



Win Hanverky Holdings Limited

永嘉集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股票編號 : 3322)

Annual Report

2010年報



Futbol Trend - L7-01, Langham Place,
8 Argyle Street, Mongkok
旺角亞皆老街8號朗豪坊商場L7-01

Diadora - 7/F, Shanghai Landmark Department Store,
409 Nanjing East Road, Huangpu District, Shanghai
上海市黃浦區南京東路409號上海置地廣場商廈7樓

永嘉集團控股有限公司及其附屬公司經營國際體育品牌運動服的綜合生產、分銷及零售業務。本集團的業務分為兩大類，即生產業務與分銷及零售業務，市場遍佈歐洲、北美、中國大陸及香港等。本集團是Umbro產品在大中華地區的獨家特許分銷商及擁有「Diadora」於中國大陸、香港及澳門的商標權。

本公司股份自二零零六年九月六日起於聯交所主板上市。

Win Hanverky Holdings Limited and its subsidiaries are an integrated sportswear manufacturer, distributor and retailer for international sports brands. We have two broad lines of businesses, namely Manufacturing Business and Distribution and Retail Business, with geographical markets spanning over Europe, North America, Mainland China and Hong Kong etc. We are the exclusive licensed distributor of Umbro Products in the Greater China and the owner of the trademark "Diadora" in Mainland China, Hong Kong and Macau.

The Shares of the Company have been listed on the Main Board of the Stock Exchange since 6 September 2006.

目錄

Contents

2-3	公司資料	Corporate Information
4	財務摘要	Financial Highlights
5-8	主席報告	Chairman's Statement
9-19	管理層討論及分析	Management Discussion and Analysis
20-23	董事及高級管理人員履歷	Biographical Details of Directors and Senior Management
24-30	企業管治報告	Corporate Governance Report
31-48	董事會報告	Report of the Directors
49-50	獨立核數師報告	Independent Auditor's Report
51-52	資產負債表	Balance Sheets
53	合併利潤表	Consolidated Income Statement
54	合併綜合收益表	Consolidated Statement of Comprehensive Income
55-56	合併權益變動表	Consolidated Statement of Changes in Equity
57-58	合併現金流量表	Consolidated Cash Flow Statement
59-177	合併財務報表附註	Notes to the Consolidated Financial Statements
178-180	詞彙	Glossary

董事會

執行董事

李國棟先生 (主席)
黎清平先生 (副主席兼行政總裁)
張智先生 (首席財務官)
李國樑先生 (首席營運官)

獨立非執行董事

陳光輝博士
關啟昌先生
馬家駿先生
溫澤光先生

公司秘書

林彩霞小姐

授權代表

李國棟先生
張智先生

董事會主要委員會

審核委員會

關啟昌先生 (主席)
陳光輝博士
馬家駿先生
溫澤光先生

薪酬委員會

陳光輝博士 (主席)
關啟昌先生
李國棟先生

提名委員會

溫澤光先生 (主席)
馬家駿先生
李國棟先生
黎清平先生

註冊辦事處

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Board of Directors

Executive Directors

Mr. LI Kwok Tung Roy (Chairman)
Mr. LAI Ching Ping (Deputy Chairman and Chief Executive Officer)
Mr. CHEUNG Chi (Chief Financial Officer)
Mr. LEE Kwok Leung (Chief Operation Officer)

Independent Non-Executive Directors

Dr. CHAN Kwong Fai
Mr. KWAN Kai Cheong
Mr. MA Ka Chun
Mr. WUN Kwang Vincent

Company Secretary

Ms. LAM Choi Ha

Authorised Representatives

Mr. LI Kwok Tung Roy
Mr. CHEUNG Chi

Key Board Committees

Audit Committee

Mr. KWAN Kai Cheong (Chairman)
Dr. CHAN Kwong Fai
Mr. MA Ka Chun
Mr. WUN Kwang Vincent

Remuneration Committee

Dr. CHAN Kwong Fai (Chairman)
Mr. KWAN Kai Cheong
Mr. LI Kwok Tung Roy

Nomination Committee

Mr. WUN Kwang Vincent (Chairman)
Mr. MA Ka Chun
Mr. LI Kwok Tung Roy
Mr. LAI Ching Ping

Registered Office

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

**香港總辦事處及
主要營業地點**

香港九龍
青山道481-483號
香港紗廠工業大廈
6期6樓

法律顧問

的近律師行

核數師

羅兵咸永道會計師事務所
執業會計師

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands
British West Indies

香港股份過戶登記處

卓佳證券登記有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

主要往來銀行

香港上海滙豐銀行有限公司
中國工商銀行
花旗集團

股份資料

上市： 香港聯合交易所
有限公司主板
每手買賣單位： 2,000股
股份代號： 3322

公司網址

www.winhanverky.com

**Head Office and Principal Place of Business in
Hong Kong**

6th Floor, Phase 6
Hong Kong Spinners Industrial Building
481-483 Castle Peak Road
Kowloon, Hong Kong

Legal Advisor

Deacons

Auditor

PricewaterhouseCoopers
Certified Public Accountants

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands
British West Indies

**Hong Kong Share Registrar and
Transfer Office**

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East, Wan Chai
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China Limited
Citigroup, N.A.

Share Information

Listing: The Main Board of
The Stock Exchange of Hong Kong Limited
Board lot: 2,000 Shares
Stock code: 3322

Company Website

www.winhanverky.com

財務摘要 Financial Highlights

過往五年主要財務資料

Key Financial Information for the Last Five Years

截至十二月三十一日止年度/
於十二月三十一日

For the year ended 31 December/
As at 31 December

		二零一零年 2010	二零零九年 2009	二零零八年 2008	二零零七年 2007	二零零六年 2006
財務表現 (千港元)	Financial Performance (HK\$'000)					
收益	Revenue	3,081,763	2,888,002	3,487,342	3,322,400	2,487,519
經營溢利	Operating profit	110,986	133,208	75,447	400,123	352,967
除所得稅前溢利	Profit before income tax	117,293	137,584	79,216	410,219	360,805
年度溢利	Profit for the year	72,801	107,015	26,774	334,694	283,420
本公司股權持有人 應佔溢利	Profit attributable to equity holders of the Company	120,472	121,539	33,325	290,259	260,600
財務狀況 (千港元)	Financial Position (HK\$'000)					
非流動資產	Non-current assets	868,722	920,750	1,008,239	719,938	584,317
流動資產	Current assets	1,950,941	1,740,662	1,768,929	1,896,482	1,364,808
流動負債	Current liabilities	686,873	571,674	732,963	702,582	442,971
流動資產淨值	Net current assets	1,264,068	1,168,988	1,035,966	1,193,900	921,837
資產總值	Total assets	2,819,663	2,661,412	2,777,168	2,616,420	1,949,125
資產總值減流動負債	Total assets less current liabilities	2,132,790	2,089,738	2,044,205	1,913,838	1,506,154
總權益	Total equity	2,127,568	2,087,643	2,029,194	1,901,098	1,372,147
現金及現金等價物及 原有期限超過三個月 之銀行存款	Cash and cash equivalents and bank deposits with initial terms of over three months	782,840	674,065	363,272	580,280	567,387
營運指標	Operation Indicators					
毛利率(%)	Gross profit margin (%)	24.2	27.4	28.3	32.2	34.7
淨利潤率(%)	Net profit margin (%)	2.4	3.7	0.8	10.1	11.4
負債資產比率(%) ^(附註)	Gearing ratio (%) ^(Note)	2.1	3.3	5.6	4.2	0.8
流動比率(倍)	Current ratio (times)	2.8	3.0	2.4	2.7	3.1
應收帳款之週轉期(日)	Trade receivable sales period (days)	67	68	81	77	70
存貨之週轉期(日)	Inventory sales period (days)	76	88	75	63	54

附註：

負債資產比率即銀行借貸總額除以總權益。

Note:

Gearing ratio represents the ratio between total bank borrowings and total equity.

本人謹代表董事會欣然宣佈永嘉集團控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一零年十二月三十一日止年度的全年業績。

客戶訂單穩定增長但卻面臨嚴峻的通貨膨脹成本上升壓力

二零一零年是充滿挑戰的一年。於二零零八年爆發金融危機後，西方國家已推出不同程度的量化措施刺激經濟。我們運動服生產的主要市場為歐洲，而儘管歐洲因成員國內部財務問題仍在掙扎奮鬥，但來自我們主要客戶的訂單已重拾升勢。除兩個淡季月份外，我們各現有生產廠房於年內的產能使用率已接近完全利用。

中國國內生產總值持續高企、政府推出刺激國內需求的政策以及保障勞工權益的法律均為中國大陸的勞動市場帶來動盪。特別是年內之下半年，在「OEM業內巨頭的連串勞工自殺事件」的催化下，我們在中國大陸廠房的勞工成本已增加逾20%。加上整體通貨膨脹及人民幣升值，我們的生產成本已被推高至損害我們毛利的水平。於年內之下半年，勞工供應極為緊張，我們未能在屬於淡季的兩個月份削減過剩的勞動力，原因為我們未必能在旺季來臨之時重新聘用該等勞工。儘管勞工成本增加了逾20%，但仍有約15%技術人員辭職。而且，本土政府已提高了勞工的社保標準，而中央政府亦已調高了最低工資水平。所有該等各項均已增加了我們的生產成本並影響了我們的毛利。

展望將來，根據來自我們客戶的訂單顯示，我們對核心運動服產品於二零一一年銷售增長勢頭仍感審慎樂觀。儘管中國的整體通貨膨脹及人民幣升值預期將會持續，但我們能將部分通貨膨脹成本轉嫁予我們的客戶。我們亦特別關注如何透過與主要客戶提前作更佳規劃，以維持我們勞動力的穩定並縮短淡季。我們注意到來自地方品牌的銷售訂單愈來愈穩定及有利可圖，而我們亦正在物色

On behalf of the Board, I am pleased to announce the annual results of Win Hanverky Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2010.

Stable Growth of Orders from Customers but Challenging Inflation Cost

2010 was a challenging year. The western countries have launched different levels of quantitative measures to stimulate their economies after the financial crisis happened in 2008. Although our major market of sportswear manufacturing, Europe, is still struggling with their members' internal financial problems, orders from our major customers restore to grow. Except for two slack months, our capacity of each existing production facility was almost fully utilised during the year.

The continuing high gross domestic products growth in the PRC, the government policies launched to stimulate domestic demand and laws to protect labour interest, altogether created a very turbulent labour market for Mainland China. Especially during the second half of the year, catalyzed by the "consecutive labour suicide events of an OEM giant", the labour cost has increased by more than 20% for our factories in Mainland China. Together with a general inflation and the appreciation of RMB, our cost of production has been pushed up which eroded our gross margin. In the second half of the year, the labour supply was extremely tensed, we could not reduce excessive workforce during the two slack months with an expectation that we would not easily rehire these workers when the peak season has come. Even the labour cost has been increased by more than 20%, about 15% of the skillful labour have resigned. Moreover, the local government has enhanced the social security standard of labour and the minimum salary level has been increased by the central government as well. All of these events have increased our production cost and affected the margin.

Looking ahead, with the order indication from our customers, we are cautiously optimistic about the growth momentum in our core sportswear products sales in 2011. Although the general inflation and appreciation of RMB in the PRC are expected to be continued, we can share certain inflated costs with our customers. We will also pay particular attention to keep our workforce in a stable status and to eliminate slack months by planning better ahead with our major customers. We see more reliable and profitable sales orders from local brands and we are

勞工成本相對較低的地區以擴充產能。同時，中國廣西及越南均為新生產廠房的目標。

通貨膨脹成本不僅對我們影響深遠，對規模較小的其他廠房的影響更為嚴重。由於我們的財務狀況強勁，這也為我們提供合併及收購良機。年內，我們已成功收購昌迪集團，而昌迪集團主要從事高爾夫球及高端時尚服飾的生產。昌迪集團於本年度下半年已開始為本集團帶來經營溢利，證明是項收購實屬成功且對我們的股東有利。同時，除我們於運動服生產的核心業務增長外，我們亦會於其他潛在合併及收購機會湧現時審慎行事。

更加穩健的分銷及零售業務

分銷及零售業務的整體銷售減少 16.7% 至 447,000,000 港元，此乃主要由於 Umbro 產品的銷售表現強差人意所致。除中國大陸運動服市場的強勁競爭外，我們亦遇到供應鏈問題，導致本年度損失 Umbro 產品銷售訂單。由於品牌擁有人已知悉有關問題並將致力儘快緩解有關問題，且考慮到我們的分銷商的存貨過剩情況告一段落，我們預期來年將可達致收支平衡甚至有利可圖。

我們擁有「*Diadora*」在中國大陸及香港的商標，並設計、生產、銷售及分銷 *Diadora* 產品。*Diadora* 分銷業務將為我們於來年的焦點所在。年內，我們已投放資源於市場推廣及宣傳方面。黃曉明先生（「黃先生」）為我們 *Diadora* 產品的品牌代言人。「*Diadora*」品牌配合黃先生的名氣，我們於年內推出的新休閒服飾產品系列（即「黃曉明系列」）獲得大眾好評並已提升品牌的知名度。來年，我們將透過提供獨特出眾的產品予客戶繼續作出投資。現時的中國大陸運動服市場充滿挑戰且競爭激烈。部分頂級品牌正面臨銷售增長放緩。只要「*Diadora*」仍定位為價格相宜的「潮流運動服」，我們相信我們仍能按計劃在區內

looking for relatively lower labour costs areas to expand our production capacities. Meanwhile, Guangxi, the PRC and Vietnam are the targets for new manufacturing plants.

The inflated cost is not only impacting us strongly but even more seriously to other factories with smaller size. It also provides us a good opportunity for merger and acquisition as we have a very strong financial position. During the year, we have successfully acquired the Charmtech Group which is principally engaged in manufacturing of golf and high-end fashion apparel. The Charmtech Group has already contributed operating profit to the Group starting in the second half of the year which proved that the acquisition was successful and was beneficial to our shareholders. Meanwhile apart from our core business growth in sportswear manufacturing, we would take extra caution and attention on other potential merger and acquisition should these opportunities exist.

A More Solid Distribution and Retail Business

The overall sales of Distribution and Retail Business has decreased by 16.7% to HK\$447.0 million mainly attributable to the unsatisfactory performance in the sales of Umbro Products. In addition to the strong competitive sportswear market in Mainland China, we have encountered a supply chain problem which caused lost of sales orders of Umbro Products during the year. As the brand owner has noticed the problem and committed to mitigating it at their earliest possible, and in consideration of the ending of excessive inventory situation for our distributors, we expect the business is going to be breakeven or even profitable in the coming years.

We own the trademark “*Diadora*” and we design, manufacture, sell and distribute *Diadora* Products in Mainland China and Hong Kong. Definitely *Diadora* distribution business will be our focus in the coming years. During the year, we have put resources on marketing and promotion. Mr. Huang Xiao Ming (“Mr. Huang”) is our brand ambassador of *Diadora* Products. We have also introduced a new casual wear product series, namely “Huang Xiao Ming Series”, with the crossover between the brand “*Diadora*” and the name of Mr. Huang, during the year which drew attention from the public and enhanced the brand awareness. In coming years, we will continue to invest by providing unique and outstanding products to our customers. The sportswear market in Mainland China is now very challenging and competitive. Some of the top brands are facing slowdown in sales

增加我們店舖的數目。年內，我們就Diadora產品開設了60間店舖。自本年度最後數月以來，Diadora產品的銷售一直理想且充滿前景。因此，我們相信市場仍有空間讓擁有獨特產品的商家發展。

就多品牌產品零售而言，我們錄得銷售收益增加及毛利率有所改善。受惠於經濟持續增長，中國大陸及香港的零售市場均表現理想，特別是本年度的下半年，為本集團零售業務提供了眾多商機。而且，中國政府已實施一系列措施應付全球金融危機，推動了經濟發展轉型並調整了經濟架構，維持良好的經濟增長動力，並刺激了國內消費產品的本地需求。年內，香港零售店的盈利能力大幅提升。在中國大陸，我們繼續與Umbro密切合作以提升銷量及改善店舖的盈利能力。整體而言，零售業務的虧損已由二零零九年的50,000,000港元大幅收窄至二零一零年的12,700,000港元，減幅達74.6%。我們相信倘這趨勢持續，我們的零售業務可望於未來一至兩年轉虧為盈。

展望將來，我們將在香港繼續開設更多以「Futbol Trend」及「Sport Corners」名義經營的多品牌店舖以擴規模獲取盈利。就中國大陸的單一品牌店舖零售而言，我們除了在中國大陸六個地區及香港開設更多Umbro店舖外，我們亦如上述將開設更多「Diadora」及其他品牌的店舖，原因為我們相信該等店舖可利用我們在中國大陸的零售勞動力。中國大陸為全球第二大經濟體系，其客戶消費能力強勁，為抓緊此龐大商機，我們現正進一步考慮在中國大陸成立零售渠道銷售多品牌產品是否可行。

growth. As far as “*Diadora*” is positioning as “Sport Fashion” with low starting point, we believe we could still increase our shop prints within the territory in accordance with our plan. During the year we had opened 60 shops for Diadora Products. We were experienced that the sales of Diadora Products were promising and doing well since the last few months of the year. Therefore, we believe that there are still rooms for good player with niche and unique products.

Regarding the retail of multi-brand products, we recorded an increase in sales revenue and an improvement of gross margin. Benefiting from the continuous economic growth, the retail markets in both Mainland China and Hong Kong were performing well, especially during the second half of the year which produced many opportunities for the Group's retail business. Further, the PRC government, having implemented a series of measures in response to the global financial crisis, which pushed forward the transformation of economic development and the adjustment of economic structure, has sustained its good momentum in economic growth, and has stimulated the local demand of consumer products in the mainland. During the year, the profitability of retail shops in Hong Kong has been substantially improved. In Mainland China, we continued to work closely with Umbro to push up the sales and improve shops' profitability. Overall speaking, the loss of retail business has been significantly reduced from HK\$50.0 million in 2009 to HK\$12.7 million in 2010, a reduction of 74.6%. We believe if this momentum continue, our retail business will be profitable in the coming one or two years.

Looking forward, we will continue to open more multi-brand stores under the names of “*Futbol Trend*” and “*Sport Corners*” in Hong Kong to capture a better scale for profitability. For the mono-brand retailing in Mainland China, we will not only open more shops for Umbro in the six regions of Mainland China and in Hong Kong, as the above-mentioned, but will also open more shops for “*Diadora*” and other brands that we think they can leverage our retail workforce present in Mainland China. We are now further considering the feasibility of establishing retail channels selling multi-brand products in Mainland China in order to capture the significant and huge spending powers of consumers in this second largest economy of the world.

主席報告 Chairman's Statement

本人謹代表董事會衷心感謝僱員於年內為克服困難所作貢獻及努力。本人亦藉此機會感謝股東及業務夥伴於艱難時期的鼎力支持及對本集團抱負及策略的認同。

展望來年，本集團將盡一切努力增加整體回報，並將保持高度警覺，及採取審慎業務策略，為股東帶來最大回報。

李國棟
主席

香港，二零一一年三月十六日

On behalf of the Board, I would like to express my heartfelt gratitude to our employees for their devotion and dedication that overcome the hurdles during the year. I would also like to take this opportunity to thank our shareholders and business partners for their continuous supports and recognition of our aspiration and strategies during the current difficult time period.

Looking forward in the coming year, we will make every effort to increase our overall return, and will remain vigilant and adopt prudent business strategies to fight fit with the aim of maximising shareholders' returns.

LI Kwok Tung Roy
Chairman

Hong Kong, 16 March 2011

整體回顧

截至二零一零年十二月三十一日止年度，本集團收益自二零零八年經濟危機以來恢復增長，錄得3,081,800,000港元，二零零九年為2,888,000,000港元。

毛利為746,700,000港元，較去年下跌5.7%。毛利率亦由二零零九年的27.4%減至二零一零年的24.2%。毛利下降主要是由於生產業務的勞工成本及其他生產費用成本增加所致。儘管處於通脹環境，但管理層竭力控制營運及行政開支。此外，與「*Diadora*」商標有關的無形資產減值虧損重大金額54,000,000港元（二零零九年：有關商譽15,100,000港元）已於年內在合併利潤表扣除。因此，本集團年內之經營溢利由133,200,000港元減至111,000,000港元。然而，相較於去年的121,500,000港元，本公司股東應佔溢利維持在120,500,000港元。倘不包括該兩年的無形資產減值虧損，則經營溢利及本公司股東應佔溢利將分別由二零零九年的148,300,000港元增加11.3%至二零一零年的165,000,000港元及由二零零九年的136,600,000港元增加11.9%至二零一零年的152,900,000港元。

年內，董事會已宣佈並派付中期股息及特別股息分別每股股份2.4港仙及1.4港仙。鑑於淨現金狀況充裕及且有持續營運現金流入，故董事會建議截至二零一零年十二月三十一日止年度派付末期股息及特別股息分別每股股份1.2港仙及1.8港仙。

業務回顧

本集團為國際著名體育品牌的生產、分銷及零售商。該兩個業務分部（即「生產」及「分銷及零售」）的財務表現概述於下文。

OVERALL REVIEW

For the year ended 31 December 2010, the Group has recorded a revenue of HK\$3,081.8 million, which resumed to grow after the economic crisis since 2008 (HK\$2,888.0 million for the year 2009).

Gross profit amounted to HK\$746.7 million, representing a decrease of 5.7% year-on-year. Gross profit margin also reduced from 27.4% in 2009 to 24.2% in 2010. The decrease in gross profit was mainly resulted from the increase in labour costs and other overhead costs for production under the Manufacturing Business. In spite of the inflationary environment, management has put much effort to control its operating and administrative expenses. In addition, a significant amount of impairment loss on intangible asset related to “*Diadora*” trademark of HK\$54.0 million (2009: HK\$15.1 million related to goodwill) has been charged to the consolidated income statement during the year. As a result, the Group’s operating profit decreased from HK\$133.2 million to HK\$111.0 million during the year. Profit attributable to the shareholders of the Company however maintained at HK\$120.5 million as compared with HK\$121.5 million of last year. Excluding such impairment loss on intangible assets in both years, operating profit and profit attributable to the shareholders of the Company would have been increased by 11.3% from HK\$148.3 million in 2009 to HK\$165.0 million in 2010 and 11.9% from HK\$136.6 million in 2009 to HK\$152.9 million in 2010, respectively.

The Board has declared and paid the interim and special dividends of HK2.4 cents and HK1.4 cents, respectively per Share during the year. In consideration of the strong net cash position and the continued cash inflow from operations, the Board proposed the payment of a final dividend and a special dividend of HK1.2 cents and HK1.8 cents, respectively per Share for the year ended 31 December 2010.

BUSINESS REVIEW

The Group is an integrated manufacturer, distributor and retailer for renowned international sports brands. The financial performances of the two business segments, namely “Manufacturing” and “Distribution and Retail” are summarised as below.

業務回顧 (續)

生產業務

本集團生產業務主要以OEM方式經營國際運動品牌。本集團大部分貨品出口及銷售至歐洲及中國內地。本集團歷史悠久，於運動服製造業方面地位顯赫，與主要客戶已建立長期業務關係。因此，年內來自客戶的銷售訂單穩定增長。雖然經營環境艱難，但整體而言，生產業務銷售收益由2,387,600,000港元增加10.6%至2,639,600,000港元，佔本集團總銷售收益85.5%，而去年則為81.7%。

年內，本集團為滿足生產訂單需求而增聘人手，生產業務的工人數目一直穩定增長。本集團生產廠房所在的廣東省工人工資及社會保障標準亦有所提升，對年內勞工成本構成上升壓力，尤其受到「OEM業內巨頭的連串勞工自殺事件」所催化，進一步推高勞工成本。於下半年，勞工供應極為緊絀，然而本集團不可能於業務淡靜的兩個月份減少多出的人手，因本集團預期於旺季來臨時不易增聘人手。本集團年內在挽留技術工人及維持足夠的勞動力方面充滿挑戰。此外，近期人民幣升值及中國內地的整體通脹亦推高了直接生產成本及其他生產費用。上述所有原因已使生產業務的分部毛利率由25.2%減至22.0%。

BUSINESS REVIEW (Continued)

Manufacturing Business

The Group's Manufacturing Business operates mainly on OEM arrangement for international sports brands. Most of the Group's products are exported and sold to Europe and Mainland China. The Group has a long history and a remarkable position in sportswear garment manufacturing, and has established long-term business relationship with its key customers. Therefore, the Group has experienced a steady growth of sales orders from its customers during the year. Although the operating environment was difficult, overall Manufacturing Business recorded a growth in sales revenue which increased by 10.6% from HK\$2,387.6 million to HK\$2,639.6 million, accounting for 85.5% of the Group's total sales revenue as compared with 81.7% for last year.

In order to meet the demand of production orders, during the year, the Group has filled in additional labour and the number of workers has increased steadily for the Group's Manufacturing Business. The pay rates and the social security standard for workers in Guangdong province, where the Group's manufacturing plants are mainly located at, have also been increased which created pressure on the labour costs during the year, particularly catalyzed by the "consecutive labour suicide events of an OEM giant" which further pushed up the labour costs. In the second half of the year, the labour supply was extremely tensed, and the Group could not reduce the excessive labour during the two slack months with an expectation that the Group would not easily employ these workers again when the peak season came. Maintaining skillful workers and the sufficiency of labour force were challenging during the year. Moreover, recent appreciation in RMB and general inflation in Mainland China have also pushed up direct costs of production and other manufacturing overheads. All the above reasons have reduced the segmental gross profit margin from 25.2% to 22.0% under Manufacturing Business.

業務回顧 (續)

生產業務 (續)

面對經營環境的重重挑戰及激烈競爭，管理層一直加強控制業務的經營成本，採取各種措施提高生產及管理效率。儘管管理層已致力持續加強成本控制，惟經營溢利率仍不可避免地因上述毛利率減少而由10.1%略降至9.3%。管理層相信，儘管中國內地的生產及經營環境仍然挑戰重重及競爭劇烈，日趨上升的生產成本壓力亦將會因人民幣升值及中國內地的整體通脹而持續，但本集團憑藉運動服製造業的顯赫地位及手頭上來自主要客戶的現有潛在銷售訂單，對本分部的收益及經營溢利增長潛力仍相當樂觀。

本集團的生產業務亦於年內尋求合併及收購機會。本集團於二零一零年六月訂立買賣協議，以代價33,800,000港元收購昌迪的75%股本權益。此項收購的進一步詳情已載於本公司日期為二零一零年六月十八日的公佈。

昌迪集團主要在中國內地從事高爾夫球及高端時尚服飾的生產，並在歐美及亞洲銷售。管理層相信，上述收購將拓闊本集團的產品基礎，並為本集團另闢收益來源。昌迪集團於下半年開始為本集團貢獻銷售收益54,500,000港元。

BUSINESS REVIEW (Continued)

Manufacturing Business (Continued)

Under the challenging and competitive operating environment, management continued to tighten the operating cost of the business, and to carry out various measures to maximise the production and management efficiency. Despite management's continuous effort in cost control, operating profit margin decreased slightly from 10.1% to 9.3% inevitably due to the loss in gross profit margin as mentioned above. Management believes that although the production and operating environment in Mainland China is still challenging and competitive, and the pressure from increasing costs of production will continue due to the appreciation of RMB and general inflation in Mainland China, with its remarkable position in sportswear garment manufacturing, and with its existing forecast sales orders in hands from its major customers, the Group is optimistic on the growth potential of both revenue and operating profit in this segment.

The Group's Manufacturing Business also sought for merger and acquisition during the year. The Group has entered into a sale and purchase agreement in June 2010 for acquiring 75% equity interest in Charmtech at a consideration of HK\$33.8 million. Further details of this acquisition have been set out in the Company's announcement dated 18 June 2010.

The Charmtech Group is mainly engaged in the manufacturing of golf and high-end fashion apparel in Mainland China for sales in the US, Europe and Asia. Management believes that the above acquisition will broaden the Group's product base and provide the Group with an additional source of revenue. The Charmtech Group started contributing sales revenue of HK\$54.5 million to the Group in the second half of the year.

業務回顧 (續)

分銷及零售業務

分銷及零售業務包括透過天運洋行集團分銷 Umbro 產品的業務、透過永歷集團分銷 Diadora 產品以及透過嘉運集團零售多品牌及單一品牌產品及分銷運動服產品業務。本分部的銷售收益由 536,500,000 港元下跌 16.7% 至 447,000,000 港元，佔本集團總銷售收益 14.5%，而二零零九年同期則為 18.3%。本分部的經營虧損由二零零九年的 107,400,000 港元增至二零一零年的 135,400,000 港元，包括「Diadora」商標減值虧損金額 54,000,000 港元（二零零九年：商譽減值虧損為 15,100,000 港元）。倘不包括該兩年的無形資產減值虧損，則經營虧損將由 92,300,000 港元減少 11.8% 至 81,400,000 港元。有關本分部各分項表現的進一步討論載列如下：

分銷 Umbro 產品

天運洋行集團在大中華地區擁有獨家分銷 Umbro 產品的權利至二零二零年止。年內，此項業務的銷售收益及分部毛利分別減至 256,900,000 港元及 81,100,000 港元。由於天運洋行集團遭遇品牌擁有人的供應鏈問題，引致延誤交貨及導致分銷商因產能不足而撤銷向獲品牌擁有人授權的廠商下訂單。另外，中國內地尤其是一、二線城市運動服市場競爭依然激烈，抑壓 Umbro 產品的銷售表現。因此，天運洋行集團年內毛利率減至 31.6%。天運洋行集團不斷檢討及終止銷售表現欠佳的分銷商的業務關係，進一步鞏固分銷網絡及應對零售市場競爭的新挑戰。除管理層嚴格控制成本外，經營虧損亦減至 28,300,000 港元，去年則為 37,200,000 港元。上述措施亦有改善天運洋行集團之財務狀況，結果天運洋行集團的存貨及應收貿易帳款由二零零九年十二月三十一日的 70,900,000 港元及 47,500,000 港元減至二零一零年十二月三十一日的 55,300,000 港元及 31,900,000 港元。

BUSINESS REVIEW (Continued)

Distribution and Retail Business

This segment includes the businesses of distribution of Umbro Products through the T&S Group, distribution of Diadora Products through the Winor Group and retail of multi-brand and mono-brand products and distribution of sportswear products through the Win Sports Group. Sales revenue of the segment decreased by 16.7% from HK\$536.5 million to HK\$447.0 million, representing 14.5% of the Group's total sales revenue as compared to 18.3% in 2009. Operating loss in this segment increased from HK\$107.4 million in 2009 to HK\$135.4 million in 2010, which included the amount of HK\$54.0 million for the impairment loss on "Diadora" trademark (2009: HK\$15.1 million on goodwill). Excluding such impairment loss on intangible assets in both years, operating loss would have been decreased by 11.8% from HK\$92.3 million to HK\$81.4 million. Further discussion of the performance in each stream of this segment is set out below:

Distribution of Umbro Products

The T&S Group possesses an exclusive right to distribute Umbro Products in the Greater China region till 2020. During the year, sales revenue and segmental gross profit from this business decreased to HK\$256.9 million and HK\$81.1 million, respectively. The T&S Group encountered supply chain problem with the brand owner, which caused delays and cancellation of orders from distributors placed to factories as authorised by the brand owner due to their lack of production capacity. Further, the market competition in the sportswear market in Mainland China, especially in first and second tier cities, was still fierce which gave pressure on sales performance of Umbro Products. As a result, the T&S Group recorded a decrease in gross profit margin to 31.6% during the year. The T&S Group continued to review and terminate the business relationship with those distributors with poor sales performance in order to strengthen the distribution network and to face the challenge under the competitive retail markets. In addition to the tight cost controls implemented by management, operating loss has been reduced to HK\$28.3 million as compared with HK\$37.2 million for the last year. The above measures also encouraged the improvement of the financial positions of the T&S Group, which was evidenced by the reduction in inventory and trade receivables of the T&S Group from HK\$70.9 million and HK\$47.5 million as at 31 December 2009 to HK\$55.3 million and HK\$31.9 million as at 31 December 2010, respectively.

業務回顧 (續)

分銷及零售業務 (續)

分銷 Umbro 產品 (續)

於二零一零年十二月三十一日，天運洋行集團擁有約90名Umbro產品分銷商組成的銷售網絡，在大中華地區經營約600個銷售點。嘉運集團亦為Umbro產品的分銷商之一。

分銷 Diadora 產品

永歷集團於中國內地、香港及澳門擁有「*Diadora*」商標，因此擁有生產、銷售及分銷 Diadora 產品的各個權利。儘管中國內地零售市場競爭激烈，但永歷集團錄得銷售收益 60,200,000 港元，毛利率 36.4%，低於本集團的預期。因此，除每年商標攤銷 8,900,000 港元外，已就「*Diadora*」商標減值虧損撥備 54,000,000 港元。

於二零一零年十二月三十一日，永歷集團擁有約40名Diadora產品分銷商組成的銷售網絡，於中國內地經營約160個銷售點。嘉運集團亦為銷售Diadora產品的分銷商之一，詳情呈列如下。永歷集團亦在中國內地及香港自主經營8間零售店。

BUSINESS REVIEW (Continued)

Distribution and Retail Business (Continued)

Distribution of Umbro Products (Continued)

As at 31 December 2010, the T&S Group had a sales network comprising approximately 90 Umbro product distributors operating approximately 600 points-of-sales in the Greater China region. The Win Sports Group is also one of the distributors selling Umbro Products.

Distribution of Diadora Products

The Winor Group owns the trademark of “*Diadora*” in Mainland China, Hong Kong and Macau and hence has the respective right to manufacture, sell and distribute Diadora Products. Under the competitive retail market in Mainland China, the Winor Group recorded sales revenue at HK\$60.2 million with gross profit margin at 36.4%, which was lower than our expectation. Therefore, in addition to an annual trademark amortisation of HK\$8.9 million, a provision of impairment loss on the “*Diadora*” trademark amounting HK\$54.0 million has been made.

As at 31 December 2010, the Winor Group had a sales network comprising approximately 40 Diadora product distributors operating approximately 160 points-of-sales in Mainland China. The Win Sports Group is also one of the distributors selling Diadora Products, details of which are presented as below. The Winor Group also self-managed 8 retail shops in Mainland China and in Hong Kong.

業務回顧 (續)

分銷及零售業務 (續)

多品牌產品的零售

嘉運集團主要經營運動服零售業務，於中國內地銷售Umbro產品及Diadora產品，並於香港銷售多個運動服品牌產品。與去年相比，該業務的銷售收益由176,700,000港元增至180,100,000港元，而毛利及毛利率則分別由50,000,000港元增至59,700,000港元及由28.4%升至33.1%。毛利及毛利率上升是由於年內紓緩存貨積壓問題，故其可銷售利潤率較高的運動服產品。於二零一零年最後一季，中國內地及香港近期零售市道暢旺令嘉運集團的銷售額節節上升。年內，香港零售店的盈利能力已大幅提高。在中國內地，本集團繼續為提高銷售額及提升盈利能力而與Umbro品牌擁有人保持緊密合作。此外，嘉運集團有效控制本分部的經營成本，年內銷售及行政開支已減少21.0%。儘管年內嘉運集團仍有12,700,000港元經營虧損，惟虧損已大幅減少74.6%，主要由於下半年度的銷售較預期理想、利潤率提高及控制經營及行政開支所致。

於二零一零年十二月三十一日，嘉運集團在中國內地擁有約80間單一品牌店舖，大部分以銷售Umbro產品為主而餘下店舖銷售Diadora產品，以及在香港則擁有9間自主經營的零售店舖，其中3間以「Futbol Trend」名義經營、5間以「運動站」名義經營及餘下1間則為其他國際運動品牌的單一品牌店舖。

BUSINESS REVIEW (Continued)

Distribution and Retail Business (Continued)

Retail of Multi-brand Products

The Win Sports Group mainly operates sportswear retail business selling Umbro Products and Diadora Products in Mainland China and sportswear products of various brands in Hong Kong. Compared with last year, sales revenue from this business increased from HK\$176.7 million to HK\$180.1 million and gross profit and its margin both improved from HK\$50.0 million to HK\$59.7 million, and from 28.4% to 33.1%, respectively. Gross profit and its margin were improved due to the relief from overstocking situation, so that it was able to sell sportswear products with higher profit margin during the year. A recent boom in retail markets in both Mainland China and Hong Kong in the last quarter of 2010 gave life and vitality to the sales of the Win Sports Group. During the year, the profitability of retail shops in Hong Kong has been substantially improved. In Mainland China, the Group continued to work closely with the brand owner of Umbro to push up its sales and improve its profitability. Further, the Win Sports Group effectively controlled the operating cost in this segment, and selling and administrative expenses have been decreased by 21.0% during the year. Although the Win Sports Group still made operating loss of HK\$12.7 million during the year, such loss has been substantially reduced by 74.6% which was mainly attributable to the better-than-expected sales in the second half of the year, improved profit margin, and the control of operating and administrative expenses.

As at 31 December 2010, the Win Sports Group had approximately 80 mono-brand shops in Mainland China, majority of which were selling Umbro Products and the remaining were selling Diadora Products, and 9 self-managed retail shops in Hong Kong, of which 3 were traded under the name of "Futbol Trend", 5 were under the name of "Sport Corners" and a mono-brand shop for an international sports brand made up the rest.

展望

儘管年內股市及樓市不斷飆升，但二零一零年至今對本集團而言仍然充滿挑戰。由於二零一一年度生產業務的客戶訂單及預測仍然樂觀且中國內地及香港零售市道持續好轉，故本集團對未來數年的業務前景樂觀。生產業務會繼續為本集團提供大額現金流量，而分銷及零售業務的虧損亦會持續減少，故本集團在控制成本之餘，會轉而擴張業務。

生產業務

管理層預期，由於客戶的銷售訂單表示情況理想，故生產業務的銷售收益將繼續增長。中國內地的整體通脹仍然是生產商的主要憂慮，而本土政府亦剛宣佈提高廣東省的最低工資比率，自二零一一年三月起生效。預期有許多中小型生產商因生產成本居高不下而被迫結業，此舉可能令一線生產商（如享有規模經濟的本集團）取得更多生產訂單。本集團首要之務為擁有和保持充裕人手、給予員工不俗工資、具吸引力的保險保障和良好工作環境等，並提供培訓以增加員工歸屬感及生產力。本集團將與主要客戶作好準備以降低淡季勞工成本的影響。另一方面，本集團正在勞工成本較低及勞工供應穩定的地區擴充生產設施。廣西省梧州和越南均為本集團擴充新產能的目標地區。本集團會繼續嚴格控制一般及行政開支，亦可與客戶合作分擔生產成本升幅。

PROSPECTS

2010 was challenging so far for the Group although the stock market and property market had been high-rocketing during the year. As the customer orders and forecast under Manufacturing Business for the year 2011 is still promising and the retail markets in both Mainland China and in Hong Kong are still turning better, the Group is optimistic about the prospect of its business in coming years. Manufacturing Business will continue to provide strong cash flow to the Group, while the loss of Distribution and Retail Business will continue to reduce so that it is time to target for expansion rather than for cost controls.

Manufacturing Business

Management expects that the sales revenue under the Manufacturing Business will continue to grow as sales order indication from customers are optimistic. The general inflation in Mainland China is still the main concern to the manufacturers and the local government has just announced the increase of minimum wage rate of labour in Guangdong province effective in March 2011. It is expected that many small to medium size manufacturers are forced to close down due to the continuous high costs of production and this impact may alternatively secure more production orders to those first tier manufacturers, such as the Group which enjoy economies of scale in their productions. What the Group requires to do is to secure and maintain the sufficiency of labour force, give them competitive wages, attractive insurance protection, good working environment, etc, and provide training with a view to enhance their sense of belonging and productivities. The Group will plan better ahead with its major customers to minimise the labour cost impact during the slack season. On the other hand, the Group is expanding its production facilities in areas with relatively lower labour costs and stable labour supply. Wuzhou in Guangxi province and Vietnam are the Group's targets for the new production capacities. Tight controls in general and administrative expenses are the continuing measures. The Group may also collaborate with its customers to share the inflated production costs.

展望 (續)

生產業務 (續)

於往後數年，除內部增長外，本集團將繼續尋找新客戶，並進一步尋求收購機遇。如上文所述，本集團訂立協議收購昌迪集團的控制權益。昌迪集團主要在中國內地從事高爾夫球及高端時尚服飾的生產，並在歐美及亞洲銷售。收購昌迪集團證實非常成功。本集團將主動尋找機會收購與昌迪集團規模相約及擁有強勢能幹管理層及良好客戶基礎的公司。本集團從而可向該等公司提供充足的財政支援，並於淡季時降低彼等的生產成本，從而發揮協同效應，創造雙贏局面。

分銷及零售業務

經濟增長及政府鼓勵個人消費的政策為中港兩地批發及零售業務帶來不少商機，惟中國內地的該等業務競爭依然激烈。本集團對該等市場業務仍持審慎態度，但預期該等市場仍充滿挑戰。

分銷 Umbro 產品

中國內地尤其在一、二線城市運動服分銷市場的市場競爭仍然激烈。本集團須與品牌擁有人合作以消除供應鏈問題。幸好舒緩存貨積壓問題後，經營虧損不斷減少。本集團將繼續就解決方案及重組與品牌擁有人積極溝通和合作，以扭轉業務，旨在讓我們的股東再次獲利及受到裨益。

PROSPECTS (Continued)

Manufacturing Business (Continued)

In the following years, apart from the internal growth, the Group will continue to look for new customers and may further explore acquisition opportunities. As mentioned above, the Group entered into an agreement to acquire the controlling interest in the Charmtech Group which is principally engaged in the manufacturing of golf and high-end fashion apparel in Mainland China for sales in the US, Europe and Asia. The acquisition of Charmtech Group is proved to be successful. The Group will actively seek for opportunity to acquire companies with similar scale as the Charmtech Group, and with strong and competent management and good customer bases. By doing so, the Group could provide them sufficient financial support and buffer them out their production costs during their slack seasons so that there is a synergy effect, thus creating a win-win situation.

Distribution and Retail Business

The economic growth and government policy to encourage personal spending have created opportunities to wholesales and retail businesses in Mainland China and Hong Kong during the year, but the competitions in these businesses in Mainland China are still fierce. The Group still keeps a conservative mind when running business in these markets, but expects challenges continue to prevail them.

Distribution of Umbro Products

The market competition in the sportswear distribution market in Mainland China, especially in the first and second tier cities, is still fierce. The Group requires collaboration with the brand owner to mitigate the supply chain problems caused by the brand owner. Fortunately, the trend of decreasing operating loss has been experienced after the relief of overstocking problem. The Group will continue to proactively communicate and work with the brand owner for solutions and restructuring in order to turnaround the business, with the aim to make it become profitable and beneficial again to our shareholders.

展望 (續)

分銷及零售業務 (續)

分銷Diadora產品

管理層認為，由於運動服的批發及分銷環境變得挑戰重重及競爭激烈，故本集團以零售商而非批發商或分銷商的身份經營此業務。因此，本集團制定發展由「零售帶動」[Diadora]品牌的策略，並將品牌定位為「運動時裝」。本集團將建立並直接管理若干店舖，且向該等分銷商展示陳列品，指導彼等如何成為成功的零售商，以及強調數字管理的重要性。本集團所有的分銷商在店舖管理及形象方面將須依從本集團的政策，並應安裝銷售點系統，以及時收集銷售數據及店舖表現的資料。管理層相信，即使處於嚴峻及競爭激烈的環境之下，所有此等措施亦將協助品牌達至成功。

多品牌產品的零售

就多品牌產品的零售而言，本集團將以「Futbol Trend」及「運動站」的名義繼續在香港尋找合適及良好的地點作多品牌店舖，以擴大規模獲取盈利。就中國內地的單品牌零售而言，本集團不僅設立更多的Umbro產品銷售點，亦將開設更多具有潛力的Diadora產品及其他品牌店舖，現在盤據上海、北京及廣東省等中國內地要點外，亦重點開拓二線城市如湖南、江蘇及廣西省。本集團現正物色收購其他品牌的商機及進一步考慮在中國內地建立出售多品牌產品的零售渠道，以吸納該等地區消費者的龐大及巨大消費能力。

PROSPECTS (Continued)

Distribution and Retail Business (Continued)

Distribution of Diadora Products

Management considers that as the sportswear wholesales and distribution environment becomes very challenging and competitive, the Group should run this business as if it were a retailer, rather than as a wholesaler or distributor. In view of this, the Group sets its strategies to develop “**Diadora**” brand by “Retail Driven” and positions the brand as “Sport Fashion”. The Group will establish and directly manage some doors which provide a showcase to those distributors, coaching them how to become successful retailers and emphasizing the importance of figures-management. All of the Group’s distributors will be required to follow the Group’s policies on shop management and image, and point-of-sales system should be installed in order to capture the sales data and shop performance information on a timely basis. Management believes that all of these measures will assist the brand to succeed even under the tough and competitive environment.

Retail of Multi-brand Products

Regarding the retail of multi-brand products, the Group will continue to look for suitable and promising locations for multi-brand doors under the names of “**Futbol Trend**” and “**Sport Corners**” in Hong Kong to capture a better scale for profitability. For mono-brand retail in Mainland China, in addition to establishing more points of sales for Umbro Products, the Group will open more shops for Diadora Products and other brands with potential and focus on developing second tier cities in Hunan, Jiangsu and Guangxi provinces, on top of current presence in Shanghai, Beijing and Guangdong province in Mainland China. The Group is now looking for acquisition opportunities of other brands and further considering the feasibility of establishing retail channels selling multi-brand products in Mainland China in order to capture the significant and huge spending powers of consumers in these areas.

財務狀況及流動資金

本集團一般以內部產生的現金流量及銀行融資作為業務的營運資金。回顧年內，本集團財務狀況強勁。於二零一零年十二月三十一日，本集團的現金及現金等價物與原有期限超過三個月之銀行存款為782,800,000港元（二零零九年十二月三十一日：674,100,000港元）。增幅主要是由於經營業務產生現金所致。派付合共48,200,000港元的中期股息及特別股息，以及合共38,100,000港元的建議末期股息及特別股息後，本集團仍擁有強健的淨現金狀況。倘本集團繼續保持強健的現金結餘，且該等財務資源並無更好的其他用途，則本集團會考慮於來年派付特別股息。

於二零一零年十二月三十一日，本集團有銀行借貸45,100,000港元（二零零九年十二月三十一日：68,200,000港元）。本集團並無訂立任何利率掉期對沖相關利率風險。於二零一零年十二月三十一日，本集團仍有未動用的銀行融資309,700,000港元（二零零九年十二月三十一日：371,500,000港元）。於二零一零年十二月三十一日，本集團的負債資產比率（銀行借貸總額除以總權益）為2.1%（二零零九年十二月三十一日：3.3%）。

員工及薪酬政策

於二零一零年十二月三十一日，本集團擁有約15,000名員工（二零零九年十二月三十一日：約14,400名員工）。本集團根據各員工表現、工作經驗及當時市況釐定薪酬。其他員工福利包括退休福利、保險、醫療津貼及購股權計劃。

本集團資產抵押

於二零一零年十二月三十一日，本集團已抵押1,200,000港元的銀行存款作為銀行融資的擔保。

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated cashflow and bank facilities. The Group maintained an outstanding financial position during the year under review. As at 31 December 2010, it had cash and cash equivalents and bank deposits with initial terms of over three months amounting to HK\$782.8 million (31 December 2009: HK\$674.1 million). The increase was mainly attributable to the cash generated from operations. After the payment of interim and special dividends of totaling HK\$48.2 million and the proposed final and special dividends of HK\$38.1 million in aggregate, the Group still has strong net cash position. A payment of special dividend would be considered in forthcoming years should the Group continue to maintain strong cash balances and have no better alternative for the utilisation of these financial resources.

As at 31 December 2010, the Group had bank borrowings amounting to HK\$45.1 million (31 December 2009: HK\$68.2 million). The Group did not enter into any interest rate swap to hedge against risks associated with interest rates. As at 31 December 2010, the Group still had unutilised banking facilities amounting to HK\$309.7 million (31 December 2009: HK\$371.5 million). The gearing ratio, being total bank borrowings divided by total equity, as at 31 December 2010, was 2.1% (31 December 2009: 3.3%).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2010, the Group had approximately 15,000 employees (31 December 2009: approximately 14,400 employees). The Group remunerates employees based on their performance, working experience and prevailing market conditions. Other employee benefits include retirement benefits, insurance, medical coverage and a share option scheme.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2010, bank deposit of HK\$1.2 million was pledged to secure banking facilities for the Group.

外幣風險

本集團之銷售及採購主要以美元及人民幣計值。年內，銷售額約76.7%及22.6%分別以美元及人民幣計值，而採購額約62.6%、18.3%及19.1%則分別以美元、人民幣及港元計值。此外，於二零一零年十二月三十一日，現金及現金等價物與原有期限超過三個月之銀行存款約52.9%、45.1%及1.9%分別以美元、人民幣及港元計值。

本集團認為，由於港元與美元掛鈎，加上年內人民幣的升值壓力可予控制，故上述交易及現金結餘所產生之外幣風險於年內極為輕微。因此，本集團認為於回顧年內使用任何衍生工具對沖上述交易及現金結餘所產生之外幣風險並不重大，亦不具決定作用。

FOREIGN CURRENCY EXPOSURE

The Group's sales and purchases were mostly denominated in US Dollars and RMB. During the year, approximately 76.7% and 22.6% of sales were denominated in US Dollars and RMB, respectively, whereas approximately 62.6%, 18.3% and 19.1% of purchases were denominated in US Dollars, RMB and Hong Kong Dollars, respectively. Further, as at 31 December 2010, approximately 52.9%, 45.1% and 1.9% of cash and cash equivalents and bank deposits with initial terms of over three months were denominated in US Dollars, RMB and Hong Kong Dollars, respectively.

The Group considered that the foreign currency exchange exposure arising from the above transactions and cash balances was minimal during the year on the ground that Hong Kong dollars were pegged against US dollars and the recent pressure from appreciation of RMB was manageable during the year. Accordingly, the Group considered the use of any derivative instruments to hedge against foreign currency exposure arising from the above transactions and cash balances was not critical and determined during the year under review.

執行董事

李國棟，60歲，執行董事，為本集團創辦人之一兼主席。彼於二零零五年十二月獲委任為執行董事。李先生為李國樑先生的兄長。李先生負責本集團策略規劃及整體管理，於成衣業及客戶關係方面積逾三十年經驗。李先生為中國人民政治協商會議廣東省河源市委員會委員。

李先生現為本公司若干附屬公司的董事。彼亦為Quinta Asia Limited的董事。如本年報「主要股東所持本公司股份及相關股份的權益及淡倉」一節所披露，根據證券及期貨條例第XV部第2及3分部，Quinta Asia Limited擁有本公司若干股份的權益。

黎清平，60歲，執行董事，為本集團創辦人之一、副主席兼行政總裁。彼於二零零五年十二月獲委任為執行董事。黎先生負責管理本集團生產業務的採購工作(包括生產及購買隊伍)以及本集團的整體管理。黎先生於成衣業積逾三十年經驗。黎先生為中國人民政治協商會議廣東省雲浮市委員會委員。

黎先生現為本公司若干附屬公司的董事。彼亦為Quinta Asia Limited的董事。如本年報「主要股東所持本公司股份及相關股份的權益及淡倉」一節所披露，根據證券及期貨條例第XV部第2及3分部，Quinta Asia Limited擁有本公司若干股份的權益。

張智，44歲，執行董事及首席財務官。彼於二零零六年二月獲委任為執行董事，現時亦為本公司若干附屬公司的董事。張先生負責本集團的整體財務管理、合併與收購及企業融資項目。彼在二零零五年加入本集團前，曾出任中國移動通信集團公司屬下之卓望控股有限公司的執行副總裁及首席財務官。張先生亦曾出任eBIS Co., Ltd.的首席財務官、柳州採埃孚機械有限公司的財務總監及安達信公司的高級顧問，負責數個首次招股計劃。張先生於財務管理方面積逾十八年經

EXECUTIVE DIRECTORS

LI Kwok Tung Roy, aged 60, is our executive Director, our co-founder and Chairman. He was appointed as an executive Director in December 2005. Mr. LI is the elder brother of Mr. LEE Kwok Leung. Mr. LI is responsible for strategic planning and overall management of our Group. Mr. LI has over 30 years of experience in the apparel industry and handling client relationship. Mr. LI is a committee member of the Chinese People's Political Consultative Conference in He Yuan city, Guangdong province of the PRC.

Mr. LI is currently the director of certain subsidiaries of the Company. He is also the director of Quinta Asia Limited, which has an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of Securities and Futures Ordinance as disclosed in the section headed "Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company" in this annual report.

LAI Ching Ping, aged 60, is our executive Director, our co-founder, Deputy Chairman and Chief Executive Officer. He was appointed as an executive Director in December 2005. Mr. LAI oversees the merchandising functions including production and purchasing teams within the Manufacturing Business of our Group and is also responsible for the overall management of our Group. Mr. LAI has over 30 years of experience in the apparel industry. Mr. LAI is a committee member of the Chinese People's Political Consultative Conference in Yun Fu city, Guangdong province of the PRC.

Mr. LAI is currently the director of certain subsidiaries of the Company. He is also the director of Quinta Asia Limited, which has an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of Securities and Futures Ordinance as disclosed in the section headed "Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company" in this annual report.

CHEUNG Chi, aged 44, is our executive Director and Chief Financial Officer. He was appointed as an executive Director in February 2006 and is currently the director of certain subsidiaries of the Company. Mr. CHEUNG is responsible for our overall financial management, merger and acquisition and corporate finance projects. Prior to joining us in 2005, Mr. CHEUNG had been the executive vice president and chief financial officer of Aspire Holdings Ltd. which is a member of China Mobile Communications Corporation. Mr. CHEUNG had also been the chief financial officer of eBIS Co., Ltd., and the financial controller of Liuzhou ZF Machinery Co. Ltd. and a senior consultant of

驗，並先後於一九九二年及二零零四年取得香港城市理工學院會計學文學士學位及香港中文大學高級管理人員工商管理碩士學位，並為香港會計師公會及特許公認會計師公會的資深會員。

李國樑，48歲，執行董事及首席營運官。彼於二零零六年二月獲委任為執行董事，現時亦為本公司若干附屬公司的董事。李先生為李國棟先生的弟弟。李先生負責本集團供應鏈的運作，包括產品研究及開發、提供產品成本、原材料採購、成衣生產、品質控制、物流安排及科技應用及負責管理本集團布料織造及印染業務。李先生自一九八七年在約克大學取得文學士學位後，一直為本集團服務逾二十年。

獨立非執行董事

陳光輝，64歲，獨立非執行董事，於二零零六年四月加入本集團。陳博士投身學術工作逾三十年，現時為香港理工大學管理及市場學系的副教授，同時亦為多份工商管理刊物撰文。陳博士在一九七一年畢業於香港中文大學，持有社會科學學士學位，並先後於一九八一年及二零零四年取得University of Adelaide工商管理碩士學位及University of South Australia哲學博士學位。

關啟昌，61歲，獨立非執行董事，於二零零六年四月加入本集團。關先生現時為業務顧問公司Morrison & Company Limited的主席及多間香港上市公司的獨立非執行董事，包括恆基陽光資產管理有限公司、和記港陸有限公司及盛高置地(控股)有限公司。彼亦為中國地產集團有限公司及捷豐家居用品有限公司的非執行董事，兩間公司的股份均於聯交所上市。於二零一零年十月，彼亦為銀河資源有限公司的獨立非執行董事(其股份於澳洲證券交易所上市)。

Arthur Andersen & Co. in which he was responsible for several initial public offering projects. He has over 18 years of experience in financial management. Mr. CHEUNG obtained a Bachelor of Arts degree in Accountancy from the City Polytechnic of Hong Kong and an Executive Master of Business Administration degree from the Chinese University of Hong Kong in 1992 and 2004 respectively. Mr. CHEUNG is a fellow member of the Hong Kong Institute of Certified Public Accountant and the Association of Chartered Certified Accountant.

LEE Kwok Leung, aged 48, is our executive Director and Chief Operation Officer. He was appointed as an executive Director in February 2006 and is currently the director of certain subsidiaries of the Company. Mr. LEE is the younger brother of Mr. LI Kwok Tung Roy. Mr. LEE is responsible for the Group's supply chain, including product research and development, product costing, raw material procurement, garment production, quality control, logistic arrangement and technology implementation and overseeing the fabric knitting and dyeing business of our Group. Mr. LEE has been with us for over 20 years after his graduation from the York University in 1987 with a Bachelor of Arts degree.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHAN Kwong Fai, aged 64, is our independent non-executive Director. Dr. CHAN joined us in April 2006. Dr. CHAN has been in the academic field for over 30 years and is currently an Associate Professor at the Department of Management and Marketing of the Hong Kong Polytechnic University. Dr. CHAN is also an author of several publications in the business management area. Dr. CHAN graduated from the Chinese University of Hong Kong with a Bachelor degree in Social Science in 1971 and obtained his Master of Business Management from the University of Adelaide and Doctor of Philosophy from the University of South Australia in 1981 and 2004 respectively.

KWAN Kai Cheong, aged 61, is our independent non-executive Director. He joined us in April 2006. Mr. KWAN is currently the president of Morrison & Company Limited, a business consultancy firm, and an independent non-executive director of several listed companies in Hong Kong including Henderson Sunlight Asset Management Limited, Hutchison Harbour Ring Limited and SPG Land (Holdings) Limited. He is also a non-executive director of China Properties Group Limited and JF Household Furnishings Limited, shares of which are listed on the Stock Exchange. He has since October 2010 become an independent non-executive director of Galaxy Resources Limited, a company listed on the Australian Securities Exchange.

董事及高級管理人員履歷 Biographical Details of Directors and Senior Management

關先生曾於美林證券集團任職，並出任其亞太區總裁。自二零零四年八月，彼為和記電訊國際有限公司的獨立非執行董事，並於二零一零年五月私有化後辭任。關先生曾為中華藥業生物科學有限公司（於二零零八年十二月委任為臨時清盤人）的非執行董事直至二零零八年五月二十日。關先生亦曾為金朝陽集團有限公司的獨立非執行董事，直至二零一一年一月。

關先生於一九九二年修畢士丹福行政人員課程。彼亦持有University of Singapore的會計學（榮譽）學士學位。彼為澳洲特許會計師公會及香港會計師公會會員及香港董事學會資深會員。

馬家駿，59歲，獨立非執行董事，於二零零六年六月加入本集團。馬先生從事成衣業逾二十年，現時為Fashionmark Holdings Limited的董事。該集團主要為若干國際時裝品牌生產成衣，生產基地位於中國珠海及中山。馬先生持有香港大學社會科學學士學位。

溫澤光，61歲，獨立非執行董事，於二零零六年四月加入本集團。溫先生現時為木製產品生產商Pinefield Industries Ltd的董事總經理。彼於一九七九年取得哈佛大學工商管理碩士學位。

高級管理人員

王曉文，44歲，「Umbro」品牌分銷業務的董事總經理。王先生於一九九八年加入本集團出任集團財務總監，並於二零零七年三月獲薦升出任分銷業務董事總經理，管理Umbro產品的分銷業務。在投身本集團以前，彼曾出任不同職位，包括在香港滙豐銀行出任企業關係副經理及進出口部分區副經理達五年。彼於一九九零年至一九九二年在英國的BP Chemicals Limited工作，並在一九八六年獲得Hong Kong Bank Foundation的獎學金前往英國University of Bath修讀工商管理

Mr. KWAN previously worked for Merrill Lynch & Co. Inc. and was the president for its Asia Pacific region. He was an independent non-executive director of Hutchison Telecommunications International Limited since August 2004 and resigned in May 2010 after its privatisation. He was until 20 May 2008 a non-executive director of China Medical and Bio Science Limited (provisional liquidators appointed in December 2008). He was also previously an independent non-executive director of Soundwill Holdings Limited until January 2011.

Mr. KWAN completed the Stanford Executive Program in 1992. He also holds a Bachelor of Accountancy (Honours) degree from the University of Singapore. He is a member of the Institute of Chartered Accountants in Australia and the Hong Kong Institute of Certified Public Accountants and a Fellow of the Hong Kong Institute of Directors.

MA Ka Chun, aged 59, is our independent non-executive Director. Mr. MA joined us in June 2006. Mr. MA has been in the apparel industry for over 20 years and is currently a director of Fashionmark Holdings Limited, principally engaging in the manufacture of apparels for some international fashion brands with production bases in Zhuhai and Zhongshan, the PRC. Mr. MA holds a Bachelor of Social Science degree from the University of Hong Kong.

WUN Kwang Vincent, aged 61, is our independent non-executive Director. Mr. WUN joined us in April 2006. He is currently the managing director of Pinefield Industries Ltd, a manufacturer of wooden products. Mr. WUN obtained a Master of Business Administration degree from the Harvard University in 1979.

SENIOR MANAGEMENT

WONG Hiu Man, aged 44, is the managing director of our Distribution Business for the brand “Umbro”. Mr. WONG joined us in 1998 and became the group financial controller and was promoted to be our managing director of our Distribution Business in March 2007, overseeing the distribution business of Umbro Products. Prior to joining us, he held various positions, including assistant corporate relationship manager and assistant division manager in the import/export department in HSBC in Hong Kong for 5 years. He also worked for BP Chemicals Limited in UK from 1990 to 1992. He was awarded a scholarship from the Hong Kong Bank Foundation in 1986 to study for a Bachelor

董事及高級管理人員履歷 Biographical Details of Directors and Senior Management

學士學位，其後於一九八八年獲授 Arthur Andersen Prize for Financial Management。

譚強，59歲，「Diadora」品牌分銷業務的董事總經理，於批發及零售業積逾三十年經驗。彼於二零零三年加入本集團出任「Umbro」品牌分銷業務的銷售總監，並於二零零八年六月擢升為「Diadora」品牌分銷業務的董事總經理，負責管理Diadora產品的分銷業務。於加盟本集團之前，譚先生曾出任伊勢丹百貨公司於香港的銷售及商品經理及Robinson百貨公司於新加坡的商品總經理。譚先生於一九七六年獲得香港中文大學的中國文化及文學學士學位。

陳玉蓮，43歲，零售業務的董事總經理。陳小姐於零售業積逾十五年經驗。於二零零八年七月，陳小姐加入本集團為零售業務的總經理，並於二零一一年三月晉升為董事總經理，負責管理中國及香港的零售業務。於加盟本集團之前，陳小姐為Lafuma HK Limited的總經理，太古資源有限公司的零售採購部高級經理及採購部部門經理及德士活蘋果服裝有限公司的中國零售營運部部門副經理。陳小姐於一九九三年獲得英國曼徹斯特都會大學的服裝(市場及經銷)碩士學位。

林彩霞，32歲，公司秘書，負責本集團公司秘書工作、合規及財務事宜。林小姐於二零零五年十一月加入本集團，並於二零一零年九月晉升為公司秘書。於加盟本集團前，林小姐曾於國際會計師行羅兵咸永道會計師事務所任職。林小姐於二零零一年獲得香港浸會大學的工商管理學士學位，並為香港會計師公會的會員。

degree in Business Administration at the University of Bath in UK, and in 1988, he was also granted the Arthur Andersen Prize for Financial Management.

TAM Keung, aged 59, is the managing director of our Distribution Business for the brand “Diadora” and has over 30 years of experience in wholesale and retail industry. Mr. TAM joined us in 2003 as the sales director of our Distribution Business for the brand “Umbro” and was promoted to be the managing director of Distribution Business for the brand “Diadora” in June 2008 responsible for overseeing the distribution business of Diadora Products. Prior to joining us, Mr. TAM had been the sales and merchandising manager of Isetan department store in Hong Kong and the general merchandising manager of Robinson department store in Singapore. He obtained a Bachelor degree in Chinese Arts and Literature from the Chinese University of Hong Kong in 1976.

CHAN Yuk Lin, aged 43, is the managing director of our Retail Business and has over 15 years of experience in retail industry. Ms. CHAN joined us in July 2008 as the general manager and was promoted to be the managing director of our Retail Business in March 2011 overseeing the retail business in China and Hong Kong. Prior to joining us, she had been the general manager of Lafuma HK Limited, the division manager of retail merchandising and the department manager of sourcing of Swire Resources Limited, assistant section manager of China retail operations of Texwood and Apple Limited. She obtained a Master degree in Clothing (Marketing and Distribution) from the Manchester Metropolitan University in UK in 1993.

LAM Choi Ha, aged 32, is our company secretary responsible for handling the company secretarial, compliance and financial affairs of the Group. Ms. LAM joined us in November 2005 and was promoted to be the company secretary in September 2010. Prior to joining us, Ms. LAM has worked in the accountancy profession with PricewaterhouseCoopers. Ms. LAM obtained a Bachelor degree in Business Administration from the Hong Kong Baptist University in 2001. Ms. LAM is a member of the Hong Kong Institute of Certified Public Accountant.

董事會深明良好的企業管治對本集團管理架構及內部監控程序相當重要，藉以確保妥善規管本集團所有業務及決策程序。

於回顧年內，除以下偏離外，本公司一直採納上市規則附錄十四所載企業管治常規守則（「企業管治守則」）之原則以及適用守則條文及大部分建議最佳常規並遵守其規定。

守則條文第E.1.3條

根據企業管治守則的守則條文第E.1.3條，上市發行人應就股東週年大會於會議前最少足二十個營業日向股東寄發通告（「股東週年大會通告期間規定」）。由於對股東週年大會通告期間規定的疏忽，本公司未能就二零一零年四月二十六日舉行的股東週年大會遵照股東週年大會通告期間規定向股東寄發通告。

為確保日後遵守企業管治守則，本公司將作出合理措施，務求更謹慎地就本公司股東大會安排進度，並將遵照股東週年大會通告期間規定，就本公司股東週年大會向其股東寄發通告。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十的上市發行人董事進行證券交易的標準守則（「標準守則」）所載有關董事證券交易的標準守則。經向全體董事作出具體查詢後，彼等均確認於本年報所涵蓋之會計期內一直遵守標準守則所載規定。

The Board recognises the importance of incorporating elements of good corporate governance into the management structure and the internal control procedures of the Group so as to ensure that all business activities of the Group and the decision making process are properly regulated.

During the year under review, the Company has applied the principles and complied with the applicable code provisions and most of the recommended best practices set out in the Code on Corporate Governance Practices (the “CG Code”) in Appendix 14 of the Listing Rules save for the following deviation.

Code Provision E.1.3

Pursuant to Code Provision E.1.3 of the CG Code, the listed issuer should arrange for a notice to shareholders to be sent in the case of annual general meetings at least 20 clear business days before the meeting (the “**AGM Notice Period Requirement**”). Due to overlooking of the AGM Notice Period Requirement, the Company failed to send a notice to shareholders in compliance with the AGM Notice Period Requirement for the annual general meeting held on 26 April 2010.

To ensure compliance with the CG Code in the future, the Company will take all reasonable measures to arrange the schedule for the general meetings of the Company in a more cautious way and will send the notice in respect of the annual general meetings of the Company to its shareholders in compliance with the AGM Notice Period Requirement.

Model Code for Securities Transactions by Directors

The Company has adopted the code of conduct regarding directors’ securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, they all have confirmed that they have complied with the required standard as set out in the Model Code throughout the accounting period covered by this annual report.

董事會

本集團業務的整體管理由董事會負責。

董事會負責監管本集團及管理股東所託管資產，主要職責包括制訂本集團業務策略及管理目標、監管本集團的表現、釐訂本集團之價值及標準以及確保推行審慎有效的內部監控，以評估及管理風險。

本集團的日常運作由行政總裁及本集團管理層負責。所負責職務及工作會定期檢討。

組成

董事會成員現時包括四名執行董事及四名獨立非執行董事，有關董事的履歷詳情及董事間的家屬關係載於第20至23頁「董事及高級管理人員履歷」一節。

董事會的組合保持均衡，每位董事具備與本集團業務經營及發展相關的豐富知識、經驗及／或專長。

全體董事均瞭解彼等共同及個別對股東應負的責任，且勤勉竭誠，盡忠職守，致力為本集團的卓越表現作出貢獻。

主席及行政總裁

為確保權力平衡，主席及行政總裁由不同人士擔任。董事會主席為李國棟先生，而行政總裁為黎清平先生。主席負責管理董事會，而行政總裁則負責管理本集團業務的日常營運，兩者的職責清楚劃分。

Board of Directors

The overall management of the Group's business is vested in the Board.

The Board is responsible for governing the Group and managing assets entrusted by the Shareholders. Its principal responsibilities include the formulation of the Group's business strategies and management objectives, monitoring and overseeing the performance of the Group, setting the Group's values and standards and ensuring a prudent and effective framework of internal control is in place to enable risks to be assessed and managed.

The day-to-day operations of the Group are delegated to the Chief Executive Officer and the management of the Group. The delegated functions and work task are periodically reviewed.

Composition

The Board currently comprises four executive Directors and four independent non-executive Directors, whose biographical details and family relationships among the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 20 to 23.

The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business operation and development of the Group.

All Directors are aware of their collective and individual responsibilities to the Shareholders and have exercised their duties with care, skill and diligence, contributing to the successful performance of the Group.

Chairman and Chief Executive Officer

To ensure a balance of power and authority, the roles of the Chairman and the Chief Executive Officer are segregated. The Chairman of the Board is Mr. LI Kwok Tung Roy. The Chief Executive Officer is Mr. LAI Ching Ping. There is a clear segregation between the Chairman's responsibility for the management of the Board and the Chief Executive Officer's responsibility for the management of the day-to-day operations of the Group's business.

委任獨立非執行董事

獨立非執行董事負責就本集團發展、表現及風險管理作出獨立判斷。本集團各獨立非執行董事任期為三年，並須最少每三年輪值退任一次。

所有獨立非執行董事均符合獨立身份的規定，且本公司確認已收到其各自每年根據上市規則第3.13條作出的確認。董事認為彼等具獨立身份。

董事會已成立若干委員會，負責監督本集團的管理及行政，包括：

薪酬委員會

本公司於二零零六年四月十八日成立薪酬委員會，並制訂書面職權範圍。薪酬委員會主要職責包括向董事會提出建議，就董事和高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策。本公司之薪酬政策旨在確保向僱員，包括執行董事及高級管理人員提供之薪酬乃基於其技能、知識、職責及參與本公司事務而釐定。薪酬組合亦參照本公司之表現及盈利狀況、行業薪酬基準以及當前市場狀況而釐定。獨立非執行董事之薪酬政策，主要包括董事袍金，並須參照市場標準每年進行評估。個別董事及高級管理層將不得參與其各自薪酬之釐定。

於回顧年度，薪酬委員會檢討、釐定董事之薪酬組合。董事酬金包括底薪、退休金及酌情花紅。截至二零一零年十二月三十一日止年度之董事酬金詳情載於合併財務報表附註25(b)。

薪酬委員會成員包括陳光輝博士（主席）、李國棟先生及關啟昌先生，其中兩名為獨立非執行董事。

Appointment of Independent Non-Executive Directors

Independent non-executive Directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group. Each of the Group's independent non-executive Directors has been appointed for a term of three years and subject to retirement by rotation at least once every three years.

All of them have satisfied the independence criteria and the Company confirmed that it has received an annual confirmation from each of them pursuant to rule 3.13 of the Listing Rules. The Directors consider them to be independent.

Certain committees have been set up under the Board to supervise the management and administrative functions of the Group. They include:

Remuneration Committee

The Company established the Remuneration Committee on 18 April 2006 with written terms of reference. The primary duties of the Remuneration Committee include making recommendations to the Board on the policy and structure of all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Company's emolument policy is to ensure that the remuneration offered to employees including executive Directors and senior management is based on skills, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages are also determined by reference to the Company's performance and profitability, remuneration benchmark in the industry and the prevailing market conditions. The emolument policy for independent non-executive Directors, mainly comprising directors' fees, is subject to an annual assessment with reference to the market standard. Individual director and senior management would not be involved in deciding their own remuneration.

During the year under review, the Remuneration Committee has reviewed, determined the remuneration packages for the Directors. The remuneration of Directors comprises basic salary, pensions and discretionary bonus. Details of the amount of emoluments of Directors for the year ended 31 December 2010 are set out in note 25(b) to the consolidated financial statements.

Members of the Remuneration Committee comprise Dr. CHAN Kwong Fai (Chairman), Mr. LI Kwok Tung Roy and Mr. KWAN Kai Cheong, two of whom are independent non-executive Directors.

提名委員會

本公司於二零零六年四月十八日成立提名委員會，並制訂書面職權範圍。提名委員會主要負責向董事會作出有關委任董事及董事會管理層承繼的建議。提名委員會負責甄選及推薦董事人選，所參考的甄選指引包括適合的專業知識及行業經驗、個人品格、誠信及處事技巧。提名委員會於有需要時亦考慮外界專業招聘機構的推薦，向董事會提出有關甄選及批准的建議。

於回顧年度，提名委員會向董事會建議批准重選所有董事。

提名委員會成員包括溫澤光先生(主席)、李國棟先生、黎清平先生及馬家駿先生，其中兩名為獨立非執行董事。

審核委員會

本公司於二零零六年四月十八日根據上市規則成立審核委員會，並制訂書面職權範圍。審核委員會的主要職責包括檢討、管理及監督本公司財務申報程序、內部監控制度及風險管理的成效。

Nomination Committee

The Company established the Nomination Committee on 18 April 2006 with written terms of reference. The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the management of the Board succession. It carries out the process of selecting and recommending candidates for directorship with reference to the selection guidelines which include appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills. The Nomination Committee also considers referrals and engagement of external recruitment professionals when necessary and makes recommendations to the Board for selection and approval.

During the year under review, the Nomination Committee has recommended the re-election of all the Directors to the Board for approval.

Members of the Nomination Committee comprise Mr. WUN Kwang Vincent (Chairman), Mr. LI Kwok Tung Roy, Mr. LAI Ching Ping and Mr. MA Ka Chun, two of whom are independent non-executive Directors.

Audit Committee

The Company established the Audit Committee on 18 April 2006 with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee include reviewing, overseeing and supervision of the effectiveness of our financial reporting processes, internal control systems and risk management.

以下為審核委員會於二零一零年的工作概要：

- 審閱二零一零年合併財務報表及二零一零年未經審核中期合併財務資料，並向董事會作出推薦建議以供其通過，並集中處理財務報告於會計準則、上市規則及其他規定的合規性；
- 與外聘核數師及管理人員討論會計政策及常規；
- 審閱本公司涵蓋財務、經營、合規監控及風險管理職能的內部監控系統的成效；
- 考慮本公司會計及財務匯報職能方面的資源、員工資歷及經驗，以及培訓課程及預算是否足夠；
- 批准外聘核數師的審核費用及委聘條款；及
- 檢討外聘核數師的獨立性，並就續聘外聘核數師向董事會提供推薦建議。

審核委員會成員包括獨立非執行董事關啟昌先生(主席)、溫澤光先生、陳光輝博士及馬家駿先生。

The following is a summary of work performed by the Audit Committee in 2010:

- review of and recommendation for the Board's approval of the 2010 consolidated financial statements and 2010 unaudited interim consolidated financial information with a focus on compliance with accounting standards, the Listing Rules and other requirements in relation to financial reporting;
- discussion with the external auditor and the management on accounting policies and practices;
- review of the effectiveness of the Company's internal control system covering financial, operational and compliance controls and risk management functions;
- consider the adequacy of resources, qualification and experience of staff of our Company's accounting and financial reporting function, and training programmes and budget;
- approval of the audit fees and terms of engagement of the external auditor; and
- review of independence of the external auditor and recommendation to the Board on the re-appointment of the external auditor.

Members of the Audit Committee comprise Mr. KWAN Kai Cheong (Chairman), Mr. WUN Kwang Vincent, Dr. CHAN Kwong Fai and Mr. MA Ka Chun, all being independent non-executive Directors.

會議出席率

董事會定期舉行董事會會議、薪酬委員會會議、提名委員會會議及審核委員會會議，討論本集團的業務、營運、發展及操守。所有重要事宜均經過充分討論。各董事出席上述會議的記錄載列如下：

Attendance of Meetings

The Board holds regular Board meetings, Remuneration Committee meeting, Nomination Committee meeting and Audit Committee meetings to discuss the Group's businesses, operations, development and conduct. All important issues are discussed in a timely manner. The attendance record of each Director at the aforesaid meetings is set out below:

		截至二零一零年十二月三十一日止 年度出席／合資格出席會議次數 Number of meetings attended/ eligible to attend for the year ended 31 December 2010			
董事姓名	Name of Director	董事會會議 Board Meeting	薪酬委員會 會議 Remuneration Committee Meeting	提名委員會 會議 Nomination Committee Meeting	審核委員會 會議 Audit Committee Meeting
執行董事 <i>Executive Directors</i>					
李國棟先生 ^{1,3}	Mr. LI Kwok Tung Roy ^{1,3}	4/4	1/1	1/1	N/A
黎清平先生 ³	Mr. LAI Ching Ping ³	4/4	N/A	1/1	N/A
張智先生	Mr. CHEUNG Chi	4/4	N/A	N/A	N/A
李國樑先生	Mr. LEE Kwok Leung	4/4	N/A	N/A	N/A
獨立非執行董事 <i>Independent Non-Executive Directors</i>					
陳光輝博士 ^{2,5}	Dr. CHAN Kwong Fai ^{2,5}	3/4	1/1	N/A	2/2
關啟昌先生 ^{1,6}	Mr. KWAN Kai Cheong ^{1,6}	4/4	1/1	N/A	2/2
馬家駿先生 ^{3,5}	Mr. MA Ka Chun ^{3,5}	4/4	N/A	1/1	2/2
溫澤光先生 ^{4,5}	Mr. WUN Kwang Vincent ^{4,5}	4/4	N/A	1/1	2/2

附註：

1. 薪酬委員會成員
2. 薪酬委員會主席
3. 提名委員會成員
4. 提名委員會主席
5. 審核委員會成員
6. 審核委員會主席

Notes:

1. Members of Remuneration Committee
2. Chairman of Remuneration Committee
3. Members of Nomination Committee
4. Chairman of Nomination Committee
5. Members of Audit Committee
6. Chairman of Audit Committee

責任及審核

董事會明白其責任為編製本集團財務報表。編製財務報表時，已應用香港會計師公會頒佈的香港財務報告準則，本集團於編製財務報表所採納並於所有年度貫徹應用的主要會計政策載列於合併財務報表附註2。

本公司外聘核數師所編製有關其就本集團財務報表的責任聲明載於本年報第49至50頁的獨立核數師報告。

回顧年內，向本公司外聘核數師羅兵咸永道會計師事務所支付的酬金如下：

服務性質	Nature of services	千港元 HK\$'000
核數服務	Audit services	3,200
非核數服務(附註)	Non-audit services (Note)	796
		<hr/>
		3,996

附註：非核數服務包括審閱中期財務資料、若干協定程序、有限保證鑑證報告及稅務相關服務。

Accountability and Audit

The Board acknowledges its responsibility for preparing the financial statements of the Group. In preparing the financial statements, the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants have been adopted. The principal accounting policies, which have been consistently applied to all the years, adopted for the preparation of financial statements of the Group are set out in Note 2 to the consolidated financial statements.

The Company's external auditor's responsibility on the financial statements of the Group is set out in the independent auditor's report on pages 49 to 50 of this annual report.

During the year under review, the remuneration paid to the Company's external auditor, PricewaterhouseCoopers is set out as follows:

Nature of services	千港元 HK\$'000
Audit services	3,200
Non-audit services (Note)	796
	<hr/>
	3,996

Note: Non-audit services include review of interim financial information, certain agreed-upon procedures, limited assurance engagement and taxation related services.

內部監控

董事會負責本集團的內部監控程序，並會檢討本集團內部監控制度(包括財務、營運、合規控制及風險管理)的成效。

本集團致力識別、監督及管理本集團業務所面對風險。本集團的內部監控作用提供合理保證，避免出現重大錯誤陳述或損失，並管理及減低營運制度失敗的風險，以及實現業務目標。

於回顧年內，董事會檢討本集團內部監控制度的成效，並對此感到滿意。

Internal Control

The Board is responsible for the Group's internal control procedures and for reviewing the effectiveness of the Group's internal control system which includes financial, operational and compliance controls and risk management functions.

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The Group's internal control is designed to provide reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of business objective.

During the year under review, the Board has conducted a review of, and is satisfied with, the effectiveness of the internal control system of the Group.

董事謹此呈列本公司與本集團的年報以及截至二零一零年十二月三十一日止年度的經審核財務報表。

主要業務及經營地區分析

本集團主要從事生產、分銷及零售成衣產品，包括運動服、高爾夫球及高端時尚服飾、活動及戶外服裝及有關配飾。銷售主要以原設備生產方式外銷至歐洲、北美及亞洲客戶，及以分銷及零售模式在中國大陸及香港銷售。

本集團按業務及地區分部劃分的本年度業績分析載於合併財務報表附註5。

業績及股息

本集團截至二零一零年十二月三十一日止年度的業績載於本報告第53頁的合併利潤表內。

董事會建議向於二零一一年五月二十四日(星期二)營業時間結束時名列本公司股東名冊的股東派發截至二零一零年十二月三十一日止年度末期股息每股1.2港仙及特別股息每股1.8港仙，惟須由股東於二零一一年五月二十七日(星期五)舉行之應屆股東週年大會上批准。股息將於二零一一年六月十日(星期五)或前後派付。

董事會亦已就截至二零一零年六月三十日止六個月宣派中期股息及特別股息分別為每股股份2.4港仙及1.4港仙。

股東週年大會及暫停辦理股份過戶登記手續

茲提述本公司日期為二零一一年三月十六日有關本公司及其附屬公司截至二零一零年十二月三十一日止年度的年度業績公佈(「二零一零年業績公佈」)。據二零一零年業績公佈所述，股東週年大會將擬於二零一一年四月二十六日(星期二)舉行，以及本公司的股份過戶登記手續將由二零一一年四月二十日(星期三)至二零一一年四月二十六日(星期二)(包括首尾兩日)期間暫停辦理，在此期間本公司的股份過戶將不被登記。

The Directors have pleasure in presenting their annual report together with the audited financial statements of the Company and of the Group for the year ended 31 December 2010.

Principal Activities and Geographical Analysis of Operations

The Group is principally engaged in the manufacturing, distribution and retailing of garment products, including sportswear, golf and high-end fashion apparel, active and outer wear, and related accessories. Sales are primarily under an OEM arrangement to customers in Europe, North America and Asia and distribution and retail modes in Mainland China and Hong Kong.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 5 to the consolidated financial statements.

Results and Dividends

The results of the Group for the year ended 31 December 2010 are set out in the consolidated income statement on page 53 of this report.

The Board recommends a payment of a final dividend of HK1.2 cents and a special dividend of HK1.8 cents per Share for the year ended 31 December 2010, subject to Shareholders' approval at the forthcoming annual general meeting to be held on Friday, 27 May 2011, payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 24 May 2011. The dividends will be paid on or about Friday, 10 June 2011.

The Board has also declared an interim dividend and a special dividend of HK2.4 cents and HK1.4 cents per Share, respectively, for the six months ended 30 June 2010.

Annual General Meeting and Closure of Register of Members

Reference is made to the Company's announcement dated 16 March 2011 in relation to the annual results of the Company and its subsidiaries for the year ended 31 December 2010 (the "2010 Results Announcement"). It is stated in the 2010 Results Announcement that the annual general meeting will be proposed to be held on Tuesday, 26 April 2011 and the register of members of the Company will be closed from Wednesday, 20 April 2011 to Tuesday, 26 April 2011 (both days inclusive) during which no transfer of Shares of the Company will be registered.

由於重新安排股東週年大會，故股東週年大會擬重新定於二零一一年五月二十七日(星期五)假座香港九龍青山道481-483號香港紗廠工業大廈6期6樓舉行。由於是項重新安排，本公司的股份過戶登記手續將由二零一一年五月二十四日(星期二)至二零一一年五月二十七日(星期五)(包括首尾兩日)期間暫停辦理，在此期間本公司的股份過戶將不被登記。為分別符合獲派截至二零一零年十二月三十一日止年度末期股息及特別股息的資格，股東最遲須於二零一一年五月二十三日(星期一)下午四時三十分前將所有股份過戶文件連同有關股票送達本公司香港股份過戶登記處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

儲備

本公司及本集團於年內的儲備變動詳情分別載於合併財務報表附註21及本報告第55至56頁的合併權益變動表。

本公司可分派儲備

於二零一零年十二月三十一日，本公司可供分派予股東的儲備為734,100,000港元。本集團及本公司的儲備變動詳情載於合併財務報表附註21。

股本

本公司股本變動詳情載於合併財務報表附註20。

Due to rescheduling of the annual general meeting, it is proposed that the annual general meeting be rescheduled to be held on Friday, 27 May 2011 at 2:00 p.m. at 6/F., Phase 6, Hong Kong Spinners Industrial Building, 481-483 Castle Peak Road, Kowloon, Hong Kong. As a result of such rescheduling, the register of members of the Company will be closed from Tuesday, 24 May 2011 to Friday, 27 May 2011 (both days inclusive), during which period no transfer of Shares of the Company will be registered. In order to qualify for entitlement to the final dividend and the special dividend for the year ended 31 December 2010 respectively, all transfers of Shares of the Company accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 May 2011.

Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 21 to the consolidated financial statements and in the consolidated statement of changes in equity on pages 55 to 56 of this report, respectively.

Distributable Reserves of the Company

As at 31 December 2010, the Company's reserves available for distributions to Shareholders amounted to HK\$734.1 million. Details of movements in the reserves of the Group and the Company are set out in note 21 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company are set out in note 20 to the consolidated financial statements.

物業、機器及設備

本集團物業、機器及設備變動詳情載於合併財務報表附註7。

捐款

本集團於回顧年內的慈善及其他捐款合共為900,000港元。

財務概要

本集團過往五個財政年度的業績及資產與負債概要載於本報告第4頁。

優先認購權

組織章程細則並無優先認購權的規定，而本公司註冊成立地點開曼群島的法例對該等權力並無限制，故並無規定本公司須按比例向現有股東出售新股份。

稅務減免

董事並不知悉股東因持有本公司證券而得到任何稅務減免。

購買、出售或贖回證券

於回顧年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事

於年內及截至本報告日期為止之董事如下：

執行董事

李國棟先生
黎清平先生
張智先生
李國樑先生

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group are set out in note 7 to the consolidated financial statements.

Donation

During the year under review, the Group made charitable and other donations totaling HK\$0.9 million.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 4 of this report.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles of Association and there is no restriction against such rights under the laws of Cayman Islands where the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

Purchase, Sale or Redemption of Securities

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

Directors

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. LI Kwok Tung Roy
Mr. LAI Ching Ping
Mr. CHEUNG Chi
Mr. LEE Kwok Leung

獨立非執行董事

陳光輝博士
關啟昌先生
馬家駿先生
溫澤光先生

根據組織章程細則第87(1)及87(2)條，黎清平先生、張智先生及李國樑先生將於應屆股東週年大會輪值退任，並符合資格及願意重選連任。

董事及高級管理人員履歷

本集團董事及高級管理人員的履歷詳情載於第20至23頁。

董事服務合約

各執行董事已和本公司訂立為期三年的服務合約，可由任何一方發出不少於六個月書面通知而終止。根據該等服務合約，倘經董事會批准，各執行董事可於本集團各個完整財政年度酌情獲得年度管理層花紅。

各獨立非執行董事並無與本公司訂立任何服務合約，惟有固定服務年期三年，並可由任何一方發出不少於三個月書面通知而終止。

擬於本公司應屆股東週年大會上重選連任的董事概無訂立不可於一年內由本公司終止而毋須作出賠償（法定賠償除外）之服務合約。

董事於合約的利益

除合併財務報表附註36所披露的關連方交易外，於財政年度完結時或財政年度任何時間內，概無存續任何與本集團業務相關，而本公司、其控股公司或其任何附屬公司為訂約方及董事直接或間接擁有重大權益的重大合約。

Independent Non-Executive Directors

Dr. CHAN Kwong Fai
Mr. KWAN Kai Cheong
Mr. MA Ka Chun
Mr. WUN Kwang Vincent

In accordance with Articles 87(1) and 87(2) of the Articles of Association, Mr. LAI Ching Ping, Mr. CHEUNG Chi and Mr. LEE Kwok Leung shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set out on pages 20 to 23.

Directors' Service Contracts

Each of the executive Directors has a service contract with the Company for a term of three years and is subject to termination by either party giving not less than six months' written notice. Under the service contracts, each of the executive Directors is entitled to an annual discretionary management bonus in respect of each complete financial year of the Group as the Board may approve.

Each of the independent non-executive Directors does not enter into any service agreements with the Company but has a fixed term of office for three years and is subject to termination by either party giving not less than three months' written notice.

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' Interest in Contracts

Save for the related party transactions disclosed in note 36 to the consolidated financial statements, no contract of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year.

董事權益披露

於二零一零年十二月三十一日，董事及本公司行政總裁(如有)在本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，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的權益及淡倉(包括根據證券及期貨條例規定有關董事或行政總裁當作或視為擁有的權益及淡倉)，及根據證券及期貨條例第352條登記於本公司存置的登記冊的權益及淡倉，或根據標準守則須知會本公司及聯交所的權益及淡倉如下：

(a) 本公司股份好倉

董事姓名 Name of Directors	身份 Capacity	股份數目 Number of Shares	佔本公司 權益百分比* Percentage of interest in the Company*
李國棟先生 Mr. LI Kwok Tung Roy	受控制法團權益 Interest in a controlled corporation	743,769,967 (附註1) (Note 1)	58.64%
黎清平先生 Mr. LAI Ching Ping	實益擁有人 Beneficial owner	4,186,000 (附註2) (Note 2)	0.33%
張智先生 Mr. CHEUNG Chi	實益擁有人 Beneficial owner	10,650,000 (附註3) (Note 3)	0.84%
李國樑先生 Mr. LEE Kwok Leung	實益擁有人 Beneficial owner	2,000,000 (附註4) (Note 4)	0.16%

* 百分比乃根據截至二零一零年十二月三十一日已發行1,268,400,000股股份計算。

Directors' Disclosure of Interests

As at 31 December 2010, the interests and short positions of the Directors and chief executive(s) of the Company (if any) in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive has taken or deemed to have under such provisions of the SFO) and were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(a) Long positions in the Shares of the Company

* The calculation of percentages is based on 1,268,400,000 Shares in issue as at 31 December 2010.

董事權益披露 (續)

(a) 本公司股份好倉 (續)

附註：

1. 李國棟先生持有 Quinta Asia Limited (「Quinta」) 已發行股本70%。根據證券及期貨條例，由於李國棟先生擁有 Quinta 的控制權益，因此彼被視為擁有 Quinta 所持本公司的權益。黎清平先生持有 Quinta 已發行股本其餘30% (即間接擁有 223,130,990 股股份權益或約佔本公司股權約 17.59%)。
2. 黎清平先生擁有 4,186,000 股股份權益。
3. 張智先生擁有 650,000 股股份權益，並以承授人身份擁有購股權，可根據首次公開售股前購股權計劃認購 10,000,000 股股份。
4. 李國樑先生以承授人身份擁有購股權，可根據首次公開售股前購股權計劃認購 2,000,000 股股份。

(b) 本公司相聯法團 (定義見證券及期貨條例) 的股份好倉

董事姓名 Name of Directors	相聯法團 Associated corporation	身份 Capacity	股份數目 Number of shares	佔相聯法團 權益百分比 Percentage of interest in associated corporation
李國棟先生 Mr. LI Kwok Tung Roy	Quinta	實益擁有人 Beneficial owner	7	70%
黎清平先生 Mr. LAI Ching Ping	Quinta	實益擁有人 Beneficial owner	3	30%

除上文所披露者外，於二零一零年十二月三十一日，董事、行政總裁或彼等各自的聯繫人並無實益或非實益擁有本公司及其相聯法團 (定義見證券及期貨條例第 XV 部) 之股份、相關股份及債券之任何權益或淡倉。

Directors' Disclosure of Interests (Continued)

(a) Long positions in the Shares of the Company (Continued)

Notes:

1. Mr. LI Kwok Tung Roy holds 70% of the issued share capital of Quinta Asia Limited ("Quinta"). Mr. LI Kwok Tung Roy has a controlling interest in Quinta and is therefore deemed to be interested in Quinta's interest in the Company for the purposes of the SFO. Mr. Lai Ching Ping holds the remaining 30% of the issued share capital of Quinta (representing an indirect interest in 223,130,990 Shares or approximately 17.59% shareholding in the Company).
2. Mr. LAI Ching Ping is interested in 4,186,000 Shares held.
3. Mr. CHEUNG Chi is interested in 650,000 Shares held and is also interested as a grantee of options to subscribe for 10,000,000 Shares under the Pre-IPO Share Option Scheme.
4. Mr. LEE Kwok Leung is interested as a grantee of options to subscribe for 2,000,000 Shares under the Pre-IPO Share Option Scheme.

(b) Long positions in the shares of the Associated Corporation of the Company (as defined in the SFO)

Save as disclosed above, as at 31 December 2010, none of the Directors, chief executive(s) or any of their respective associates had any interest or short position, whether beneficial or non-beneficial, in the shares, the underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO).

主要股東所持本公司股份及相關股份的權益及淡倉

於二零一零年十二月三十一日，就董事所知，除本公司董事或行政總裁之外，以下人士於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定而須向本公司披露或根據證券及期貨條例第336條登記於所須存置登記冊的權益或淡倉。

股份好倉

名稱 Name	身份 Capacity	股份數目 Number of Shares	佔本公司權益 概約百分比* Approximate percentage of interest in the Company*
Quinta	實益擁有人 Beneficial owner	743,769,967	58.64%
Templeton Asset Management Ltd.	投資經理 Investment manager	165,191,579	13.02%

* 百分比乃根據於二零一零年十二月三十一日已發行1,268,400,000股股份計算。

除上文所披露者外，於二零一零年十二月三十一日，本公司並無接獲任何人士(本公司董事或行政總裁除外)通知，表示於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露或根據證券及期貨條例第336條登記於本公司存置的登記冊的權益或淡倉。

董事於競爭業務之權益

除本集團業務外，董事並無在與本集團業務存在競爭或可能直接或間接存在競爭之任何業務擁有權益。

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2010, as far as the Directors were aware, the following persons (other than the Directors or chief executive(s) of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept under Section 336 of the SFO.

Long positions in the Shares

名稱 Name	身份 Capacity	股份數目 Number of Shares	佔本公司權益 概約百分比* Approximate percentage of interest in the Company*
Quinta	實益擁有人 Beneficial owner	743,769,967	58.64%
Templeton Asset Management Ltd.	投資經理 Investment manager	165,191,579	13.02%

* The calculation of percentages is based on 1,268,400,000 Shares in issue as at 31 December 2010.

Save as disclosed above, as at 31 December 2010, the Company had not been notified by any person (other than the Directors or chief executive(s) of the Company) who had interests or short position in the Shares and underlying shares of the Company which were required 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 kept by the Company under section 336 of the SFO.

Directors' Interest in Competing Business

None of the Directors is interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

首次公開售股前購股權

為嘉許本集團僱員及一位顧問對本集團發展及成功的貢獻，本公司於二零零六年五月十日向(其中包括)若干僱員授出首次公開售股前購股權，該等僱員已接納有關購股權，承授人行使該等購股權合共可獲發44,400,000股股份。

截至二零一零年十二月三十一日止年度的首次公開售股前購股權變動如下：

Pre-IPO Share Options

In recognition of the contributions made by employees and a consultant of the Group towards its growth and success, on 10 May 2006, Pre-IPO Share Options (the exercise of which would entitle these grantees to an aggregate of 44,400,000 Shares) have been granted by the Company to, and accepted by, among others, certain employees.

Movements of the Pre-IPO Share Options for the year ended 31 December 2010 are as follows:

承授人 Grantee	每股行使價 Exercise price per Share	歸屬日期 Vesting date	行使期間 Exercise period	首次公開售股前購股權數目 Number of Pre-IPO Share Options			
				於二零一零年 一月一日 As at 01/01/2010	於年內行使 Exercised during the year	於年內失效 Lapsed during the year	於二零一零年 十二月三十一日 As at 31/12/2010
張智先生 執行董事 Mr. CHEUNG Chi Executive Director	1.596	06/09/2006	06/09/2006– 09/05/2016	1,960,000	—	—	1,960,000
		30/06/2007	30/06/2007– 09/05/2016	3,960,000	—	—	3,960,000
		30/06/2008	30/06/2008– 09/05/2016	4,080,000	—	—	4,080,000
				10,000,000	—	—	10,000,000
李國樑先生 執行董事 Mr. LEE Kwok Leung Executive Director	2.28	06/09/2006	06/09/2006– 09/05/2016	404,000	—	—	404,000
		30/06/2007	30/06/2007– 09/05/2016	804,000	—	—	804,000
		30/06/2008	30/06/2008– 09/05/2016	792,000	—	—	792,000
				2,000,000	—	—	2,000,000
周志偉先生(附註) Mr. CHOW Chi Wai ^(Note)	1.14	30/06/2008	30/06/2008– 09/05/2016	9,000,000	—	—	9,000,000
				9,000,000	—	—	9,000,000
總計 Total				21,000,000	—	—	21,000,000

附註：周志偉先生自二零零九年一月二十九日起辭任執行董事。

Note: Mr. CHOW Chi Wai resigned as an executive Director with effect from 29 January 2009.

首次公開售股前購股權 (續)

首次公開售股前購股權的主要條款概述如下：

1. 代價

首次公開售股前購股權各承授人已支付現金代價1.00港元。

2. 購股權有效期

除下列其他條件另有規定外，各首次公開售股前購股權有效期為10年，惟董事會可全權酌情書面延期（並須由獨立非執行董事批准）。各首次公開售股前購股權有效期屆滿後，所有未行使的該等購股權將會自動失效。

3. 行使期及行使價

載於第38頁。

4. 其他條件

授出及／或行使各首次公開售股前購股權均須符合下列附帶條件：

- (a) 股份開始買賣後首六個月內不得行使首次公開售股前購股權；
- (b) 除本公司、聯交所及／或本公司的上市保薦人為爭取聯交所批准股份上市及買賣而另有限制外，首次公開售股前購股權可部分或全數行使；
- (c) 行使首次公開售股前購股權亦須遵守本公司不時為符合上市規則而實施的指引；
- (d) 首次公開售股前購股權屬有關承授人所有，不可轉讓或承讓；

Pre-IPO Share Options (Continued)

A summary of the principal conditions attached to the Pre-IPO Share Options is set out below:

1. Consideration

A cash consideration of HK\$1.00 has been paid by each grantee of the Pre-IPO Share Options.

2. Option Period

Subject to other conditions as set out below, 10 years from the date of the offer of the respective Pre-IPO Share Options unless extended in writing by the Board (and approved by the Independent Non-Executive Directors) in its absolute discretion. Each of the Pre-IPO Share Options (to the extent not already exercised) shall lapse automatically at the end of such option period.

3. Exercised Periods and Exercise Price

As set out on page 38.

4. Other Conditions

The grant and/or exercise of each of the Pre-IPO Share Options is subject to the following additional conditions:

- (a) the Pre-IPO Share Option cannot be exercised within the first six months after the commencement of dealings in the Shares;
- (b) any exercise of the Pre-IPO Share Option may be made in part or in full subject to any further restrictions imposed by the Company, the Stock Exchange and/or the sponsor to the Company's listing as any of them see fit for the purposes of obtaining the Stock Exchange approval to the listing of and permission to deal in the Shares;
- (c) any exercise of the Pre-IPO Share Option shall be further subject to any guidelines issued by the Company from time to time in order to ensure full compliance with the Listing Rules;
- (d) the Pre-IPO Share Option is personal to the relevant grantee and may not be transferred or assigned;

首次公開售股前購股權 (續)

4. 其他條件 (續)

- (e) 未行使的首次公開售股前購股權將於上文第2段所述的有效期限屆滿後失效，否則會在下列情況下失效：
 - (i) 承授人的個人代表 (如有) 可於承授人身故後12個月內行使首次公開售股前購股權，其後未行使的首次公開售股前購股權將會自動失效，惟董事會有絕對酌情權延期；
 - (ii) 承授人行使首次公開售股前購股權的權利不會由於終止受僱而終止，除非終止受僱是由於嚴重失職、破產或裁定干犯涉及誠信的刑事罪行，則其未行使的首次公開售股前購股權由本集團終止聘用日期起自動失效；
 - (iii) 如承授人違反本文所載首次公開售股前購股權任何條款或條件，則未行使的首次公開售股前購股權會自動失效，惟董事會可全權酌情另行作出書面指示；及
- (f) 首次公開售股前購股權承授人須遵守聯交所或本公司的上市保薦人可能額外要求的承諾或限制。

Pre-IPO Share Options (Continued)

4. Other Conditions (Continued)

- (e) the Pre-IPO Share Option (to the extent not already exercised) shall lapse at the expiry of the option period as described in paragraph 2 above or otherwise in the following manner:
 - (i) the grantee's personal representatives (if any) may exercise the Pre-IPO Share Option within 12 months from his death, upon the expiry of which the Pre-IPO Share Option (to the extent not already exercised) shall lapse automatically unless extended by the Board in its absolute discretion;
 - (ii) the grantee's right to exercise the Pre-IPO Share Option shall not be affected by his/its cessation of employment, unless such cessation of employment arises from any serious misconduct, bankruptcy or conviction of any criminal offence involving integrity or honesty, in which case the Pre-IPO Share Option (to the extent not already exercised) shall lapse automatically on the his/its last date of employment with the Group;
 - (iii) if the grantee breaches any term or condition of the Pre-IPO Share Option as described herein, the Pre-IPO Share Option (to the extent not already exercised) shall lapse automatically (unless otherwise directed by the Board in writing in its absolute discretion); and
- (f) the grantee of the Pre-IPO Share Option shall adhere to any undertakings or restrictions that may be further imposed on them by the Stock Exchange or the sponsor to the Company's listing.

購股權計劃

本公司已根據股東於二零零六年八月八日通過的書面決議案設立購股權計劃（「計劃」），據此董事會可酌情邀請本集團任何董事、僱員、諮詢人、專家、客戶、供應商、代理、合夥人或顧問或承包商（須符合計劃所載之資格規定）接納購股權，以認購最多相當於本公司不時已發行股本面值30%的股份。根據該計劃及任何其他計劃可發行的股份總數，合共不得超過本公司於上市日期的已發行股本之10%，惟取得股東進一步批准除外。於截至授出日期止任何十二個月期間內，因行使授出及將予授出購股權（包括已行使及未行使購股權）而向主要股東或獨立非執行董事或彼等之聯繫人士發行及將予發行的股份總數，不得超過已發行股份的0.1%或總值超過5,000,000港元，惟取得股東進一步批准除外；而每名其他合資格人士獲發的股份不得超過已發行股份1%。

該計劃旨在肯定及表揚曾經或可能向本集團作出貢獻的合資格參與者。計劃亦給予合資格參與者機會收購本公司專有權益，以(a)推動合資格參與者提升其表現及效率，以符合本集團利益；及(b)吸引及挽留有貢獻的合資格參與者或與有貢獻的合資格參與者維持持續業務關係，預期對本集團有利。

計劃的有效期為十年，於二零一六年八月七日屆滿。購股權的行使價由董事會決定，惟不得低於授出購股權當日的股份收市價及緊接授出前五個營業日股份於聯交所每日報價表所列的平均收市價及股份面值三者中最高者。購股權可於董事會釐定的期間內隨時行使，惟不得超過授出日期起計十年後，並須受計劃條款的提前終止條文所限。

Share Option Scheme

Pursuant to the written resolutions of the Shareholders passed on 8 August 2006, the Company has established a share option scheme (the "Scheme") whereby the Board may, at their discretion, invite any Directors, employees, consultants, professionals, customers, suppliers, agents, partners or advisers of or contractors to the Group (subject to the eligibility requirements as set out therein) to take up options which entitle them to subscribe for Shares representing up to a maximum in nominal value of 30% of the issued share capital of the Company from time to time. The total number of Shares available for issue under the Scheme and any other schemes must not in aggregate exceed 10% of the issued share capital of the Company as at the Listing Date unless further Shareholders' approval has been obtained. The total number of Shares issued and to be issued upon the exercise of the options granted and to be granted (including both exercised and outstanding options) in any 12 months' period up to the date of grant to a substantial Shareholder or an independent non-executive director or their associates would not exceed 0.1% of the shares in issue or an aggregate value of HK\$5,000,000 unless further Shareholders' approval has been obtained; and to each other eligible person would not exceed 1% of the Shares in issue.

The purpose of the Scheme is to recognise and acknowledge the contributions that eligible participants have made or may make to the Group. It also provides the eligible participants with an opportunity to acquire proprietary interests in the Company with a view to (a) motivate the eligible participants to optimise the performance and efficiency for the benefit of the Group; and (b) attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the Group.

The Scheme shall be valid and effective for a period of ten years ending on 7 August 2016. The exercise price of options shall be determined by the Board and shall not be less than the highest of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options and the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer and the nominal value of a Share. An option may be exercised at any time during a period as the Board may determine which shall not be more than ten years from the date of grant of the option subject to the provisions of early termination thereof.

購股權計劃 (續)

有關購股權的會計政策載於合併財務報表附註2.19(b)。

於二零一零年十二月三十一日，概無任何根據該計劃已授出或尚未行使的購股權。

退休計劃

本集團參與若干保障本集團中國及越南合資格僱員的界定供款退休計劃以及香港僱員的強制性公積金計劃。此等退休計劃的詳情載於合併財務報表附註25(a)。

管理層合約

年內概無訂立或存在有關本公司全部或任何重大部分業務的管理及行政方面的合約。

主要客戶及供應商

截至二零一零年十二月三十一日止年度，本集團主要客戶及供應商分別佔本集團的銷售及採購百分比如下：

最大客戶／供應商
五大客戶／供應商

本公司的關連人士Umbro集團為截至二零一零年十二月三十一日止年度本集團的五大客戶其中一名。就董事所知及所信，董事、彼等的聯繫人或擁有本公司已發行股本5%以上的股東，概無擁有上文所披露本集團五大客戶或供應商的任何權益。

Share Option Scheme (Continued)

The accounting policy adopted for the share options is described in note 2.19(b) to the consolidated financial statements.

As at 31 December 2010, no share options had been granted or were outstanding under this scheme.

Retirement Schemes

The Group participates in several defined contribution retirement plans which cover the Group's eligible employees in the PRC and Vietnam, and a Mandatory Provident Fund Scheme for the employees in Hong Kong. Particulars of these retirement plans are set out in note 25(a) to the consolidated financial statements.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Major Customers and Suppliers

Sales and purchases of the Group attributable to its major customers and suppliers respectively for the year ended 31 December 2010 were as follows:

	佔銷售百分比 % of Sales	佔採購百分比 % of Purchases
The largest customer/supplier	71.7%	9.5%
Five largest customers/suppliers	80.5%	24.3%

Umbro Group, being a connected person, is one of the five largest customers to the Group during the year ended 31 December 2010. To the best knowledge and belief of the Directors, none of the Directors, their associates or any Shareholder owning more than 5% of the issued share capital of the Company, has any interest in any of the Group's five largest customers or suppliers as disclosed above.

持續關連交易

根據上市規則，合併財務報表附註36所披露的若干關連方交易亦構成持續關連交易，故須根據上市規則第14A章披露。本公司確認，其已就下列持續關連交易遵守上市規則第14A章項下適用的披露規定。

下列若干關連人士(定義見上市規則)與本公司間之交易已訂立及/或仍然持續進行中，而本公司已根據上市規則規定刊發所需的有關公佈。

(A) 本集團購買布料

Oceanjade Corporation Limited (「Oceanjade」) 為本公司全資附屬公司裕方(香港)有限公司其中一位供應商，供應生產New York Laundry品牌產品所需的布料及相關的布料樣品(「布料」)。

由於Oceanjade由陳先生的兄弟陳錦全先生實益全資擁有，而陳先生為本公司的間接全資附屬公司Al-Aham的行政總裁，因此Oceanjade被視為陳先生的聯繫人，屬本公司的關連人士。

截至二零一零年十二月三十一日止年度，本集團向Oceanjade購買布料的金額約為61,000港元，低於聯交所批准及於二零零八年十一月十九日向公眾公佈的相關年度上限。

Continuing Connected Transactions

Certain related party transactions, disclosed in note 36 to the consolidated financial statements also constitute continuing connected transactions under the Listing Rules, required to be disclosed in accordance with Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirement as applicable to the following continuing connected transactions under Chapter 14A of the Listing Rules.

The following transactions between certain connected parties (as defined in the Listing Rules) and the Company have been entered into and/or ongoing for which relevant announcements, if necessary, had been made by the Company in accordance with the requirements of the Listing Rules.

(A) Purchases of fabrics by the Group

Oceanjade Corporation Limited ("Oceanjade") is one of the suppliers of Rich Form (HK) Limited, a wholly-owned subsidiary of our Company, for fabrics and related fabric-samples ("Fabrics") for the production of products bearing the brand "New York Laundry".

Given that Oceanjade is beneficially and wholly-owned by Mr. Chan's brother, Mr. CHAN Kam Chuen, and that Mr. Chan is a chief executive of Al-Aham, an indirect wholly-owned subsidiary of our Company, Oceanjade is therefore deemed to be an associate of Mr. Chan, and hence a Connected Person of our Company.

Our purchases of Fabrics from Oceanjade amounted to approximately HK\$61,000 for the year ended 31 December 2010, which was below the relevant annual cap approved by the Stock Exchange and announced to the public on 19 November 2008.

持續關連交易 (續)

(B) (i) 向Umbro集團銷售UMBRO品牌的產品

本集團為Umbro集團的認可供應商，供應UMBRO品牌的產品，由Umbro集團在歐盟地區分銷。本集團透過全資附屬公司永嘉運動服裝有限公司自二零零四年起一直向Umbro集團供應該等產品。除了聘用獨立第三方承包商生產該等產品，本集團自二零零八年亦開始生產該等產品。

Umbro International為本公司一間附屬公司的主要股東，故此屬於本公司的關連人士。

截至二零一零年十二月三十一日止年度，本集團向Umbro集團的銷售額為約98,831,000港元，低於聯交所批准及於二零一零年五月二十六日向公眾公佈的相關年度上限。

(B) (ii) 就分銷Umbro產品向Umbro集團支付專營權費及向Umbro集團購買Umbro產品

根據Umbro分銷協議，本集團在大中華分銷各種Umbro產品。該等產品乃直接向Umbro International或Umbro集團認可供應商或透過Umbro集團營運之互聯網平台（「平台」）採購。Umbro分銷協議規定，本集團在大中華分銷Umbro產品須通過天運洋行向Umbro集團支付專營權費，金額按協議所載條款計算。

Umbro International為本公司一間附屬公司的主要股東，故此屬本公司的關連人士。

截至二零一零年十二月三十一日止年度，本集團向Umbro集團支付的專營權費及購買費用分別約為25,319,000港元及9,139,000港元，低於聯交所批准及於二零零九年十月十五日向公眾公佈的相關年度上限。

Continuing Connected Transactions (Continued)

(B) (i) Sales of products bearing UMBRO brand to the Umbro Group

We are an authorised supplier of the Umbro Group for products bearing UMBRO brand for the Umbro Group's distribution in the EU. We, through Win Hanverky Sportswear Company Limited (our wholly-owned subsidiary) have been supplying such products to the Umbro Group since 2004. Apart from engaging independent third party contractors for the manufacture of such products, our Group has also commenced the manufacture of these products since 2008.

Umbro International is a substantial shareholder of a subsidiary of our Company, hence it is a Connected Person of our Company.

Our sales to Umbro Group amounted to approximately HK\$98,831,000 for the year ended 31 December 2010, which was below the relevant annual cap approved by the Stock Exchange and announced to the public on 26 May 2010.

(B) (ii) Payment of royalty to the Umbro Group and purchases of Umbro Products from the Umbro Group for distribution of the Umbro Products

Pursuant to the Umbro Distributor Agreement, we distribute various Umbro Products in the Greater China. These products are sourced from Umbro International or suppliers approved by the Umbro Group directly or via an internet platform operated by the Umbro Group ("Platform"). As part of the Umbro Distributor Agreement, we pay, through T&S HK, royalty to the Umbro Group for our distribution of Umbro Products in the Greater China calculated in accordance with the terms set out therein.

Umbro International is a substantial shareholder of a subsidiary of our Company, hence it is a Connected Person of our Company.

Our royalty to and purchases from the Umbro Group amounted to approximately HK\$25,319,000 and HK\$9,139,000 respectively for the year ended 31 December 2010, which was below the relevant annual caps approved by the Stock Exchange and announced to the public on 15 October 2009.

持續關連交易 (續)

(C) 向天生集團採購Umbro產品

由於本集團與Umbro集團及平台的認可供應商天生集團已建立長久關係，天生集團一直根據本集團Umbro分銷協議下的分銷權向天運洋行集團供應Umbro產品以作分銷。

TSG BVI為本公司一間附屬公司的主要股東，故屬關連人士。TSG International為TSG BVI全資附屬公司，故屬TSG BVI的聯繫人，亦為本公司關連人士。

截至二零一零年十二月三十一日止年度，本集團並無向天生集團作出採購。

(D) 向美海企業有限公司(「美海」)銷售產品

本公司的附屬公司寶嘉製衣配料有限公司及其附屬公司(「寶嘉配料集團」)及永嘉紡織有限公司自二零零七年起一直分別向美海及其附屬公司(「美海集團」)供應若干成衣配飾及布料。

TSG BVI為本公司一間附屬公司的主要股東，故屬關連人士。美海為TSG BVI全資附屬公司，故屬TSG BVI的聯繫人，亦為本公司的關連人士。

截至二零一零年十二月三十一日止年度，本集團通過寶嘉配料集團及永嘉紡織有限公司向美海集團的銷售額分別約為2,098,000港元及18,448,000港元，低於聯交所批准以及分別於二零零八年十一月二十一日及二零一零年七月十二日向公眾公佈的相關年度上限。

Continuing Connected Transactions (Continued)

(C) Purchases of Umbro Products from the TSG Group

Due to the long established relationship with the TSG Group, TSG Group, one of the Umbro Group's approved suppliers which is also an approved supplier on the Platform, has been supplying Umbro Products to T&S Group for distribution pursuant to our Group's distribution right under the Umbro Distributor Agreement.

TSG BVI is a substantial shareholder of a subsidiary of our Company, hence it is a Connected Person. TSG International is a wholly-owned subsidiary of TSG BVI, therefore it is an associate of TSG BVI, hence it is also a Connected Person of our Company.

No purchases from the TSG Group has been made for the year ended 31 December 2010.

(D) Sales to Amerseas Enterprises Limited ("Amerseas")

Bowker Garment Accessories Company Limited and its subsidiaries ("Bowker Accessories Group") and Win Hanverky Textile Limited, subsidiaries of our Company, have been supplying certain garment accessories and fabric, respectively, to Amerseas and its subsidiaries ("Amerseas Group") starting from 2007.

TSG BVI is a substantial shareholder of a subsidiary of our Company, hence it is a Connected Person. Amerseas is a wholly-owned subsidiary of TSG BVI, therefore it is an associate of TSG BVI, hence it is also a Connected Person of our Company.

Our sales by Bowker Accessories Group and Win Hanverky Textile Limited to the Amerseas Group amounted to approximately HK\$2,098,000 and HK\$18,448,000 respectively for the year ended 31 December 2010, which were below the relevant annual caps approved by the Stock Exchange and announced to the public on 21 November 2008 and 12 July 2010 respectively.

持續關連交易 (續)

(E) 向Diadora集團銷售DIADORA品牌的產品

本公司的全資附屬公司永嘉運動服裝有限公司及其附屬公司過往一直向Diadora HK供應DIADORA品牌的產品。

在完成本公司與(其中包括)Diadora S.p.A.於二零零八年四月七日訂立之認購及股東協議後, Diadora S.p.A.成為了本公司一間附屬公司的主要股東, 故此屬於本公司關連人士。由於Diadora HK為Diadora S.p.A.的聯繫人, 故此屬於本公司的關連人士。

截至二零一零年十二月三十一日止年度, 本集團並無向Diadora集團銷售DIADORA品牌產品。

董事(包括獨立非執行董事)已審核截至二零一零年十二月三十一日止年度的持續關連交易, 並確認該等交易:

- (1) 於本集團日常業務過程中訂立;
- (2) 按一般商業條款或不遜於本公司給予獨立第三方或獲獨立第三方提供的條款訂立;
- (3) 根據規管有關交易的相關協議按公平合理且對本公司股東整體有利的條款進行; 及
- (4) 並無超逾之前獲聯交所批准之豁免或之前公佈所規定的有關上限。

Continuing Connected Transactions (Continued)

(E) Sales of products bearing DIADORA brand to the Diadora Group

Win Hanverky Sportswear Company Limited, a wholly-owned subsidiary of the Company, and its subsidiaries have been supplying products bearing the DIADORA brand to Diadora HK in the past.

Upon completion of the subscription and shareholders' agreement entered into between, among others, our Company and Diadora S.p.A. on 7 April 2008, Diadora S.p.A. became a substantial shareholder of a subsidiary of our Company, hence it is a Connected Person of our Company. As Diadora HK is an associate of Diadora S.p.A., it is a Connected Person of our Company.

No sales of products bearing DIADORA brand to the Diadora Group has been made for the year ended 31 December 2010.

The Directors, including the independent non-executive Directors, have reviewed the continuing connected transactions made during the year ended 31 December 2010 and confirmed that these transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or on terms no less favourable to the Company than terms available to or from independent third parties;
- (3) in accordance with each of the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (4) have not exceeded the relevant maximum amount capped in accordance to the waiver previously granted by the Stock Exchange or previous announcement.

持續關連交易 (續)

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據香港聯合交易所有限公司證券上市規則第14A.38條，核數師已就年報第43至46頁所載本集團披露的持續關連交易，發出無保留意見的函件，並載有其發現和結論。本公司已將核數師函件副本向香港聯合交易所提供。

企業管治常規守則

除偏離本年報所載企業管治報告所述的企業管治守則外，於本年報所涵蓋會計期間，本公司一直採納上市規則附錄十四所載企業管治守則之原則及遵守其守則條文。本公司採納的主要企業管治常規載於本報告第24至30頁的企業管治報告。

足夠的公眾持股量

根據本公司可公開取得的資料及就董事所知，截至二零一零年十二月三十一日止年度全年及截至本報告日期，本公司一直維持上市規則規定的足夠公眾持股量，由公眾人士持有本公司已發行股份超過25%。

Continuing Connected Transactions (Continued)

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 43 to 46 of this annual report in accordance with paragraph 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Code on Corporate Governance Practices

Save for the deviation from the CG Code as described in the Corporate Governance Report set out in this annual report, the Company has applied the principles and complied with the code provisions in the CG Code as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by this annual report. Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 24 to 30 of this report.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2010 and up to the date of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

核數師

截至二零一零年十二月三十一日止年度的財務報表已由羅兵咸永道會計師事務所審核，而羅兵咸永道會計師事務所將於應屆股東週年大會退任。本公司將於應屆股東週年大會提呈決議案重新委任羅兵咸永道會計師事務所為本公司截至二零一一年十二月三十一日止年度的核數師。

承董事會命
永嘉集團控股有限公司
李國棟
主席

香港，二零一一年三月十六日

Auditor

The financial statements for the year ended 31 December 2010 have been audited by PricewaterhouseCoopers who will retire at the forthcoming annual general meeting. A resolution will be proposed at the forthcoming annual general meeting to re-appoint PricewaterhouseCoopers as the auditor of the Company for the year ended 31 December 2011.

By order of the Board
Win Hanverky Holdings Limited
LI Kwok Tung Roy
Chairman

Hong Kong, 16 March 2011



羅兵咸永道會計師事務所

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

致永嘉集團控股有限公司全體股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審計列載於第51至177頁永嘉集團控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表,此合併財務報表包括於二零一零年十二月三十一日的合併和公司資產負債表與截至該日止年度的合併利潤表、合併綜合收益表、合併權益變動表及合併現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映,及落實其認為編製合併財務報表所必要的內部控制,以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

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

TO THE SHAREHOLDERS OF WIN HANVERKY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Win Hanverky Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 51 to 177, which comprise the consolidated and company balance sheets as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

獨立核數師報告 Independent Auditor's Report

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定合併財務報表是否不存在任何重大錯誤陳述。

審計涉及執行程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等合併財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一零年十二月三十一日的事務狀況，及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一一年三月十六日

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 16 March 2011

資產負債表 Balance Sheets

於二零一零年十二月三十一日 As at 31 December 2010

		附註 Note	合併 Consolidated			本公司 Company	
			二零一零年 十二月 三十一日 As at 31 December 2010 千港元 HK\$'000	二零零九年 十二月 三十一日 As at 31 December 2009 千港元 HK\$'000	二零零九年 一月一日 As at 1 January 2009 千港元 HK\$'000	二零一零年 十二月 三十一日 As at 31 December 2010 千港元 HK\$'000	二零零九年 十二月 三十一日 As at 31 December 2009 千港元 HK\$'000
非流動資產	Non-current assets						
租賃土地及土地使用權	Leasehold land and land use rights	6	40,066	39,938	41,879	—	—
物業、機器及設備	Property, plant and equipment	7	593,998	614,412	675,642	—	—
無形資產	Intangible assets	8	192,913	221,425	245,190	—	—
於附屬公司之投資	Investments in subsidiaries	9	—	—	—	1,404,542	1,371,439
於聯營公司之權益	Interests in associates	10	32,107	27,044	23,851	—	—
遞延所得稅資產	Deferred income tax assets	19	9,138	17,431	6,890	—	—
可供出售金融資產	Available-for-sale financial assets	11	500	500	6,370	—	—
其他應收帳款	Other receivables	14	—	—	8,417	—	—
			868,722	920,750	1,008,239	1,404,542	1,371,439
流動資產	Current assets						
存貨	Inventories	12	509,787	467,693	547,674	—	—
應收貿易帳款及票據	Trade and bills receivable	13	568,660	540,368	769,350	—	—
按金、預付款項及其他應收帳款	Deposits, prepayments and other receivables	14	88,470	58,536	88,633	198	680
已抵押銀行存款	Pledged bank deposits	15	1,184	—	—	—	—
原有限期超過三個月之銀行存款	Bank deposits with initial terms of over three months	15	18,866	24,572	—	—	—
現金及現金等價物	Cash and cash equivalents	15	763,974	649,493	363,272	43	180
			1,950,941	1,740,662	1,768,929	241	860
流動負債	Current liabilities						
應付貿易帳款及票據	Trade and bills payable	16	332,658	269,062	386,627	—	—
應計款項及其他應付帳款	Accruals and other payables	17	239,690	167,807	188,449	5,948	7,870
即期所得稅負債	Current income tax liabilities		61,942	66,645	55,861	250	—
借貸	Borrowings	18	45,083	68,160	102,026	—	—
附屬公司非控股股東貸款	Loan from non-controlling shareholder of subsidiaries	36	7,500	—	—	—	—
應付附屬公司款項	Amounts due to subsidiaries	36	—	—	—	5	195
			686,873	571,674	732,963	6,203	8,065
流動資產/(負債)淨值	Net current assets/(liabilities)		1,264,068	1,168,988	1,035,966	(5,962)	(7,205)
總資產減流動負債	Total assets less current liabilities		2,132,790	2,089,738	2,044,205	1,398,580	1,364,234

第59頁至177頁的附註屬財務報表一部分。

The accompanying notes on pages 59 to 177 are an integral part of these financial statements.

資產負債表 Balance Sheets

於二零一零年十二月三十一日 As at 31 December 2010

		附註 Note	合併 Consolidated			本公司 Company	
			二零一零年 十二月 三十一日 As at 31 December 2010 千港元 HK\$'000	二零零九年 十二月 三十一日 As at 31 December 2009 千港元 HK\$'000	二零零九年 一月一日 As at 1 January 2009 千港元 HK\$'000	二零一零年 十二月 三十一日 As at 31 December 2010 千港元 HK\$'000	二零零九年 十二月 三十一日 As at 31 December 2009 千港元 HK\$'000
非流動負債	Non-current liabilities						
借貸	Borrowings	18	—	—	11,300	—	—
遞延所得稅負債	Deferred income tax liabilities	19	5,222	2,095	3,711	—	—
			5,222	2,095	15,011	—	—
淨資產	Net assets		2,127,568	2,087,643	2,029,194	1,398,580	1,364,234
權益	Equity						
本公司股權持有人應佔資本及儲備	Capital and reserves attributable to equity holders of the Company						
股本	Share capital	20	126,840	126,840	126,840	126,840	126,840
儲備	Reserves	21	974,829	937,660	945,854	1,204,552	1,204,552
保留盈利	Retained earnings	21					
—擬派末期及特別股息	– Proposed final and special dividends		38,052	19,026	10,147	38,052	19,026
—其他	– Others		802,703	772,946	702,151	29,136	13,816
			1,942,424	1,856,472	1,784,992	1,398,580	1,364,234
非控股權益	Non-controlling interests		185,144	231,171	244,202	—	—
總權益	Total equity		2,127,568	2,087,643	2,029,194	1,398,580	1,364,234

第59頁至177頁的附註屬財務報表一部分。

The accompanying notes on pages 59 to 177 are an integral part of these financial statements.

李國棟
LI Kwok Tung Roy
董事
Director

黎清平
LAI Ching Ping
董事
Director

合併利潤表 Consolidated Income Statement

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

		附註 Note	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
收益	Revenue	5	3,081,763	2,888,002
銷售成本	Cost of sales	24	(2,335,069)	(2,096,090)
毛利	Gross profit		746,694	791,912
銷售及分銷成本	Selling and distribution costs	24	(224,255)	(259,739)
一般及行政開支	General and administrative expenses	24	(428,106)	(397,050)
其他收入	Other income	22	4,403	1,513
其他收益／(虧損)－淨額	Other gains/(losses) – net	23	12,250	(3,428)
經營溢利	Operating profit		110,986	133,208
融資收入	Finance income	26	7,838	6,044
融資成本	Finance costs	26	(3,567)	(4,583)
融資收入－淨額	Finance income – net		4,271	1,461
應佔聯營公司溢利	Share of profits of associates	10	2,036	2,915
除所得稅前溢利	Profit before income tax		117,293	137,584
所得稅開支	Income tax expense	27	(44,492)	(30,569)
年度溢利	Profit for the year		72,801	107,015
以下人士應佔：	Attributable to:			
本公司股權持有人	Equity holders of the Company		120,472	121,539
非控股權益	Non-controlling interests		(47,671)	(14,524)
			72,801	107,015
本公司股權持有人 應佔年度溢利之 每股盈利 (以每股港仙計)	Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents per share)			
－基本	– basic	29	9.5	9.6
－攤薄	– diluted	29	9.5	9.6
股息	Dividends	30	86,251	50,736

第59頁至177頁附註屬財務報表一部分。

The accompanying notes on pages 59 to 177 are an integral part of these financial statements.

合併綜合收益表 Consolidated Statement of Comprehensive Income

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

	附註 Note	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
年度溢利		72,801	107,015
其他全面收益			
應佔聯營公司其他 全面收益	21	639	278
貨幣換算差額		26,622	1,592
就出售附屬公司權益 應收非控股權益之 估計代價償付／變動	14	10,031	(8,901)
年度全面收益總額		110,093	99,984
以下人士應佔 全面收益總額：			
本公司股權持有人		153,177	113,015
非控股權益		(43,084)	(13,031)
		110,093	99,984

第59頁至177頁附註屬財務報表一部分。

The accompanying notes on pages 59 to 177 are an integral part of these financial statements.

合併權益變動表 Consolidated Statement of Changes in Equity

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

		本公司股權持有人應佔 Attributable to equity holders of the Company			非控股 權益 Non- controlling interests	總權益 Total equity
		股本 Share capital (附註20) (Note 20) 千港元 HK\$'000	儲備 Reserves (附註21) (Note 21) 千港元 HK\$'000	總計 Total 千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零九年一月一日的結餘	Balance at 1 January 2009	126,840	1,658,152	1,784,992	244,202	2,029,194
全面收益	Comprehensive income					
年度溢利／(虧損)	Profit/(loss) for the year	—	121,539	121,539	(14,524)	107,015
其他全面收益	Other comprehensive income					
貨幣換算差額	Currency translation differences	—	99	99	1,493	1,592
就出售附屬公司權益應收 非控股權益之估計 代價變動(附註14)	Change in estimated consideration receivable from non-controlling interests in relation to disposal of interest in a subsidiary (Note 14)	—	(8,901)	(8,901)	—	(8,901)
應佔聯營公司 其他全面收益	Share of other comprehensive income of associates	—	278	278	—	278
其他全面收益總額	Total other comprehensive income	—	(8,524)	(8,524)	1,493	(7,031)
全面收益總額	Total comprehensive income	—	113,015	113,015	(13,031)	99,984
與擁有人交易	Transactions with owners					
購股權計劃	Share option scheme					
— 服務價值(附註20)	— value of services (Note 20)	—	322	322	—	322
已付股息	Dividend paid					
— 二零零八年末期	— 2008 final	—	(10,147)	(10,147)	—	(10,147)
— 二零零九年中期	— 2009 interim	—	(31,710)	(31,710)	—	(31,710)
與擁有人交易總額	Total transactions with owners	—	(41,535)	(41,535)	—	(41,535)
於二零零九年 十二月三十一日的結餘	Balance at 31 December 2009	126,840	1,729,632	1,856,472	231,171	2,087,643

合併權益變動表 Consolidated Statement of Changes in Equity

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

		本公司股權持有人應佔 Attributable to equity holders of the Company			非控股 權益 Non- controlling interests	總權益 Total equity
		股本 Share capital (附註20) (Note 20) 千港元 HK\$'000	儲備 Reserves (附註21) (Note 21) 千港元 HK\$'000	總計 Total 千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一零年一月一日的結餘	Balance at 1 January 2010	126,840	1,729,632	1,856,472	231,171	2,087,643
全面收益	Comprehensive income					
年度溢利/(虧損)	Profit/(loss) for the year	—	120,472	120,472	(47,671)	72,801
其他全面收益	Other comprehensive income					
貨幣換算差額	Currency translation differences	—	22,035	22,035	4,587	26,622
就出售附屬公司權益應收 非控股權益之 代價償付(附註14)	Settlement of consideration receivable from non-controlling interests in relation to disposal of interest in a subsidiary (Note 14)	—	10,031	10,031	—	10,031
應佔聯營公司 其他全面收益	Share of other comprehensive income of associates	—	639	639	—	639
其他全面收益總額	Total other comprehensive income	—	32,705	32,705	4,587	37,292
全面收益總額	Total comprehensive income	—	153,177	153,177	(43,084)	110,093
與擁有人交易	Transactions with owners					
非控股權益交易 (附註34)	Transaction with non-controlling interests (Note 34)	—	—	—	1,337	1,337
向附屬公司 非控股權益支付股息	Dividends paid to non-controlling interests of subsidiaries	—	—	—	(4,280)	(4,280)
已付股息	Dividend paid					
— 二零零九年末期	— 2009 final	—	(19,026)	(19,026)	—	(19,026)
— 二零一零年中期及特別	— 2010 interim and special	—	(48,199)	(48,199)	—	(48,199)
與擁有人交易總額	Total transactions with owners	—	(67,225)	(67,225)	(2,943)	(70,168)
於二零一零年 十二月三十一日的結餘	Balance at 31 December 2010	126,840	1,815,584	1,942,424	185,144	2,127,568

第59頁至177頁附註屬財務報表一部分。

The accompanying notes on pages 59 to 177 are an integral part of these financial statements.

合併現金流量表 Consolidated Cash Flow Statement

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

	附註 Note	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
經營業務現金流量			
Cash flows from operating activities			
經營所得現金	31(a)	275,583	456,143
已付利息		(3,567)	(4,583)
已付香港利得稅		(34,897)	(24,336)
已付中國大陸企業所得稅		(2,672)	(7,073)
已付海外所得稅		—	(12)
經營業務所得 現金淨額		234,447	420,139
投資活動現金流量			
Cash flows from investing activities			
收購附屬公司扣除 已收購現金	31(c)	(423)	—
收購聯營公司的 額外股本	10	(2,388)	—
已收利息		7,437	4,478
購置物業、機器及設備		(69,809)	(41,043)
出售租賃土地及土地 使用權所得款項	31(b)	—	1,221
出售物業、機器及 設備所得款項	31(b)	12,291	3,049
出售可供出售金融 資產所得款項	11	780	—
新的已抵押銀行存款	15	(1,184)	—
原有期限超過三個月之 銀行存款減少／(增加)		5,754	(24,572)
投資活動所耗現金淨額		(47,542)	(56,867)

合併現金流量表 Consolidated Cash Flow Statement

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

	附註 Note	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
融資活動現金流量			
Cash flows from financing activities			
附屬公司非控股股東貸款			
Loan from non-controlling shareholder of subsidiaries	36(e)	7,500	—
借貸所得款項		18,719	41,640
Proceeds from borrowings			
償還借貸		(43,926)	(87,366)
Repayments of borrowings			
已付本公司股權持有人股息		(67,225)	(41,857)
Dividends paid to the Company's equity holders			
已付少數股東權益股息		(3,780)	—
Dividends paid to minority interests			
出售附屬公司權益所得款項			
Proceeds from disposal of interest in a subsidiary	34	1,337	9,307
融資活動所耗現金淨額		(87,375)	(78,276)
Net cash used in financing activities			
現金及現金等價物 增加淨額		99,530	284,996
Net increase in cash and cash equivalents			
年初現金及現金等價物		649,493	363,272
Cash and cash equivalents at beginning of the year			
現金及現金等價物 匯兌收益		14,951	1,225
Exchange gains on cash and cash equivalents			
年終現金及現金等價物	15	763,974	649,493
Cash and cash equivalents at end of the year			

第59頁至177頁的附註屬財務報表一部分。

The accompanying notes on pages 59 to 177 are an integral part of these financial statements.

1 一般資料

永嘉集團控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）的業務為生產和銷售成衣產品，包括運動服、高爾夫球及高端時尚服飾、活動及戶外服裝以及有關配飾。銷售以原設備生產（「原設備生產」）安排為主，外銷至歐洲、北美及中國大陸客戶，以及以分銷及零售模式在中國大陸及香港出售。其生產基地主要位於中國大陸。本集團主要附屬公司的詳情載於合併財務報表附註9。

本公司為根據開曼群島公司法第22章（一九六一年第3條法例，合併及修訂本）註冊成立的受豁免有限公司。本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司於香港聯合交易所有限公司作第一上市。

除另有指明外，合併財務報表以港元呈列，已獲本公司董事會於二零一一年三月十六日批准刊發。

2 重要會計政策概要

以下為編製該等合併財務報表時應用的主要會計政策。除另有所述外，該等政策與過往年度所呈列者一致。

1 General information

Win Hanverky Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are engaged in the manufacturing and selling of garment products, including sportswear, golf and high-end fashion apparel, active and outer wear, and related accessories. Sales are primarily under Original Equipment Manufacturing (“OEM”) arrangements to customers in Europe, North America and Mainland China, and under distribution and retail modes in Mainland China and Hong Kong. Its production bases are primarily located in Mainland China. Details of the principal subsidiaries of the Group are set out in Note 9 to these consolidated financial statements.

The Company is an exempted company with limited liability under the Companies Law, Cap.22, (Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated, and have been approved for issue by the Company’s board of directors on 16 March 2011.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 重要會計政策概要 (續)

2.1 編製基準

該等合併財務報表乃根據香港財務報告準則(「香港財務報告準則」)編製。該等合併財務報表已按照歷史成本常規法編製，以及就可供出售金融資產的重估作出修訂。

編製符合香港財務報告準則的財務報表須應用若干重大會計估計，亦須管理層在應用本集團會計政策過程中運用其判斷。合併財務報表中涉及高度判斷或複雜性，或存在重大假設及估計均在附註4披露。

(a) 本集團採納之新訂及經修訂準則

下列經修訂準則與準則修訂及詮釋於本集團二零一零年一月一日開始之會計期間生效，且與本集團有關：

- 香港會計準則第1號(修訂本)「財務報表的呈列」。該修訂澄清，透過發行權益清償負債之潛力與將該負債分類為流動負債或非流動負債並不相關。修訂流動負債定義後，儘管對方可能隨時要求實體以股份清償負債，此修訂本允許負債分類為非流動負債，惟實體須擁有無條件權利將以現金或其他資產方式作出之還款延遲至會計期間後至少十二個月。該修訂對本集團合併財務報表並無影響。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards adopted by the Group

The following revised standards and amendments to standards and interpretation are effective for the Group’s accounting period commencing 1 January 2010 and are relevant to the Group:

- HKAS 1 (Amendment), ‘Presentation of financial statements’. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The amendment has no impact on the Group’s consolidated financial statements.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納之新訂及經修訂準則 (續)

- 香港會計準則第7號(修訂本)「現金流量報表」。僅導致確認資產之開支方合資格分類為投資活動。該修訂對本集團財務報表並無重大影響。
- 香港會計準則第17號(修訂本)「租賃」取消了租賃土地的特定分類指引，消除與租賃分類一般指引的分歧。根據香港會計準則第17號一般原則，不論資產所有權的絕大部分風險及回報有否轉讓予承租人，租賃土地應歸類為融資租賃或經營租賃。修訂前，預期於租期屆滿前本集團不會獲轉讓的土地權益分類為經營租賃，歸為「租賃土地及土地使用權」一類，並按租期攤銷。

香港會計準則第17號(修訂本)已按該修訂本的生效日期及過渡條文追溯應用至自二零一零年一月一日開始之會計期間。本集團於開始租賃時已根據現有資料重新評估於二零一零年一月一日仍未到期之租賃土地及土地使用權的分類，並將香港租賃土地追溯分類為融資租賃。經重新評估，本集團將若干租賃土地自經營租賃重新分類至融資租賃。

本集團持作自用的土地權益入帳列作物業、廠房及設備，並自土地權益可用作其擬定用途起，按租賃年期計算折舊。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group (Continued)

- HKAS 7 (Amendment), 'Statement of cash flows'. Only expenditures that result in a recognised asset are eligible for classification as investing activities. The amendment has no material impact on the Group's financial statements.
- HKAS 17 (Amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating leases using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, a land interest which was not expected to pass to the Group by the end of the lease term was classified as an operating lease under "Leasehold land and land use rights", and amortised over the lease term.

HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance leases retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating leases to finance leases.

A land interest of the Group that is held for own use is accounted for as property, plant and equipment and is depreciated from the land interest available for its intended use over the lease term.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納之新訂及經修訂準則 (續)

採納此項修訂的影響如下：

租賃土地及土地使用權減少	Decrease in leasehold land and land use rights	(9,123)	(13,292)	(13,642)
物業、廠房及設備增加	Increase in property, plant and equipment	9,123	13,292	13,642
租賃土地及土地使用權攤銷減少	Decrease in amortisation of leasehold land and land use rights	(247)	(350)	(350)
物業、廠房及設備折舊增加	Increase in depreciation of property, plant and equipment	247	350	350

修訂對本集團的已呈報業績及儲備並無影響。

- 香港會計準則第27號(經修訂)「合併及獨立財務報表」，規定倘控制權並無變動且有關交易將不再產生商譽或損益，則所有該等交易影響均須計入權益。該準則亦訂明失去控制權時的會計處理，實體餘下的任何權益均重新計算至公平值，而損益則於損益中確認。由於本集團有關非控制權益交易的會計政策已遵守經修訂要求，故該經修訂準則對本集團合併財務報表並無影響。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group (Continued)

The effect of the adoption of this amendment is as below:

二零一零年 十二月三十一日 31 December 2010 千港元 HK\$'000	二零零九年 十二月三十一日 31 December 2009 千港元 HK\$'000	二零零九年 一月一日 1 January 2009 千港元 HK\$'000
(9,123)	(13,292)	(13,642)
9,123	13,292	13,642
(247)	(350)	(350)
247	350	350

The amendment has had no impact on the Group's reported results and reserves.

- HKAS 27 (Revised), 'Consolidated and separate financial statements', requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The revised standard has no impact on the Group's consolidated financial statements as the Group's accounting policy on transactions with non-controlling interests has complied with the revised requirements.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納之新訂及經修訂準則 (續)

- 香港會計準則第36號(修訂本)「資產減值」。該修訂澄清，商譽減值測試之准許上限為經營分部於合併前的最低水平(定義見香港財務報告準則第8號)。由於本集團有關商譽分配之現有會計政策已遵守經修訂要求，故該修訂對本集團合併財務報表並無影響。
- 香港會計準則第38號(修訂本)「無形資產」。該修訂釐清一般用於計量在業務合併中購入而並無在活躍市場上買賣的無形資產的估值技術的描述。此外，在業務合併中購入的無形資產或可被分割，惟僅可連同相關合約、可識別資產或負債一併確認。在此等情況下，無形資產與商譽分開但連同相關項目確認。本集團會對所有於二零一零年一月一日或之後在業務合併中收購的無形資產應用香港會計準則第38號(修訂本)。由於與昌迪集團的業務合併並無收購任何無形資產，此修訂於本年度並無帶來影響。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group (Continued)

- HKAS 36 (Amendment), 'Impairment of assets'. This clarifies that the largest unit permitted for the goodwill impairment test is the lowest level of operating segment before any aggregation as defined in HKFRS 8. The amendment does not have any impact on the Group's consolidated financial statements as the Group's existing accounting policy on goodwill allocation complies with the amended requirements.
- HKAS 38 (Amendment), 'Intangible assets'. This clarifies the description of the valuation techniques commonly used to measure intangible assets acquired in a business combination when they are not traded in an active market. In addition, an intangible asset acquired in a business combination might be separable but only together with a related contract, identifiable asset or liability. In such cases, the intangible asset is recognised separately from goodwill but together with the related item. The Group will apply HKAS 38 (Amendment) prospectively to all intangible assets acquired in business combination for which the acquisition date is on or after 1 January 2010. This amendment has had no impact on the current year as there have been no intangible assets acquired in the business combination of Charmtech Group.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納之新訂及經修訂準則 (續)

- 香港財務報告準則第3號(經修訂)「業務合併」, 以及香港會計準則第27號「合併及獨立財務報表」、香港會計準則第28號「於聯營公司的投資」及香港會計準則第31號「於合營公司的權益」的其後修訂, 將對收購日期為二零零九年七月一日或之後開始的首個年度報告期間開始當日或之後的業務合併有效。該經修訂準則繼續對業務合併應用收購法, 但與香港財務報告準則第3號相比則有若干重大變更。例如, 購買業務的所有付款按收購日期的公平值記錄, 而分類為債務的或然付款其後於收益表重新計量。任何補償性資產獲確認的款項將相等於補償性債務的公平值; 過往收取自賣方的任何補償金額將確認為買方的補償性資產, 且在收到賣方所付補償後即時對商譽作出調整。除非賠償性資產出現減值, 否則其後計量賠償性資產及或然負債時不會對日後盈利產生淨影響。對於在被收購方的非控股權益, 可按逐項收購基準以公平值或非控股權益應佔被收購方資產淨值的比例計量。在此之前並無其他選擇, 非控股權益將按被收購方所佔資產淨值的比例確認。所有收購相關成本應予支銷。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group (Continued)

- HKFRS 3 (Revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. Any indemnification asset will be recognised at an amount equivalent to the fair value of the indemnified liability; previously any amount received from the vendor under indemnity would be recognised as an indemnification asset of the acquirer and would have been adjusted against goodwill once received from the vendor. Subsequent measurement of the indemnification asset and contingent liability will have no net impact on future earnings, unless the indemnification asset becomes impaired. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Previously there was no choice, and the non-controlling interests would have been recognised at the proportionate share of the net assets of the acquiree. All acquisition-related costs are expensed.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納之新訂及經修訂準則 (續)

該經修訂準則已應用於二零一零年七月一日收購的昌迪實業有限公司及其全資附屬公司昌迪(清遠)制衣有限公司(統稱「昌迪集團」)的75%股權。收購相關成本312,000港元已於合併利潤表確認，該筆款項原應計入業務合併代價當中。本集團已選擇按於昌迪集團資產淨值所佔權益而非按公平值確認其非控股權益。有關昌迪集團業務合併的進一步詳情，請參閱附註35。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group (Continued)

The revised standard was applied to the acquisition of the 75% equity interests in Charmtech Industrial Limited and its wholly-owned subsidiary, Charmtech (Qing Yuan) Garment Manufacturing Limited (together, the "Charmtech Group") on 1 July 2010. Acquisition-related costs of HK\$312,000 have been recognised in the consolidated income statement, which previously would have been included in the consideration for the business combination. The Group has chosen to recognise the non-controlling interests at proportionate share of Charmtech Group's net assets rather than at fair value. See Note 35 for further details of the business combination of Charmtech Group.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納之新訂及經修訂準則 (續)

- 香港財務報告準則第8號 (修訂本)「經營分部」規定，有關各報告分部總資產及負債的資料僅於定期向首席營運決策者提供有關金額時披露。由於本集團會定期向首席營運決策者提供各報告分部總資產及負債金額，故該修訂對本集團的合併財務報表並無任何影響。
- 香港 (國際財務報告詮釋委員會) – 詮釋第9號 (修訂本)「重估嵌入式衍生工具」。該修訂將香港 (國際財務報告詮釋委員會) – 詮釋第9號適用範圍調整至與香港財務報告準則第3號 (經修訂) 一致：本詮釋並不適用於業務合併、受共同控制實體合併或成立合營公司所得合約中的嵌入式衍生工具。本集團預期將對收購日期為二零一零年一月一日或以後之業務合併所得合約中的所有嵌入式衍生工具應用香港 (國際財務報告詮釋委員會) – 詮釋第9號 (修訂本)。由於昌迪集團業務合併所得合約中並無嵌入式衍生工具，此修訂於本年度並無帶來影響。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group (Continued)

- HKFRS 8 (Amendment), 'Operating segments'. Disclosure of information about total assets and liabilities for each reportable segment is required only if such amounts are regularly provided to the chief operating decision maker. The amendment does not have any impact on the Group's consolidated financial statements as amounts of total assets and liabilities for each reportable segment are regularly provided to the chief operating decision maker.
- HK(IFRIC) – Int 9 (Amendment), 'Reassessment of embedded derivatives'. This amendment aligns the scope of HK(IFRIC) – Int 9 with the scope of HKFRS 3 (Revised): the interpretation does not apply to embedded derivatives in contracts acquired in a business combination, a common control combination or the formation of a joint venture. The Group will apply HK(IFRIC) – Int 9 (Amendment) prospectively to all embedded derivatives in contracts acquired in business combination for which the acquisition date is on or after 1 January 2010. This amendment has had no impact on the current year as there have been no embedded derivatives in contracts acquired in the business combination of Charmtech Group.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(b) 必須在二零一零年一月一日開始之財政年度首次採納之經修訂準則和詮釋，但目前與本集團無關（雖然其可能會影響未來之交易和事項之會計處理）

- 香港會計準則第39號（修訂本），「合資格對沖項目」。此修改有兩大改動。此修改禁止指定通脹作為定息債務之可對沖組成部份。除已確認之通脹掛鈎債券之合約訂明指定受通脹影響之現金流部份，而該債券之其他現金流部份不受通脹部份所影響，否則通脹是不可單獨地辨認和可靠地計量為金融工具之風險或其一部份。此修改亦禁止在指定期權作為對沖時，將時間價值包括在單方面對沖風險中。實體只可指定一項期權之內在價值之變動，作為在對沖關係中預測交易所產生之單方面風險之對沖工具。單方面風險指一項被對沖項目之現金流量或公平值之變動，高於或低於某一指定價格或其他變量。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) Amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)

- HKAS 39 (Amendment), 'Eligible hedge items'. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. Inflation is not separately identifiable and reliably measurable as a risk or a portion of a financial instrument, unless it is a contractually specified portion of the cash flows of a recognised inflation-linked bond whose other cash flows are unaffected by the inflation portion. It also prohibits including time value in a one-sided hedged risk when designating options as hedges. An entity may only designate the change in the intrinsic value of an option as the hedging instrument of a one-sided risk arising from a forecast transaction in a hedging relationship. A one-sided risk is that changes in cash flows or fair value of a hedged item is above or below a specified price or other variable.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(b) 必須在二零一零年一月一日開始之財政年度首次採納之經修訂準則和詮釋，但目前與本集團無關（雖然其可能會影響未來之交易和事項之會計處理）(續)

- 香港財務報告準則第2號（修訂本）「集團現金結算股份付款交易」（自二零一零年一月一日起生效）。除加入香港（國際財務報告詮釋委員會）詮釋第8號「香港財務報告準則第2號之範圍」及香港（國際財務報告詮釋委員會）詮釋第11號「香港財務報告準則第2號－集團及庫存股份交易」外，修訂擴展至香港（國際財務報告詮釋委員會）詮釋第11號之指引，以說明該詮釋並無涵蓋之分類組別安排。
- 香港財務報告準則第5號（修訂本）「持有待售非流動資產及終止經營」。此修訂澄清了香港財務報告準則第5號，說明分類為持有待售非流動資產（或處置組）或終止經營規定之有關披露。此修訂亦澄清了香港會計準則第1號之一般規定仍然適用，尤其是香港會計準則第1號第15段（達致公平表達）和第125段（估計來源之不確定性）。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) Amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events) (Continued)

- HKFRS 2 (Amendments), 'Group cash-settled share-based payment transactions', effective from 1 January 2010. In addition to incorporating HK(IFRIC) – Int 8, 'Scope of HKFRS 2', and HK(IFRIC) – Int 11, 'HKFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in HK(IFRIC) – Int 11 to address the classification of group arrangements that were not covered by that interpretation.
- HKFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations'. The amendment clarifies that HKFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of HKAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of HKAS 1.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(b) 必須在二零一零年一月一日開始之財政年度首次採納之經修訂準則和詮釋，但目前與本集團無關(雖然其可能會影響未來之交易和事項之會計處理)(續)

- 香港 – 詮釋第5號「財務報表之呈列：借貸人對載有按要求隨時還款條款之定期貸款之分類」，於二零一零十一月二十九日頒佈，即時生效。該詮釋反映國際財務報告準則詮釋委員會制訂之決策，並根據香港財務報告準則生效，貸款人可無須提出因由而隨時通知償還之負債(凌駕性之要求權利)，必須根據香港會計準則第1號(經修訂)第69(d)段「財務報表之呈列」分類為流動負債。本集團並無非流動借貸，包括按要求隨時還款條款。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) Amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events) (Continued)

- HK – Int 5, 'Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause', issued on 29 November 2010 with immediate effect. This interpretation reflects the decision made by the IFRS Interpretations Committee and brings it into effect under HKFRS that a liability, which may be callable by the lender at any time without cause (an overriding right of demand), must be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 (Revised), 'Presentation of financial statements'. The Group currently has no non-current borrowings which include such repayment on demand clause.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(b) 必須在二零一零年一月一日開始之財政年度首次採納之經修訂準則和詮釋，但目前與本集團無關(雖然其可能會影響未來之交易和事項之會計處理)(續)

- 香港(國際財務報告詮釋委員會) – 詮釋第9號「重估嵌入式衍生工具及香港會計準則第39號金融工具：確認和計量」，自二零零九年七月一日起生效。香港(國際財務報告詮釋委員會)之修訂 – 詮釋第9號要求一個實體評估嵌入式衍生工具是否必須與主合約分開，當該實體從按公平價值計量且將其變動計入損益之類別重新分類出混合財務資產。這項評估於有關實體首次成為有關合約之訂約方和更改合約條款導致該合約原本要求之現金流量出現大幅變動之較後日期存在之情況進行。倘實體不能作出評估，整個混合工具必須全部繼續列為按公平價值計量且將其變動計入損益之類別。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) Amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events) (Continued)

- HK(IFRIC) – Int 9, 'Reassessment of embedded derivatives and HKAS 39, Financial instruments: Recognition and measurement', effective from 1 July 2009. This amendment to HK(IFRIC) – Int 9 requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must be remained and classified as at fair value through profit or loss in its entirety.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(b) 必須在二零一零年一月一日開始之財政年度首次採納之經修訂準則和詮釋，但目前與本集團無關(雖然其可能會影響未來之交易和事項之會計處理)(續)

- 香港(國際財務報告詮釋委員會) – 詮釋第16號「境外經營之淨投資對沖」，由二零零九年七月一日起生效。此修訂說明，在境外經營之淨投資對沖中，只要符合香港會計準則第39號有關淨投資對沖之指定、文件存檔和有效性之規定，合資格對沖工具可由實體或集團內實體持有，包括境外經營本身。由於在集團不同層次內可能有不同指定，因此集團必須清楚將其對沖策略作文件存檔。
- 香港(國際財務報告詮釋委員會) – 詮釋第17號「向所有者分配非現金資產」，由二零零九年七月一日或之後起生效。此項詮釋在二零零八年十一月公佈。此項詮釋就實體向股東分配非現金資產作為儲備分派或股息之安排之會計處理提供指引。香港財務報告準則第5號亦已被修訂，規定資產只能夠在其現有狀況下可供分派，而此分派極有可能時才可分類為持分派。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) Amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events) (Continued)

- HK(IFRIC) – Int 16, 'Hedges of a net investment in a foreign operation' effective from 1 July 2009. This amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of HKAS 39 that relate to a net investment hedge are satisfied. In particular, the group should clearly document its hedging strategy because of the possibility of different designations at different levels of the group.
- HK(IFRIC) – Int 17, 'Distribution of non-cash assets to owners' (effective for periods beginning on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(b) 必須在二零一零年一月一日開始之財政年度首次採納之經修訂準則和詮釋，但目前與本集團無關(雖然其可能會影響未來之交易和事項之會計處理)(續)

- 香港(國際財務報告詮釋委員會) – 詮釋第18號「客戶資產轉讓」，適用於二零零九年七月一日或之後收到之資產轉讓。此詮釋澄清香港財務報告準則之規定，有關實體從客戶收取一項物業、機器及設備項目而實體必須使用該項目以將客戶聯繫至網絡或向客戶持續供應貨品或服務(例如供應電、煤氣或水)之協議。在某些情況下，實體從客戶收取之現金只可用於購買或興建該項物業、機器及設備項目，以便將客戶聯繫至網絡或向客戶持續供應貨品或服務(或兩者兼備)。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) Amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events) (Continued)

- HK(IFRIC) – Int 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This interpretation clarifies the requirements of HKFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(c) 下列新訂及經修訂準則、修訂本及詮釋已頒佈但於自二零一零年一月一日開始之財政年度尚未生效，故本集團並無提早採納

- 香港會計準則第1號(修訂本)，「財務報表之呈列」(自二零一一年一月一日或之後開始之期間生效)。此修訂確認實體可於權益變動表或附註內呈列按項目劃分之其他全面收益組成部分之分析。本集團將自二零一一年一月一日起應用香港會計準則第1號(修訂本)。
- 香港會計準則第24號(經修訂)，「關聯方披露」，於二零零九年十一月頒佈。該準則取代了於二零零三年頒佈之香港會計準則第24號「關聯方披露」。香港會計準則第24號(經修訂)自二零一一年一月一日或之後開始之期間強制執行。允許全部或部分提早申請。

該經修訂準則澄清及簡化了關聯方之定義並刪除了政府相關實體須披露與政府及其他政府相關實體進行之所有交易之詳情之規定。本集團將自二零一一年一月一日起應用經修訂準則。經修訂準則對本集團之合併財務報表並無重大影響。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) New and revised standards, amendments and an interpretation have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted by the Group

- HKAS 1 (Amendment), 'Presentation of financial statements' (effective for periods beginning on or after 1 January 2011). The amendment confirms that entities may present either in the statement of changes in equity or within the notes, an analysis of the components of other comprehensive income by item. The Group will apply HKAS 1 (Amendment) from 1 January 2011.
- HKAS 24 (Revised), 'Related party disclosures', issued in November 2009. It supersedes HKAS 24, 'Related party disclosures', issued in 2003. HKAS 24 (Revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted.

The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group will apply the revised standard from 1 January 2011. The revised standard has no material impact on the Group's consolidated financial statements.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(c) 下列新訂及經修訂準則、修訂本及詮釋已頒佈但於自二零一零年一月一日開始之財政年度尚未生效，故本集團並無提早採納 (續)

- 香港會計準則第34號 (修訂本)「中期財務報告」(由二零一一年一月一日或以後開始之期間生效)。該修訂透過提供須予披露事項或交易之例子釐清「重大事項及交易」之涵義。香港會計準則第34號更強調涉及公平值計量變動等重大事項及交易之披露準則，並須更新最近期年報之相關資料。本集團將自二零一一年一月一日起應用香港會計準則第34號 (修訂本)。
- 香港財務報告準則第7號 (修訂本)「金融工具：披露」(由二零一一年一月一日或以後開始之期間生效)。此修訂澄清有關財務工具之七項披露規定，尤其注重量化披露及信貸風險披露。本集團將自二零一一年一月一日起應用香港財務報告準則第7號 (修訂本)。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) New and revised standards, amendments and an interpretation have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted by the Group (Continued)

- HKAS 34 (Amendment), 'Interim financial reporting' (effective for periods beginning on or after 1 January 2011). The amendment clarifies the meaning of 'significant events and transactions' by providing examples of the events or transactions that would require disclosure. Greater emphasis has been placed on the disclosure principles in HKAS 34 involving significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report. The Group will apply HKAS 34 (Amendment) from 1 January 2011.
- HKFRS 7 (Amendment), 'Financial instruments: Disclosures' (effective for periods beginning on or after 1 January 2011). The amendment clarifies seven disclosure requirements for financial instruments, with a particular focus on the qualitative disclosures and credit risk disclosures. The Group will apply HKFRS 7 (Amendment) from 1 January 2011.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(c) 下列新訂及經修訂準則、修訂本及詮釋已頒佈但於自二零一零年一月一日開始之財政年度尚未生效，故本集團並無提早採納(續)

- 香港財務報告準則第9號「金融工具」(自二零一三年一月一日或以後開始之期間生效)。金融資產必須分類為兩種計量類別：一種為其後按公平值計量之類別，一種為其後按攤銷成本計量之類別。實體需要在初始確認時作出決定。分類視乎實體管理其金融工具之經營模式，以及工具之合約現金流量特點而決定。該準則將會追溯應用，且可豁免重列於二零一二年一月一前提早採納者之比較資料。本集團現時正在評估香港財務報告準則第9號之全面影響，但仍未決定何時採用香港財務報告準則第9號。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) New and revised standards, amendments and an interpretation have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted by the Group (Continued)

- HKFRS 9, 'Financial instruments', (effective for periods beginning on or after 1 January 2013). Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The standard is to be applied retrospectively and allows exemptions for restating comparatives for early adoption before 1 January 2012. The Group is now in the progress of assessing HKFRS 9's full impact and has not yet decided when to adopt HKFRS 9.

2 重要會計政策概要 (續)

2.1 編製基準 (續)

(c) 下列新訂及經修訂準則、修訂本及詮釋已頒佈但於自二零一零年一月一日開始之財政年度尚未生效，故本集團並無提早採納(續)

- 香港(國際財務報告詮釋委員會) – 詮釋第19號「以權益工具消除金融負債」(自二零一零年七月一日或以後開始之期間生效)。此詮釋澄清當債務人重新商討其債務條款，從而透過向債權人發行權益工具以消除負債(即「以股換債」)之會計入帳法。在損益中確認之收益或虧損為所發行權益工具之公平值與金融負債帳面值之間之差額。如權益工具之公平值未能可靠計量，則以現有金融負債之公平值計量收益或虧損。收益或虧損之數額必須在全面收益表或附註中單獨披露。此解釋適用於訂立以股換債交易來結算全部或部份金融負債之債務人。本集團將由二零一一年一月一日起應用香港(國際財務報告詮釋委員會)詮釋第19號。

若干往年比較數字已重新分類，以與本年度呈報方式一致。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) New and revised standards, amendments and an interpretation have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted by the Group (Continued)

- HK(IFRIC) – Int 19, 'Extinguishing financial liabilities with equity instruments' (effective for periods beginning on or after 1 July 2010). The interpretation clarifies the accounting by the debtor when the debtor renegotiates the terms of its debt with the result that the liability is extinguished through issuing its own equity instruments to the creditor (i.e. a "debt for equity swap"). A gain or loss recognised in profit or loss is the difference between the fair value of the equity instruments issued and the carrying amount of the financial liability. If the fair value of the equity instruments cannot be reliably measured then the fair value of the existing financial liability is used to measure the gain or loss. The amount of the gain or loss should be separately disclosed on the face of the statement of comprehensive income or in the notes. This interpretation applies to all debtors that enter into debt for equity swap transactions in full or partial settlement of a financial liability. The Group will apply HK(IFRIC) – Int 19 from 1 January 2011.

Certain prior year comparative figures have been reclassified to conform with the current year presentation.

2 重要會計政策概要 (續)

2.2 合併帳目

合併財務報表包括本公司及其所有附屬公司截至十二月三十一日的財務報表。

(a) 附屬公司

附屬公司指本集團有權控制其財務及營運決策的一切公司(包括為特殊目的成立的公司)，所持股權通常佔其過半數投票權。於評估本集團是否控制另一公司時，會考慮現時可行使或可轉換的潛在投票權的存在及影響。當附屬公司控制權轉移至本集團之日將附屬公司全面合併入帳，並在終止控制權時停止合併入帳。

本集團乃採用會計收購法為業務合併入帳。收購一家附屬公司之轉讓代價為所轉讓資產、所產生負債及本集團所發行股權之公平值總額。所轉讓代價包括任何或然代價安排產生之任何資產或負債之公平值。收購相關成本於產生時支銷。於業務合併時所收購之可識別資產及所承擔之負債及或然負債，初始按其於收購日之公平值計量。按逐項收購基準，本集團以公平值或非控股權益按比例應佔被收購人資產淨值，確認任何被收購人非控股權益。

於附屬公司之投資乃以成本減減值之方法記帳。成本經調整以反映因或然代價修訂產生之代價變動。成本亦包括投資之直接應佔成本。

2 Summary of significant accounting policies (Continued)

2.2 Consolidation

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

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the aggregate fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2 重要會計政策概要 (續)

2.2 合併帳目 (續)

(a) 附屬公司 (續)

所轉讓代價、被收購人之任何非控股權益金額及任何先前於被收購人之股權於收購日期之公平值超逾所收購可識別資產淨值之公平值之差額入帳列作商譽。倘其低於所收購附屬公司之可識別資產淨值之公平值(在議價購買之情況下)，則該差額會直接於全面收益表內確認。

集團內公司間交易、交易的結餘及未變現盈利已對銷。未變現虧損亦會對銷。附屬公司之會計政策如有需要已於合併財務報表內作出改變，以確保與本集團所採納者一致。

於本公司的資產負債表中，附屬公司投資乃按成本扣除減值虧損撥備(若有)列帳。附屬公司的業績乃按本公司已收及應收股息入帳。

2 Summary of significant accounting policies (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2 重要會計政策概要 (續)

2.2 合併帳目 (續)

(b) 非控股權益交易

本集團將非控股權益交易列作本集團股本擁有人的交易。自非控股購買時，已付代價與應佔所收購附屬公司淨資產帳面值兩者間的差額自權益扣除。出售非控股權益的收益或虧損亦計入權益。

倘本集團不再擁有控制權或重大影響力，其於該實體之任何保留權益按其公平值重新計量，而帳面值變動則於損益內確認。就隨後入帳列作聯營公司、合營企業或金融資產之保留權益而言，公平值指初始帳面值(如適用)。此外，先前於其他全面收益內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入帳。這可能意味著先前在其他全面收益內確認之金額重新劃分為損益。

倘於聯營公司之擁有權之權益減少，而重大影響力獲保留，則先前於其他全面收益內確認之金額僅有一定比例部分重新劃分為溢利或虧損(如適用)。

2 Summary of significant accounting policies (Continued)

2.2 Consolidation (Continued)

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset, as appropriate. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 重要會計政策概要 (續)

2.2 合併帳目 (續)

(c) 聯營公司

聯營公司指本集團對其有重大影響力但不擁有控制權的公司，所持股權通常擁有20%至50%投票權。對聯營公司投資採用權益會計法列帳，初步按成本確認。本集團對聯營公司投資包括收購時確認的商譽扣除任何累計減值虧損。

本集團應佔聯營公司收購後的溢利或虧損於合併利潤表中確認，而於其他全面收益中應佔收購後的變動則在其他全面收益中確認。收購後的累計變動在投資的帳面值調整。當本集團應佔聯營公司虧損等於或大於所佔聯營公司的權益(包括任何其他無抵押之應收帳款)時，本集團不再確認超額的虧損，除非本集團有責任或已經代聯營公司付款。

本集團與聯營公司之間交易而產生的未變現收益按本集團所佔聯營公司權益數額抵銷。除非該交易顯示所轉移資產出現減值，否則未變現虧損亦抵銷。聯營公司之會計政策如有需要已作出改變，以確保與本集團所採納者一致。

聯營公司的攤薄收益及虧損會於合併利潤表確認。

2 Summary of significant accounting policies (Continued)

2.2 Consolidation (Continued)

(c) Associates

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

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

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

Dilution gains and losses in associates are recognised in the consolidated income statement.

2 重要會計政策概要 (續)

2.2 合併帳目 (續)

(d) 共同控制實體

共同控制實體乃一家企業，本集團與其他各方經營一項由各方共同控制之經濟活動，而參與方概無任何一方可單獨控制該項經濟活動。對共同控制實體的投資以權益會計法處理，最初按成本入帳。本集團對共同控制實體的投資包括於收購時已識別之商譽(扣除任何累計減值虧損)。

本集團應佔收購後共同控制實體溢利或虧損於合併利潤表內確認，而其應佔收購後儲備的變動則於儲備內確認。累計的收購後變動會按投資帳面值作出調整。當本集團應佔共同控制實體虧損相當於或多於所佔該共同控制實體權益時(包括其他任何無抵押應收帳款)時，本集團不會確認超額的虧損，除非有責任或已經代表共同控制實體付款。

本集團與其共同控制實體之間之交易產生之未變現收益，以本集團所佔該共同控制實體權益為限而抵銷。除非交易有證據證明所轉移資產出現減值，否則未變現虧損亦應抵銷。共同控制實體之會計政策如有需要已作出改變，以確保與本集團所採納者一致。

共同控制實體的攤薄收益及虧損於合併利潤表確認。

2 Summary of significant accounting policies (Continued)

2.2 Consolidation (Continued)

(d) Jointly controlled entity

Jointly controlled entity is an entity where the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Investment in a jointly controlled entity is accounted for using the equity method of accounting and is initially recognised at cost. The Group's investment in a jointly controlled entity includes goodwill identified on acquisition, net of any accumulated impairment loss.

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

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

Dilution gains and losses in jointly controlled entity are recognised in the consolidated income statement.

2 重要會計政策概要 (續)

2.3 分部報告

經營分部之呈報方式與向首席營運決策者所提供內部呈報一致。首席營運決策者負責分配資源及評估經營分部之表現，亦出任由本公司執行董事組成之執行委員會。

2.4 外幣換算

(a) 功能及呈報貨幣

本集團各公司的財務報表所包括的項目，乃按有關公司經營所在的主要經濟環境的貨幣（「功能貨幣」）計量。此等合併財務報表以本公司的功能及呈報貨幣港元呈列。

(b) 交易及結餘

外幣交易均按交易當日或（倘項目進行重估）估值當日通行的匯率換算為功能貨幣。因上述交易結算以及按年終匯率換算以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於利潤表確認。

與借貸以及現金及現金等價物相關之匯兌盈虧於利潤表之「融資收入或成本」內呈列。非貨幣金融資產（例如分類為可供出售的股本）的換算差額，計入其他全面收入內可供出售儲備。所有其他匯兌盈虧於損益中之「其他收益／（虧損）－淨額」中呈列。

2 Summary of significant accounting policies (Continued)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee comprising executive directors of the Company.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong Dollars (HK\$), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in other comprehensive income. All other foreign exchange gains and losses are presented in the income statement within 'other gains/(losses) – net'.

2 重要會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團公司

其功能貨幣與呈報貨幣不同的所有集團公司(該等公司的貨幣概無出現惡性通貨膨脹的經濟狀況)的業績及財務狀況，乃按以下方式換算為呈報貨幣：

- (i) 各資產負債表上的資產及負債乃按結算日的收市匯率換算；
- (ii) 各利潤表上的收支乃按平均匯率換算(除非該平均匯率並非交易日期匯率累計影響的合理估計，在該情況下，收支則會按交易日期的匯率換算)；及
- (iii) 所有最終匯兌差額於其他全面收益確認。

於合併帳目時，因換算於海外業務的投資淨額、借貸及其他指定為對沖該等投資的貨幣工具而產生的匯兌差額計入其他全面收益。當出售部分或全部海外業務時，記入權益的匯兌差額在合併利潤表中確認為部分出售收益或虧損。

於收購海外公司所產生的商譽及公平值調整被視為海外公司的資產與負債，並按收市匯率換算。

2 Summary of significant accounting policies (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

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

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

2 重要會計政策概要 (續)

2.5 物業、機器及設備

土地及樓宇主要包括工廠、零售店及辦公室。租賃土地被劃分為經營租賃，而所有物業、機器及設備(在建工程除外)按歷史成本扣除累計折舊及累計減值虧損(如有)列帳。歷史成本包括收購該等項目直接產生的開支。

在建工程指建造工程仍未完成的樓宇及租賃物業裝修及待安裝的機器、裝置及設備，按成本列帳。成本包括建造開支及其他直接成本，並扣除任何減值虧損。完工時，已扣除累計減值虧損(如有)的在建工程按成本轉撥至適合的物業、機器及設備分類。在建工程不計提折舊直至有關工程已完工並可供使用。

僅在有關項目的未來經濟收益將流向本集團，而該項目的成本又能可靠計量時，其後成本方計入資產面值或單獨確認為資產(倘適用)。替換部分的帳面值予以取消確認。所有其他維修及保養費用於產生財務期間在收益表列支。

2 Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment

Land and buildings comprise mainly factories, retail outlets and offices. Leasehold land classified as finance leases and all other property, plant and equipment other than construction in progress are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2 重要會計政策概要 (續)

2.5 物業、機器及設備 (續)

有無限可使用年期的永久業權土地毋須折舊。分類為融資租賃之租賃土地自土地權益可供其擬定用途時開始攤銷。分類為融資租賃之租賃土地之攤銷及其他資產之折舊採用估計可使用年期將成本按直線法分攤至剩餘價值計算；其他物業、機器及設備的折舊按以下的估計可使用年期，以直線法將成本攤銷至其餘值：

– 分類為融資租賃的租賃土地	租賃期內
– 樓宇	10至50年
– 租賃物業裝修	3至10年或租賃期內 (以為期較短者為準)
– 機器及裝置	4至10年
– 傢俬及設備	3至10年
– 汽車及遊艇	5至10年

於每個結算日均會覆核資產餘值及可使用年期，並在適當情況下作出調整。

倘資產帳面值高於其估計可收回金額時，則立即將該資產的面值減至其可收回金額。

出售的盈虧乃根據所得款項與面值的差額比較釐定，並計入利潤表確認為「其他收益／(虧損) – 淨額」。

2.6 租賃土地及土地使用權

租賃土地及土地使用權的預付款項入帳列為經營租賃，以直線法在租期內於利潤表支銷，或若有減值，減值則在利潤表內支銷。

2 Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment (Continued)

Freehold land with unlimited useful life is not depreciated. Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

– Leasehold land classified as finance lease	Over the lease terms
– Buildings	10 to 50 years
– Leasehold improvements	3 to 10 years or over the lease terms, whichever is shorter
– Plant and machinery	4 to 10 years
– Furniture and equipment	3 to 10 years
– Motor vehicles and yacht	5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within 'other gains/(losses) – net' in the income statement.

2.6 Leasehold land and land use rights

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

2 重要會計政策概要 (續)

2.7 無形資產

(a) 商譽

商譽即收購成本高於本集團於收購日期佔所收購附屬公司／聯營公司／業務可識別資產公平淨值的數額。收購附屬公司所產生的商譽計入無形資產，而收購聯營公司所產生的商譽則計入於聯營公司之投資。商譽須每年進行減值測試，並以成本值減累計減值虧損（如有）列帳。商譽的減值虧損不得撥回。已出售公司的商譽面值計入該次出售的盈虧。

商譽會分配至現金產生單位（「現金產生單位」）以進行減值測試。商譽會分配至預期可自產生商譽之商業合併中受惠之現金產生單位或一組現金產生單位，並按照經營分部劃分。

(b) 商標

單獨收購的商標乃以歷史成本列帳。業務合併中收購的商標乃按收購當日的公平值確認。商標使用年限有限，並以成本減累計攤銷及累計減值虧損（如有）列帳。攤銷乃以直線法計算，以將商標及專營權的成本於其預計可使用年期（25年）作出分配。

2 Summary of significant accounting policies (Continued)

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate/business at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

(b) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 25 years.

2 重要會計政策概要 (續)

2.7 無形資產 (續)

(c) 客戶關係

客戶關係即因業務合併導致的客戶基礎或與客戶的現有合約投標應佔的公平值。該款項於收購日期按公平值確認。合約客戶關係擁有有限可使用年期，並按成本減累計攤銷及累計減值虧損計帳。攤銷乃使用直線法於客戶關係之預計年內計算。

2.8 於附屬公司及聯營公司之投資及其他非金融資產減值

擁有無限可使用年期的資產毋須攤銷，而須最少每年進行一次減值測試，並在出現顯示面值可能無法收回的事件或轉變時檢討有否減值。不論事件或情況變動何時顯示帳面值或不可收回，須作攤銷的資產亦因減值而獲審閱。在資產面值高於可收回數額時須將差額確認為減值虧損。可收回數額即資產公平值高於銷售成本及使用值的數額較高者。為評估減值，資產按獨立可識別現金流量的最低水平(現金產生單位)分類。商譽以外的非金融資產若出現減值，則須於各報告日期評估會否撥回減值。

倘投資附屬公司或聯營公司收取之股息超過附屬公司或聯營公司於股息宣派期間之全面收益總額或於獨立財務報表之投資帳面值超過投資對象資產淨值(包括商譽)於合併財務報表之帳面值，則自該等投資收取股息時須對附屬公司或聯營公司之投資進行減值測試。

2 Summary of significant accounting policies (Continued)

2.7 Intangible assets (Continued)

(c) Customer relationships

Customer relationships represent the fair value attributable to the customer base or existing contractual bids with customers taken over as a result of business combination, and are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.

2.8 Impairment of investments in subsidiaries and associates and other non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, and are tested at least annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investments in subsidiaries or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 重要會計政策概要 (續)

2.9 金融資產

本集團主要將金融資產分類為貸款、應收帳款及可供出售金融資產。分類方式視乎購入投資目的而定。管理層在初步確認時釐定其金融資產的分類。

(a) 貸款及應收帳款

貸款及應收帳款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等款項包括在流動資產內，但到期日由報告期末起計超過12個月者，則分類為非流動資產。本集團之貸款及應收帳款包括在資產負債表之應收貿易及其他應收帳款、原有期限超過三個月之銀行存款以及現金及現金等價物。

(b) 可供出售金融資產

可供出售金融資產為指定屬此類別或並無分類為任何其他類別的非衍生工具。除非管理層有意在報告期末後十二個月內出售有關投資，否則該等資產列入非流動資產。

金融資產一般買賣在交易日(即本集團承諾購入或出售該資產之日)確認。對於並非按公平值透過損益列帳的所有金融資產，投資初步按公平值加交易成本確認。可供出售金融資產其後按公平值列帳。貸款及應收帳款其後以實際利息法按攤銷成本列帳。從金融資產收取現金流的權利已到期或轉讓，而本集團已將擁有權的絕大部分風險和回報轉讓時，金融資產即終止確認。

2 Summary of significant accounting policies (Continued)

2.9 Financial assets

The Group's financial assets are mainly loans and receivables and available-for-sale financial assets. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except that those with maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprised trade and other receivables, bank deposits with initial terms of over three months, and cash and cash equivalents in the balance sheet.

(b) Available-for-sale financial assets

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

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

2 重要會計政策概要 (續)

2.9 金融資產 (續)

貨幣證券及分類為可供出售的非貨幣證券的公平值變動於其他全面收益確認。

分類作可供出售的金融資產售出或減值時，已於權益確認的累計公平值調整將於利潤表「投資證券的盈虧」列帳。

可供出售股本工具的股息在本集團確立收取相關款項的權利時於利潤表確認為其他收入的一部分。

2.10 抵銷金融工具

金融資產及負債於擁有可合法執行權利抵銷已確認金額及於擬按淨值基準結算或同時變現資產及結算負債時予以抵銷，有關資產及負債淨額亦於資產負債表呈列。

2 Summary of significant accounting policies (Continued)

2.9 Financial assets (Continued)

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 重要會計政策概要 (續)

2.11 金融資產減值

(a) 按攤銷成本列帳之資產

本集團於報告期末評估是否有客觀證據表明一項或一組金融資產出現減值。僅於有客觀證據顯示因資產在初步確認後發生一項或多項事件（「虧損事件」）而出現減值，並能夠可靠估計該虧損事件對一項或一組金融資產估計未來現金流構成影響時，一項或一組金融資產方會減值並產生減值虧損。

本集團用以釐訂是否有客觀證據顯示出現減值虧損之因素包括：

- 發行人或債務人有重大財務困難；
- 違反合約，如拖欠利息或本金款項；
- 因應與借款人之財政困難相關之經濟或法律原因，本集團給予借款人在一般情況下放款人不會考慮之優惠條件；
- 借款人有可能破產或進行其他財務重組；
- 財政困難導致該金融資產之活躍市場消失；或
- 資料明確顯示金融資產組合所產生未來預計現金流自該等金融資產獲初步確認起有可量度減幅，惟有關減幅於組合內確認為個別金融資產，包括：

2 Summary of significant accounting policies (Continued)

2.11 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

2 重要會計政策概要 (續)

2.11 金融資產減值 (續)

(a) 按攤銷成本列帳之資產 (續)

- (i) 組合內借款人之還款狀況有不利轉變；
- (ii) 與組合資產逾期還款相關之全國或地區經濟狀況。

本集團首先評估是否存在減值之客觀證據。

就貸款及應收帳款而言，虧損金額按資產帳面值與按金融資產原實際利率貼現之估計未來現金流現值(不包括尚未產生之未來信貸虧損)間差額計量。資產帳面值會予以削減，而虧損金額會於合併利潤表確認。倘貸款或持有至到期投資按浮動利率計息，則計量任何減值虧損之貼現率為根據合約釐定之現行實際利率。在實際運作上，本集團可能以可觀察市價釐定計算之工具公平值為基準計量減值。

倘在較後期間，減值虧損金額減少，減幅亦可與確認減值後發生之事件客觀關連(例如債務人信貸評級改善)，則於合併利潤表確認過往確認之減值虧損撥回。

2 Summary of significant accounting policies (Continued)

2.11 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

- (i) adverse changes in the payment status of borrowers in the portfolio;
- (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2 重要會計政策概要 (續)

2.11 金融資產減值 (續)

(b) 分類為可供出售資產

本集團於報告期末評估有否客觀證據顯示一項或一組金融資產減值。就分類為可供出售之股本投資而言，證券公平值大幅或持續跌至低於其成本亦顯示資產減值。倘可供出售金融資產存在有關證據，則累計虧損以收購成本與當時公平值差額減任何過往於損益確認之金融資產減值虧損計算，並從權益中扣除相關累計虧損及於利潤表確認。於利潤表確認之股本工具減值虧損不得於利潤表撥回。

2.12 存貨

存貨按成本或可變現淨值兩者中的較低者列帳。成本按加權平均法計算。製成品及在製品的成本包括原材料、直接人工、其他直接成本及相關生產開支(根據正常經營業務能力)，惟不包括貸款成本。可變現淨值乃按正常業務的估計售價，減去相關的不定額銷售開支計算。

2 Summary of significant accounting policies (Continued)

2.11 Impairment of financial assets (Continued)

(b) Assets classified as available for sale

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

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 重要會計政策概要 (續)

2.13 應收貿易帳款及其他應收帳款

應收貿易帳款為在日常業務過程中就售出商品或所提供服務應收客戶之款項。倘應收貿易帳款及其他應收帳款預期可於一年或之內收款(或倘時間更長,則在業務正常營運周期),則分類為流動資產。倘未能於一年或之內收款,則以非流動資產呈列。

應收貿易帳款及其他應收帳款最初按公平值入帳,其後運用實際利息法按攤銷成本並扣除減值撥備入帳。

2.14 現金及現金等價物

現金及現金等價物包括手頭現金及原有期限為三個月或以下的銀行通知存款及其他短期高流動資金投資。

2.15 股本

普通股列作股本。

發行新股或購股權的直接相關新增成本,在權益中以所得款項的扣除數額列帳。

2.16 應付貿易帳款

應付貿易帳款為在日常業務過程中自供應商收購商品或服務之付款責任。倘應付貿易帳款可於一年或之內到期(或倘時間更長,則在業務正常營運周期),則分類為流動負債。倘並非於一年或之內到期,則以非流動負債呈列。

應付貿易帳款最初按公平值入帳,其後運用實際利息法按攤銷成本計量。

2 Summary of significant accounting policies (Continued)

2.13 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.15 Share capital

Ordinary shares are classified as equity.

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

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2 重要會計政策概要 (續)

2.17 借貸

借貸首先以公平值扣除有關交易成本後入帳。借貸其後按攤銷成本列帳；所得款項(扣除交易成本)與贖回價值之間的差額在貸款期內以實際利息法計入利潤表。

為建立貸款額度所支付的費用，當部分或所有的額度很可能使用時確認為貸款的交易成本，而該費用在實際使用貸款額度前將作為遞延支出。如果沒有任何證據表明部分或所有的額度會被使用時，該費用將作為流動性服務的預付款項的資本，並在額度相關的期限內攤銷。

除非本集團有權無條件將債項結算期限延長至結算日後最少十二個月，否則貸款分類為流動負債。

2.18 即期及遞延所得稅

稅項費用包括即期和遞延所得稅。除了與在其他全面收益或直接與於權益確認的項目相關的稅項外，其餘的均在利潤表中表述。

即期所得稅費用根據本公司、其附屬公司及聯營公司所經營並獲得應稅所得所在之國家／地方於結算日已經頒布或已經實質頒布的稅法計算。管理層定期評價有待詮釋的適用稅法規定之情況下的納稅申報情況，並且基於應當支付稅務機關的金額提取適當撥備。

2 Summary of significant accounting policies (Continued)

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, and the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.18 Current and deferred income tax

The tax expense comprises current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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

2 重要會計政策概要 (續)

2.18 即期及遞延所得稅 (續)

遞延所得稅以負債法，按資產及負債的稅基與其於合併財務報表所載面值兩者的暫時差額確認。然而，倘若遞延所得稅乃因初步確認源自交易（不包括業務合併）並於交易時不影響會計或應課稅溢利或虧損的資產或負債，則不會將有關稅項入帳。遞延所得稅以結算日已實施或大致實施的稅率及法例釐定，且該等稅率預期將於相關遞延所得稅資產變現或遞延所得稅負債清償時生效。

倘若可能有未來應課稅溢利可予以抵銷可動用暫時差額，則會確認遞延所得稅資產。

因投資附屬公司及聯營公司而產生的暫時差額將會計提遞延所得稅撥備，但暫時差額撥回時間可由本集團控制，以及暫時差額可能不會在可見將來撥回的任何遞延所得稅負債則除外。

遞延所得稅資產及負債僅可在即期稅項資產與即期稅項負債有合法權利互相抵銷及遞延所得稅相關於同一稅務機關向同一應課稅實體或不同應課稅實體徵收所得稅（有關實體擬按淨額基準支付有關結餘）時，方可互相抵銷。

2 Summary of significant accounting policies (Continued)

2.18 Current and deferred income tax (Continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for any deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 重要會計政策概要 (續)

2.19 僱員福利

(a) 退休金責任

集團公司設有多項界定供款退休計劃。

就界定供款而言，本集團按強制、合約或自願基準向公共或私人管理信託基金作出供款。一旦支付供款後，本集團並無進一步付款責任。供款到期時確認為僱員福利開支。預付供款在可取得退回現金或可扣減日後付款的情況下確認為資產。

(b) 股份報酬

本集團實行兩項以股本結算以股份為基礎的報酬計劃。授出購股權所相應獲得的僱員服務公平值確認為開支。將會列為開支的總額乃參考已授購股權的公平值釐定：

- 包括市場表現條件；
- 不包括於特定時期非市場表現歸屬條件影響（例如獲盈、銷售增長目標及挽留實體的僱員）；及
- 不包括非歸屬條件（例如要求僱員儲蓄）之影響。

2 Summary of significant accounting policies (Continued)

2.19 Employee benefits

(a) Pension obligations

Group companies operate several defined contribution retirement schemes.

For defined contribution plans, the Group pays contributions to publicly or privately administered trust funds on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Share-based compensation

The Group operates two equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

2 重要會計政策概要 (續)

2.19 僱員福利 (續)

(b) 股份報酬 (續)

非市場歸屬條件包括在預期歸屬購股權數目的假設。支銷的總金額於歸屬期間確認，歸屬期間為達成所有特定歸屬條件的期間。於各呈報期間結束時，本集團根據非市場歸屬條件修訂預期歸屬購股權數目的估計。本集團會於利潤表確認修訂原來估計 (如有) 的影響，並相應調整權益。

於購股權獲行使時，本公司會發行新股。扣除任何直接應佔交易成本所收取的所得款項於購股權獲行使時計入股本 (面值) 及股份溢價。

本公司向其附屬公司僱員授出來自股本工具之購股權被視為注資。僱員所提供服務公平值經參考授出日期公平值後計量，於歸屬期確認為對附屬公司之投資增幅，並相應進帳至權益。

就授出購股權應付的社會保障供款被視為授出本身的組成部分，及支出將被視為以現金結算的交易。

2 Summary of significant accounting policies (Continued)

2.19 Employee benefits (Continued)

(b) Share-based compensation (Continued)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

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

The grant by the Company of options over its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, with a corresponding credit to equity.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

2 重要會計政策概要 (續)

2.19 僱員福利 (續)

(c) 紅利計劃

本集團確認紅利為負債及開支，在本公司因合約或過往慣例而產生推定責任時，則須確認撥備。

(d) 終止服務權益

終止服務權益於僱用在正常退休日期前被本集團終止，或當僱員接受自願遣散以換取此等福利時支付。本集團在可證明承諾如下時確認終止服務權益：根據一項詳細的正式計劃（無撤回的可能）終止現有僱員的僱傭或；因提出一項要約以鼓勵自願遣散而提供的終止服務權益。在結算日起計12個月後到期支付的福利貼現為現值。

2.20 撥備

當本集團因過往事件須承擔現有法定或推定責任，而解除責任可能須消耗資源，且有關金額已可靠估算時，則會確認撥備。但不會就日後之經營虧損確認任何撥備。

倘出現多項類似責任，解除責任會否引致資源流出則經考慮責任的整體類別後釐定。即使就同類責任中個別項目消耗資源之可能不大，仍會確認撥備。

撥備按採用稅前利率折現解除責任預期所需支出所得現值計算，該稅前利率反映市場現時貨幣時間值及責任特定風險的評估。因時間流逝而增加的撥備確認為利息開支。

2 Summary of significant accounting policies (Continued)

2.19 Employee benefits (Continued)

(c) Bonus plans

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

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.20 Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

2 重要會計政策概要 (續)

2.21 收益確認

收益包括本集團業務一般過程中銷售貨物及服務的已收或應收代價的公平值，已扣除增值稅、回扣及折扣並撇銷本集團內銷售。

當能夠可靠地計量收益金額，而很可能日後有經濟利益將流入實體，並如下文所述本集團的各業務符合特定條件時，本集團確認收益。直至所有關於銷售的或然事件獲得解決方會視為能可靠計量收益金額。本集團根據過往業績，並考慮客戶類型、交易形式及各安排的特徵估計。

(a) 貨品銷售

當一集團公司已將產品送付客戶，而客戶已接收該等產品，並有合理保證可收回有關應收帳款時，則會確認貨品銷售。

(b) 分包收入

分包收入於提供分包服務時確認入帳。

(c) 利息收入

利息收入按時間比例以實際利息法確認入帳。

(d) 特許專櫃銷售服務收入

特許專櫃銷售服務收入於提供銷售服務時確認。

2 Summary of significant accounting policies (Continued)

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(b) Subcontracting income

Subcontracting income is recognised when subcontracting services are provided.

(c) Interest income

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

(d) Concessionaire sales service income

Concessionaire sales service income is recognised when the sales services are provided.

2 重要會計政策概要 (續)

2.22 租賃 (作為經營租約的承租人)

凡資產擁有權的絕大部分風險和回報由出租人保留的租賃，均列作經營租約。根據經營租約所付款項(扣除出租人已收的任何獎勵)在租期以直線法於利潤表扣除。

2.23 或然負債

或然負債乃因過去事件而可能產生的責任。有關責任存在與否有待一項或多項本集團未能全面控制的不明朗未來事件有否發生方可確認。或然負債亦可為因過去事件而產生的現時責任，並基於毋須損耗經濟資產或責任的數額無法可靠計量而無予以確認。

或然負債毋須確認，但會在合併財務報表披露。倘需要耗損的可能性有所變化而可能須要耗損資源，則會確認為撥備。

2.24 股息分派

向本公司股權持有人作出的股息分派在股息獲本公司股權持有人批准期間於本集團及本公司財務報表確認為負債。

2 Summary of significant accounting policies (Continued)

2.22 Leases (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.23 Contingent liabilities

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

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

2.24 Dividend distributions

Dividend distributions to the Company's equity holders are recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's equity holders.

3 金融風險管理

3.1 金融風險因素

本集團業務涉及多項金融風險：外匯風險、信貸風險、流動資金風險及現金流量及公平值利率風險。

本集團之風險管理集中於不能預計的金融市場及在必要時尋求盡量減少對本集團財務表現之潛在不利影響。本集團並無使用衍生金融工具對沖外匯匯率及利率變動的風險。

(a) 外匯風險

本集團涉及多種貨幣（主要為人民幣及美元）的外匯風險。未來商業交易所產生的外匯風險確認為於海外業務的資產與負債以及淨投資。

於二零一零年十二月三十一日，倘中國人民幣兌港元增強／轉弱4%（二零零九年：1%），而全部其他可變因素保持不變，年內溢利及股權持有人權益將增加／減少約6,344,000港元（二零零九年：1,070,000港元），主要由於轉換以中國人民幣列值的現金及現金等價物、應收貿易及其他應收帳款以及應付貿易及其他應付帳款時的外匯收益／虧損。

由於現時港元與美元掛鈎，故以美元列值的資產及負債的外匯風險被視為極低。

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest rate risk.

The Group's risk management focuses on the unpredictability of financial markets and, where considered necessary, seeks to minimise potential adverse effects on the Group's financial performance. The Group has not used derivative financial instruments to hedge its risk exposures to changes in foreign currency exchange rates and interest rates.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Chinese Renminbi and United States Dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

As at 31 December 2010, if Chinese Renminbi had strengthened/weakened by 4% (2009: 1%) against the Hong Kong Dollars with all other variables held constant, profit for the year and equity holders' equity would have been approximately HK\$6,344,000 (2009: HK\$1,070,000) higher/lower mainly as a result of foreign exchange gains/losses on translation of Chinese Renminbi denominated cash and cash equivalents, trade and other receivables, and trade and other payables.

The foreign currency exchange exposure on assets and liabilities denominated in United States Dollars is considered to be minimal as Hong Kong Dollars is currently pegged to United States Dollars.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險

信貸風險來自現金及現金等價物、銀行存款以及就客戶承擔之信貸風險，包括未償還應收帳款及已承諾交易。

本集團的債務人可能受艱難經濟環境及較低流動資金之影響，進而影響彼等償還所欠本集團債務的能力。債務人經營環境惡化，亦可能影響管理層對現金流量的預測及應收款項減值的估計。就可取得相關資料，管理層已於彼等的減值估計中適當反映經修訂預期未來現金流的最新估計。

本集團已實施政策，確保銷售予擁有良好信貸紀錄的客戶。本集團定期對其客戶進行信貸評估／審閱。

應收貿易帳款主要來自擁有良好信貸紀錄的客戶。本集團授予其客戶的信貸期介乎30至90天。本集團的銷售大部分以記帳方式進行，而向少數客戶的銷售使用銀行發出的信用狀支付或由銀行發出的付款文件結算。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Debtors of the Group may be affected by the unfavourable economic conditions and the lower liquidity situation which could in turn impact their ability to repay the amounts owed to the Group. Deteriorating operating conditions for debtors may also have an impact on management's cash flow forecasts and assessment of the impairment of receivables. To the extent that information is available, management has properly reflected updated estimates of expected future cash flows in their impairment assessments.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. It performs periodic credit evaluations/reviews of its customers.

Majority of trade receivables are with customers having an appropriate credit history. The Group grants its customers credit terms ranging from 30 to 90 days. Most of the Group's sales are on open account, while sales made to a small number of customers are covered by letters of credit issued by banks or settled by documents against payment issued by banks.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

於二零一零年十二月三十一日，本集團來自一組客戶(二零零九年：一組客戶)的應收貿易帳款佔來自第三方人士的應收貿易帳款總額約77%(二零零九年：72%)(附註13)。本集團並無其他高度集中的信貸風險。

本集團之既有政策為存款以及現金及現金等價物僅存放在主要金融機構。由於該等金融機構過往並無拖欠歷史，故管理層預期彼等並不會有任何非表現虧損。

(c) 流動資金風險

審慎的流動資金風險管理包括維持現金充裕以及取得足夠之已承諾信貸融資。

管理層根據預期現金流量監察本集團流動資金儲備的滾存預測，流動資金儲備包括未提取借貸融資及現金及現金等價物。本集團實體所持高於營運資金管理所需結餘的現金盈餘為於計息銀行帳戶及到期日不同之定期存款投資，或作為按上文所述預測釐定之充裕撥備資金。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

As at 31 December 2010, the Group's trade receivables due from one group of customers (2009: one group of customers) represent approximately 77% (2009: 72%) of its total trade receivables from third parties (Note 13). The Group has no other significant concentrations of credit risk.

The Group has policies to place deposits and cash and cash equivalents only with major financial institutions. Management does not expect any losses from non-performance by these financial institutions as they have no default history in the past.

(c) Liquidity risk

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

Management monitors rolling forecasts of the Group's liquidity reserve comprising undrawn borrowing facility and cash and cash equivalents on the basis of expected cash flows. Surplus cash held by Group entities over and above balances required for working capital management is invested in interest-bearing bank accounts and term deposits with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(c) 流動資金風險 (續)

下表按照於結算日餘下期間至合約到期日的有關到期組別分析本集團的金融負債。表中所披露金額為合約未折現現金流量。於二零一零年及二零零九年十二月三十一日，本公司的所有金融負債於一年內到期。由於折現的影響並不重大，故十二個月內到期的結餘與其帳面值相若。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. As at 31 December 2010 and 2009, all financial liabilities of the Company are due within one year. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

		少於一年 Less than 1 year 千港元 HK\$'000	一至兩年 Between 1 and 2 years 千港元 HK\$'000	二至五年 Between 2 and 5 years 千港元 HK\$'000	合計 Total 千港元 HK\$'000
合併 於二零一零年 十二月三十一日	Consolidated At 31 December 2010				
借貸及利息款項	Borrowings and interest payment	46,846	—	—	46,846
附屬公司 非控股股東 的貸款	Loan from non-controlling shareholder of subsidiaries	7,500	—	—	7,500
應付貿易帳款 及票據	Trade and bills payable	332,658	—	—	332,658
應計帳款及 其他應付帳款	Accruals and other payables	239,690	—	—	239,690
		626,694	—	—	626,694
於二零零九年 十二月三十一日	At 31 December 2009				
借貸及利息款項	Borrowings and interest payment	70,817	—	—	70,817
應付貿易帳款 及票據	Trade and bills payable	269,062	—	—	269,062
應計帳款及 其他應付帳款	Accruals and other payables	167,807	—	—	167,807
		507,686	—	—	507,686

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(d) 現金流量及公平值利率風險

於二零一零年十二月三十一日，除每年分別按3.3%、2.3% (二零零九年：每年0.9%) 及1.1% (二零零九年：每年0.5%) 的加權平均利率計息的已抵押銀行存款1,184,000港元 (二零零九年：無) 原有限超過三個月銀行存款18,866,000港元 (二零零九年：24,572,000港元) 及短期銀行存款737,143,000港元 (二零零九年：625,959,000港元) 外，本集團並無其他重大計息資產。該等結餘大部分按浮息計息。

除於二零一零年十二月三十一日的短期借貸45,083,000港元 (二零零九年：68,160,000港元) 外，本集團並無其他重大計息負債。

於各自之結算日，倘利率增加／減少1%，而全部其他可變因素保持不變，截至二零一零年十二月三十一日止年度本集團淨利潤將增加／減少約7,121,000港元 (二零零九年：5,824,000港元)。浮動主要由於已抵押銀行存款、原有限超過三個月之銀行存款及短期銀行存款之利息收入及銀行借貸之利息開支所致。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Cash flow and fair value interest-rate risk

As at 31 December 2010, except for the pledged bank deposits of HK\$1,184,000 (2009: Nil), bank deposits with initial terms of over three months of HK\$18,866,000 (2009: HK\$24,572,000) and short-term bank deposits of HK\$737,143,000 (2009: HK\$625,959,000) which carried weighted average interest rates of 3.3% per annum, 2.3% per annum (2009: 0.9% per annum) and 1.1% per annum (2009: 0.5% per annum), respectively, the Group has no other significant interest-bearing assets. Majority of these balances are at floating rates.

Except for the short-term borrowings of HK\$45,083,000 as at 31 December 2010 (2009: HK\$68,160,000), the Group has no other significant interest-bearing liabilities.

At the respective balance sheet dates, if interest rates had been increased/decreased by one percentage-point and all other variables were held constant, the Group's net profit would increase/decrease by approximately HK\$7,121,000 for the year ended 31 December 2010 (2009: HK\$5,824,000). The fluctuation is attributable to interest income from pledged bank deposits, bank deposits with initial terms of over three months and short-term bank deposits, and interest expense on bank borrowings.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

3 金融風險管理 (續)

3.2 資本風險管理

本集團的資金管理目標為保障本集團能繼續營運，以為股東提供回報，同時兼顧其他權益相關者之利益，並維持最佳之資本結構以減低資金成本。為了維持或調整資本結構，本集團可能會調整向股東支付之股息金額、發行新股或出售資產以減低債務。

於二零一零年十二月三十一日，本集團處於淨現金狀況（借貸總額低於現金及現金等價物）。

與同行其他公司一致，本集團根據負債資產比率監察資本。該比率按借貸總額除以權益總額計算。

於二零一零年及二零零九年十二月三十一日之負債資產比率如下：

借貸總額(附註18)	Total borrowings (Note 18)
附屬公司非控股股東的貸款(附註36(e))	Loan from non-controlling shareholder of subsidiaries (Note 36(e))
權益總額	Total equity
負債資產比率	Gearing ratio

上述負債資產比率增加主要由於償還銀行借貸所致。

3 Financial risk management (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Company's shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

As at 31 December 2010, the Group was in a net cash position (total borrowings were less than cash and cash equivalents).

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity.

The gearing ratios at 31 December 2010 and 2009 were as follows:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
借貸總額(附註18)	45,083	68,160
附屬公司非控股股東的貸款(附註36(e))	7,500	—
權益總額	52,583	68,160
負債資產比率	2,127,568	2,087,643
	2.5%	3.3%

The decrease in the gearing ratio above resulted primarily from the repayment of bank borrowings.

3 金融風險管理 (續)

3.3 公平值估計

評估金融工具公平值之方法分類如下：

- (i) 第一級：相同資產或負債之活躍市場報價（未經調整）。
- (ii) 第二級：除所報價格外，資產或負債之可觀察直接（如價格）或間接（如源自價格者）輸入資料。
- (iii) 第三級：並非根據可觀察市場數據釐定之資產或負債輸入資料。

本集團於在美利堅合眾國（「美國」）註冊成立的非上市公司之10%權益分類為可供出售金融資產（附註11），乃根據分級第三級按公平值計量。於二零一零年十二月三十一日，可供出售金融資產公平值按照被投資公司之未經審核財務狀況，以「應佔資產淨值」法釐定，並按照市場慣例將非控股權益貼現。本估值方法與上年度一致。

3 Financial risk management (Continued)

3.3 Fair value estimation

The method by which the fair values of financial instruments are established are categorised as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data.

The Group's 10% equity interest in an unlisted company incorporated in the United States of America ("USA"), which was classified as available-for-sale financial assets (Note 11), was measured at fair value according to Level 3 under the hierarchy. The fair value of the available-for-sale financial assets was determined by using 'share of net asset' approach which was based on the unaudited financial position of the investee company as at 31 December 2010 with a discount for non-controlling interests according to the market practice. This valuation technique is consistent with the previous year.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

3 金融風險管理 (續)

3.3 公平值估計 (續)

截至二零一零年十二月三十一日止年度，第三級工具的帳面值並無變動。

下表呈列截至二零零九年十二月三十一日止年度第三級工具之變動：

		可供出售 金融資產 Available-for-sale financial assets 千港元 HK\$'000
年初	Beginning of the year	6,370
減值撥備	Provision for impairment	(5,870)
年終	End of the year	500
於合併利潤表確認之 年內公平值變動	Change in fair value recognised in consolidated income statement during the year	(5,870)

帳面值減應收貿易帳款及應付貿易帳款減值撥備為其公平值之合理約數。由於要作出披露，以現時本集團就同類金融工具可獲市場利率折現計算未來合約現金流量而估計金融負債的公平值。

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

There were no changes to the carrying amount of Level 3 instruments for the year ended 31 December 2010.

The following table presents the changes in the carrying amounts of Level 3 instruments for the year ended 31 December 2009:

		可供出售 金融資產 Available-for-sale financial assets 千港元 HK\$'000
年初	Beginning of the year	6,370
減值撥備	Provision for impairment	(5,870)
年終	End of the year	500
於合併利潤表確認之 年內公平值變動	Change in fair value recognised in consolidated income statement during the year	(5,870)

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 關鍵會計估計及判斷

本公司根據過往經驗及其他因素(包括在該等情況下相信為合理的未來事項預計)，對估計及判斷作持續評估。

本集團對未來作出估計及假設。由於屬於估計，所得會計估計甚少相等於有關的實際業績。有重大風險可能致使下個財務年度資產與負債帳面值出現重大調整的估計及假設如下：

(a) 物業、機器及設備、租賃土地及土地使用權減值

倘出現顯示物業、機器及設備、租賃土地及土地使用權帳面值可能無法收回的事件或環境變動，則須進行減值檢討。可收回數額乃根據使用價值計算或市場估值而釐定。該等計算須運用判斷及估計。

釐定資產減值須運用管理層判斷，尤其為釐定：(i)是否已出現顯示有關資產值可能無法收回的事件；(ii)資產面值是否足以支持可收回數額(即公平值減出售成本或估計繼續在業務中使用資產所帶來的未來現金流量現值淨額二者較高者)；及(iii)現金流量預測所用的適當主要假設，包括該等現金流量是否以適當利率折現。管理層所挑選用作評估減值的假設(包括折現率)若有所變化，可能會對減值測試所用的現值淨額帶來重大影響，從而影響本集團財務狀況及經營業績。若預計表現及有關未來現金流量預測出現重大不利變動，則可能須在利潤表支銷減值開支。

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

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

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

4 關鍵會計估計及判斷 (續)

(b) 物業、機器及設備及無形資產的可使用年期及餘值

本集團管理層負責釐定物業、機器及設備及無形資產的估計可使用年期、餘值(如適用)及有關折舊／攤銷開支。該等估計基於具相近性質或功用的物業、機器及設備實際可使用年期的過往經驗，或基於使用價值計算或市場估值，參照本集團擬自無形資產使用中取得未來經濟利益的估計期間。倘可使用年期較之前估計的為短，管理層將提高折舊／攤銷開支，並將已報廢或出售的技術上過期或非策略資產撇銷或撇減。

實際經濟年期可能有異於估計可使用年期，實際餘值亦可能有異於估計餘值。定期檢討可能導致折舊年期及餘值變動，及因而對日後期間的折舊／攤銷支出產生影響。

4 Critical accounting estimates and judgements

(Continued)

(b) Useful lives and residual values of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and residual values (if applicable) and consequently related depreciation/amortisation charges for its property, plant and equipment and intangible assets. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions, or based on value-in-use calculations or market valuations according to the estimated periods that the Group intends to derive future economic benefits from the use of intangible assets. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, and it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Actual economic lives may differ from estimated useful lives; and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation/amortisation expense in future periods.

4 關鍵會計估計及判斷 (續)

(c) 估計商譽減值

本集團按照附註2.8所列會計政策每年就商譽是否出現減值進行測試。現金產生單位之可收回金額按照使用價值計算方法釐定。有關計算方法須使用估計(附註8)。

(i) 高爾夫球及高端時尚服飾生產業務

分配至高爾夫及高檔時裝生產業務的商譽產生自於二零一零年七月一日收購昌迪集團(附註35)，計入生產分部。截至二零一零年十二月三十一日止年度並無就該商譽確認任何減值。

倘此現金產生單位之使用價值計算方法所用預算毛利率較管理層於二零一零年十二月三十一日之估計低出1%(即33%而非34%)，釐訂該現金產生單位除稅前貼現率所用資本估計成本較管理層估計高出1%(即12%而非11%)，本集團仍不會就商譽確認減值。

4 Critical accounting estimates and judgements

(Continued)

(c) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 8).

(i) Golf and high-end fashion apparel manufacturing business

The goodwill being allocated to the golf and high-end fashion apparel manufacturing business resulted from the acquisition of Charmtech Group on 1 July 2010 (Note 35), which is included in the manufacturing segment. No impairment was recognised against this goodwill during the year ended 31 December 2010.

If the budgeted gross margin used in the value-in-use calculation for this CGU had been one percentage-point lower than management's estimates at 31 December 2010 (that is, 33% instead of 34%), and the estimated cost of capital used in determining the pre-tax discount rate for the CGU had been one percentage-point higher than management's estimates (that is, 12% instead of 11%), still no impairment against goodwill would be recognised by the Group.

4 關鍵會計估計及判斷 (續)

(c) 估計商譽減值 (續)

(ii) 於中國大陸之運動服分銷業務

截至二零一零年十二月三十一日止年度，並無就中國大陸之運動服分銷業務應佔商譽(包括分銷及零售分部)確認任何減值。

倘該現金產生單位之使用價值計算方法所用預算毛利率較管理層於二零一零年十二月三十一日之估計低出1%(即28%而非29%)，或釐訂該現金產生單位除稅前貼現率所用資本估計成本較管理層估計高出1%(即12%而非11%)，則本集團仍然不會就商譽確認減值。

(iii) 於中國大陸之運動服分銷及零售業務

該商譽計入分銷及零售業務，已於上年度悉數減值。

4 Critical accounting estimates and judgements

(Continued)

(c) Estimated impairment of goodwill (Continued)

(ii) Sportswear distribution business in Mainland China

No impairment was recognised against the goodwill attributable to the sportswear distribution business in Mainland China (included in the distribution and retail segment) during the year ended 31 December 2010.

If the budgeted gross margin used in the value-in-use calculation for this CGU had been one percentage-point lower than management's estimates at 31 December 2010 (that is, 28% instead of 29%), or the estimated cost of capital used in determining the pre-tax discount rate for the CGU had been one percentage-point higher than management's estimates (that is, 12% instead of 11%), still no impairment against goodwill would be recognised by the Group.

(iii) Sportswear distribution and retail business in Mainland China

This goodwill, which is included in the distribution and retail segment, has been fully impaired in last year.

4 關鍵會計估計及判斷 (續)

(d) 估計商標減值

不論事件或情況變動何時顯示帳面值或不可收回，本集團即根據附註2.8所述的會計政策每年檢測商標是否遭受任何減值。商標之可收回金額已根據使用免除專利估值方法釐定。該等計算方法須運用估計。

截至二零一零年十二月三十一日止年度，已就商標計提54,000,000港元(二零零九年：零)之減值。

倘二零一零年十二月三十一日免除商標專利估值所用專利費低出管理層估計1%(即5%而非6%)，則本集團將確認商標之額外減值24,000,000港元。此外，倘釐訂商標除稅前貼現率所用資本估計成本較管理層估計高出1%(即14.8%而非13.8%)，則本集團會就商標確認進一步減值10,000,000港元。

(e) 存貨可變現淨值

存貨的可變現淨值為一般業務中的估計出售價並扣除估計完工成本及出售開支。該等估計乃根據現時市況及生產與出售相近性質產品的過往經驗而作出，並會因客戶口味及競爭對手面對市況變動所作行動不同而有重大差異。管理層於各報告期末重新評估該等估計。

4 Critical accounting estimates and judgements

(Continued)

(d) Estimated impairment of trademarks

The Group tests whether the trademarks have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy stated in Note 2.8. The recoverable amount of the trademarks has been determined based on relief from royalty valuation. These calculations require the use of estimates.

Impairment of HK\$54,000,000 (2009: Nil) was charged against the trademarks during the year ended 31 December 2010.

If the royalty rate used in the relief from royalty valuation for the trademarks had been one percentage-point lower than management's estimates at 31 December 2010 (that is, 5% instead of 6%), additional impairment against the trademarks of HK\$24,000,000 would be recognised by the Group. In addition, if the estimated cost of capital used in determining the pre-tax discount rate for the trademarks had been one percentage-point higher than management's estimates (that is, 14.8% instead of 13.8%), the Group would have recognised a further impairment of trademarks of HK\$10,000,000.

(e) Net realisable value of inventories

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

4 關鍵會計估計及判斷 (續)

(f) 應收貿易帳款、票據及其他應收帳款

本集團管理層按應收帳款的可收回程度評估就應收貿易帳款、票據及其他應收帳款計提的減值撥備。該等評估乃根據客戶及其他債務人的信貸紀錄及現時市況而作出，須要運用判斷及估計。管理層於各報告期末重新評估撥備。

(g) 所得稅及遞延所得稅

本集團須繳納若干司法權區的所得稅。釐訂所得稅撥備時需要作出重大判斷。在日常業務中有大量未能確定最終稅項的交易及計算。本集團按是否須繳納額外稅項而確認預計稅務審核事宜的負債。倘該等事宜的最終稅務結果有異於最初紀錄的數額，有關差額將會影響釐定有關數額期間的即期所得稅及遞延所得稅撥備。

倘管理層預計有未來應課稅溢利可動用暫時差額或稅項虧損時，將會確認暫時差額及稅項虧損有關的遞延所得稅資產。管理層於各報告期末重估其預期。

4 Critical accounting estimates and judgements

(Continued)

(f) Trade, bills and other receivables

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

(g) Income taxes and deferred income tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to temporary differences and tax losses are recognised when management expects it is probable that future taxable profits will be available to utilise the temporary differences or tax losses. Management reassesses its expectation at the end of each reporting period.

5 分部資料

最高營運決策者為由本公司董事會執行董事組成之執行委員會。執行委員會審閱本集團內部申報，以評估業績及分配資源。管理層已根據有關報告劃分經營分部。

執行委員會主要從業務營運角度審閱本集團業績。本集團分為兩個主要業務分部，即(i)生產及(ii)分銷及零售。生產分部指主要根據原設備生產商模式安排生產運動服、高爾夫球及高端時尚服飾及活動與戶外服裝予歐洲、北美洲及中國內地客戶。分銷及零售分部指在中國內地及香港分銷及零售「Umbro」及「Diadora」品牌運動服、鞋類、配件及體育器材。

執行委員會根據各分部之經營業績，評估經營分部的表現，惟不包括非經常性盈利及開支之影響，以及各經營分部業績內之融資收入及融資成本。其他向執行委員會提供之資料乃根據與合併財務報表一致之方式計算。

5 Segment information

The chief operating decision-maker has been identified as the Executive Committee comprising the executive directors of the Company's Board of Directors. The Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Committee reviews the performance of the Group mainly from a business operation perspective. The Group is organised into two main business segments, namely (i) Manufacturing, and (ii) Distribution and Retail. The Manufacturing segment represents manufacturing of sportswear, golf and high-end fashion apparel, and active and outer wear, primarily under OEM arrangements to customers mainly in Europe, North America and Mainland China. The Distribution and Retail segment represents the distribution and retail of 'Umbro' and 'Diadora' branded sportswear, footwear, accessories and sport equipment in Mainland China and Hong Kong.

The Executive Committee assesses the performance of the operating segments based on a measure of operating results of each segment, which excludes the effects of non-recurring earnings and expenditures and finance income and finance costs in the result for each operating segment. Other information provided to the Executive Committee is measured in a manner consistent with that in the consolidated financial statements.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

5 分部資料(續)

截至二零一零年十二月三十一日止年度
分部業績如下：

5 Segment information (Continued)

The segment results for the year ended 31 December 2010
are as follows:

		生產 Manufacturing	分銷及零售 Distribution and retail	未分類 Unallocated	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
分部總收益	Total segment revenue	2,639,550	447,034	—	3,086,584
分部間收益	Inter-segment revenue	(4,821)	—	—	(4,821)
收益	Revenue	2,634,729	447,034	—	3,081,763
經營溢利(虧損)/分部業績	Operating profit (loss)/ segment results	246,355	(135,369)	—	110,986
融資收入	Finance income				7,838
融資成本	Finance costs				(3,567)
應佔聯營公司溢利	Share of profits of associates	2,036	—	—	2,036
除所得稅前溢利	Profit before income tax				117,293
所得稅開支	Income tax expense				(44,492)
年度溢利	Profit for the year				72,801

計入合併利潤表的其他分部項目如下：

Other segment items included in the consolidated income
statement are as follows:

		生產 Manufacturing	分銷及零售 Distribution and retail	未分類 Unallocated	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
租賃土地及土地使用權攤銷	Amortisation of leasehold land and land use rights	1,001	—	—	1,001
物業、機器及設備折舊	Depreciation of property, plant and equipment	78,574	23,437	—	102,011
無形資產攤銷	Amortisation of intangible assets	—	8,856	—	8,856
無形資產減值	Impairment of intangible assets	—	54,000	—	54,000
存貨減值撥回－淨額	Write-back of impairment of inventories, net	(3,211)	(1,203)	—	(4,414)
應收帳款(撥回)減值－淨額	(Write-back) impairment of receivables, net	(2,651)	6,336	—	3,685

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

5 分部資料 (續)

截至二零零九年十二月三十一日止年度
分部業績如下：

5 Segment information (Continued)

The segment results for the year ended 31 December 2009
are as follows:

		生產 Manufacturing	分銷及零售 Distribution and retail	未分類 Unallocated	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
分部總收益	Total segment revenue	2,387,575	536,501	—	2,924,076
分部間收益	Inter-segment revenue	(36,074)	—	—	(36,074)
收益	Revenue	2,351,501	536,501	—	2,888,002
經營溢利(虧損)/分部業績	Operating profit (loss)/ segment results	240,932	(107,402)	(322)	133,208
融資收入	Finance income				6,044
融資成本	Finance costs				(4,583)
應佔聯營公司溢利	Share of profits of associates	2,915	—	—	2,915
除所得稅前溢利	Profit before income tax				137,584
所得稅開支	Income tax expense				(30,569)
年度溢利	Profit for the year				107,015

計入合併利潤表的其他分部項目如下：

Other segment items included in the consolidated income
statement are as follows:

		生產 Manufacturing	分銷及零售 Distribution and retail	未分類 Unallocated	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
租賃土地及土地使用權攤銷	Amortisation of leasehold land and land use rights	891	—	—	891
物業、機器及設備折舊	Depreciation of property, plant and equipment	77,713	27,168	—	104,881
無形資產攤銷	Amortisation of intangible assets	—	8,855	—	8,855
無形資產減值	Impairment of intangible assets	—	15,050	—	15,050
可供出售金融資產減值	Impairment of available-for-sale financial assets	5,870	—	—	5,870
存貨減值/(撥回) - 淨額	Impairment of/(write-back of) inventories, net	963	(524)	—	439
應收帳款減值 - 淨額	Impairment of receivables, net	9,451	1,832	—	11,283

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

5 分部資料(續)

分部間交易乃按本集團旗下公司共同協定的條款進行。未分類成本指公司開支。

分部資產主要包括租賃土地及土地使用權、物業、機器及設備、無形資產、於聯營公司的投資、可供出售金融資產、存貨、應收貿易帳款、票據及其他應收帳款、現金及現金等價物與原有限期超過三個月的銀行存款。未分類資產主要包括持作企業用途的現金及現金等價物、可收回稅項及遞延所得稅資產。

分部負債主要包括經營負債。未分類負債主要包括遞延所得稅負債及即期所得稅負債。

資本開支包括租賃土地及土地使用權、物業、機器及設備、可供出售金融資產及無形資產的添置，包括透過業務合併的收購所產生的添置。

於二零一零年十二月三十一日之分部資產及負債及截至二零一零年十二月三十一日止年度的資本開支如下：

5 Segment information (Continued)

Inter-segment transactions are conducted at terms mutually agreed among group companies. Unallocated costs represent corporate expenses.

Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, intangible assets, investments in associates, available-for-sale financial assets, inventories, trade, bills and other receivables, cash and cash equivalents and bank deposits with initial terms of over three months. Unallocated assets mainly comprise cash and cash equivalents held for corporate uses, tax recoverable and deferred income tax assets.

Segment liabilities comprise mainly operating liabilities. Unallocated liabilities mainly comprise deferred income tax liabilities and current income tax liabilities.

Capital expenditure comprises additions to leasehold land and land use rights, property, plant and equipment, available-for-sale financial assets, and intangible assets, including additions resulting from acquisitions through business combinations.

The segment assets and liabilities at 31 December 2010 and capital expenditure for the year then ended are as follows:

		生產	分銷及零售	未分類	總計
		Manufacturing	Distribution and retail	Unallocated	Total
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產	Assets	2,249,396	528,595	9,565	2,787,556
聯營公司	Associates	32,107	—	—	32,107
總資產	Total assets	2,281,503	528,595	9,565	2,819,663
總負債	Total liabilities	508,440	116,491	67,164	692,095
資本開支	Capital expenditure	86,995	12,856	—	99,851

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

5 分部資料 (續)

於二零零九年十二月三十一日之分部資產及負債及截至二零零九年十二月三十一日止年度的資本開支如下：

		生產 Manufacturing 千港元 HK\$'000	分銷及零售 Distribution and retail 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
資產	Assets	1,888,121	726,665	19,582	2,634,368
聯營公司	Associates	27,044	—	—	27,044
總資產	Total assets	1,915,165	726,665	19,582	2,661,412
總負債	Total liabilities	350,392	154,637	68,740	573,769
資本開支	Capital expenditure	33,033	14,764	—	47,797

按地區劃分，本集團來自外來客戶之收益如下：

The Group's revenue from external customers by geographical location is as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
收益	Revenue		
香港	Hong Kong	163,293	139,838
歐洲	Europe	1,250,165	1,200,720
中國內地	Mainland China	715,004	847,645
美國	United States of America	215,852	116,347
加拿大	Canada	67,525	63,622
其他亞洲國家	Other Asian countries	442,587	345,679
其他	Others	227,337	174,151
		3,081,763	2,888,002

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

5 分部資料 (續)

本集團按地區劃分的收益乃根據產品最終付運目的地釐定。

5 Segment information (Continued)

The Group's revenue by geographical location is determined by the final destination of delivery of the products.

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
分類收益分析	Analysis of revenue by category		
銷售貨品	Sales of goods	3,074,141	2,881,185
提供分包服務	Provision of subcontracting services	7,622	6,817
		3,081,763	2,888,002

按地區劃分之非流動資產(金融工具及遞延所得稅資產除外)總額如下:

The total of non-current assets other than financial instruments and deferred income tax assets by geographical location is as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
香港	Hong Kong	39,276	53,038
中國內地	Mainland China	778,981	808,202
其他國家	Other countries	40,827	41,579
		859,084	902,819

截至二零一零年十二月三十一日止年度，收益約2,260,468,000港元(二零零九年：1,951,545,000港元)乃來自單一組別外來客戶。該等收益乃源自生產業務。

For the year ended 31 December 2010, revenues of approximately HK\$2,260,468,000 (2009: HK\$1,951,545,000) were derived from a single group of external customers. These revenues are attributable to the manufacturing business.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

6 租賃土地及土地使用權 – 合併

本集團所擁有的租賃土地及土地使用權權益即預付經營租賃款項及其帳面淨值分析如下：

6 Leasehold land and land use rights – Consolidated

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000 (於附註2.1(a) 重列) (restated per Note 2.1(a))	於二零零九年 一月一日 1 January 2009 千港元 HK\$'000 (於附註2.1(a) 重列) (restated per Note 2.1(a))
在香港持有：	In Hong Kong held on:			
租賃介乎10至50年	Leases of between 10 and 50 years	—	—	—
在中國大陸持有：	In Mainland China held on:			
土地使用權超過50年	Land use rights of over 50 years	—	—	1,221
土地使用權介乎10至50年	Land use rights of between 10 and 50 years	40,066	39,938	40,658
		40,066	39,938	41,879

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000 (經重列) (restated)
年初，如之前所呈報	Beginning of the year, as previously reported	53,230	55,521
採納香港會計準則第17號 (修訂本)之影響	Effect of adoption of HKAS 17 (Amendment)	(13,292)	(13,642)
年初如重列	Beginning of the year, as restated	39,938	41,879
匯兌差額	Exchange differences	1,129	152
出售	Disposals	—	(1,202)
攤銷	Amortisation	(1,001)	(891)
年終	End of the year	40,066	39,938

預付經營租賃款項的攤銷已計入一般及行政開支。

Amortisation of prepaid operating lease payments has been included in general and administrative expenses.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

7 物業、機器及設備 – 合併

7 Property, plant and equipment – Consolidated

		永久業權 土地 Freehold land 千港元 HK\$'000	土地及樓宇 Land and buildings 千港元 HK\$'000	租賃物業 裝修 Leasehold improvements 千港元 HK\$'000	廠房及機器 Plant and machinery 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	汽車及遊艇 Motor vehicles and yacht 千港元 HK\$'000	在建工程 Construction in progress 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零九年一月一日	At 1 January 2009								
如之前所呈報之成本	Cost as previously reported	2,700	104,344	185,401	391,801	156,138	33,211	62,014	935,609
採納香港會計準則第17號 (修訂本)之影響	Effect of adoption of HKAS 17 (Amendment)	—	19,605	—	—	—	—	—	19,605
經重列之成本	Cost as restated	2,700	123,949	185,401	391,801	156,138	33,211	62,014	955,214
累計折舊及減值，如之前所呈報	Accumulated depreciation and impairment, as previously reported	—	(9,760)	(63,870)	(123,578)	(67,532)	(8,869)	—	(273,609)
採納香港會計準則第17號 (修訂本)之影響	Effect of adoption of HKAS 17 (Amendment)	—	(5,963)	—	—	—	—	—	(5,963)
累計折舊及減值，經重列	Accumulated depreciation and impairment, as restated	—	(15,723)	(63,870)	(123,578)	(67,532)	(8,869)	—	(279,572)
帳面淨值，經重列	Net book amount, as restated	2,700	108,226	121,531	268,223	88,606	24,342	62,014	675,642
截至二零零九年 十二月三十一日止年度	Year ended 31 December 2009								
年初帳面淨值，如之前所呈報	Opening net book amount, as previously reported	2,700	94,584	121,531	268,223	88,606	24,342	62,014	662,000
採納香港會計準則第17號 (修訂本)之影響	Effect of adoption of HKAS 17 (Amendment)	—	13,642	—	—	—	—	—	13,642
年初帳面淨值，經重列	Opening net book amount, as restated	2,700	108,226	121,531	268,223	88,606	24,342	62,014	675,642
匯兌差額	Exchange differences	—	152	561	629	324	33	347	2,046
添置	Additions	—	905	10,014	5,711	10,138	1,142	19,887	47,797
轉撥	Transfers	—	721	46,575	387	—	—	(47,683)	—
出售	Disposals	—	(1,202)	(477)	(3,026)	(1,082)	(329)	(76)	(6,192)
折舊	Depreciation	—	(3,141)	(24,439)	(36,874)	(36,529)	(3,898)	—	(104,881)
年終帳面淨值	Closing net book amount	2,700	105,661	153,765	235,050	61,457	21,290	34,489	614,412

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

7 物業、機器及設備 – 合併 (續)

7 Property, plant and equipment – Consolidated (Continued)

		永久業權 土地 Freehold land 千港元 HK\$'000	土地及樓宇 Land and buildings 千港元 HK\$'000	租賃物業 裝修 Leasehold improvements 千港元 HK\$'000	廠房及機器 Plant and machinery 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	汽車及遊艇 Motor vehicles and yacht 千港元 HK\$'000	在建工程 Construction in progress 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零九年十二月三十一日	At 31 December 2009								
如之前所呈報之成本	Cost as previously reported	2,700	104,890	240,219	393,272	164,191	33,642	34,489	973,403
採納香港會計準則第17號 (修訂本)之影響	Effect of adoption of HKAS 17 (Amendment)	—	19,605	—	—	—	—	—	19,605
經重列之成本	Cost as restated	2,700	124,495	240,219	393,272	164,191	33,642	34,489	993,008
累計折舊及減值，如之前所呈報	Accumulated depreciation and impairment, as previously reported	—	(12,521)	(86,454)	(158,222)	(102,734)	(12,352)	—	(372,283)
採納香港會計準則第17號 (修訂本)之影響	Effect of adoption of HKAS 17 (Amendment)	—	(6,313)	—	—	—	—	—	(6,313)
累計折舊及減值，經重列	Accumulated depreciation and impairment, as restated	—	(18,834)	(86,454)	(158,222)	(102,734)	(12,352)	—	(378,596)
帳面淨值，經重列	Net book amount, as restated	2,700	105,661	153,765	235,050	61,457	21,290	34,489	614,412
截至二零一零年 十二月三十一日止年度	Year ended 31 December 2010								
年初帳面淨值	Opening net book amount	2,700	92,369	153,765	235,050	61,457	21,290	34,489	601,120
採納香港會計準則第17號 (修訂本)之影響	Effect of adoption of HKAS 17 (Amendment)	—	13,292	—	—	—	—	—	13,292
年初帳面淨值，經重列	Opening net book amount, as restated	2,700	105,661	153,765	235,050	61,457	21,290	34,489	614,412
匯兌差額	Exchange differences	—	1,288	5,749	5,852	1,645	194	1,658	16,386
收購附屬公司(附註35)	Acquisition of subsidiaries (Note 35)	—	—	384	4,698	368	189	—	5,639
添置	Additions	—	5,254	9,094	27,439	15,160	1,431	7,723	66,101
轉撥	Transfers	—	28,717	6,269	572	83	—	(35,641)	—
出售	Disposals	—	(5,975)	—	(213)	(341)	—	—	(6,529)
折舊	Depreciation	—	(3,522)	(24,988)	(38,736)	(30,960)	(3,805)	—	(102,011)
年終帳面淨值	Closing net book amount	2,700	131,423	150,273	234,662	47,412	19,299	8,229	593,998
於二零一零年十二月三十一日	At 31 December 2010								
成本	Cost	2,700	152,162	262,570	436,965	184,365	35,213	8,229	1,082,204
累計折舊及減值	Accumulated depreciation and impairment	—	(20,739)	(112,297)	(202,303)	(136,953)	(15,914)	—	(488,206)
帳面淨值	Net book amount	2,700	131,423	150,273	234,662	47,412	19,299	8,229	593,998

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

7 物業、機器及設備－合併(續)

永久業權土地位於約旦哈希姆王國。

在合併利潤表確認的折舊開支虧損分析如下：

7 Property, plant and equipment – Consolidated

(Continued)

Freehold land is located in the Hashemite Kingdom of Jordan.

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
銷售成本	Cost of sales	53,468	51,418
一般及行政開支	General and administrative expenses	48,543	53,463
		102,011	104,881

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

8 無形資產 – 合併

8 Intangible assets – Consolidated

		商標 Trademarks 千港元 HK\$'000	商譽 Goodwill 千港元 HK\$'000	客戶關係 Customer relationships 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零九年一月一日	At 1 January 2009				
成本	Cost	221,387	52,977	2,219	276,583
累計攤銷及減值	Accumulated amortisation and impairment	(5,166)	(24,008)	(2,219)	(31,393)
帳面淨值	Net book amount	216,221	28,969	—	245,190
截至二零零九年 十二月三十一日止年度	Year ended 31 December 2009				
年初帳面淨值	Opening net book amount	216,221	28,969	—	245,190
匯兌差額	Exchange differences	—	140	—	140
攤銷	Amortisation	(8,855)	—	—	(8,855)
減值	Impairment	—	(15,050)	—	(15,050)
年終帳面淨值	Closing net book amount	207,366	14,059	—	221,425
於二零零九年十二月三十一日	At 31 December 2009				
成本	Cost	221,387	53,117	2,219	276,723
累計攤銷及減值	Accumulated amortisation and impairment	(14,021)	(39,058)	(2,219)	(55,298)
帳面淨值	Net book amount	207,366	14,059	—	221,425
截至二零一零年 十二月三十一日止年度	Year ended 31 December 2010				
年初帳面淨值	Opening net book amount	207,366	14,059	—	221,425
匯兌差額	Exchange differences	—	594	—	594
收購附屬公司(附註35)	Acquisition of subsidiaries (Note 35)	—	33,750	—	33,750
攤銷	Amortisation	(8,856)	—	—	(8,856)
減值	Impairment	(54,000)	—	—	(54,000)
年終帳面淨值	Closing net book amount	144,510	48,403	—	192,913
於二零一零年十二月三十一日	At 31 December 2010				
成本	Cost	221,387	87,461	2,219	311,067
累計攤銷及減值	Accumulated amortisation and impairment	(76,877)	(39,058)	(2,219)	(118,154)
帳面淨值	Net book amount	144,510	48,403	—	192,913

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

8 無形資產－合併 (續)

攤銷及減值虧損於一般及行政開支內為62,856,000港元(二零零九年: 23,905,000港元)。

商標減值測試：

商標指使用「Diadora」商標在中國大陸、香港及澳門生產及銷售附帶「Diadora」商標的產品的權利。商標的可回收金額乃參照估計可用年期內採用權利金節省法進行的估值釐定。根據該方法，商標的價值為來自特許使用商標的假定權利金收入的現值。

截至二零一零年十二月三十一日止年度，根據所進行的減值評估確認減值虧損54,000,000港元(二零零九年：無)。

商標估值中使用的主要假設如下：

專營權費	6%
長期增長率(附註a)	5%
稅前貼現率	13.8%

附註a：所採用的長期增長率不超過其經營業務的長期增長率，此增長率用以推算預算期以外的現金流量。

商譽減值測試：

商譽分配至根據業務分部及地理位置劃分的本集團現金產生單位。於二零一零年十二月三十一日，14,653,000港元(二零零九年：14,059,000港元)的商譽被分配至中國大陸運動服分銷業務，而悉數減值商譽(二零零九年：悉數減值)則被分配至於中國大陸上海之運動服分銷及零售業務，即預計可受益於合併的協同效益之分銷及零售業務分部的現金產生單位已識別類別。截至二零一零年十二月三十一日止年度，因收購昌迪集團產生商譽33,750,000港元被分配至高爾夫球及高端時尚服飾生產業務(附註35)，其為生產分部的已識別現金產生單位。

8 Intangible assets – Consolidated (Continued)

Amortisation and impairment loss included in general and administrative expenses amounted to HK\$62,856,000 (2009: HK\$23,905,000).

Impairment test for trademarks:

Trademarks represent the rights to use the 'Diadora' trademarks for the manufacture and sale of products bearing the 'Diadora' trademarks in Mainland China, Hong Kong and Macau. The recoverable amount of the trademarks is determined by reference to a valuation performed using the relief from royalty valuation method over their estimated useful lives. Under this method, the value of the trademarks represents the present value of the hypothetical royalty income from licensing out the trademarks.

During the year ended 31 December 2010, an impairment loss of HK\$54,000,000 (2009: Nil) was recognised based on the impairment assessment performed.

Key assumptions used in the valuation of trademarks are as follows:

Royalty rate	6%
Long-term growth rate (Note a)	5%
Pre-tax discount rate	13.8%

Note a: The long-term growth rate used does not exceed the long-term growth rate for the business in which it operates and is used to extrapolate cash flow beyond the budget period.

Impairment tests for goodwill:

Goodwill is allocated to the Group's CGUs identified according to business segment and geographical location. As at 31 December 2010, goodwill of HK\$14,653,000 (2009: HK\$14,059,000) is allocated to the sportswear distribution business in Mainland China and a fully impaired goodwill (2009: fully impaired) is allocated to the sportswear distribution and retail business in Shanghai, Mainland China. These represented the identified groups of CGU within the distribution and retail segment that are expected to benefit from synergies of the acquisitions. Goodwill of HK\$33,750,000 arising on the acquisition of Charmtech Group during the year ended 31 December 2010 is allocated to the golf and high-end fashion apparel manufacturing business (Note 35), which is an identified CGU within the manufacturing segment.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

8 無形資產 – 合併 (續)

現金產生單位的可回收金額乃根據使用價值計算方法釐定。該等計算使用根據管理層就高爾夫球及高端時尚服飾生產業務及運動服分銷業務批准的五年期財務預算而計算的稅前現金流量預測。超出經批准預算所涵蓋期間之現金流量以下文所呈列之主要假設推算。增長率不超過現金產生單位所經營業務的長期平均增長率。

8 Intangible assets – Consolidated (Continued)

The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period for the golf and high-end fashion apparel manufacturing business and for the sportswear distribution business. Cash flows beyond the period covered in approved budgets are extrapolated using the key assumptions stated below. The growth rates do not exceed the long-term average growth rates for the businesses in which the cash-generating units operate.

		二零一零年 2010		二零零九年 2009
		高爾夫球及 高端時尚 服飾生產 Golf and high-end fashion apparel manufac- turing	運動服分銷 Sportswear distribution	運動服分銷 Sportswear distribution
預算毛利率	Budgeted gross margin	34%	29%	40%
用作推算超出預算期 現金流量之增長率	Growth rate used to extrapolate cashflows beyond the budget period	0%	0%	0%
稅前貼現率	Pre-tax discount rate	11%	11%	9%

管理層根據過往表現及其對市場發展的預期釐定預算毛利率。

Management determined budgeted gross margin based on past performance and its expectations for market development.

截至二零一零年十二月三十一日止年度，並無就高爾夫球及高端時尚服飾生產業務及運動服分銷業務現金產生單位確認減值。截至二零零九年十二月三十一日止年度，因預期未來盈利能力降低，就運動服分銷及零售業務現金產生單位確認減值15,050,000港元，計入一般及行政開支。

No impairment was recognised in respect of the golf and high-end fashion apparel manufacturing business CGU and the sportswear distribution business CGU during the year ended 31 December 2010. For the year ended 31 December 2009, impairment of HK\$15,050,000 was charged against the sportswear distribution and retail business CGU as a result of the decrease in forecasted future profitability, which was included in general and administrative expenses.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

9 對附屬公司的投資－本公司

9 Investments in subsidiaries – Company

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
投資非上市股份，按成本入帳	Investment in unlisted shares, at cost	538,341	538,341
應收附屬公司金額(附註(a))	Amounts due from subsidiaries (Note (a))	866,201	833,098
		1,404,542	1,371,439

下列為於二零一零年十二月三十一日的主要附屬公司(均未上市)詳情：

The following are details of principal subsidiaries, all of which are unlisted, as at 31 December 2010:

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本詳情 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零一零年 2010	二零零九年 2009	
寶嘉亞洲有限公司 Bowker Asia Limited	英屬處女群島(「處女群島」)， 有限責任公司 British Virgin Islands ("BVI"), limited liability company	100美元 US\$100	100%	100%	買賣成衣產品／香港 Trading of garment products/Hong Kong
寶嘉製衣配料(河源)有限公司 Bowker Garment Accessories (Heyuan) Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	4,199,490美元 US\$4,199,490	100%	100%	生產成衣產品／中國大陸 Manufacturing of garment products/Mainland China
寶嘉製衣配料有限公司 Bowker Garment Accessories Company Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	投資控股及買賣 成衣產品／香港 Investment holding and trading of garment products/Hong Kong
寶嘉製衣廠(雲浮)有限公司 Bowker Garment Factory (Yunfu) Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	22,000,000港元 HK\$22,000,000	85%	85%	生產成衣產品／中國大陸 Manufacturing of garment products/Mainland China
寶嘉製衣廠有限公司 Bowker Garment Factory Company Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元每股面值 200,000港元非投票 遞延普通股份(附註(b)) HK\$10,000 ordinary HK\$200,000 non-voting deferred (Note (b))	100%	100%	買賣成衣產品／香港 Trading of garment products/ Hong Kong

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

9 對附屬公司的投資 – 本公司 (續)

9 Investments in subsidiaries – Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本詳情 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零一零年 2010	二零零九年 2009	
寶嘉印花廠(河源)有限公司 Bowker Printing Factory (Heyuan) Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	55,508,460港元 HK\$55,508,460	100%	100%	生產印花及刺繡產品/ 中國大陸 Manufacturing of printing and embroidery products/
寶嘉運動服裝(河源)有限公司 Bowker Sportswear (Heyuan) Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	13,682,820美元 US\$13,682,820	100%	100%	生產成衣產品/中國大陸 Manufacturing of garment products/Mainland China
寶嘉創業製衣廠(雲浮)有限公司 Bowker Venture Garment (Yunfu) Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	80,000,000港元 HK\$80,000,000	100%	100%	生產成衣產品/中國大陸 Manufacturing of garment products/Mainland China
Bowker (Vietnam) Garment Factory Company Limited	越南，有限責任公司 Vietnam, limited liability company	15,600,000港元 HK\$15,600,000	100%	100%	生產成衣產品/越南 Manufacturing of garment products/Vietnam
寶嘉越南(控股)有限公司 Bowker Vietnam Holding Limited	香港，有限責任公司 Hong Kong, limited liability company	1,000,000港元 HK\$1,000,000	100%	100%	投資控股及買賣成衣 產品/香港 Investment holding and trading of garment products/Hong Kong
寶嘉耀華(惠州)工業有限公司 Bowker Yao Wao (Huizhou) Garment Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	16,000,000港元 HK\$16,000,000	100%	100%	生產成衣產品/中國大陸 Manufacturing of garment products/Mainland China
寶嘉怡昇製衣廠(河源)有限公司 Bowker Yee Sing Garment Factory (Heyuan) Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	120,000,000港元 HK\$120,000,000	71%	71%	生產成衣產品/中國大陸 Manufacturing of garment products/Mainland China
昌迪實業有限公司(附註35) Charmtech Industrial Limited (Note 35)	香港，有限責任公司 Hong Kong, limited liability company	50,000港元 HK\$50,000	75%	—	投資控股及買賣成衣 產品/香港 Investment holding and trading of garment products/Hong Kong

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

9 對附屬公司的投資－本公司 (續)

9 Investments in subsidiaries – Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本詳情 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零一零年 2010	二零零九年 2009	
昌迪(清遠)製衣有限公司(附註35) Charmtech (Qing Yuan) Garment Manufacturing Limited (Note 35)	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	12,112,242港元 HK\$12,112,242	75%	—	生產成衣產品／中國大陸 Manufacturing of garment products/Mainland China
Corus Investments Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	#100%	#100%	物業持有／香港 Property holding/Hong Kong
迪亞多納體育用品(深圳) 有限公司 Diadora Sportswear (Shenzhen) Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	人民幣100,000,000元 RMB100,000,000	60%	60%	買賣成衣產品／中國大陸 Trading of garment products/Mainland China
廣州富堡體育用品有限公司 Guangzhou Win Sports Ltd.	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	20,000,000港元 HK\$20,000,000	75%	75%	買賣及零售成衣產品／ 中國大陸 Trading and retailing of garment products/ Mainland China
廣州市裕明製衣有限公司 Guangzhou Yuming Garment Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	1,000,000港元 HK\$1,000,000	70%	—	生產成衣產品／中國大陸 Manufacturing of garment products/Mainland China
開平永嘉紡織有限公司 Kaiping Win Hanverky Textile Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	5,025,102美元 US\$5,025,102	100%	100%	生產及買賣紡織品／中國大陸 Manufacturing and trading of fabrics/Mainland China
Portico II Limited	加拿大，有限責任公司 Canada, limited liability company	100加元 CA\$100	100%	100%	提供代理服務／加拿大 Provision of agency service/ Canada
裕方(香港)有限公司(附註34) Rich Form (HK) Limited (Note 34)	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	70%	100%	買賣成衣產品／香港 Trading of garment products/Hong Kong
雲浮市寶城製衣廠有限公司 Sport City Garment Factory Company Limited	中國大陸，外資合營企業 Mainland China, foreign equity joint venture	550,000港元 US\$550,000	72.7%	72.7%	生產成衣產品／中國大陸 Manufacturing of garment products/Mainland China

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

9 對附屬公司的投資 – 本公司 (續)

9 Investments in subsidiaries – Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本詳情 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零一零年 2010	二零零九年 2009	
運動站有限公司 Sport Corners Limited	香港，有限責任公司 Hong Kong, limited liability company	500,000港元 HK\$500,000	75%	75%	零售運動服產品／香港 Retailing of garment products/Hong Kong
天運體育用品(深圳)有限公司 Team & Sports (Shenzhen) Ltd.	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	人民幣5,000,000元 RMB5,000,000	60%	60%	買賣成衣產品／中國大陸 Trading of garment products/Mainland China
天運洋行有限公司 Team & Sports Limited	香港，有限責任公司 Hong Kong, limited liability company	900,000港元 HK\$900,000	60%	60%	買賣成衣產品／香港 Trading of garment products/Hong Kong
永力有限公司 Win Form Apparel Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	買賣成衣產品／香港 Trading of garment products/Hong Kong
永嘉(中國)有限公司 Win Hanverky (China) Company Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	買賣成衣產品／香港 Trading of garment products/Hong Kong
永嘉集團(香港)有限公司 Win Hanverky Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元每股面值 1,000,000港元非投票 遞延普通股份(附註(b)) HK\$10,000 ordinary HK\$1,000,000 non-voting deferred (Note (b))	100%	100%	買賣成衣產品／香港 Trading of garment products/Hong Kong
永嘉紡織有限公司 Win Hanverky Textile Limited	香港，有限責任公司 Hong Kong, limited liability company	2,000,000港元 HK\$2,000,000	100%	100%	生產及買賣紡織品／ 香港及中國大陸 Manufacturing and trading of fabrics/Hong Kong and Mainland China
富堡體育用品貿易(上海) 有限公司 Win Sports Trading (Shanghai) Co., Ltd.	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	5,000,000港元 HK\$5,000,000	75%	75%	買賣及零售成衣產品／ 中國大陸 Trading and retailing of garment products/ Mainland China

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

9 對附屬公司的投資－本公司 (續)

9 Investments in subsidiaries – Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本詳情 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零一零年 2010	二零零九年 2009	
永歷國際有限公司 Winor International Company Limited	香港，有限責任公司 Hong Kong, limited liability company	260,000,003港元 HK\$260,000,003	60%	60%	投資控股／香港 Investment holding/ Hong Kong
梧州市寶嘉製衣有限公司 Wuzhou Bowker Garment Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	86,292,165港元 HK\$86,292,165	100%	100%	生產成衣產品／中國大陸 Manufacturing of garment products/Mainland China

該公司的股份由本公司直接持有；其他則由本公司間接持有。

The shares of this company are held directly by the Company; others are held indirectly by the Company.

附註：

Notes:

- (a) 應收附屬公司數額為本公司向相關附屬公司提供的股本融資，乃按本公司對附屬公司投資的會計政策計量。
- (b) 無投票權遞延股份並非由本集團所擁有。該等股份並無投票權，除非有關公司的純利超出100,000,000,000港元，否則無權獲得股息，而且除非有關公司向其普通股持有人已分派100,000,000,000港元，否則於清盤時亦無權收取分派。
- (c) 於截至二零一零年十二月三十一日止年度任何時間，附屬公司並無任何已發行借貸資本（二零零九年：無）。

- (a) Amounts due from subsidiaries represent equity funding by the Company to the respective subsidiaries and are measured in accordance with the Company's accounting policy for investments in subsidiaries.
- (b) The non-voting deferred shares are not owned by the Group. These shares have no voting rights, are not entitled to dividends unless the net profit of the relevant company exceeds HK\$100,000,000,000 and are not entitled to any distributions upon winding up unless a sum of HK\$100,000,000,000 has been distributed by the relevant company to the holders of its ordinary shares.
- (c) None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2010 (2009: None).

若干附屬公司由於並無正式英文名稱，由本集團管理層根據有關的中文名稱盡力翻譯成英文。

The English names of certain subsidiaries represent the best effort by the management of the Group to translate their Chinese names as they do not have official English names.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

10 於聯營公司之權益 – 合併

10 Interests in associates – Consolidated

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
年初	Beginning of the year	27,044	23,851
已認購股本增加	Increase in share capital subscribed	2,388	—
年內分佔儲備變動	Share of reserve movements for the year	639	278
年內分佔溢利	Share of profits for the year	2,036	2,915
年終	End of the year	32,107	27,044

以下為於二零一零年十二月三十一日本集團聯營公司(均未上市)的詳情：

The following are details of the Group's associates, all of which are unlisted, as at 31 December 2010:

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本詳情 Particulars of issued paid up capital	間接所持股權 Interest held indirectly		主要業務及營運地點 Principal activities and place of operations
			二零一零年 2010	二零零九年 2009	
富順寶嘉染整興業(河源) 有限公司 Fu Hsun Bowker Dyeing Factory (Heyuan) Company Limited	中國大陸，外商獨資企業 Mainland China, wholly foreign owned enterprise	7,670,000美元 US\$7,670,000	30%	30%	布料印染及供應／中國大陸 Fabrics dyeing and supply/ Mainland China
富順投資有限公司 Fu Hsun Investment Company Limited	處女群島，有限責任公司 BVI, limited liability company	7,820,000美元 US\$7,820,000	30%	30%	投資控股及布料印染及 供應／台灣 Investment holding and fabrics dyeing and supply/Taiwan
Fu Jin Bowker Company Limited	處女群島，有限責任公司 BVI, limited liability company	2,900,000美元 US\$2,900,000	30%	30%	採購布料／台灣 Sourcing of fabrics/Taiwan

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

10 於聯營公司之權益－合併 (續)

本集團應佔聯營公司資產、負債、收益及業績如下：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
資產	Assets	48,947	40,163
負債	Liabilities	16,840	13,119
收益	Revenue	80,520	77,803
年度溢利	Profit for the year	2,036	2,915

10 Interests in associates – Consolidated (Continued)

The Group's shares of the assets, liabilities, revenue and results of the associates are as follows:

11 可供出售金融資產－合併

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於一月一日	At 1 January	500	6,370
收購附屬公司 (附註35)	Acquisition of subsidiaries (Note 35)	780	—
出售	Disposal	(780)	—
減值	Impairment	—	(5,870)
於十二月三十一日	At 31 December	500	500

11 Available-for-sale financial assets – Consolidated

本集團擁有一家於美國註冊成立的非上市公司10%股權。該公司於美國從事活動服裝及運動服的設計與分銷。該投資以美元列值，分類為可供出售金融資產。截至二零一零年十二月三十一日止年度，並無確認任何減值虧損。截至二零零九年十二月三十一日止年度，因投資公司未來盈利能力降低確認減值虧損5,870,000港元，並計入一般及行政開支。

The Group has a 10% equity interest in an unlisted company incorporated in the United States of America ("USA"), which is engaged in the design and distribution of active wear and sportswear in the USA. This investment is denominated in United States Dollars and is classified as available-for-sale financial assets. No impairment loss was recognised for the year ended 31 December 2010. During the year ended 31 December 2009, an impairment loss of HK\$5,870,000 was recognised as a result of the decrease in future profitability of the investee company and has been included in general and administrative expenses.

昌迪集團的業務合併(附註35)所收購的可供出售金融資產指就擔保獲授的銀行融資而向銀行購買以美元計值的三年指數掛鈎投資。截至二零一零年十二月三十一日止年度，該等可供出售金融資產乃按其帳面值出售。

The available-for-sale financial assets acquired in the business combination of Charmtech Group (Note 35) represented three-year index linked investments denominated in United States Dollars purchased from a bank for securing banking facilities granted. These available-for-sale financial assets were disposed of during the year ended 31 December 2010 at their carrying value.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

12 存貨 – 合併

12 Inventories – Consolidated

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
原材料	Raw materials	211,723	150,734
在製品	Work in progress	88,522	65,356
製成品	Finished goods	209,542	251,603
		509,787	467,693

存貨成本約2,339,483,000港元(二零零九年：2,095,651,000港元)確認為開支，並已計入銷售成本。

The costs of inventories recognised as expense and included in cost of sales amounted to approximately HK\$2,339,483,000 (2009: HK\$2,095,651,000).

存貨減值撥備撥回淨額約為4,414,000港元(二零零九年：撥備439,000港元)，已計入銷售成本。

Net write-back of provision for impairment of inventories amounting to approximately HK\$4,414,000 (2009: provision of HK\$439,000) was included in cost of sales.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

13 應收貿易帳款及票據 – 合併

13 Trade and bills receivable – Consolidated

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
應收貿易帳款	Trade receivables		
– 來自第三方	– from third parties	577,166	539,055
– 來自關聯方(附註36(d))	– from related parties (Note 36(d))	4,406	12,745
應收票據	Bills receivable	16,561	21,631
		598,133	573,431
減：減值撥備	Less: provision for impairment	(29,473)	(33,063)
		568,660	540,368

應收貿易帳款及票據帳面值與彼等的公平值相若。

應收貿易帳款主要來自擁有良好信貸紀錄的客戶。本集團向其客戶提供的信貸期介乎30至90天。本集團的銷售大部分以記帳方式進行，而向小數客戶的銷售使用銀行發出的信用狀支付或由銀行發出的付款文件清算。應收貿易帳款及票據的帳齡分析如下：

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

Majority of trade receivables are with customers having an appropriate credit history. The Group grants its customers credit terms ranging from 30 to 90 days. Most of the Group's sales are on open account, while sales made to a small number of customers are covered by letters of credit issued by banks or settled by documents against payment issued by banks. The ageing analysis of trade and bills receivable is as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
0至30天	0 – 30 days	247,163	177,116
31至60天	31 – 60 days	206,678	182,670
61至90天	61 – 90 days	105,054	166,952
91至120天	91 – 120 days	7,226	13,467
121至180天	121 – 180 days	3,580	5,217
181至365天	181 – 365 days	3,100	9,947
365天以上	Over 365 days	25,332	18,062
		598,133	573,431

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

13 應收貿易帳款及票據 – 合併 (續)

應收貿易帳款逾期少於90天一般不視作減值。於二零一零年十二月三十一日，逾期超過90天但不視作減值之應收貿易帳款為1,570,000港元（二零零九年：985,000港元），此與若干近期並無拖欠紀錄的客戶有關。該等應收貿易帳款的逾期帳齡分析如下：

91至120天	91 – 120 days
121至180天	121 – 180 days
181至365天	181 – 365 days
365天以上	Over 365 days

13 Trade and bills receivable – Consolidated (Continued)

Trade receivables that are less than 90 days past due are generally not considered impaired. As at 31 December 2010, trade receivables of HK\$1,570,000 (2009: HK\$985,000) were more than 90 days past due but considered not to be impaired. These relate to a number of customers for whom there is no recent history of default. The past due ageing analysis of these trade receivables is as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
		1,009	645
		425	179
		136	159
		—	2
		1,570	985

於二零一零年十二月三十一日，已減值並悉數撥備之應收貿易帳款為29,473,000港元（二零零九年：33,063,000港元）。該等應收帳款與若干客戶（包括遭遇未能預期之經濟困難之客戶）有關。該等應收帳款的逾期帳齡如下：

As at 31 December 2010, trade receivables of HK\$29,473,000 (2009: HK\$33,063,000) were impaired and had been fully provided for. These receivables relate to a number of customers, including customers in unexpected difficult economic situations. The past due ageing of these receivables is as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
0至30天	0 – 30 days	—	46
31至60天	31 – 60 days	51	92
61至90天	61 – 90 days	396	48
91至120天	91 – 120 days	401	633
121至180天	121 – 180 days	990	4,397
181至365天	181 – 365 days	2,313	9,787
365天以上	Over 365 days	25,322	18,060
		29,473	33,063

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

13 應收貿易帳款及票據 – 合併 (續)

應收貿易帳款及票據的減值撥備變動如下：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
年初	Beginning of the year	33,063	25,018
匯兌差額	Exchange differences	968	508
(撥回) / 減值撥備淨額	(Write-back of) / provision for impairment, net	(4,170)	9,066
年內撇銷作呆帳的 應收帳款	Receivables written off during the year as uncollectible	(388)	(1,529)
年末	End of the year	29,473	33,063

已減值應收帳款撥備的增設及撥回已計入一般及行政開支。計入撥備帳目的金額於再不預期可收回額外現金時撇銷。

本集團的應收貿易帳款及票據以下列貨幣計值：

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
美元	United States Dollars	447,957	372,161
中國人民幣	Chinese Renminbi	132,866	193,060
港元	Hong Kong Dollars	17,202	8,210
其他	Others	108	—
		598,133	573,431

於報告日期最大的信貸風險為上述應收帳款的公平值。本集團並無持有任何抵押品。

13 Trade and bills receivable – Consolidated (Continued)

Movements of provision for impairment of trade and bills receivable are as follows:

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

The Group's trade and bills receivable were denominated in the following currencies:

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

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

14 按金、預付款項及其他應收帳款

14 Deposits, prepayments and other receivables

		合併		本公司	
		Consolidated		Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
即期	Current				
可收回稅項	Tax recoverable	384	1,971	—	435
租金、水電費用及其他按金	Rental, utility and other deposits	23,114	18,272	—	—
營運開支的預付款項	Prepayments for operating expenses	5,542	5,543	198	245
存貨的預付款項	Prepayments for inventories	10,929	5,450	—	—
可收回增值稅	Value-added tax recoverable	6,781	10,379	—	—
應收客戶的索償	Claims receivable from customers	9,370	3,383	—	—
儲稅券	Tax reserve certificate	22,794	—	—	—
其他應收帳款(附註)	Other receivables (Note)	9,556	13,538	—	—
		88,470	58,536	198	680

按金、預付款項及其他應收帳款面值與彼等的公平值相若。於報告日最大的信貸風險為上述項目的公平值。本集團並無持有任何抵押品。

The carrying amounts of deposits, prepayments and other receivables approximate their fair values. The maximum exposure to credit risk at the reporting date is the fair value of the items mentioned above. The Group does not hold any collateral.

本集團的其他應收帳款以下列貨幣列值：

The Group's other receivables were denominated in the following currencies:

		二零一零年	二零零九年
		2010	2009
		千港元	千港元
		HK\$'000	HK\$'000
美元	United States Dollars	17,325	8,573
中國人民幣	Chinese Renminbi	19,106	24,257
港元	Hong Kong Dollars	33,019	13,693
其他	Others	2,549	1,020
		71,999	47,543

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

14 按金、預付款項及其他應收帳款 (續)

附註：

於二零一零年十二月三十一日，其他應收帳款包括出售附屬公司權益產生的應收帳款4,872,000港元。於二零零五年九月，本集團全資附屬公司Team & Sports (BVI) Limited以代價約97,383,000港元(可根據天運洋行有限公司(「天運」)之未來收益予以調整)出售於天運25%股權，應收帳款以分期付款方式支付，直至二零一零年。

於截至二零一零年十二月三十一日止年度，本集團重新評估天運及其附屬公司的售後表現，而實際售後表現低於出售日所作初步預測。因此，應收代價減值虧損合共為11,286,000港元，包括過往年度計入其他儲備的虧損撥回10,031,000港元，並計入合併利潤表內。

14 Deposits, prepayments and other receivables (Continued)

Note:

Included in other receivables as at 31 December 2010 was the receivable from disposal of interest in a subsidiary of HK\$4,872,000. In September 2005, Team & Sports (BVI) Limited, a wholly owned subsidiary of the Group, disposed of a 25% equity interest in Team & Sports Limited ("T&S") for a consideration of approximately HK\$97,383,000 (subject to adjustments based on future revenues of T&S), receivable by instalments through 2010.

During the year ended 31 December 2010, the Group reassessed the post disposal performance of T&S and its subsidiaries, and the actual post disposal performance were lower than the initial forecasts at the date of disposal. Consequently, an impairment loss on the consideration receivable totalling HK\$11,286,000 was charged to the consolidated income statement, including HK\$10,031,000 being released from other reserves.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

15 已抵押銀行存款／原有期限超過三個月之銀行存款／現金及現金等價物

15 Pledged bank deposits/Bank deposits with initial terms of over three months/Cash and cash equivalents

		合併 Consolidated		本公司 Company	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
已抵押銀行存款	Pledged bank deposits	1,184	—	—	—
原有期限超過三個月之 銀行存款	Bank deposits with initial terms of over three months	18,866	24,572	—	—
銀行及手頭現金	Cash at bank and on hand	26,831	23,534	43	180
短期銀行存款	Short-term bank deposits	737,143	625,959	—	—
		763,974	649,493	43	180
		784,024	674,065	43	180

於二零一零年十二月三十一日，以中國人民幣計值的銀行存款為1,184,000港元（二零零九年：無）已存置於銀行，作為銀行授予若干貿易融資信貸的抵押品。於二零一零年十二月三十一日，該等存款的加權平均年利率為3.3%。

於二零一零年十二月三十一日，本集團原有期限超過三個月之銀行存款加權平均年利率為2.3%（二零零九年：年利率0.9%）。短期銀行存款加權平均利率約為1.1%（二零零九年：年利率0.5%）。短期銀行存款的存款期為三個月或以下。

Bank deposits, which were denominated in Chinese Renminbi, of HK\$1,184,000 at 31 December 2010 (2009: Nil) were placed in a bank as collaterals against certain trade finance facilities granted by a bank. The weighted average interest rate on these deposits was 3.3% per annum at 31 December 2010.

As at 31 December 2010, the weighted average interest rate of the Group's bank deposits with initial terms of over three months was 2.3% per annum (2009: 0.9% per annum). The weighted average interest rate of short-term bank deposits was 1.1% per annum (2009: 0.5% per annum). The short-term bank deposits have maturities of 3 months or less at inception.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

15 已抵押銀行存款／原有期限超過三個月之銀行存款／現金及現金等價物 (續)

已抵押銀行存款／原有期限超過三個月之銀行存款以及現金及現金等價物以下列貨幣計值：

15 Pledged bank deposits/Bank deposits with initial terms of over three months/Cash and cash equivalents (Continued)

Pledged bank deposits, bank deposits with initial terms of over three months and cash and cash equivalents were denominated in the following currencies:

		合併		本公司	
		Consolidated		Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
美元	United States Dollars	414,655	406,379	—	—
中國人民幣	Chinese Renminbi	353,892	241,851	—	—
港元	Hong Kong Dollars	14,792	23,550	43	180
其他	Others	685	2,285	—	—
		784,024	674,065	43	180

本集團以中國人民幣計值的已抵押銀行存款／原有期限超過三個月之銀行存款以及現金及現金等價物存放於中國大陸的銀行。換算該等中國人民幣存款為外幣以及將資金匯出中國大陸均受中國大陸政府所頒佈的外匯管制法律及規定所規管。

於報告日期的最大信貸風險與已抵押銀行存款／原有期限超過三個月之銀行存款以及現金及現金等價物的帳面值相若。

The Group's pledged bank deposits, bank deposits with initial terms of over three months and cash and cash equivalents denominated in Chinese Renminbi were deposited with banks in Mainland China and Hong Kong. The conversion of Chinese Renminbi into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Mainland China Government.

The maximum exposure to credit risk at the reporting date approximates the carrying values of the pledged bank deposits, bank deposits with initial terms of over three months and the cash and cash equivalents.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

16 應付貿易帳款及票據 – 合併

16 Trade and bills payable – Consolidated

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
應付貿易帳款	Trade payables		
– 予第三方	– to third parties	266,248	233,741
– 予關聯方(附註36(d))	– to related parties (Note 36(d))	24,260	33,147
應付票據	Bills payable	42,150	2,174
		332,658	269,062

應付貿易帳款及票據的帳齡分析如下：

The ageing analysis of the trade and bills payable is as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
0至30天	0 – 30 days	167,222	146,687
31至60天	31 – 60 days	104,195	83,057
61至90天	61 – 90 days	37,508	32,005
91至120天	91 – 120 days	14,156	3,934
121至180天	121 – 180 days	6,648	346
181至365天	181 – 365 days	1,832	949
365天以上	Over 365 days	1,097	2,084
		332,658	269,062

本集團的應付貿易帳款及票據以下列貨幣計值：

The Group's trade and bills payable were denominated in the following currencies:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
美元	United States Dollars	183,797	144,783
港元	Hong Kong Dollars	81,999	78,439
中國人民幣	Chinese Renminbi	66,862	45,840
		332,658	269,062

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

17 應計帳款及其他應付帳款

17 Accruals and other payables

		合併		本公司	
		Consolidated		Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
僱員福利成本應計帳款	Accrual for employment benefit costs	109,812	85,515	3,547	4,538
應付專營權費	Royalty payable	5,494	7,421	—	—
應付增值稅	Value added tax payable	8,551	9,831	—	—
已收客戶按金	Deposits received from customers	14,483	5,581	—	—
其他營運開支應計帳款	Accrual for other operating expenses	52,725	42,451	400	3,330
應計市場推廣、廣告及宣傳開支	Accrued marketing, advertising and promotion expenses	1,212	3,544	—	—
購買物業、機器及設備的應付帳款	Payable for purchases of property, plant and equipment	7,888	8,114	—	—
收購附屬公司應付代價(附註35)	Consideration payable for acquisition of subsidiaries (Note 35)	30,750	—	—	—
其他應付帳款	Other payables	8,775	5,350	1	2
		239,690	167,807	3,948	7,870

18 借貸 – 合併

18 Borrowings – Consolidated

		二零一零年	二零零九年
		2010	2009
		千港元	千港元
		HK\$'000	HK\$'000
即期	Current		
短期銀行貸款	Short-term bank loans	41,440	68,160
信託收據進口銀行貸款	Trust receipts import bank loans	3,643	—
		45,083	68,160

本集團所有借貸已於一年內償還。由於折現的影響並不重大，故短期借貸的帳面值與其公平值相若。

All of the Group's borrowings were repayable within one year. The carrying amounts of the short-term borrowings approximate their fair values as the impact of discounting is not significant.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

18 借款 – 合併 (續)

於二零一零年十二月三十一日，短期銀行貸款41,440,000港元(二零零九年：39,760,000港元)及信託收據進口銀行貸款3,643,000港元(二零零九年：無)由本公司提供的企業擔保予以抵押。

此等借貸以下列貨幣計值：

中國人民幣	Chinese Renminbi
美元	United States Dollars

18 Borrowings – Consolidated (Continued)

As at 31 December 2010, short-term bank loans of HK\$41,440,000 (2009: HK\$39,760,000) and trust receipts import bank loans of HK\$3,643,000 (2009: Nil) were secured by a corporate guarantee given by the Company.

The borrowings were denominated in the following currencies:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
中國人民幣	Chinese Renminbi	41,440	68,160
美元	United States Dollars	3,643	—
		45,083	68,160

於二零一零年十二月三十一日，本集團的借貸為33,243,000港元(二零零九年：28,400,000港元)，均按浮動息率計息，於結算日的加權平均(年)利率如下：

As at 31 December 2010, the Group's borrowings of HK\$33,243,000 (2009: HK\$28,400,000) were on floating rates. The weighted average interest rates (per annum) at the balance sheet date were as follows:

		二零一零 2010		二零零九年 2009	
		人民幣 RMB	美元 US\$	人民幣 RMB	美元 US\$
短期銀行貸款	Short-term bank loans	5.6%	—	5.1%	—
信託收據進口銀行貸款	Trust receipts import bank loan	—	1.8%	—	—

於二零一零年十二月三十一日，本集團的未動用銀行信貸如下：

As at 31 December 2010, the Group has the following undrawn banking facilities:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
浮動利率	Floating rates		
– 於一年內到期	– expiring within one year	309,726	371,545

於一年內到期的信貸為年度信貸，須於二零一一年多個日期重新審核。

The facilities expiring within one year are annual facilities subject to review at various dates during 2011.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

19 遞延所得稅 – 合併

遞延所得稅資產及負債僅可在即期稅項資產與即期稅項負債有合法權利互相抵銷及遞延所得稅相對於同一稅務司法權區時，方可互相抵銷。款項淨額如下：

19 Deferred income tax – Consolidated

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction. The net amounts are as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
遞延稅項資產：	Deferred tax assets:		
– 12個月後收回的 遞延稅項資產	– Deferred tax assets to be recovered after more than 12 months	4,745	10,950
– 12個月內收回的 遞延稅項資產	– Deferred tax assets to be recovered within 12 months	4,393	6,481
		9,138	17,431
遞延稅項負債：	Deferred tax liabilities:		
– 12個月後結算的 遞延稅項負債	– Deferred tax liabilities to be settled after more than 12 months	(4,954)	(1,816)
– 12個月內結算的 遞延稅項負債	– Deferred tax liabilities to be settled within 12 months	(268)	(279)
		(5,222)	(2,095)
遞延稅項資產 – 淨額	Deferred tax assets – net	3,916	15,336

遞延所得稅帳目變動淨額如下：

The net movement on the deferred income tax account is as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
年初	Beginning of the year	15,336	3,179
收購一家附屬公司(附註35)	Acquisition of a subsidiary (Note 35)	(30)	—
匯兌差額	Exchange differences	258	8
於利潤表確認(附註27)	Recognised in the income statement (Note 27)	(11,648)	12,149
年終	End of the year	3,916	15,336

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

19 遞延所得稅 – 合併 (續)

遞延稅項資產及負債變動(未計及同一稅務司法權區內互相抵銷的結餘)如下:

遞延稅項負債:

19 Deferred income tax – Consolidated (Continued)

The movements in deferred tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax liabilities:

		稅務折舊 Tax depreciation 千港元 HK\$'000	未分配盈利的預扣稅 Withholding tax on undistributed earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零九年一月一日 於利潤表確認	At 1 January 2009 Recognised in the income statement	(4,714) 1,179	(610) —	(5,324) 1,179
於二零零九年十二月三十一日 收購一家附屬公司(附註35) 於利潤表確認	At 31 December 2009 Acquisition of a subsidiary (Note 35) Recognised in the income statement	(3,535) (30) (709)	(610) — (2,619)	(4,145) (30) (3,328)
於二零一零年十二月三十一日	At 31 December 2010	(4,274)	(3,229)	(7,503)

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

19 遞延所得稅 – 合併 (續)

19 Deferred income tax – Consolidated (Continued)

遞延稅項資產：

Deferred tax assets:

		稅務虧損 Tax losses 千港元 HK\$'000	未變現 溢利 Unrealised profit 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零九年一月一日	At 1 January 2009	1,321	6,411	771	8,503
於利潤表確認	Recognised in the income statement	11,049	(153)	74	10,970
匯兌差額	Exchange differences	8	—	—	8
於二零零九年 十二月三十一日	At 31 December 2009	12,378	6,258	845	19,481
於利潤表確認	Recognised in the income statement	(7,740)	(1,365)	785	(8,320)
匯兌差額	Exchange differences	258	—	—	258
於二零一零年 十二月三十一日	At 31 December 2010	4,896	4,893	1,630	11,419

倘日後可能有應課稅溢利，則承前稅務虧損可變現為相關稅務利益的部分確認為遞延所得稅資產。於二零一零年十二月三十一日，本集團並無就虧損489,101,000港元（二零零九年：374,665,000港元）確認可結轉抵銷未來應課稅收入的遞延所得稅資產103,535,000港元（二零零九年：76,475,000港元）。尚未確認稅務虧損總額220,467,000港元（二零零九年：202,249,000港元）可以無限期結轉，而累計稅務虧損268,634,000港元（二零零九年：172,416,000港元）將於五年內到期。

由於若干附屬公司管理層擬於可見將來將該附屬公司之尚未結匯盈利重新投資，故並無就該等盈利應付之預扣稅確認為遞延所得稅負債4,288,000港元（二零零九年：3,975,000港元）。於二零一零年十二月三十一日，尚未結匯盈利合共為85,769,000港元（二零零九年：79,506,000港元）。

Deferred income tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2010, the Group did not recognise deferred income tax assets of HK\$103,535,000 (2009: HK\$76,475,000) in respect of losses amounting to HK\$489,101,000 (2009: HK\$374,665,000) that can be carried forward against future taxable income. Total unrecognised tax losses of HK\$220,467,000 (2009: HK\$202,249,000) can be carried forward indefinitely; while cumulative tax losses of HK\$268,634,000 (2009: HK\$172,416,000) will expire within five years.

Deferred income tax liabilities of HK\$4,288,000 (2009: HK\$3,975,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries, as it is management's intention to reinvest such amounts in the foreseeable future. Unremitted earnings totalled HK\$85,769,000 at 31 December 2010 (2009: HK\$79,506,000).

20 股本 (續)

購股權 (續)

(ii) 購股權計劃

本公司採納一項為期10年，至二零一六年八月到期的購股權計劃，可將購股權授予任何董事、僱員、顧問、客戶、供應商、代理人、合夥人或本集團顧問或承包商。行使價由董事會決定，惟不可低於(i)每股面值；(ii)香港聯合交易所有限公司(「聯交所」)於提呈日期(須為營業日)發出的日報表所示的每股收市價；及(iii)根據聯交所於緊接提呈日期前五個營業日發出的日報表計算的股份平均收市價的較高者。本集團並無法律或推定的責任以現金購回或繳付此等購股權。

未行使購股權數目及相關的加權平均行使價變動如下：

20 Share capital (Continued)

Share options (Continued)

(ii) Share option scheme

The Company has adopted a share option scheme, which will remain in force for 10 years up to August 2016. Share options may be granted to any director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group. The exercise price is determined by the Board and shall not be less than the higher of (i) the nominal value of a share; (ii) the closing price of one share as stated in the daily quotation sheets issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer, which shall be a business day; and (iii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer. The Group has no legal or constructive obligation to repurchase or settle these options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		二零一零 2010		二零零九年 2009	
		每股平均 行使價 Average exercise price per share 港元 HK\$	購股權 Options 千份 '000	每股平均 行使價 Average exercise price per share 港元 HK\$	購股權 Options 千份 '000
於一月一日	At 1 January	1.466	21,000	1.505	22,500
已失效	Lapsed	—	—	2.060	(1,500)
於十二月三十一日	At 31 December	1.466	21,000	1.466	21,000
於十二月三十一日可行使	Exercisable at 31 December	1.466	21,000	1.466	21,000

20 股本 (續)

20 Share capital (Continued)

購股權 (續)

Share options (Continued)

(ii) 購股權計劃 (續)

(ii) Share option scheme (Continued)

於年終未行使購股權的到期日期及行使價如下：

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

到期日期	Expiry date	每股行使價 Exercise price per share 港元 HK\$	購股權 Share options	
			二零一零年 2010 千份 '000	二零零九年 2009 千份 '000
二零一六年五月十日	10 May 2016	1.140	9,000	9,000
二零一六年五月十日	10 May 2016	1.596	10,000	10,000
二零一六年五月十日	10 May 2016	2.280	2,000	2,000
			21,000	21,000

於截至二零一零年十二月三十一日止年度，並無於合併利潤表扣除任何購股權成本（二零零九年：322,000港元）。

No share option cost was charged to the consolidated income statement during the year ended 31 December 2010 (2009: HK\$322,000).

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

21 儲備

21 Reserves

(a) 合併

(a) Consolidated

		股份溢價 Share premium 千港元 HK\$'000	以股份 付款儲備 Share-based payment reserves 千港元 HK\$'000	法定儲備 Statutory reserve (附註) (Note) 千港元 HK\$'000	外幣換算 Foreign currency translation 千港元 HK\$'000	其他儲備 Other reserves 千港元 HK\$'000	保留盈利 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零九年一月一日	At 1 January 2009	666,939	10,050	3,481	66,033	199,351	712,298	1,658,152
貨幣換算差額	Currency translation differences							
- 本集團	- Group	—	—	—	99	—	—	99
- 聯營公司	- Associates	—	—	—	278	—	—	278
出售一家附屬公司權益 應收非控股權益 之估計代價變動 (附註14)	Change in estimated consideration receivable from non-controlling interests in relation to disposal of interest in a subsidiary (Note 14)	—	—	—	—	(8,901)	—	(8,901)
僱員購股權計劃	Employee share option scheme							
- 授出購股權的相關 服務價值(附註20)	- value of services in respect of share options granted (Note 20)	—	322	—	—	—	—	322
- 失效購股權的相關 服務價值(附註20)	- value of services in respect of share options lapsed (Note 20)	—	(1,090)	—	—	—	1,090	—
已付股息	Dividend paid							
- 二零零八年末期	- 2008 final	—	—	—	—	—	(10,147)	(10,147)
- 二零零九年中中期	- 2009 interim	—	—	—	—	—	(31,710)	(31,710)
本公司股權持有人 應佔溢利	Profit attributable to equity holders of the Company	—	—	—	—	—	121,539	121,539
轉撥至法定儲備	Transfer to statutory reserves	—	—	1,098	—	—	(1,098)	—
於二零零九年 十二月三十一日	At 31 December 2009	666,939	9,282	4,579	66,410	190,450	791,972	1,729,632
貨幣換算差額	Currency translation differences							
- 本集團	- Group	—	—	—	22,035	—	—	22,035
- 聯營公司	- Associates	—	—	—	639	—	—	639
出售一家附屬公司權益 應收非控股權益之 代價結算 (附註14)	Settlement of consideration receivable from non-controlling interests in relation to disposal of interest in a subsidiary (Note 14)	—	—	—	—	10,031	—	10,031
已付股息	Dividend paid							
- 二零零九年末期	- 2009 final	—	—	—	—	—	(19,026)	(19,026)
- 二零一零年中中期及特別	- 2010 interim and special	—	—	—	—	—	(48,199)	(48,199)
本公司股權持有人 應佔溢利	Profit attributable to equity holders of the Company	—	—	—	—	—	120,472	120,472
轉撥至法定儲備	Transfer to statutory reserves	—	—	4,464	—	—	(4,464)	—
於二零一零年 十二月三十一日	At 31 December 2010	666,939	9,282	9,043	89,084	200,481	840,755	1,815,584
指：	Representing:							
建議二零一零年末期 及特別股息	Proposed 2010 final and special dividends						38,052	
其他	Others						802,703	
							840,755	

21 儲備 (續)

(a) 合併 (續)

附註：

根據中國大陸的規例，本公司於中國大陸成立及經營的附屬公司須按相關董事會所釐定的比率將已抵銷過往年度虧損的除稅後溢利的部分撥入一般儲備及企業發展基金。一般儲備可用作抵銷過往年度虧損或發行紅股，而企業發展基金則用作拓展業務。於截至二零一零年十二月三十一日止年度，4,464,000港元 (二零零九年：1,098,000港元) 獲分配至一般儲備及企業擴展基金。

21 Reserves (Continued)

(a) Consolidated (Continued)

Note:

As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior years' losses) to the general reserve and the enterprise expansion fund, at rates determined by their respective boards of directors. The general reserve can be utilised to offset prior year losses or be utilised for the issuance of bonus shares, whilst the enterprise expansion fund can be utilised for the development of business operations. During the year ended 31 December 2010, HK\$4,464,000 (2009: HK\$1,098,000) was appropriated to the general reserve and the enterprise expansion fund.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

21 儲備 (續)

21 Reserves (Continued)

(b) 本公司

(b) Company

		股份溢價 Share premium 千港元 HK\$'000	以股份 付款儲備 Share- based payment reserve 千港元 HK\$'000	出資盈餘 Contributed surplus 千港元 HK\$'000	保留盈利 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零九年一月一日	At 1 January 2009	666,939	10,050	528,331	53,799	1,259,119
僱員購股權計劃	Employee share option scheme					
– 授出購股權的相關 服務價值 (附註20)	– value of services in respect of share options granted (Note 20)	—	322	—	—	322
– 失效購股權的相關 服務價值 (附註20)	– value of services in respect of share options lapsed (Note 20)	—	(1,090)	—	1,090	—
本公司股權持有人 應佔溢利	Profit attributable to equity holders of the Company	—	—	—	19,810	19,810
已付股息	Dividend paid					
– 二零零八年末期	– 2008 final	—	—	—	(10,147)	(10,147)
– 二零零九年中期	– 2009 interim	—	—	—	(31,710)	(31,710)
於二零零九年 十二月三十一日	At 31 December 2009	666,939	9,282	528,331	32,842	1,237,394
本公司股權持有人 應佔溢利	Profit attributable to equity holders of the Company	—	—	—	101,571	101,571
已付股息	Dividend paid					
– 二零零九年末期	– 2009 final	—	—	—	(19,026)	(19,026)
– 二零一零年中期及特別	– 2010 interim and special	—	—	—	(48,199)	(48,199)
於二零一零年 十二月三十一日	At 31 December 2010	666,939	9,282	528,331	67,188	1,271,740
指：	Representing:					
建議二零一零年末期 及特別股息	Proposed 2010 final and special dividends				38,052	
其他	Others				29,136	
					67,188	

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

22 其他收入

22 Other income

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
特許專櫃銷售服務收入	Concessionaire sales service income	3,866	—
其他	Others	537	1,513
		4,403	1,513

23 其他收益／(虧損)－淨額

23 Other gains/(losses) – net

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
出售租賃土地及 土地使用權的收益	Gain on disposal of leasehold land and land use rights	—	19
出售物業、機器及 設備的收益／(虧損)	Gain/(loss) on disposal of property, plant and equipment	5,762	(3,143)
外匯收益／(虧損)淨額	Net exchange gain/(loss)	6,488	(304)
		12,250	(3,428)

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

24 按性質劃分的開支

開支包括銷售成本、銷售及分銷成本以及一般及行政開支，分析如下：

24 Expenses by nature

Expenses included in cost of sales, selling and distribution costs and general and administrative expenses are analysed as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
已使用的原材料及消耗品	Raw materials and consumables used	1,180,292	1,099,770
購買製成品	Purchases of finished goods	433,414	386,274
加工及分包費用	Processing and subcontracting charges	127,330	94,975
生產經常開支	Manufacturing overheads	35,577	31,207
樣辦開支	Sample expenses	17,190	16,206
製成品及在製品 存貨增減	Changes in inventories of finished goods and work in progress	18,895	51,222
物業、機器及設備折舊	Depreciation of property, plant and equipment	102,011	104,881
租賃土地及土地 使用權攤銷	Amortisation of leasehold land and land use rights	1,001	891
無形資產攤銷	Amortisation of intangible assets	8,856	8,855
無形資產減值	Impairment of intangible assets	54,000	15,050
可供出售金融 資產減值	Impairment of available-for-sale financial assets	—	5,870
僱員福利開支(附註25)	Employment benefit expense (Note 25)	638,322	542,648
貨運、交付及保險開支	Freight, delivery and insurance expenses	86,426	72,766
專營權開支	Royalties expense	25,463	36,898
銷售佣金	Sales commission	1,600	11,269
市場推廣、廣告及 宣傳開支	Marketing, advertising and promotion expenses	31,229	43,777
有關辦公室設備、土地 及樓宇的經營租金	Operating lease rental in respect of office equipment and land and buildings		
— 最低租賃付款	— minimum lease payments	50,846	49,336
— 或然租金	— contingent rent	11,656	14,974
核數師酬金	Auditor's remuneration	4,282	4,094
應收帳款(撥回) ／減值－淨額	(Write-back of)/impairment of receivables, net		
— 應收貿易帳款及票據	— trade and bills receivable	(4,253)	9,066
— 按金、預付款及 其他應收款項	— deposits, prepayments and other receivables	7,938	2,217
存貨(撥回)／減值－淨額	(Write-back of)/impairment of inventories, net	(4,414)	439
其他開支	Other expenses	159,769	150,194
銷售成本、銷售及分銷成本 以及一般及行政開支總額	Total cost of sales, selling and distribution costs and general and administrative expenses	2,987,430	2,752,879

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

25 僱員福利開支

25 Employment benefit expense

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
工資、薪金、佣金、 津貼及花紅	Wages, salaries, commission, allowances and bonus	597,419	507,911
退休福利	Retirement benefit		
– 界定供款計劃	– defined contribution schemes	23,864	20,567
股份酬金開支	Share-based compensation expense		
– 已授出購股權	– share options granted	—	322
福利及其他利益	Welfare and other benefits	17,039	13,848
		638,322	542,648

(a) 退休福利成本 – 界定供款計劃

本集團安排其香港僱員參加強制性公積金計劃（「強積金計劃」），此乃由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團（僱主）及其僱員須根據強制性公積金的法例各自繳付僱員收入5%作為每月供款。僱主及僱員各自的每月供款上限為1,000港元，而其他的供款為自願供款。本集團除供款外毋須承擔退休後福利的責任。

根據中國大陸的規定及規例，本集團須為其中國大陸若干員工向國家資助退休金計劃作出供款。本集團僱員須每月按有關收入（包括工資、薪金、津貼及花紅）約8%向計劃供款，而本集團須就有關收入的5%至28%作出供款，而除供款外，本集團毋須承擔退休後福利實際付款的責任。國家資助退休金計劃負責向退休員工支付全部退休金。

(a) Retirement benefit costs – defined contribution plans

The Group has arranged for its Hong Kong employees to join a Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group (the employer) and its employees make monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employee are subject to a cap of HK\$1,000 and thereafter contributions are voluntary. The Group has no further obligations for post-retirement benefits beyond the contributions.

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement schemes for certain of its employees in Mainland China. The Group’s employees make monthly contributions to the schemes at approximately 8% of the relevant income (comprising wages, salaries, allowances and bonus), while the Group contributes 5% to 28% of such income and has no further obligations for the actual payment of post-retirement benefits beyond the contributions. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

25 僱員福利開支 (續)

(a) 退休福利成本 – 界定供款計劃 (續)

本集團為其於越南之附屬公司合資格僱員參加退休計劃。本集團各公司(僱主)及其僱員每月按僱員有關收入(包括工資、薪金、津貼及花紅)的16%向計劃供款。本集團除供款外毋須承擔退休後福利的責任。

除上述計劃供款外，本集團並無其他退休後福利的重大責任。

(b) 董事酬金

截至二零一零年十二月三十一日止年度，本公司各董事的酬金如下：

25 Employment benefit expense (Continued)

(a) Retirement benefit costs – defined contribution plans (Continued)

The Group participates in a retirement scheme for qualified employees of its subsidiary in Vietnam. Each of the Group (the employer) and its employees make monthly contributions to the scheme at 16% of the employees' relevant income (comprising wages, salaries, allowances and bonus). The Group has no further obligations for post-retirement benefits beyond the contributions.

The Group has no material obligation for post-retirement benefits beyond contributions to the above schemes.

(b) Directors' emoluments

The remuneration of each director of the Company for the year ended 31 December 2010 is set out below:

董事姓名	Name of Director	袍金 Fees 千港元 HK\$'000	薪金 Salaries 千港元 HK\$'000	酌情花紅 Discretionary bonuses 千港元 HK\$'000	房屋津貼 Housing allowances 千港元 HK\$'000	退休金計劃 僱主供款 Employer's contribution to retirement schemes 千港元 HK\$'000	有關購股權 的股份酬金 Share-based compensation in respect of share options 千港元 HK\$'000	總計 Total 千港元 HK\$'000
執行董事 <i>Executive directors</i>								
李國棟	Li Kwok Tung, Roy	—	3,579	1,200	—	12	—	4,791
黎清平	Lai Ching Ping	—	3,028	1,200	—	12	—	4,240
張智	Cheung Chi	—	1,955	1,100	—	12	—	3,067
李國樑	Lee Kwok Leung	—	1,652	900	—	12	—	2,564
獨立非執行董事 <i>Independent non-executive directors</i>								
馬家駿	Ma Ka Chun	100	—	—	—	—	—	100
陳光輝	Chan Kwong Fai	100	—	—	—	—	—	100
關啟昌	Kwan Kai Cheong	150	—	—	—	—	—	150
溫澤光	Wun Kwang	100	—	—	—	—	—	100
		450	10,214	4,400	—	48	—	15,112

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

25 僱員福利開支 (續)

25 Employment benefit expense (Continued)

(b) 董事酬金 (續)

(b) Directors' emoluments (Continued)

截至二零零九年十二月三十一日止年度，本公司各董事的酬金如下：

The remuneration of each director of the Company for the year ended 31 December 2009 is set out below:

董事姓名	Name of Director	袍金 Fees 千港元 HK\$'000	薪金 Salaries 千港元 HK\$'000	酌情花紅 Discretionary bonuses 千港元 HK\$'000	房屋津貼 Housing allowances 千港元 HK\$'000	有關購股權 退休金計劃 僱主供款 Share-based Employer's compensation contribution in respect of share options		總計 Total 千港元 HK\$'000
						退休金計劃 contribution 千港元 HK\$'000	有關購股權 share options 千港元 HK\$'000	
執行董事 <i>Executive directors</i>								
李國棟	Li Kwok Tung, Roy	—	3,362	1,000	—	12	—	4,374
黎清平	Lai Ching Ping	—	2,801	1,000	—	12	—	3,813
張智	Cheung Chi	—	1,821	900	—	12	—	2,733
李國樑	Lee Kwok Leung	—	986	700	180	12	—	1,878
周志偉 (附註(a))	Chow Chi Wai (Note (a))	—	43	—	—	1	—	44
黃偉德 (附註(b))	Wong Wai Tak Victor (Note (b))	—	905	—	—	6	322	1,233
獨立非執行董事 <i>Independent non-executive directors</i>								
馬家駿	Ma Ka Chun	100	—	—	—	—	—	100
陳光輝	Chan Kwong Fai	100	—	—	—	—	—	100
關啟昌	Kwan Kai Cheong	150	—	—	—	—	—	150
溫澤光	Wun Kwang	100	—	—	—	—	—	100
		450	9,918	3,600	180	55	322	14,525

附註：

Notes:

(a) 周志偉先生於二零零九年一月二十九日辭任。

(a) Chow Chi Wai resigned on 29 January 2009.

(b) 黃偉德先生於二零零九年一月二十九日獲委任，並於二零零九年七月八日辭任。

(b) Wong Wai Tak Victor was appointed on 29 January 2009 and resigned on 8 July 2009.

於截至二零一零年十二月三十一日止年度，概無董事放棄任何酬金 (二零零九年：無)。

No directors waived any emoluments during the year ended 31 December 2010 (2009: Nil).

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

25 僱員福利開支(續)

(c) 五名最高薪人士

截至二零一零年十二月三十一日止年度本集團五名最高薪人士包括四名(二零零九年：三名)董事，彼等的酬金已載於上述分析。年內已付／應付其餘一名(二零零九年：兩名)人士的酬金如下：

25 Employment benefit expense (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2010 include four (2009: three) directors whose emoluments are reflected in the analysis presented above. The emoluments paid/payable to the remaining one individual (2009: two individuals) during the year are as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
底薪、房屋津貼及 其他津貼	Basic salaries, housing allowances and other allowances	1,260	2,421
酌情花紅	Discretionary bonuses	5,161	3,581
退休福利 — 界定供款計劃	Retirement benefit — defined contribution schemes	12	12
		6,433	6,014

薪酬介乎以下範圍：

The emoluments fell within the following bands:

		人數 Number of individuals	
		二零一零年 2010	二零零九年 2009
薪酬範圍(港元)	Emolument bands (in HK dollar)		
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	—	1
4,500,001港元 – 5,000,000港元	HK\$4,500,001 – HK\$5,000,000	—	1
6,000,001港元 – 6,500,000港元	HK\$6,000,001 – HK\$6,500,000	1	—

(d) 截至二零一零年十二月三十一日止年度，本公司並無支付酬金予任何董事或五名最高薪人士，作為加入或邀請加入本集團的獎勵或離職補償(二零零九年：無)。

(d) During the year ended 31 December 2010, no emoluments were paid by the Company to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2009: Nil).

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

26 融資收入及成本

26 Finance income and costs

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
利息收入	Interest income from		
– 銀行存款	– Bank deposits	7,366	4,478
– 出售附屬公司權益所產生的其他應收帳款(附註14)	– Other receivable from disposal of interest in a subsidiary (Note 14)	401	1,566
– 客戶延長信貸年期	– Customers for extended credit terms	71	—
融資收入	Finance income	7,838	6,044
融資成本	Finance cost		
– 銀行借貸及透支	– Bank borrowings and overdrafts	(3,567)	(4,583)
融資收入淨值	Net finance income	4,271	1,461

27 所得稅開支

27 Income tax expense

香港利得稅已根據本年度估計應課稅溢利按稅率16.5%(二零零九年：16.5%)計提撥備。

在中國內地成立及經營的附屬公司及聯營公司於本年度須按25%稅率繳付中國內地企業所得稅(二零零九年：25%)。根據適用稅法，該等在中國內地成立為外商獨資企業或中外合資企業的附屬公司及聯營公司，由不遲於二零零八年起計，首兩年可獲豁免繳付企業所得稅，而其後三年則獲半免。

海外(香港及中國內地除外)溢利的稅項已就本年度估計應課稅溢利按本集團經營所在國家當時適用稅率計算。

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits for the year.

Subsidiaries and associates established and operated in Mainland China are subject to Mainland China Enterprise Income Tax at rate of 25% for the year (2009: 25%). In accordance with the applicable tax regulations, subsidiaries and associates established in Mainland China as wholly owned foreign enterprises or sino-foreign joint ventures are entitled to full exemption from Enterprise Income Tax for the first two years and a 50% reduction in Enterprise Income Tax for the next three years, commencing no later than 2008.

Taxation on overseas (other than Hong Kong and Mainland China) profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the countries in which the Group operates.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

27 所得稅開支 (續)

自合併利潤表扣除的所得稅開支指：

27 Income tax expense (Continued)

The amounts of income tax expense charged to the consolidated income statement represent:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
即期所得稅－	Current income tax－		
香港利得稅	Hong Kong profits tax	35,088	35,715
中國內地企業所得稅	Mainland China enterprise income tax	5,671	6,965
海外所得稅	Overseas income tax	—	12
於過往年度撥備 (過多)／不足	(Over)/under provision in prior years	(7,915)	26
		32,844	42,718
遞延所得稅 (附註19)	Deferred income tax (Note 19)	11,648	(12,149)
		44,492	30,569

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

27 所得稅開支 (續)

本集團除所得稅前溢利的稅項與使用適用於合併實體溢利的加權平均稅率得出的理論金額的差別如下：

27 Income tax expense (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
不包括應佔聯營公司 溢利的除所得稅前溢利	Profit before income tax excluding share of profits of associates	115,257	134,669
加權平均本地適用稅率	Weighted average applicable domestic tax rates	16.7%	20.9%
以適用於有關地方／國家 溢利的本地稅率計算的稅項	Tax calculated at domestic tax rates applicable to profits in the respective places/countries	19,299	28,138
稅項影響：	Tax effects of:		
毋須課稅收入	Income not subject to tax	(2,610)	(2,966)
不可扣稅的開支	Expenses not deductible for tax purposes	14,852	15,284
稅項減免之影響	Effect of tax concession	(8,984)	(22,065)
並無確認遞延所得稅的 稅務虧損淨額	Tax losses for which no deferred income tax was recognised, net	27,060	12,923
附屬公司及聯營公司 未分配盈利預扣稅	Withholding tax on undistributed earnings of subsidiaries and associates	2,619	—
於過往年度撥備(過多)／不足	(Over)/under provision in prior years	(7,915)	26
其他	Others	171	(771)
稅務開支	Tax charge	44,492	30,569

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

27 所得稅開支(續)

上述加權平均適用本地稅率變動主要由於不同集團公司的所得溢利組合變動所致。該等所得溢利按不同稅率繳稅。

27 Income tax expense (Continued)

The change in weighted average applicable domestic tax rates, as stated above, is mainly caused by a change in mix of profits earned by different group companies which are subject to different tax.

28 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利101,571,000港元(二零零九年: 19,810,000港元)計入本公司財務報表內。

28 Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$101,571,000 (2009: HK\$19,810,000).

29 每股盈利

(a) 基本

每股基本盈利乃根據本公司股權持有人應佔合併溢利約120,472,000港元(二零零九年: 121,539,000港元)及年內已發行普通股加權平均數約1,268,400,000股(二零零九年: 1,268,400,000股)計算。

29 Earnings per share

(a) Basic

The calculation of basic earnings per share is based on the consolidated profit attributable to equity holders of the Company of approximately HK\$120,472,000 (2009: HK\$121,539,000) and on the weighted average number of approximately 1,268,400,000 (2009: 1,268,400,000) ordinary shares in issue during the year.

		二零一零年 2010	二零零九年 2009
本公司股權持有人 應佔溢利(千港元)	Profit attributable to equity holders of the Company (HK\$'000)	120,472	121,539
已發行普通股的 加權平均數(千股)	Weighted average number of ordinary shares in issue ('000)	1,268,400	1,268,400
每股基本盈利(港仙)	Basic earnings per share (HK cents)	9.5	9.6

29 每股盈利 (續)

29 Earnings per share (Continued)

(b) 攤薄

每股攤薄盈利乃假設兌換所有具潛在攤薄影響普通股而調整加權平均已發行普通股數目計算。根據購股權計劃(附註20)可發行的股份為唯一具潛在攤薄影響的普通股。本公司根據未行使購股權所附認購權的貨幣價值作出計算以釐定可能按公平值(乃本公司股份於有關期間的平均市場股價)收購的股份數目。上述所計算的股份數目與假設行使購股權而發行的股份數目作出比較。

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Shares issuable under the share option schemes (Note 20) are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares in the relevant periods) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		二零一零年 2010	二零零九年 2009
本公司股權持有人 應佔溢利(千港元)	Profit attributable to equity holders of the Company (HK\$'000)	120,472	121,539
加權平均已發行 股份數目(千股)	Weighted average number of ordinary shares in issue ('000)	1,268,400	1,268,400
購股權調整(千股)	Adjustment for share options ('000)	263	—
每股攤薄盈利的加權 平均股份數目(千股)	Weighted average number of ordinary shares for diluted earnings per share ('000)	1,268,663	1,268,400
每股攤薄盈利(港仙)	Diluted earnings per share (HK cents)	9.5	9.6

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

30 股息

30 Dividends

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
已付中期股息每股普通股2.4港仙 (二零零九年：2.5港仙)	Interim dividend paid of HK2.4 cents (2009: HK2.5 cents) per ordinary share	30,442	31,710
已付特別股息每股普通股1.4港仙 (二零零九年：無)	Special dividend paid of HK1.4 cents (2009: Nil) per ordinary share	17,757	—
建議末期股息每股普通股1.2港仙 (二零零九年：1.5港仙)	Proposed final dividend of HK1.2 cents (2009: HK1.5 cents) per ordinary share	15,221	19,026
建議特別股息每股普通股1.8港仙 (二零零九年：無)	Proposed special dividend of HK1.8 cents (2009: Nil) per ordinary share	22,831	—
		86,251	50,736

於二零一一年三月十六日舉行的會議上，董事會建議派發末期股息每股1.2港仙(二零零九年：1.5港仙)及特別股息1.8港仙(二零零九年：無)。建議股息尚未於該等財務報表內反映為應付股息，惟將會反映為截至二零一一年十二月三十一日止年度的保留盈利撥用。

At a meeting held on 16 March 2011, the Board proposed a final dividend of HK1.2 cents (2009: HK1.5 cents) and a special dividend of HK1.8 cents (2009: Nil) per share. The proposed dividends have not been reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2011.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

31 營運所得現金

31 Cash generated from operations

(a) 營運所得現金對帳

(a) Reconciliation of cash generated from operations

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
除所得稅前溢利	Profit before income tax	117,293	137,584
按下列各項調整：	Adjustments for:		
– 無形資產攤銷	– Amortisation of intangible assets	8,856	8,855
– 租賃土地及土地 使用權攤銷	– Amortisation of leasehold land and land use rights	1,001	891
– 物業、機器及設備折舊	– Depreciation of property, plant and equipment	102,011	104,881
– 出售租賃土地及 土地使用權的收益	– Gain on disposal of leasehold land and land use rights	—	(19)
– 出售物業、機器及設備 的(收益)/虧損	– (Gain)/loss on disposal of property, plant and equipment	(5,762)	3,143
– 股份酬金	– Share-based compensation	—	322
– 無形資產減值	– Impairment of intangible assets	54,000	15,050
– 可供出售金融 資產減值	– Impairment of available-for-sale financial assets	—	5,870
– 存貨(減值撥回)/減值 – 淨額	– (Write-back)/impairment of inventories, net	(4,414)	439
– 應收帳款減值 – 淨額	– Impairment of receivables, net	3,685	11,283
– 融資收入 – 淨額	– Finance income – net	(4,271)	(1,461)
– 應佔聯營公司溢利	– Share of profits of associates	(2,036)	(2,915)
– 匯兌(收益)/虧損 – 淨值	– Exchange (gain)/loss, net	(6,488)	304
營運資金變動：	Changes in working capital:		
– 存貨	– Inventories	(29,451)	79,542
– 應收貿易帳款及票據	– Trade and bills receivable	(6,192)	220,399
– 按金、預付帳款及 其他應收帳款	– Deposits, prepayments and other receivables	(23,625)	20,537
– 應付貿易帳款及票據	– Trade and bills payable	60,578	(118,773)
– 應計帳款及其他應付帳款	– Accruals and other payables	10,398	(29,789)
營運所得現金	Cash generated from operations	275,583	456,143

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

31 營運所得現金 (續)

(b) 於現金流量表中，出售租賃土地及土地使用權以及物業、機器及設備所得款項包括

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
出售租賃土地及 土地使用權：	Disposal of leasehold land and land use rights:		
帳面淨值 (附註6)	Net book amount (Note 6)	—	1,202
出售租賃土地及土地 使用權的收益	Gain on disposal of leasehold land and land use right	—	19
出售租賃土地及土地 使用權所得款項	Proceeds from disposal of leasehold land and land use rights	—	1,221
出售物業、機器及設備：	Disposal of property, plant and equipment:		
帳面淨值 (附註7)	Net book amount (Note 7)	6,529	6,192
出售物業、機器及 設備收益 / (虧損)	Gain/(loss) on disposal of property, plant and equipment	5,762	(3,143)
出售物業、機器及 設備所得款項	Proceeds from disposal of property, plant and equipment	12,291	3,049

31 Cash generated from operations (Continued)

(b) In the cash flow statement, proceeds from disposal of leasehold land and land use rights, and property, plant and equipment comprise

(c) 於現金流量表中，收購附屬公司時使用的現金 (扣除購入的現金) 指

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
購入的現金及現金等價物 (附註35)	Cash and cash equivalents acquired (Note 35)	2,774	—
已動用的銀行透支 (附註35)	Bank overdrafts assumed (Note 35)	(197)	—
已付現金代價	Cash consideration paid	(3,000)	—
收購附屬公司時使用的現金， 扣除購入的現金	Cash used in acquisition of subsidiaries, net of cash acquired	(423)	—

(c) In the cash flow statement, cash used in acquisition of subsidiaries, net of cash acquired, represent

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

32 或然負債

於二零一零年十二月三十一日，本集團並無重大或然負債（二零零九年：無）。

32 Contingent liabilities

As at 31 December 2010, the Group had no material contingent liabilities (2009: Nil).

33 承擔 – 本集團

(a) 資本承擔

於結算日，已訂約但未撥備的資本開支如下：

物業、機器及設備 已訂約但未撥備	Property, plant and equipment Contracted but not provided for
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於二零一零年十二月三十一日，本集團承諾向若干於中國大陸成立的附屬公司注入額外資本，注資總額約48,150,000港元（二零零九年：76,533,000港元）。

(b) 經營租賃承擔

本集團按照不可撤銷經營租賃協議租賃多間零售店、辦公室、倉庫及辦公室設備。租賃各有不同條款、經修訂條款及重續權。本集團根據不可撤銷經營租賃之未來最低租金總額如下：

一年內	Within one year
一年至五年	Later than one year and not later than five years
五年後	Later than five years

33 Commitments – Group

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet provided for is as follows:

二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
----------------------------------	----------------------------------

6,859	9,072
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As at 31 December 2010, the Group had commitments to inject additional capital into certain subsidiaries established in Mainland China, totalling approximately HK\$48,150,000 (2009: HK\$76,533,000).

(b) Operating lease commitments

The Group leases various retail shops, offices, warehouses and office equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
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51,523	50,807
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110,293	116,803
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38,392	57,002
--------	--------

200,208	224,612
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33 承擔 – 本集團 (續)

(b) 經營租賃承擔 (續)

上述租賃承擔僅包括基本租金承擔，並不包括額外應付租金(或然租金)(如有)承擔，該等額外租金一般應用未來銷售之預設百分比減各租賃之基本租金釐定，原因為不可能事先釐定該等額外租金之金額。

34 與非控股權益的交易

於二零一零年一月二日，本集團以代價1,337,000港元出售裕方(香港)有限公司(「裕方」)30%股權。此後，本集團於裕方及其附屬公司的股權由100%減至70%。出售權益並無導致本集團失去對裕方的控制權。裕方的非控股權益之帳面值於出售當日為1,337,000港元。本集團確認非控股權益增加1,337,000港元。裕方於年內所有權益變動對本公司擁有人應佔權益的影響概述如下：

所出售非控股權益的帳面值	Carrying amount of non-controlling interests disposed of
自非控股權益收取的代價	Consideration received from non-controlling interests
出售於權益內的影響	Effect of disposal within equity

二零零九年並無與非控股權益的交易。

33 Commitments – Group (Continued)

(b) Operating lease commitments (Continued)

The above lease commitments only include commitments for basic rentals, and do not include commitments for additional rental payable (contingent rents), if any, which are to be determined generally by applying pre-determined percentages to future sales less the basic rentals of the respective leases, as it is not possible to determine in advance the amount of such additional rentals.

34 Transactions with non-controlling interests

On 2 January 2010, the Group disposed of 30% equity interest in Rich Form (HK) Limited (“Rich Form”) at a consideration of HK\$1,337,000. Thereafter, the Group’s equity interests in Rich Form and its subsidiaries was decreased from 100% to 70%. The disposal of interests did not result in loss of control of Rich Form. The carrying amount of the non-controlling interests in Rich Form on the date of disposal was HK\$1,337,000. The Group recognised an increase in non-controlling interests of HK\$1,337,000. The effect of changes in the ownership interest of Rich Form on the equity attributable to owners of the Company during the year is summarised as follows:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
所出售非控股權益的帳面值	(1,337)	—
自非控股權益收取的代價	1,337	—
出售於權益內的影響	—	—

There were no transactions with non-controlling interests in 2009.

35 業務合併

於二零一零年七月一日，本集團以33,750,000港元收購昌迪集團75%股權。於該日，昌迪集團的淨資產及負債的公平值等於零，隨後收購產生的商譽達33,750,000港元。由於收購所致，本集團預期將會拓闊其產品基礎，並新增收益來源。

收購產生的商譽33,750,000港元乃歸因於本集團與昌迪集團的業務合併預期帶來的已收購產品基礎及規模經濟。

已確認商譽將不可用作扣除所得稅。下表概述已付／應付昌迪集團代價及已收購資產及已承擔負債於收購日期的已確認金額，以及於昌迪集團的非控股權益於收購日期的公平值。

35 Business combinations

On 1 July 2010, the Group acquired 75% of the equity interests in Charmtech Group for HK\$33,750,000. At that date, the fair value of the net assets and liabilities in Charmtech Group equaled zero and consequently there is goodwill arising on the acquisition amounting to HK\$33,750,000. As a result of the acquisition, the Group expects to broaden its product base and have an additional source of revenue.

The goodwill of HK\$33,750,000 arising from the acquisition is attributable to acquired product base and economies of scale expected from combining the operations of the Group and Charmtech Group.

None of the goodwill recognised is expected to be deductible for income tax purposes. The following table summarises the consideration paid/payable for Charmtech Group and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interest in Charmtech Group.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

35 業務合併 (續)

35 Business combinations (Continued)

		千港元 HK\$'000
代價：	Consideration:	
– 現金	– Cash	3,000
– 或然代價	– Contingent consideration	30,750
總代價	Total consideration	33,750
與收購相關的費用 (包括於截至二零一零年 十二月三十一日止年度 合併利潤表內的一般及 行政開支)	Acquisition-related costs (included in general and administrative expenses in the consolidated income statement for the year ended 31 December 2010)	312
已收購可識別資產及已 承擔負債的已確認金額	Recognised amounts of identifiable assets acquired and liabilities assumed	
現金及現金等價物	Cash and cash equivalents	2,774
物業、廠房及設備 (附註7)	Property, plant and equipment (Note 7)	5,639
可供出售金融資產 (附註11)	Available-for-sale financial assets (Note 11)	780
存貨	Inventories	8,229
應收貿易帳款及票據	Trade and bills receivable	9,690
按金、預付款項及 其他應收帳款	Deposits, prepayments and other receivables	426
應付貿易帳款及票據	Trade and bills payable	(1,081)
應計帳款及其他應付帳款	Accruals and other payables	(24,849)
即期所得稅負債	Current income tax liabilities	(1,381)
銀行透支	Bank overdrafts	(197)
遞延稅項負債(附註19)	Deferred tax liabilities (Note 19)	(30)
可識別淨資產總值	Total identifiable net assets	—
非控股權益	Non-controlling interest	—
商譽(附註8)	Goodwill (Note 8)	33,750

35 業務合併 (續)

或然代價安排包括兩部分。第一部分規定按昌迪集團截至二零一零年十二月三十一日止年度的除稅後合併溢利為準根據特定公式對代價作出調整。昌迪集團二零一零年的除稅後合併溢利上限為20,000,000港元。

第二部分規定倘若昌迪集團截至二零一五年六月三十日止五個年度的合併除稅後溢利總額未達到45,000,000港元，則昌迪集團售股股東將根據特定公式向本集團退款。

所收購應收貿易帳款及票據的公平值與應收合約總額相若。其他應收帳款的公平值為426,000港元。已到期其他應收帳款的合約總額為3,151,000港元，其中2,725,000港元預計將無法收回。

昌迪集團的售股股東已訂約同意就昌迪集團於收購日期前的營運及交易產生的任何額外稅項負債向本集團作出彌償。本集團於收購時之彌償資產估值為零。於二零一零年十二月三十一日，由於用於估計負債的結果範圍或假設並無變動，故就彌償資產確認的金額並無任何變動。

本集團於收購日期按應佔昌迪集團淨資產的比例確認非控股權益為零。

35 Business combinations (Continued)

The contingent consideration arrangements include two components. The first component requires an adjustment to be made to the consideration in accordance with a specified formula based on the consolidated profit after tax of Charmtech Group for the year ended 31 December 2010. The 2010 consolidated profit after tax of Charmtech Group is subject to a cap of HK\$20,000,000.

The second component requires the selling shareholder of Charmtech Group to refund to the Group in accordance with a specified formula if the aggregate consolidated profit after tax of Charmtech Group for the five years ending 30 June 2015 does not reach HK\$45,000,000.

The fair value of the acquired trade and bills receivable was approximate to the gross contractual amounts receivable. The fair value of other receivables acquired is HK\$426,000. The gross contractual amount for other receivables due is HK\$3,151,000, of which HK\$2,725,000 is expected to be uncollectible.

The selling shareholder of Charmtech Group has contractually agreed to indemnify the Group for any additional tax liability falling on Charmtech Group resulting from its operations and transactions prior to the acquisition date. The indemnification asset was valued at nil by the Group at the time of the acquisition. There has been no change in the amount recognised for the indemnification asset as at 31 December 2010, as there has been no change in the range of outcomes or assumptions used to develop the estimate of the liability.

The Group recognised the non-controlling interests at proportionate share of Charmtech Group's net assets at the acquisition date which equalled zero.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

36 關連方交易

倘一方有能力直接或間接控制另一方或對另一方的財務及營運決策有重大影響力，以及受共同控制或有共同重大影響者，則視為關連方。

本集團由在英屬處女群島註冊成立之公司Quinta Asia Limited(直接控股公司)控制，該公司於二零一零年十二月三十一日擁有本公司約58.64%股份。本公司董事認為Quinta Asia Limited為最終控股公司。

除於此等合併財務報表中其他部分所披露者外，本集團與關連方曾進行以下主要交易：

(a) 銷售貨品

附屬公司非控股股東	Non-controlling shareholder of a subsidiary
– Umbro International Limited	– Umbro International Limited

貨品按雙方協定的價格出售。

36 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

The Group is controlled by Quinta Asia Limited (the immediate holding company), a company incorporated in the British Virgins Islands, which owns approximately 58.64% of the Company's shares as at 31 December 2010. The Company's directors regard Quinta Asia Limited as being the ultimate holding company.

Apart from those disclosed elsewhere in these consolidated financial statements, the following significant transactions were carried out with related parties:

(a) Sales of goods

二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
98,831	60,337

Goods are sold at prices mutually agreed by both parties.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

36 關連方交易 (續)

36 Related party transactions (Continued)

(b) 購買貨品

(b) Purchases of goods

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
附屬公司非控股股東	Non-controlling shareholders of subsidiaries		
– Umbro International Limited	– Umbro International Limited	9,139	2,349
– Diadora S.p.A	– Diadora S.p.A	—	34
本集團的聯營公司	Associate of the Group		
– Fu Jin Bowker Company Limited	– Fu Jin Bowker Company Limited	161,125	161,901
		170,264	164,284

貨品按雙方協定的價格購買。

Goods are purchased at prices mutually agreed by both parties.

(c) 購買服務及專營權

(c) Purchases of services and royalty

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
已付／應付專營費	Royalties paid/payable		
附屬公司非控股股東	Non-controlling shareholder of a subsidiary		
– Umbro International Limited	– Umbro International Limited	25,319	36,898

專營費按雙方協定的基礎支付。

Royalties are paid on the basis mutually agreed by both parties.

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

36 關連方交易 (續)

36 Related party transactions (Continued)

(d) 銷售／購買貨品及服務所產生之年終結餘

(d) Year-end balances arising from sales/purchases of goods and services

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
應收關連方款項(包括於應收貿易帳款內):	Receivable from a related party (included in trade receivable):		
附屬公司非控股股東	Non-controlling shareholder of a subsidiary		
– Umbro International Limited	– Umbro International Limited	4,406	12,745
應收關連方款項(包括於按金、預付款項及其他應收帳款內):	Receivable from a related party (included in deposits, prepayments and other receivables):		
附屬公司非控股股東	Non-controlling shareholder of a subsidiary		
– Umbro International Limited	– Umbro International Limited	5,087	5,726
應付關連方款項(包括於應付貿易帳款內):	Payables to related parties (included in trade payable):		
附屬公司非控股股東	Non-controlling shareholder of a subsidiary		
– Umbro International Limited	– Umbro International Limited	936	1,590
本集團聯營公司	Associate of the Group		
– Fu Jin Bowker Company Limited	– Fu Jin Bowker Company Limited	23,324	31,557
		24,260	33,147
應付關連方款項(包括於應計帳款及其他應付帳款內):	Payable to related parties (included in accruals and other payables):		
附屬公司非控股股東	Non-controlling shareholders of subsidiaries		
– Umbro International Limited	– Umbro International Limited	6,258	7,421
袁志良先生	Yuen Chi Leung		
– 收購前應付股息	– Pre-acquisition dividend payable	2,764	—
– 就收購昌迪集團應付代價(附註35)	– Consideration payable for acquisition of Charmtech Group (Note 35)	30,750	—
		33,514	—
		39,772	7,421

合併財務報表附註 Notes to the Consolidated Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31 December 2010

36 關連方交易 (續)

(d) 銷售／購買貨品及服務所產生之年終結餘 (續)

所有款項(應付袁志良先生款項除外)為無抵押及須於一般貿易信貸期內支付。

應付袁志良先生的結餘為無抵押、免息及須於二零一一年十二月三十一日或之前償還。

(e) 來自關連方的貸款

附屬公司非控股股東
– 袁志良

貸款為無抵押、免息及僅按袁志良與本集團一致要求時償還，於償還時按兩名股東各自佔未清償股東貸款的比例予以償還。

(f) 應付附屬公司款項

應付附屬公司款項均為無抵押、免息及須於催繳時償還。

(g) 主要管理人員酬金

薪金、花紅及津貼
退休福利
– 界定供款計劃
股份報酬開支
– 授出購股權

36 Related party transactions (Continued)

(d) Year-end balances arising from sales/purchases of goods and services (Continued)

All amounts except for amounts payable to Yuen Chi Leung are unsecured and payable within normal trade credit terms.

The balances due to Yuen Chi Leung are unsecured, interest-free and payable on or before 31 December 2011.

(e) Loan from a related party

Non-controlling shareholder of subsidiaries
– Yuen Chi Leung

The loan is unsecured, interest free and only repayable on the unanimous demand of Yuen Chi Leung and the Group, which is to be repaid to both shareholders in their respective proportions of outstanding shareholders' loans at the time of repayment.

(f) Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

(g) Key management compensation

Salaries, bonus and allowances
Retirement benefits
– defined contribution schemes
Share-based compensation expense
– share options granted

二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
----------------------------------	----------------------------------

7,500

—

二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
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18,098

18,352

84

98

—

322

18,182

18,772

詞彙 Glossary

在本年報中，除文義另有所指外，以下詞語具有以下涵義：

In this annual report, unless the context states otherwise, the following expression have the following meanings:

「董事會」	本公司董事會	“Board”	the board of Directors of the Company
「昌迪」	昌迪實業有限公司，本公司持有75%股權的附屬公司	“Charmtech”	Charmtech Industrial Limited, a 75%-owned subsidiary of the Company
「昌迪集團」	昌迪及其附屬公司	“Charmtech Group”	Charmtech and its subsidiaries
「董事會」	本公司董事會		
「本公司」	永嘉集團控股有限公司，於二零零五年十二月十三日在開曼群島註冊成立的受豁免有限公司	“Company”	Win Hanverky Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 13 December 2005
「關連人士」	上市規則所定義者	“Connected Person”	has the meaning ascribed to it under the Listing Rule
「Diadora集團」	Diadora S.p.A.及其附屬公司	“Diadora Group”	Diadora S.p.A. and its subsidiaries
「Diadora HK」	Diadora Hong Kong Limited，為Diadora S.p.A.的全資附屬公司	“Diadora HK”	Diadora Hong Kong Limited, a wholly owned subsidiary of Diadora S.p.A.
「Diadora產品」	印有Diadora商標的產品，並於香港、中國大陸及澳門分銷	“Diadora Products”	products bearing the Diadora trademark and distributed in Hong Kong, Mainland China and Macau
「Diadora S.p.A.」	Diadora S.p.A.，於意大利註冊成立之公司，永歷之主要股東（現正清盤）	“Diadora S.p.A.”	Diadora S.p.A. (under liquidation), a company incorporated in Italy, a substantial shareholder of Winor
「董事」	本公司董事	“Director(s)”	the director(s) of the Company
「歐盟」	歐洲聯盟	“EU”	the European Union
「大中華」	中國大陸、澳門、香港及台灣地區	“Greater China”	Mainland China, Macau, Hong Kong and Taiwan region
「本集團」	本公司及其附屬公司	“Group” or “we” or “our” or “us”	the Company and its subsidiaries
「港元」	香港法定貨幣港元	“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
「香港」	中國香港特別行政區	“Hong Kong”	the Hong Kong Special Administrative Region in the PRC

「上市日期」	本公司股份開始在主板買賣的日期，即二零零六年九月六日(星期三)	“Listing Date”	the date of commencement of dealings in our Shares on the Main Board, which is on Wednesday, 6 September 2006
「上市規則」	香港聯合交易所有限公司證券上市規則	“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
「主板」	成立聯交所創業板前由聯交所經營的股票市場(不包括期權市場)，現時與聯交所創業板同時由聯交所經營(為免生疑，主板不包括聯交所創業板)	“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of the Growth Enterprise Market of the Stock Exchange (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with the Growth Enterprise Market of the Stock Exchange (for avoidance of doubt, the Main Board excludes the Growth Enterprise Market of the Stock Exchange)
「原設備生產商」	原設備生產商的簡稱，自行生產或向其他生產商採購可能須改良的貨品或設備，加上品牌再由第三方轉售	“OEM”	acronym for original equipment manufacturer, a business that manufactures or purchases from other manufacturers and possibly modifies goods or equipment for branding and resale by others
「發售價」	每股份2.28港元的發售價	“Offer Price”	the offer price of HK\$2.28 per share
「首次公開售股前購股權」	於本公司上市前向(其中包括)若干僱員授出的購股權	“Pre-IPO Share Option(s)”	the options granted by the Company to certain employees, among others, prior to the listing of the Company
「中國」或「中國大陸」	中華人民共和國，不包括香港、澳門及台灣	“PRC” or “Mainland China”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan
「人民幣」	中國法定貨幣人民幣	“RMB”	Renminbi, the lawful currency of the PRC
「股份」	本公司股本中每股面值0.10港元的股份	“Share(s)”	the share(s) of HK\$0.10 each in the share capital of the Company
「股東」	本公司股東	“Shareholders”	shareholders of the Company
「聯交所」	香港聯合交易所有限公司，為香港交易及結算所有限公司的全資附屬公司	“Stock Exchange”	the Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
「天運洋行集團」	天運洋行及其附屬公司	“T&S Group”	T&S HK and its subsidiaries
「天運洋行」	天運洋行有限公司，本公司擁有60%權益的附屬公司	“T&S HK”	Team & Sports Limited, a 60%-owned subsidiary of the Company

詞彙 Glossary

「TSG BVI」	TSG (BVI) Limited，於英屬處女群島註冊成立的公司，嘉運之主要股東	“TSG BVI”	TSG (BVI) Limited, a company incorporated in the BVI, a substantial shareholder of Win Sports
「天生集團」	TSG BVI及其附屬公司	“TSG Group”	TSG BVI and its subsidiaries
「天生國際」	天生製衣(國際)有限公司，於香港註冊成立之公司，為TSG BVI之全資附屬公司	“TSG International”	TSG International Limited, a company incorporated in Hong Kong, being a wholly owned subsidiary of TSG BVI
「Umbro集團」	Umbro International及其附屬公司	“Umbro Group”	Umbro International and its subsidiaries
「Umbro分銷協議」	Umbro International Limited (Umbro集團的其中一家成員公司)與天運洋行所訂立日期為二零零七年二月八日的分銷協議，以在大中華銷售及分銷Umbro產品及從Umbro集團購入Umbro產品，並取代Umbro專營權協議	“Umbro Distributor Agreement”	the distributor agreement dated 8 February 2007 and entered between Umbro International Limited, one of the members of the Umbro Group, and T&S HK in respect of the sale and distribution of Umbro Products in the Greater China and purchases of Umbro Products from the Umbro Group, superseding the Umbro Licence Agreement
「Umbro International」	Umbro International Limited，於英國註冊成立之公司，天運洋行之主要股東	“Umbro International”	Umbro International Limited, a company incorporated in the United Kingdom, a substantial shareholder of T&S HK
「Umbro專營權協議」	天運洋行與Umbro集團成員 Umbro Licensing Limited於二零零一年五月二十四日訂立的專營權協議，以在中國及香港銷售及分銷Umbro產品	“Umbro Licence Agreement”	the licence agreement entered into between T&S HK and Umbro Licensing Limited, a member of the Umbro Group, on 24 May 2001 in respect of the sale and distribution of Umbro Products in the PRC and Hong Kong
「Umbro產品」	印有Umbro品牌，並由本集團根據Umbro分銷協議分銷的指定運動服及其他產品	“Umbro Products”	a selected range of sportswear and other products bearing the Umbro brand and distributed by the Group pursuant to the Umbro Distributor Agreement
「美國」	美利堅合眾國	“US”	the United States of America
「嘉運」	嘉運體育用品有限公司，本公司持有75%股權的附屬公司	“Win Sports”	Win Sports Limited, a 75%-owned subsidiary of the Company
「嘉運集團」	嘉運及其附屬公司	“Win Sports Group”	Win Sports and its subsidiaries
「永歷」	永歷國際有限公司，為本公司間接擁有100%權益的附屬公司	“Winor”	Winor International Company Limited, being an indirect 100%-owned subsidiary of our Company
「永歷集團」	永歷及其附屬公司	“Winor Group”	Winor and its subsidiaries



Win Hanverky Holdings Limited
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