



福田實業(集團)有限公司

Fountain Set (Holdings) Limited

The World's Finest Circular Knits. Since 1969.
世界優質圓筒針織，始於1969

SEHK: 420



編織創意，活出新意

Knit Different. Live Different.



Dongguan Shatan Lake Side Textiles Printing & Dyeing Co., Ltd., a subsidiary of Fountain Set (Holdings) Limited, was awarded LCMP Certified Label in 2010.



HK 銀
香港傑出企業公民獎
Hong Kong Outstanding Corporate Citizenship Silver Award

ANNUAL REPORT
2010 年報



GROUP PROFILE

About Fountain Set (Holdings) Limited

Fountain Set (Holdings) Limited and its subsidiaries are recognized in the industry as one of the world's largest circular knitted fabric manufacturers and has long been a driving force in the global market through its vertically integrated operations in spinning, knitting, dyeing, printing and finishing. The Group's product range also includes dyed yarns, sewing threads and garments. As a major fabric supplier to garment manufacturers in over 40 countries that supply to internationally renowned retail brands, Fountain Set Group's worldwide sales reached HK\$6.1 billion (US\$788 million) in the financial year 2010.

Headquartered in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, Fountain Set (Holdings) Limited (SEHK: 420) has production facilities in the PRC, Sri Lanka and Indonesia, with marketing and representative offices in 5 countries and a global staff force of over 16,200.

To learn more about Fountain Set, please visit www.fshl.com

集團簡介

有關福田實業(集團)有限公司

福田實業(集團)有限公司及其附屬公司被業界譽為世界最大的圓筒針織布料生產商之一，並一直通過提供紡紗、針織、染色、印花及整理等高度垂直之綜合服務而成為環球紡織行業的翹楚。集團產品亦包括色紗、縫紉線及成衣。作為主要布料供應商，集團向超過40個國家的成衣製造商提供布料，以供應成衣至國際知名的零售品牌。集團於2010年財政年度的環球銷售額達61億港元(7.88億美元)。

福田實業(集團)有限公司之總部位於香港，並於香港聯合交易所有限公司上市(香港聯交所編號：420)，在中國、斯里蘭卡及印尼設有生產設施；海外市場推廣辦事處／代表處分佈五個國家，全球僱員超過一萬六千二百人。

欲知更多集團資料，請瀏覽 www.fshl.com



CONTENTS

目錄

2	Corporate Information 公司資料
3	Extensive Worldwide Network 強大環球網絡
4	Financial and Statistical Highlights 財務及統計摘要
6	Financial Summary 財務概要
8	Chairman's Statement 主席報告
14	Management Discussion and Analysis 管理層討論及分析
17	Corporate Governance Report 企業管治報告
24	Profile of Directors and Senior Management 董事及高級管理人員簡介
30	Directors' Report 董事會報告
36	Independent Auditor's Report 獨立核數師報告
38	Consolidated Income Statement 綜合收益表
39	Consolidated Statement of Comprehensive Income 綜合全面收益表
40	Consolidated Statement of Financial Position 綜合財務狀況表
42	Statement of Financial Position 財務狀況表
44	Consolidated Statement of Changes in Equity 綜合權益變動表
45	Consolidated Statement of Cash Flows 綜合現金流量表
47	Notes to the Consolidated Financial Statements 綜合財務報表附註





CORPORATE INFORMATION 公司資料

Directors

Executive Directors

Mr. HA Chung Fong (*Chairman*)

Mr. HA Kam On, Victor

Mr. HA Hon Kuen

Dr. YEN Gordon

Mr. LAU Hong Yon

Independent Non-executive Directors

Mr. NG Kwok Tung

Mr. WONG Kwong Chi

Mr. CHOW Wing Kin, Anthony, *SBS, JP*

Mrs. FUNG YEH Yi Hao, Yvette

Company Secretary

Mr. WONG Kin Man

Registered Office & Principal Place of Business

Block A, 7/F, Eastern Sea Industrial Building

29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong

Website

www.fshl.com

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Bank of China (Hong Kong) Limited

Solicitor

Vivien Chan & Co.

Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants

Share Registrar

Tricor Secretaries Limited

26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

董事

執行董事

夏松芳先生 (*主席*)

夏錦安先生

夏漢權先生

嚴震銘博士

柳康遠先生

獨立非執行董事

伍國棟先生

王幹芝先生

周永健先生，*銀紫荊星章，太平紳士*

馮葉儀皓女士

公司秘書

黃建文先生

註冊辦事處及主要營業地點

香港新界葵涌葵昌路29-39號

東海工業大廈A座7字樓

網址

www.fshl.com

主要往來銀行

渣打銀行(香港)有限公司

香港上海滙豐銀行有限公司

中國銀行(香港)有限公司

律師

陳韻雲律師行

核數師

德勤·關黃陳方會計師行

執業會計師

股份登記處

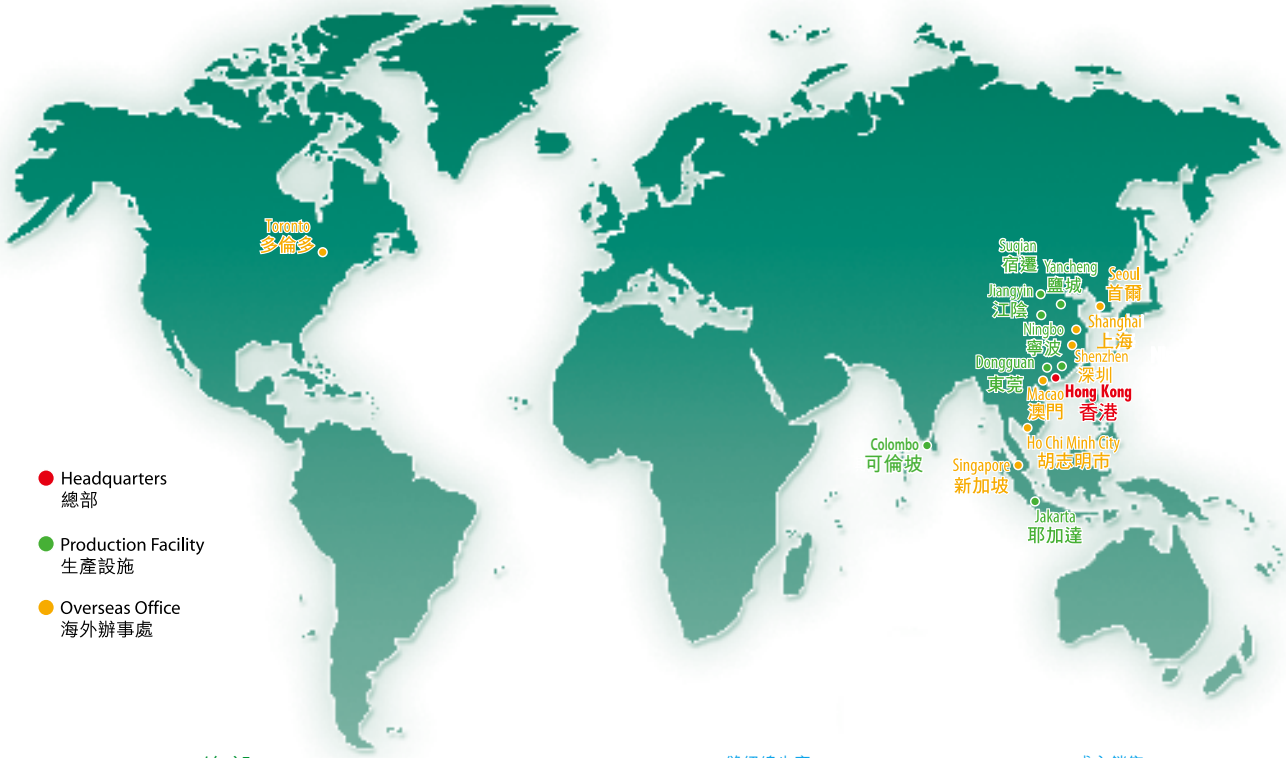
卓佳秘書商務有限公司

香港灣仔皇后大道東28號金鐘匯中心26樓





EXTENSIVE WORLDWIDE NETWORK 強大環球網絡



- Headquarters 總部
- Production Facility 生產設施
- Overseas Office 海外辦事處

* HEADQUARTERS • 總部

HONG KONG 香港
Fountain Set (Holdings) Limited
福田實業(集團)有限公司

* PRODUCTION FACILITY • 生產設施

CHINA 中國
COTTON SPINNING 棉紡
Jiangmen Huilian Textile Company Limited
江門市匯聯紡織有限公司
Kaiping Hui Hua Textiles Limited
開平匯華紡織有限公司

KNITTING & DYEING 針織及染色
Jiangyin Fuhui Textiles Limited
江陰福匯紡織有限公司
Yancheng Fuhui Textiles Limited
鹽城福匯紡織有限公司

KNITTING, DYEING & PRINTING 針織染色及印花
Dongguan Shatin Lake Side Textiles
Printing & Dyeing Co., Ltd.
東莞沙田麗海紡織印染有限公司

GARMENT MANUFACTURING 製衣
Dong Guan Hai Xing Apparel Co., Ltd.
東莞海星服裝有限公司
Dongguan Fuquan Garment Co., Ltd.
東莞福泉製衣有限公司
Dong Guan FuYi Apparel Co., Ltd.
東莞福怡服裝有限公司
Ningbo Young Top Garments Co., Ltd.
寧波創裕製衣有限公司
Jiangyin Fuhui Textiles Limited
江陰福匯紡織有限公司
Suqian Young Top Garments Co., Ltd
宿遷創裕製衣有限公司

SEWING THREADS MANUFACTURING 縫紉線生產
Dongguan Goldlink Thread Factory Co., Ltd.
東莞金菱線廠有限公司

TEXTILE MACHINERY MANUFACTURING 紡織機械生產
Jiangyin Jintian Machinery Limited
江陰金田機械有限公司

JAKARTA 耶加達
GARMENT MANUFACTURING 製衣
P.T. Sandang Mutiara Cemerlang

COLOMBO 可倫坡
KNITTING & DYEING 針織及染色
Ocean Lanka (Private) Limited
海洋蘭卡(私人)有限公司[#]

* TRADING OFFICE • 辦事處

CHINA 中國
SALES OF DYED FABRICS & YARNS 色布及紗銷售
Shenzhen Faun Textiles Limited
深圳福力紡織品有限公司
Shanghai Fuhui Textiles Trading Co., Ltd.
上海福匯紡織貿易有限公司

HONG KONG 香港
RAW MATERIALS SOURCING 原料採購
Highscene Limited
漢盛有限公司

SALES OF DYED FABRICS & YARNS 色布及紗銷售
Fountain Set Limited
福田實業有限公司

SALES OF SEWING THREADS 縫紉線銷售
Goldlink Thread Limited
金菱線廠有限公司

* SALES OF GARMENTS 成衣銷售

Hiway Textiles Limited
海匯紡織有限公司
OceanStar Textiles International Limited
海星紡織國際有限公司
Triumph Luck Limited
凱福有限公司

MACAO 澳門
RAW MATERIALS SOURCING 原料採購
Prosperlink (Macao Commercial Offshore) Limited
匯漢(澳門離岸商業服務)有限公司

TORONTO 多倫多
SALES OF DYED FABRICS & GARMENTS 色布及成衣銷售
Fountain Set Textiles (Ontario) Limited
福田紡織(安省)有限公司[#]

* MARKETING / REPRESENTATIVE OFFICE • 市場推廣辦事處 / 代表處

NEW YORK 紐約
Fountain Set (U.S.A.) Inc.
福田實業(U.S.A.)有限公司[#]

HO CHI MINH CITY 胡志明市
Fountain Set (Singapore) Pte. Limited
- Vietnam Representative Office
福田實業(新加坡)私人有限公司[#]
- 越南代表處

SEOUL 首爾
Fountain Set Limited
- Korean Liaison Office
福田實業有限公司 - 韓國代表處

SINGAPORE 新加坡
Fountain Set (Singapore) Pte. Limited
福田實業(新加坡)私人有限公司[#]

Chinese names are only translations of their official English names. In case of inconsistencies, the English names shall prevail.
中文名稱僅為彼等官方英文名稱之譯文。倘有歧異，概以英文名稱為準。





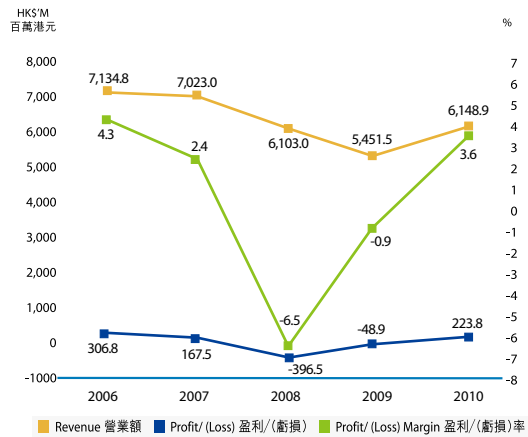
FINANCIAL AND STATISTICAL HIGHLIGHTS 財務及統計摘要

		2010	2009	Changes
		HK\$Mil	HK\$Mil	變動
		百萬港元	百萬港元	
Operating Results	營運業績			
Revenue	營業額	6,148.9	5,451.5	12.8%
Profit (Loss)	盈利(虧損)			
Total	總值	223.8	(48.9)	557.7%
Profit (Loss) margin	盈利(虧損)率	3.6%	(0.9%)	
Earnings (Loss) per share (cents)	每股盈利(虧損)(仙)			
– Basic	– 基本	28.2	(6.2)	557.7%
Dividends	股息			
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)			
Per share (cents)	每股(仙)	1.0	0.0	100.0%
Dividend payout ratio	派息比率	3.5%	N/A	
Financial Position at Year End	於年度終結時之財務狀況			
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)			
Net current assets	流動資產淨值	1,403.9	1,568.4	-10.5%
Total assets	資產總值	6,866.0	6,054.2	13.4%
Long-term bank borrowings	長期銀行借貸	951.3	1,489.0	-36.1%
Bank borrowings	銀行借貸	2,559.3	2,329.5	9.9%
Net bank borrowings	銀行借貸淨值	1,888.9	1,527.0	23.7%
Total liabilities	負債總值	3,990.8	3,434.0	16.2%
Tangible net worth	有形淨值	2,625.4	2,393.9	9.7%
Net asset value per share (HK\$)	每股資產淨值(港元)	3.31	3.01	9.7%
Capital expenditure	資本開支	268.1	279.5	-4.1%
(after inclusion of interest capitalised)	(已包括化作資產之利息在內)			
Financial Statistics	財務統計			
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)			
Current ratio	流動比率	1.47	1.84	
Long-term bank borrowings ratio	長期銀行借貸比率	0.36	0.62	
Bank borrowings ratio	銀行借貸比率	0.97	0.97	
Net bank borrowings ratio	銀行借貸淨值比率	0.72	0.64	
Gearing ratio	資本負債比率	1.52	1.43	
Return before tax on average equity	除稅前之平均股東基金回報率	9.2%	-1.5%	
Interest cover ratio	利息比率	5.61	0.22	

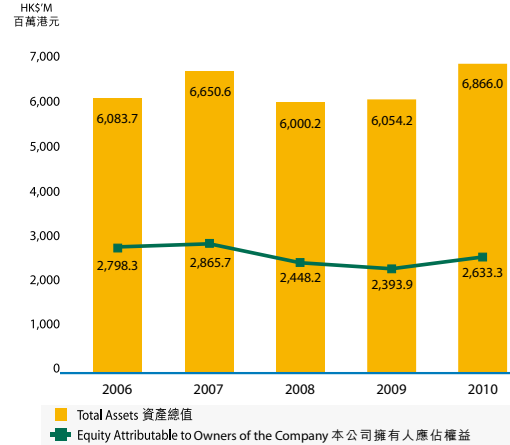


FINANCIAL AND STATISTICAL HIGHLIGHTS 財務及統計摘要

Revenue, Profit/(Loss) and Profit/(Loss) Margin 營業額、盈利/(虧損)及盈利/(虧損)率

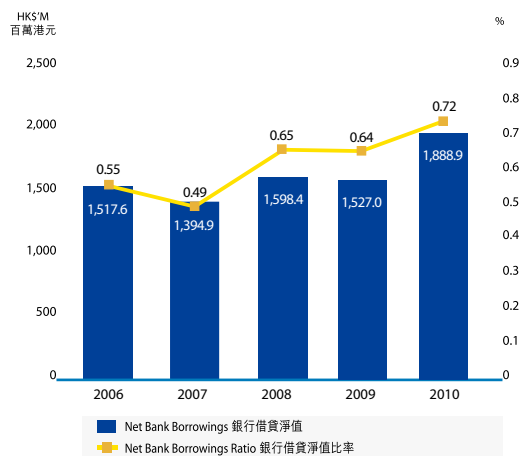


Total Assets and Equity Attributable to Owners of the Company 資產總值及本公司擁有人應佔權益



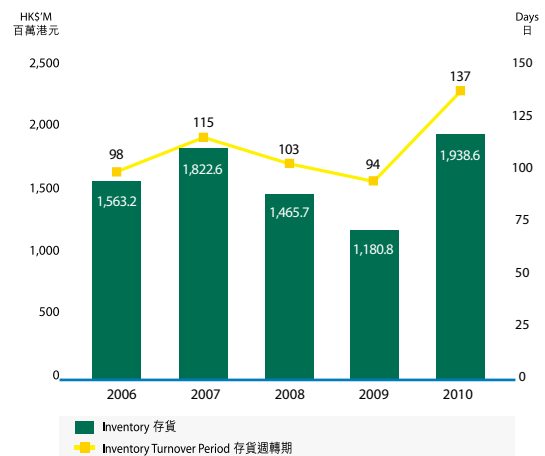
Net Bank Borrowings and Net Bank Borrowings Ratio (after inclusion of proposed final dividend)

銀行借貸淨值及銀行借貸淨值比率(已包括擬付之末期股息在內)



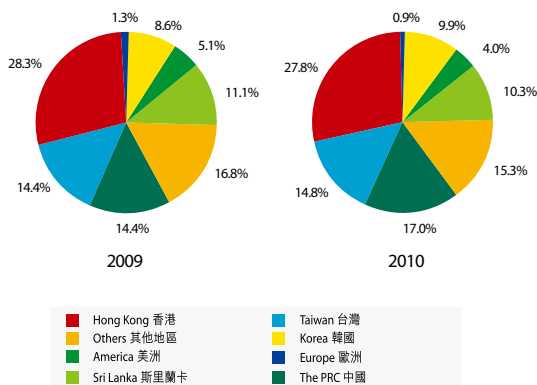
Inventory and Inventory Turnover Period 存貨及存貨週轉期

存貨及存貨週轉期



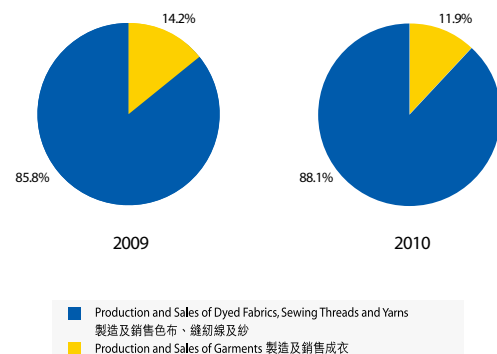
Source of Revenue by Geographical Segments (billing addresses of customers)

營業額—按地域分類(按客戶帳單地址)



Source of Revenue by Business Segments

營業額—按業務分類





FINANCIAL SUMMARY 財務概要

CONSOLIDATED INCOME STATEMENT

綜合收益表

Year ended 31st August,

截至八月三十一日止年度

		2006	2007	2008	2009	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	營業額	7,134,788	7,022,991	6,103,045	5,451,492	6,148,949
Profit (loss) from ordinary activities	日常業務盈利(虧損)	387,193	228,010	(371,125)	8,280	250,095
Reversal of impairment loss on amounts due from jointly controlled entities	共同控制機構所欠款項的減值損失撥回	1,040	540	21,907	-	-
Profit (loss) before taxation	除稅前盈利(虧損)	388,233	228,550	(349,218)	8,280	250,095
Income tax expense	所得稅支出	(41,145)	(16,240)	(9,179)	(12,475)	(6,516)
Profit (loss) for the year	是年度盈利(虧損)	347,088	212,310	(358,397)	(4,195)	243,579
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	306,772	167,481	(396,451)	(48,928)	223,798
Non-controlling interests	非控股權益	40,316	44,829	38,054	44,733	19,781
		347,088	212,310	(358,397)	(4,195)	243,579



FINANCIAL SUMMARY 財務概要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31st August,

於八月三十一日

		2006	2007	2008	2009	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Non-current assets	非流動資產	2,263,256	2,347,435	2,337,638	2,619,839	2,479,189
Current assets	流動資產	3,820,430	4,303,204	3,662,577	3,434,383	4,386,784
Current liabilities	流動負債	1,248,522	1,781,472	1,488,830	1,865,990	2,974,955
Net current assets	流動資產淨值	2,571,908	2,521,732	2,173,747	1,568,393	1,411,829
Total assets less current liabilities	資產總值減流動負債	4,835,164	4,869,167	4,511,385	4,188,232	3,891,018
Non-current liabilities	非流動負債	1,835,514	1,784,711	1,812,191	1,639,475	1,077,923
Net assets	資產淨值	2,999,650	3,084,456	2,699,194	2,548,757	2,813,095
Capital and reserves	資本及儲備					
Share capital	股本	158,802	158,802	158,802	158,802	158,802
Reserves	儲備	2,639,513	2,706,858	2,289,353	2,235,079	2,474,523
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,798,315	2,865,660	2,448,155	2,393,881	2,633,325
Non-controlling interests	非控股權益	201,335	218,796	251,039	154,876	179,770
Total equity	權益總值	2,999,650	3,084,456	2,699,194	2,548,757	2,813,095





CHAIRMAN'S STATEMENT 主席報告

FELLOW SHAREHOLDERS

On behalf of the Board, I am pleased to report to shareholders the results of the Group for the year ended 31st August, 2010. The revenue was approximately HK\$6,148,949,000, an increase of 12.8% over last year. Profit attributable to owners of the Company amounted to approximately HK\$223,798,000. Net profit margin under review was 3.6%, compared with the net loss margin of 0.9% in the same period last year. Net profit margin would be 2.1% if extraordinary gain in relation to the disposal of an industrial building in Tuen Mun, Hong Kong during the year were excluded. Basic earnings per share was HK 28.2 cents, a turnaround from basic loss per share of HK 6.2 cents in 2009.

During the earlier part of financial year 2010, there were doubts in the market on whether the recovery was real and sustainable. It became apparent in the second half of the financial year that the world economy had started to show some signs of recovery with export orders becoming more stable. With the leadership of our new Group General Manager since April 2009, the Group has concentrated strategically on improving the overall production and operational efficiency, streamlining and implementing stringent cost control measures. Through a series of continuous and proactive management actions, we were able to reduce administrative expenses to turnover ratio as well as distribution and selling expenses to turnover ratio when compared with the previous financial year. At the same time, the Group continued to expand market penetration in China by putting more resources in our sales offices in Shanghai and Shenzhen. We successfully maintained good and stable working relationships with some of the most well-known local brands and retailers in the sports wear and casual wear sectors.

During the year under review, the Group's turnover increased by 12.8% as compared with the previous financial year. In addition, the Group's factories utilization rates were gradually normalizing as we increased our market share. At the same time, operational efficiency also improved especially in the second half of the financial year due to proactive management measures. Heavy industry consolidation has continued following the global financial crisis in 2008. This consolidation benefits strong and large-scale players in the supply-chain as customers place more confidence in partnering with more reputable, better established, and well resourced fabric suppliers.

致各股東

本人謹代表董事會欣然向各股東匯報本集團截至二零一零年八月三十一日止年度之業績。營業額約為6,148,949,000港元，與去年比較上升12.8%。本公司擁有人應佔盈利約為223,798,000港元。回顧期內淨盈利率為3.6%，相比去年同期淨虧損率為0.9%。倘若撇除今年度出售香港屯門工業大廈此項非經常性收益，淨盈利率則為2.1%。每股基本盈利為28.2港仙，相對於二零零九年每股基本虧損為6.2港仙為轉虧為盈。

在二零一零年的財政年度初期，對於市場是否真正及持續復甦仍存有質疑。世界經濟在下半年財政年度明顯地開始出現復甦跡象，出口訂單亦轉趨穩定。自二零零九年四月份起，在新集團總經理的領導下，集團已策略性地集中改善整體生產和運作效率，精簡和實施嚴厲的成本控制措施。透過一系列持續而積極的管理措施，集團行政費用所佔營業額的百分比，分銷及銷售費用所佔營業額的百分比，與去年財政年度相比得以下降。與此同時，集團投入更多資源在中國深圳及上海的辦事處，以繼續擴大內地的市場滲透。集團已成功地與國內一些最知名的內地品牌和零售商，在運動服裝及休閒服裝區域上保持著良好而穩定的合作關係。

在回顧年度內，集團的營業額與去年財政年度相比上升了12.8%。此外，集團正增加市場佔有率，故集團廠房使用率逐漸正常化。與此同時，由於集團採取積極的管理措施，營運效率得以改善，並於本財政年度之下半年期間尤其明顯。隨著二零零八年全球金融危機以來，大的行業整合持續出現，這整合對在供應鏈中穩健及大規模的企業有利，乃因為客戶更有信心與信譽良好、較成熟及資源豐富的布料供應商合作。





CHAIRMAN'S STATEMENT 主席報告

World cotton prices reached record high in recent history during the financial year due to lower than expected production, thus resulting in higher pressure on raw material sourcing, inventory management, production cost and working capital. As one of the largest cotton yarn buyers in the world, the Group has maintained many long and trusting working relationships with major raw material suppliers over the years. In addition, our stringent inventory management and control as well as strong supply-chain management practices helped ensure reliable and competitive supply of raw materials even under such volatile market conditions.

On 13th November, 2009, the Group announced that it had entered into a sale and purchase agreement with a third party for disposal of properties in Tin's Centre Block No. 9 at a consideration of HK\$122,800,000. Tin's Centre Block No. 9 is situated at Block No 9, No 3B Hung Cheung Road, Tuen Mun, New Territories, Hong Kong. Properties to be disposed comprise approximately 84% of the Tin's Centre Block No. 9. Tin's Centre Block No. 9 has been used for storage and rental in recent years. We believe this to be a good opportunity for the Group to realize our investment in these properties and reallocate the resources for strengthening the Group's financial position and supporting the principal business operations. With reference to the net book value of the properties as at 28th February 2010 and after deducting relevant costs, the gain on disposal of properties was approximately HK\$96,387,000. All net proceeds were well received in March 2010 and used for strengthening general working capital.

The Group maintained a healthy financial position for the period under review. As at 31st August, 2010, the Group's total cash and cash equivalents of the Group approximately amounted to HK\$670,376,000. The stable financial position enables the Group to focus on the core competence and to remain strong and flexible during the raw material volatility period. The management is confident that we will be able to continue to improve the Group's overall performance in the future.

在本財政年度內，由於棉花生產數目較預期為低，世界棉花價格已達到近來歷史的最高紀錄，結果對原材料來源、存貨管理、生產成本和營運資金上造成更大壓力。作為世界上最大的棉花和紗線買家之一，集團多年來與主要原材料供應商保持著長期及可信任的合作關係。加上集團採取嚴厲的存貨管理及控制，以及實行強大的供應鏈管理措施，即使處於這樣不穩定的市場狀況下，集團仍保證擁有可靠及具競爭力的原材料供應。

於二零零九年十一月十三日，集團公佈其與一第三方企業達成一項買賣協議。集團以122,800,000港元之代價，出售其田氏中心第九座物業。田氏中心第九座位於香港新界屯門洪祥路3B號第九座。擬出售之物業包括約為84%之田氏中心第九座。近年田氏中心第九座用作存儲及出租。集團相信，這是變現其在該物業投資的好時機，並重新調配資源，用以加強集團財政狀況和支持集團主要業務運作。根據該物業於二零一零年二月二十八日之帳面淨值並扣除相關開支後，該物業出售所得之利潤約為96,387,000港元。此淨收益已於二零一零年三月收取，集團計劃將此項所得款項用作增強整體營運資金。

在回顧年度內，集團依然維持著穩健的財政狀況。截至二零一零年八月三十一日，集團的總現金和等同現金項目共計約670,376,000港元。穩定的財政狀況能使集團集中於核心競爭力，及在原材料波動時期仍能保持強勢和靈活性。管理層有信心，集團的整體表現將在未來的日子得以繼續改善。





CHAIRMAN'S STATEMENT 主席報告

In addition, the Group has set up a sustainability and corporate social responsibility committee since 2009 and is committed to invest and implement environmental-friendly procedures in all our production processes as well as promote and encourage eco-living to our staffs. With the aim to enhance energy efficiency, mitigating emission, and provide sustainability initiatives, numerous green programs have been planned and executed in factories and offices, such as replacement of energy saving devices, recycle and reduce wastes and water, process re-engineering and actively promote green culture within the Group.

DIVIDEND

The Board has resolved to pay a final dividend of HK1.0 cent per share for the year ended 31st August, 2010. The total dividend for the year would be HK1.0 cent per share as compared with no dividend being issued last year.

AWARDS

This year, the Group's wholly owned subsidiary, Jiangyin Fuhui Textile Limited was accredited "Hundred Star Enterprise", "Best Ten International Trade Enterprise", "Enthusiastic Charity Enterprise" by the People's Government of Jiangyin. It was also awarded with "the Star of Enterprise", "the Award of Effective Input", "Production Safety Enterprise" by the Economic Development Zone of Jiangyin. The Group's subsidiary, Ocean Lanka (Private) Limited, continued to accredit with "Fair-trade Certificate" since 2006. Another wholly owned subsidiary of the Group, Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. was awarded "Certificate of Conformity of Environmental Management System Certification" by the China Great Wall Quality Assurance Centre as well as "Low Carbon Manufacturing Programme"(LCMP) certificate by World Wide Fund For Nature (WWF). Three of our fabric mills namely Jiangyin Fuhui Textile Limited, Dongguan Shatin Lake Side Textiles Printing & Dyeing Co. Ltd. And Ocean Lanka (Private) Limited received "Global Organic Textiles Standard (GOTS)" certificate by the Institute for Marketecology In addition, the Group's wholly owned subsidiary Dongguan Fu Yi Apparel Co.,Ltd. was accredited "Certificate of Appreciation" by the Hong Kong Productivity Council, in recognition of its contribution to cleaner production and participation in verification project.

除此之外，集團自二零零九年設立「可持續發展及企業社會責任委員會」，致力於所有生產過程中投入和實施環保程序，同時推廣和鼓勵集團僱員實踐低碳生活。集團於廠房和辦公室內籌劃並執行了多項綠色計劃，例如替換節能裝置、回收及減少廢料和用水、流程改造、以及積極推動綠色文化，目的是加強能源效益，緩和排放量，以及提供可持續發展。

股息

董事會決定就截至二零一零年八月三十一日止年度派發每股1.0港仙為末期股息。今年總股息為每股1.0港仙，相對去年沒有派發股息。

獎項

今年，集團全資擁有附屬公司江陰福匯紡織有限公司獲江陰市人民政府評為「江陰市百強明星企業」、「江陰市十佳外貿企業」及「江陰市熱心慈善企業」，亦獲江陰經濟開發區頒發「明星企業」、「江陰經濟開發區有效投入獎」、「江陰經濟開發區安全生產管理先進企業」。集團附屬公司海洋蘭卡(私人)有限公司自二零零六年繼續獲評為「公平貿易認證」，集團另一全資擁有附屬公司東莞沙田麗海紡織印染有限公司獲長城品質保證中心頒發「環境品質管制體系認證證書」以及世界自然基金會頒發「低碳製造計劃(LCMP)」認證。集團其中三間布廠—江陰福匯紡織有限公司、東莞沙田麗海紡織印染有限公司及海洋蘭卡(私人)有限公司均獲得Institute for Marketecology頒發「全球有機紡織標準獎狀(GOTS)」。此外，集團全資擁有附屬公司東莞福怡服裝有限公司獲香港生產力促進局頒發「嘉許狀」，以表示對其在清潔生產及參與核証成效項目的貢獻予以認可。





CHAIRMAN'S STATEMENT 主席報告

BUSINESS OUTLOOK

While the gradually recovering economy in the EU is pressured by concerns over sovereign debt, the US is trying to jump start the sluggish economic recovery with the implementation of the second round of Quantitative Easing. Even though aggressive promotions by US retailers in November resulted in a biggest sales increase in three years that exceeded market expectations, the overall economy remains fragile since bottoming after the financial crisis in 2008. Meanwhile, the continued upsurge in raw material prices and general inflation in many developing countries has driven up cost of products substantially in the textile and apparel supply chain, including the average selling price ("ASP") of knitted fabrics. While, the higher ASP will become an inflationary factor for the Group's revenue in the financial year of 2011, it is expected that increase in net retail prices of apparel products is inevitable from spring 2011 due to substantial rise in cost. This may weaken the buying power of brands and retailers which could in turn affect overall export demand. Through our focus on products, services and efficiency, the Group will continue to build upon our strong reputation and loyal customer base to seek growth in export market share.

China has one of the fastest growing consumer markets in the world coupled with strong government initiatives to further stimulate domestic consumption. The Group will continue expand our sales in China by strategically targeting both domestic and foreign branded clients as the local consumer preference shifts towards better product quality, safety and innovations. Our domestic sales have shown continuous improvement since the establishment of our Shanghai and Shenzhen sales offices as well as the active promotion of our product brand "fabric by Fountain Set™" to the textile and apparel supply chain in China over the past few years. We anticipate that our domestic sales for textiles and apparel in China will continue to increase at a faster pace over export during the next few years.

業務展望

當歐盟在經濟逐漸復甦時受到外債困擾的壓力同時，美國推出第二輪量化寬鬆措施，以跳出緩慢的經濟復甦步伐。儘管美國零售商在十一月份積極推廣，並達到三年來最大銷售，超出市場預期，但在二零零八年金融危機後，經濟衰退跌至谷底，整體市場依然疲弱。與此同時，多個發展中國家因原材料價格持續高漲和整體通貨膨脹，導致紡織和成衣供應商的產品成本大幅上揚，包括針織布料的平均銷售價格。當愈高的平均銷售價格將成為通脹因素並影響集團二零一一年財政年度之營業額之時，由於成本大幅上升，預計於二零一一年春天起成衣產品的淨零售價會無可避免地上升。這會減弱品牌及零售商的購買能力，從而影響整體出口需求。集團透過集中注重於產品、服務及效率，並會繼續建立良好聲譽及忠誠客戶群，以尋求出口市場佔有率的增長。

中國是世界上消費市場增長最快速的國家之一，結合其強大的政府措施，有助進一步刺激本土消費。由於國內消費傾向轉移至更高產品質素、安全及創新，集團將會策略性地針對國內及外國品牌客戶，繼續擴大集團在中國的銷售。隨著在上海及深圳銷售辦事處的成立，以及過往幾年間向紡織及成衣供應商推廣「紡特適™面料」產品品牌，集團預期出口至中國的紡織及成衣銷售在未來數年會以更快步伐持續增長。





CHAIRMAN'S STATEMENT 主席報告

The Group currently possesses a total of approximately 25 million pounds of monthly fabric production capacity. Our latest fabric mill, Yancheng Fuhui Textiles Limited, located in the Yancheng City of the Jiangsu province in China has commenced production during this financial year and will provide an enormous potential for future expansion of the Group as the domestic consumption in China continues to grow and when export market recovers. The Group targets to achieve an average of three million pounds of fabric dyeing output per month in the Yancheng plant during the next financial year. Eventually, the Yancheng plant could be developed to house a fabric dyeing capacity of over ten million pounds per month upon completion of all phases. The Group will carefully monitor the market conditions and the development plans of our customers before further investing and developing any additional capacity.

Sales of garment during the financial year under review have dropped by 5.9% when compared with the previous year as a result of the weakened market. As noted in the interim report, since the garment export remains volatile and highly competitive, the Group will continue to consolidate its garment production capacity in the next financial year.

Furthermore, in relation to proceeds from the disposal of land and properties of the Group's subsidiary, Dongguan Fuan Textiles Limited, the Group has received second and third installments of RMB30,000,000 and RMB40,000,000 respectively during the year under review. The Group further received on schedule the fourth installment of RMB77,500,000 in October 2010 and the fifth installment of RMB77,500,000 is expected to be received in April 2011.

The Group will also further optimize its operations and infrastructure to cope with the current market conditions while maintaining a solid foundation to support future growth. These initiatives include the ongoing review of management functions such as cost and performance measurement, risk management and corporate governance. The Group will also focus on reducing the net gearing ratio to a more sustainable level over the next few years by improving profitability as well as implementations of tighter control over cost, working capital and capital expenditure.

集團現時每月的布料生產量總計約為二千五百萬磅。集團其下一間位於中國江蘇省鹽城市的最新布料廠房—鹽城福匯紡織有限公司—已於本財政年度內開始投產。由於中國本地消費持續增長，以及出口市場復甦，該廠房將為集團未來擴展提供巨大的潛力。集團的目標是在下一個財政年度內，鹽城廠房每月的染布生產量可達到平均三百萬磅，當所有分段建設完成後，廠房最終可發展至每月能容納超過一千萬磅染布生產量。在進一步增加投資及發展額外的生產量前，集團將密切注視市場環境及客戶的發展計劃。

因市場需求減弱，與去年比較，成衣銷售額在回顧年度內下跌5.9%。如中期報告所述，鑒於成衣出口依然波動，並且競爭激烈，集團將在下一個財政年度繼續整合其成衣生產量。

此外，有關集團附屬公司東莞福安紡織印染有限公司的土地及物業出售的收益，在回顧年度內，集團已收取第二及第三筆款項，兩筆款項分別為人民幣30,000,000元及人民幣40,000,000元。二零一零年十月，集團已如期收取第四筆款項，款項為人民幣77,500,000元。另集團預期於二零一一年四月收取第五筆款項，款項為人民幣77,500,000元。

集團亦將進一步優化其營運活動與基礎設施，以配合當前的市場狀況，並維持堅實基礎以支持長遠發展。這些措施包括持續檢討管理職責，例如成本和表現考核、風險管理及企業管治等。集團將會通過改善盈利，以及實施更嚴謹的成本、營運資本和資本開支之控制，在未來數年內專注降低淨資本負債比率至更具持續性的水準。





CHAIRMAN'S STATEMENT 主席報告

Based on the current assessment, the Group expects the industry environment in the coming financial year to remain challenging and maintains a cautiously optimistic view on the Group's performance. However, with our strategically located fabric mills in Dongguan, Jiangsu and Sri Lanka as well as the growth in domestic sales in China, we are well positioned to increase our market share following consolidation of the supply chain and when market demand gradually recovers in the future. Therefore, we are relatively more optimistic on the business outlook for the longer term.

ACKNOWLEDGEMENT

Finally, I would like to thank our employees around the world for their dedicated efforts throughout the year. I am grateful to my fellow directors for their countless contribution and support. On behalf of the Group, I express my sincere appreciation to our shareholders, customers, partners and vendors for their continuous support.

On behalf of the Board

HA Chung Fong

Chairman

Hong Kong

10th December, 2010

按現狀估計，集團預期下一財政年度的行業環境仍將充滿挑戰並對集團表現維持審慎樂觀的展望。然而，隨著集團在東莞、江蘇及斯里蘭卡戰略性的分配布料廠房以及於中國國內銷售的增長，集團正處於有利位置，在供應鏈整合及未來市場需求逐漸復甦後增加市場佔有率。因此，集團對長期的業務展望感到較為樂觀。

鳴謝

最後，本人感謝環球僱員在全年的專注努力。本人感激各位董事的無數貢獻及支持。本人謹代表集團對股東、客戶、業界友好及供應商的長期支持，致以真誠感激。

代董事會

主席

夏松芳

香港

二零一零年十二月十日





MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS REVIEW

During the year under review, the profit attributable to owners of the Company was approximately HK\$223,798,000, an increase of 4.5 percentage point when compared with the net loss margin in last year or 3.0 percentage point if extraordinary profit in relation to the disposal of an industrial building in Tuen Mun, Hong Kong during the year was excluded. Gross Profit margin also increased slightly due to enhanced factory utilization rate but was partially offset by increase in significant cost items such as material and energy as compared with previous year. The Group's operation efficiency is gradually returned to a normalized level because of the improved market environment. Furthermore, the Group received second and third installments amounted totally to RMB70,000,000 after the disposal of a Group's subsidiary, Dongguan Fuan Textiles Limited's properties during the financial year of 2009/2010.

Production and Sales of Dyed Fabrics, Sewing Threads and Yarns

During the year under review, revenue from the production and sales of dyed fabrics, sewing threads and yarns reached approximately HK\$5,419,354,000, an increase of 15.9% as compared with last year, and accounted for 88.1% of the Group's total revenue.

Production and Sales of Garments

Annual revenue from the production and sales of garments was approximately HK\$729,595,000, a decrease of 5.9% as compared with last year, and accounted for 11.9% of the Group's total revenue.

Analysis by Customer Geographical Regions

The Group's major customers were garment manufacturers located in Asia and accounted for approximately 95.1% of the Group's total revenue, a slight increase of 1.5 percentage points when compared with 93.6% of last year. The remaining 4.9% was generated from sales to customers based in America and Europe. A more substantial growth was achieved in business with customers based in China, accounted for approximately 17.0% of the Group's total revenue. The Group has established local marketing offices or fabric mills and strategically targeted China as our potential growth country in the past few years.

業務回顧

在回顧年度內，公司之擁有人應佔盈利約為223,798,000 港元，與去年的淨虧損率相比，上升了4.5 個百分點，倘若撇除今年度出售香港屯門工業大廈此項非經常性收益，則上升了3.0 個百分點。由於加強廠房使用率，毛利率比去年錄得輕微上升。然而，加強的廠房使用率部份被主要成本商品（如物料、原油）價格上升而抵銷。鑒於市場環境的改善，集團的營運效率正逐步恢復至正常水平。另外，集團在二零零九至二零一零財政年度內出售集團附屬機構東莞福安紡織印染有限公司之物業後，並收取第二期和第三期款項人民幣共70,000,000 元。

製造及銷售色布、縫紉線及紗

在回顧年度內，製造及銷售色布、縫紉線及紗的營業額達到約5,419,354,000 港元，與去年相比增長15.9%，佔集團營業額總值的88.1%。

製造及銷售成衣

製造及銷售成衣的全年營業額約729,595,000 港元，比去年下跌5.9%，佔集團營業額總值的11.9%。

客戶所屬地域分析

集團之主要客戶為位於亞洲的成衣製造商，佔集團營業額總值約95.1%，與去年的93.6%相比輕微上升了1.5 個百分點。而餘下的4.9%則來自銷售予位於美洲及歐洲的客戶。其中位於中國的客戶的業務錄得較為顯著的增長，佔集團營業額總值約17.0%。集團在當地設有市場推廣辦事處或布料廠房，並於過去數年策略地部署中國為我們潛力增長之國家。





MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

FINANCIAL REVIEW

Liquidity and Financial Information

At 31st August, 2010, the Group's total assets amounted to approximately HK\$6,865,973,000, representing an increase of approximately HK\$811,751,000 over last year. Total assets included noncurrent assets of approximately HK\$2,479,189,000 and current assets of approximately HK\$4,386,784,000. The above assets were financed by current liabilities of approximately HK\$2,974,955,000, non-current liabilities of approximately HK\$1,077,923,000, non-controlling interests of approximately HK\$179,770,000 and equity attributable to owners of approximately HK\$2,633,325,000.

The Group met its funding requirements in its usual course of operation by cash flows from operations, as well as long-term and short-term borrowings. Capital expenditure was mainly financed by long-term borrowings and proceeds received from sale of properties.

Bank borrowings totally increased by approximately HK\$229,727,000 and the total amount of short-term bank deposits, bank balances and cash decreased by approximately HK\$132,166,000.

At 31st August, 2010, the principal financial ratios (after inclusion of proposed final dividend) were as follows:

財務回顧

流動資金及財務資料

於二零一零年八月三十一日，集團資產總值約6,865,973,000港元，比去年增加約811,751,000港元。資產總值包括非流動資產約2,479,189,000港元及流動資產約4,386,784,000港元。上述資產由流動負債約2,974,955,000港元、非流動負債約1,077,923,000港元、非控股權益約179,770,000港元及本公司擁有人應佔權益約2,633,325,000港元提供融資。

集團以營運所得現金流量及銀行的長短期貸款應付日常資金需要，而資本開支則主要由長期貸款和物業出售的收益撥付。

銀行借貸合共增加約229,727,000港元，短期銀行存款、銀行結存及現金總值增減少約132,166,000港元。

於二零一零年八月三十一日，主要的財務比率(包括擬付之末期股息在內)如下：

		2010 二零一零年	2009 二零零九年
Gearing Ratio	資本負債比率	1.52	1.43
Bank Borrowing Ratio	銀行借貸比率	0.97	0.97
Net Bank Borrowing Ratio	銀行借貸淨值比率	0.72	0.64





MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The sales and the purchase of raw materials of the Group are mainly denominated in Hong Kong dollars, US dollars and Renminbi. Bank borrowings are also denominated in Hong Kong dollars, US dollars and Renminbi and interests are mainly charged on a floating rate basis. In addition, the Group mainly operates in China and is exposed to foreign exchange risk arising from Renminbi exposure. The fluctuations in the US dollars and Renminbi have always been the concern of the Group. In order to mitigate the foreign currency risk and interest rate risk, the Group will enter into appropriate hedging arrangements in accordance with the Group's risk management policies.

Capital Expenditure

During the year, the Group invested approximately HK\$268,104,000 (2009: HK\$279,445,000) in the additions of property, plant and equipment. The Group expects that capital expenditure for the next financial year will be approximately HK\$230,000,000.

Inventory

The Group's inventory approximately amounted to HK\$1,938,592,000 as of 31st August, 2010 (2009: HK\$1,180,756,000). The substantial increase is due to the upsurge of cotton and yarn prices. The inventory turnover period is 137 days (2009: 94 days).

Employees and Emolument Policies

At 31st August, 2010, the Group had approximately 16,200 full time employees (2009: 15,700). The Group's emolument policies are formulated on the performance of individual employee and on the basis of the salary trends in the various regions, and are reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

The Group has established a share option scheme for its employees, and also provides regular training courses and subsidies for continuing education so as to improve the skills of its employees with respect to production, selling and management.

本集團之銷售及原料採購以港元、美元及人民幣為主。銀行借貸亦以港元、美元及人民幣為單位，利息主要以浮動利率計算。此外，本集團主要於中國經營業務，故涉及人民幣所產生之外匯風險。本集團一直關注美元與人民幣匯率之波動。為降低外匯及利率風險，本集團會依據風險管理政策作出合適的對沖安排。

資本開支

於本年間，本集團已投資約268,104,000 港元（二零零九年：279,445,000 港元）以增加物業、機器及設備。集團預期下一財政年度的資本開支約230,000,000 港元。

存貨

本集團於二零一零年八月三十一日之存貨約為1,938,592,000 港元（二零零九年：1,180,756,000 港元）。這明顯的增長乃由於棉花及紗線的價格急升。存貨週轉期為137 日（二零零九年：94 日）。

僱員及酬金政策

集團於二零一零年八月三十一日之全職僱員人數約為一萬六千二百人（二零零九年：一萬五千七百人），而集團的僱員酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而定期作出檢討。集團亦會因應集團之盈利情況，酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

集團為僱員設有一項認股權計劃，亦會提供定期培訓課程及資助進修計劃，以提高僱員之生產、銷售及管理技能。





CORPORATE GOVERNANCE REPORT 企業管治報告

The Company has consistently adopted the Code on Corporate Governance Practices (the “Code”) promulgated by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as guidelines to reinforce our corporate governance principles during the year. This report describes how the Company has applied the principles.

The Company has applied the principles and complied with all the code provisions of the Code throughout the year except that, with respect to the Code provision A.2.1, the roles of chairman and chief executive officer (“CEO”) were performed by the same individual. Considered reasons are provided in the section of “Chairman and Chief Executive Officer”.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries of all directors, the Company confirms that all directors have complied with the required standards set out in the Model Code throughout the year ended 31st August, 2010.

BOARD OF DIRECTORS

The overall management of the Company’s business was vested in the board of directors (the “Board”). The Board has delegated the day-to-day management of the Company’s business to the executive management team, and focus its attention on matters affecting the Company’s overall strategic policies, finances and shareholders. The Board comprised nine members, consisting of five executive directors and four independent non-executive directors as at 31st August, 2010. The profile of all directors, including chairman, executive directors and independent non-executive directors are set out on pages 24 to 28. The relationship among members of the Board (including financial, business, family or other material or relevant relationships, if any) are also disclosed.

本公司於本年度一貫地採納香港聯合交易所有限公司(「聯交所」)頒佈的《企業管治常規守則》(「企業管治守則」)作為強化本公司企業管治原則之方針。本報告說明本公司如何應用該等原則。

本公司全年均有應用企業管治守則的原則，並遵守企業管治守則的所有守則條文，惟有關守則條文A.2.1的規定除外，即主席與行政總裁的角色由一人同時兼任。經深思熟慮的理由列於「主席與行政總裁」章節內。

董事進行證券交易

本公司已採納上市公司董事進行證券交易的標準守則(「標準守則」)為其有關董事進行證券交易之守則。經向本公司所有董事作出具體查詢後，本公司認為所有董事於截至二零一零年八月三十一日止年度內均已遵守標準守則所要求的標準。

董事會

公司整體業務由董事會負責管理。董事會將公司日常事務的管理授權與公司的行政管理層處理，而董事會本身則專注處理可影響公司整體策略方針、財務及股東的事項。於二零一零年八月三十一日，董事會由九名成員組成，包括五名執行董事及四名獨立非執行董事。所有董事的個人簡介，包括主席、執行董事及獨立非執行董事，均載列於第24至28頁。董事會成員之間的關係(包括財務、業務、家屬或其他重大或相關的關係(如有))亦已作出披露。



CORPORATE GOVERNANCE REPORT 企業管治報告

The Company has received from each independent non-executive director an annual confirmation of respective independence pursuant to the independence guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). As explained in the announcement dated 3rd March, 2010, Mrs. FUNG YEH Yi Hao, Yvette has not met the requirement under Rule 3.13(7) of the Listing Rules since she was a non-executive director of the Company prior to her re-designation as an independent non-executive director. In view Mrs. FUNG prior to her re-designation did not have any executive/management role or function in the Group and she had not been under the employment of any member of the Group throughout such period she was a non-executive director, the Company consider that Mrs. FUNG to be independent. In this connection, the Company considers four independent non-executive directors to be independent.

Eight Board meetings were held during the financial year. Directors actively participated in each meeting in person, via telephone or video-conferencing. Directors gave and received reports on the activities of the operating divisions and presented papers supporting decisions which required the Board approval. The Board consents were given by-vote at the Board meetings.

The dates of the 2010 regular Board meetings were determined in 2009 and any amendments to this schedule were notified to all directors at least 14 days before the meeting. Suitable arrangements were in place to allow directors to include items in the agenda for regular Board meetings.

If a director had a conflict of interest in a transaction or proposal to be considered by the Board and which the Board has determined to be material, the individual director declared respective interest and was required to abstain from voting. The matter was considered at a Board meeting attended by independent non-executive directors who had no material interest in the transaction.

本公司已獲得每名獨立非執行董事每年書面聲明以確認各自按聯交所證券上市規則（「上市規則」）第3.13條所載獨立指引於本公司的獨立性。根據於2010年3月3日所發公告之說明，馮葉儀皓女士未能符合上市規則第3.13(7)條之規定，因彼於調任為獨立非執行董事之前為本公司非執行董事。由於馮女士於調任前於本集團並無任何行政／管理任務或職責，及彼在出任非執行董事期間也沒有受雇於本集團之任何成員公司，本公司認為馮女士為獨立人士。因此，本公司認為四位獨立非執行董事均獨立於公司。

本年度董事會進行了八次會議。各董事親身出席、透過電話或視像會議積極參與每次會議。董事在會上發表及省覽各營運部門的業務報告及提呈須經董事會批准的決策文件。董事在董事會會議上以投票表決方式取得共識。

本公司在二零零九年內已定下二零一零年董事會定期會議的舉行日期，所有日期改動均在最少十四天前通知各董事。公司備有適當安排，讓董事提出商討事項以納入董事會定期會議議程內。

若有董事在董事會將予考慮的交易或建議中存有董事會認為重大利益衝突時，涉及的個別董事須申報利益，並須放棄投票。有關事項須經董事會會議考慮，而該會議需有於交易中不存在重大利益的獨立非執行董事出席。



CORPORATE GOVERNANCE REPORT 企業管治報告

Details of the attendance of directors at these Board meetings and at two other Board committees (the Audit Committee and the Remuneration Committee) are set out in the following table:

董事於董事會會議及另外兩個董事委員會(審核委員會及薪酬委員會)的出席詳情列載於下表:

Name of directors 董事姓名		Meetings Attended/Meetings Held 出席次數/會議次數		
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
<i>Executive directors</i> 執行董事				
Mr. HA Chung Fong	夏松芳先生	8/8		
Mr. HA Kam On, Victor	夏錦安先生	8/8		
Mr. HA Hon Kuen #	夏漢權先生	8/8		
Dr. YEN Gordon	嚴震銘博士	8/8		
Mr. LAU Hong Yon	柳康遠先生	8/8		1/1
<i>Independent non-executive directors</i> 獨立非執行董事				
Mr. NG Kwok Tung	伍國棟先生	8/8	4/4	1/1
Mr. WONG Kwong Chi	王幹芝先生	8/8	4/4	1/1
Mr. Chow Wing Kin, Anthony, SBS, JP	周永健先生， 銀紫荊星章，太平紳士	8/8	4/4	1/1
Mrs. FUNG YEY Yi Hao, Yvette*	馮葉儀皓女士	8/8		1/1

Mr. HA Hon Kuen re-designated as executive director from non-executive director with effect from 1st March, 2010.

夏漢權先生由非執行董事調任為執行董事，於二零一零年三月一日起生效。

* Mrs. FUNG YEY Yi Ha, Yvette re-designated as independent non-executive director from non-executive director with effect from 1st March, 2010.

* 馮葉儀皓女士由非執行董事調任為獨立非執行董事，於二零一零年三月一日起生效。

All directors accessed to the services of the company secretary who regularly updated the Board on governance and regulatory matters. Any director, wishing to do so in the furtherance of respective duties, might take independent professional advice (through the Chairman) at the Company's expense. The availability of professional advice extended to the Audit Committee and the Remuneration Committee.

所有董事均可運用公司秘書所提供的服務，公司秘書會定期向董事會提供管治及規管事宜的最新資料。任何董事可就履行職責而(透過主席)尋求獨立專業意見，費用由本公司支付。審核委員會及薪酬委員會亦可尋求專業意見。

Minutes of Board meetings were taken by the company secretary and, together with any supporting documents, were available to all directors. Draft and final versions of the minutes were sent to all directors for their comment and record respectively.

董事會會議記錄由公司秘書負責撰寫，會議記錄連同任何有關的文件均可提供予所有董事。初稿供所有董事審閱，而最後定稿供其作記錄之用。



CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES

The Board has established two committees, the Audit Committee and the Remuneration Committee, which adhere to the principles, procedures and arrangements set out above. Their terms of reference were approved by the Board. The respective Committee secretary took full minutes of the meetings of these committees and the work of these committees was reported to the Board regularly.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the Code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. Mr. HA Chung Fong is presently the Chairman and Managing Director of the Company. Having considered the current business operation and nature of the Company, the Board is of the view that Mr. HA acting as both the roles of chairman and CEO is in the best interest of the Company. The Board will review this situation periodically.

NON-EXECUTIVE DIRECTORS

All the existing independent non-executive directors, were previously appointed with specific terms, and the terms were extended for one year up to 31st August, 2011. They are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company (the "Articles").

REMUNERATION OF DIRECTORS

The Company has established a Remuneration Committee for the purposes of making recommendations to the Board on the Company's remuneration policy and structure for directors and senior management. The terms of reference of the Remuneration Committee have been reviewed by the Board with reference to the Code and are posted on the Company's website.

The Remuneration Committee presently comprises five directors, including the four independent non-executive directors and Mr. LAU Hong Yon (executive director). The Committee is chaired by Mr. WONG Kwong Chi.

董事委員會

董事會已成立兩個委員會，為審核委員會及薪酬委員會。兩個委員會的運作遵循上述各項原則、程序及安排。其職權範圍書已經董事會批核。委員會相關秘書負責為這兩個委員會撰寫完整的會議記錄，而委員會則定期向董事會作出工作匯報。

主席與行政總裁

按守則條文A.2.1的規定，主席與行政總裁的角色應有區分，不應由一人同時兼任。主席與行政總裁之間之職責分工應清楚界定並以書面列載。夏松芳先生現為本公司之主席兼董事總經理。經考慮本公司之現有業務運作及特性，董事會認為夏先生同時擔任主席及行政總裁之角色乃最符合本公司利益。董事會將定期檢討此情況。

非執行董事

所有現任獨立非執行董事，均在以前以特定年期被委任，並已續約一年至二零一一年八月三十一日止。彼等均需根據本公司章程細則（「公司章程」）在本公司股東週年大會上輪席告退及膺選連任。

董事之薪酬

本公司已成立薪酬委員會，藉以向董事會就董事及高級管理人員的薪酬政策及架構提供建議。薪酬委員會的職權範圍書已由董事會參照企業管治守則作出檢閱及已刊載於本公司之網頁內。

薪酬委員會現由五位董事組成，包括四位獨立非執行董事及柳康遠先生（執行董事）。王幹芝先生為該委員會主席。



CORPORATE GOVERNANCE REPORT 企業管治報告

The Remuneration Committee held one meeting during the year and detail of attendance is shown in the table on page 19. The work of the Remuneration Committee during the year included the following matters:

- make recommendations to the Board of the remuneration of non-executive directors for the year ended 31st August, 2010. The Remuneration Committee has considered factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- review and approve remuneration and performance-based remuneration scheme of executive directors from time to time by reference to corporate goals and objectives resolved by the Board from time to time; and
- ensure that no director or any of respective associates is involved in deciding their respective remuneration.

NOMINATION OF DIRECTORS

According to the Articles, the Board shall have power from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. A director appointed by the Board is subject to re-election by shareholders at the next following general meeting of the Company. The nomination should be taken into consideration of the nominee's skills and experience appropriate for the requirements of the Company's business.

AUDITORS' REMUNERATION

For the year ended 31st August, 2010, the fees charged by the Company's auditors in respect of audit and non-audit services amounted to approximately HK\$3,713,000 and HK\$2,791,000 respectively.

AUDIT COMMITTEE

The Company has established an Audit Committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls. The terms of reference of the Audit Committee have been revised on 1st January, 2009 with reference to the Code and are posted on the Company's website.

薪酬委員會於本年度內舉行了一次會議，出席詳情列於第19頁之表內。薪酬委員會於本年度內的工作包括如下事項：

- 就非執行董事截至二零一零年八月三十一日止年度之薪酬向董事會提出建議。薪酬委員會已考慮包括同類公司所支付的薪酬、董事須付出的時間及職責、集團內其他職位的僱用條件及按合理表現釐訂的薪酬等因素；
- 透過參照董事會不時通過的公司目標及目的，檢討及批准執行董事的薪酬及按表現而釐定的薪酬方案；及
- 確保任何董事或各自的任何聯繫人不可參與決定彼等之薪酬。

董事之提名

根據公司章程，董事會有權不時及隨時委任任何人士成為董事，以填補董事會空缺或增加董事。被委任的董事將於本公司隨後之股東大會上被股東膺選重任。董事的提名需考慮被提名人的能力及經驗是否合乎公司業務的要求。

核數師酬金

於截至二零一零年八月三十一日止年度內，本公司核數師就提供審核及非審核服務所得的酬金分別約為3,713,000港元及2,791,000港元。

審核委員會

本公司已成立審核委員會，藉以檢討及監察本公司之財務申報程序及內部監控制度。審核委員會的職權範圍書已於二零零九年一月一日參照企業管治守則作出修訂，及已刊載於本公司之網頁內。



CORPORATE GOVERNANCE REPORT 企業管治報告

The Audit Committee presently comprises three independent non-executive directors of the Company (namely Mr. NG Kwok Tung, Mr. WONG Kwong Chi and Mr. CHOW Wing Kin, Anthony) and is chaired by Mr. NG Kwok Tung.

The Audit Committee held four meetings during the year and detail of attendance is shown in the table on page 19. The work of the Audit Committee during the year included of the following matters:

- provide recommendation to the Board on the reappointment of external auditors, and to approve the audit fee and terms of engagement of the external auditors;
- review and monitor external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and discuss with external auditors before audit commences, the nature and scope of the audit and reporting obligations;
- monitor integrity of financial statements, interim report and annual report, and to review significant financial reporting judgments contained in them;
- review financial controls, internal controls and risk management systems;
- discuss with management regarding the system of internal controls and ensure that management has discharged its duty to have an effective internal control system including adequacy of resources, qualifications and experience of staff of accounting and financial reporting function, and their training programmes and budget;
- ensure co-ordination between internal and external auditors, and to ensure that internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of internal audit function;

審核委員會現由三位獨立非執行董事(即伍國棟先生、王幹芝先生及周永健先生)組成，而伍國棟先生為主席。

審核委員會於本年度內舉行了四次會議，出席詳情列於第19頁之表內。審核委員會於本年度內的工作包括如下事項：

- 就外聘核數師的重新委任向董事會提供建議，及核准外聘核數師酬金及聘用條款；
- 按適用的標準檢討及監察外聘核數師的獨立性及客觀性，以及核數程序的有效性；並與外聘核數師在審核工作開始前預先討論審核工作的性質和範圍及有關申報責任；
- 監察財務報表、中期報告及年度報告的完整性，並檢閱其所載有關財務申報的重大判斷；
- 檢閱財務監控、內部監控及風險管理制度；
- 與管理層討論內部監控系統，並確保管理層已履行職責建立有效的內部監控系統；包括財務匯報職能方面資源、相關同事之資歷及經驗是否充足、及其所接受培訓課程及有關預算是否充足；
- 確保內部和外聘核數師的工作得到協調；及確保內部審核功能在公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察內部審核功能的有效性；



CORPORATE GOVERNANCE REPORT 企業管治報告

- review financial and accounting policies and practices; and
- review external auditors' management letter, any material queries raised by auditors to management in respect of accounting records, financial accounts or systems of control and management's response.
- 檢閱財務及會計政策及實務；及
- 檢閱外聘核數師致管理層的審核情況說明函件、外聘核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層的回應。

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

The directors acknowledge the responsibilities for preparing the accounts of the Company. The external auditors' statement about their reporting responsibilities is set out on pages 36 and 37.

董事及核數師對賬目的責任

董事知悉其有編製賬目的責任。外聘核數師發表有關其申報責任的聲明載列於第36及37頁。

INTERNAL CONTROLS

The Board has kept the Company's system of internal controls under review to ensure its effectiveness and convened meetings regularly to discuss financial, operational and risk management control.

內部監控

董事會已持續檢討本公司之內部監控制度以確保其有效性。董事會會定期召開會議，討論財務、營運及風險管理控制事宜。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡介

DIRECTORS

Mr. HA Chung Fong

Chairman and Managing Director

Director of various subsidiaries of the Group

Aged 72, is the founder of the Group. Mr. HA is also the Honourable Chairman of The Hong Kong General Chamber of Textiles Limited and Honourary Life Chairman of Textiles and Clothing Industry Association of Kai Ping City. He has been accredited as Honourary Citizen of Dongguan City, Kai Ping City, Enping City and Xinhui City in the PRC. Mr. HA was presented with "Lifetime Achievement Award" from China Knitting Industry Association in 2010. Mr. HA is also an Honourable Professor of Xi'an University of Engineering Science & Technology. He also served on various trade, industrial and educational advisory panels in Hong Kong. Mr. HA is the father of Mr. HA Hon Kuen, Mr. HA Kam On, Victor and Ms. HA Kam Yee and is the father-in-law of Dr. YEN Gordon.

Mr. HA Kam On, Victor

Executive Director and Group General Manager

Director of various subsidiaries of the Group

Aged 45, joined the Group in 2002 as General Manager of the garment business and became an Executive Director in 2004. He was promoted to his current position in 2009. He serves as a Director of the Lions Kidney Education Center & Research Foundation; a Director of HK Wuxi Trade Association; a founding Member of the Hong Kong Professionals & Senior Executives Association. He has been accredited as Honorary Citizen of Jiangmen City in the PRC; and was also awarded the "Young Industrialist Awards of Hong Kong" from the Federation of Hong Kong Industries in 2010. He possesses a degree in Production Engineering from Coventry University, UK. Prior to joining the Group, Mr. HA has over 10 years of operations and management experience in the garment trading and manufacturing industry. Mr. HA is the son of Mr. HA Chung Fong.

董事

夏松芳先生

主席兼董事總經理

集團數間附屬公司之董事

現年72歲，集團創辦人。夏先生為開平市紡織服裝行業協會永遠名譽會長及香港紡織商會名譽會長。彼榮獲中國東莞市、開平市、恩平市及新會市的榮譽市民。夏先生於二零一零年榮獲由中國針織工業協會授予之中國針織行業終身成就獎。夏先生同時也獲委任為中國西安工程科技學院榮譽教授。他曾參與香港多個商貿、工業及教育顧問小組。夏先生為夏漢權先生、夏錦安先生及夏錦兒小姐之父親，也是嚴震銘博士之岳父。

夏錦安先生

執行董事兼集團總經理

集團數間附屬公司之董事

現年45歲，於二零零二年加入集團，並於二零零四年晉升為執行董事，負責集團的製衣業務。夏先生於二零零九年晉升至現職位。彼為國際獅子會腎病教育中心及研究基金會董事、香港無錫商會董事、香港專業及資深行政人員協會創會會員。彼榮獲中國江門市榮譽市民，並於二零一零年獲得由香港工業總會頒發之「香港青年工業家獎」。彼於英國高雲地利大學獲得生產工程學士學位。在加入集團之前，夏先生在成衣貿易及製造行業有十年以上的營運及管理經驗。夏先生為夏松芳先生之兒子。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡介

Mr. HA Hon Kuen

Executive Director

Director of two subsidiaries of the Group

Aged 46, joined the Group in 1993 and joined the Group's Board in 1996 as a Non-executive Director and re-designated to an Executive Director on 1st March, 2010. Prior to joining the Group, Mr. HA had several years' working experience in the securities and finance field. He holds a Bachelor degree in Science from the University College of Swansea, UK. Mr. HA is the son of Mr. HA Chung Fong.

Dr. YEN Gordon

Executive Director

Director of various subsidiaries of the Group

Aged 40, joined the Group in 1999 as the Assistant to Chairman and was promoted to his current position in 2004. He serves as a Member of the Henan Province Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also the Chairman of The Hong Kong Association of Textile Bleachers, Dyers, Printers and Finishers; an Executive Vice Chairman of The Hong Kong General Chamber of Textiles; a Vice Chairman of Textile Council of Hong Kong; a Vice Director General of China Knitting Industry Association; a Director of The Hong Kong Research Institute of Textiles and Apparel Limited; a Director of GS1 HK Limited; a Director of the Hong Kong Chiu Chow Chamber of Commerce; a General Committee member of the Chamber of Hong Kong Listed Companies; a member of the Textile Advisory Board to the Trade & Industry Department and an Honorary Advisor of The Vocational Training Council. Dr. YEN also serves as an Independent Non-executive Director of Hopewell Highway Infrastructure Limited, a Hong Kong listed company. He holds a Bachelor degree in Manufacturing Engineering from Boston University, USA; a Master degree in Business Administration from McGill University, Canada and a Doctorate degree in Business Administration from The Hong Kong Polytechnic University. Prior to joining the Group, Dr. YEN has extensive experience in the infrastructure sector. Dr. YEN is the son-in-law of Mr. HA Chung Fong and is the spouse of Ms. HA Kam Yee.

夏漢權先生

執行董事

集團兩間附屬公司之董事

現年四十六歲，於一九九三年加入集團並於一九九六年加入集團董事會為非執行董事及於二零一零年三月一日調任為執行董事。在加入集團之前，夏先生在證券及財經界有數年工作經驗。彼持有英國University College of Swansea理學士學位。夏先生為夏松芳先生之兒子。

嚴震銘博士

執行董事

集團數間附屬公司之董事

現年40歲，於一九九九年加入集團為主席助理，並於二零零四年晉升至現職位。彼為中國河南省政協委員。彼亦為香港漂染印整理業總會會長、香港紡織商會常務副會長、香港紡織業聯會副會長、中國針織工業協會副理事長、香港紡織及成衣研發中心董事、香港貨品編碼協會董事、香港潮州商會會董、香港上市公司商會常務委員會委員、工業貿易署紡織業諮詢委員會委員及職業訓練局榮譽顧問。嚴博士亦為香港上市公司合和公路基建有限公司之獨立非執行董事。彼持有美國波士頓大學生產工程學士學位、加拿大麥基爾大學工商管理碩士學位及香港理工大學工商管理博士學位。在加入集團之前，嚴博士在基礎建設行業擁有豐富經驗。嚴博士為夏松芳先生之女婿及夏錦兒小姐之配偶。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡介

Mr. LAU Hong Yon

Executive Director

Member of Remuneration Committee

Director of various subsidiaries of the Group

Aged 61, joined the Group's accounting department in 1984 and was promoted to Group Financial Controller in 1990. He was then promoted to his current position in 1996. Mr. LAU holds a Master degree in Business Analysis and a Bachelor of Science Degree in Economics from Lancaster University, UK and University of Salford, UK respectively. Mr. LAU held senior information technology and accounting positions in various companies in Hong Kong prior to joining the Group.

Mr. NG Kwok Tung

Independent Non-executive Director

Chairman of Audit Committee

Member of Remuneration Committee

Aged 60, joined the Group's Board in 1993 as an Independent Non-executive Director. Mr. NG is a practising accountant. He is an independent non-executive director of Universe International Holdings Limited and a non-executive director of Wah Ha Reality Company Limited, both of which are listed companies in Hong Kong. He holds a Bachelor of Commerce Degree and a Licentiate in Accountancy from McGill University, Canada and a Diploma in Chinese Law from the University of East Asia, Macao. Mr. NG is a Member of Hong Kong Institute of Certified Public Accountants, Institute of Chartered Accountants of British Columbia, Order of Chartered Accountants of Quebec, The Canadian Institute of Chartered Accountants, The Taxation Institute of Hong Kong, The Society of Chinese Accountants and Auditors and the Society of Registered Financial Planners.

柳康遠先生

執行董事

薪酬委員會成員

集團數間附屬公司之董事

現年61歲，於一九八四年加入集團之會計部門並於一九九零年晉升為集團財務總監。彼於一九九六年晉升至現職位。柳先生分別於英國Lancaster University及英國University of Salford獲得商業分析碩士學位及經濟理學士學位。在加入集團之前，柳先生曾在香港數間公司擔任資訊科技及會計之高級職位。

伍國棟先生

獨立非執行董事

審核委員會主席

薪酬委員會成員

現年六十歲，於一九九三年加入集團董事會為獨立非執行董事。伍先生現為執業會計師。彼亦為寰宇國際控股有限公司之獨立非執行董事及華廈置業有限公司之非執行董事，該兩間公司均為香港上市公司。彼持有加拿大麥基爾大學商學院商科學士學位及高級會計文憑及澳門東亞大學中國法律文憑。伍先生為香港會計師公會、加拿大英屬哥倫比亞特許會計師公會、加拿大魁北克省特許會計師公會、加拿大特許會計師公會、香港稅務學會、香港華人會計師公會及註冊財務策劃師協會會員。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

Mr. WONG Kwong Chi

Independent Non-executive Director

Member of Audit Committee

Chairman of Remuneration Committee

Aged 59, joined the Group's Board in 1998 as an Independent Non-executive Director. Mr. WONG is the Managing Partner of Asian Global Capital. Mr. Wong is an executive director of China.com Inc. and an independent non-executive director of Glory Mark Hi-tech (Holdings) Limited, both being listed companies in Hong Kong. He is also an executive director of CDC Corporation and CDC Software Corporation, both of which are listed companies in USA. He has extensive experience in the capital investment market. Mr. WONG holds a Bachelor degree in Science and a Master degree in Business Administration from The Chinese University of Hong Kong. Mr. WONG served as the Chairman of Hong Kong Venture Capital And Private Equity Association, the Vice Chairman of The Hong Kong Electronic Industries Association and the Vice President of Hong Kong Auto Parts Industry Association. He is also a Member of Hong Kong Young Industrialists Council and the Honorary Treasurer of Hong Kong Critical Components Manufacturers Association.

Mr. CHOW Wing Kin, Anthony, SBS, JP

Independent Non-executive Director

Member of Audit Committee

Member of Remuneration Committee

Aged 60, joined the Group's Board in 2004 as an Independent Non-executive Director. Mr. CHOW has been practicing as a solicitor in Hong Kong for the past 30 years and is a partner in the law firm, Peter C. Wong, Chow & Chow. He is a non-executive director of Kingmaker Footwear Holdings Limited and an independent non-executive director of Ping An Insurance (Group) Company of China, Limited, both of them are listed companies in Hong Kong. He also sits on the board of The Link Management Limited which manages The Link Real Estate Investment Trust. Mr. CHOW is the Chairman of the Process Review Panel for the Securities and Futures Commission, a member of Personal Data (Privacy) Advisory Committee and a member of Appeal Board on Public Meetings and Processions. He is also a Member of National Committee of the Chinese People's Political Consultative Conference and a Member of the Board of Stewards of The Hong Kong Jockey Club.

王幹芝先生

獨立非執行董事

審核委員會成員

薪酬委員會主席

現年五十九歲，於一九九八年加入集團董事會為獨立非執行董事。王先生現為亞洲環球基金之首席合伙人。王先生現為香港上市公司中華網科技公司之執行董事及輝煌科技(控股)有限公司之獨立非執行董事。彼現亦為美國上市公司CDC Corporation及CDC Software Corporation之執行董事。彼在資本投資市場上有豐富經驗。王先生持有香港中文大學頒發之物理學士及工商管理學碩士學位。王先生為香港創業及私募投資協會前任主席、香港電子業商會前任副會長及香港汽車零部件工業協會前任副會長。彼亦為香港青年工業家協會會員及香港關鍵性零部件製造業協會名譽司庫。

周永健先生，銀紫荊星章，太平紳士

獨立非執行董事

審核委員會成員

薪酬委員會成員

現年六十歲，於二零零四年加入集團董事會為獨立非執行董事。周先生在過去三十年來一直為香港執業律師，乃王澤長、周淑嫻、周永健律師行之合夥人。彼為信星鞋業集團有限公司之非執行董事及中國平安保險(集團)股份有限公司之獨立非執行董事(兩間均為香港上市公司)。彼亦為管理領匯房地產投資信託基金之領匯管理有限公司之董事會成員。周先生為證券及期貨事務監察委員會程序覆檢委員會主席、個人資料(私隱)諮詢委員會委員及公眾集會及遊行上訴委員會成員。彼亦為中國人民政治協商會議全國委員會委員及香港賽馬會董事。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡介

Mrs. FUNG YEH Yi Hao, Yvette

Independent Non-executive Director

Member of Remuneration Committee

Aged 49, joined the Group's Board in 2000 as a Non-executive Director and re-designated to an Independent Non-executive Director on 1st March, 2010. Mrs. FUNG is a Director of Hsin Chong International Holdings Ltd. She also serves as an Independent Non-executive Director of Tai Ping Carpets International Limited, a listed company in Hong Kong. From September 2003 to September 2008, she was the Deputy Chairman and Executive Director of Synergis Holdings Limited, a Hong Kong listed company. From September 1999 to November 2009, she was also an Independent Non-executive Director of Doxen Energy Group Limited (formerly known as Hong Kong Catering Management Limited), a Hong Kong listed company. She holds a B.A. Degree in Psychology from Stanford University, USA, a M.B.A. from University of California, Los Angeles, USA and a J.D. from Stanford Law School, USA. Mrs. FUNG has over 10 years experience in legal practice in both international law firms and corporations. She is a Member of the Council of The Hong Kong University of Science and Technology, a Member of the Board of Managers at Hong Kong International School, a Council Member of the Hong Kong Society for the Deaf and a Member of the Public Affairs Forum (Home Affairs Bureau).

SENIOR MANAGEMENT

Mr. YIM To Hung

Director and General Manager of various subsidiaries of the Group

Aged 47, joined the Group in 1982 and since then, he has dedicated his entire career in the textile production and management. Mr. YIM is responsible for the overall management of various subsidiaries of the Group. He has over 25 years of solid experience in the textiles industry in which over 15 years' management experience in the PRC.

Mr. CHAN Yuk Yin

Director and General Manager of various subsidiaries of the Group

Aged 47, joined the Group in 1990. Between 1990 and 1997, Mr. CHAN served in the Group's sales department and was promoted to his current position in 1997. Mr. CHAN is responsible for the overall management of various subsidiaries of the Group. He has over 20 years' experience in the textile industry and holds a Higher Diploma in Textile Technology from the Hong Kong Polytechnic University.

馮葉儀皓女士

獨立非執行董事

薪酬委員會成員

現年四十九歲，於二零零零年加入集團董事會為非執行董事，並於二零一零年三月一日調任為獨立非執行董事。馮女士亦為新昌國際集團有限公司之董事，及香港上市公司太平地氈國際有限公司之獨立非執行董事。於二零零三年九月至二零零八年九月期間，彼為香港上市公司新昌管理集團有限公司之副主席兼執行董事。於一九九九年九月至二零零九年十一月期間，亦為香港上市公司東星能源集團有限公司(前稱香港飲食管理有限公司)之獨立非執行董事。彼持有美國史丹福大學心理學文學士學位、美國洛杉磯加州大學工商管理碩士學位及美國史丹福大學法學院法學博士學位。馮女士曾在國際性律師行及機構有十年以上的法律工作經驗。彼亦為香港科技大學校董會成員、香港國際學校管理委員會委員，香港聾人福利促進會之執行委員會成員及為民政事務局公共事務論壇成員。

高級管理人員

嚴道雄先生

集團數間附屬公司之董事兼總經理

現年四十七歲，於一九八二年加入集團，自此專注於紡織生產及管理事業上。嚴先生現負責集團數間附屬公司之整體管理。彼在紡織業已有二十五年以上豐富經驗，當中有十五年以上為在中國獲取的管理經驗。

陳旭賢先生

集團數間附屬公司之董事兼總經理

現年四十七歲，於一九九零年加入集團。在一九九零年至一九九七年期間，陳先生任職集團營業部，並自一九九七年起晉升至現職位，現負責集團數間附屬公司之整體管理。彼在紡織業已有二十年以上經驗，並持有香港理工大學紡織技術高級文憑。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡介

Ms. HA Kam Yee

Sourcing Director of the Group's Material Sourcing Department

Aged 40, joined the Group's material sourcing department in 1994 and became the head of the department in 2002. Ms. HA is responsible for monitoring the Group's material sourcing operations. She holds a Bachelor degree of Science in Computer Science from the University of British Columbia, Canada. Prior to joining the Group, Ms. HA has experience in the information technology field. Ms. HA is the daughter of Mr. HA Chung Fong and is the spouse of Dr. YEN Gordon.

夏錦兒小姐

集團原料採購部之採購總監

現年四十歲，於一九九四年加入集團之原料採購部，並於二零零二年成為該部主管。夏小姐現負責監察集團整體原料採購運作。彼持有加拿大卑詩省大學電腦科學士學位。在加入集團之前，夏小姐從事資訊科技工作。夏小姐為夏松芳先生之女兒及嚴震銘博士之配偶。



DIRECTORS' REPORT 董事會報告

The directors present their annual report and the audited consolidated financial statements for the year ended 31st August, 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 16 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 38.

No interim dividend was declared for the year. The directors now recommend the payment of a final dividend of HK\$1.0 cent per share to shareholders on the register of members on 20th January, 2011, amounting to HK\$7,940,000 and the retention of the remaining profit for the year.

INVESTMENT PROPERTIES

Details of disposals in the investment properties of the Group during the year are set out in note 13 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group had additions of HK\$268,104,000 to property, plant and equipment to expand and upgrade the Group's manufacturing facilities.

Details of these and other movements in the property, plant and equipment of the Group and of the Company during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of share capital are set out in note 31 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserve available for distribution to shareholders as at 31st August, 2010 represented the retained profits of HK\$619,561,000 (2009: HK\$530,192,000).

董事提呈截至二零一零年八月三十一日止年度之年報及經審核之綜合財務報表。

主要業務

本公司作為一間投資控股公司。其主要附屬公司之主要業務載列於綜合財務報表附註16內。

業績及備撥

本年度之本集團業績詳情載列於第38頁之綜合收益表內。

本年度未建議派付中期股息，董事現建議派發末期股息每股1.0港仙予在二零一一年一月二十日名列在股東名冊之股東合共7,940,000港元，並保留本年度餘下的盈利。

投資物業

本年度本集團之出售投資物業詳情載列於綜合財務報表附註13內。

物業、機器及設備

本年度本集團為擴大及增強本集團生產設備而用於物業、機器及設備的增加為268,104,000港元。

本年度本集團及本公司之物業、機器及設備連上述及其他變動詳情載列於綜合財務報表附註14內。

股本

股本之詳情載列於綜合財務報表附註31內。

本公司之可供分派儲備

於二零一零年八月三十一日，本公司可供分派予股東之儲備代表保留盈利為619,561,000港元（二零零九年：530,192,000港元）。



DIRECTORS' REPORT 董事會報告

DIRECTORS

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

Executive directors:

Mr. HA Chung Fong (*Chairman*)

Mr. HA Kam On, Victor

Mr. HA Hon Kuen (re-designated from a non-executive director to an executive director on 1st March, 2010)

Dr. YEN Gordon

Mr. LAU Hong Yon

Independent non-executive directors:

Mr. NG Kwok Tung

Mr. WONG Kwong Chi

Mr. CHOW Wing Kin, Anthony, *SBS, JP*

Mrs. FUNG YEY Yi Hao, Yvette (re-designated from a non-executive director to an independent non-executive director on 1st March, 2010)

Pursuant to Article 102 of the Company's Articles of Association, Dr. YEN Gordon, Mr. WONG Kwong Chi and Mr. CHOW Wing Kin, Anthony shall retire by rotation at the forthcoming annual general meeting ("AGM"). All retiring directors, being eligible, offer themselves for re-election.

No director proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

董事

於本年度及截至本年報日，本公司董事名單如下：

執行董事：

夏松芳先生 (*主席*)

夏錦安先生

夏漢權先生 (於二零一零年三月一日起
由非執行董事調任為執行董事)

嚴震銘博士

柳康遠先生

獨立非執行董事：

伍國棟先生

王幹芝先生

周永健先生，*銀紫荊星章，太平紳士*

馮葉儀皓女士 (於二零一零年三月一日起
由非執行董事調任為獨立非執行董事)

根據本公司組織章程細則第102條，嚴震銘博士、王幹芝先生及周永健先生需於即將舉行之股東週年大會 (「週年大會」) 輪值告退，惟所有告退之董事均合資格及願膺選連任。

擬在下次週年大會上重選連任之董事，與本集團概無訂立在一一年內不可在不予賠償 (法定賠償除外) 的情況下終止的服務合約。



DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31st August, 2010, the interests of the directors of the Company and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long positions in shares and underlying shares of the Company:

Name of director 董事名稱	Number of issued ordinary shares held as 佔已發行普通股數目			Approximate percentage of the issued share capital of the Company 約佔本公司 已發行 股本比率
	Beneficial owner 實益擁有人	Other interests 其他權益	Total 總數	
Mr. HA Chung Fong 夏松芳先生	56,594,000	280,082,044 (note) (附註)	336,676,044	42.40
Mr. HA Kam On, Victor 夏錦安先生	2,840,000	—	2,840,000	0.36
Mr. LAU Hong Yon 柳康遠先生	280,000	—	280,000	0.04
Mrs. FUNG YE H Yi Hao, Yvette 馮葉儀皓女士	70,000	—	70,000	0.01

Note:

Mr. HA Chung Fong was deemed to be interested in 280,082,044 shares in the Company by virtue of the set up of a discretionary trust, the Ha Trust, for the benefit of his family and Trustcorp Limited ("Trustcorp") is the trustee of the Ha Trust. Trustcorp is the wholly-owned subsidiary of Newcorp Holdings Limited ("Newcorp").

董事之股份及相關股份權益

於二零一零年八月三十一日，根據本公司按證券及期貨條例第352條設置之名冊所記錄或按上市規則內上市公司董事進行證券交易之標準守則（「標準守則」）須通知本公司及聯交所之資料，本公司各董事及其聯繫人於本公司及其聯營公司所擁有之股份及相關股份權益如下：

於本公司股份及相關股份的好倉情況：

附註：

由於夏松芳先生為其家族利益成立一項酌情信託 the Ha Trust，因此被當作擁有280,082,044股本公司股份權益。Trustcorp Limited（「Trustcorp」）為the Ha Trust之受託人。Trustcorp為Newcorp Holdings Limited（「Newcorp」）之全資附屬公司。



DIRECTORS' REPORT 董事會報告

Other than as disclosed above, none of the directors of the Company nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations, which were recorded in the register as required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 32 to the consolidated financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors nor any of their spouses or children under the age of 18 had any rights to subscribe for the shares of the Company, or had exercised any such rights during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

No contracts of significance, to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

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

除上述披露外，根據本公司按證券及期貨條例第352條設置之名冊所記錄或按標準守則須通知本公司及聯交所之資料，本公司董事及其聯繫人並無擁有本公司或本公司任何聯營公司任何股份及相關股份權益或淡倉。

認股權

本公司認股權計劃之詳情載列於綜合財務報表附註32內。

購買股份或債務證券安排

除上述披露外，本公司或其任何附屬公司在本年度內任何時間均無任何安排，使本公司董事藉購買本公司或任何其他公司之股份或債券而獲益，本年度各董事或任何其配偶及其子女(年齡少於十八歲)並無授權可認購本公司股份或並無行使該權利。

董事擁有之重要合約權益及關連交易

於本年度終結時或在本年度任何時間，本公司或其任何附屬公司並無訂立任何與本公司董事有直接或間接重大益之重要合約。

購買、出售及贖回本公司之上市證券

本年度本公司及其任何附屬公司並無購買、出售或贖回本公司之上市證券。



DIRECTORS' REPORT 董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

At 31st August, 2010, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions in shares and underlying shares of the Company:

主要股東及其他股東權益

於二零一零年八月三十一日，根據本公司按證券及期貨條例第336條所設置的主要股東名冊顯示，除上述部份董事已披露之權益外，以下股東已通知本公司其擁有本公司已發行股本的有關權益。

於本公司股份及相關股份的好倉情況：

Name of substantial shareholder 主要股東名稱	Number of shares 股份數目	Capacity 身份	Approximate percentage of the issued share capital 約佔已發行股本比率
Ms. TANG Kuen Mui 鄧娟妹女士	336,676,044 (notes 1 and 3) (附註1及3)	Spouse interest 配偶權益	42.40
Newcorp	280,082,044 (notes 2 and 3) (附註2及3)	Interest of corporation controlled 所控制的法團的權益	35.27
Templeton Investment Counsel, LLC	46,724,566	Investment manager 投資經理	5.88
Franklin Templeton Investments Corp.	63,439,989	Investment manager 投資經理	7.99

Notes:

- Ms. TANG Kuen Mui, spouse of Mr. HA Chung Fong, was deemed to be interested in the shares.
- Newcorp is the ultimate controlling shareholder of Trustcorp and Trustcorp is the trustee of the Ha Trust, a discretionary trust set up by Mr. HA Chung Fong for the benefit of his family.
- The interests of Mr. HA Chung Fong, Ms. TANG Kuen Mui and Newcorp were duplicated.

附註：

- 鄧娟妹女士為夏松芳先生之配偶，因而被當作擁有該等股份權益。
- Newcorp乃Trustcorp之最終控股股東，而Trustcorp為the Ha Trust之受託人，the Ha Trust為夏松芳先生為其家族利益而成立的一項酌情信託。
- 夏松芳先生、鄧娟妹女士及Newcorp之權益是重複的。



DIRECTORS' REPORT 董事會報告

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st August, 2010.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's five largest customers was less than 30.0% of the total revenue for the year.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers taken together accounted for 16.1% and 31.7%, respectively.

At no time during the year did a director, an associate of a director or a shareholder of the Company have an interest in any of the Group's five largest suppliers or customers.

DONATIONS

During the year, the Group made charitable and other donations totalling HK\$1,210,000.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained a sufficient public float throughout the year ended 31st August, 2010.

EVENT AFTER REPORTING PERIOD

Details of a significant event occurring after the reporting period are set out in note 42 to the consolidated financial statements.

AUDITOR

A resolution will be submitted to the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

HA Chung Fong

Director

Hong Kong,

10th December, 2010

除上述披露外，於二零一零年八月三十一日，本公司並無收到任何其他擁有本公司已發行股本的有關權益或淡倉通知。

主要客戶及供應商

本年度本集團前五大客戶共佔營業總額少於30.0%。

本集團最大供應商及五大供應商佔總採購額分別為16.1%及31.7%。

本年度本公司之董事及彼等之關連人士或股東，並無在五大供應商或客戶中擁有任何權益。

捐款

本年度本集團作出之慈善及其他捐款共1,210,000港元。

足夠公眾持股量

從本公司可獲得之公開資料顯示及就本公司董事所知，本公司於截至二零一零年八月三十一日止年度內一直維持足夠公眾持股量。

報告期後事項

於報告期後，一重要事項發生之詳情載列於綜合財務表附註42內。

核數師

本公司將於即將舉行之股東週年大會上提呈決議案，續聘德勤•關黃陳方會計師行為本公司之核數師。

代董事會

董事

夏松芳

香港

二零一零年十二月十日



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF FOUNTAIN SET (HOLDINGS) LIMITED

福田實業(集團)有限公司

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Fountain Set (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 132, which comprise the consolidated and Company's statement of financial position as at 31st August, 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

致福田實業(集團)有限公司全體股東
(於香港註冊成立的有限公司)

本核數師行已審核載於第38頁至第132頁內的福田實業(集團)有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)的綜合財務報表，此等財務報表包括於二零一零年八月三十一日的綜合及公司財務狀況表，與截至該日止年度的綜合收益賬、綜合全面收益表、綜合權益變動報表及綜合現金流量報表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務申報準則及香港公司條例，編製及真實而公平地呈列該等綜合財務報表。這責任包括：設計、實施及維護與編製及真實而公平地呈列綜合財務報表相關的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

核數師的責任

本核數師行的責任是根據本核數師行的審核對該等綜合財務報表作出意見，並根據香港公司條例第141條向整體股東作出報告，而非作其他用途。本核數師行不會就本報告內容向任何其他人士承擔任何責任及債務。本核數師行已根據香港會計師公會頒佈的香港審計準則進行審核工作。此等準則要求本核數師行遵守道德規範，並規劃及執行審核，藉以合理確定此等綜合財務報表是否存有任何重大錯誤陳述。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

OPINION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

10th December, 2010

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製及真實而公平地呈列綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對機構的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體呈列方式。

本行相信，本行所獲得的審核憑證乃充足及適當地為本行的審核意見提供基礎。

意見

本行認為，該等綜合財務報表已根據香港財務申報準則真實而公平地反映 貴公司及 貴集團於二零一零年八月三十一日的財務狀況及 貴集團截至該日止年度的盈利及現金流量，並已按照香港公司條例而妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一零年十二月十日



CONSOLIDATED INCOME STATEMENT 綜合收益表

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

		NOTES 附註	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Revenue	營業額	5	6,148,949	5,451,492
Cost of sales	銷售成本		(5,154,109)	(4,607,480)
Gross profit	毛利		994,840	844,012
Other income	其他收入		71,117	64,794
Gain on disposal of assets classified as held for sale	出售分類為持作出售之資產所得收益	6	-	104,657
Gain on disposal of property interests	出售物業權益之所得收益	13	96,387	-
Reversal of impairment loss on property, plant and equipment	物業、機器及設備之減值損失撥回	6, 14	1,813	-
Reversal of impairment loss, net of additional depreciation provided on transfer of assets classified as held for sale to property, plant and equipment	減值損失撥回，扣除轉撥分類為持作出售之資產至物業、機器及設備之計提折舊	6	-	11,094
Impairment loss on assets classified as held for sale	分類為持作出售之資產之減值損失	6	(1,801)	-
Impairment loss on property, plant and equipment	物業、機器及設備之減值損失	6, 14	(419)	(2,456)
Distribution and selling expenses	分銷及銷售費用		(244,071)	(304,482)
Administrative expenses	行政費用		(560,564)	(585,072)
Other expenses	其他費用		(59,006)	(75,959)
Finance costs	融資成本	7	(48,201)	(48,308)
Profit before taxation	除稅前盈利		250,095	8,280
Income tax expense	所得稅支出	8	(6,516)	(12,475)
Profit (loss) for the year	是年度盈利(虧損)	9	243,579	(4,195)
Profit (loss) for the year attributable to:	應佔是年度盈利(虧損)：			
Owners of the Company	本公司擁有人		223,798	(48,928)
Non-controlling interests	非控股權益		19,781	44,733
			243,579	(4,195)
			HK cents港仙	HK cents港仙
Basic earnings (loss) per share	每股基本盈利(虧損)	12	28.2	(6.2)



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

		NOTES	2010 HK\$'000	2009 HK\$'000
		附註	千港元	千港元
Profit (loss) for the year	是年度盈利(虧損)	9	243,579	(4,195)
Other comprehensive income (expense):	其他全面收益(開支):			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		29,316	(10,411)
Reclassification adjustment of translation reserve upon disposal of a subsidiary	出售一間附屬公司時匯兌儲備之重新分類調整	39	(766)	(570)
Other comprehensive income (expense) for the year	是年度其他全面收益(開支)		28,550	(10,981)
Total comprehensive income (expense) for the year	是年度全面收益(開支)總值		272,129	(15,176)
Total comprehensive income (expense) for the year attributable to:	應佔是年度全面收益(開支)總值:			
Owners of the Company	本公司擁有人		239,444	(54,274)
Non-controlling interests	非控股權益		32,685	39,098
			272,129	(15,176)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31st August, 2010

於二零一零年八月三十一日

		NOTES 附註	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	13	-	12,755
Property, plant and equipment	物業、機器及設備	14	2,319,780	2,283,789
Prepaid lease payments – non-current portion	預付租賃款項 – 非流動部份	15	134,100	138,512
Consideration receivable – non-current portion	應收代價 – 非流動部份	17	-	168,672
Deferred tax assets	遞延稅項資產	18	25,309	16,111
			2,479,189	2,619,839
Current assets	流動資產			
Inventories	存貨	19	1,938,592	1,180,756
Trade and bills receivables	營業及票據應收款項	20	1,372,026	1,135,082
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	209,979	217,108
Prepaid lease payments – current portion	預付租賃款項 – 流動部份	15	3,057	3,093
Consideration receivable – current portion	應收代價 – 流動部份	17	171,283	64,042
Derivative financial instruments	衍生金融工具	22	2,514	-
Tax recoverable	可收回稅項		18,957	26,267
Bank deposits with restricted use	有限制用途之銀行存款	23	-	2,127
Short-term bank deposits	短期銀行存款	23	42,438	58,015
Bank balances and cash	銀行結存及現金	23	627,938	742,400
			4,386,784	3,428,890
Assets classified as held for sale	分類為持作出售之資產	6	-	5,493
			4,386,784	3,434,383
Current liabilities	流動負債			
Trade and bills payables	營業及票據應付款項	24	867,513	610,859
Other payables and accruals	其他應付款項及應計費用	25	331,771	279,133
Amounts due to non-controlling shareholders	欠非控股股東款項	26	80,100	80,100
Consideration payable – current portion	應付代價 – 流動部份	27	58,446	28,672
Deferred income	遞延收入	28	1,458	1,458
Derivative financial instruments	衍生金融工具	22	773	-
Tax payable	應付稅項		26,187	20,572
Restructuring provisions	重組撥備	29	730	4,689
Bank borrowings – due within one year	銀行借貸 – 一年內到期	30	1,604,591	839,538
Bank overdrafts	銀行透支	30	3,386	969
			2,974,955	1,865,990
Net current assets	流動資產淨值		1,411,829	1,568,393
Total assets less current liabilities	資產總值減流動負債		3,891,018	4,188,232



CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31st August, 2010

於二零一零年八月三十一日

		NOTES	2010 HK\$'000	2009 HK\$'000
		附註	千港元	千港元
Non-current liabilities	非流動負債			
Consideration payable – non-current portion	應付代價 – 非流動部份	27	-	46,316
Deferred income	遞延收入	28	68,538	69,996
Derivative financial instruments	衍生金融工具	22	54,389	30,898
Bank borrowings – due after one year	銀行借貸 – 一年後到期	30	951,275	1,489,018
Deferred tax liabilities	遞延稅項負債	18	3,721	3,247
			1,077,923	1,639,475
Net assets	資產淨值		2,813,095	2,548,757
Capital and reserves	資本及儲備			
Share capital	股本	31	158,802	158,802
Reserves	儲備		2,474,523	2,235,079
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,633,325	2,393,881
Non-controlling interests	非控股權益		179,770	154,876
Total equity	權益總值		2,813,095	2,548,757

The consolidated financial statements on pages 38 to 132 were approved and authorised for issue by the Board of Directors on 10th December, 2010 and are signed on its behalf by:

第38至132頁的綜合財務報表已於二零一零年十二月十日由董事會通過及核准發放，並由下列董事代表簽署：

HA Chung Fong

夏松芳

DIRECTOR

董事

HA Kam On, Victor

夏錦安

DIRECTOR

董事

STATEMENT OF FINANCIAL POSITION 財務狀況表

At 31st August, 2010
於二零一零年八月三十一日

		NOTES	2010 HK\$'000	2009 HK\$'000
		附註	千港元	千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14	4,932	4,598
Investments in subsidiaries	附屬公司投資	16	33,856	33,856
			38,788	38,454
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他			
	應收款項	21	17,131	2,076
Amounts due from subsidiaries	附屬公司所欠款項	16	3,152,295	3,087,324
Derivative financial instruments	衍生金融工具	22	2,508	–
Tax recoverable	可收回稅項		314	314
Bank balances and cash	銀行結存及現金	23	32,831	138,398
			3,205,079	3,228,112
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用	25	13,085	14,442
Amounts due to subsidiaries	欠附屬公司款項	16	668,485	486,653
Bank borrowings – due within one year	銀行借貸 – 一年內到期	30	658,344	466,163
			1,339,914	967,258
Net current assets	流動資產淨值		1,865,165	2,260,854
Total assets less current liabilities	資產總值減流動負債		1,903,953	2,299,308



STATEMENT OF FINANCIAL POSITION 財務狀況表

At 31st August, 2010

於二零一零年八月三十一日

		NOTES	2010 HK\$'000	2009 HK\$'000
		附註	千港元	千港元
Non-current liabilities	非流動負債			
Derivative financial instruments	衍生金融工具	22	54,389	30,898
Bank borrowings – due after one year	銀行借貸 – 一年後到期	30	873,867	1,382,082
			928,256	1,412,980
Net assets	資產淨值		975,697	886,328
Capital and reserves	資本及儲備			
Share capital	股本	31	158,802	158,802
Reserves	儲備	33	816,895	727,526
Total equity	權益總值		975,697	886,328

HA Chung Fong

夏松芳

DIRECTOR

董事

HA Kam On, Victor

夏錦安

DIRECTOR

董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔						Non-controlling interests 非控股權益		Total equity 權益總值
		Share capital 股本	Share premium 股份溢價	Capital redemption reserve 資本贖回儲備	Translation reserve 匯兌儲備	Statutory reserves 法定儲備	Retained profits 滾存盈利	Total 總值		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note) (附註)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st September, 2008	於二零零八年九月一日	158,802	197,124	210	(45,438)	37,785	2,099,672	2,448,155	251,039	2,699,194
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	(4,776)	-	-	(4,776)	(5,635)	(10,411)
Release upon disposal of a subsidiary (note 39)	出售一間附屬公司時轉出(附註39)	-	-	-	(570)	-	-	(570)	-	(570)
(Loss) profit for the year	是年度(虧損)盈利	-	-	-	-	-	(48,928)	(48,928)	44,733	(4,195)
Total comprehensive (expense) income for the year	是年度全面(開支)收益總值	-	-	-	(5,346)	-	(48,928)	(54,274)	39,098	(15,176)
Acquisition of additional interest in a subsidiary (notes 25 and 27)	收購一間附屬公司額外權益(附註25及27)	-	-	-	-	-	-	-	(94,260)	(94,260)
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	(41,001)	(41,001)
At 31st August, 2009	於二零零九年八月三十一日	158,802	197,124	210	(50,784)	37,785	2,050,744	2,393,881	154,876	2,548,757
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	16,412	-	-	16,412	12,904	29,316
Release upon disposal of a subsidiary (note 39)	出售一間附屬公司時轉出(附註39)	-	-	-	(766)	-	-	(766)	-	(766)
Profit for the year	是年度盈利	-	-	-	-	-	223,798	223,798	19,781	243,579
Total comprehensive income for the year	是年度全面收益總值	-	-	-	15,646	-	223,798	239,444	32,685	272,129
Transfer	調撥	-	-	-	-	4,408	(4,408)	-	-	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	(7,791)	(7,791)
At 31st August, 2010	於二零一零年八月三十一日	<u>158,802</u>	<u>197,124</u>	<u>210</u>	<u>(35,138)</u>	<u>42,193</u>	<u>2,270,134</u>	<u>2,633,325</u>	<u>179,770</u>	<u>2,813,095</u>

Note: The statutory reserves represent the appropriation of certain percentages of profit after taxation of certain subsidiaries in the People's Republic of China (the "PRC") as recommended by the directors of those subsidiaries as reported under the PRC statutory financial statements. According to the provision of the articles of association of the subsidiaries, the statutory reserves shall only be used for making up losses, capitalisation into share capital, expansion of the relevant subsidiary's operation and for the welfare of the subsidiary's staff and workers.

附註：法定儲備指若干在中華人民共和國(「中國」)的附屬公司的董事按中國法定財務報表的呈報要求建議將該等附屬公司若干比率的稅後盈利撥備的金額。根據附屬公司組織章程細則的條款，法定儲備僅可用於彌補虧損、撥充股本、擴充相關附屬公司的業務及附屬公司員工及工人的福利。

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

	NOTE 附註	2010 HK\$'000 千港元	2009 HK\$'000 千港元
OPERATING ACTIVITIES			
Profit before taxation		250,095	8,280
Adjustments for:			
Amortisation of deferred income		(1,458)	(1,458)
Depreciation of investment properties		121	483
Depreciation of property, plant and equipment		239,674	204,378
Finance costs		48,201	48,308
Gain on disposal of a subsidiary			
Gain on disposal of assets classified as held for sale		(766)	(544)
Impairment loss on property, plant and equipment			
Impairment loss on assets classified as held for sale		-	(104,657)
Impairment on trade and bills receivables, net			
		419	2,456
		1,801	-
		24,870	5,306
Interest income		(18,506)	(10,397)
Gain on disposal of property interests	13	(96,387)	-
Loss on disposal/written-off of property, plant and equipment, other than property interests			
		14,740	2,193
Release of prepaid lease payments		2,272	1,629
Reversal of impairment loss, net of additional depreciation provided on transfer of assets classified as held for sale to property, plant and equipment			
		-	(11,094)
Reversal of impairment loss on property, plant and equipment			
		(1,813)	-
Operating cash flows before movements in working capital		463,263	144,883
(Increase) decrease in inventories		(753,855)	274,981
Increase in trade and bills receivables		(264,100)	(82,865)
Decrease (increase) in prepayments, deposits and other receivables		23,312	(43,745)
Net movement in derivative financial instruments		21,750	41,719
Increase in trade and bills payables		245,106	101,263
Increase (decrease) in other payables and accruals		51,913	(39,812)
Decrease in restructuring provisions		(3,959)	(7,006)
Net cash (used in) generated from operations		(216,570)	389,418
Hong Kong Profits Tax refunded (paid)		279	(135)
Overseas taxation paid		(2,594)	(4,287)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(218,885)	384,996

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
INVESTING ACTIVITIES	投資項目		
Purchases of property, plant and equipment	購買物業、機器及設備	(266,632)	(274,236)
Payments for consideration payable	支付應付代價	(18,195)	-
Proceeds from disposal of investment properties, property, plant and equipment and prepaid lease payments	出售投資物業、物業、機器及設備以及預付租賃款項所得款項	119,808	6,698
Consideration received for sale of assets classified as held for sale	出售分類為持作出售之資產之所收代價	80,971	-
Proceeds from disposal of assets classified as held for sale	出售分類為持作出售之資產所得款項	4,903	43,122
Interest received	已收利息	3,484	5,538
Decrease in bank deposits with restricted use	有限制用途之銀行存款的減少	2,127	2,571
NET CASH USED IN INVESTING ACTIVITIES	投資項目所用的現金淨值	(73,534)	(216,307)
FINANCING ACTIVITIES	融資項目		
New bank borrowings raised	新籌集之銀行借貸	2,773,938	2,047,125
Repayment of bank borrowings	償還銀行借貸	(2,548,595)	(1,995,222)
Interest paid	已付利息	(60,779)	(56,054)
Dividends paid to non-controlling shareholders	已付股息予非控股股東	(7,791)	(41,001)
Advances from non-controlling shareholders	非控股股東之墊款	-	3,886
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資項目所得(所用)的現金淨值	156,773	(41,266)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目的(減少)增加淨值	(135,646)	127,423
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於是年度開始時的現金及等同現金項目	799,446	676,714
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動的影響	3,190	(4,691)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	於是年度終結時的現金及等同現金項目	666,990	799,446
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS:	現金及等同現金項目結存的分析:		
Short-term bank deposits	短期銀行存款	42,438	58,015
Bank balances and cash	銀行結存及現金	627,938	742,400
Bank overdrafts	銀行透支	(3,386)	(969)
		666,990	799,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and the principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The consolidated financial statements are presented in Hong Kong dollar, which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 16.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group and the Company have applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments

1. 簡介

本公司為在香港註冊成立的公眾有限公司而其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司的註冊辦事處地址及主要營業地點於本年報公司資料內披露。

綜合財務報表乃以港元呈列，港元亦為本公司的功能貨幣。

本公司乃一間投資控股公司。其主要附屬公司的主要業務載列於附註16內。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團及本公司已應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂準則、修訂及詮釋(「新訂及經修訂香港財務報告準則」)。

香港會計準則第1號 (二零零七年經修訂)	財務報表之呈列
香港會計準則第23號 (二零零七年經修訂)	借貸成本
香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港會計準則第32號及1號 (修訂本)	可認沽金融工具及於清盤時產生之責任
香港會計準則第39號(修訂本)	合資格對沖項目
香港財務報告準則第1號及 香港會計準則第27號(修訂本)	附屬公司、共同控制實體 或聯營公司之投資成本
香港財務報告準則第2號 (修訂本)	歸屬條件及註銷
香港財務報告準則第3號 (經修訂)	業務合併
香港財務報告準則第7號 (修訂本)	改善有關金融工具之披露

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 8	Operating Segments
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 – amendments that are effective for annual periods beginning on or after 1st January, 2009 and 1st July, 2009
HK-Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) “Presentation of Financial Statements”

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 “Operating Segments”

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group’s reportable segments (see note 5), nor changes in measurement of segment information.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第8號	營運分類
香港（國際財務報告詮釋委員會）－詮釋第15號	房地產建設協議
香港（國際財務報告詮釋委員會）－詮釋第16號	海外業務投資淨額對沖
香港（國際財務報告詮釋委員會）－詮釋第17號	向擁有人分派非現金資產
香港財務報告準則（修訂本）	於二零零八年頒佈之香港財務報告準則之改進
香港財務報告準則（修訂本）	於二零零九年頒佈之香港財務報告準則之改進-有關修訂於二零零九年一月一日及二零零九年七月一日或以後開始之年度期間生效
香港－詮釋第5號	財務報表之呈列－借款人對於載有即時還款條款之定期貸款的分類

除下文所述者外，採納新訂及經修訂香港財務報告準則對本集團本期或前會計期之綜合財務報表並無造成重大影響。

香港會計準則第1號（二零零七年經修訂）「財務報表之呈列」

香港會計準則第1號（二零零七年經修訂）引入詞彙變動（包括修訂財務報表之標題）及財務報表之格式及內容之變動。

香港財務報告準則第8號「營運分類」

香港財務報告準則第8號為一項披露準則，該準則並無導致本集團需重新釐定可報告分類（見附註5），亦無改變分類資料之計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk.

The Group and the Company have not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2009 ¹	香港財務報告準則(修訂本)	二零零九年香港財務報告準則之改進 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2010 ²	香港財務報告準則(修訂本)	二零一零年香港財務報告準則之改進 ²
HKAS 24 (Revised)	Related Party Disclosures ³	香港會計準則第24號(經修訂)	關連方披露 ³
HKAS 32 (Amendment)	Classification of Rights Issues ⁴	香港會計準則第32號(修訂本)	供股分類 ⁴
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ⁵	香港財務報告準則第1號(修訂本)	首次採納者之額外豁免 ⁵
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁶	香港財務報告準則第1號(修訂本)	首次採納者就香港財務報告準則第7號披露比較資料的有限豁免 ⁶
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ⁵	香港財務報告準則第2號(修訂本)	集團現金結算以股份為基礎支付之交易 ⁵
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets ⁷	香港財務報告準則第7號(修訂本)	披露 – 轉讓金融資產 ⁷
HKFRS 9	Financial Instruments ⁸	香港財務報告準則第9號	金融工具 ⁸
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ³	香港(國際財務報告詮釋委員會) – 詮釋第14號(修訂本)	最低資本規定之預付款項 ³
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁶	香港(國際財務報告詮釋委員會) – 詮釋第19號	以股本工具抵銷金融負債 ⁶

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

改善有關金融工具之披露(香港財務報告準則第7號之修訂金融工具:披露)

香港財務報告準則第7號之修訂擴大有關按公平值計量之金融工具之公平值計量披露規定。該修訂亦擴大及修改有關於流動資金風險披露之規定。

本集團及本公司並無提早應用以下已頒佈但尚未生效的新訂及經修訂的準則、修訂或詮釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- ¹ Amendments that are effective for annual periods beginning on or after 1st January, 2010
- ² Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate
- ³ Effective for annual periods beginning on or after 1st January, 2011
- ⁴ Effective for annual periods beginning on or after 1st February, 2010
- ⁵ Effective for annual periods beginning on or after 1st January, 2010
- ⁶ Effective for annual periods beginning on or after 1st July, 2010
- ⁷ Effective for annual periods beginning on or after 1st July, 2011
- ⁸ Effective for annual periods beginning on or after 1st January, 2013

The directors of the Company anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- ¹ 該等修訂於二零一零年一月一日或之後開始之年度期間生效
- ² 於二零一零年七月一日及二零一一年一月一日（如適用）或之後開始之年度期間生效
- ³ 於二零一一年一月一日或之後開始之年度期間生效
- ⁴ 於二零一零年二月一日或之後開始之年度期間生效
- ⁵ 於二零一零年一月一日或之後開始之年度期間生效
- ⁶ 於二零一零年七月一日或之後開始之年度期間生效
- ⁷ 於二零一一年七月一日或之後開始之年度期間生效
- ⁸ 於二零一三年一月一日或之後開始之年度期間生效

本公司董事預期應用該等新訂及經修訂準則、修訂或詮釋將不會對綜合財務報表造成重大影響。

3. 主要會計政策

綜合財務報表（除部份金融工具以公平價值列出外）乃按歷史成本基準編製，所採用的主要會計政策解說如下：

綜合財務報表已按香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例規定的適用披露。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES(continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Non-controlling interests in the net assets consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Acquisition of additional interest in a subsidiary

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and their fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 主要會計政策(續)

綜合基準

綜合財務報表包括本公司及受本公司控制的機構(其附屬公司)的財務報表。倘本公司有權管治機構的財務及營運政策,從而在其業務中獲得利益,即取得控制權。

是年度收購或出售的附屬公司的業績已根據其收購或出售生效日期(如適用)包括在綜合收益表內。

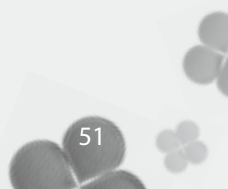
如有需要,附屬公司的財務報表會作出調整,使其會計政策與本集團其他成員公司所採用者一致。

所有集團間的交易、結餘、收入及支出均於綜合賬目時對銷。

綜合附屬公司資產淨值內的非控股權益與本集團的權益分開呈列。於資產淨值內的非控股權益包括在原有業務合併日期的有關權益金額及自合併日期起計非控股股東的應佔權益的變動。

收購附屬公司的額外權益

本集團於附屬公司擁有權的變動並無導致本集團對附屬公司失去控制權,會作為股本交易入賬。本集團的權益及非控股權益的賬面值經調整以反映彼等於附屬公司的有關權益變動。非控股權益的經調整金額與已付或已收代價的公平價值間任何差額直接於權益中確認並歸屬於本公司的擁有人。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Acquisition of additional interest in a subsidiary (continued)

Prior to 1st September, 2009, on acquisition of additional interest in a subsidiary, goodwill was calculated as the difference between the cost of additional interest acquired and the increase in the Group's share of the carrying amount of the identifiable assets, liabilities and contingent liabilities. If the increase in the Group's share of the carrying amount of the identifiable assets, liabilities and contingent liabilities, after reassessment, exceeds the cost of the additional interest, the excess is recognised immediately in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

3. 主要會計政策(續)

收購附屬公司的額外權益(續)

於二零零九年九月一日之前，於收購附屬公司的額外權益時，商譽應以收購額外權益之成本及本集團增加應佔可識別資產、負債及或然負債賬面值之差額計算。經重新評估後，倘若本集團增加應佔可識別資產、負債及或然負債之賬面值超出收購額外權益之成本，該差額即時於損益內確認。

投資物業

投資物業指持作賺取租金及／或資本增值的物業。

於初步確認時，投資物業以成本計算。成本包括任何關連的直接開支。於初步確認後，投資物業以成本扣除往後累積折舊及任何累積減值損失列出。投資物業的折舊乃按彼等的估計可使用年期及考慮其估計剩餘價值後以直線法將成本撇銷。

投資物業於出售或當投資物業永久不再使用時或預期不會藉其出售而產生未來經濟效益時，則不作確認。不作確認該資產所產生的任何收益或虧損(以該資產的出售款項淨值與賬面值的差額來計算)會在該項目不作確認的期間包括在損益內。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress and freehold land) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Freehold land is carried at cost less any recognised impairment loss.

Depreciation is provided to write off the cost of items of property, plant and equipment (other than construction in progress and freehold land) over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Prepaid lease payments

Prepaid lease payments are carried at cost and released over the lease term on a straight-line basis.

3. 主要會計政策(續)

物業、機器及設備

物業、機器及設備包括持作生產或供應貨物或提供服務或行政用途的樓宇(惟在建工程及永久持有的土地除外)，以成本扣除往後累積折舊及累積減值損失後列出。永久持有的土地乃按成本減任何確認減值損失入賬。

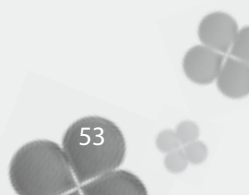
物業、機器及設備項目(在建工程及永久持有的土地除外)的折舊乃按其估計可使用年期及考慮其估計剩餘價值後，以直線法將成本撇銷。

在建工程包括在建築過程中供生產或作自用的物業、機器及設備。在建工程以成本減任何已確認的減值損失列出。在建工程於完成後及可供擬定使用時分類為物業、機器及設備的適當類別。此等資產的折舊基準與其他資產相同，乃於可供其擬定使用時開始計算。

物業、機器及設備項目於出售或當預期不會藉持續使用該項資產而產生未來經濟效益時不作確認。不作確認該項資產所產生的任何損益(以該項目的出售款項淨值與賬面值的差額來計算)會在該項目不作確認的期間包括在損益內。

預付租賃款項

預付租賃款項乃以成本列賬並以直線法根據租賃年期轉出。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's and the Company's financial assets are classified as loans and receivables and derivative financial instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策(續)

附屬公司的投資

附屬公司的投資以成本扣除任何已確定的減值損失後包括在本公司財務狀況表內。

存貨

存貨乃以成本或可變現淨值兩者中的較低值列出。成本按最先存入則最先報銷的方法計算。

金融工具

當集團機構成為金融工具合約條文的訂約方，金融資產及金融負債會在財務狀況表上確認。金融資產及金融負債初步以公平價值計算。收購或發行金融資產及金融負債的直接關連交易成本(如適用)會在初步確認時在金融資產或金融負債的公平價值中計入或扣除。

金融資產

本集團及本公司的金融資產分類為貸款及應收款項以及衍生金融工具。一般買賣的金融資產乃於交易日予以確認及不作確認。一般買賣乃指按照市場規則或慣例確立之時間內交付資產的金融資產買賣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including consideration receivable, trade and bills receivables, other receivables, amounts due from subsidiaries, bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of loans and receivables below).

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

有效利率方法

有效利率方法是一種計算金融資產的攤銷成本以及按有關期間攤分利息收入的方法。有效利率是將估計未來現金收入(包括所有構成有效利率整體部分已支付或已收的費用、交易成本及其他溢價或折價)透過金融資產的預期年期或更短期間(倘適用)準確貼現至初步確認時之賬面淨值的利率。債務工具的利息收入按有效利率方法確認。

貸款及應收款項

貸款及應收款項為在活躍市場非報價的附帶固定或可釐定付款的非衍生金融資產。於初步確認後，貸款及應收款項(包括應收代價、營業及票據應收款項、其他應收款項、附屬公司所欠款項、銀行存款及銀行結存)均按有效利率方法，扣除任何已確認的減值損失後的已攤銷成本列賬(見下述貸款及應收款項減值的會計政策)。

貸款及應收款項減值

在報告期終會評估貸款及應收款項是否有任何減值跡象。倘有客觀證據證明，於初步確認貸款及應收款項後發生一項或多項的事件，令估計未來現金流量受到影響，則會予以減值。

減值的客觀證據可能包括：

- 發行人或對手方出現嚴重財務困難；或
- 欠繳或拖欠利息或本金付款；或
- 借款人很有可能將宣告破產或進行財務重組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of loans and receivables (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the respective credit period and observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the loans and receivables is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項減值 (續)

就若干類別的金融資產(如營業應收款項)不會單獨作出減值評估的資產會於日後彙集一併評估減值。應收款項組合出現的減值客觀證據可包括本集團的過往收款經驗、組合內延遲還款至超逾信貸期之次數增加及國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

減值損失乃於有客觀證據證明資產出現減值時於損益內確認，並按該資產的賬面值與按原先有效利率貼現的估計未來現金流量現值的差額計量。

就所有貸款及應收款項而言，貸款及應收款項的賬面值直接按減值損失調低，惟營業應收款項除外，其賬面值乃透過使用撥備賬目而調低。撥備賬目的賬面值變動於損益內確認。倘營業應收款項被視為無法收回，則於撥備賬內撇銷。其後收回過往撇銷的款項計入損益內。

倘於往後期間，減值損失金額減少，而該減少可客觀地與減值損失確認後發生的事件有關，則先前確認的減值損失透過損益撥回，惟該資產於撥回減值當日的賬面值不得超過在並無確認減值的情況下應有的已攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and bills payables, other payables, amounts due to subsidiaries/non-controlling shareholders, consideration payable, bank borrowings and bank overdrafts are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately. Derivative financial instruments not held primarily for trading purposes are classified as non-current assets or liabilities when the remaining maturity of the instruments is more than one year.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益

集團機構發行的金融負債及權益工具乃按所訂立的合約安排實質及金融負債及權益工具的定義而分類。

權益工具乃證實集團機構在扣除所有其負債後在資產內剩餘權益的任何合約。

有效利率方法

有效利率方法是一種計算金融負債的攤銷成本以及按有關期間攤分利息費用的方法。有效利率是將估計未來現金付款透過金融負債的預期年期或更短期間(倘適用)準確貼現至初步確認之賬面淨值的利率。利息費用按有效利率方法確認。

金融負債

金融負債包括營業及票據應付款項、其他應付款項、欠附屬公司／非控股股東款項、應付代價、銀行借貸及銀行透支，其後乃按有效利率方法以攤銷成本計量。

權益工具

本公司發行的權益工具乃以所收款項，扣除直接發行成本後記賬。

衍生金融工具

衍生工具於衍生工具合約簽訂當日初步按公平價值確認，其後於報告期終按照公平價值重新計量。由此產生的收益或虧損即時於損益內確認。當持有並非主要作買賣用途的衍生金融工具的餘下到期時間長逾一年，則分類為非流動資產或負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognised as other income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策 (續)

金融工具 (續)

不作確認

當從資產收取現金流量的權利屆滿或此類金融資產已轉讓及本集團已將其於金融資產擁有權的絕大部份風險及回報轉移，則金融資產將不作確認。不作確認金融資產時，該資產的賬面值與已收取和應收代價的總和的差額會在損益內確認。

金融負債會在有關合約訂明的責任獲解除、取消或屆滿時不作確認。不作確認的金融負債的賬面值與已付和應付的代價的差額會在損益賬內確認。

持作出售的非流動資產

倘非流動資產賬面值將主要透過銷售交易而非透過持續使用收回，則該非流動資產須分類為持作出售項目。僅於出售機會相當高及資產可於現況下即時出售時，本條件方被視為達成。

被分類為持作出售的非流動資產按過往的賬面值或公平價值減銷售成本，兩者之中較低者計量。

政府補貼

政府補貼於本集團確認有關成本為開支的期間內，有系統地於損益內確認，該補貼擬用於補償相關成本。與折舊資產有關的政府補貼於財務狀況表確認為遞延收入，並按相關資產的可使用年期內撥入損益。其他的政府補貼於該等補貼與其擬定補償的成本對應之期間有系統地確認為其他收入。補償已產生開支或虧損或向本集團即時提供財務資助而不涉及日後未來相關費用的應收政府補貼，於收取期間內在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

A provision for restructuring is recognised in the consolidated statement of financial position on conditions that the Group has a detailed formal plan and has raised a valid expectation in those affected that the plan will be carried out, by starting to implement that plan or by announcing its main features to those affected by it.

For provision in relation to employee termination benefits where the Group has a detailed formal plan and is without realistic possibility of withdrawal, the liability and expenses are recognised when the Group is committed to terminate the employment of an employee or group of employees before their normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

3. 主要會計政策(續)

撥備

倘本集團因過往事件而承擔現有責任，且本集團有可能須履行該責任時，則確認撥備。撥備乃經計及責任的附帶風險及不確定因素後，於報告期終須履行現有責任所需代價的最佳估算計量。倘撥備使用為履行現有責任所估計的現金流量計算，其賬面值為該等現金流量的現值(倘影響屬重大)。

倘本集團持有一個正式詳細計劃，並在開始實施該項計劃或公佈受影響的主要情況下進行此項計劃時對受影響的情況作出有效預測，則會在綜合財務狀況表內確認一項重組撥備。

就有關終止僱員的福利撥備，本集團設有一個正式詳細計劃，並且無實際撤消的可能性，負債及費用會在本集團承諾一位僱員或一組僱員在其正常退休日前終止僱用或在鼓勵自願性離職而終止福利時，予以確認。

有形資產的減值損失

於報告期終，本集團會檢討其資產的賬面值，以判斷該等資產是否出現減值損失的任何跡象。倘出現任何有關跡象，則估計該資產的可收回金額，以釐定減值損失(如有)的程度。若估計一項資產的可收回金額低於其賬面值時，該資產的賬面值會減至其可收回金額。此項減值損失會立即確認為支出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of returns, discounts and sales related taxes.

Revenue from sales of goods is recognised when the goods are delivered and title has passed.

Service income is recognised when services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Retirement benefit schemes

Payments to defined contribution retirement benefit plans/state-managed retirement benefit schemes/the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

有形資產的減值損失(續)

倘減值損失其後出現逆轉，則該資產的賬面值可增加至其經修訂的預計可收回金額，惟增加後的賬面值不得超過該資產於過往年度並未確認減值損失時的賬面值。此項減值損失撥回會立即確認為收入。

收入確認

收入按已收或應收代價的公平價值計量，乃指於日常業務過程中售出貨品及提供服務應收的款項，經扣除退貨、折扣及銷售相關稅項。

貨品銷售收入於貨品付運及擁有權移交後確認。

服務收入於服務提供後確認。

金融資產的利息收入乃按時間基準以本金結餘金額及適用的有效利率計入。此利率乃按金融資產的預計年期折算估計未來的現金收款至該項資產於初步確認的賬面淨值的利率。

投資所得的股息收入於股東確立收取股款的權利時確認。

退休福利計劃

支付定額供款退休福利計劃／國家管理退休福利計劃／強制性公積金計劃的款項於賦予提供服務的僱員獲取供款的權利時作支出扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. 主要會計政策(續)

借貸成本

收購、建造或生產合資格資產(即需要大量時間作其擬定用途或供銷售的資產)直接應佔的借貸成本,將加入該等資產的成本,直至有關資產大致可用於其擬定用途或銷售。合資格資產有待支銷的特定借貸臨時投資所賺得的投資收入,從符合資格資本化的借貸成本中扣除。

所有其他借貸成本在其發生期間的損益內確認。

租賃

如租賃條款將絕大部份風險及主權收益轉嫁給承租人,則該等租賃被視為財務租賃。所有其他租賃則被視為營運租賃。

本集團作為出租人

營運租賃的租金收入乃按有關租賃年期以直線法在損益內確認。磋商及安排營運租約的初步直接成本會加入該租賃資產的賬面值內及按租賃年期以直線法確認為支出。

本集團作為承租人

營運租賃付款按有關租賃年期以直線法確認為開支。作為訂立營運租賃獎勵的已收及應收利益則會按租賃年期以直線法確認為扣減租金支出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策(續)

稅項

所得稅開支乃指是年度應付稅項及遞延稅項的總和。

是年度應付稅項是以是年度的應課稅盈利作基準。應課稅盈利與綜合收益表內呈報的盈利並不相等，乃基於其並無計入應在其他年度課稅或扣減的收入或費用項目，亦無計入毋須課稅及不獲扣減的項目所致。本集團是年度稅項的負債乃按照報告期終已頒佈或實質上已頒佈的稅率計算。

遞延稅項乃綜合財務報表內資產及負債的賬面值與計算應課稅盈利所用的相關稅基的暫時差異的確認。遞延稅項負債一般按所有應課稅暫時差異確認。遞延稅項資產的確認則以可用作抵銷可能會產生應課稅盈利的所有可扣減暫時差異為限。倘若暫時差異是由於商譽或一項不影響應課稅盈利或會計盈利的交易於最初確認為其他資產及負債(業務合併除外)所引致，則此項資產及負債不予確認。

就附屬公司的投資相關的應課稅暫時差異會被確認為遞延稅項負債，惟若本集團可控制暫時差異的撥回及於可見將來不會將暫時差異撥回則除外。該等投資相關的可扣稅暫時差異產生的遞延稅項資產，僅於有足夠應課稅盈利以動用暫時差異及預計將於可見將來撥回時確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity ("foreign currencies") are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策(續)

稅項(續)

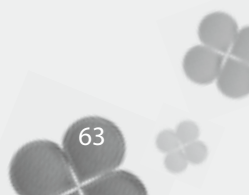
遞延稅項資產的賬面值於報告期終作出檢討，並在預期不再有足夠應課稅盈利以收回全部或部份資產的情況下作出相應扣減。

遞延稅項資產及負債根據報告期終已頒佈或實質上已頒佈的稅率(及稅法)，按償付負債或變現資產期間內的預計適用稅率計量。遞延稅項負債及資產的計量，反映於報告期終本集團預計收回或償付其資產及負債賬面值時產生的稅務後果。遞延稅項於損益內確認，惟倘遞延稅項與其他全面收益或直接於權益確認的項目有關，在此情況下，遞延稅項分別於其他全面收益或於權益中直接確認。

外幣

於編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(「外幣」)進行的交易乃按於交易日期當時的匯率換算為其個別功能貨幣(即該實體經營所在的主要經濟環境貨幣)。於報告期終，以外幣定值的貨幣項目乃按該日當時的匯率重新換算。按外幣的歷史成本計算的非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時產生的匯兌差額乃於其產生的期間於損益內確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollar) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Estimated impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment, in accordance with the relevant accounting policies. The recoverable amounts of the Group's property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgment and estimates on future operating cash flows and discount rates adopted. Where the actual cash flows are different from the original estimate, a material change in the amount of impairment may arise.

3. 主要會計政策 (續)

外幣 (續)

就綜合財務報表的呈列而言，本集團海外業務的資產及負債乃按報告期終當時的匯率換算為本集團的呈列貨幣（即港元），而其收入及支出乃按該期間的平均匯率換算，除非匯率於該年度內出現大幅波動則除外，在此情況下則會採用交易日當時的匯率換算。所產生的匯兌差額（如有）於其他全面收益確認，及累計入權益（匯兌儲備）。

4. 不確定性估計的主要來源

於報告期終會導致下個財政年度的資產及負債的賬面值出現重大調整之不確定性估計的主要來源如下：

物業、機器及設備的估計減值

本集團根據相關會計政策每年評估物業、機器及設備是否有任何減值跡象。本集團物業、機器及設備之可收回金額乃根據可使用價值計算而釐定。該等計算需要對未來營運現金流量及所採納之貼現率進行判斷及估計。倘若實際現金流量與原先估計有差異，則減值金額可能產生重大變動。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

Allowance for inventories

Inventories are valued at the lower of cost and net realisable value. The Group regularly reviews its inventory levels in order to identify slow-moving and obsolete merchandise. When the Group identifies items of inventories which have a market price that is lower than its carrying amount, the Group estimates the amount of write-down of inventories as allowance for inventories. If the market price of inventories of the Group becomes lower than its carrying amount subsequently, an additional allowance may be required.

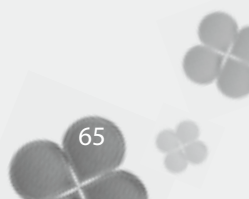
4. 不確定性估計的主要來源(續)

營業應收款項的估計減值

當有客觀證據證明出現減值損失，本集團會考慮估計未來之現金流量。減值損失金額乃按資產賬面值與按金融資產原先有效利率(即初步確認時計算的有效利率)貼現的估計未來現金流量(不包括尚未產生的日後信貸虧損)現值的差額計量。倘實際日後現金流量少於預期，或會產生重大減值損失。

存貨撥備

存貨乃按成本或可變現淨值的較低者估值。本集團定期檢討其存貨水平，以辨別滯銷及陳舊商品。倘本集團發現存貨項目的市價低於其賬面值，則本集團評估存貨撇減的金額，確認存貨撇減撥備。倘本集團的存貨市價之後低於其賬面值，則或須作出額外撥備。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

5. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st September, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the board of directors of the Company) for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach.

In the past, the Group's primary reporting format was geographical segments by location of customers. As the board of directors of the Company regularly reviews the operating results and financial information by customers located in distinct geographical areas, the application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The adoption of HKFRS 8 has neither changed the basis of measurement of segment information. The Group's operating segments include Hong Kong (place of domicile), the People's Republic of China (the "PRC"), Taiwan, Korea, Sri Lanka, America, Europe and Others, representing other geographical locations (mainly Singapore and Macau).

The following is an analysis of the Group's revenue (representing revenue from the production and sales of dyed fabrics, sewing threads, yarns and garments) and results by operating segment.

5. 分類資料

本集團已於二零零九年九月一日起採納香港財務報告準則第8號「營運分類」。香港財務報告準則第8號為一項披露準則要求以主要營運決策者（即本公司之董事會）在決定資源分配及績效評估上所定期審閱之本集團不同部門之內部呈報作為識別營運分類之基準。相反，前身準則（香港會計準則第14號「分類報告」）要求實體以風險及回報方式識別兩組分類（業務及地區）。

以往，本集團之主要報告格式為按客戶所在地區劃分之地域分類。由於本公司董事會乃按客戶所處不同的地域位置作出定期審閱經營業績及財務資料，與根據香港會計準則第14號釐定之主要報告分類相比，應用香港財務報告準則第8號並無導致本集團之報告分類需重新釐定。而採納香港財務報告準則第8號亦無改變分類資料之計量基準。本集團之營運分類包括香港（所屬地）、中華人民共和國（「中國」）、台灣、韓國、斯里蘭卡、美洲、歐洲及其他地區，即其他地域位置（主要為新加坡及澳門）。

以下為本集團按營運分類之營業額（指營業額源自製造及銷售色布、縫紉線、紗及成衣）及業績所作之分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

5. SEGMENT INFORMATION (continued)

2010

5. 分類資料(續)

二零一零年

		Hong Kong							Sri Lanka			Segment	
		Kong	The PRC	Taiwan	Korea	Lanka	America	Europe	Others	total	Eliminations	Consolidated	
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
REVENUE	營業額												
External sales	對外銷售	1,707,561	1,045,977	910,026	609,452	631,836	246,681	53,148	944,268	6,148,949	-	6,148,949	
Inter-segment sales (note)	分類間銷售(附註)	4,296,142	2,951,383	-	-	386,798	37,580	-	154,593	7,826,496	(7,826,496)	-	
Total segment revenue	分類營業額總值	6,003,703	3,997,360	910,026	609,452	1,018,634	284,261	53,148	1,098,861	13,975,445	(7,826,496)	6,148,949	
RESULTS	業績												
Segment profit (loss)	分類盈利(虧損)	191,088	122,841	130,460	87,886	72,096	(725)	4,912	134,989			743,547	
Interest income	利息收入											18,506	
Gain on disposal of property interests	出售物業權益之所得收益											96,387	
Reversal of impairment loss on property, plant and equipment	物業、機器及設備之減值損失撥回											1,813	
Impairment loss on assets classified as held for sale	分類為持作出售之資產之減值損失											(1,801)	
Impairment loss on property, plant and equipment	物業、機器及設備之減值損失											(419)	
Unallocated income	未分配收入											3,292	
Unallocated expenses	未分配支出											(563,029)	
Finance costs	融資成本											(48,201)	
Profit before taxation	除稅前盈利											250,095	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

5. SEGMENT INFORMATION (continued)

2009

5. 分類資料(續)

二零零九年

		Hong		Taiwan	Korea	Sri		Others	Segment		Consolidated	
		Kong	The PRC			Lanka	America		total	Eliminations		
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	營業額											
External sales	對外銷售	1,540,571	786,979	784,682	468,206	608,037	280,212	68,923	913,882	5,451,492	-	5,451,492
Inter-segment sales (note)	分類間銷售(附註)	3,835,943	2,371,953	-	-	363,368	24,855	-	96,828	6,692,947	(6,692,947)	-
Total segment revenue	分類營業額總值	5,376,514	3,158,932	784,682	468,206	971,405	305,067	68,923	1,010,710	12,144,439	(6,692,947)	5,451,492
RESULTS	業績											
Segment profit	分類盈利	135,964	54,607	77,599	46,814	77,342	6,564	2,863	90,745			492,498
Interest income	利息收入											10,397
Gain on disposal of assets classified as held for sale	出售分類為持作出售之資產之所得收益											104,657
Reversal of impairment loss, net of additional depreciation provided on transfer of assets classified as held for sale to property, plant and equipment	減值損失撥回，扣除轉撥分類為持作出售之資產至物業、機器及設備之計提折舊											11,094
Impairment loss on property, plant and equipment	物業、機器及設備之減值損失											(2,456)
Unallocated income	未分配收入											3,417
Unallocated expenses	未分配支出											(563,019)
Finance costs	融資成本											(48,308)
Profit before taxation	除稅前盈利											8,280

Note: Inter-segment sales are charged at prices with reference to the prevailing market rates.

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

5. SEGMENT INFORMATION (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administration costs and other expenses (including non-production related employee benefits costs, directors' emoluments, bank charges, etc), depreciation charges, interest income, gain or loss on disposal/written-off of assets and finance costs. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and performance assessment. No analysis on segment assets and liabilities is disclosed as it is not presented to the board of directors of the Company.

Other segment information

Amounts included in the measure of segment profit or loss

5. 分類資料(續)

營運分類之會計政策與本集團附註3所述之會計政策相同。分類盈利/虧損乃指各分類所賺取的盈利/虧損，當中並沒有計入中央行政成本及其他費用(包括非關生產之僱員福利成本、董事酬金、銀行費用等)，折舊、利息收入、出售資產/資產撇值之收益或虧損及融資成本。此乃為資源分配及績效評估而向本公司董事會匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向本公司董事會呈列。

其他分類資料

已包括入計量分類盈利或虧損之金額

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
2010	二零一零年									
Amortisation of deferred Income	遞延收入之攤銷	-	(1,458)	-	-	-	-	-	-	(1,458)
Impairment (reversal of impairment) on trade and bills receivables, net	營業及票據應收款項之減值(撥回減值)淨值	7,197	5,067	7,631	-	114	(544)	(40)	5,445	24,870
2009	二零零九年									
Amortisation of deferred Income	遞延收入之攤銷	-	(1,458)	-	-	-	-	-	-	(1,458)
Impairment (reversal of impairment) on trade and bills receivables, net	營業及票據應收款項之減值(撥回減值)淨值	3,194	5,579	2,534	-	135	135	(29)	(6,242)	5,306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

5. SEGMENT INFORMATION (continued)**Revenue from the Group's products**

The following table provides an analysis of the Group's revenue from external customers by products.

5. 分類資料 (續)

本集團產品之收入

下表為按產品劃分本集團來自外部客戶收入之分析。

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Production and sales of dyed fabrics, sewing threads and yarns	製造及銷售色布、縫紉線及紗	5,419,354	4,675,746
Production and sales of garments	製造及銷售成衣	729,595	775,746
		6,148,949	5,451,492

Geographical information

The following is an analysis of geographical location of the Group's non-current assets (note) at the end of the reporting period:

地域資料

於報告期終，本集團之非流動資產(附註)按地域位置之分析如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
The PRC	中國	2,248,900	2,219,217
Hong Kong	香港	22,042	48,461
America	美洲	193	255
Sri Lanka	斯里蘭卡	181,160	164,879
Others	其他地區	1,585	2,244
		2,453,880	2,435,056

Note: Non-current assets excluded deferred tax assets and consideration receivable.

附註：非流動資產不包括遞延稅項資產及應收代價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

5. SEGMENT INFORMATION (continued)

Information about major customers

No revenue from individual customer contributed over 10% of the total sales of the Group for each of the two years ended 31st August, 2010.

6. ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended 31st August, 2008, management decided to close down Dongguan Fuan Textiles Limited ("Dongguan Fuan"), a non wholly-owned subsidiary of the Group, which was engaged in the manufacture of dyed fabrics and yarns and classified those related assets which were outmoded and aged, as held for sale, which had carrying values of HK\$255,222,000 and HK\$5,493,000 as at 31st August, 2008 and 31st August, 2009, respectively. On 27th April, 2009, the Group entered into an agreement with an independent third party to sell a substantial portion of those assets held for sale, details of which are set out in note 17. In addition, the Group also disposed of the other assets classified as held for sale to independent third parties, resulting in an aggregate gain of HK\$104,657,000 recognised in the year ended 31st August, 2009.

Under this closure plan, management of the Group decided to terminate employments of a significant number of employees of Dongguan Fuan and certain plant and equipment of Dongguan Fuan were identified for relocation to other factories of the Group. Accordingly, at the end of the reporting period, restructuring provisions of HK\$730,000 (2009: HK\$4,689,000) were recognised by the Group. Details of the movements in these restructuring provisions of the Group are disclosed in note 29.

During the year ended 31st August, 2009, management relocated certain plant and equipment with a carrying amount of HK\$86,435,000 to other factories of the Group. Upon the transfer, the Group reversed an impairment loss of HK\$23,446,000 previously recognised and provided an additional depreciation of HK\$12,352,000 as if such plant and equipment had not been classified as held for sale. During the year ended 31st August, 2010, the Group further reversed an impairment of HK\$1,813,000 (2009: Nil) previously recognised on those relocated plant and equipment.

5. 分類資料(續)

有關主要客戶之資料

於截至二零一零年八月三十一日止兩個年度之各年，均無來自個別客戶之收入佔本集團銷售總額超過10%。

6. 分類為持作出售之資產

於截至二零零八年八月三十一日止年度，管理層決定將東莞福安紡織印染有限公司(「東莞福安」)關閉，該公司為本集團之非全資附屬公司，主要從事製造色布及色紗，就有關之已過時及老化之資產於二零零八年八月三十一日及二零零九年八月三十一日之賬面值分別為255,222,000港元及5,493,000港元，已分類為持作出售。於二零零九年四月二十七日，本集團與一名獨立第三方訂立協議，以出售大部份該等持作出售資產，詳情載於附註17。此外，截至二零零九年八月三十一日止年度內，本集團亦出售分類為持作出售之其他資產予獨立第三方，確認收益總值104,657,000港元。

在此項關閉計劃下，本集團管理層決定終止僱用大量東莞福安之僱員，而東莞福安之若干機器及設備已確認遷移至本集團其他廠房。因此，於報告期終，本集團確認重組撥備730,000港元(二零零九年：4,689,000港元)。有關本集團該等重組撥備之變動詳情已於附註29披露。

於截至二零零九年八月三十一日止年度，管理層將賬面值86,435,000港元之若干機器及設備遷移至本集團其他廠房。於遷移後，本集團撥回先前確認之減值損失23,446,000港元並計提折舊12,352,000港元，猶如有關機器及設備未被分類為持作出售。於截至二零一零年八月三十一日止年度，本集團進一步撥回該等遷移機器及設備於先前已確認之減值1,813,000港元(二零零九年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

**6. ASSETS CLASSIFIED AS HELD FOR SALE
(continued)**

During the year ended 31st August, 2010, the management identified additional property, plant and equipment with an aggregate carrying amount of HK\$1,211,000 that would be recovered through sale. Before transferring them to assets held for sale, the management determined that they have been impaired by HK\$419,000 (2009: HK\$2,456,000) using fair value less costs to sell, by reference to the latest quotations from independent third parties or recent market prices for similar assets at the end of the reporting period.

During the year ended 31st August, 2010, management further recognised an impairment on assets classified as held for sale of HK\$1,801,000 (2009: Nil) by reference to the final consideration as agreed with independent third parties for the disposals. At 31st August, 2010, the Group has sold all assets classified as held for sales and the closure of Dongguan Fuan was still in progress.

The closure costs and disposal gain in relation to the closure plan of Dongguan Fuan recognised by the Group and their impact on the Group are as follows:

6. 分類為持作出售之資產(續)

於截至二零一零年八月三十一日止年度，管理層識別賬面總值1,211,000港元之額外物業、機器及設備將可透過銷售而收回。於轉撥至持作出售之資產前，管理層參考於報告期終類似資產由獨立第三方之最新報價或最近市價後採用公平值減銷售成本釐定該等額外物業、機器及設備減值為419,000港元(二零零九年：2,456,000港元)。

於截至二零一零年八月三十一日止年度，管理層進一步確認分類為持作出售之資產之減值1,801,000港元(二零零九年：無)，乃經參考就有關出售與獨立第三方議定之最終代價而釐定。於二零一零年八月三十一日，本集團已出售所有分類為持作出售之資產，而東莞福安之關閉程序仍在進行中。

本集團就東莞福安關閉計劃確認之關閉成本及出售收益以及其對本集團之影響如下：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Profit (loss) of the Group for the year before closure costs and disposal gain in relation to the closure plan of Dongguan Fuan	有關東莞福安關閉計劃之關閉成本及出售收益前之是年度本集團盈利(虧損)	243,986	(109,789)
Reversal of impairment loss on property, plant and equipment	物業、機器及設備之減值損失撥回	1,813	-
Impairment loss on property, plant and equipment	物業、機器及設備之減值損失	(419)	(2,456)
Gain on disposal of assets classified as held for sale, net of tax	出售分類為持作出售之資產所得收益(除稅後)	-	96,956
Reversal of impairment loss, net of additional depreciation provided on transfer of assets classified as held for sale to property, plant and equipment	減值損失撥回，扣除轉撥分類為持作出售之資產至物業、機器及設備之計提折舊	-	11,094
Impairment loss on assets classified as held for sale	分類為持作出售之資產之減值損失	(1,801)	-
Profit (loss) of the Group for the year	是年度本集團盈利(虧損)	<u>243,579</u>	<u>(4,195)</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

7. FINANCE COSTS

7. 融資成本

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Finance costs on:	融資成本：		
Bank borrowings wholly repayable within five years	須於五年內全部償還之銀行借貸	48,020	52,962
Imputed interest expense on consideration payable (note 27)	應付代價之推算利息開支 (附註 27)	1,653	555
Total finance costs	融資成本總值	49,673	53,517
Less: amounts capitalised (note 14)	減：化作資產金額(附註 14)	(1,472)	(5,209)
		48,201	48,308

Finance costs capitalised during the year arose on the general borrowing pool and have been calculated by applying a capitalisation rate of 2.06% (2009: 2.20%) per annum on expenditure of qualifying assets.

本年度化作資產之融資成本乃由一般借貸項目產生，並以年息率2.06%（二零零九年：2.20%）計算，轉至合資格資產內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

8. INCOME TAX EXPENSE

8. 所得稅支出

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Current tax:	是年度稅項：		
Hong Kong	香港	6,795	-
The PRC	中國	3,307	10,378
Other jurisdictions	其他司法地區	22	189
		<u>10,124</u>	<u>10,567</u>
Under(over)provision in prior years:	過往年度撥備不足(超額撥備)：		
The PRC	中國	5,741	2,094
Other jurisdictions	其他司法地區	(625)	137
		<u>5,116</u>	<u>2,231</u>
Deferred tax (note 18):	遞延稅項(附註 18)：		
Hong Kong	香港	8	(41)
The PRC	中國	(8,901)	1,395
Other jurisdictions	其他司法地區	169	(1,677)
		<u>(8,724)</u>	<u>(323)</u>
		<u><u>6,516</u></u>	<u><u>12,475</u></u>

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the year.

香港利得稅乃按是年度之估計應課稅盈利以 16.5% (二零零九年：16.5%) 計算。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

8. INCOME TAX EXPENSE (continued)

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT law, the tax rate of the PRC subsidiaries is 25% starting from 1st January, 2008 onwards, while certain of the Company's PRC subsidiaries are entitled to exemption from the PRC Enterprise Income Tax for two calendar years and thereafter, they are entitled to 50% relief from the PRC Enterprise Income Tax for the following three calendar years (the "Tax Holiday"). The reduced tax rate for the relief period is 12.5% for both years. The Tax Holiday will expire by 31st December, 2012.

Pursuant to the relevant laws and regulations in Sri Lanka, the profit generated from a subsidiary of the Company is entitled to exemption from the Sri Lanka income tax until 31st August, 2015. Accordingly, no provision for the income tax was made on the profit for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

8. 所得稅支出(續)

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例,從二零零八年一月一日起,中國附屬公司之稅率為25%,而本公司若干中國附屬公司可於兩個曆年獲豁免繳納中國企業所得稅及於其後三個曆年獲減免50%的中國企業所得稅(「免稅期」)。於兩個年度免稅期的經調低稅率為12.5%。免稅期將於二零一二年十二月三十一日屆滿。

根據斯里蘭卡有關之法律及法規,由本公司一間附屬公司所產生之盈利可獲豁免斯里蘭卡所得稅,直至二零一五年八月三十一日為止。據此,於兩個年度均無就盈利作出所得稅撥備。

其他司法地區之稅項是以有關各自司法地區當時之稅率計算。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

8. INCOME TAX EXPENSE (continued)

In February 2008, the Hong Kong Inland Revenue Department (“IRD”) initiated a tax audit on the Company and its subsidiaries for the years of assessment from 2001/02 onwards and is obtaining information and documents from the Group. In March 2008, 2009 and 2010, notices of estimated additional assessment (the “Protective Assessments”) for the years of assessment 2001/02, 2002/03 and 2003/04 in an aggregate amount of HK\$14,352,000, HK\$19,844,000 and HK\$18,390,000, respectively were issued to the Company and certain subsidiaries of the Company by the IRD. Regarding the Protective Assessments for the year of assessment 2003/04, out of the aggregate amount of HK\$18,390,000, two Protective Assessments of HK\$4,375,000 issued to the Company and a Hong Kong subsidiary, respectively, were in effect alternative assessments to that of an overseas subsidiary. Objections against the Protective Assessments were lodged. For the years of assessment 2001/02 and 2002/03, full amount was held over unconditionally. For the year of assessment 2003/04, amount was held over on the condition that Tax Reserve Certificates in the amount of HK\$1,600,000 were purchased. The scope and outcome of the tax audit cannot be readily ascertained at this stage. The directors of the Company consider that no significant amount of additional profits tax will be payable under the Protective Assessments and no provision for additional Hong Kong Profits Tax is therefore necessary.

Details of the deferred tax are set out in note 18.

8. 所得稅支出(續)

於二零零八年二月，香港稅務局(「稅務局」)就本公司及其附屬公司由二零零一／零二及其後之課稅年度進行一項稅務審查，並正向本集團搜集資料及文件。於二零零八年三月、二零零九年三月及二零一零年三月，稅務局就二零零一／零二、二零零二／零三及二零零三／零四課稅年度分別發出合共14,352,000港元、19,844,000港元及18,390,000港元金額之估計補加評稅通知(「保障性評稅」)予本公司及本公司若干附屬公司。就二零零三／零四課稅年度之保障性評稅合共18,390,000港元之金額，當中兩張保障性評稅金額各4,375,000港元分別發出給本公司及一間香港附屬公司實為發出給一間海外附屬公司的保障性評稅之交替式的估計評稅。就此項保障性評稅已提出反對，二零零一／零二及二零零二／零三課稅年度之全數金額已獲無條件緩繳，而二零零三／零四課稅年度之金額已於購買1,600,000港元之儲稅券時獲緩繳。此項稅務審查之範圍及結果於現階段還未能確定。本公司董事認為就此項保障性評稅需償付之補加利得稅金額並不重大及無需作出補加香港利得稅之撥備。

有關遞延稅項之詳情載於附註18。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

8. INCOME TAX EXPENSE (continued)

The tax charge for the year can be reconciled to the profit before taxation as follows:

8. 所得稅支出(續)

是年度的稅項支出與除稅前盈利的對賬如下：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Profit before taxation	除稅前盈利	250,095	8,280
Tax at domestic rates applicable to profits or losses in the jurisdiction concerned	有關司法地區之損益適用之當地稅率計算的稅項	23,809	(4,077)
Tax effect of expenses not deductible for tax purpose	費用不獲扣稅的稅務影響	989	3,930
Tax effect of income not taxable for tax purpose	收入毋須課稅的稅務影響	(23,562)	(6,185)
Underprovision in prior years	過往年度撥備不足	5,116	2,231
Tax effect of tax losses not recognised	稅項虧損未被確認的稅務影響	32,194	32,455
Tax effect of other deferred tax not recognised	其他遞延稅項未被確認的稅務影響	12,356	4,006
Income tax at concessionary rate	按優惠稅率計算的所得稅	(1,102)	(4,662)
Utilisation of tax losses previously not recognised	運用過往未被確認的稅項虧損	(35,838)	(775)
Utilisation of other deferred tax previously not recognised	運用過往未被確認的其他遞延稅項	(7,914)	(13,142)
Charge (reversal) of deferred tax provided on withholding tax on PRC and overseas subsidiaries	中國及海外附屬公司預扣稅的遞延稅項扣除(撥回)	474	(1,315)
Others	其他	(6)	9
Tax charge for the year	是年度稅項支出	6,516	12,475

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

9. PROFIT (LOSS) FOR THE YEAR

9. 是年度盈利(虧損)

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Profit (loss) for the year has been arrived at after charging:	是年度盈利(虧損)已扣減下列：		
Auditors' remuneration	核數師之薪酬	5,316	4,632
Cost of inventories recognised as expenses	確認為費用之存貨成本	5,154,109	4,607,480
Depreciation of investment properties	投資物業之折舊	121	483
Depreciation of property, plant and equipment	物業、機器及設備之折舊	239,674	204,378
Employee benefits expense (including directors' emoluments set out in note 10)	僱員福利支出(包括載列於附註10內之董事酬金)	751,736	714,581
Impairment on trade and bills receivables, net	營業及票據應收款項減值淨值	24,870	5,306
Loss on disposal/written-off of property, plant and equipment, other than property interests (included in other expenses)	出售/註銷物業、機器及設備之虧損(物業權益除外)(包括在其他費用內)	14,740	2,193
Net exchange losses (included in other expenses)	匯兌虧損淨值(包括在其他費用內)	5,086	24,998
Net loss from derivative financial instruments (included in other expenses)	衍生金融工具之虧損淨值(包括在其他費用內)	39,180	48,768
Release of prepaid lease payments included in	包括在以下項目內的預付租賃款項轉出		
– cost of sales	– 銷售成本	2,159	1,059
– administrative expenses	– 行政費用	113	570
and after crediting:	及已計入：		
Amortisation of deferred income	遞延收入的攤銷	1,458	1,458
Gain on disposal of a subsidiary	出售一間附屬公司所得收益	766	544
Imputed interest income on consideration receivable (note 17)	應收代價之推算利息收入(附註17)	15,055	4,869
Interest income	利息收入	3,451	5,528
Net rental income from investment properties	投資物業的租金收入淨值	2,590	4,655

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS
(a) Directors' emoluments

The emoluments paid or payable to each of the nine (2009: ten) directors were as follows:

2010

		二零一零年									
		Ha	Ha	Ha	Yen	Lau	Ng	Wong	Chow	Fung Yeh	Total
		Chung	Kam On,	Hon Kuen	Gordon	Hong Yon	Kwok Tung	Chi	Wing Kin,	Yi Hao,	
		Fong	Victor	Hon Kuen	Gordon	Hong Yon	Kwok Tung	Chi	Anthony	Yvette	
		夏松芳	夏錦安	夏漢權	嚴震銘	柳康遠	伍國棟	王幹芝	周永健	馮葉儀皓	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	-	-	150	-	-	250	200	200	150	950
Other emoluments	其他酬金										
Salaries and other benefits	薪金及其他福利	12,849	2,454	666	1,962	2,498	-	-	-	-	20,429
Retirement benefits scheme contributions	退休福利計劃供款	-	184	13	136	165	-	-	-	-	498
		<u>12,849</u>	<u>2,638</u>	<u>829</u>	<u>2,098</u>	<u>2,663</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>150</u>	<u>21,877</u>

2009

		二零零九年										
		Ha	Ha	Ha	Yen	Lau	Wai	Ng	Wong	Chow	Fung Yeh	Total
		Chung	Kam On,	Hon Kuen	Gordon	Hong Yon	Yick Man	Kwok Tung	Chi	Wing Kin,	Yi Hao,	
		Fong	Victor	Hon Kuen	Gordon	Hong Yon	Yick Man	Kwok Tung	Chi	Anthony	Yvette	
		夏松芳	夏錦安	夏漢權	嚴震銘	柳康遠	衛偉民	伍國棟	王幹芝	周永健	馮葉儀皓	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	-	-	150	-	-	-	250	200	200	150	950
Other emoluments	其他酬金											
Salaries and other benefits	薪金及其他福利	13,398	2,545	387	2,046	3,150	2,337	-	-	-	-	23,863
Retirement benefits scheme contributions	退休福利計劃供款	-	191	-	141	171	128	-	-	-	-	631
		<u>13,398</u>	<u>2,736</u>	<u>537</u>	<u>2,187</u>	<u>3,321</u>	<u>2,465</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>150</u>	<u>25,444</u>

Note: The director resigned on 8th June, 2009.

附註：該名董事已於二零零九年六月八日辭任。

During the year, no emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived any emoluments in the year.

於本年度，本集團並無向任何董事支付酬金，以作為加盟本集團或於加入本集團時的獎勵或離職補償。本年度概無董事放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) Employees' emoluments

The five highest paid employees included three (2009: three) directors, whose emoluments are set out in note (a) above. Emoluments of the remaining two (2009: two) employees are as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefits scheme contributions	退休福利計劃供款

Emoluments of each of the above highest paid employees were within the band from HK\$2,000,001 to HK\$2,500,000 for both years.

11. DIVIDENDS

In respect of the year ended 31st August, 2010, no interim dividend was declared while the final dividend of HK1.0 cent per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.

No interim or final dividend was paid or proposed for the year ended 31st August, 2009.

10. 董事及僱員酬金資料(續)

(b) 僱員酬金

最高酬金的五名僱員包括三位(二零零九年:三位)董事,其酬金詳情載於上述附註(a)。餘下兩位(二零零九年:兩位)僱員的酬金如下:

2010	2009
HK\$'000	HK\$'000
千港元	千港元

4,470	4,625
307	318
4,777	4,943

上述每位最高酬金的僱員於兩個年度的酬金在2,000,001港元至2,500,000港元範圍之內。

11. 股息

就截至二零一零年八月三十一日止年度,並無宣派中期股息,而董事已建議派發末期股息每股1.0港仙,惟須待股東於週年大會批准。

於截至二零零九年八月三十一日止年度,概無派發或建議派發中期股息或末期股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

12. BASIC EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of HK\$223,798,000 (2009: loss of HK\$48,928,000) and on 794,010,960 (2009: 794,010,960) ordinary shares in issue during the year.

Diluted earnings (loss) per share is not presented as there were no potential ordinary shares outstanding for both years.

12. 每股基本盈利(虧損)

本公司擁有人應佔每股基本盈利(虧損)乃根據本公司擁有人應佔是年度盈利223,798,000港元(二零零九年:虧損48,928,000港元)及按是年度內已發行之普通股794,010,960股(二零零九年:794,010,960)計算。

由於兩個年度均沒有具潛在之普通股,因此並無呈列每股攤薄盈利(虧損)。

13. INVESTMENT PROPERTIES
13. 投資物業

		HK\$'000 千港元
<hr/>		
COST	成本	
At 1st September, 2008	於二零零八年九月一日	13,731
Reclassification from property, plant and equipment	由物業、機器及設備調入	1,638
Reclassification to property, plant and equipment	調撥至物業、機器及設備	(1,193)
		<hr/>
At 31st August, 2009	於二零零九年八月三十一日	14,176
Disposals	出售	(14,176)
		<hr/>
At 31st August, 2010	於二零一零年八月三十一日	-
<hr/>		
DEPRECIATION	折舊	
At 1st September, 2008	於二零零八年九月一日	1,051
Provided for the year	是年度撥備	483
Eliminated on reclassification to property, plant and equipment	調撥至物業、機器及設備時撇銷	(113)
		<hr/>
At 31st August, 2009	於二零零九年八月三十一日	1,421
Provided for the year	是年度撥備	121
Eliminated on disposals	出售時撇銷	(1,542)
		<hr/>
At 31st August, 2010	於二零一零年八月三十一日	-
<hr/>		
CARRYING VALUES	賬面值	
At 31st August, 2010	於二零一零年八月三十一日	-
		<hr/> <hr/>
At 31st August, 2009	於二零零九年八月三十一日	12,755
		<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

13. INVESTMENT PROPERTIES (continued)

During the year ended 31st August 2010, the Group disposed of certain of its property interests with an aggregate carrying amount of HK\$26,130,000 to an independent third party for a consideration of HK\$122,517,000 (net of direct expenses of HK\$283,000), resulting in a gain on disposal of HK\$96,387,000. The disposed property interests comprised:

		HK\$'000
		千港元
Investment properties	投資物業	12,634
Prepaid lease payments	預付租賃款項	2,872
Property, plant and equipment	物業、機器及設備	10,624
		<hr/>
		26,130
		<hr/> <hr/>

Details of these transactions are set out in an announcement of the Company dated 13th November, 2009.

The fair value of the Group's investment properties at 31st August, 2009 was HK\$43,170,000. The fair value was arrived at based on a valuation carried out by Centaline Surveyors Limited, a firm of independent property valuers. The valuation was determined using direct comparison approach with reference to comparable transaction available in the relevant market.

The above investment properties were depreciated on a straight-line basis over the shorter of the lease term or 50 years.

All of the investment properties of the Group were situated in Hong Kong and were held under medium-term leases to earn rentals and/or for capital appreciation before disposal.

13. 投資物業(續)

於截至二零一零年八月三十一日止年度，本集團出售賬面總值26,130,000港元之若干物業權益予獨立第三方，代價為122,517,000港元(扣除直接開支283,000港元)，致使產生出售收益96,387,000港元。出售之物業權益包括：

有關該等交易之詳情已載於本公司日期為二零零九年十一月十三日之通告內。

本集團投資物業於二零零九年八月三十一日的公平價值為43,170,000港元。此公平價值乃按一獨立的物業測量行中原測量師行有限公司按估值基準進行估值而達致，此項估值乃以直接比較法經參考相關市場上可供比較之交易而釐定。

上述投資物業以直線法按租賃年期或50年(以較短者為準)折舊。

本集團的所有投資物業乃位於香港並以中期租賃持有，出售前用作賺取租金及/或資本增值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

**14. PROPERTY, PLANT AND EQUIPMENT
THE GROUP**
**14. 物業、機器及設備
本集團**

		Freehold land 永久持有 的土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
COST	成本							
At 1st September, 2008	於二零零八年九月一日	2,059	646,367	648,419	2,194,553	34,465	300,966	3,826,829
Currency realignment	外幣換算差額	(138)	(4,353)	(2,016)	(11,601)	(717)	(572)	(19,397)
Additions	增加	-	-	41,928	119,179	962	112,167	274,236
Interest capitalised (note 7)	利息化作資產(附註7)	-	-	-	-	-	5,209	5,209
Reclassifications:	調撥:							
- from investment properties	- 自投資物業	-	1,080	-	-	-	-	1,080
- to investment properties	- 至投資物業	-	(2,734)	-	-	-	-	(2,734)
- others	- 其他	-	57,006	62,583	8,380	-	(127,969)	-
Transfer from assets classified as held for sale	轉撥自分類為持作 出售之資產	-	-	2,249	94,986	294	-	97,529
Transfer to assets classified as held for sale	轉撥至分類為持作 出售之資產	-	-	-	(24,951)	-	-	(24,951)
Disposals	出售	-	(8,070)	(20,318)	(92,337)	(2,388)	-	(123,113)
Disposal of a subsidiary (note 39)	出售一間附屬公司 (附註39)	-	-	(555)	-	-	-	(555)
At 31st August, 2009	於二零零九年 八月三十一日	1,921	689,296	732,290	2,288,209	32,616	289,801	4,034,133
Currency realignment	外幣換算差額	420	21,130	3,391	17,606	1,066	1,279	44,892
Additions	增加	-	67,799	59,166	71,205	3,057	65,405	266,632
Interest capitalised (note 7)	利息化作資產(附註7)	-	-	-	-	-	1,472	1,472
Reclassifications	調撥	-	287,645	10,792	8,275	-	(306,712)	-
Transfer to assets classified as held for sale	轉撥至分類為持作 出售之資產	-	-	-	(11,632)	-	-	(11,632)
Disposals/written-off	出售/註銷	-	(20,329)	(40,001)	(300,205)	(1,807)	-	(362,342)
At 31st August, 2010	於二零一零年 八月三十一日	2,341	1,045,541	765,638	2,073,458	34,932	51,245	3,973,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT (continued)

14. 物業、機器及設備(續)

		Freehold land 永久持有 的土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1st September, 2008	於二零零八年九月一日	-	119,564	387,567	1,141,664	23,201	2,523	1,674,519
Currency realignment	外幣換算差額	-	(401)	(1,480)	(5,703)	(383)	-	(7,967)
Provided for the year	是年度撥備	-	26,846	60,162	113,846	3,524	-	204,378
Impairment loss recognised upon transfer to assets classified as held for sale (note 6)	轉撥至分類為持作出售之 資產時確認之減值 損失(附註6)	-	-	-	2,456	-	-	2,456
Eliminated on reclassification to investment properties	調撥至投資物業時撇銷	-	(1,096)	-	-	-	-	(1,096)
Reclassification	調撥	-	-	2,508	-	-	(2,508)	-
Eliminated on disposals	出售時撇銷	-	(2,569)	(17,989)	(77,511)	(1,553)	-	(99,622)
Eliminated on transfer to assets classified as held for sale	調撥至分類為持作出售之 資產時撇銷	-	-	-	(21,920)	-	-	(21,920)
Eliminated on disposal of a subsidiary (note 39)	出售一間附屬公司時撇銷 (附註39)	-	-	(404)	-	-	-	(404)
At 31st August, 2009	於二零零九年八月三十一日	-	142,344	430,364	1,152,832	24,789	15	1,750,344
Currency realignment	外幣換算差額	-	2,494	2,214	9,258	893	-	14,859
Provided for the year	是年度撥備	-	34,707	59,342	142,478	3,147	-	239,674
Reversal of impairment loss	減值損失撥回	-	-	-	(1,780)	(18)	(15)	(1,813)
Impairment loss recognised upon transfer to assets classified as held for sale (note 6)	轉撥至分類為持作出售之 資產時確認之減值 損失(附註6)	-	-	-	419	-	-	419
Eliminated on transfer to assets classified as held for sale	轉撥至分類為持作出售之 資產時撇銷	-	-	-	(10,421)	-	-	(10,421)
Eliminated on disposals/ written-off	出售/註銷時撇銷	-	(9,265)	(35,701)	(293,122)	(1,599)	-	(339,687)
At 31st August, 2010	於二零一零年八月三十一日	-	170,280	456,219	999,664	27,212	-	1,653,375
CARRYING VALUES	賬面值							
At 31st August, 2010	於二零一零年八月三十一日	2,341	875,261	309,419	1,073,794	7,720	51,245	2,319,780
At 31st August, 2009	於二零零九年八月三十一日	1,921	546,952	301,926	1,135,377	7,827	289,786	2,283,789

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT (continued)
THE COMPANY
14. 物業、機器及設備(續)

本公司

Furniture,
fixtures and
equipment

傢俬、裝置

及設備

HK\$'000

千港元

Motor
vehicles

車輛

HK\$'000

千港元

Total

總值

HK\$'000

千港元

COST	成本			
At 1st September, 2008	於二零零八年九月一日	38,513	2,282	40,795
Additions	增加	568	–	568
Disposals	出售	(379)	–	(379)
		<hr/>	<hr/>	<hr/>
At 31st August, 2009	於二零零九年八月三十一日	38,702	2,282	40,984
Additions	增加	1,267	907	2,174
Written-off	註銷	(10)	–	(10)
		<hr/>	<hr/>	<hr/>
At 31st August, 2010	於二零一零年八月三十一日	39,959	3,189	43,148
		<hr/>	<hr/>	<hr/>
DEPRECIATION	折舊			
At 1st September, 2008	於二零零八年九月一日	32,539	2,042	34,581
Provided for the year	是年度撥備	2,060	123	2,183
Eliminated on disposals	出售時撇銷	(378)	–	(378)
		<hr/>	<hr/>	<hr/>
At 31st August, 2009	於二零零九年八月三十一日	34,221	2,165	36,386
Provided for the year	是年度撥備	1,776	64	1,840
Eliminated on written-off	註銷時撇銷	(10)	–	(10)
		<hr/>	<hr/>	<hr/>
At 31st August, 2010	於二零一零年八月三十一日	35,987	2,229	38,216
		<hr/>	<hr/>	<hr/>
CARRYING VALUES	賬面值			
At 31st August, 2010	於二零一零年八月三十一日	3,972	960	4,932
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31st August, 2009	於二零零九年八月三十一日	4,481	117	4,598
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The cost of above items of property, plant and equipment are depreciated, after taking into account of their estimated residual values, on a straight-line basis at the following rates per annum:

Freehold land	Nil
Buildings	2% – 4.5%
Furniture, fixtures and equipment	10% – 33%
Plant and machinery	10% – 20%
Motor vehicles	20% – 30%
Construction in progress	Nil

The carrying value of properties shown above comprises:

14. 物業、機器及設備(續)

上述物業、機器及設備之成本以直線法經計入估計剩餘價值後按下列年率折舊：

永久持有的土地	無
樓宇	2% – 4.5%
傢俬、裝置及設備	10% – 33%
廠房機器	10% – 20%
車輛	20% – 30%
在建工程	無

以上物業賬面值包括：

Freehold land and buildings 永久持有的 土地及樓宇		Construction in progress 在建工程	
2010 HK\$'000 千港元	2009 HK\$'000 千港元	2010 HK\$'000 千港元	2009 HK\$'000 千港元

Properties situated in Hong Kong under medium-term leases	位於香港以中期租賃持有的物業	5,385	15,887	-	-
Properties situated outside Hong Kong:	位於香港以外的物業：				
Freehold	永久持有	2,341	1,921	-	-
Medium-term leases or medium-term land use rights	中期租賃或中期土地使用權	869,876	531,065	51,245	289,786
		877,602	548,873	51,245	289,786



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

15. PREPAID LEASE PAYMENTS

15. 預付租賃款項

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團的預付租賃款項包括：		
Leasehold land situated in Hong Kong under medium-term leases	位於香港以中期租賃持有的土地	9,021	12,156
Leasehold land situated outside Hong Kong under medium-term leases or medium-term land use rights	位於香港以外以中期租賃持有的土地或中期土地使用權	128,136	129,449
		137,157	141,605
Analysed for reporting purposes as:	就呈報而言的分析：		
Current assets	流動資產	3,057	3,093
Non-current assets	非流動資產	134,100	138,512
		137,157	141,605

16. INTERESTS IN SUBSIDIARIES

16. 應佔附屬公司權益

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，以成本列出	33,856	33,856
Amounts due from subsidiaries	附屬公司所欠款項	3,708,278	3,643,307
Less: Impairment loss recognised	減：減值損失確認	(555,983)	(555,983)
		3,152,295	3,087,324
Amounts due to subsidiaries	欠附屬公司款項	668,485	486,653

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

16. INTERESTS IN SUBSIDIARIES (continued)

Movement in the impairment loss recognised are as follows:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Balance at beginning of the year	年初結餘	555,983	560,043
Impairment loss reversed	已撥回減值損失	-	(4,060)
Balance at end of the year	年終結餘	555,983	555,983

The amounts due from subsidiaries are unsecured and repayable on demand. Except for an aggregate amount of HK\$751,030,000 (2009: HK\$919,924,000) which bears interest rate with reference to the average effective interest rate of the bank borrowings of the Group, the balances are interest-free. In the opinion of the directors, the amounts are expected to be realised within one year from the end of the reporting period and accordingly, such amounts have been classified as current assets. At the end of the reporting period, the amounts were not impaired as a result of the satisfactory assessment of the current financial position and business prospects of those subsidiaries by the management of the Group. An impairment loss has been recognised if after the same assessment, the amount was considered not recoverable. At the end of the reporting period, the impairment loss recognised is related to individually impaired amounts and the relevant subsidiaries are considered not in a good financial position to repay their debts.

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand. In the opinion of the directors, such amounts have been classified as current liabilities.

16. 應佔附屬公司權益 (續)

已確認減值損失之變動如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Balance at beginning of the year	年初結餘	555,983	560,043
Impairment loss reversed	已撥回減值損失	-	(4,060)
Balance at end of the year	年終結餘	555,983	555,983

附屬公司所欠款項為無抵押並應要求償還，惟當中之金額751,030,000港元則除外（二零零九年：919,924,000港元），此等金額參考本集團銀行借貸的平均有效利率計息，其餘則為免息。根據董事的意見，該等款項預期於報告期終後一年內可變現，因此，該等款項被列為流動資產。於報告期終，由於本集團管理層滿意對該等附屬公司之現有財務狀況及業務前景所進行之評估，因此有關款項並無減值。倘若進行相同的評估後有關款項被認為無法收回，則會確認減值損失。於報告期終，所確認之減值損失乃來自個別減值款項及被視為清還債務能力不在良好的財務狀況下之附屬公司。

欠附屬公司之款項為無抵押、免息及應要求償還。根據董事的意見，有關款項已分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

16. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries of the Company at 31st August, 2009 and 2010 are as follows:

16. 應佔附屬公司權益(續)

於二零零九年八月三十一日及二零一零年八月三十一日本公司的主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及 繳足的 股本/登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本/ 登記股本面值的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Dongguan Fuquan Garment Co., Ltd. (note a) 東莞福泉製衣有限公司(附註a)	The PRC 中國	United States Dollar ("USD") 3,499,352 3,499,352美元	-	55.5	Production and sales of garments 製造及銷售成衣
Dongguan Fuyuen Garment Limited (note b) 東莞福源製衣有限公司(附註b)	The PRC 中國	HK\$7,500,000 7,500,000港元	-	95	Production and sales of garments 製造及銷售成衣
東莞海星服裝有限公司 (note a) (附註a)	The PRC 中國	HK\$15,000,000 15,000,000港元	-	100	Production and sales of garments 製造及銷售成衣
Dong Guan Fuyi Apparel Co., Ltd. (note a) 東莞福怡服裝有限公司(附註a)	The PRC 中國	HK\$12,800,000 12,800,000港元	-	100	Production and sales of garments 製造及銷售成衣
Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. (note b) 東莞沙田麗海紡織印染有限公司(附註b)	The PRC 中國	HK\$307,500,000 (2009: HK\$267,500,000) 307,500,000港元 (2009: 267,500,000港元)	-	95	Dyeing, printing and sales of dyed fabrics 染色、印花和銷售色布
Folktune Limited ("Folktune") 福津有限公司(「福津」)	Hong Kong 香港	HK\$2 2港元	100	-	Investment holding 投資控股
Fountain Set Limited 福田實業有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	100	-	Trading of dyed fabrics and yarns 色布及色紗貿易
Fountain Set Textiles (B.C.) Limited	Canada 加拿大	Canadian Dollar ("CAD") 500,000 (Common shares) 500,000加元(普通股)	80	-	Trading of fabrics and garments 布及成衣貿易

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

16. INTERESTS IN SUBSIDIARIES (continued)

16. 應佔附屬公司權益(續)

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及 繳足的 股本/登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本/ 登記股本面值的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Fountain Set Textiles (Ontario) Ltd.	Canada 加拿大	CAD300,100 (Common shares) 300,100加元(普通股)	51	-	Trading of fabrics and garments 布及成衣貿易
Goldlink Thread Limited 金菱線廠有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	100	-	Trading of sewing threads 縫紉線貿易
Highscene Limited 漢盛有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	-	100	Trading of yarns 胚紗貿易
Hiway Textiles Limited 海匯紡織有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Trading of garments 成衣貿易
Jiangyin Jintian Machinery Limited (note a) 江陰金田機械有限公司(附註a)	The PRC 中國	USD12,000,000 12,000,000美元	-	100	Manufacturing of machineries 製造機械
Jiangyin Fuhui Textiles Limited (note a) 江陰福匯紡織有限公司(附註a)	The PRC 中國	USD102,000,000 (2009: USD78,000,000) 102,000,000美元 (2009 : 78,000,000美元)	-	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售 色布及色紗
Jiangmen Huilian Textile Company Limited (note a) 江門市匯聯紡織有限公司(附註a)	The PRC 中國	HK\$28,000,000 28,000,000港元	-	100	Production and sales of yarns 製造及銷售胚紗
Kaiping Hui Hua Textiles Limited (note a) 開平匯華紡織有限公司(附註a)	The PRC 中國	USD615,414 615,414美元	-	100	Production and sales of yarns 製造及銷售胚紗
Lake Side Printing Factory Limited 麗海印花廠有限公司	Hong Kong 香港	HK\$2 2港元	100	-	Trading of fabrics and investment holding 布疋貿易及投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

16. INTERESTS IN SUBSIDIARIES (continued)

16. 應佔附屬公司權益(續)

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及 繳足的 股本/登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本/ 登記股本面值的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Ningbo Young Top Garments Co., Ltd. (note a) 寧波創裕製衣有限公司(附註a)	The PRC 中國	USD16,079,462 16,079,462美元	-	55.5	Production and sales of garments 製造及銷售成衣
Ocean Lanka (Private) Limited	Democratic Socialist Republic of Sri Lanka 斯里蘭卡民主 社會主義共和國	Sri Lanka Rupee 985,000,000 985,000,000盧比	-	60	Knitting, dyeing and sales of dyed fabrics 針織、染色和銷售色布
Ocean Yarn Dyeing Factory Limited 海洋染紗廠有限公司	Hong Kong 香港	HK\$2 2港元	100	-	Investment holding 投資控股
Prosperlink (Macao Commercial Offshore) Limited 匯漢(澳門離岸商業服務)有限公司	Macao 澳門	Macau Pataca ("MOP")100,000 100,000葡幣	-	100	Trading of yarns, dyestuffs and chemicals 胚紗及顏化料貿易
韶關市匯業紡織有限公司 (note a) (附註a)	The PRC 中國	HK\$1,000,000 1,000,000港元	-	100	Production and sales of yarns 製造及銷售胚紗
Triumph Luck Limited 凱福有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	-	55.5	Trading of garments 成衣貿易
Yancheng Fuhui Textiles Limited (note a) 鹽城福匯紡織有限公司(附註a)	The PRC 中國	USD35,000,000 35,000,000美元	-	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和 銷售色布及色紗

Notes:

附註:

- Companies are established as wholly foreign owned enterprises in the PRC.
- Companies are established as cooperative joint ventures in the PRC.

- 於中國以外商獨資企業成立的公司。
- 於中國以合資經營的合作形式成立的公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

16. INTERESTS IN SUBSIDIARIES (continued)

The above table includes the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the Group for the year or formed a substantial portion of the assets and liabilities of the Group at the end of the reporting period. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debentures outstanding at the end of the year or at any time during the year.

17. CONSIDERATION RECEIVABLE

On 27th April, 2009, Dongguan Fuan entered into an agreement with an independent third party to sell the parcels of land located at Dongguan Fuan Textiles Complex, Changan Town, Dongguan City, Guangdong, the PRC and certain buildings and furniture, fixtures and equipment (the "Properties") for a total cash consideration of Renminbi ("RMB") 255,000,000 (approximately HK\$288,136,000) payable in 5 installments (the "Property Agreement").

Of the above consideration, RMB30,000,000 was settled upon the signing of the Property Agreement as the first installment. The second and the third installment of RMB30,000,000 (approximately HK\$34,474,000) and RMB40,000,000 (approximately HK\$46,497,000), respectively were settled during the current financial year. The fourth instalment of RMB77,500,000 has also been settled subsequent to the reporting period. The last installment of RMB77,500,000 is due for settlement in April 2011.

The receivable amounts are unsecured and interest-free. The fair value of the deferred consideration at the date of initial recognition has been determined as RMB231,643,000 (approximately HK\$261,743,000) based on the estimated future cash flows by applying a discount rate of 9.8% per annum. As at 31st August, 2010, consideration receivable of HK\$171,283,000 (2009: HK\$64,042,000) was classified under current assets, representing the total amounts falling due within one year of the reporting date.

Details of the above transaction are set out in the circular of the Company dated 30th July, 2009.

16. 應佔附屬公司權益 (續)

以上本公司的附屬公司乃基於本公司董事認為其對本年度業績及本集團於報告期終的資產及負債有重要影響性而表列。本公司董事認為併列其他附屬公司的詳情會引致篇幅過於冗長。

於本年度終結時或在本年度任何時間，附屬公司並無任何債權證結餘。

17. 應收代價

於二零零九年四月二十七日，東莞福安與一名獨立第三方訂立協議，以出售位於中國廣東省東莞市長安鎮宵邊大道福安紡織城內的土地及若干樓宇、傢俬、裝置及設備（「該等物業」），總現金代價為人民幣255,000,000元（約288,136,000港元），分五期支付（「物業合同」）。

於上述代價中，於簽訂物業合同時已支付人民幣30,000,000元作為第一期款項。第二期及第三期分期款項分別為人民幣30,000,000元（約34,474,000港元）及人民幣40,000,000元（約46,497,000港元）已於本財政年度支付。第四期分期款項人民幣77,500,000元亦已於報告期後支付。最後一期分期款項為人民幣77,500,000元須於二零一一年四月到期支付。

該等應收款項為無抵押及免息。於初步確認日期之遞延代價之公平價值為人民幣231,643,000元（約261,743,000港元），乃根據估計未來現金流量按貼現年率9.8%計算。於二零一零年八月三十一日，應收代價171,283,000港元（二零零九年：64,042,000港元）已分類為流動資產，即於報告日起一年內到期之總額。

有關上述交易詳情已載於本公司日期為二零零九年七月三十日之通函內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

18. DEFERRED TAX

The major deferred tax liabilities (assets) recognised by the Group and the Company and movements thereon during the current and prior reporting years are as follows:

18. 遞延稅項

本集團及本公司於本報告年度及過往報告年度確認的主要遞延稅項負債(資產)及其變動如下:

THE GROUP

本集團

		Accelerated tax depreciation	Tax losses	Others	Total
		提前稅項折舊	稅項虧損	其他	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
				(note)	
				(附註)	
At 1st September, 2008	於二零零八年九月一日	2,139	(1,385)	(13,295)	(12,541)
(Credited) charged to profit or loss	於損益內(計入)扣除	(333)	193	(183)	(323)
At 31st August, 2009	於二零零九年八月三十一日	1,806	(1,192)	(13,478)	(12,864)
(Credited) charged to profit or loss	於損益內(計入)扣除	(1,111)	731	(8,344)	(8,724)
At 31st August, 2010	於二零一零年八月三十一日	695	(461)	(21,822)	(21,588)

Note: These represent mainly deferred tax assets arising from unrealised profit on inventories and unrealised gain on transfer of plant and equipment between subsidiaries and deferred tax liabilities arising from withholding tax charged on certain PRC and overseas subsidiaries at the amount of HK\$2,581,000 (2009: HK\$2,089,000), HK\$2,097,000 (2009: deferred tax liabilities of HK\$2,540,000) and HK\$3,721,000 (2009: HK\$3,248,000), respectively.

附註: 此乃主要為存貨的未變現利益及附屬公司之間機器及設備調撥的未變現收益所產生之遞延稅項資產, 以及若干中國及海外附屬公司扣除的預扣稅所產生的遞延稅項負債, 分別為2,581,000港元(二零零九年: 2,089,000港元)、2,097,000港元(二零零九年: 遞延稅項負債2,540,000港元)及3,721,000港元(二零零九年: 3,248,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

18. DEFERRED TAX (continued)

As at 31st August, 2010, the Group had unused tax losses of approximately HK\$434 million (2009: HK\$474 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$3 million (2009: HK\$7 million) of such losses, which represent tax losses incurred by certain of the Company's subsidiaries as it is considered by the management that future taxable profits will be available against which the tax losses can be utilised. No deferred tax asset has been recognised in respect of the remaining HK\$431 million (2009: HK\$467 million) tax losses due to the unpredictability of future profit streams. As at 31st August, 2010, of the above tax losses, an aggregate amount of approximately HK\$276 million (2009: HK\$253 million) can be carried forward for five years following the year when the losses were incurred. Other tax losses may be carried forward indefinitely.

In addition, at 31st August, 2010, the Group had other deductible temporary differences of approximately HK\$44 million (2009: HK\$24 million) in respect of unrealised gain on transfer of plant and equipment between subsidiaries, unrealised profit on inventories, allowance for doubtful debts and inventories and interest capitalisation. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not certain that taxable profits will be available against which the deductible temporary differences can be utilised.

18. 遞延稅項 (續)

於二零一零年八月三十一日，本集團可用作抵銷未來盈利的未運用稅項虧損約為434,000,000港元（二零零九年：474,000,000港元）。而此項虧損中約3,000,000港元（二零零九年：7,000,000港元）已確認為一項遞延稅項資產，此乃本公司若干附屬公司所產生的稅項虧損，經由管理層認為未來的應課稅盈利將可抵銷此稅項虧損。餘下的稅項虧損為431,000,000港元（二零零九年：467,000,000港元）因未能預測將來的盈利來源而未有確認為遞延稅項資產。於二零一零年八月三十一日，上述稅項虧損中，總金額約276,000,000港元（二零零九年：253,000,000港元）可於產生虧損年度後轉存五年。其他稅項虧損可能無限期地轉存。

此外，於二零一零年八月三十一日，本集團就附屬公司之間機器及設備調撥的未變現收益、存貨的未變現利益、呆賬及存貨撥備以及利息化作資產的其他可扣減暫時差異約為44,000,000港元（二零零九年：24,000,000港元）。因未能確定應課稅盈利將可作抵銷此可扣減暫時差異，故未有確認該可扣減暫時差異為遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

18. DEFERRED TAX (continued)

According to the EIT Law, starting from 1st January, 2008, 10% withholding income tax will be imposed on dividends relating to profits earned in the calendar year 2008 onwards to foreign investors for the companies established in the PRC. For investors incorporated in Hong Kong and holds at least 25% of the equity interest in the PRC company, reduced rate of 5% will be applied. Deferred tax has been provided for in the consolidated financial statements in respect of the temporary differences attributable to such profits amounting to HK\$31,700,000 (2009: HK\$25,340,000). Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to HK\$41,551,000 (2009: HK\$34,423,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for reporting purposes:

18. 遞延稅項(續)

根據企業所得稅法，由二零零八年一月一日起，於中國成立的公司向境外投資者派發與於二零零八年及以後年度的盈利有關的股息須繳納10%預扣所得稅。於香港註冊成立且持有中國公司最少25%權益的投資者，將應用寬減稅率5%。就該等盈利應佔的暫時差異已於綜合財務報表作出遞延稅項撥備31,700,000港元(二零零九年：25,340,000港元)。由於本集團可以控制暫時差異撥回之時間，而暫時差異很可能於可見將來不會撥回，故並未就中國附屬公司滾存盈利之暫時差異41,551,000港元(二零零九年：34,423,000港元)在綜合財務報表內作出遞延稅項撥備。

就綜合財務狀況表的呈列而言，若干遞延稅項資產及負債已抵銷。以下是就呈報而言的遞延稅項結餘分析：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(25,309)	(16,111)
Deferred tax liabilities	遞延稅項負債	3,721	3,247
		(21,588)	(12,864)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

18. DEFERRED TAX (continued)**THE COMPANY**

		Tax losses	Accelerated tax depreciation	Total
		稅項虧損	提前稅項折舊	總值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1st September, 2008	於二零零八年九月一日	(211)	211	-
Charged (credited) to profit or loss	於損益內扣除(計入)	171	(171)	-
At 31st August, 2009	於二零零九年八月三十一日	(40)	40	-
(Credited) charged to profit or loss	於損益內(計入)扣除	(66)	66	-
At 31st August, 2010	於二零一零年八月三十一日	(106)	106	-

As at 31st August, 2010, the Company had unused tax losses of HK\$2,502,000 (2009: HK\$2,056,000) available for offset against future profits. A deferred tax has been recognised in respect of HK\$649,000 (2009: HK\$251,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$1,853,000 (2009: HK\$1,805,000) tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

18. 遞延稅項(續)**本公司**

		Tax losses	Accelerated tax depreciation	Total
		稅項虧損	提前稅項折舊	總值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1st September, 2008	於二零零八年九月一日	(211)	211	-
Charged (credited) to profit or loss	於損益內扣除(計入)	171	(171)	-
At 31st August, 2009	於二零零九年八月三十一日	(40)	40	-
(Credited) charged to profit or loss	於損益內(計入)扣除	(66)	66	-
At 31st August, 2010	於二零一零年八月三十一日	(106)	106	-

於二零一零年八月三十一日，本公司可用作抵銷未來盈利的未運用稅項虧損為2,502,000港元(二零零九年：2,056,000港元)。就此項虧損中的649,000港元(二零零九年：251,000港元)已確認為一項遞延稅項。餘下的稅項虧損1,853,000港元(二零零九年：1,805,000港元)因未能預測將來的盈利來源而未有確認為遞延稅項資產。稅項虧損可能無限定期地轉存。

19. INVENTORIES

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Spare parts	備件	118,224	133,695
Raw materials	原料	1,006,077	529,883
Work in progress	半製品	421,254	270,332
Finished goods	製成品	393,037	246,846
		1,938,592	1,180,756

19. 存貨



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

20. TRADE AND BILLS RECEIVABLES

20. 營業及票據應收款項

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	營業應收款項	1,220,305	1,028,545
Bills receivables	票據應收款項	199,566	132,119
Less: allowance for doubtful debts	減：呆賬撥備	(47,845)	(25,582)
		1,372,026	1,135,082

The Group allows an average credit period from 30 days to 90 days to its trade customers. The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts:

本集團提供平均30天至90天數期予其營業客戶。營業及票據應收款項(經扣除呆賬撥備)的賬齡分析如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Not yet due	未到期	925,897	630,573
Overdue 1 – 30 days	過期1-30天	226,351	186,687
Overdue 31 – 60 days	過期31-60天	128,389	186,197
Overdue > 60 days	過期超過60天	91,389	131,625
		1,372,026	1,135,082

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly. Trade receivables that are neither past due nor impaired have good track records with the Group.

本集團於接納任何新客戶前，會評估該潛在客戶的信貨質素及界定其信貸限額。信貸銷售將會給予信貸記錄良好的客戶。客戶信貸限額定期予以檢討。本集團既無逾期亦無減值的營業應收款項均擁有良好往績記錄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

20. TRADE AND BILLS RECEIVABLES (continued)

Included in the Group's trade and bills receivables balance are debtors with an aggregate carrying amount of HK\$446,129,000 (2009: HK\$504,509,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality and the amounts are either settled subsequently or still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

No interest is charged on the overdue trade debtors. The Group has provided fully for all trade and bills receivables over 360 days because historical experience is such that trade and bills receivables that are past due beyond 360 days are generally not recoverable. Trade and bills receivables between 60 days and 360 days have been provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

Movements in the allowance for doubtful debts are as follows:

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Balance at beginning of the year	年初結餘	25,582	52,132
Impairment loss on trade and bills receivables, net	營業及票據應收款項的減值損失淨值	24,870	5,306
Amounts written-off as uncollectible	撇銷的不可收回金額	(2,624)	(31,872)
Currency realignment	外幣換算差額	17	16
Balance at end of the year	年終結餘	<u>47,845</u>	<u>25,582</u>

Included in the allowance for doubtful debts are individually impaired trade and bills receivables with an aggregate balance of HK\$47,845,000 (2009: HK\$25,582,000) that are considered irrecoverable by management after consideration on the credit quality of those individual customers, the ongoing relationship with the Group and the ageing of those receivables. The Group does not hold any collateral over these balances.

20. 營業及票據應收款項 (續)

包括在本集團營業及票據應收款項結餘內的應收賬合共賬面值為446,129,000港元(二零零九年: 504,509,000港元), 其於報告期終已過期。由於信貸質素並無重大變動且該等金額已於其後結清或根據過往經驗仍視為可予收回, 本集團並無就此作出減值損失撥備。本集團並無就該等結餘持有任何抵押品。

逾期營業應收賬款不計入利息。本集團已就超過360天的所有營業及票據應收款項全數計提撥備, 此乃由於過往經驗顯示過期超過360天的營業及票據應收款項一般是無法收回。60天至360天之間的營業及票據應收款項乃按估計無法收回金額並參考過往欠款經驗所釐定而計提撥備。

呆賬撥備之變動如下:

呆賬撥備包括合共結餘47,845,000港元(二零零九年: 25,582,000港元)的個別減值營業及票據應收款項, 管理層經考慮該等個別客戶的信貸質素、與本集團持續關係及該等應收款項的賬齡後, 認為該等應收款項無法收回。本集團並無就該等結餘持有任何抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

20. TRADE AND BILLS RECEIVABLES (continued)

The Group's trade, bills and other receivables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
USD	美元	623,196	505,331
RMB	人民幣	197,239	137,263

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Value-added tax recoverable
Deposits, prepayments and other receivables

可退回增值稅
按金、預付款項及
其他應收款項

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		85,234	84,533	-	-
		124,745	132,575	17,131	2,076
		209,979	217,108	17,131	2,076

The Group's other receivables that are denominated in currencies other than functional currencies of the relevant group entities are set out in note 20.

20. 營業及票據應收款項(續)

本集團以相關集團實體功能貨幣以外貨幣計值的營業、票據及其他應收款項載列如下：

21. 預付款項、按金及其他應收款項

本集團以相關集團實體功能貨幣以外貨幣計值的其他應收款項載於附註20。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

22. DERIVATIVE FINANCIAL INSTRUMENTS

THE GROUP

22. 衍生金融工具

本集團

		Current		Non-current	
		流動		非流動	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Derivative financial assets	衍生金融資產				
Foreign currency forward contracts	遠期外匯合約	2,514	-	-	-
Derivative financial liabilities	衍生金融負債				
Foreign currency forward contracts	遠期外匯合約	773	-	-	-
Interest rate swaps	利率掉期	-	-	54,389	30,898
		773	-	54,389	30,898

The principal terms of the foreign currency forward contracts outstanding at the end of the reporting period are as follows:

於報告期終，尚未到期的遠期外匯合約之主要條款如下：

Notional amount	Currency conversion	面值金額	貨幣換算
At 31st August, 2010:		於二零一零年八月三十一日：	
17 contracts to sell USD20,000,000 in total	USD1: RMB6.7262 to 6.8129	17份賣出合共 20,000,000美元的合約	1美元兌6.7262至 6.8129人民幣
17 contracts to buy USD20,000,000 in total	USD1: RMB6.6320 to 6.7417	17份買入合共 20,000,000美元的合約	1美元兌6.6320至 6.7417人民幣

The above foreign currency forward contracts will mature within one year from the end of the reporting period.

上述遠期外匯合約將自報告期終起計一年內到期。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

22. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The principal terms of the interest rate swap outstanding at the end of the reporting period are as follows:

Notional amount	Interest rate swaps
At 31st August, 2010:	
2 contracts with HK\$1,000,000,000 in total	From Hong Kong Interbank Offered Rate ("HIBOR") to fixed rates ranging from 2.03% to 3.95%
At 31st August, 2009:	
6 contracts with HK\$900,000,000 in total	From HIBOR to fixed rates ranging from 2.40% to 4.07%

22. 衍生金融工具(續)

於報告期終，尚未到期的利率掉期之主要條款如下：

面值金額	利率掉期
於二零一零年八月三十一日：	
2份合共1,000,000,000港元 的合約	由香港銀行同業 拆息(「香港銀行 同業拆息」)轉至 定息介乎2.03% 至3.95%
於二零零九年八月三十一日：	
6份合共900,000,000港元 的合約	由香港銀行同業 拆息轉至定息介 乎2.40%至4.07%

The above interest rate swap contracts will mature within the third (2009: fourth) year from the end of the reporting period.

上述利率掉期合約將自報告期終起計第三年(二零零九年：第四年)內到期。

THE COMPANY

		本公司			
		Current		Non-current	
		流動		非流動	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Derivative financial assets	衍生金融資產				
Foreign currency forward contracts	遠期外匯合約	2,508	-	-	-
Derivative financial liabilities	衍生金融負債				
Interest rate swaps	利率掉期	-	-	54,389	30,898

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

22. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The principal terms of the foreign currency forward contracts outstanding at the end of the reporting period are as follows:

Notional amount	Currency conversion
At 31st August, 2010:	
17 contracts to buy USD20,000,000 in total	USD1: RMB6.6320 to 6.7417

The above foreign currency forward contracts will mature within one year from the end of the reporting period.

The principal terms of the interest rate swap outstanding at the end of the reporting period are as follows:

Notional amount	Interest rate swaps
At 31st August, 2010:	
2 contracts with HK\$1,000,000,000 in total	From HIBOR to fixed rates ranging from 2.03% to 3.95%
At 31st August, 2009:	
6 contracts with HK\$900,000,000 in total	From HIBOR to fixed rates ranging from 2.40% to 4.07%

The above interest rate swap contracts will mature within the third (2009: fourth) year from the end of the reporting period.

The fair values of the above derivative instruments are calculated in accordance with generally accepted pricing models based on quoted forward exchange rates and discounted cash flow analysis based on the applicable yield curves of interest rates which were provided by counterparty financial institutions.

22. 衍生金融工具(續)

於報告期終，尚未到期的遠期外匯合約之主要條款如下：

面值金額	貨幣換算
於二零一零年八月三十一日：	
17份買入合共 20,000,000美元的合約	1美元兌6.6320至 6.7417人民幣

上述遠期外匯合約將自報告期終起計一年內到期。

於報告期終，尚未到期的利率掉期之主要條款如下：

面值金額	利率掉期
於二零一零年八月三十一日：	
2份合共1,000,000,000港元 的合約	由香港銀行同業 拆息轉至定息 介乎2.03%至 3.95%
於二零零九年八月三十一日：	
6份合共900,000,000港元 的合約	由香港銀行同業 拆息轉至定息 介乎2.40%至 4.07%

上述利率掉期合約將自報告期終起計第三年(二零零九年：第四年)內到期。

上述衍生工具的公平價值乃根據公認定價模式，並以對手方財務機構提供的適用利率收益曲線所釐定的市場遠期匯率及貼現現金流量分析基準而計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

23. BANK DEPOSITS WITH RESTRICTED USE/SHORT-TERM BANK DEPOSITS/BANK BALANCES AND CASH

The bank deposits with restricted use as at 31st August, 2009 represented deposits placed by the Group that were with restricted use for tax or custom duties to be incurred by the Group which would expire within one year from the end of the reporting period and were therefore classified as current assets. Short-term bank deposits represent deposits placed with the banks with maturity of three months or less and are classified as current assets.

The restricted bank deposits carried market interest rates ranging from 0.36% to 0.72% per annum for the year ended 31st August, 2009. Bank balances and short term bank deposits carry market interest rates ranging from 0.01% to 6.10% per annum for both years.

The bank deposits with restricted use, short-term bank deposits and bank balances and cash that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

23. 有限制用途之銀行存款／短期銀行存款／銀行結存及現金

於二零零九年八月三十一日，有限制用途之銀行存款乃指本集團的銀行存款為有限制用途的，用於本集團在稅項或關稅上的承擔。該等有限制用途之銀行存款，於報告期終起計一年內到期，因此該等存款分類為流動資產。短期銀行存款指存放於銀行到期日為三個月或以下之存款，分類為流動資產。

於截至二零零九年八月三十一日止年度，有限制之銀行存款乃按市場年利率介乎0.36%至0.72%計息。銀行結存及短期銀行存款於兩個年度按市場年利率介乎0.01%至6.10%計息。

以相關集團實體功能貨幣以外貨幣計值的有限制用途之銀行存款、短期銀行存款及銀行結存及現金載列如下：

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
USD	美元	164,860	159,488	12,845	11,777
RMB	人民幣	129,362	140,033	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

24. TRADE AND BILLS PAYABLES

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	營業應付款項	518,923	356,100
Bills payables	票據應付款項	348,590	254,759
		867,513	610,859

The following is an aged analysis of trade payables:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Not yet due	未到期	413,674	280,902
Overdue 1 – 30 days	過期1-30天	61,053	34,074
Overdue 31 – 60 days	過期31-60天	17,801	22,126
Overdue > 60 days	過期超過60天	26,395	18,998
		518,923	356,100

All bills payable of the Group are not yet due at the end of the reporting period.

The average credit period on purchase of goods ranges from 30 days to 120 days. The Group has financial risk management policies in place to ensure that payables are within the credit time frame.

24. 營業及票據應付款項

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	營業應付款項	518,923	356,100
Bills payables	票據應付款項	348,590	254,759
		867,513	610,859

營業應付款項的賬齡分析如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Not yet due	未到期	413,674	280,902
Overdue 1 – 30 days	過期1-30天	61,053	34,074
Overdue 31 – 60 days	過期31-60天	17,801	22,126
Overdue > 60 days	過期超過60天	26,395	18,998
		518,923	356,100

於報告期終，本集團之所有票據應付款項均未到期。

購貨的平均信貸期為30天至120天。本集團已設有財務風險管理政策，以確保應付賬款均處於信貸期限內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

24. TRADE AND BILLS PAYABLES (continued)

The Group's trade, bills and other payables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
USD	美元	405,512	330,760
RMB	人民幣	328,396	219,304

25. OTHER PAYABLES AND ACCRUALS

Other payables (note) 其他應付款項(附註)
Accruals 應計費用

24. 營業及票據應付款項(續)

本集團以相關集團實體功能貨幣以外貨幣計值的營業、票據及其他應付款項載列如下：

25. 其他應付款項及應計費用

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Other payables (note)	其他應付款項(附註)	163,621	136,511	149	175
Accruals	應計費用	168,150	142,622	12,936	14,267
		331,771	279,133	13,085	14,442

Note: As at 31st August, 2009 and 2010, the balance included an amount of HK\$19,827,000 in relation to an undertaking that the Group had committed, at any time after one year from 27th April, 2009, (i) to make an one-off payment of HK\$7,616,000 as compensation to release the Group's obligation under an undertaking and operation agreement to a non-controlling shareholder of Dongguan Fuan and (ii) to acquire the remaining 10% equity interest in Dongguan Fuan from that non-controlling shareholder at a consideration of HK\$12,211,000. The one-off payment has been settled subsequent to the reporting period. Further details are set out in the circular of the Company dated 30th July, 2009.

附註：於二零零九年及二零一零年八月三十一日，該結餘包括金額19,827,000港元，乃為本集團就有關承諾函承諾於二零零九年四月二十七日起一年後任何時間(i)向東莞福安之非控股股東一次性支付7,616,000港元之補償費作為解除本集團根據承包經營合同之承擔及(ii)以代價12,211,000港元從該名非控股股東收購其於東莞福安餘下10%之股本權益。該一次性付款已於報告期終後支付。有關詳情載於本公司日期為二零零九年七月三十日之通函內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

25. OTHER PAYABLES AND ACCRUALS (continued)

The Group's other payables that are denominated in currencies other than functional currencies of the relevant group entities are set out in note 24.

26. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

The amounts are unsecured, interest-free and repayable on demand.

27. CONSIDERATION PAYABLE

On 27th April, 2009, Folktune, a wholly-owned subsidiary of the Company, entered into an agreement with certain non-controlling shareholders of Dongguan Fuan (the "Transferors") to acquire from the Transferors in aggregate 39% of the equity interests in Dongguan Fuan at a total consideration of HK\$77,326,205 (the "Share Transfer Agreement"). Upon completion of the Share Transfer Agreement, Dongguan Fuan became a 90% owned subsidiary of the Company.

Pursuant to the Share Transfer Agreement, the consideration is payable by 5 installments. The payable amounts are unsecured and interest-free. The fair value of the deferred consideration at the date of initial recognition has been determined as HK\$74,433,000 based on the estimated future cash flows by applying a discount rate of 3.7% per annum. As at 31st August, 2010, consideration payable of HK\$58,446,000 (2009: HK\$28,672,000) was classified under current liabilities, representing the amounts repayable on demand or falling due within one year of the reporting date.

Details of the above transaction are set out in the circular of the Company dated 30th July, 2009.

25. 其他應付款項及應計費用(續)

以相關集團實體功能貨幣以外貨幣計值的本集團其他應付款項載於附註24。

26. 欠非控股股東款項

該等款項並無抵押，免息及應要求償還。

27. 應付代價

於二零零九年四月二十七日，本公司之一間全資附屬公司福津與東莞福安若干非控股股東(「轉讓方」)訂立協議，以總代價77,326,205港元從轉讓方收購於東莞福安總計39%之股本權益(「股權轉讓協議」)。於完成股權轉讓協議後，東莞福安成為本公司擁有90%權益之附屬公司。

根據股權轉讓協議，代價分五期支付。該等應付款項為無抵押及免息。於初步確認日期之遞延代價之公平價值為74,433,000港元，乃根據估計未來現金流量按貼現年率3.7%計算。於二零一零年八月三十一日，應付代價58,446,000港元(二零零九年：28,672,000港元)分類為流動負債，即按要求時償還或須自報告日起計一年內償還之款項。

有關上述交易之詳情已載於本公司日期為二零零九年七月三十日之通函內。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

28. DEFERRED INCOME

During the year ended 31st August, 2008, the Group received a government subsidy of HK\$72,912,000 for the purchase of certain assets, which has been deferred to recognise as income over the useful lives of the relevant assets upon the fulfillment of the relevant conditions in last year. An amount of HK\$1,458,000 (2009: HK\$1,458,000) was amortised as income during the year, with a corresponding adjustment to deferred tax assets previously recognised.

28. 遞延收入

截至二零零八年八月三十一日止年度，本集團已收一項政府補貼72,912,000港元，用於購買若干資產，補貼已於去年達成相關條件後按有關資產使用年期確認為收入。年內，已將1,458,000港元(二零零九年：1,458,000港元)攤銷為收入，並已於先前確認之遞延稅項資產作出相應調整。

29. RESTRUCTURING PROVISIONS

29. 重組撥備

		HK'000 千港元
At 1st September, 2008	於二零零八年九月一日	11,695
Utilisation of provision	運用撥備	(7,006)
At 31st August, 2009	於二零零九年八月三十一日	4,689
Utilisation of provision	運用撥備	(3,959)
At 31st August, 2010	於二零一零年八月三十一日	730

The provision outstanding is expected to be utilised within one year from the end of the reporting period.

尚未運用之撥備預期將自報告期終起計一年內獲運用。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

30. BANK BORROWINGS/BANK OVERDRAFTS

30. 銀行借貸／銀行透支

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank loans	銀行借貸	2,174,757	2,229,591	1,532,211	1,848,245
Import bills loans	進口借款	381,109	98,965	-	-
Bank overdrafts	銀行透支	3,386	969	-	-
		2,559,252	2,329,525	1,532,211	1,848,245
Repayable as follows:	須於下列期間償還：				
On demand or within one year	應要求償還或一年內	1,607,977	840,507	658,344	466,163
More than one year, but not exceeding two years	一年以上但不超過兩年	664,868	640,634	639,066	613,415
More than two years, but not exceeding five years	兩年以上但不超過五年	286,407	848,384	234,801	768,667
		2,559,252	2,329,525	1,532,211	1,848,245
Less: Amounts repayable on demand or due within one year shown under current liabilities	減：應要求償還或一年內到期金額轉入流動負債項目				
- bank borrowings	- 銀行借貸				
- due within one year	- 一年內到期	(1,604,591)	(839,538)	(658,344)	(466,163)
- bank overdrafts	- 銀行透支	(3,386)	(969)	-	-
Amounts due after one year	一年後到期金額	951,275	1,489,018	873,867	1,382,082

The above bank borrowings are unsecured at the end of the reporting period.

於報告期終，上述的銀行借貸並無抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

**30. BANK BORROWINGS/BANK OVERDRAFTS
(continued)**

The bank borrowings of the Group and the Company are variable-rate borrowings which mainly carry interest at HIBOR plus a spread, ranging from 0.4% to 3% (2009: 0.4% to 2.25%) or London Interbank Offered Rate plus a spread, ranging from 1.9% to 4% (2009: N/A) per annum in Hong Kong or 100% (2009: 100% to 105%) of the People's Bank of China Base Lending Rate per annum in the PRC.

The average effective interest rates of the bank borrowings of the Group and the Company are 2.05% and 1.66% (2009: 2.24% and 1.80%) per annum, respectively. In addition, the average effective interest rate of the bank overdrafts of the Group is 3.77% (2009: 4.63%) per annum.

The Group's bank borrowings and bank overdrafts that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		THE GROUP	
		本集團	
		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
USD	美元	143,423	45,239
RMB	人民幣	35,595	26,256

31. SHARE CAPITAL

Authorised:
At beginning and end of the year

法定股本：
於是年度開始及終結時

1,400,000,000	280,000
---------------	---------

Issued and fully paid:
At beginning and end of the year

已發行及繳足股本：
於是年度開始及終結時

794,010,960	158,802
-------------	---------

30. 銀行借貸／銀行透支(續)

本集團及本公司的銀行借貸為浮息借貸，於香港主要按香港銀行同業拆息加上息差介乎年利率0.4%至3%（二零零九年：0.4%至2.25%）或倫敦銀行同業拆息加上息差介乎年利率1.9%至4%（二零零九年：不適用）計息，而於中國為中國人民銀行基準貸款利率100%（二零零九年：100%至105%）。

本集團及本公司銀行借貸的平均有效年利率分別為2.05%及1.66%（二零零九年：2.24%及1.80%）。此外，本集團銀行透支的平均有效年利率為3.77%（二零零九年：4.63%）。

本集團以相關集團實體功能貨幣以外貨幣計值的銀行借貸及銀行透支載列如下：

31. 股本

Number of ordinary shares of HK\$0.20 each 每股面值0.20港元的普通股份數目	Amount 金額
2010 & 2009	2010 & 2009 HK\$'000 千港元
1,400,000,000	280,000
794,010,960	158,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

32. SHARE OPTIONS

A share option scheme (the "Option Scheme"), which will expire on 24th January, 2012, was adopted by the Company at the Extraordinary General Meeting held on 25th January, 2002. The primary purpose of the Option Scheme is to provide the Company with a flexible mean of giving incentives to, rewarding, remunerating, compensating and/or providing benefits to the employees and for such other purposes as the board of directors of the Company may approve from time to time. Under the Option Scheme, the board of directors of the Company may offer to full time employees, including full time executive directors, of the Company and/or its subsidiaries who have completed the probation period options to subscribe for shares in the Company in accordance with the terms of the Option Scheme for the consideration of HK\$1 for each lot of share options granted. The total number of shares in respect of which options may be granted under the Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of approval of the Option Scheme. The Company may seek approval from shareholders of the Company in general meeting to refresh the 10% limit. In addition, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any employee in any 12-month period is not permitted to exceed 1% of the total number of shares of the Company in issue, subject to approval from shareholders of the Company. Options granted must be taken within 28 days of the date of grant or such longer or shorter period as the board of directors of the Company may think fit. The minimum period for which an option must be held before it can be exercised is one year or such other period as the board of directors of the Company may think fit commencing from the date of grant ("Hold-up period"). An option period, at the absolute discretion of the board of directors of the Company, shall commence on the expiry of the Hold-up period and expire no later than the 10th anniversary of the date of grant. The exercise price is determined by the board of directors of the Company and will be at least the highest of the followings:

32. 認股權

一項將於二零一二年一月二十四日屆滿的認股權計劃(「認股權計劃」)已獲本公司於二零零二年一月二十五日舉行的股東特別大會上採納。認股權計劃的主要目的為本公司可向僱員給予鼓勵、獎賞、報酬、補償及／或提供福利及就本公司董事會不時批准的其他目的而言提供一個靈活方式。根據認股權的計劃，本公司董事會可按認股權計劃的條款授予本公司及／或其附屬公司已通過試用期的全職僱員(包括全職執行董事)認股權以認購本公司股份，每次接受認股權的代價為1港元。根據認股權計劃所授出的認股權而發行的股份總數，最多不得超過認股權計劃獲批准當日的已發行股份總數的10%。本公司可在股東大會上尋求股東批准，更新此10%的上限。此外，根據認股權計劃及本公司任何其他認股權計劃已授出但尚未行使的認股權獲行使而發行的股份總數，最多不得超過本公司不時已發行股份總數的30%(或根據上市規則容許的較高上限)。除已獲股東批准外，任何一位僱員於任何十二個月期間內，其因行使將獲授認股權的股份總數，最多不得超過本公司已發行股份總數的1%。僱員必須在認股權授出日起28日內或本公司董事會可能認為適當的其他較長或較短期間內接納所獲授予的認股權。僱員必須最少於授出日起計一年或本公司董事會可能認為適當的其他期間(「持有期」)持有認股權後，才可作出認購。認購期由本公司董事會按絕對酌情權釐定，將由持有期屆滿後開始計算及不遲於授出日後十週年屆滿。認購價由本公司董事會議定，但必須為以下三者中的最高者：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

32. SHARE OPTIONS (continued)

- a) the closing price of shares at the date of grant of a share option;
- b) the average closing price of the shares for the five business days immediately preceding the date of grant; and
- c) the nominal value of a share.

No share options were granted or exercised during the year and no share options were outstanding during the year or at the end of the reporting period. Subsequent to the end of the reporting period, the Group has granted share options to certain executive directors of the Company and certain employees of the Company and its subsidiaries. Details of the grant are set out in note 42.

33. RESERVES
32. 認股權(續)

- a) 股份於認股權授出日的收市價；
- b) 股份於認股權授出日之前五個營業日的平均收市價；及
- c) 股份的每股面值。

本年度內並無認股權被授出或行使及於本年內或報告期終亦無認股權結餘。於報告期終後，本集團授出認股權予若干名本公司執行董事以及本公司及其附屬公司之若干名僱員。有關授出詳情載於附註42。

33. 儲備

		THE COMPANY			
		本公司			
		Capital			
		Share premium	redemption reserve	Retained profits	Total
		股份溢價	贖回儲備	滾存盈利	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st September, 2008	於二零零八年九月一日	197,124	210	529,624	726,958
Profit for the year	是年度盈利	-	-	568	568
At 31st August, 2009	於二零零九年八月三十一日	197,124	210	530,192	727,526
Profit for the year	是年度盈利	-	-	89,369	89,369
At 31st August, 2010	於二零一零年八月三十一日	197,124	210	619,561	816,895

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 30 and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets	金融資產
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及等同現金項目)
Derivative financial instruments	衍生金融工具
Financial liabilities	金融負債
Amortised cost	攤銷成本
Derivative financial instruments	衍生金融工具

34. 資本風險管理

本集團管理資本之目的，在於確保本集團各實體得以持續經營，同時透過取得債務與權益之間的最佳平衡，為股權持有人爭取最大回報。本集團的整體策略與往年一致。

本集團的資本架構包括債務(當中包括附註30所披露的借貸)及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事按持續基準檢討資本架構。作為檢討一部分，董事會考慮資本的成本與各類資本的相關風險。根據董事的建議，本集團將透過派發股息、發行新股及購回股份與及發行新債務或贖回現有債務以平衡整體資本架構。

35. 金融工具

(a) 金融工具類別

	THE GROUP 本集團		THE COMPANY 本公司	
	2010 HK\$'000 千港元	2009 HK\$'000 千港元	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Financial assets				
Loans and receivables (including cash and cash equivalents)	2,270,113	2,241,814	3,185,126	3,225,712
Derivative financial instruments	2,514	-	2,508	-
Financial liabilities				
Amortised cost	3,650,470	3,169,099	2,200,696	2,334,927
Derivative financial instruments	55,162	30,898	54,389	30,898

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The major financial instruments of the Group and the Company include consideration receivable, trade and bills receivables, other receivables, amounts due from/to subsidiaries, amounts due to non-controlling shareholders, bank deposits, bank balances and cash, derivative financial instruments, trade and bills payables, other payables, consideration payable, bank borrowings and bank overdrafts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Certain entities in the Group have foreign currency transactions, which expose the Group to foreign currency risk.

The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group has entered into foreign currency forward contracts to mitigate the risk.

At the end of the reporting period, the carrying amounts of foreign currency denominated monetary assets and liabilities and derivative financial instruments of the Group and the Company that are considered significant by the management are as follows:

35. 金融工具(續)

(b) 財務風險管理目標及政策

本集團及本公司的主要金融工具包括應收代價、營業及票據應收款項、其他應收款項、附屬公司所欠／欠附屬公司的款項、欠非控股股東的款項、銀行存款、銀行結存及現金、衍生金融工具、營業及票據應付款項、其他應付款項、應付代價、銀行借貸及銀行透支。該等金融工具之詳情已於各附註中披露。與該等金融工具有關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列有關如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時和有效地採取適當措施。

市場風險

(i) 貨幣風險

本集團若干實體有外幣交易，故本集團涉及外幣風險。

本集團管理及監控外匯風險，以確保及時和有效地採取適當措施。本集團已簽訂遠期外匯合約，以降低該等風險。

於報告期終，管理層認為屬重大的本集團及本公司以外幣列值的貨幣資產及負債及衍生金融工具的賬面值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Market risk (continued)***(i) Currency risk (continued)*

Monetary assets and liabilities:

35. 金融工具(續)**(b) 財務風險管理目標及政策(續)**

市場風險(續)

(i) 貨幣風險(續)

貨幣資產及負債：

		THE GROUP			
		Assets		Liabilities	
		資產		負債	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
USD	美元	788,056	664,819	548,935	375,999
RMB	人民幣	497,884	510,010	363,991	245,560

		THE COMPANY			
		Assets		Liabilities	
		資產		負債	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
USD	美元	12,845	11,777	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)
(b) Financial risk management objectives and policies (continued)
Market risk (continued)
(i) Currency risk (continued)

Derivative financial instruments:

35. 金融工具(續)
(b) 財務風險管理目標及政策(續)
市場風險(續)
(i) 貨幣風險(續)

衍生金融工具：

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Derivative financial assets	衍生金融資產				
Foreign currency forward contracts to sell RMB and buy USD	賣出人民幣及買入美元的遠期外匯合約	2,514	-	2,508	-
Derivative financial liabilities	衍生金融負債				
Foreign currency forward contracts to buy RMB and sell USD	買入人民幣及賣出美元的遠期外匯合約	773	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Market risk (continued)***(i) Currency risk (continued)*

Sensitivity analysis

As HK\$ is pegged with USD, currency risk in relation to USD denominated monetary assets/liabilities is expected to be minimal. The Group is mainly exposed to the risk of fluctuation of RMB.

The following tables detail the sensitivity of the Group to a 5% increase and decrease in RMB against HK\$ for both years. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and derivative financial instruments and adjusts their translation or fair value in the case of derivative financial instruments at the year end for a 5% change in foreign currency rates. On this basis, there will be an increase (a decrease) in pre-tax profit for the year where RMB strengthens against HK\$ by 5%, and vice versa.

Monetary assets and liabilities:

35. 金融工具 (續)**(b) 財務風險管理目標及政策 (續)****市場風險 (續)***(i) 貨幣風險 (續)*

敏感度分析

由於港元與美元掛鈎，預期有關以美元列值的貨幣資產／負債的貨幣風險極微。本集團主要涉及人民幣波動風險。

下表詳細載列本集團於兩個年度就人民幣兌港元升值及減值5%的敏感度。5%為向主要管理人員內部呈報外匯風險及管理層對匯率可能合理變動的評估所採用的敏感度比率。敏感度分析僅包括尚未結算以外幣列值的貨幣項目及衍生金融工具，並於年底按5%的外匯率變動調整其換算或衍生金融工具之公平價值。按此基準，當人民幣兌港元轉強5%，本年度稅前盈利將會增加(減少)，反之亦然。

貨幣資產及負債：

	THE GROUP	
	本集團	
	RMB Impact	
	人民幣影響	
	2010	2009
	HK\$'000	HK\$'000
	千港元	千港元
Increase (decrease) in pre-tax profit for the year	6,695	13,223
本年度稅前盈利增加(減少)	6,695	13,223

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)
(b) Financial risk management objectives and policies (continued)
Market risk (continued)
(i) Currency risk (continued)

Sensitivity analysis (continued)

Derivative financial instruments:

35. 金融工具(續)
(b) 財務風險管理目標及政策(續)
市場風險(續)
(i) 貨幣風險(續)

敏感度分析(續)

衍生金融工具：

	THE GROUP		THE COMPANY	
	本集團		本公司	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Foreign currency forward contracts to sell RMB and buy USD	7,792	-	7,792	-
Foreign currency forward contracts to buy RMB and sell USD	(7,795)	-	-	-

(ii) Interest rate risk

The Group and the Company are exposed to cash flow interest rate risk primarily in relation to variable-rate bank balances and borrowings. It is the Group's policy to keep its bank borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's Hong Kong dollar denominated borrowings. In order to minimise the risk, the Group entered into certain interest rate swaps to partially hedge against its exposure to variable-rate bank borrowings.

(ii) 利率風險

本集團及本公司的現金流量利率風險主要與浮息銀行結存及借貸有關。本集團的政策是維持其銀行借貸於浮動利率以減低公平價值利率風險。本集團的現金流量利率風險主要集中於香港銀行同業拆息波動所引致本集團以港元列值的借貸。為降低風險，本集團簽訂若干利率掉期，以就浮息銀行借貸的利率風險進行部份對沖。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both non-derivative (including variable-rate borrowings only as the directors consider the exposure on bank balances is not significant) and derivative instruments at 31st August, 2009 and 2010. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 (2009: 50) basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For non-derivative bank borrowings, if interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's pre-tax profit for the year would decrease/increase by HK\$12,796,000 and HK\$7,661,000 (2009: HK\$11,648,000 and HK\$9,241,000), respectively.

For derivative financial instruments, if HIBOR had been 50 basis points higher and all other variables were held constant, the Group's and the Company's pre-tax profit for the year would increase by the same amount of HK\$13,216,000 (2009: HK\$8,587,000), and vice versa.

Credit risk

As at 31st August, 2010, the maximum exposure to credit risk by the Group and the Company which will cause a financial loss due to failure to discharge an obligation by the counterparties and financial guarantees provided is arising from:

- the carrying amounts of the recognised financial assets as stated in the statements of financial position; and

35. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析

下列敏感度分析根據非衍生工具 (僅包括浮息借貸, 因董事認為就銀行結餘所承擔之風險並不重大) 及衍生工具於二零零九年及二零一零年八月三十一日的利率風險釐定。有關分析乃假設於報告期終尚未償還的負債數額在本年整個年度內均為未償還。向主要管理人員內部呈報利率風險乃採用50個 (二零零九年: 50個) 基點的升降, 代表管理層對利率可能合理變動的評估。

就非衍生銀行借貸而言, 倘利率上升/下跌50個基點, 而所有其他變數維持不變, 則本集團及本公司的本年度稅前盈利將分別減少/增加12,796,000港元及7,661,000港元 (二零零九年: 11,648,000港元及9,241,000港元)。

就衍生金融工具而言, 倘香港銀行同業拆息上升50個基點, 而所有其他變數維持不變, 則本集團及本公司的本年度稅前盈利將增加相同金額13,216,000港元 (二零零九年: 8,587,000港元), 反之亦然。

信貸風險

於二零一零年八月三十一日, 本集團及本公司因對手方未能履行責任及提供財務擔保而導致財務損失的最高信貸風險乃因以下各項產生:

- 財務狀況表所呈列已確認金融資產的賬面值; 及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

- the amount of contingent liabilities in relation to financial guarantees issued by the Company as disclosed in note 38.

In order to manage the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Credit sales of products are only made to customers with good repayment history. In addition, the Group regularly reviews the recoverable amount of debt on both collective and individual basis to ensure that adequate impairment losses are made for irrecoverable amounts. A net impairment loss of HK\$24,870,000 (2009: HK\$5,306,000) in respect of the trade and bills receivables was recognised by the Group for the year. Furthermore, the Company only provides financial guarantees to its subsidiaries after a careful consideration of its subsidiaries' financial conditions. In this regard, the directors of the Company consider that the Group's and the Company's credit risk are significantly reduced.

The credit risk on liquid funds of the Group and the Company is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings and consideration receivable which is due from one counterparty, the Group has no significant concentration of credit risk with exposure spread over a number of counterparties. The directors of the Company consider the default risk of consideration receivable is low in view of the subsequent settlement of RMB77,500,000 in October 2010.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

- 附註38所披露有關本公司所發出財務擔保之或然負債的款額。

為管理其信貸風險，本集團的管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進行動收回逾期債項。產品信貸銷售僅提供予具有良好還款記錄的客戶。此外，本集團會定期按集體及個別基準檢討債項的可收回款額，以確保就無法收回款額作出足夠的減值損失。年內，本集團已就營業及票據應收款項確認減值損失淨值24,870,000港元(二零零九年：5,306,000港元)。此外，本公司僅於審慎考慮其附屬公司的財務狀況後方向其附屬公司提供財務擔保。就此而言，本公司董事認為本集團及本公司的信貸風險已大幅減低。

本集團及本公司的流動資金信貸風險有限，因對手方均為國際信貸評級機構給予高信貸評級的銀行。

除存放於若干高信貸評級銀行的流動資金及一名對手方所欠的應收代價存在集中信貸風險外，本集團並無面對重大集中信貸風險，因風險分散於多個對手方。本公司董事認為，應收代價之違約風險屬輕微因有見其後於二零一零年十月已償還人民幣77,500,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

Other than equity, the Group and the Company relies on bank borrowings as a significant source of liquidity. As at 31st August, 2010, the available unutilised banking facilities of the Group and the Company are approximately HK\$1,932 million and HK\$713 million (2009: HK\$1,673 million and HK\$263 million), respectively.

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial liabilities and derivatives financial liabilities (including foreign currency forward contracts and interest rate swaps contracts) based on the agreed repayment terms. For non-derivative financial liabilities, the tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

For derivative instruments settled on a net basis, undiscounted net cash flows are presented. Whereas they require gross settlement, the undiscounted gross outflow (inflow) on these derivatives are shown on the tables.

35. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險時，本集團與本公司會監察及維持管理層視為足夠水平的現金及等同現金項目，以撥付本集團及本公司營運所需及減低現金流量波動的影響。管理層會監察銀行借貸的運用情況，並確保遵守相關貸款契諾。

除權益外，本集團及本公司倚賴銀行借貸作為主要流動資金來源。於二零一零年八月三十一日，本集團及本公司的可動用但未運用的銀行信貸額分別約為1,932,000,000港元及713,000,000港元（二零零九年：1,673,000,000港元及263,000,000港元）。

下表詳列根據議定償還條款本集團及本公司非衍生金融負債及衍生金融負債（包括遠期外匯合約及利率掉期合約）的餘下合同到期情況。就非衍生金融負債，該表乃按照本集團及本公司可能被要求付款的最早日期根據金融負債的未貼現現金流量編製。該表包括利息及本金現金流量。在利息流採用浮動利率之限度內，未貼現金額乃由報告期終之利率得出。

淨額結算的衍生工具，以未貼現現金流量淨值呈列。如需以總額結算，該等衍生工具的未貼現流出（流入）總額載列於下表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)
(b) Financial risk management objectives and policies (continued)
Liquidity risk (continued)
THE GROUP
35. 金融工具(續)
(b) 財務風險管理目標及政策(續)
流動資金風險(續)
本集團

		Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31st August, 2010
		加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月 至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	於二零一零年 八月三十一日 的賬面值 HK\$'000 千港元
2010	二零一零年							
Non-derivative financial liabilities	非衍生金融負債							
Trade, bills and other payables	營業、票據及其他應付款項	-	448,131	450,823	53,466	252	952,672	952,672
Amounts due to non-controlling shareholders	欠非控股股東款項	-	80,100	-	-	-	80,100	80,100
Consideration payable	應付代價	3.70	-	35,630	23,501	-	59,131	58,446
Bank borrowings	銀行借貸	2.13	270,852	1,148,453	216,136	969,556	2,604,997	2,555,866
Bank overdrafts	銀行透支	6.81	3,405	-	-	-	3,405	3,386
			<u>802,488</u>	<u>1,634,906</u>	<u>293,103</u>	<u>969,808</u>	<u>3,700,305</u>	<u>3,650,470</u>
Derivatives – net settlement	衍生工具 – 以淨額結算							
Interest rate swaps	利率掉期	0.07	-	5,718	12,159	36,550	54,427	54,389
			<u>-</u>	<u>5,718</u>	<u>12,159</u>	<u>36,550</u>	<u>54,427</u>	<u>54,389</u>
Derivatives – gross settlement	衍生工具 – 以總額結算							
Foreign currency forward contracts	遠期外匯合約							
- outflow	- 流出		23,344	62,250	54,469	-	140,063	N/A
- inflow	- 流入		(23,307)	(61,927)	(54,056)	-	(139,290)	N/A
			<u>37</u>	<u>323</u>	<u>413</u>	<u>-</u>	<u>773</u>	<u>773</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Liquidity risk (continued)****THE GROUP****35. 金融工具 (續)****(b) 財務風險管理目標及政策 (續)****流動資金風險 (續)****本集團**

	Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying
							amount at 31st August, 2009
	加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	於二零零九年 八月三十一日 的賬面值 HK\$'000 千港元
2009							
Non-derivative financial liabilities							
Trade, bills and other payables							
		其他應付款項					
	-	315,466	318,451	50,569	-	684,486	684,486
Amounts due to non-controlling shareholders							
	-	80,100	-	-	-	80,100	80,100
Consideration payable	3.70	9,097	9,097	12,130	47,002	77,326	74,988
Bank borrowings	1.92	301,183	172,659	399,891	1,530,689	2,404,422	2,328,556
Bank overdrafts	4.63	972	-	-	-	972	969
		706,818	500,207	462,590	1,577,691	3,247,306	3,169,099
Derivatives – net settlement							
Interest rate swaps	0.46	1,721	6,231	13,259	9,828	31,039	30,898

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)
(b) Financial risk management objectives and policies (continued)
Liquidity risk (continued)
THE COMPANY
35. 金融工具(續)
(b) 財務風險管理目標及政策(續)
流動資金風險(續)
本公司

	Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31st August, 2010
	加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月 至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	於二零一零年 八月三十一日 的賬面值 HK\$'000 千港元
2010							
Non-derivative financial liabilities							
Amounts due to subsidiaries		668,485	-	-	-	668,485	668,485
Bank borrowings	1.60	212,052	454,792	10,168	886,698	1,563,710	1,532,211
Financial guarantee contracts	-	2,561,344	-	-	-	2,561,344	-
		<u>3,441,881</u>	<u>454,792</u>	<u>10,168</u>	<u>886,698</u>	<u>4,793,539</u>	<u>2,220,696</u>
Derivatives - net settlement							
Interest rate swaps	0.07	-	5,718	12,159	36,550	54,427	54,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Liquidity risk (continued)****THE COMPANY**

	Weighted average effective interest rate	Less than 1 month or on demand	3 months			Total undiscounted cash flows	Carrying amount at 31st August, 2009
			1-3 months	to 1 year	Over 1 year		
	加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	於二零零九年 八月三十一日 的賬面值 HK\$'000 千港元
2009		二零零九年					
Non-derivative financial liabilities		非衍生金融負債					
Other payables		其他應付款項	-	29	-	-	29
Amounts due to subsidiaries		欠附屬公司款項	-	486,653	-	-	486,653
Bank borrowings	1.48	銀行借貸	145,519	69,787	276,908	1,412,754	1,848,245
Financial guarantee contracts		財務擔保合約	-	2,723,900	-	-	-
			<u>3,280,369</u>	<u>145,519</u>	<u>276,908</u>	<u>1,412,754</u>	<u>2,334,927</u>
Derivatives - net settlement		衍生工具—以淨額結算					
Interest rate swaps	0.46	利率掉期	6,231	1,721	13,259	9,828	30,898
			<u>6,231</u>	<u>1,721</u>	<u>13,259</u>	<u>9,828</u>	<u>30,898</u>

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

35. 金融工具 (續)**(b) 財務風險管理目標及政策 (續)****流動資金風險 (續)****本公司**

	Weighted average effective interest rate	Less than 1 month or on demand	3 months			Total undiscounted cash flows	Carrying amount at 31st August, 2009
			1-3 months	to 1 year	Over 1 year		
	加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	於二零零九年 八月三十一日 的賬面值 HK\$'000 千港元
2009		二零零九年					
Non-derivative financial liabilities		非衍生金融負債					
Other payables		其他應付款項	-	29	-	-	29
Amounts due to subsidiaries		欠附屬公司款項	-	486,653	-	-	486,653
Bank borrowings	1.48	銀行借貸	145,519	69,787	276,908	1,412,754	1,848,245
Financial guarantee contracts		財務擔保合約	-	2,723,900	-	-	-
			<u>3,280,369</u>	<u>145,519</u>	<u>276,908</u>	<u>1,412,754</u>	<u>2,334,927</u>
Derivatives - net settlement		衍生工具—以淨額結算					
Interest rate swaps	0.46	利率掉期	6,231	1,721	13,259	9,828	30,898
			<u>6,231</u>	<u>1,721</u>	<u>13,259</u>	<u>9,828</u>	<u>30,898</u>

上述財務擔保合約金額包括倘擔保對手方就全數擔保金額提出申索，則本公司根據有關安排可被要求償付之最高金額。根據於報告期終之預期，本公司認為較可能毋須根據有關安排支付任何金額。然而，此預期可能改變，視乎對手方根據擔保提出申索之可能性，而此可能性則須視乎對手方持有並受擔保之財務應收款項承受信貸虧損之可能性而定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of derivative financial instruments are calculated using generally accepted pricing models based on quoted forward exchange rates and discounted cash flow analysis based on the applicable yield curves of interest rates provided by counterparty financial institutions.
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Fair value measurement recognised in the statements of financial position

Financial instruments that are measured subsequent to initial recognition at fair value and grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) on active market for identical assets or liabilities.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

倘浮動利率之變動有別於於報告期終所釐定之利率估計變動，則上述非衍生之財務負債浮息工具之金額可能改變。

(c) 公平價值

金融資產及金融負債的公平價值乃按以下釐定：

- 衍生金融工具的公平價值乃按公認定價模式，並以對手方財務機構提供的適用利率收益曲線所釐定的市場遠期匯率及貼現現金流量分析基準而計算。
- 其他金融資產及金融負債的公平價值乃根據公認定價模式按貼現現金流量分析而釐定。

董事認為在綜合財務報表內以攤銷成本入賬的金融資產及金融負債的賬面值與彼等的公平價值相若。

於財務狀況表確認之公平價值計量

於首次確認後以公平價值計量之財務工具並按照其可觀察公平價值程度分為一至三級。

- 第一級公平價值計量乃自相同資產或負債於活躍市場中之報價(未經調整)得出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

35. FINANCIAL INSTRUMENTS (continued)**(c) Fair value (continued)****Fair value measurement recognised in the statements of financial position (continued)**

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of the reporting period, all of the Group's and the Company's derivative financial instruments are grouped into Level 2 category.

There were no transfers between the three Levels during the year.

36. CAPITAL COMMITMENTS

Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements

就有關購買物業、機器及設備的已簽約但在綜合財務報表未有作出撥備的資本開支

34,777

73,268

Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for

就有關購買物業、機器及設備的已批准但未簽約的資本開支

29,612

23,353

The Company had no significant capital commitments at the end of the reporting period.

35. 金融工具 (續)**(c) 公平價值 (續)****於財務狀況表確認之公平價值計量 (續)**

- 第二級公平價值計量乃除第一級所包括之報價外，自資產或負債可直接（即價格）或間接（自價格衍生）觀察之輸入數據得出。
- 第三級公平價值計量乃以使用計入並非根據可觀察市場數據之資產或負債之輸入數據（無法觀察輸入數據）之估值方法得出。

於報告期終，本集團及本公司所有衍生金融工具均歸類為第二級類別。

年內並無於三個級別之間作出轉撥。

36. 資本承擔**THE GROUP**

本集團

2010

2009

HK\$'000**HK\$'000**

千港元

千港元

於報告期終，本公司並無重大的資本承擔。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

37. OPERATING LEASES

The Group as lessee

37. 營運租賃

本集團作為承租人

		THE GROUP	
		本集團	
		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Minimum lease payments paid under operating leases during the year:	是年度就營運租賃而支付的最低租賃支出：		
Land and buildings	土地及樓宇	46,639	48,568
Plant and machinery	廠房機器	13,389	15,546
		60,028	64,114

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於報告期終，本集團就不可取消營運租賃的未來最低租賃支出承擔於下列到期日支付：

		THE GROUP			
		本集團			
		2010		2009	
		Land and buildings	Plant and machinery	Land and buildings	Plant and machinery
		土地及樓宇	廠房機器	土地及樓宇	廠房機器
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year	一年內	48,083	7,754	46,894	8,547
In the second to fifth year inclusive	第二年至第五年內 (首尾兩年包括在內)	112,299	21,861	126,480	22,689
Over five years	五年以上	46,147	10,459	59,309	15,370
		206,529	40,074	232,683	46,606

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

37. OPERATING LEASES (continued)**The Group as lessee (continued)**

Operating lease payments represent rentals payable by the Group for certain of its office premises and factories. Leases are negotiated for terms ranging from one to twenty five years for land and buildings and from one to ten years for plant and machinery. There is no contingent rental arrangement.

The Group as lessor

Gross rental income earned from investment properties of the Group during the year was HK\$2,849,000 (2009: HK\$5,380,000). The related outgoings amounted to HK\$259,000 (2009: HK\$725,000).

At the end of the reporting period, the Group had contracted with tenants, in respect of rented premises, for the following future minimum lease payments:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年內 (首尾兩年包括在內)

The Company had no significant operating lease commitments or arrangements at the end of the reporting period.

38. CONTINGENT LIABILITIES**THE COMPANY**

The Company has given limited guarantees to various banks to secure general banking and loan facilities granted to certain subsidiaries to the extent of HK\$2,561,344,000 (2009: HK\$2,723,900,000). As at 31st August, 2010, the aggregate amounts utilised by these subsidiaries amounted to HK\$1,375,631,000 (2009: HK\$830,506,000).

37. 營運租賃 (續)**本集團作為承租人 (續)**

營運租賃支出乃本集團就其若干辦公室及工廠的應付租金。經磋商的租賃年期就土地及樓宇乃介乎一至二十五年之間，就廠房機器則介乎一至十年之間。並未有或然租金安排。

本集團作為出租人

本年度本集團就投資物業所賺得的租金收入總值為2,849,000港元(二零零九年：5,380,000港元)。其有關的支出為259,000港元(二零零九年：725,000港元)。

於報告期終，本集團就出租物業已與租戶訂立合約的未來最低租賃收入如下：

THE GROUP	
本集團	
2010	2009
HK\$'000	HK\$'000
千港元	千港元

-	4,747
-	2,196
-	6,943

於報告期終，本公司並無重大的營運租賃承擔或安排。

38. 或然負債**本公司**

本公司已向多間銀行給予有限制的擔保至為2,561,344,000港元(二零零九年：2,723,900,000港元)，作為該等銀行給予若干附屬公司一般貸款及借款的抵押。於二零一零年八月三十一日，該等附屬公司已運用的總額為1,375,631,000港元(二零零九年：830,506,000港元)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

39. DISPOSAL OF A SUBSIDIARY

For the year ended 31st August, 2010

During the year, the Group deregistered its wholly-owned subsidiary, 肇慶市滙華紡織有限公司.

39. 出售一間附屬公司

截至二零一零年八月三十一日止年度

年內，本集團取消註冊其全資附屬公司肇慶市滙華紡織有限公司。

		HK\$'000
		千港元
Net assets retained in the Group upon disposal:	出售時在本集團保留之資產淨值：	
Bank balances and cash	銀行結存及現金	6,680
Translation reserve released	匯兌儲備轉出	(766)
Gain on disposal	出售所得收益	766
		-

For the year ended 31st August, 2009

On 3rd August, 2009, the Group disposed of its entire interest in the issued capital of a wholly-owned subsidiary, Fountain Set (U.K.) Limited. The net assets of Fountain Set (U.K.) Limited at the date of disposal were as follows:

截至二零零九年八月三十一日止年度

於二零零九年八月三日，本集團出售一間全資附屬公司Fountain Set (U.K.) Limited已發行股本之全部權益。Fountain Set (U.K.) Limited於出售日期之資產淨值如下：

		HK\$'000
		千港元
Net assets disposed of:	出售的資產淨值：	
Property, plant and equipment	物業、機器及設備	151
Other receivables	其他應收款項	350
		501
Translation reserve released	匯兌儲備轉出	(570)
		(69)
Gain on disposal	出售所得收益	544
Total consideration satisfied by deferred consideration	以遞延代價方式支付代價總額	475

The deferred consideration was settled during the current year.

遞延代價已將於本年度內支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

40. RETIREMENT BENEFIT SCHEMES

The Group operates a defined contribution scheme registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Scheme Ordinance for all the eligible employees of the Group in Hong Kong. The assets of both schemes are held separately from those of the Group in funds under the control of trustees. The retirement benefits cost charged to the profit or loss represents the contributions payable to the funds by the Group at rates specified in the rules of the schemes.

Employees of the Group in other jurisdictions currently participate in state-sponsored pension scheme or defined contribution schemes operated by the Government of such jurisdictions. The Group are required to contribute a certain percentage of their payroll to the schemes to fund the benefits. The only obligation of the Group with respect to the schemes is to make the required contributions.

As at 31 August, 2010, there was no significant forfeited contribution (2009: Nil), which arose upon employees leaving the retirement benefits schemes, available to reduce the contribution payable in the future years.

The retirement benefits scheme contributions, net of forfeited contributions of HK\$324,000 (2009: HK\$49,000), amounting to HK\$27,748,000 (2009: HK\$24,560,000) have been charged to profit or loss for the year and included in employee benefits expense as set out in note 9.

40. 退休福利計劃

本集團根據職業退休計劃條例註冊成立一項定額供款計劃（「職業退休計劃」）及根據強制性公積金計劃條例設立一項強制性公積金計劃（「強積金計劃」）予所有合資格的本集團香港僱員。這兩個計劃的資產乃由信託人獨立持有及管理。在損益內扣除的退休福利成本乃本集團根據計劃既定比率計算的應付供款。

本集團其他司法地區的僱員現正參與該司法地區政府營運的國家退休福利計劃或定額供款計劃。本集團須將僱員薪酬的若干百分比供款予該等計劃作為福利基金。本集團對該等計劃的唯一責任是按規定作出供款。

於二零一零年八月三十一日，因僱員退出退休福利計劃而沒收的供款並不重大（二零零九年：無），此款項並可用作扣減未來年度的應付供款。

已於本年度在損益內扣除的退休福利計劃供款金額淨值為27,748,000港元（二零零九年：24,560,000港元），當中已扣減沒收的供款324,000港元（二零零九年：49,000港元），並已計入附註9所載之僱員福利開支內。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010
截至二零一零年八月三十一日止年度

41. RELATED PARTY DISCLOSURES

(a) Related party balances

Details of the Group's outstanding balances with related parties are set out in the consolidated statement of financial position and in note 26.

Details of the Company's outstanding balances with related parties are set out in the statement of financial position and in note 16.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

41. 相關人士的披露

(a) 相關人士的結餘

本集團與相關人士的結餘詳情載列於綜合財務狀況表及附註26內。

本公司與相關人士的結餘詳情載列於財務狀況表及附註16內。

(b) 主要管理人員的補償

本年度董事及其他主要管理人員的薪酬如下：

		THE GROUP	
		本集團	
		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Short-term benefits	短期福利	27,513	31,173
Post-employment benefits	離職後福利	921	1,069
		28,434	32,242

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals and market trends.

董事及主要管理人員的薪酬乃由董事會按個別表現及市場趨勢而釐定。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2010

截至二零一零年八月三十一日止年度

42. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Company granted share options to certain executive directors of the Company and certain employees of the Company and its subsidiaries to subscribe for a total of 22,400,000 ordinary shares of HK\$0.20 each in the capital of the Company with an exercise price of HK\$1.29 per ordinary share, pursuant to the Option Scheme. Among the 22,400,000 share options granted, 11,200,000 share options were granted to the following directors of the Company:

Name of director		Number of
董事姓名		share options granted
		已授出認股權數目
Mr. Ha Kam On, Victor	夏錦安先生	4,600,000
Mr. Ha Hon Kuen	夏漢權先生	2,000,000
Dr. Yen Gordon	嚴震銘博士	4,600,000
		11,200,000

The directors of the Company are in the process of ascertaining the fair value of the share options and therefore the financial impact to the Group has not been disclosed.

Further details of the share options granted are set out in the announcement of the Company dated 17th September, 2010.

42. 報告期後事項

於報告期終後，本公司授出認股權予本公司若干名執行董事以及本公司及其附屬公司之若干名僱員，以根據認股權計劃認購本公司股本中合共22,400,000股每股面值0.20港元之普通股，行使價為每股普通股1.29港元。於已授出之22,400,000份認股權當中，11,200,000份認股權已授予本公司下列董事：

本公司董事正在確定認股權之公平價值，因此未能披露其對本集團之財務影響。

有關已授出認股權之進一步詳情載於本公司日期為二零一零年九月十七日之通告內。

SHAREHOLDER INFORMATION 股東資料

Listing : Listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20th April, 1988

Stock Code : 420

Board Lot : 2,000

Par Value : HK\$0.20

Shares Issued : 794,010,960

上市 : 自一九八八年四月二十日起於香港聯合交易所有限公司主板上市

股份代號 : 420

買賣單位 : 2,000

面值 : 0.20港元

已發行股票 : 794,010,960

Financial Calendar 2010/2011

Financial year ended 31st August, 2010

Full year results announced 10th December, 2010

Register of members closed 17th-20th January, 2011

Annual general meeting 20th January, 2011

Dispatch of dividend warrants 10th February, 2011

2011 Interim results to be announced Late April 2011

二零一零／二零一一年財務日誌

財政年度結算 二零一零年八月三十一日

全年業績公佈 二零一零年十二月十日

股份暫停登記 二零一一年一月十七日至二十日

股東週年大會 二零一一年一月二十日

寄發股息單 二零一一年二月十日

二零一一年 二零一一年四月下旬
中期業績公佈

Closure of the Register of Members

The register of members of the Company will be closed from Monday, 17th January, 2011 to Thursday, 20th January, 2011, both days inclusive, during which period no transfer of shares will be registered.

暫停辦理股份過戶登記手續

本公司將於二零一一年一月十七日（星期一）至二零一一年一月二十日（星期四）止（首尾兩天包括在內），暫停辦理股份過戶登記手續。

Shareholder Services

For enquiries about share transfer and registration, please contact the Company's share registrar:

Tricor Secretaries Limited
26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
Tel +852 2980 1766
Fax +852 2861 1465

股東服務

任何有關股份過戶及登記的查詢，請聯絡本公司股份過戶登記處：

卓佳秘書商務有限公司
香港灣仔皇后大道東28號金鐘匯中心26樓
電話 +852 2980 1766
傳真 +852 2861 1465

Investor Relations

Ms Charmaine CHENG
Corporate Communications & Investor Relations Manager
Block A, 6/F, Eastern Sea Industrial Building
29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong
Tel +852 3478 7017
Email pr@fshl.com

投資者關係

鄭惠嫻小姐
企業傳訊及投資者關係經理
香港新界葵涌葵昌路29-39號
東海工業大廈A座6字樓
電話 +852 3478 7017
電郵 pr@fshl.com

Global Network | 環球網絡

FOUNTAIN SET (HOLDINGS) LIMITED
福田實業 (集團)有限公司

Block A, 6/F, Eastern Sea Industrial Building,
29-39 Kwai Cheong Road, Kwai Chung,
New Territories, Hong Kong

香港新界葵涌葵昌路29-39號
東海工業大廈A座6字樓

Tel 電話 +852 2485 1881

Fountain Set has overseas marketing/representative offices in the following locations. Addresses, phone numbers and fax numbers are listed at www.fshl.com

福田實業於下列地區設有海外市場推廣辦事處/代表處，地址、電話號碼及傳真號碼均列明在www.fshl.com內

Toronto • Ho Chi Minh City • Seoul • Shanghai • Shenzhen • Singapore
多倫多 • 胡志明市 • 首爾 • 上海 • 深圳 • 新加坡

Production facilities are set up in the following countries:
於下列國家設有生產設施：

China • Indonesia • Sri Lanka
中國 • 印尼 • 斯里蘭卡

