



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)

Interim Report 2008 中期報告

WINNING WAYS IN SPORTSWEAR

企業簡介 Corporate Profile

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，即運動服生產業務與運動服分銷及零售業務，市場遍佈歐洲、北美、中國大陸及香港。本集團與adidas集團交易超過20年，為該集團全球最大體育用品供應商之一。本集團亦是Umbro產品在大中華地區的獨家特許分銷商及於中國大陸、香港及澳門擁有「Diadora」的商標權。本集團相信基於在運動服裝行業所掌握的專長及知識、穩固的客戶網絡，加上全面、優質和大規模的生產能力，將足以把握接下來二零一零年的世界杯所促使全球運動服及相關服裝市場的商機。

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 Sportswear Manufacturing Business and Sportswear Distribution and Retail Business, with geographical markets spanning over Europe, North America, Mainland China and Hong Kong. With over 20 years of business relationship, we are one of the largest apparel sportswear suppliers of the adidas group on a global basis. We are also 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. We believe that our expertise and knowledge in the sportswear industry, our established customer network and our integrated, quality and large-scaled production capability will enable us to capture the anticipated growth in the global sportswear and related apparel markets ahead of the 2010 World Cup.

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

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公司資料 Corporate Information

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
周志偉先生

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

公司秘書及合資格會計師

張智先生

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

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
Mr. CHOW Chi Wai

Independent Non-Executive Directors

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

Company Secretary and Qualified Accountant

Mr. CHEUNG Chi

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

公司資料 Corporate Information

註冊辦事處

Codan Trust Company (Cayman) Limited
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 Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東28號
金鐘滙中心26樓

Registered Office

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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 Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

Hong Kong Branch Share Registrar and Transfer Office

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

公司資料 Corporate Information

主要往來銀行

香港上海滙豐銀行有限公司
花旗集團

投資者查詢

縱橫財經公關顧問有限公司

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

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Citigroup, N.A.

Investor Relations Contact

Strategic Financial Relations Limited

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

二零零八年中期業績財務摘要 Financial Highlights of 2008 Interim Results

永嘉集團控股有限公司董事會欣然呈列本公司及其附屬公司截至二零零八年六月三十日止六個月的未經審核中期業績，連同二零零七年同期的比較數字。中期業績及簡明中期財務資料未經審核，惟已經本公司審核委員會（「審核委員會」）審閱。

The Board of Directors of Win Hanverky Holdings Limited is pleased to present the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2008, together with the comparative amounts for the corresponding period of 2007. The interim results and condensed interim financial information have not been audited but have been reviewed by the Company's audit committee ("Audit Committee").

主要財務資料及比率（未經審核）

Key Financial Information and Ratios (Unaudited)

| | | 截至六月三十日止六個月 Six months ended 30 June | | |
|------------------|---|---|---------------|-----------|
| | | 二零零八年 2008 | 二零零七年 2007 | |
| 收益 | Revenue | 千港元 HK\$'000 | 1,712,822 | 1,391,482 |
| 經營溢利 | Operating profit | 千港元 HK\$'000 | 131,089 | 198,066 |
| 本公司股權持有人 應佔溢利 | Profit attributable to equity holders of the Company | 千港元 HK\$'000 | 102,728 | 140,405 |
| 毛利率 | Gross profit margin | % | 31.8 | 34.3 |
| 淨利潤率 | Net profit margin | % | 6.0 | 11.3 |
| 每股盈利 | Earnings per Share | | | |
| – 基本 | – Basic | 港仙 HK cents | 8.1 | 11.3 |
| – 攤薄 | – Diluted | 港仙 HK cents | 8.1 | 11.0 |
| 每股中期股息 | Interim dividend per Share | 港仙 HK cents | 2.5 | 3.3 |

二零零八年中期業績財務摘要 Financial Highlights of 2008 Interim Results

| | | | 於二零零八年 六月三十日 As at 30 June 2008 | 於二零零七年 十二月三十一日 As at 31 December 2007 |
|---------------------|------------------------------|-------|--|--|
| 負債資產比率 ¹ | Gearing ratio ¹ | % | 3.3 | 4.2 |
| 流動比率 | Current ratio | 倍 | | |
| | | times | 2.5 | 2.7 |
| 應收帳款之 週轉期 | Trade receivable turnover | 日 | | |
| | | days | 74 | 66 |
| 應付帳款之 週轉期 | Trade payable turnover | 日 | | |
| | | days | 56 | 49 |
| 存貨之 週轉期 | Inventory turnover | 日 | | |
| | | days | 82 | 63 |

附註：

1. 負債資產比率即借貸總額除以總權益。
2. 各比率之計算公式與截至二零零七年十二月三十一日止年度之年報中所採用者相同。

Notes:

1. Gearing ratio represents the ratio between total borrowings and total equity.
2. The formula used for the calculation of ratios is consistent with that applied in the annual report for the year ended 31 December 2007.

管理層討論及分析 Management Discussion and Analysis

截至二零零八年六月三十日止六個月，本集團收益錄得令人滿意的增長，較二零零七年同期的1,391,500,000港元上升23.1%至1,712,800,000港元。

本集團的毛利達到543,900,000港元，增幅為14.0%，而毛利率由二零零七年同期的34.3%減至31.8%。經營溢利亦由198,100,000港元減至131,100,000港元。二零零七年同期的經營溢利包括取消確認專營權所得的非經常性收益（「非經常性收益」）33,500,000港元（其他詳情載於簡明綜合中期財務資料附註5(b)及11）。扣除非經常性收益後，截至二零零八年六月三十日止六個月的經營溢利下降20.3%，主要是由於二零零八年上半年美國經濟衰退導致活動及戶外服裝產品的生產及銷售表現不甚理想。

融資收入淨額由10,700,000港元減至4,700,000港元，主要是由於二零零八年上半年利率連番下降與現金及現金等價物減少，使本集團所賺取的銀行存款利息收入減少所致。

實際所得稅稅率由二零零七年同期的20.9%增至23.6%（扣除非經常性收益後二零零七年的實際所得稅稅率則為25.1%）。本公司股本擁有人應佔溢利為102,700,000港元，而每股基本盈利為8.1港仙。

董事會宣派截至二零零八年六月三十日止六個月中期股息每股2.5港仙。

For the six months ended 30 June 2008, the Group has achieved a satisfactory growth in revenue, up by 23.1% to HK\$1,712.8 million from HK\$1,391.5 million for the corresponding period in 2007.

Gross profit of the Group amounted to HK\$543.9 million, representing an increase of 14.0%; while its gross profit margin decreased to 31.8% against 34.3% for the corresponding period in 2007. Operating profit also decreased from HK\$198.1 million to HK\$131.1 million. Operating profit for the corresponding period in 2007 included a non-recurring gain on derecognition of licence rights of HK\$33.5 million (as further detailed in notes 5(b) and 11 to the condensed consolidated interim financial information) (the "Non-recurring Gain"). Excluding the Non-recurring Gain, the operating profit for the six months ended 30 June 2008 decreased by 20.3% primarily reflecting the unsatisfactory performance in the manufacturing and sales of active and outer wear products affected by the US economic downturn during the first half of 2008.

Net finance income decreased from HK\$10.7 million to HK\$4.7 million mainly because of the continuous reduction of interest rate and decrease in cash and cash equivalents during the first half of 2008, resulting in less interest income earned by the Group from its bank deposits.

The effective income tax rate increased to 23.6% as compared to the corresponding period of 20.9% in 2007 (25.1% for 2007 as if excluding Non-recurring Gain). The profit attributable to the equity holders of the Company was HK\$102.7 million and the basic earnings per Share was HK8.1 cents.

The Board declared the payment of an interim dividend of HK2.5 cents per Share for the six months ended 30 June 2008.

管理層討論及分析 Management Discussion and Analysis

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。回顧期內，為順應迅速轉變的經營及業務環境，本集團將原先的「運動服生產」、「運動服分銷及零售」及「活動及戶外服裝」三類業務整合為「運動服生產」及「運動服分銷及零售」兩類新業務，此改變基於「活動及戶外服裝」與「運動服生產」兩個前分部涉及同類風險及回報，加上新呈報方式符合本集團的內部管理財務報告。有關該兩類業務的分部資料詳情載於簡明綜合中期財務資料附註4。該兩類業務的財務表現概述於下文，且為符合本期的呈列方式，若干比較數額已經重列。

運動服生產業務

本集團運動服生產業務主要以OEM方式為國際運動品牌生產運動服產品，品牌包括但不限於adidas、Reebok、Umbro、Diadora及Jako。本集團大部分貨品出口及銷售至歐洲及北美。回顧期內，運動服生產業務有相當增長，銷售收益增長22.5%至1,391,400,000港元，佔本集團總銷售收益80.9%，而二零零七年同期則為81.6%（已重列）。儘管美國經濟衰退對活動及戶外服裝產品的生產及銷售市場形成壓力，但本集團仍擴充了產能及優質產品組合，成功爭取主要運動品牌客戶的訂單。該等客戶將本集團列為基本供應商，故該業務分部的銷售收益有相當增長。

BUSINESS REVIEW

The Group is an integrated manufacturer, distributor and retailer for renowned international sports brands. In response to the rapid changes of the operating and business environment, the Group changed its previously three business lines, namely “Sportswear Manufacturing”, “Sportswear Distribution and Retail” and “Active and Outer Wear” into two new business lines, namely “Sportswear Manufacturing” and “Sportswear Distribution and Retail” during the period under review as the two former business segments are subject to similar risks and returns and the new segmental presentation is consistent with the Group’s internal management financial reporting. Further segment information regarding these two lines of business is set out in note 4 to the condensed consolidated interim financial information. The financial performances of these two new business lines are summarised as below, and certain comparative amounts have also been restated to conform with the current period’s presentation.

Sportswear Manufacturing Business

The Group’s Sportswear Manufacturing Business mainly manufactures sportswear products on OEM basis for international sports brands, including but not limited to adidas, Reebok, Umbro, Diadora and Jako. Most of the Group’s products are exported and sold to Europe and North America. During the period under review, Sportswear Manufacturing Business achieved satisfactory growth, with the sales revenue increased by 22.5% to HK\$1,391.4 million, accounting for 80.9% of the Group’s total sales revenue as compared to 81.6% (as restated) for the corresponding period in 2007. Although the US economic downturn has created pressure on the manufacture and sales of active and outer wear products to the market, the Group has expanded its production capacity and its top quality product portfolio, which stimulated orders from key sports brand customers. These customers have kept the Group on their consolidated supplier bases and that explained the satisfactory growth in sales revenue in this business segment.

管理層討論及分析 Management Discussion and Analysis

基於生產設施的使用率接近飽和，加上為滿足運動品牌客戶的高需求，本集團已投放更多資源擴充產能。回顧期內，本集團已於中國大陸建立新廠並提高現有廠房的產能。該等措施促進本集團該業務分部於回顧期內的銷售收益。客戶的一貫信任和支持，加上管理團隊實力有所提升亦是該分部銷售收益大幅提高的原因。

二零零八年上半年本集團仍面對營商環境的挑戰。由於通脹及人民幣升值，本集團須應對生產成本持續增加。此外，整體經濟前景不明朗，加上美國經濟衰退，致使客戶要求本集團加大銷售折扣。然而，由於本集團致力提高生產力及經營管理效率，故能夠維持合理毛利率。故此，分部毛利增至404,100,000港元，整體毛利率處於29.0%的合理水平（二零零七年同期（已重列）：359,100,000港元，毛利率31.6%）。此外，如上文所述，於回顧期內本集團建立新廠房並已投產，錄得籌辦開支、額外行政僱員成本及折舊。回顧期內的經營溢利仍保持125,300,000港元，毛利率為9.0%（二零零七年同期（已重列）：128,800,000港元，毛利率11.3%）。

運動服分銷及零售業務

該分部包括透過天運洋行分銷Umbro產品的業務，透過嘉運零售多品牌產品及分銷產品業務，亦透過永歷生產及銷售Diadora產品。天運洋行及嘉運各自於二零零七年三月成為本公司分別持有60%及75%權益的間接附屬公司。永歷自二零零八年四月起為本公司持有60%權益的間接附屬公司（詳述於下文）。

With its production facilities close to full utilisation and to meet the high demand from our sports brand customers, the Group has invested more resources into expanding production capacity. During the period under review, the Group has established new factories and enhanced the capacities for existing factories in Mainland China. These measures helped the Group increase the sales revenue from this business segment during the period under review. Continuous trust and support from customers and a strengthened management team were both reasons for the boosted sales revenue of this segment.

The Group faced challenging operating environment in the first half of 2008. The Group had to cope with rising production costs resulting from inflation and the appreciation of the RMB. Furthermore, uncertainty about the general economic prospect and the downturn of the US economy stimulated customers to request significant sales discounts from the Group. However, at its efforts to improve production, and operational and management efficiency, the Group was able to maintain reasonable margins. As a result, segmental gross profit increased to HK\$404.1 million with overall margin at a reasonable 29.0% (corresponding period in 2007 (as restated): HK\$359.1 million with its margin 31.6%). In addition, as aforementioned, the Group has established and commenced productions for its new factories which incurred preliminary expenses, additional administrative staff costs and depreciation during the period under review. The operating profit for the period under review was therefore maintained at HK\$125.3 million with its margin at 9.0% (corresponding period in 2007 (as restated): HK\$128.8 million at 11.3%).

Sportswear Distribution and Retail Business

This segment includes the businesses of distribution of Umbro Products through T&S HK, retail of multi-brand products and distribution of merchandise through Win Sports, and manufacturing and sales of Diadora products through Winor. T&S HK and Win Sports are indirect 60%- and 75%-owned subsidiaries of the Company respectively starting from March 2007, and Winor is an indirect 60%-owned subsidiary of the Company starting from April 2008 (as discussed below).

管理層討論及分析 Management Discussion and Analysis

運動服分銷及零售業務的整體銷售收益增長28.2%至327,500,000港元，佔本集團總銷售收益19.1%，而二零零七年同期則為18.4%。分部毛利增至139,900,000港元，毛利率為42.7%（二零零七年同期：118,100,000港元，毛利率46.2%）。期內，市場一般對運動服產品在二零零八年北京奧運會的需求過份樂觀。為了應付存貨過剩情況，本集團提供更高的銷售折扣以加速清理存貨及以維持合理銷量及銷售額，影響銷售表現及業務毛利率，實屬無可避免。

分部經營溢利為7,800,000港元，毛利率為2.4%（二零零七年同期：75,000,000港元，毛利率29.4%）。扣除非經常性收益，本期的分部經營溢利由41,500,000港元（經調整）減至7,800,000港元。經營溢利下降是由於斥資促銷及宣傳以提升消費者認知度及本集團品牌形象，而預期該等開支將於未來數年有效提升各個品牌的價值及銷售收益。

天運洋行在大中華地區擁有獨家分銷Umbro產品的權利。該業務的銷售收益於回顧期內增加14.0%至257,200,000港元。分部業績穩步上升主要是由於中國大陸市場對Umbro產品的需求上升，以及於回顧期內增加該品牌的銷售點。於二零零八年六月三十日，天運洋行已於大中華地區設立包括約1,400個銷售點的網絡（其中約1,200個銷售點在中國大陸），由超過110名Umbro產品分銷商經營。

Overall sales revenue of Sportswear Distribution and Retail Business increased by 28.2% to HK\$327.5 million, representing 19.1% of the Group's total sales revenue as compared to 18.4% for the corresponding period in 2007. The segmental gross profit increased to HK\$139.9 million with its margin at 42.7% (corresponding period in 2007: HK\$118.1 million with its margin at 46.2%). During the period, the market was generally over-estimated on the demand of sportswear products for 2008 Beijing Olympic. To cope with this over stock situation, the Group had to offer greater sales discounts to accelerate the stock clearance and to maintain reasonable sales volume and amounts and inevitably the sales performance and margin of the business were affected.

Segmental operating profit was HK\$7.8 million with its margin at 2.4% (corresponding period in 2007: HK\$75.0 million at 29.4%). After excluding the Non-recurring Gain, segmental operating profit for the current period decreased from HK\$41.5 million (as adjusted) to HK\$7.8 million. The decrease in operating profit was attributable to the investments in promotion and advertising to enhance consumer awareness and the image of the brands and of the Group. These expenses are expected to prove their worth and boost sales revenue from different brands in the coming years.

T&S HK has the exclusive rights to distribute Umbro Products in the Greater China region. Sales revenue from this business increased by 14.0% to HK\$257.2 million for the period under review. The steady segmental growth was mainly the result of increased demand for Umbro Products in Mainland China and the additions of points-of-sale of the brand during the period under review. As at 30 June 2008, T&S HK had a network comprising over 110 Umbro product distributors operating approximately 1,400 points-of-sale in the Greater China region (of which approximately 1,200 points-of-sale were in Mainland China).

管理層討論及分析 Management Discussion and Analysis

嘉運在大中華地區經營運動服零售業務，銷售多個運動品牌的產品。本集團收購了嘉運額外25%權益，故自二零零七年三月起嘉運成為由本公司擁有75%權益的間接附屬公司。為方便比較，假設自二零零七年一月一日起嘉運的銷售收益及經營業績已於本集團綜合入帳，則回顧期內該業務的銷售收益應當增加15.1%至103,200,000港元，而經營虧損則由20,400,000港元減至15,200,000港元。

本集團現時在大中華地區擁有龐大的分銷網絡。於二零零八年六月三十日，除了在大中華地區的Umbro產品分銷網絡約1,300間零售店（其中約100間零售店由嘉運的分銷商管理）外，本集團亦管理中國大陸及香港約120間零售店及專櫃。該等零售店包括獨家銷售Umbro產品的專門店，以及銷售Umbro產品及其他品牌產品的體育用品專賣店及專櫃。

回顧期內，本集團與Diadora成立合營企業繼續擴充零售業務，詳情載於下文「財務回顧」中的「所持重大投資、重大收購及出售附屬公司與聯營公司」分節中。

Win Sports is engaging in the sportswear retail business selling products of various sportswear brands in the Greater China region. The Group acquired an additional 25% stake in Win Sports and it became an indirect 75%-owned subsidiary of the Group starting from March 2007. For comparison, had the sales revenue and the operating results of Win Sports been consolidated into the Group starting from 1 January 2007, sales revenue from this business would have increased by 15.1% to HK\$103.2 million and the operating loss would have reduced from HK\$20.4 million to HK\$15.2 million for the period under review.

The Group now has an extensive distribution network in the Greater China region. As at 30 June 2008, apart from the Umbro product distributor network with approximately 1,300 retail outlets in the Greater China region (of which approximately 100 retail outlets are from distributors of Win Sports), the Group also managed approximately 120 retail outlets and concessionary counters in Mainland China and Hong Kong. These retail outlets include stand-alone stores selling exclusively Umbro Products, and sports specialty stores and concessionary counters selling Umbro Products and products of other brands.

During the period under review, the Group continued to expand its retail business by forming a joint venture with Diadora, details of which are included in the sub-section headed “Significant Investment Held, Material Acquisitions and Disposal of Subsidiaries and Associated Companies” of the section headed “Financial Review” below.

管理層討論及分析 Management Discussion and Analysis

財務回顧

流動資金及財務資源

本集團一般以內部產生之現金流量及銀行融資作為業務之營運資金。回顧期內，本集團財務狀況維持穩健。於二零零八年六月三十日，本集團的現金及現金等價物為415,700,000港元（二零零七年十二月三十一日：580,300,000港元），減幅主要是由於物業、機器及設備產生資本開支以及收購Diadora商標（詳情載於下文「所持重大投資、重大收購及出售附屬公司與聯營公司」分節）所致。

於二零零八年六月三十日，本集團有銀行借貸71,400,000港元（二零零七年十二月三十一日：79,800,000港元）。所有借貸均按浮動利率支付利息，而大部份以人民幣結算。本集團並無訂立任何利率掉期對沖相關利率風險。於二零零八年六月三十日，本集團的負債資產比率（銀行借貸總額除以總權益）為3.3%（二零零七年十二月三十一日：4.2%）。

資本架構

於二零零八年六月三十日，本公司已發行股本總額為126,800,000港元（二零零七年十二月三十一日：126,800,000港元），分為1,268,400,000股（二零零七年十二月三十一日：1,268,400,000股）每股面值0.1港元的普通股。回顧期內並無更改資本架構。

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cashflow and bank facilities. The financial position of the Group remained sound and healthy during the period under review. As at 30 June 2008, the Group had cash and cash equivalents amounting to HK\$415.7 million (31 December 2007: HK\$580.3 million). The decrease was mainly due to the capital expenditure incurred for the items of property, plant and equipment and acquisition of Diadora Trademarks, as further described under the sub-section headed "Significant Investment Held, Material Acquisitions and Disposal of Subsidiaries and Associated Companies" below.

As at 30 June 2008, the Group had bank borrowings amounting to HK\$71.4 million (31 December 2007: HK\$79.8 million). All the borrowings were subject to interest payable at floating rates and the majority of them were denominated in RMB. The Group did not enter into any interest rate swap to hedge against risks associated with interest rates. The gearing ratio, being total bank borrowings divided by total equity, as at 30 June 2008 was 3.3% (31 December 2007: 4.2%).

Capital Structure

As at 30 June 2008, the total issued share capital of the Company was HK\$126.8 million (31 December 2007: HK\$126.8 million), comprising 1,268.4 million (31 December 2007: 1,268.4 million) ordinary shares of HK\$0.1 each. There was no change of capital structure during the period under review.

管理層討論及分析 Management Discussion and Analysis

所持重大投資、重大收購及出售附屬公司與聯營公司

二零零八年四月七日，本公司全資附屬公司永迪與Diadora訂立協議（「協議」）成立一間合營企業以於中國大陸、香港及澳門生產、銷售及分銷Diadora產品。

根據協議（其中包括）永迪同意以代價約234,000,000港元認購永歷股份，因此持有永歷經擴大已發行股本的60%。另一方面，Diadora同意認購永歷股份（相當於永歷經擴大已發行股本的40%）（「代價股份」），而認購完成後，Diadora將訂立轉讓契據（「契據」），據此Diadora同意向永歷（或其附屬公司）轉讓Diadora商標，永歷則同意支付8,000,000美元（約等於62,400,000港元）、發行及配發代價股份以及訂立資產購買協議（「購買協議」），（其中包括）繁盛國際有限公司及第一得勝控股有限公司（與其他賣方合稱「資產賣方」）以代價約人民幣6,900,000元（約等於7,900,000港元）購買若干存貨及帳目債項。根據協議、契據及購買協議向Diadora及資產賣方支付的代價分別由各訂約方公平協商釐定。

Significant Investment Held, Material Acquisitions and Disposal of Subsidiaries and Associated Companies

On 7 April 2008, Windia, a wholly-owned subsidiary of the Company, and Diadora have entered into an agreement to form a joint venture (the "Agreement") for the manufacture, sales and distribution of products bearing Diadora Trademarks in Mainland China, Hong Kong and Macau.

Pursuant to the Agreement, among other things, Windia has agreed to subscribe for shares in Winor, to hold 60% of the enlarged issued share capital of Winor, for a consideration of approximately HK\$234.0 million. On the other hand, Diadora has agreed to subscribe for shares in Winor (representing 40% of the enlarged issued share capital of Winor) (the "Consideration Shares"), and on completion, Diadora shall enter into a deed of assignment (the "Deed"), pursuant to which Diadora agreed to assign to Winor (or its subsidiary) the Diadora Trademarks in consideration of Winor agreeing to pay the sum of US\$8.0 million (equivalent to approximately HK\$62.4 million), issuing and allotting the Consideration Shares, and entering into the asset purchase agreement (the "Purchase Agreement") with, among others, Fan Shing International Limited and Takson Holdings Limited, collectively with other vendors are referred to as the "Asset Vendors", to purchase certain stock-in-trade and book debts at a consideration of approximately RMB6.9 million (equivalent to approximately HK\$7.9 million). The considerations to Diadora and the Asset Vendors under the Agreement, the Deed and Purchase Agreement, respectively were determined after arm's length negotiation between the parties.

管理層討論及分析 Management Discussion and Analysis

於二零零八年六月三十日，本集團根據協議所載條款及條件向永歷出資約78,000,000港元，而永歷根據契據所載條款合共支付8,000,000美元（約等於62,400,000港元）並向Diadora發行代價股份。其餘約156,000,000港元對永歷的注資，會在永歷董事會要求時支付，惟無論如何不遲於二零零九年十二月三十一日支付。

上述交易屬於上市規則所指的本公司須予披露交易，詳情載於本公司於二零零八年四月二十八日向股東發出的通函及簡明綜合中期財務資料附註5(a)。

協議完成後，Diadora及其聯繫人將成為本公司的關連人士。因此，於協議完成後，Diadora及其聯繫人與本集團進行的任何交易屬於上市規則所指的本公司關連交易。向Diadora銷售屬於上市規則第14A章所界定的持續關連交易，可獲豁免獨立股東批准的規定。截至二零一零年十二月三十一日止三個年度各年，向Diadora及其聯繫人的相關銷售建議年度總值上限分別為10,000,000港元、11,500,000港元及13,200,000港元。詳情載於本公司於二零零八年四月二十八日向股東發出的通函。

除上文所披露者外，回顧期內並無其他重大所持投資、重大收購及出售附屬公司與聯營公司。

As at 30 June 2008, the Group has contributed approximately HK\$78.0 million to Winor in accordance with the terms and conditions as set out under the Agreement, and Winor has paid the sum of US\$8.0 million (equivalent to approximately HK\$62.4 million) and issued Consideration Shares to Diadora for the Diadora Trademarks in accordance with the terms set out under the Deed. The remaining balance of capital contribution to Winor of approximately HK\$156.0 million will be paid on demand by the board of directors of Winor but in any event no later than 31 December 2009.

The above transactions constituted a discloseable transaction of the Company under the Listing Rules, further details of which were set out in a circular to shareholders of the Company dated 28 April 2008 and in note 5(a) to the condensed consolidated interim financial information.

Upon completion of the Agreement, Diadora, together with its associates, will become connected persons of the Company. Accordingly, any transaction between Diadora and its associates with the Group will constitute connected transactions of the Company under the Listing Rules after the completion of the Agreement. The sales to Diadora constituted continuing connected transactions under Chapter 14A of the Listing Rules and were exempt from the independent shareholders' approval. The proposed maximum aggregate annual values for the relevant sales to Diadora, together with its associates, for each of the three years ending 31 December 2010 are HK\$10.0 million, HK\$11.5 million and HK\$13.2 million, respectively. Further details of which were set out in a circular to shareholders of the Company dated 28 April 2008.

Save as disclosed above, there was no other significant investment held, material acquisitions and disposal of subsidiaries and associated companies during the period under review.

管理層討論及分析 Management Discussion and Analysis

員工及薪酬政策

於二零零八年六月三十日，本集團擁有約20,000名員工(二零零七年十二月三十一日：約17,000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。其他員工福利包括強積金、保險、醫療津貼及購股權計劃。

本集團資產抵押

於二零零八年六月三十日，本集團並無抵押任何資產作為所獲授銀行融資的擔保。

外幣風險

本集團銷售額及大部分原料採購以美元結算為主，惟若干採購及開支除外，例如員工成本及中國當地原料成本均以其他貨幣(如港元及人民幣)結算。由於董事認為外幣風險並不顯著，因此本集團於回顧期內並無使用任何衍生工具對沖該等風險。

或然負債

於二零零八年六月三十日，本集團並無重大或然負債或重大訴訟或仲裁。

Employee and Remuneration Policies

As at 30 June 2008, the Group had approximately 20,000 employees (31 December 2007: approximately 17,000 employees). The Group remunerates employees based on their performance, working experience and prevailing market conditions. Other employee benefits include mandatory provident fund, insurance, medical coverage and share option schemes.

Charges on the Group's Assets

As at 30 June 2008, the Group did not have any assets which were pledged to secure banking facilities granted to the Group.

Foreign Currency Exposure

The Group's sales and major materials purchase are mostly denominated in US Dollars, while certain purchases or expenses, e.g. staff cost and costs of raw materials sourced in China, are settled in other currencies, such as HK Dollars and RMB. During the period under review, the Group did not use any derivative instruments to hedge against foreign currency exposure as the Directors considered such exposure to be insignificant.

Contingent Liabilities

The Group had no significant contingent liabilities or any litigation or arbitration of material importance as at 30 June 2008.

管理層討論及分析 Management Discussion and Analysis

展望

二零零八年對本集團而言充滿挑戰。生產成本上漲、全球通脹、人民幣升值及美國市場衰退均給本集團帶來壓力。此外，中國大陸運動服零售市場的競爭日益加劇。然而，由於中國經濟持續發展、中國人口可支配收入及消費能力大幅提升且本集團與其運動品牌客戶的長期業務關係良好，故董事相信未來數年本集團將能維持發展勢頭。

運動服生產業務

據上文所述，本集團已成立新廠房並提升中國大陸現有廠房的產能，足以每月生產最多約6,000,000件成衣。董事認為本集團生產設施的產能足以應付未來兩至三年的生產訂單及銷售需求，且本集團將繼續根據銷售需求及本身擴充計劃提高生產設施使用率。

此外，本集團將繼續與擁有國際運動品牌之客戶密切合作並促進其需求，亦將開拓快速發展的中國大陸零售市場，以增加該業務對生產分部的銷售貢獻。以上措施將有助增加生產分部的收入來源。本集團亦會自行生產中國大陸分銷業務的Umbro產品，以確保產品質素及準時付運，從而提高回報及發揮垂直整合經營的效益。

此外，本集團將加強管理以有效控制原材料、人工及運輸成本。通過控制一般及行政開支，本集團的整體溢利率將有所提高。董事期望運動服生產業務能維持穩步增長，在未來數年為本集團創造穩定的現金流。

PROSPECTS

Year 2008 has been a challenging year for the Group. It has brought pressure from increasing cost of productions, global inflation, appreciation of the RMB and a weak US market to the Group. Furthermore, the sportswear retail market in Mainland China has become more and more competitive. However, with the Chinese economy continuing to grow, followed by surge in disposal income and consumption power of the Chinese population, and the Group enjoying long-standing business relationship with its sports brand customers, the Directors believe the Group will be able to sustain growth momentum in coming years.

Sportswear Manufacturing Business

As mentioned above, the Group has established new factories and enhanced capacities of existing factories in Mainland China to support an output of up to approximately 6.0 million pieces of garments per month. The Directors consider that the Group's capacity of its production facilities are sufficient to satisfy the future production orders and sales demands in the coming two to three years and the Group will continue to enhance the utilisation rate of its production facilities heeding sales demands and its own expansion plans.

In addition, the Group will continue to work closely with and grow the demands of its customers owning international sports brands. It will seek to increase the sales contribution from Sportswear Manufacturing Business to the manufacturing segment by exploring the fast growing Mainland China retail market. This move will help to diversify the income source of the manufacturing segment. The Group will also manufacture by itself the products covered by the Umbro Products distribution business in Mainland China to enhance return, as well as assure quality and timely delivery, thus reaping the benefit of vertical integration.

Furthermore, efforts will be made to strengthen the management team for effective cost controls on material, human and transportation. The overall profit margin will be heightened through controlling general and administrative expenses. The Directors expect that its Sportswear Manufacturing Business shall maintain satisfactory growth and provide the Group with stable cash flow in the coming years.

管理層討論及分析 Management Discussion and Analysis

運動服分銷及零售業務

預計於可見未來中國大陸經濟的發展勢頭強勁，且2008北京奧運會後大眾會繼續對運動感與興趣及關注健康。為把握此等強勁趨勢，本集團將：

- (1) 在二零零八年底前將中國大陸的銷售點增加至1,400個；
- (2) 繼續投資廣告、市場推廣及贊助活動，提高品牌的知名度及顧客對特許品牌的忠誠度；
- (3) 與Umbro集團一起投資新產品的設計及開發；
- (4) 增加自行生產的Umbro產品，確保產品質素及符合市場預期；及
- (5) 增加資源及人力以提升銷售及經營效率，並透過嘉運提升多品牌產品銷售的盈利能力。

此外，於回顧期內，本集團亦與Diadora訂立協議，成立合營企業以在中國大陸、香港及澳門生產、銷售及分銷Diadora產品。Diadora乃全球品牌，涉及多種產品並集中生產網球、足球、跑步及騎腳踏車等運動產品，亦為本集團第一個與合營企業夥伴共同擁有的自營品牌。本集團預期於二零零九年第二季度向市場推出Diadora產品的全新系列，並計劃於二零零九年底前開設200家出售Diadora產品的新零售店。董事相信，透過推出由特定客戶支持的自有品牌投放更多資源以及與Diadora合作，本集團將能提升在大中華地區零售及批發市場的戰略地位。

Sportswear Distribution and Retail Business

The Mainland China economy is expected to be buoyant in the foreseeable future and interest in and awareness of sports and fitness are expected to continue after the 2008 Beijing Olympics Games. To capitalise on these trends, the Group will:

- (1) increase points-of-sales in Mainland China to 1,400 by the end of 2008;
- (2) continue to invest into advertising, marketing and sponsorship to enhance customer awareness and loyalty to licensed brands;
- (3) inject resources into new product design and development together with Umbro Group;
- (4) increase self-manufactured Umbro Products to ensure product quality and market expectation; and
- (5) put extra resources and manpower into improving the sales and operational efficiency and enhance profitability of multi-brand products sales through Win Sports.

Further, during the period under review, the Group has also entered into the Agreement with Diadora to form a joint venture for the manufacture, sale and distribution of Diadora products in Mainland China, Hong Kong and Macau. Diadora is a global brand name covering a wide range of products with its production concentrated on sports like tennis, football, running and cycling, and is the Group's first in-house brand jointly owned with a joint venture partner. The Group expects to launch the first new series of Diadora products to the market in the second quarter of 2009 and targets to open 200 new retail outlets selling Diadora products by the end of 2009. The Directors believe that, by launching and investing more resources on its self-owned brand supported by a specific group of customers, and collaborating with Diadora, the Group will be able to enhance its strategic position in the retail and wholesale markets in the Greater China region.

簡明綜合資產負債表 Condensed Consolidated Balance Sheet

於二零零八年六月三十日 As at 30 June 2008

| | | | 未經審核 Unaudited | 經審核 Audited |
|--------------------|--|----|--|--|
| | | | 於二零零八年 六月三十日 As at 30 June 2008 千港元 HK\$'000 | 於二零零七年 十二月三十一日 As at 31 December 2007 千港元 HK\$'000 |
| | 附註 Note | | | |
| 非流動資產 | Non-current assets | | | |
| 物業、機器及設備 | Property, plant and equipment | 5 | 671,543 | 547,028 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | 5 | 53,036 | 53,086 |
| 無形資產 | Intangible assets | 5 | 275,180 | 52,324 |
| 於聯營公司之投資 | Investments in associates | | 24,198 | 25,184 |
| 遞延所得稅資產 | Deferred income tax assets | | 22,564 | 13,717 |
| 可供出售之金融資產 | Available-for-sale financial asset | 6 | 32,370 | — |
| 其他應收帳款 | Other receivables | | 22,815 | 28,599 |
| | | | 1,101,706 | 719,938 |
| 流動資產 | Current assets | | | |
| 存貨 | Inventories | | 556,508 | 486,155 |
| 應收貿易帳款及票據 | Trade and bills receivable | 7 | 677,790 | 704,067 |
| 按金、預付帳款及 其他應收帳款 | Deposits, prepayments and other receivables | 8 | 127,792 | 125,980 |
| 現金及現金等價物 | Cash and cash equivalents | | 415,733 | 580,280 |
| | | | 1,777,823 | 1,896,482 |
| 流動負債 | Current liabilities | | | |
| 應付貿易帳款及票據 | Trade and bills payable | 9 | 339,434 | 376,877 |
| 應計帳款及其他應付帳款 | Accruals and other payables | | 203,157 | 178,133 |
| 即期所得稅負債 | Current income tax liabilities | | 96,163 | 79,330 |
| 借貸 | Borrowings | 10 | 59,410 | 68,242 |
| | | | 698,164 | 702,582 |
| 流動資產淨值 | Net current assets | | 1,079,659 | 1,193,900 |
| 總資產減流動負債 | Total assets less current liabilities | | 2,181,365 | 1,913,838 |

隨附附註為本中期財務資料的組成部分。

The accompanying notes are an integral part of these interim financial information.

簡明綜合資產負債表 Condensed Consolidated Balance Sheet

於二零零八年六月三十日 As at 30 June 2008

| | | | 未經審核 Unaudited | 經審核 Audited |
|---------------------|---|------------|--|--|
| | | | 於二零零八年 六月三十日 As at 30 June 2008 千港元 HK\$'000 | 於二零零七年 十二月三十一日 As at 31 December 2007 千港元 HK\$'000 |
| | | 附註 Note | | |
| 非流動負債 | Non-current liabilities | | | |
| 借貸 | Borrowings | 10 | 11,982 | 11,509 |
| 遞延所得稅負債 | Deferred income tax liabilities | | 2,415 | 1,231 |
| | | | 14,397 | 12,740 |
| 淨資產 | Net assets | | 2,166,968 | 1,901,098 |
| 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 | | 126,840 | 126,840 |
| 儲備 | Reserves | | 1,787,935 | 1,686,336 |
| 少數股東權益 | Minority interest | | 1,914,775 | 1,813,176 |
| | | | 252,193 | 87,922 |
| 總權益 | Total equity | | 2,166,968 | 1,901,098 |

隨附附註為本中期財務資料的組成部分。

The accompanying notes are an integral part of these interim financial information.

簡明綜合損益表 Condensed Consolidated Income Statement

截至二零零八年六月三十日止六個月 For the six months ended 30 June 2008

未經審核
截至六月三十日止
六個月
Unaudited
For the six months
ended 30 June

| | | 附註 Note | 二零零八年 2008 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 |
|---------------------------------------|--|------------|----------------------------------|----------------------------------|
| 收益 | Revenue | 4 | 1,712,822 | 1,391,482 |
| 銷售成本 | Cost of sales | | (1,168,906) | (914,329) |
| 毛利 | Gross profit | | 543,916 | 477,153 |
| 銷售及分銷成本 | Selling and distribution costs | | (190,542) | (155,586) |
| 一般及行政開支 | General and administrative expenses | | (223,255) | (157,851) |
| 其他收入及收益 | Other income and gains | 11 | 970 | 34,350 |
| 經營溢利 | Operating profit | | 131,089 | 198,066 |
| 融資收入 | Finance income | | 7,040 | 14,602 |
| 融資成本 | Finance costs | | (2,290) | (3,854) |
| 應佔聯營公司(虧損)/溢利 | Share of (loss)/profit of associates | | (986) | 469 |
| 應佔共同控制實體 虧損 | Share of loss of jointly controlled entities | | — | (11,353) |
| 除所得稅前溢利 | Profit before income tax | | 134,853 | 197,930 |
| 所得稅開支 | Income tax expense | 12 | (31,781) | (41,340) |
| 期內溢利 | Profit for the period | | 103,072 | 156,590 |
| 應佔： | Attributable to: | | | |
| 本公司股權持有人 | Equity holders of the Company | | 102,728 | 140,405 |
| 少數股東權益 | Minority interest | | 344 | 16,185 |
| | | | 103,072 | 156,590 |
| 本公司股權 持有人應佔 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 (expressed in HK cents per Share) | 13 | | |
| — 基本 | — basic | | 8.1 | 11.3 |
| — 攤薄 | — diluted | | 8.1 | 11.0 |
| 股息 | Dividend | 14 | 31,710 | 41,857 |

隨附附註為本中期財務資料的組成部分。

The accompanying notes are an integral part of these interim financial information.

簡明綜合權益變動表 Condensed Consolidated Statement of Changes in Equity

截至二零零八年六月三十日止六個月 For the six months ended 30 June 2008

| | | 本公司股權持有人應佔 Attributable to equity holders of the Company | | | | 少數股東 權益 Minority interest | 總權益 Total equity |
|--------------------------------|---|--|--|---|--------------------------------|------------------------------------|------------------------|
| | | 股本 Share capital 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 | | |
| 截至二零零八年 六月三十日止 六個月(未經審核) | For the six months ended 30 June 2008 (unaudited) | | | | | | |
| 於二零零八年 一月一日的結餘 | Balance at 1 January 2008 | 126,840 | 930,593 | 755,743 | 1,813,176 | 87,922 | 1,901,098 |
| 直接於權益確認之 收入－貨幣 換算差額 | Income recognised directly in equity - currency translation differences | — | 41,247 | — | 41,247 | 7,927 | 49,174 |
| 期內溢利 | Profit for the period | — | — | 102,728 | 102,728 | 344 | 103,072 |
| 期內確認 總收入 | Total recognised income for the period | — | 41,247 | 102,728 | 143,975 | 8,271 | 152,246 |
| 成立一間附屬公司 (附註5(a)) | Establishment of a subsidiary (Note 5(a)) | — | — | — | — | 156,000 | 156,000 |
| 僱員購股權計劃 －僱員服務價值 | Employee share option scheme － value of employee services | — | 2,018 | — | 2,018 | — | 2,018 |
| 宣派二零零七年末期股息 | 2007 final dividends declared | — | — | (44,394) | (44,394) | — | (44,394) |
| | | — | 2,018 | (44,394) | (42,376) | 156,000 | 113,624 |
| 於二零零八年 六月三十日的結餘 | Balance at 30 June 2008 | 126,840 | 973,858 | 814,077 | 1,914,775 | 252,193 | 2,166,968 |

隨附附註為本中期財務資料的組成部分。

The accompanying notes are an integral part of these interim financial information.

簡明綜合權益變動表 Condensed Consolidated Statement of Changes in Equity

截至二零零八年六月三十日止六個月 For the six months ended 30 June 2008

| | | 本公司股權持有人應佔 | | | | 少數股東 權益 | 總權益 |
|--------------------------------|---|--|-------------------|----------------------|-----------|------------|-----------|
| | | Attributable to equity holders of the Company | | | | | |
| | | 股本 | 其他儲備 | 保留盈利 | 總計 | | |
| | | Share capital | Other reserves | Retained earnings | Total | | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| 截至二零零七年 六月三十日止 六個月(未經審核) | For the six months ended 30 June 2007 (unaudited) | | | | | | |
| 於二零零七年 一月一日的結餘 | Balance at 1 January 2007 | 124,500 | 702,339 | 509,124 | 1,335,963 | 36,184 | 1,372,147 |
| 直接於權益確認之 收入－貨幣 換算差額 | Income recognised directly in equity - currency translation differences | — | 241 | — | 241 | — | 241 |
| 期內溢利 | Profit for the period | — | — | 140,405 | 140,405 | 16,185 | 156,590 |
| 期內確認 總收入 | Total recognised income for the period | — | 241 | 140,405 | 140,646 | 16,185 | 156,831 |
| 出售一間附屬公司權益 | Disposal of interest in a subsidiary | — | 134,116 | — | 134,116 | (6,877) | 127,239 |
| 收購附屬公司 | Acquisition of subsidiaries | — | — | — | — | 11,866 | 11,866 |
| 增購附屬公司權益 | Acquisition of additional interests in subsidiaries | — | — | — | — | (225) | (225) |
| 分佔共同控制 實體儲備 | Share of reserve of a jointly controlled entity | — | 86 | — | 86 | — | 86 |
| 僱員購股權計劃 －僱員服務價值 | Employee share option scheme － value of employee services | — | 5,799 | — | 5,799 | — | 5,799 |
| －股份發行所得款項 | － proceeds from share issue | 240 | 3,864 | — | 4,104 | — | 4,104 |
| 已付附屬公司 少數股東股息 | Dividends paid to a minority shareholder of a subsidiary | — | — | — | — | (1,311) | (1,311) |
| | | 240 | 143,865 | — | 144,105 | 3,453 | 147,558 |
| 於二零零七年 六月三十日的結餘 | Balance at 30 June 2007 | 124,740 | 846,445 | 649,529 | 1,620,714 | 55,822 | 1,676,536 |

隨附附註為本中期財務資料的組成部分。

The accompanying notes are an integral part of these interim financial information.

簡明綜合現金流量表 Condensed Consolidated Cash Flow Statement

截至二零零八年六月三十日止六個月 For the six months ended 30 June 2008

未經審核
截至六月三十日止六個月
Unaudited
For the six months
ended 30 June

| | | 二零零八年 2008 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 |
|---------------------|---|----------------------------------|----------------------------------|
| 經營活動所得／(所耗) 現金淨額 | Net cash generated from/(used in) operating activities | 64,821 | (101,936) |
| 投資活動所耗現金淨額 | Net cash used in investing activities | (193,675) | (2,951) |
| 融資活動(所耗)／ 所得現金淨額 | Net cash (used in)/generated from financing activities | (57,041) | 16,921 |
| 現金及現金等價物減少淨額 | Net decrease in cash and cash equivalents | (185,895) | (87,966) |
| 期初現金及現金等價物 | Cash and cash equivalents at beginning of period | 580,280 | 567,387 |
| 現金及現金等價物匯兌收益 | Exchange gains on cash and cash equivalents | 21,348 | 290 |
| 期終現金及現金等價物 | Cash and cash equivalents at end of period | 415,733 | 479,711 |

隨附附註為本中期財務資料的組成部分。

The accompanying notes are an integral part of these interim financial information.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

1 一般資料

本集團的業務為生產和分銷運動服產品。其生產設備主要位於中國大陸、越南社會主義共和國及約旦哈希姆王國。銷售以OEM為主，外銷至歐洲、北美及中國大陸客戶，以及以批發及零售模式在中國大陸及香港出售。

本公司是於開曼群島註冊成立之有限公司。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及本公司的主要營業地點位於香港九龍青山道481-483號香港紗廠工業大廈6期6樓。本公司股份於聯交所上市。

除另有說明外，本簡明綜合中期財務資料以港元呈列，並於二零零八年九月十六日經董事會批准發行。

2 編製基準

是份截至二零零八年六月三十日止六個月的簡明綜合中期財務資料乃根據香港會計師公會頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。此中期財務資料應連同截至二零零七年十二月三十一日止年度之年度財務報表（根據香港財務報告準則編製）一併參閱。

1 General information

The Group are engaged in the manufacturing and selling of sportswear products. Its production facilities are primarily located in Mainland China, the Socialist Republic of Vietnam and the Hashemite Kingdom of Jordan. Sales are primarily under OEM arrangements to customers in Europe, North America and Mainland China, and under wholesale and retail modes in Mainland China and Hong Kong.

The Company is a limited liability company incorporated in 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, and the address of the Company's principal place of business is 6th Floor, Phase 6, Hong Kong Spinners Building, 481-483 Castle Peak Road, Kowloon, Hong Kong. The Company's shares are listed on the Stock Exchange.

This condensed consolidated interim financial information is presented in Hong Kong dollars ("HK\$") unless otherwise stated, and was approved for issue by the Board on 16 September 2008.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2008 has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") No. 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

3 主要會計政策

除下述者外，所採用的會計政策與截至二零零七年十二月三十一日止年度的年度財務報表所用者相同。

基於「活動及戶外服裝」分部與「運動服生產」分部涉及同類風險及回報，加上新呈報方式符合本集團的內部管理財務報告，故本集團自本期間起將兩個分部合併，並以「運動服生產」分部呈報總額。已重列過往期間的分部資料作比較。

下列與本集團相關的詮釋於二零零八年一月一日開始的財政年度首度強制執行：

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」。該詮釋為牽涉庫存股份或本集團旗下公司的股份償付交易（如購買母公司股份的選擇權）應否在母公司及集團旗下公司各自的帳目列作股本結算或現金結算股份償付交易提供指引。由於本集團現時股份付款的會計政策與修訂規定相符，故該詮釋對本集團的會計政策並無重大影響。

下列現時與本集團無關的詮釋於二零零八年一月一日開始的財政年度首度強制執行：

- 香港（國際財務報告詮釋委員會）— 詮釋第12號：「服務專營權協議」
- 香港（國際財務報告詮釋委員會）— 詮釋第14號：「香港會計準則第19號 — 界定福利資產限額、最低資金規定及兩者相互關係」

3 Principal accounting policies

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2007.

Starting from this period, the Group has combined its “Active and outer wear” segment and “Sportswear manufacturing” segment, and reported the aggregated amounts as “Sportswear manufacturing” segment as these two former business segments are subject to similar risks and returns and the new presentation is consistent with its internal management financial reporting. Prior period segment information is restated for comparative purposes.

The following interpretation is mandatory for the first time for the financial year beginning 1 January 2008 and is relevant to the Group:

HK (IFRIC) - Int 11, “HKFRS 2 - Group and treasury share transactions”. This interpretation provides guidance on whether share-based transactions involving treasury shares or involving Group entities (for example, options over a parent’s shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. The interpretation has no material impact on the Group’s accounting policies as the Group’s existing accounting policy on share-based payment complies with the amended requirements.

The following interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not currently relevant to the Group:

- HK (IFRIC) - Int 12, “Service concession arrangements”
- HK (IFRIC) - Int 14, “HKAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction”

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

3 主要會計政策 (續)

本集團並無提前採用下列於二零零八年一月一日開始的財政年度已頒佈但尚未生效的新準則、現有準則修訂及詮釋：

- 香港財務報告準則第8號：「經營分部」，自二零零九年一月一日或之後開始的年度期間生效。香港財務報告準則第8號取替香港會計準則第14號「分部呈報」，要求採用「以管理層為基準模式」，即分部資料須按內部呈報基準呈列。本集團將自二零零九年一月一日起應用香港財務報告準則第8號。本集團仍在詳細評估預期影響，暫時顯示呈報分部數目及分部呈報方式須改為與內部呈報相同的方式，向營運總監呈報。
- 香港會計準則第23號（經修訂）：「借貸成本」，自二零零九年一月一日或之後開始的年度期間生效。該修訂規定公司須將收購、建設及生產需待一段長時間方可作擬定用途或出售的合資格資產之直接借貸成本撥充為資產的部份成本，並取消直接運用該等借貸成本的選擇權。本集團將自二零零九年一月一日起應用香港會計準則第23號（經修訂）。由於本集團現時借貸成本的會計政策與修訂規定相符，故採用該修訂對本集團的會計政策並無重大影響。

3 Principal accounting policies (Continued)

The following new standards, amendments and interpretations to existing standards have been issued but are not effective for the financial year beginning 1 January 2008 and have not been early adopted:

- HKFRS 8, "Operating segments", effective for annual periods beginning on or after 1 January 2009. HKFRS 8 replaces HKAS 14, "Segment reporting", and requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 January 2009. The expected impact is still being assessed in detail, but it appears that the number of reportable segments, as well as the manner in which the segments are reported, may change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.
- HKAS 23 (revised), "Borrowing costs", effective for annual periods beginning on or after 1 January 2009. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of the asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (revised) from 1 January 2009. The adoption of this amendment has no material impact on the Group's accounting policies as the Group's existing accounting policy on borrowing costs complies with the amended requirements.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

3 主要會計政策 (續)

- 香港財務報告準則第2號 (經修訂)：「股份付款」，自二零零九年一月一日或之後開始的年度期間生效。該修訂澄清「歸屬條件」的定義，並訂明股份付款安排訂約方「註銷」時的會計處理。歸屬條件僅為服務條件 (規定訂約方須完成指定服務時段) 及履行條件 (訂明指定服務時限及須達成的指定目標)。估計所授股本工具的公平值時須考慮所有「非歸屬條件」及屬於市場狀況的歸屬條件。所有註銷則當作加快歸屬期，並即時確認應於原歸屬期確認的餘額。本集團將自二零零九年一月一日起採用香港財務報告準則第2號 (經修訂)。由於本集團現時股份付款的會計政策與修訂規定相符，故採用該修訂對本集團的會計政策並無重大影響。

3 Principal accounting policies (Continued)

- HKFRS 2 (revised), "Share-based payment", effective for annual periods beginning on or after 1 January 2009. The amendment clarifies the definition of "vesting conditions" and specifies the accounting treatment of "cancellations" by the counterparty to a share-based payment arrangement. Vesting conditions are service conditions (which require a counterparty to complete a specified period of service) and performance conditions (which require a specified period of service and specified performance targets to be met) only. All "non-vesting conditions" and vesting conditions that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted. All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately. The Group will apply HKFRS 2 (revised) from 1 January 2009. The adoption of this amendment has no material impact on the Group's accounting policies as the Group's existing accounting policy on share-based payment complies with the amended requirements.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

3 主要會計政策(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：「綜合及獨立財務報表」、香港會計準則第28號：「於聯營公司之投資」及香港會計準則第31號：「於合營企業之權益」的相應修訂，適用於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或之後的業務合併。由於僅以合約合併及公司之間的合併均屬於該準則的範疇，而業務的定義亦略為修改，故該修訂會增加收購會計所計算的交易。該準則訂明重點為「有能力進行」而非「已進行及管理」，規定除租約及保險合同、重購權、賠償資產及部份須根據其他香港財務報告準則計算的資產及負債外，代價(包括或然代價)、各可識別資產及負債須按收購當日的公平值計算。上述代價、資產及負債包括利得稅、僱員福利、股份付款及持作出售的非流動資產及已終止業務。任何於承購公司的非控權權益則按公平值或非控權權益分佔承購公司可識別資產淨值的比例計值。本集團將自二零一零年一月一日起應用香港財務報告準則第3號(經修訂)。
- 香港會計準則第1號(經修訂)：「財務報表的呈列」，自二零零九年一月一日或之後開始的年度期間生效。香港會計準則第1號(經修訂)規定所有擁有人權益的變更均須在權益變動表呈報。所有全面收入須於一份全面收入表或分為獨立收入表及全面收入表兩份報表呈列。當有追溯調整或重新分類調整時，須於最早的比較期間開始時在全套財務報表呈報財務狀況報表。然而，並無修改特別交易的確認、計量或披露以及其他香港財務報表規定的其他事項。本集團將自二零零九年一月一日起應用香港會計準則第1號(經修訂)。

3 Principal accounting policies (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", 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 amendment may bring more transactions into acquisition accounting as combinations by contract alone and combinations of mutual entities are brought into the scope of the standard and the definition of a business has been amended slightly. It now states that the elements are 'capable of being conducted' rather than 'are conducted and managed'. It requires considerations (including contingent consideration), each identifiable asset and liability to be measured at its acquisition-date fair value, except leases and insurance contracts, reacquired right, indemnification assets as well as some assets and liabilities required to be measured in accordance with other HKFRSs. They are income taxes, employee benefits, share-based payment and non current assets held for sale and discontinued operations. Any non-controlling interest in an acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The Group will apply HKFRS 3 (revised) from 1 January 2010.
- HKAS 1 (revised), "Presentation of financial statements", effective for annual periods beginning on or after 1 January 2009. HKAS 1 (revised) requires all owner changes in equity to be presented in a statement of changes in equity. All comprehensive income is presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). It requires presenting a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when there are retrospective adjustments or reclassification adjustments. However, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs. The Group will apply HKAS 1 (revised) from 1 January 2009.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

3 主要會計政策 (續)

- 香港(國際財務報告詮釋委員會) — 詮釋第13號：「客戶忠誠度計劃」，自二零零八年七月一日或之後開始的年度期間生效。該詮釋闡明如出售貨物或服務時隨附客戶忠誠度獎勵(如購物積分或贈品)，該安排則屬多重安排，而自客戶所收的代價則應按公平值分配至該安排的各部份。本集團將自二零零九年一月一日起應用香港(國際財務報告詮釋委員會) — 詮釋第13號，惟由於現時本集團並無進行該等客戶忠誠度計劃，故並不適用於本集團。

4 分部資料

業務分部

於二零零八年六月三十日，本集團在全球主要有兩個業務分部：

- (1) 運動服生產；及
- (2) 運動服分銷及零售。

3 Principal accounting policies (Continued)

- HK (IFRIC) - Int 13, "Customer loyalty programmes", effective for annual periods beginning on or after 1 July 2008. The interpretation clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. The Group will apply HK(IFRIC) – Int 13 from 1 January 2009, but it is currently not applicable to the Group as the Group does not operate such customer loyalty programmes.

4 Segment information

Business segments

At 30 June 2008, the Group is organised on a worldwide basis into two main business segments:

- (1) Sportswear manufacturing; and
- (2) Sportswear distribution and retail.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

4 分部資料(續)

截至二零零八年六月三十日止六個月分部業績如下：

4 Segment information (Continued)

The segment results for the six months ended 30 June 2008 are as follows:

| | | 運動服 生產 Sportswear manufacturing 千港元 HK\$'000 | 運動服 分銷及零售 Sportswear distribution and retail 千港元 HK\$'000 | 未分類 Unallocated 千港元 HK\$'000 | 總數 Total 千港元 HK\$'000 |
|-------------------------------|--|---|---|---------------------------------------|--------------------------------|
| 分部總收益 | Total segment revenue | 1,391,439 | 327,527 | — | 1,718,966 |
| 分部間收益 | Inter-segment revenue | (6,144) | — | — | (6,144) |
| 收益 | Revenue | 1,385,295 | 327,527 | — | 1,712,822 |
| 經營溢利／ 分部業績 | Operating profit/ segment results | 125,346 | 7,761 | (2,018) | 131,089 |
| 融資收入 | Finance income | | | | 7,040 |
| 融資成本 | Finance costs | | | | (2,290) |
| 應佔聯營公司 虧損 | Share of loss of associates | (986) | — | — | (986) |
| 除所得稅前溢利 | Profit before income tax | | | | 134,853 |
| 所得稅開支 | Income tax expense | | | | (31,781) |
| 期內溢利 | Profit for the period | | | | 103,072 |
| 計入簡明綜合損益表 之其他開支分部 項目如下： | Other segment expenditure items included in the condensed consolidated income statement are as follows: | | | | |
| 銷售貨品成本 | Cost of goods sold | 987,379 | 180,001 | — | 1,167,380 |
| 物業、機器及 設備折舊 | Depreciation of property, plant and equipment | 33,176 | 10,102 | — | 43,278 |
| 租賃土地及 土地使用權攤銷 | Amortisation of leasehold land and land use rights | 517 | — | — | 517 |
| 無形資產攤銷 | Amortisation of intangible assets | — | 1,747 | — | 1,747 |
| 存貨減值 | Impairment of inventories | — | 2,539 | — | 2,539 |
| 應收帳款減值撥回 | Reversal of impairment of receivables | (255) | — | — | (255) |
| 出售物業、機器 及設備虧損 | Loss on disposal of property, plant and equipment | — | 238 | — | 238 |

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

4 分部資料 (續)

截至二零零七年六月三十日止六個月分部業績如下：

4 Segment information (Continued)

The segment results for the six months ended 30 June 2007 are as follows:

| | | 運動服 運動服 生產 Sportswear manufacturing 千港元 HK\$'000 (重列) (restated) | 運動服 分銷及零售 Sportswear distribution and retail 千港元 HK\$'000 | 未分類 Unallocated 千港元 HK\$'000 | 總數 Total 千港元 HK\$'000 (重列) (restated) |
|-----------------------------|--|--|---|---------------------------------------|--|
| 分部總收益 | Total segment revenue | 1,136,204 | 255,420 | — | 1,391,624 |
| 分部間收益 | Inter-segment revenue | (142) | — | — | (142) |
| 收益 | Revenue | 1,136,062 | 255,420 | — | 1,391,482 |
| 經營溢利／ 分部業績 | Operating profit/ segment results | 128,828 | 75,037 | (5,799) | 198,066 |
| 融資收入 | Finance income | | | | 14,602 |
| 融資成本 | Finance costs | | | | (3,854) |
| 應佔聯營公司 溢利 | Share of profit of associates | 469 | — | — | 469 |
| 應佔共同控制 實體虧損 | Share of loss of jointly controlled entities | — | (11,353) | — | (11,353) |
| 除所得稅前溢利 | Profit before income tax | | | | 197,930 |
| 所得稅開支 | Income tax expense | | | | (41,340) |
| 期內溢利 | Profit for the period | | | | 156,590 |
| 計入簡明綜合損益表 之其他分部 項目如下： | Other segment expenditure items included in the condensed consolidated income statement are as follows: | | | | |
| 銷售貨品成本 | Cost of goods sold | 777,147 | 128,115 | — | 905,262 |
| 物業、機器及 設備折舊 | Depreciation of property, plant and equipment | 24,616 | 3,517 | — | 28,133 |
| 租賃土地及 土地使用權攤銷 | Amortisation of leasehold land and land use rights | 322 | — | — | 322 |
| 無形資產攤銷 | Amortisation of intangible assets | — | 9,067 | — | 9,067 |
| 存貨減值 | Impairment of inventories | 796 | — | — | 796 |
| 應收帳款減值 | Impairment of receivables | — | 352 | — | 352 |
| 出售物業、機器 及設備收益 | Gain on disposal of property, plant and equipment | (1,051) | — | — | (1,051) |

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

4 分部資料(續)

未分類成本指公司開支。分部間交易乃按照集團旗下公司協定之條款進行。

4 Segment information (Continued)

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

5 資本開支

5 Capital expenditure

| | | 物業、 機器及設備 Property, plant and equipment 千港元 HK\$'000 | 租賃土地及 土地使用權 Leasehold land and land use rights 千港元 HK\$'000 | 無形資產 Intangible assets 千港元 HK\$'000 |
|------------------------------|---|--|--|---|
| 截至二零零八年 六月三十日止六個月 | For the six months ended 30 June 2008 | | | |
| 於二零零八年一月一日的 期初帳面淨值 | Opening net book amount at 1 January 2008 | 547,028 | 53,086 | 52,324 |
| 匯兌差額 | Exchange differences | 22,540 | 467 | 6,203 |
| 添置(附註(a)) | Additions (Note (a)) | 145,608 | — | 218,400 |
| 出售 | Disposals | (355) | — | — |
| 折舊及 攤銷 | Depreciation and amortisation | (43,278) | (517) | (1,747) |
| 於二零零八年六月三十日的 期終帳面淨值 | Closing net book amount at 30 June 2008 | 671,543 | 53,036 | 275,180 |
| 截至二零零七年 六月三十日止六個月 | For the six months ended 30 June 2007 | | | |
| 於二零零七年一月一日的 期初帳面淨值 | Opening net book amount at 1 January 2007 | 345,907 | 31,476 | 150,296 |
| 匯兌差額 | Exchange differences | (49) | — | — |
| 收購附屬公司 | Acquisition of subsidiaries | 4,562 | — | 41,734 |
| 添置 | Additions | 107,742 | 21,685 | — |
| 出售/終止 確認專營權(附註(b)) | Disposals/derecognition of licence rights (Note (b)) | (237) | — | (130,312) |
| 折舊及 攤銷 | Depreciation and amortisation | (28,133) | (322) | (9,067) |
| 於二零零七年六月三十日的 期終帳面淨值 | Closing net book amount at 30 June 2007 | 429,792 | 52,839 | 52,651 |

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

5 資本開支 (續)

附註：

- (a) 二零零八年四月，本集團訂立協議，成立一家公司於中國大陸、香港及澳門製造及銷售標有Diadora商標的產品。本集團已以現金代價234,000,000港元認購該公司60%股權。另一股東於收取該公司62,400,000港元後向該公司指讓Diadora商標的使用權，認購該公司餘下40%股權。因此，本集團與該公司另一股東已訂立認沽權及認購權協議，於若干特定事件下，本集團可按預先協定金額出售，而其他股東可購買本集團所持該公司的60%權益。此外，該公司向Diadora商標持有人收購有關Diadora商標的若干貿易應收帳款及存貨。

完成成立該公司後，已確認有關Diadora商標的無形資產218,400,000港元，並按25年的估計可使用年期攤銷。

- (b) 二零零七年二月，本集團訂立新協議，於二零零七年三月至二零二零年十二月作為Umbro品牌產品大中華的獨家分銷商。因此，有關專營權的原有協議經已終止。根據新分銷協議，本集團須向天運洋行股東Umbro International Limited就全部所售「Umbro」品牌產品按預先協定比率支付售價6%至25%的專營權費，惟毋須定期支付定額專營權費。因此，先前已確認的專營權及相關應付專營權費已終止確認。應付專營權費帳面值超出專營權帳面值的差額33,526,000港元已於簡明綜合損益表中確認為其他收益(附註11)。

5 Capital expenditure (Continued)

Notes:

- (a) In April 2008, the Group entered into agreements to establish a company for the manufacture and sale of products bearing the Diadora Trademarks in Mainland China, Hong Kong and Macau. The Group has subscribed 60% equity interest in this company for a cash consideration of HK\$234,000,000. The other shareholder has subscribed the remaining 40% equity interest in this company by assignment to it rights to use the Diadora Trademarks, after receiving a payment of HK\$62,400,000 from this company. In this connection, the Group and the other shareholder of this company have entered into a put option and a call option agreement, under which the Group can sell and the other shareholder can purchase the Group's 60% equity interest in this company at pre-determined amounts only upon a occurrence of a limited number of events. In addition, this company acquired certain trade receivables and inventories relating to Diadora Trademarks from a former licensee of the Diadora Trademarks.

Upon completion of the establishment of this company, intangible assets, representing the Diadora Trademarks, amounted to HK\$218,400,000 have been recognised and are to be amortised over their estimated useful life of 25 years.

- (b) In February 2007, the Group entered into a new agreement to act as an exclusive distributor of the Umbro branded products in the Greater China from March 2007 to December 2020. Consequently, the original agreement for the licence rights was terminated. Under the new distribution agreement the Group is required to pay Umbro International Limited, a shareholder of T&S HK, royalty on all "Umbro" branded products sold at pre-agreed rates ranging from 6% to 25%, based on the selling price, but is not obligated to any fixed periodic royalty payment. Consequently, the former recognised licence rights and the related licence fees payable were derecognised. The excess of the carrying amount of the licence fees payable over the carrying value of the licence rights of HK\$33,526,000 was recognised as other gains in the condensed consolidated income statement (Note 11).

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

6 可供出售金融資產

可供出售金融資產按二零零八年六月三十日的公平值列值。該資產為本集團於在美國註冊成立的非上市公司之10%權益。該公司於美國從事活動服裝及運動服的設計與分銷。

6 Available-for-sale financial asset

Available-for-sale financial asset is stated at fair value as at 30 June 2008. It represents the Group's 10% equity interest in an unlisted company incorporated in the US, which is engaged in the design and distribution of active wear and sportswear in the US.

7 應收貿易帳款及票據

7 Trade and bills receivable

| | | 於 | |
|----------------------|--|--|--|
| | | As at | |
| | | 二零零八年 六月三十日 30 June 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31 December 2007 千港元 HK\$'000 |
| 應收貿易帳款 | Trade receivables | | |
| — 來自第三方 | — from third parties | 640,345 | 687,422 |
| — 來自關聯方 (附註17(b)) | — from a related party (Note 17(b)) | 3,597 | 8,556 |
| 應收票據 | Bills receivable | 42,528 | 23,776 |
| | | 686,470 | 719,754 |
| 減：應收貿易帳款 減值撥備 | Less: provision for impairment of trade receivables | (8,680) | (15,687) |
| | | 677,790 | 704,067 |

應收貿易帳款及票據帳面值與彼等的公平值相若。

The carrying amounts of trade and bills receivable approximate their fair values.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

7 應收貿易帳款及票據(續)

應收貿易帳款主要來自擁有良好信貸歷史的客戶，信貸期介乎7至90天。本集團的銷售大部分為現金帳戶交易，而少數客戶的銷售使用銀行發出的信用狀支付或銀行發出的付款文件清算。於二零零八年六月三十日，應收貿易帳款及票據的帳齡分析如下：

| | |
|----------|---------------|
| 0至30天 | 0-30 days |
| 31至60天 | 31-60 days |
| 61至90天 | 61-90 days |
| 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 |

減：應收貿易帳款
減值撥備

Less: provision for impairment
of trade receivables

7 Trade and bills receivable (Continued)

Majority of trade receivables are with customers having an appropriate credit history and at credit terms of 7 to 90 days. Most of the Group's sales are on open accounts, 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. At 30 June 2008, the ageing analysis of trade and bills receivable is as follows:

| | | 於 As at | |
|--|--|--|--|
| | | 二零零八年 六月三十日 30 June 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31 December 2007 千港元 HK\$'000 |
| | | 278,348 | 339,833 |
| | | 184,438 | 248,517 |
| | | 90,162 | 38,792 |
| | | 49,524 | 43,906 |
| | | 35,274 | 19,616 |
| | | 36,607 | 12,485 |
| | | 12,117 | 16,605 |
| | | 686,470 | 719,754 |
| | | (8,680) | (15,687) |
| | | 677,790 | 704,067 |

8 其他應收帳款

二零零七年十二月，本集團訂立收購在中國大陸成立的全外資企業的100%權益及若干成衣業務的有條件協議。二零零八年四月，由於賣方無法達成該等協議的若干主要條件，故本集團與賣方雙方同意終止該等協議。根據二零零八年七月訂立的終止協議，已支付的13,573,000港元按金將以現金及實物形式於15年內退還本集團，並已計入綜合資產負債表的「按金、預付帳款及其他應收帳款」。

8 Other receivables

In December 2007, the Group entered into certain conditional agreements to acquire 100% equity interest in a wholly foreign owned enterprise established in Mainland China and certain related garment businesses. In April 2008, the Group and the seller have mutually agreed to terminate these agreements as the seller could not fulfill certain key conditions of the agreements. Pursuant to the termination agreement entered into in July 2008, deposits amounted to HK\$13,573,000 will be refunded to the Group in cash and in kind over a period of 15 years and has been included in "deposits, prepayments and other receivables" in the consolidated balance sheet.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

9 應付貿易帳款及票據

9 Trade and bills payable

| | | 於 As at | |
|-----------------|-----------------------------------|--|--|
| | | 二零零八年 六月三十日 30 June 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31 December 2007 千港元 HK\$'000 |
| 應付貿易帳款 | Trade payables | | |
| – 予第三方 | – to third parties | 310,533 | 342,112 |
| – 予關聯方(附註17(b)) | – to related parties (Note 17(b)) | 18,964 | 29,613 |
| 應付票據 | Bills payable | 9,937 | 5,152 |
| | | 339,434 | 376,877 |

於二零零八年六月三十日，應付貿易帳款及票據的帳齡分析如下：

At 30 June 2008, the ageing analysis of the trade and bills payable is as follows:

| | | 於 As at | |
|----------|---------------|--|--|
| | | 二零零八年 六月三十日 30 June 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31 December 2007 千港元 HK\$'000 |
| 0至30天 | 0-30 days | 194,249 | 205,255 |
| 31至60天 | 31-60 days | 45,150 | 101,575 |
| 61至90天 | 61-90 days | 59,139 | 43,107 |
| 91至120天 | 91-120 days | 23,018 | 17,502 |
| 121至365天 | 121-365 days | 13,042 | 6,331 |
| 365天以上 | Over 365 days | 4,836 | 3,107 |
| | | 339,434 | 376,877 |

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

10 借貸

10 Borrowings

| | | 於 | |
|-----|-------------|--|--|
| | | As at | |
| | | 二零零八年 六月三十日 30 June 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31 December 2007 千港元 HK\$'000 |
| 非即期 | Non-current | 11,982 | 11,509 |
| 即期 | Current | 59,410 | 68,242 |
| | | 71,392 | 79,751 |

借貸增減分析如下

Movements in borrowings is analysed as follows:

| | | 千港元 HK\$'000 |
|-------------------------|--------------------------------------|-----------------|
| 截至二零零八年六月三十日止六個月 | Six months ended 30 June 2008 | |
| 二零零八年一月一日期初結餘 | Opening amount as at 1 January 2008 | 79,751 |
| 還款 | Repayments | (12,647) |
| 滙兌差額 | Exchange differences | 4,288 |
| 二零零八年六月三十日期末結餘 | Closing amount as at 30 June 2008 | 71,392 |
| 截至二零零七年六月三十日止六個月 | Six months ended 30 June 2007 | |
| 二零零七年一月一日期初結餘 | Opening amount as at 1 January 2007 | 10,749 |
| 收購附屬公司 | Acquisition of subsidiaries | 5,500 |
| 其他借貸 | Additional borrowings | 17,173 |
| 二零零七年六月三十日期末結餘 | Closing amount as at 30 June 2007 | 33,422 |

截至二零零八年六月三十日止六個月的借貸利息開支約為2,199,000港元(二零零七年六月三十日: 626,000港元)。

Interest expense on borrowings for the six months ended 30 June 2008 is approximately HK\$2,199,000 (30 June 2007: HK\$626,000).

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

11 其他收入及收益

11 Other income and gains

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|--|--|--|----------------------------------|
| | | 二零零八年 2008 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 |
| 取消確認專營權及 相關應付專營權費 產生的收益 (附註5(b)) | Gain on derecognition of licence rights and related licence fees payable (Note 5(b)) | — | 33,526 |
| 其他 | Others | 970 | 824 |
| | | 970 | 34,350 |

12 所得稅開支

12 Income tax expense

香港利得稅稅率為 16.5% (二零零七年：17.5%)。

截至二零零八年六月三十日止六個月，在中國大陸成立及經營之附屬公司、聯營公司及共同控制實體須按 18% 至 25% (二零零七年：15% 至 33%) 的稅率繳納中國內地企業所得稅。根據有關稅法規定及在符合若干條件下，該等在中國大陸成立為外商獨資企業或中外合資企業的附屬公司、聯營公司及共同控制實體，可由全數抵銷過往年度未到期承前稅務虧損後的首個獲利年度起計，首兩年可獲豁免繳付企業所得稅，而其後三年則獲半免。

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) .

Subsidiaries, associates and jointly controlled entities established and operated in Mainland China are subject to Mainland China Enterprise Income Tax at rates ranging from 18% to 25% for the six months ended 30 June 2008 (2007: 15% to 33%). In accordance with the applicable tax regulations, subsidiaries, associates and jointly controlled entities established in Mainland China as wholly-owned foreign enterprises or sino-foreign joint ventures, fulfilling certain conditions, 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 from the first profitable year after offsetting all unexpired tax losses carried forward from previous years.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

12 所得稅開支 (續)

於簡明綜合損益表扣除的所得稅開支是指：

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|-----------|--------------------------------------|--|----------------------------------|
| | | 二零零八年 2008 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 |
| 即期所得稅－ | Current income tax－ | | |
| 香港利得稅 | Hong Kong profits tax | 29,560 | 25,230 |
| 中國大陸企業所得稅 | Mainland China enterprise income tax | 9,532 | 17,595 |
| 遞延所得稅 | Deferred income tax | (7,311) | (1,485) |
| | | 31,781 | 41,340 |

12 Income tax expense (Continued)

The amounts of income tax expense charged to the condensed consolidated income statement represent:

13 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綜合溢利及期內已發行股份加權平均數計算。

13 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 and on the weighted average number of Shares in issue during the period.

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|------------------------|--|---|---------------|
| | | 二零零八年 2008 | 二零零七年 2007 |
| 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) | 102,728 | 140,405 |
| 已發行股份的 加權平均數 (千股) | Weighted average number of Shares in issue ('000) | 1,268,400 | 1,245,133 |
| 每股基本盈利 (港仙) | Basic earnings per Share (HK cents) | 8.1 | 11.3 |

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

13 每股盈利 (續)

(b) 攤薄

每股攤薄盈利乃假設兌換所有具潛在攤薄影響的股份而調整加權平均已發行股份數目而計算。根據購股權計劃可發行的股份為唯一具潛在攤薄影響的股份。本公司根據未行使購股權所附認購權的貨幣價值計算可能按公平值(乃股份的每日平均市價)收購的股份數目,再將所得股份數目與假設行使購股權而發行的股份數目比較。

13 Earnings per Share (Continued)

(b) Diluted

Diluted earnings per Share is calculated adjusting the weighted average number of Shares outstanding to assume conversion of all dilutive potential Shares. Shares issuable under the share option schemes are the only dilutive potential Shares. A calculation is made in order to determine the number of Shares that could have been acquired at fair value (determined as the daily average market share price of the Shares) 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.

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|------------------------------|---|---|---------------|
| | | 二零零八年 2008 | 二零零七年 2007 |
| 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) | 102,728 | 140,405 |
| 加權平均已發行 股份數目 (千股) | Weighted average number of Shares in issue ('000) | 1,268,400 | 1,245,133 |
| 購股權調整 (千股) | Adjustment for share options ('000) | 1,738 | 27,976 |
| 每股攤薄盈利的 加權平均股份 數目 (千股) | Weighted average number of Shares for diluted earnings per Share ('000) | 1,270,138 | 1,273,109 |
| 每股攤薄盈利 (港仙) | Diluted earnings per Share (HK cents) | 8.1 | 11.0 |

14 股息

截至二零零七年十二月三十一日止年度的股息44,394,000港元已於二零零八年五月支付(二零零七年:無)。

於二零零八年九月十六日舉行的董事會會議,董事會宣派中期股息每股2.5港仙(二零零七年:3.3港仙)。中期股息總額31,710,000港元(二零零七年:41,857,000港元)尚未於本中期財務資料確認為負債。

14 Dividends

Dividends relating to the year ended 31 December 2007 of HK\$44,394,000 were paid in May 2008 (2007: Nil).

At the Board meeting held on 16 September 2008, the Board declared an interim dividend of HK2.5 cents (2007: HK3.3 cents) per Share. The interim dividend, amounting to HK\$31,710,000 (2007: HK\$41,857,000), has not been recognised as a liability in this interim financial information.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

15 或然負債

於二零零八年六月三十日，本集團並無重大或然負債（二零零七年十二月三十一日：零）。

16 承擔

(a) 資本承擔

於結算日的資本開支如下：

| | |
|----------------------|--|
| 已訂約但未撥備的 物業、機器及設備 | Property, plant and equipment contracted but not provided for |
|----------------------|--|

| 於 As at | |
|--|--|
| 二零零八年 六月三十日 30 June 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31 December 2007 千港元 HK\$'000 |
| 30,758 | 37,000 |

(b) 經營租賃承擔

本集團根據土地及樓宇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 |

| 於 As at | |
|--|--|
| 二零零八年 六月三十日 30 June 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31 December 2007 千港元 HK\$'000 |
| 62,907 | 42,754 |
| 98,023 | 98,056 |
| 73,101 | 85,091 |
| 234,031 | 225,901 |

15 Contingent liabilities

As at 30 June 2008, the Group had no material contingent liabilities (31 December 2007: Nil).

16 Commitments

(a) Capital commitments

Capital expenditure at the balance sheet date is as follows:

(b) Operating lease commitments

The Group had future aggregate minimum lease payments under non-cancellable operating leases of land and buildings, as follows:

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

17 關聯方交易

(a) 與關連方之重大交易

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|-----------------|---------------------------------------|---|----------------------------------|
| | | 二零零八年 2008 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 |
| 銷售貨品： | Sales of goods: | | |
| 附屬公司少數股東 | Minority shareholders of subsidiaries | 28,196 | 22,288 |
| 共同控制實體 | Jointly controlled entity | — | 7,739 |
| 購買貨品： | Purchase of goods: | | |
| 聯營公司 | Associate | 44,493 | 85,906 |
| 附屬公司少數股東 | Minority shareholders of subsidiaries | 625 | — |
| 已付／應付佣金： | Commission paid/payable: | | |
| 共同控制實體 | Jointly controlled entity | 3,038 | 2,993 |
| 一家附屬公司的 少數股東 | Minority shareholder of a subsidiary | 2,226 | 728 |
| 已付／應付專營權費： | Royalty paid/payable: | | |
| 一家附屬公司的 少數股東 | Minority shareholder of a subsidiary | 30,991 | 29,112 |

貨品以雙方同意之價格出售／購買。

Goods are sold/purchased at prices mutually agreed by both parties.

已付／應付佣金指按雙方協定條款厘定的銷售佣金。

Commission paid/payable represents sales commission determined on terms mutually agreed by both parties.

已付／應付專營權費指按介乎售價6%至25%的事先協定比率就所售「Umbro」品牌產品支付的專營權費。

Royalty paid/payable represents royalty on “Umbro” branded products sold based on pre-agreed rates ranging from 6% to 25% on the selling price.

簡明綜合財務資料附註 Notes to the Condensed Consolidated Financial Information

17 關聯方交易 (續)

(b) 銷售／購買貨品及服務所產生之期／年終結餘

| | | 於 As at | |
|-----------------------------|---|--|--|
| | | 二零零八年 六月三十日 30 June 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31 December 2007 千港元 HK\$'000 |
| 計入應收關連方貿易帳款： 一家附屬公司的少數股東 | Included in trade receivables from a related party: Minority shareholder of a subsidiary | 3,597 | 8,556 |
| 計入應付關連方貿易帳款： 聯營公司 | Included in trade payables to related parties: Associate | 17,614 | 28,832 |
| 一家附屬公司的少數股東 | Minority shareholder of a subsidiary | 1,350 | 781 |
| | | 18,964 | 29,613 |
| 計入應計費用及其他應付 關聯方款項 | Included in accruals and other payables to a related party | | |
| 一家附屬公司的少數股東 | Minority shareholder of a subsidiary | 22,526 | 22,615 |

所有款項為無抵押、免息及須於一般貿易信貸期內支付。

All amounts are unsecured, interest-free and payable under normal trade credit terms.

(c) 主要管理人員酬金

(c) Key management compensation

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|-----------------|---|---|----------------------------------|
| | | 二零零八年 2008 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 |
| 薪金、花紅及津貼 | Salaries, bonus and allowances | 16,343 | 7,382 |
| 退休福利－界定 供款計劃 | Retirement benefits – defined contribution schemes | 54 | 48 |
| 授出購股權 | Share options granted | 2,018 | 5,473 |
| | | 18,415 | 12,903 |

其他資料 Other Information

中期股息

截至二零零八年六月三十日止六個月，董事會宣派中期股息每股股份2.5港仙(二零零七年：3.3港仙)予於二零零八年十月十日(星期五)營業時間結束時名列本公司股東名冊的本公司股東。中期股息將約於二零零八年十月三十一日(星期五)派付。

暫停辦理股份過戶登記手續

本公司將由二零零八年十月八日(星期三)至二零零八年十月十日(星期五)(包括首尾兩日)期間暫停辦理股份過戶登記手續，在此期間股份不能過戶。為符合獲派截至二零零八年六月三十日止六個月中期股息的資格，股東最遲須於二零零八年十月六日(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分處卓佳證券登記有限公司進行登記，地址為香港皇后大道東28號金鐘匯中心26樓。

Interim Dividend

The Board has declared an interim dividend of HK2.5 cents per Share for the six months ended 30 June 2008 (2007: HK3.3 cents) payable to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 10 October 2008. The interim dividend will be paid on or about Friday, 31 October 2008.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 8 October 2008 to Friday, 10 October 2008 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for entitlement to the interim dividend for the six months ended 30 June 2008, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 6 October 2008.

其他資料 Other Information

董事權益披露

於二零零八年六月三十日，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條須登記於本公司置存的登記名冊的權益及淡倉，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

Directors' Disclosure of Interests

As at 30 June 2008, 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 for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix 10 of the Listing Rules, were as follows:

(a) 本公司股份好倉

(a) Long positions in the Shares of the Company

| 董事姓名 Name of Directors | 身份 Capacity | 所持股份/ 股本衍生工具數目 Number of Shares/equity derivatives held | 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 | 受控制公司權益 Interests in controlled company | 742,985,967 (附註1) (Note 1) | 58.58% |
| 黎清平先生 Mr. LAI Ching Ping | 個人權益 Personal interest | 4,186,000 (附註2) (Note 2) | 0.33% |
| 周志偉先生 Mr. CHOW Chi Wai | 個人權益 Personal interest | 35,520,000 (附註3) (Note 3) | 2.80% |
| 張智先生 Mr. CHEUNG Chi | 個人權益 Personal interest | 10,650,000 (附註4) (Note 4) | 0.84% |
| 李國樑先生 Mr. LEE Kwok Leung | 個人權益 Personal interest | 2,000,000 (附註5) (Note 5) | 0.16% |

* 百分比乃根據截至二零零八年六月三十日已發行1,268,400,000股股份計算。

* The calculation of percentages is based on 1,268,400,000 Shares in issue as at 30 June 2008.

其他資料 Other Information

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%。由於擁有 Quinta 的控制權益，根據證券及期貨條例，李國棟先生因此視為擁有 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 222,895,790 股股份的權益或約佔本公司股權約 17.57%)。
2. 黎清平先生擁有 4,186,000 股股份。
3. 周志偉先生擁有 26,520,000 股股份，並視為承授人而擁有購股權，可根據首次公開售股前購股權計劃認購 9,000,000 股股份。
4. 張智先生擁有 650,000 股股份，並視為承授人而擁有購股權，可根據首次公開售股前購股權計劃認購 10,000,000 股股份。
5. 李國棟先生為承授人而擁有購股權，可根據首次公開售股前購股權計劃認購 2,000,000 股股份。

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 222,895,790 Shares or approximately 17.57% shareholding in the Company).
2. Mr. LAI Ching Ping is interested in 4,186,000 Shares held.
3. Mr. CHOW Chi Wai is interested in 26,520,000 Shares held and is also taken to be interested as a grantee of options to subscribe for 9,000,000 Shares under the Pre-IPO Share Option Scheme.
4. Mr. CHEUNG Chi is interested in 650,000 Shares held and is also taken to be interested as a grantee of options to subscribe for 10,000,000 Shares under the Pre-IPO Share Option Scheme.
5. 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.

其他資料 Other Information

董事權益披露 (續)

(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 | 個人權益 Personal interest | 7 | 70% |
| 黎清平先生 Mr. LAI Ching Ping | Quinta | 個人權益 Personal interest | 3 | 30% |

除上文所披露者外，於二零零八年六月三十日，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)

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

Save as disclosed above, as at 30 June 2008, 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).

其他資料 Other Information

主要股東所持本公司股份的權益

於二零零八年六月三十日，就董事所知，以下人士（除本公司董事或行政總裁之外）擁有根據證券及期貨條例第XV部第2及3分部規定而須知會本公司及／或根據證券及期貨條例第336條登記於所置存登記名冊的股份或相關股份之權益或淡倉。

本公司股份好倉

| 名稱 Name | 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* |
|------------------------------------|-----------------------------|-----------------------------|--|
| Quinta | 實際權益 Beneficial interest | 742,985,967 | 58.58% |
| Templeton Asset Management Ltd. | 投資經理 Investment manager | 114,447,814 | 9.02% |

* 百分比乃根據本公司於二零零八年六月三十日已發行1,268,400,000股股份計算。

除上文所披露者外，於二零零八年六月三十日，本公司並無接獲任何人士（本公司董事及行政總裁除外）通知，表示擁有本公司股份及相關股份的權益或淡倉而須根據證券及期貨條例第XV部第2及3分部之條文知會本公司或根據證券及期貨條例第336條須登記於本公司置存的登記名冊內。

Substantial Shareholders' Interests in the Shares of the Company

As at 30 June 2008, 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 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 of the Company

* The calculation of percentages is based on 1,268,400,000 Shares of the Company in issue as at 30 June 2008.

Save as disclosed above, as at 30 June 2008, 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.

其他資料 Other Information

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該等僱員及顧問授出首次公開售股前購股權，該等僱員及顧問已接納有關購股權售股前購股權。(該等承授人行使該等購股權合共可獲發44,400,000股股份)。

截至二零零八年六月三十日止六個月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, certain employees and the relevant consultant.

Movements of the Pre-IPO Share Options for the six months ended 30 June 2008 are as follows:

| 承授人 Grantee | 每股行使價 Exercise price per Share | | 行使期間 Exercise period | 首次公開售股前購股權數目 Number of Pre-IPO Share Options | | | |
|---|--------------------------------------|----------------------|----------------------------|---|--|---|--|
| | 港元 HK\$ | 歸屬日期 Vesting date | | 於二零零八年 一月一日 As at 01/01/2008 | 於期內行使 Exercised during the period | 於期內失效 Lapsed during the period | 於二零零八年 六月三十日 As at 30/06/2008 |
| | | | | | | | |
| 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 |
| 周志偉先生 執行董事 Mr. CHOW Chi Wai Executive Director | 1.14 | 30/06/2008 | 30/06/2008- 09/05/2016 | 9,000,000 | — | — | 9,000,000 |
| | | | | 9,000,000 | — | — | 9,000,000 |

其他資料 Other Information

首次公開售股前購股權 (續)

Pre-IPO Share Options (Continued)

| 承授人 Grantee | 每股行使價 Exercise price per Share | | 行使期間 Exercise period | 首次公開售股前購股權數目 Number of Pre-IPO Share Options | | | |
|---|--------------------------------------|----------------------|----------------------------|---|-----------------------------------|--------------------------------|---------------------|
| | 港元 HK\$ | 歸屬日期 Vesting date | | 於二零零八年 一月一日 | 於期內行使 | 於期內失效 | 於二零零八年 六月三十日 |
| | | | | As at 01/01/2008 | Exercised during the period | Lapsed during the period | As at 30/06/2008 |
| 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 |
| 總計 Total | | | | 21,000,000 | — | — | 21,000,000 |

其他資料 Other Information

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、諮詢顧問、專家、客戶、供應商、代理、合夥人或顧問或承包商（須符合本文所載之資格規定）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。

該計劃旨在確認及表揚為本集團曾經或可能作出貢獻的合資格參與者。

截至二零零八年六月三十日止期間，計劃項下的購股權詳情及變動如下（該等購股權授予一名按僱用合約正擔任本公司附屬公司董事的僱員）：

Share Option Scheme

Pursuant to the written resolutions of the shareholders of the Company 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 purpose of the Scheme is to recognise and acknowledge the contributions that eligible participants have made or may make to the Group.

Set out below are particulars and movements of the share options under the Scheme for the period ended 30 June 2008 which were granted to an employee, who is one of the directors of the Company's subsidiaries and is working under an employment contract:

購股權計劃項下的購股權數目

Number of share options under the Scheme

| 承授人 Grantee | 授出日期 Date of grant | 每股行使價 Exercise price per Share 港元 HK\$ | 歸屬日期 Vesting date | 行使期間 Exercise period | 於二零零八年 | 於期內授出 | 於期內 | 於二零零八年 |
|------------------------------------|-----------------------|--|-------------------------|----------------------------|-----------------------------|---------------------------------|--|------------------------------|
| | | | | | 一月一日 As at 01/01/2008 | Granted during the period | 行使/失效 Exercised/ lapsed during the period | 六月三十日 As at 30/06/2008 |
| 本集團的僱員 Employee of the Group | 30/11/2007 | 2.06 | 01/12/2008 | 01/12/2008- 07/08/2016 | 500,000 | 不適用 n/a | 不適用 n/a | 500,000 |
| | | | 01/12/2009 | 01/12/2009- 07/08/2016 | 500,000 | 不適用 n/a | 不適用 n/a | 500,000 |
| | | | 01/12/2010 | 01/12/2010- 07/08/2016 | 500,000 | 不適用 n/a | 不適用 n/a | 500,000 |
| | | | | | 1,500,000 | — | — | 1,500,000 |

其他資料 Other Information

董事進行證券交易的標準守則

本公司已採納標準守則所載有關董事證券交易的守則。經向全體董事作出查詢後，彼等均確認於本中期報告所涵蓋會計期內一直遵守標準守則所載之規定。

購回、出售或贖回證券

截至二零零八年六月三十日止六個月，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

企業管治

董事會採納本身的企業管治守則，其涵蓋上市規則附錄十四所載企業管治常規守則（「企業管治守則」）之所有守則條文及其建議的大部分最佳常規。

本公司於截至二零零八年六月三十日止六個月一直遵守上市規則所載企業管治守則之所有適用守則條文及其建議的大部份最佳常規。

審核委員會

本公司於二零零六年四月十八日按上市規則附錄十四企業管治守則的規定，成立有書面職權範圍的審核委員會。審核委員會的主要職責包括審閱及監察本集團財務申報程序及內部監控系統。審核委員會由不少於三名成員組成，而大多數成員須為獨立非執行董事。

現時，審核委員會成員關啟昌先生、溫澤光先生、陳光輝博士及馬家駿先生均為獨立非執行董事，主席為關啟昌先生。

Model Code for Securities Transactions by Directors

The Company has adopted the code of conduct regarding director's securities transactions as set out in the Model Code. Having made enquiry to all Directors, they all have confirmed that they have complied with the required standards as set out in the Model Code throughout the accounting period covered by this interim report.

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 six months ended 30 June 2008.

Corporate Governance

The Board adopted its own code of corporate governance, which covered all the code provisions and most of the recommended best practices of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules.

The Company had complied with all applicable code provisions and most of the recommended best practices of the CG Code as set out in the Listing Rules during the six months ended 30 June 2008.

Audit Committee

The Company established the Audit Committee on 18 April 2006 with written terms of reference in compliance with the CG Code as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee include the review and supervision of our financial reporting processes and internal control systems. The Audit Committee shall comprise at least three members with the majority being independent non-executive Directors.

Currently, Mr. KWAN Kai Cheong, Mr. WUN Kwang Vincent, Dr. CHAN Kwong Fai and Mr. MA Ka Chun, all being independent non-executive Directors, are members of the Audit Committee with Mr. KWAN Kai Cheong acting as the chairman.

其他資料 Other Information

薪酬委員會

本公司已於二零零六年四月十八日成立有書面職權範圍的薪酬委員會。薪酬委員會主要職責包括向董事會作出有關董事和高級管理人員的所有薪酬政策及架構以及就釐定該等酬金設立正式及具透明度的程序建議。

薪酬委員會有三名成員，包括李國棟先生、關啟昌先生及陳光輝博士，其中兩名為獨立非執行董事，主席為陳光輝博士。

提名委員會

本公司已於二零零六年四月十八日成立有書面職權範圍的提名委員會。提名委員會主要負責向董事會就委任董事及董事會的管理提出建議。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。

提名委員會有四名成員，包括為李國棟先生、黎清平先生及獨立非執行董事溫澤光先生與馬家駿先生，主席由溫澤光先生出任。

審閱委員會之審閱

審核委員會已和本公司管理層討論有關編製截至二零零八年六月三十日止六個月的未經審核簡明綜合中期財務資料的內部監控及財務報告事宜。審核委員會亦已連同本公司的管理層及核數師審閱截至二零零八年六月三十日止六個月的未經審核簡明綜合中期財務資料，並向董事會建議通過。

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 Remuneration Committee has three members comprising Mr. LI Kwok Tung Roy, Mr. KWAN Kai Cheong and Dr. CHAN Kwong Fai, two of whom are independent non-executive Directors. The chairman of the Remuneration Committee is Dr. CHAN Kwong Fai.

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.

The Nomination Committee has four members comprising Mr. LI Kwok Tung Roy, Mr. LAI Ching Ping and our independent non-executive Directors, Mr. WUN Kwang Vincent and Mr. MA Ka Chun. The chairman of the Nomination Committee is Mr. WUN Kwang Vincent.

Audit Committee Review

The Audit Committee has discussed with the management of the Company the internal control and financial reporting matters related to the preparation of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2008. It has also reviewed the unaudited condensed consolidated interim financial information for the six months end 30 June 2008 with the management and the auditors of the Company and recommended them to the Board for approval.

其他資料 Other Information

致謝

本人謹此衷心感謝客戶、供應商及股東的鼎力支持。此外，本人亦謹此對各董事於期內所作的寶貴貢獻及本集團各員工的摯誠服務致以深切謝意。

承董事會命

主席
李國棟

香港，二零零八年九月十六日

Acknowledgement

The Board would like to take this opportunity to express its sincere appreciation of the support from our customers, suppliers and shareholders. The chairman of the Board would also like to thank his fellow directors for their valuable contribution and the staff members of the Group for their commitment and dedicated services throughout the period.

By Order of the Board

LI Kwok Tung Roy
Chairman

Hong Kong, 16 September 2008

詞彙 Glossary

在本中期報告中，除文義另有所指外，以下詞語具有以下涵義：

「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

「Diadora」 Diadora S.P.A. 於意大利註冊成立公司

「Diadora商標」 包括若干於中國、香港及澳門已註冊或待註冊有關 *Diadora* 名稱的所有商標（惟少數情況除外），及其所附帶權利、連同有關貨品或服務的全部業務商譽，將按轉讓契據轉讓或特許予永歷或其附屬子公司（視乎情況而定）

「董事」 本公司董事

「大中華」 中國、澳門、香港及台灣地區

「本集團」 本公司及其附屬公司

「香港」 中國香港特別行政區

「上市規則」 香港聯合交易所有限公司證券上市規則

「OEM」 原設備製造

In this interim report, unless the context states otherwise, the following expression have the following meanings:

“Board” the board of Directors of the Company

“Company” Win Hanverky Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 13 December 2005

“Diadora” Diadora S.P.A., a company incorporated in Italy

“Diadora Trademarks” certain trademarks in the name of *Diadora* (save for a few exceptions) which are registered and pending registration in the PRC, Hong Kong and Macau, and the rights attaching thereto together with the whole of the goodwill of the business concerned in the goods or services for which such trademarks are used and/or registered prior to the date thereof to be assigned or licensed to Winor or its subsidiary (as the case may be) pursuant to the Deed

“Director(s)” the director(s) of the Company

“Greater China” the PRC, Macau, Hong Kong and Taiwan region

“Group” or “we” or “our” or “us” the Company and its subsidiaries

“Hong Kong” or “HK” the Hong Kong Special Administrative Region in the PRC

“Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“OEM” original equipment manufacturing

詞彙 Glossary

| | | | |
|--------------|---|-------------------------|--|
| 「首次公開售股前購股權」 | 於本公司上市前向本集團若干僱員及一名顧問授出的購股權 | “Pre-IPO Share Options” | the options granted by the Company to certain employees and a consultant of the Group prior to the listing of the Company |
| 「中國」 | 中華人民共和國 | “PRC” | the People’s Republic of China |
| 「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港元的普通股股份 | “Share(s)” | the ordinary share(s) of HK\$0.10 each in the share capital 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」 | 天運洋行有限公司，為本公司間接擁有60%的附屬公司 | “T&S HK” | Team and Sports Limited, an indirect 60%-owned subsidiary of the Company |
| 「Umbro集團」 | Umbro Plc，於倫敦證券交易所上市的公司，及其附屬公司、聯營公司及其本身或附屬公司或聯營公司控制的實體或公司 | “Umbro Group” | Umbro Plc, a company listed on the Stock Exchange of London, and its subsidiary, associates and entities or companies controlled by it or its subsidiary or its associates |
| 「Umbro產品」 | 根據Umbro分銷協議，採用Umbro品牌及由本集團分銷的指定運動服及其他用品 | “Umbro Products” | a selected range of sportswear and other products bearing the Umbro brand and distributed by us pursuant to the Umbro Distributor Agreement |
| 「美國」 | 美利堅合眾國 | “US” | the United State of America |
| 「永迪」 | 永迪控股有限公司，於香港註冊成立的公司，為本公司的全資附屬公司 | “Windia” | Windia Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. |
| 「永歷」 | 永歷國際有限公司，於香港註冊成立的公司，為本公司擁有60%的附屬公司 | “Winor” | Winor International Company Limited, a company incorporated in Hong Kong and a 60%-owned subsidiary. |
| 「嘉運」 | 嘉運體育用品有限公司，為本公司間接擁有75%的附屬公司 | “Win Sports” | Win Sports Limited, being an indirect 75%-owned subsidiary of the Company. |



Win Hanverky Holdings Limited

永嘉集團控股有限公司

