(7,089)	(8,562)
Profit before minority interests	未計少數股東 權益前溢利			71,920	85,308
Minority interests	少數股東權益			-	(13,453)
Profit attributable to shareholders	股東應佔溢利			71,920	71,855

Since the goods sold to various geographical markets were produced from the same production facilities, analysis of assets and liabilities by geographical market is not presented.

由於銷往不同地區市場之產品乃產自相同之生產設施，按地區市場劃分之資產及負債分析並無呈列。

Interim Results

中期業績

3. PROFIT FROM OPERATIONS

3. 經營溢利

		Six months ended 30 September 截至九月三十日止六個月	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit from operations has been arrived at after charging:	經營溢利已扣除：		
Staff costs (including directors' remuneration)	職員成本 (包括董事酬金)	59,126	76,366
Bad debts written off	壞賬撇除	92	5
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備之折舊及攤銷	6,205	6,299
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	7	75
and after crediting:	並已計入：		
Interest income	利息收入	3,199	634

4. FINANCE COSTS

4. 財務費用

		Six months ended 30 September 截至九月三十日止六個月	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on	利息		
– bank borrowings wholly repayable within five years	— 須於五年內全數償還之銀行貸款	15	37
– other borrowings wholly repayable within five years	— 須於五年內全數償還之其他貸款	–	764
		15	801

Interim Results

中期業績

5. INCOME TAX EXPENSES

The charges comprises:

Hong Kong Profits Tax

Overseas taxation

支出包括：

香港利得稅

海外稅項

A substantial portion of the Group's profits neither arises in, nor is derived from, Hong Kong and therefore is not subject to Hong Kong Profits Tax.

Hong Kong Profits Tax is calculated at 17.5% (six months ended 30 September 2004: 17.5%) on the estimated assessable profit for the period.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

6. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the unaudited profit attributable to shareholders of HK\$71,920,000 (2004: HK\$71,855,000) and 825,000,000 (2004: 825,000,000) shares in issue during the period.

7. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent HK\$5,548,000 (six months ended 30 September 2004: HK\$10,909,000) on property, plant and equipment to expand its operations.

5. 所得稅支出

Six months ended
30 September
截至九月三十日止六個月

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
7,089	8,276
-	286
7,089	8,562

本集團大部份溢利並非產自或源自香港，故毋須繳納香港利得稅。

香港利得稅乃按期內估計應課稅溢利按 17.5% (二零零四年九月三十日止六個月：17.5%) 計算。

海外稅項乃按個別管轄地區之課稅率而計算。

6. 每股盈利

每股基本盈利乃按期內未經審核之股東應佔溢利 71,920,000 港元 (二零零四年：71,855,000 港元) 除以已發行股份 825,000,000 股 (二零零四年：825,000,000 股) 而計算。

7. 添置物業、廠房及設備

期內，本集團就物業、廠房及設備耗資 5,548,000 港元 (二零零四年九月三十日止六個月：10,909,000 港元)，以擴展業務。

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8. INVENTORIES

		30 September 2005	31 March 2005
		二零零五年 九月三十日	二零零五年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	30,643	30,898
Work in progress	在製品	18,561	18,805
Finished goods	製成品	13,801	16,293
		63,005	65,996

9. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 to 60 days to its trade customers.

Included in trade and other receivables are trade and bills receivables of approximately HK\$91,454,000 (31 March 2005: HK\$85,114,000). The aged analysis of trade and bills receivables at the balance sheet date is as follows:

		30 September 2005	31 March 2005
		二零零五年 九月三十日	二零零五年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Less than 30 days	少於30天	56,934	38,035
31 – 60 days	31至60天	22,286	19,014
61 – 90 days	61至90天	9,103	11,781
Over 90 days	90天以上	3,131	16,284
		91,454	85,114

8. 存貨

		30 September 2005	31 March 2005
		二零零五年 九月三十日	二零零五年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	30,643	30,898
Work in progress	在製品	18,561	18,805
Finished goods	製成品	13,801	16,293
		63,005	65,996

9. 應收賬款及其他應收款項

本集團給予貿易客戶之除賬期平均30天至60天。

應收賬款及其他應收款項包括應收賬款及票據約91,454,000港元（二零零五年三月三十一日：85,114,000港元），應收賬款及票據於結算日之賬齡分析如下：

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10. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade and bills payables of approximately HK\$55,159,000 (31 March 2005: HK\$40,753,000). The aged analysis of trade and bills payables at the balance sheet date is as follows:

Less than 30 days	少於30天
31 – 60 days	31至60天
61 – 90 days	61至90天
Over 90 days	90天以上

10. 應付賬款及其他應付款項

應付賬款及其他應付款項包括應付賬款及票據約55,159,000港元（二零零五年三月三十一日：40,753,000港元），應付賬款及票據於結算日之賬齡分析如下：

		30 September 2005	31 March 2005
		二零零五年 九月三十日	二零零五年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		31,041	32,263
		19,495	7,527
		2,875	281
		1,748	682
		55,159	40,753

11. SHARE CAPITAL

11. 股本

		Number of ordinary shares	Amount
		普通股份數目	金額
			HK\$'000
			千港元
Ordinary shares of HK\$0.10 each:	普通股份每股0.10港元		
Authorised:	法定：		
At 30 September 2005 and 31 March 2005	於二零零五年九月三十日及 二零零五年三月三十一日	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
At 30 September 2005 and 31 March 2005	於二零零五年九月三十日及 二零零五年三月三十一日	825,000,000	82,500

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12. CAPITAL COMMITMENTS

		30 September 2005	31 March 2005
		二零零五年 九月三十日	二零零五年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment	已訂約但未於簡明綜合財務報表中撥備之購置物業、廠房及設備之資本支出	172	3,154

12. 資本承擔

13. FORWARD CONTRACT COMMITMENTS

At the balance sheet date, the Group had forward contract commitments as follows:

		30 September 2005	31 March 2005
		二零零五年 九月三十日	二零零五年 三月三十一日
Principal amounts of a forward contract held for hedging purposes against trade receivables	用作鎖定應收賬款之外幣合約之本金		
– sale of Euro	– 售出歐元	EUR277,691 歐元	–
– purchase of United States dollar	– 購買美元	USD336,562 美元	–

13. 外幣合約承擔

於結算日，本集團訂有外幣合約承擔如下：

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14. CONNECTED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with connected parties:

14. 關連交易

期內，本集團與有關連人士進行之交易如下：

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
Hans Energy Company Limited ("Hans Energy") and its subsidiaries	漢思能源有限公司(「漢思能源」)及其附屬公司		
Corrugated cardboard and carton boxes purchased	購買瓦楞紙板及紙箱	-	3,925
Management fee income received	已收管理費	-	271
Subsidiaries of Fortune Star Tradings Ltd. ("Fortune Star")	Fortune Star Tradings Ltd. (「Fortune Star」)之附屬公司		
Corrugated cardboard and carton boxes purchased	購買瓦楞紙板及紙箱	3,103	-
Management fee income received	已收管理費	280	-
Lee And Man Manufacturing Company Limited ("Lee & Man Manufacturing")	理文製造廠有限公司 (「理文製造廠」)		
Management fee income received	已收管理費	72	111
Licence fee received	已收使用權費	377	-
Lee & Man Realty Investment Limited ("Lee & Man Realty")	理文置業有限公司 (「理文置業」)		
Licence fee paid	已付使用權費	498	684
Lee & Man Paper Manufacturing Limited ("Lee & Man Paper")	理文造紙有限公司 (「理文造紙」)		
Management fee income received	已收管理費	28	366

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14. CONNECTED PARTY TRANSACTIONS (CONTINUED)

Notes:

- a. The Group purchased corrugated cardboard and carton boxes from time to time from Lee & Man Industrial Manufacturing Limited ("Lee & Man Industrial"). The purchase prices were negotiated on a case by case basis in the ordinary course of business by reference to the prevailing market conditions.

Lee & Man Industrial is beneficially owned by Capital Nation Investments Limited ("Capital Nation"), which was a former subsidiary of Hans Energy and was disposed of to a subsidiary of Fortune Star, the ultimate controlling shareholder of the Company, on 29 December 2004. Hans Energy was an associate (as defined in the Listing Rules) of Fortune Star prior to 29 December 2004.

- b. The Group provided (i) use of office facilities and equipment, (ii) use of transportation facilities, and (iii) management service including administrative and financial services to Lee & Man Paper Products Company Limited, a subsidiary of Capital Nation, and Lee & Man Manufacturing for a monthly management fee on a cost basis.

Lee & Man Manufacturing is beneficially owned by Ms. Lee Marina Man Wai, a director of the Company.

- c. The licence fees were charged in accordance with the relevant licence agreement.
- d. Lee & Man Realty is beneficially owned by Mr. Lee Wan Keung (an associate, as defined in the Listing Rules, of Fortune Star) and Mr. Lee Man Yan (a director of the Company). Lee & Man Realty granted licences to the Group to enter into possession of and occupy certain office space of its premises at a fixed pre-agreed rate per month.
- e. Lee & Man Paper is an associate (as defined in the Listing Rules) of Fortune Star. The Group provided administrative and secretarial services to Lee & Man Paper and the right to use its office as registered office at a fixed pre-agreed rate per month.

The directors have confirmed that the above transactions were conducted in the normal course of the Group's business.

14. 關連交易(續)

附註：

- a. 本集團陸續從Lee & Man Industrial Manufacturing Limited (「理文實業」) 購買瓦楞紙板及紙箱。購買價格於日常業務運作中參考當時市場情況後逐次商議。

理文實業乃由Capital Nation Investments Limited (「Capital Nation」) 實益擁有。Capital Nation 為漢思能源之前附屬公司及於二零零四年十二月二十九日出售予 Fortune Star 之附屬公司。Fortune Star 為本公司之最終控股股東，而於二零零四年十二月二十九日前漢思能源乃 Fortune Star 之聯繫人(按上市規則之涵義)。

- b. 本集團按成本每月收取管理費，向理文紙品有限公司 (Capital Nation 之附屬公司) 及理文製造廠提供 (i) 辦公室設施及設備；(ii) 運輸設備；及 (iii) 管理服務包括行政及財政服務。

理文製造廠由本公司董事李文慧女士實益擁有。

- c. 使用權費乃按有關之使用權協議計算收取。
- d. 理文置業由李運強先生 (Fortune Star 之聯繫人(按上市規則之涵義)) 及本公司董事李文思先生實益擁有。理文置業向本集團授予使用其物業若干辦公室地方之使用權。每月使用權費按事先協定之價格收取。
- e. 理文造紙乃 Fortune Star 之聯繫人(按上市規則之涵義)。本集團按事先協定之每月服務費，向理文造紙提供行政及秘書服務，以及授權理文造紙使用其辦事處為註冊辦事處。

董事已確認上述交易乃本集團的正常業務。

Interim Results

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15. REVIEW OF INTERIM ACCOUNTS

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee.

INTERIM DIVIDEND

The directors have declared an interim dividend of HK3.0 cents (2004: HK3.0 cents) per share for the six months ended 30 September 2005 to shareholders whose names appear on the Register of Members on 25 November 2005. It is expected that the interim dividend will be paid around 6 December 2005.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 23 November 2005 to 25 November 2005, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Secretaries Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration no later than 4:00 p.m. on 22 November 2005.

15. 審閱中期賬目

本簡明綜合中期財務報表乃未經審核，但已由審核委員會審閱。

中期股息

董事會宣布派付截至二零零五年九月三十日止六個月之中期股息每股3.0港仙(二零零四年：3.0港仙)予於二零零五年十一月二十五日名列於股東名冊內之股東。預期中期股息將於二零零五年十二月六日派付予股東。

暫停辦理股份過戶登記

本公司將於二零零五年十一月二十三日至二零零五年十一月二十五日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於二零零五年十一月二十二日下午四時前送達本公司之股份過戶登記分處秘書商業服務有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下，以辦理登記手續。

Business Review and Outlook 業務回顧及展望

For the six months ended 30 September 2005, the Group's turnover and profit attributable to shareholders amounted to HK\$377 million and HK\$72 million respectively. Resulting from the disposal of a subsidiary in last year, the turnover of the Group recorded a decrease of 41.3% as compared to the corresponding period last year but the profit attributable to shareholders still remained at a similar level.

The Group manufactures a wide range of handbag products mainly sold to United States and Europe. Sales to the United States and Europe accounted for 71.7% and 22.2% of the turnover of the Group and represented a decrease of 47.8% and 17.2% respectively as compared to the same period of last year. The decrease in turnover is mainly due to the disposal of a subsidiary in last year.

As the United States economy is expected to slow down in the coming year, the handbag industry will still be in a very competitive environment. The Group will continue to focus on the reduction of production costs and strengthen the product design and development in order to increase its competitiveness. At the same time, the Group will also focus on developing the European market, targeting to narrow down the sales volume gap between the United States and European market. Furthermore, the Group has sufficient liquidities, and is now seeking other investment opportunities in the PRC, to bring a more satisfactory return for the shareholders.

Save as disclosed above, there have been no other material changes since the publication of the annual report for the year ended 31 March 2005.

截至二零零五年九月三十日止六個月，本集團之營業額及股東應佔溢利分別為377,135,000港元及71,920,000港元。由於去年出售了一間附屬公司，本集團之營業額比去年同期下跌41.3%，而股東應佔溢利則保持與去年同期相若。

本集團製造一系列手袋產品，主要銷往美國及歐洲。美國及歐洲市場分別佔本集團營業額71.7%及22.2%，與去年同期比較，分別下跌47.8%及17.2%，營業額下跌主要是由於上年度出售了一間附屬公司所致。

預期美國經濟來年將會放緩，手袋業競爭仍然激烈。本集團將繼續致力控制成本，加強產品設計及開發，提高競爭能力。同時，本集團並致力開拓歐洲市場，將銷往美國市場與歐洲市場之銷售差距收窄。此外，本集團手頭資金充裕，現正在中國內地物色其他發展機會，期望為股東帶來更佳的回報。

除上文所述外，自刊發二零零五年三月三十一日止年度之年報以來，並無其他重大變化。

Management Discussion and Analysis

管理層討論及分析

RESULTS OF OPERATION

Turnover and net profit attributable to shareholders for the six months ended 30 September 2005 was HK\$377 million and HK\$72 million respectively, as compared to HK\$642 million and HK\$72 million for the corresponding period last year. The earnings per share for the period was HK 8.7 cents, which is same as the corresponding period last year. Due to the disposal of a subsidiary in October last year, the Group's turnover recorded a decrease. However, the profit attributable to shareholders still remained at a similar level as compared to the corresponding period last year.

CAPITAL STRUCTURE AND LIQUIDITY

The total shareholders' fund of the Group as at 30 September 2005 was HK\$488 million (31 March 2005: HK\$458 million).

The Group maintains a very strong financial position with a very low level of debts and a high liquidity. As at 30 September 2005, the Group had a current ratio of 4.8 (31 March 2005: 5.5) and zero (31 March 2005: zero) net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity).

As at 30 September 2005, the Group had a net cash surplus of HK\$250 million (31 March 2005: HK\$201 million) and most of the cash balance was deposited in the leading banks in Hong Kong.

Net cash inflow provided by operating activities totaled HK\$94 million (six months ended 30 September 2004: HK\$93 million). The consistent strong cash flow from operating activities reflects the Group's strength in the working capital management to support the business operations. The Group's future cash flow and its available banking facilities will provide sufficient funds to the Group to meet its operation requirements.

FUNDING POLICY

The Group's transactions and the monetary assets are principally denominated in Hong Kong dollars or United States dollars. As a result, the Group has a minimal exposure to foreign exchange risk.

PLEDGE OF ASSETS

As at 30 September 2005, the Group did not have any assets pledged for general facilities.

EMPLOYEES

At 30 September 2005, the Group had a workforce of more than 6,000 people. The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staffs are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

The Company has a share option scheme under which the executive directors and employees of the Company and its subsidiaries may be granted options to subscribe for ordinary shares in the Company. Up to 30 September 2005, no option was granted under the scheme.

經營業績

截至二零零五年九月三十日止六個月，營業額及股東應佔溢利分別為377,135,000港元及71,920,000港元，去年同期則為642,447,000港元及71,855,000港元。期內每股盈利為8.7港仙，與去年同期相同。由於去年十月出售了一間附屬公司，本集團之營業額比去年同期下跌，但股東應佔溢利則保持與去年同期相若。

資本結構及流動資金

於二零零五年九月三十日，本集團之股東資金總額為488,000,000港元（二零零五年三月三十一日：458,000,000港元）。

本集團財務狀況保持強勁，保持低負債水平及高流動資金之狀況。於二零零五年九月三十日，本集團之流動資產比率為4.8（二零零五年三月三十一日：5.5），而淨資本負債比率（借貸總額減現金及現金等同項目除以股東權益）則為零（二零零五年三月三十一日：零）。

於二零零五年九月三十日，本集團之淨現金盈餘為250,000,000港元（二零零五年三月三十一日：201,000,000港元），而大部份現金結餘存於本港之主要銀行。

經營業務之現金流入淨額共94,000,000港元（二零零四年九月三十日止六個月：93,000,000港元）。持續強勁之現金流量正反映本集團有效地管理營運資金以配合業務運作的需要。本集團未來之現金流量及未動用之銀行信貸額將為業務所需提供足夠的資金。

資金政策

本集團之交易及貨幣資產主要以港元或美元訂值，因此本集團承受之外匯風險極低。

資產抵押

於二零零五年九月三十日，本集團並無抵押任何資產以作一般信貸。

僱員

於二零零五年九月三十日，本集團員工超過6,000名。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定，除基本薪金外並按員工表現發放花紅。

本公司有一項購股權計劃。據此，本公司及其附屬公司之執行董事及僱員均可獲授認購本公司普通股份之購股權。截至二零零五年九月三十日止，此計劃並無授出購股權。

Other Information 其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2005, the interests or short positions of the directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, were as follows:

(a) Long positions in shares of the Company

Ordinary shares of HK\$0.10 each of the Company.

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本總額之百分比
Wai Siu Kee 衛少琦	Discretionary object 全權受益人	617,778,000 (Note)	74.88%
Lee Man Yan 李文恩	Discretionary object 全權受益人	617,778,000 (Note)	74.88%

Note: These shares were held by Fortune Star Tradings Ltd. ("Fortune Star"), whose entire issued share capital is held by Trustcorp Limited as trustee for The Fortune Star 1992 Trust, a discretionary trust the discretionary objects of which include Ms. Wai Siu Kee and Mr. Lee Man Yan (both of whom are directors of the Company), certain of their family members and other charitable objects.

董事及最高行政人員於股份、相關股份及債權證中之權益及淡倉

於二零零五年九月三十日，本公司董事或最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司(「聯交所」)、或已記錄於根據證券及期貨條例第352條須存置之登記冊、或已根據聯交所證券上市規則(「上市規則」)附錄十之上市發行人董事進行證券交易之標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司股份之好倉

本公司每股0.10港元之普通股

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本總額之百分比
Wai Siu Kee 衛少琦	Discretionary object 全權受益人	617,778,000 (Note)	74.88%
Lee Man Yan 李文恩	Discretionary object 全權受益人	617,778,000 (Note)	74.88%

附註：該等股份由Fortune Star Tradings Ltd. (「Fortune Star」)持有。Fortune Star之全數已發行股本由Trustcorp Limited以The Fortune Star 1992 Trust之信託人身份持有，The Fortune Star 1992 Trust為一項全權信託，而該項信託之全權受益人包括本公司董事衛少琦女士及李文恩先生，以及彼等若干家庭成員及其他慈善團體。

Other Information

其他資料

(b) Long positions in shares of the associated corporations of the Company

(b) 於本公司相聯法團之股份好倉

Name of Director	Capacity	Name of associated company	Number of shares	Percentage of the issued shares of the associated company
董事姓名	身份	相聯法團名稱	股份數目	佔相聯法團已發行股份之百分比
Wai Siu Kee 衛少琦	Discretionary object 全權受益人	Fortune Star	1 (Note) (附註)	100%
Lee Man Yan 李文恩	Discretionary object 全權受益人	Fortune Star	1 (Note) (附註)	100%

Note: As Fortune Star owns more than 50% of the Company, Fortune Star is an associated corporation of the Company under the SFO. The entire issued share capital of Fortune Star is owned by Trustcorp Limited as trustee for The Fortune Star 1992 Trust, a discretionary trust the discretionary objects of which include Ms. Wai Siu Kee and Mr. Lee Man Yan, both of whom are directors of the Company, certain of their family members and other charitable objects.

附註：由於 Fortune Star 擁有本公司 50% 以上權益，根據證券及期貨條例，Fortune Star 為本公司之相聯法團。Fortune Star 之全數已發行股本由 Trustcorp Limited 以 The Fortune Star 1992 Trust 之信託人身份持有，The Fortune Star 1992 Trust 為一項全權信託，其全權受益人包括本公司董事衛少琦女士及李文恩先生，以及彼等若干家庭成員及其他慈善團體。

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Other than as disclosed above, as at 30 September 2005, none of the directors or the chief executives, or any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

A share option scheme was adopted by the Company on 14 December 2001, under which the directors or chief executives or their associates of the Company may be granted options to subscribe for shares in the Company. No options were granted by the Company under the scheme since its adoption.

除上文所披露，於二零零五年九月三十日，本公司董事或最高行政人員於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所、或根據證券及期貨條例第352條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

董事購入股份或債權證之權利

本公司於二零零一年十二月十四日採納一項購股權計劃，據此本公司之董事或最高行政人員或彼等之聯繫人可獲授予購股權以認購本公司股份。自計劃採納以來，本公司並無根據計劃授出購股權。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 September 2005, shareholders (other than directors or chief executives of the Company) who had interests and short positions in the share and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder 股東名稱	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本總額之百分比
Fortune Star	Beneficial owner 實益擁有人	617,778,000	74.88%
Value Partners Limited 惠理基金管理公司	Investment manager 投資經理	66,898,000	8.11%

Other than as disclosed above, as at 30 September 2005, the Company has not been notified by any other person (other than directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2005.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors. Having made specific enquiry of the directors, all directors have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2005.

主要股東於本公司股本中之權益及淡倉

於二零零五年九月三十日，股東(本公司董事或最高行政人員除外)於本公司之股份及相關股份中，擁有已根據證券及期貨條例第XV部第2及3分部向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

於本公司股份之好倉

本公司每股0.10港元之普通股

Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本總額之百分比
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617,778,000	74.88%
66,898,000	8.11%

除上文所披露，於二零零五年九月三十日，概無任何其他人士(本公司董事或最高行政人員除外)通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

購買、出售或贖回本公司之上市證券

於截至二零零五年九月三十日止六個月期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則為其董事進行證券交易之操守準則。本公司已向董事作出個別查詢，全體董事於截至二零零五年九月三十日止之六個月內一直遵守標準守則所載之規定準則。

Other Information

其他資料

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2005, with the exception of the following deviations:

Under the code provision A.4.1, non-executive directors should be appointed for a specific term and under A.4.2, every director should be subject to retirement by rotation at least once every three years. Currently, non-executive directors are not appointed for a specific term. This constitutes a deviation from code provision A.4.1. However, they are subject to retirement by rotation at each annual general meeting under the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code. Furthermore, under the existing articles of association of the Company, the chairman of the board and the managing director of the Company are not subject to retirement by rotation. This constitutes a deviation from the code provision A.4.2. To comply with the code provision, relevant amendments to the existing articles of association of the Company will be proposed at the next annual general meeting.

AUDIT COMMITTEE

The Audit Committee of the Company comprised of three independent non-executive directors namely, Mr. Heng Kwoo Seng, Mr. Wan Chi Keung, Aaron JP and Mr. Wong Kai Tung, Tony.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 September 2005.

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee was established on 28 September 2005 with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr. Heng Kwoo Seng, Mr. Wan Chi Keung, Aaron JP and Mr. Wong Kai Tung, Tony. All members of the remuneration committee are independent non-executive directors.

On behalf of the Board
Wai Siu Kee
 Chairman

Hong Kong, 7 November 2005

企業管治常規守則

董事認為，本公司於截至二零零五年九月三十日止六個月內一直遵守上市規則附錄十四所載之企業管治常規守則（「守則」），惟以下偏離則除外：

根據守則條文A.4.1，非執行董事之委任須有指定任期，且根據A.4.2，每名董事須至少每三年輪值告退一次。現時，非執行董事之委任並無特定任期，此舉構成對守則條文A.4.1之偏離。然而，根據本公司之章程細則，彼等須於各股東週年大會上輪值告退。因此，本公司認為，已採取足夠措施確保本公司之企業管治常規不會較守則寬鬆。此外，根據本公司之現行章程細則，本公司之董事會主席與董事總經理均毋須輪值告退，此舉構成對守則條文A.4.2之偏離。在下屆股東週年大會上將動議對本公司現行章程細則作出相關修訂，以符合守則條文。

審核委員會

本公司之審核委員會由三位獨立非執行董事邢詒春先生、尹志強先生太平紳士及王啟東先生組成。

審核委員會已與本集團之管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務申報等事宜進行討論，其中包括審閱本集團截至二零零五年九月三十日止六個月的未經審核中期業績。

薪酬委員會

為符合守則，本公司於二零零五年九月二十八日成立薪酬委員會，清楚說明委員會的權限及職責。薪酬委員會成員包括邢詒春先生、尹志強先生太平紳士及王啟東先生，全部均為獨立非執行董事。

代表董事會
 主席
 衛少琦

香港，二零零五年十一月七日