



2012

Annual 年報 Report

DAPHNE INTERNATIONAL HOLDINGS LIMITED (Stock code:210)
達芙妮國際控股有限公司 (股票代號:210)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr Chen Ying-Chieh (*Chairman & Chief Executive Officer*)

Mr Chen Tommy Yi-Hsun

Mr Chang Chih-Kai

Mr Chang Chih-Chiao

Non-executive Director

Mr Kim Jin-Goon

Independent Non-executive Directors

Mr Huang Shun-Tsai

Mr Kuo Jung-Cheng

Mr Lee Ted Tak Tai

Alternate Director

Mr Lau Wai Kei, Ricky (*Alternate to Mr Kim Jin-Goon*)

AUDIT COMMITTEE

Mr Lee Ted Tak Tai (*Chairman*)

Mr Huang Shun-Tsai

Mr Kim Jin-Goon

Mr Kuo Jung-Cheng

REMUNERATION COMMITTEE

Mr Kuo Jung-Cheng (*Chairman*)

Mr Chen Ying-Chieh

Mr Huang Shun-Tsai

Mr Kim Jin-Goon

Mr Lee Ted Tak Tai

NOMINATION COMMITTEE

Mr Huang Shun-Tsai (*Chairman*)

Mr Chen Ying-Chieh

Mr Kim Jin-Goon

Mr Kuo Jung-Cheng

Mr Lee Ted Tak Tai

COMPANY SECRETARY

Ms Chan Oi Chu

AUTHORISED REPRESENTATIVES

Mr Chen Ying-Chieh

Ms Chan Oi Chu

公司資料

董事會

執行董事

陳英杰先生 (*主席兼行政總裁*)

陳怡勳先生

張智凱先生

張智喬先生

非執行董事

金珍君先生

獨立非執行董事

黃順財先生

郭榮振先生

李德泰先生

替任董事

劉偉琪先生 (*金珍君先生之替任董事*)

審核委員會

李德泰先生 (*主席*)

黃順財先生

金珍君先生

郭榮振先生

薪酬委員會

郭榮振先生 (*主席*)

陳英杰先生

黃順財先生

金珍君先生

李德泰先生

提名委員會

黃順財先生 (*主席*)

陳英杰先生

金珍君先生

郭榮振先生

李德泰先生

公司秘書

陳愛珠女士

授權代表

陳英杰先生

陳愛珠女士

CORPORATE INFORMATION

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17th Floor, Fung House
19-20 Connaught Road Central
Hong Kong
Telephone: (852) 2367 9021
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OPERATIONAL HEADQUARTER

3908 Hu Qing Ping Road
Zhao Xiang Town
Qingpu County
Shanghai, China
Telephone: (86) 21 3976 2468
Fax: (86) 21 5975 2698

SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

PRINCIPAL BANKERS

Agricultural Bank of China Limited
China Construction Bank Corporation
First Sino Bank
Hang Seng Bank Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited

CORPORATE WEBSITES

<http://www.daphneholdings.com>
<http://www.daphne.com.cn>

INVESTOR RELATIONS

Email: ir@daphneholdings.com

公司資料

註冊辦事處

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Cayman Islands

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傳真：(852) 2311 3170

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中國上海
青浦縣
趙巷鎮
滬青平公路3908號
電話：(86) 21 3976 2468
傳真：(86) 21 5975 2698

股份過戶登記處

卓佳秘書商務有限公司
香港
皇后大道東28號
金鐘匯中心26樓

核數師

羅兵咸永道會計師事務所
執業會計師

主要往來銀行

中國農業銀行股份有限公司
中國建設銀行股份有限公司
華一銀行
恒生銀行有限公司
三菱東京UFJ銀行

公司網址

<http://www.daphneholdings.com>
<http://www.daphne.com.cn>

投資者關係

電郵： ir@daphneholdings.com

FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及經營摘要

FINANCIAL PERFORMANCE

財務表現

		For the year ended 31 December 截至十二月三十一日止年度	
		2012	2011
		二零一二年	二零一一年
Turnover (HK\$' million)	營業額(百萬港元)	10,529.1	8,576.8
Gross profit (HK\$' million)	毛利(百萬港元)	6,228.8	5,243.8
Gross profit margin (%)	毛利率(%)	59.2	61.1
Operating profit (HK\$' million)	經營盈利(百萬港元)	1,364.9	1,368.6
Operating profit margin (%)	經營盈利率(%)	13.0	16.0
Profit attributable to owners of the Company (HK\$' million)	本公司擁有人應佔盈利(百萬港元)	955.7	933.1
Net profit margin (%)	純利率(%)	9.1	10.9
Basic earnings per share (HK cents)	每股基本盈利(港仙)	58.07	56.96
Dividend per share (HK cents)	每股股息(港仙)	18.0	17.0

KEY FINANCIAL INDICATORS

主要財務指標

		For the year ended 31 December 截至十二月三十一日止年度	
		2012	2011
		二零一二年	二零一一年
Average inventory turnover (days) (Note 1)	平均存貨週轉期(日)(附註1)	188	172
Average debtors turnover (days) (Note 2)	平均應收賬週轉期(日)(附註2)	11	10
Average creditors turnover (days) (Note 3)	平均應付賬週轉期(日)(附註3)	75	68
Cash conversion cycle (days) (Note 4)	現金循環天數(日)(附註4)	124	114
Capital expenditure (HK\$' million) (Note 5)	資本開支(百萬港元)(附註5)	521.0	393.7
Effective tax rate (%) (Note 6)	實際稅率(%) (附註6)	25.4	26.7

		As at 31 December 於十二月三十一日	
		2012	2011
		二零一二年	二零一一年
Cash and cash equivalents (HK\$' million)	現金及現金等價物(百萬港元)	1,494.8	1,795.7
Bank loan (HK\$' million)	銀行貸款(百萬港元)	7.3	7.0
Convertible bonds (HK\$' million)	可換股債券(百萬港元)	639.7	605.9
Equity attributable to owners of the Company (HK\$' million)	本公司擁有人應佔權益(百萬港元)	4,825.3	4,035.9
Current ratio (times) (Note 7)	資產流動比率(倍)(附註7)	3.7	3.1
Net gearing ratio (%) (Note 8)	淨負債比率(%) (附註8)	Net cash 淨現金	Net cash 淨現金

FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及經營摘要

Notes:

- The calculation of average inventory turnover (days) is based on the average of opening and closing inventory balances divided by cost of sales and multiplied by 365 days.
- The calculation of average debtors turnover (days) is based on the average of opening and closing balances of trade receivables divided by turnover and multiplied by 365 days.
- The calculation of average creditors turnover (days) is based on the average of opening and closing balances of trade payables divided by purchases and multiplied by 365 days.
- The calculation of cash conversion cycle (days) is based on average inventory turnover (days) plus average debtors turnover (days) minus average creditors turnover (days).
- Capital expenditure comprises acquisition of land use rights and fixed assets and cash expenditure on license rights.
- Effective tax rate for the year ended 31 December 2011 is calculated based on income tax expense divided by profit before tax excluding impairment loss on available-for-sale financial assets and director's discretionary bonus totalling HK\$91.9 million.
- The calculation of current ratio (times) is based on the total current assets divided by total current liabilities as at 31 December.
- The calculation of net gearing ratio (%) is based on net debt (being total of bank loan and convertible bonds, less cash and cash equivalents) divided by equity attributable to owners of the Company as at 31 December.

附註：

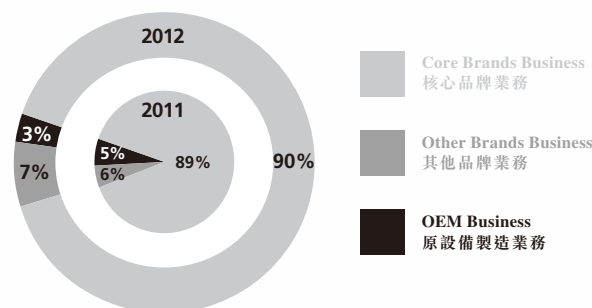
- 平均存貨週轉期(日)乃按年初及年終存貨之平均結餘除以銷售成本乘以365日計算。
- 平均應收賬週轉期(日)乃按年初及年終貿易應收賬款平均結餘除以營業額乘以365日計算。
- 平均應付賬週轉期(日)乃按年初及年終貿易應付賬款平均結餘除以採購額乘以365日計算。
- 現金循環天數(日)乃按平均存貨週轉期(日)加平均應收賬週轉期(日)減平均應付賬週轉期(日)計算。
- 資本開支包括購置土地使用權及固定資產，以及特許使用權的現金開支。
- 截至二零一一年十二月三十一日止年度之實際稅率乃按所得稅開支除以除所得稅前盈利(不包括可供出售金融資產減值虧損及董事酌情花紅共91.9百萬港元)計算。
- 資產流動比率(倍)乃根據於十二月三十一日之流動資產總值除以流動負債總額計算。
- 淨負債比率(%)乃根據於十二月三十一日之債務淨額(銀行貸款及可換股債券減現金及現金等價物)除以本公司擁有人應佔權益計算。

Turnover Analysis

營業額分析

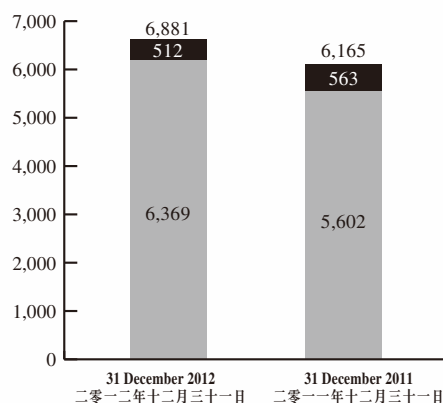
(For the year ended 31 December)

(截至十二月三十一日止年度)



Number of Points-of-Sale

銷售點數目

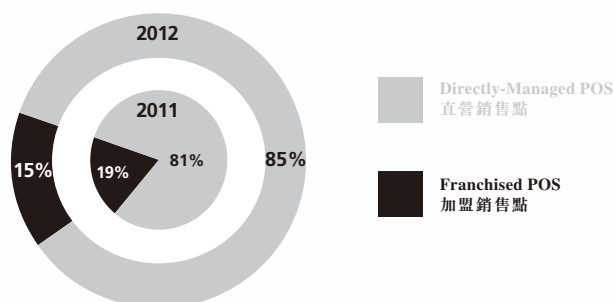


Points-of-Sales under Core Brands by Category (%)

核心品牌銷售點按類別的分佈(%)

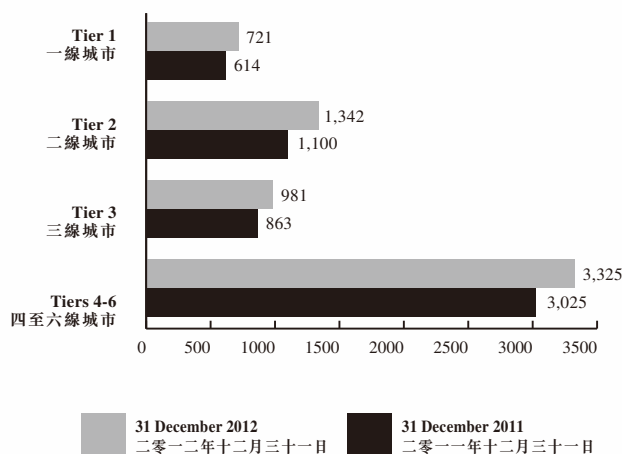
(At at 31 December)

(於十二月三十一日)



Points-of-Sale of Core Brands by City Tier

核心品牌銷售點按城市級別劃分



CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report that Daphne International Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) continued to deliver solid growth in the Group’s overall performance against the backdrop of a slowing economic growth in Mainland China. For the year ended 31 December 2012, the Group’s turnover increased by 22.8% to HK\$10,529.1 million and the core brands’ turnover rose by 25.0% to HK\$9,591.9 million (2011: HK\$7,671.1 million). Profit attributable to owners of the Company increased by 2.4% to HK\$955.7 million.

Amidst decelerating retail market growth, and rising rental and labour costs in Mainland China, the Group continued to solidify its market-leader position and gain market share. With a double-digit sales growth driven by a strong volume growth, the Group made an ample expansion in our customer base. Together with the launch of customer relations management program, we have built a strong platform for our future growth.

In line with our long-term growth strategy, the Group maintained a steady expansion in our sales network in China with a focus on directly-managed stores for core brands, “Daphne” and “Shoebox”. We had a net addition of 767 POS (“points-of-sale”) under core brands during the year and therefore reached a total of 6,369 POS in Mainland China. The Group overall has a total of 6,881 POS across Greater China, where mid- to high-end brands are also included, as at 31 December 2012.

Moreover, the Group reinforced supply chain management and sales operation management during the year. We also implemented a number of measures to enhance operating efficiency and cost control. Our endeavours in corporate and operating management were endorsed by FinanceAsia as we ranked second in the award of the Best Mid-Cap Companies in China in 2012.

Looking ahead, with our vision of becoming a leading brand management company that provides customers with trendsetting and quality products, the Group is committed to pursuing growth strategies, strengthening the operation and management efficiency, to achieve growth in sales and market share. In view of the lingering uncertainties over the global economy and the stimulus programs to boost domestic consumption by the Chinese government, we will stay focused on key priorities and enhance our execution capability.

主席報告

各位股東：

本人欣然宣佈，達芙妮國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）的整體業務表現於中國經濟增長放緩的情況下，繼續穩步增長。截至二零一二年十二月三十一日止年度，本集團營業額增加22.8%至10,529.1百萬港元。核心品牌業務的營業額增加25.0%至9,591.9百萬港元（二零一一年：7,671.1百萬港元）。本公司擁有人應佔盈利增加2.4%至955.7百萬港元。

儘管中國零售市場增速放緩，以及租金與人工成本上漲，本集團仍能鞏固其市場領導地位，擴大市場佔有率。強勁銷量增長帶動銷售額以雙位數字增長，同時亦為本集團大幅擴大客戶基礎；加上年內啟動的客戶關係管理項目，我們已為未來增長建立強大的業務發展平台。

配合我們的長遠發展戰略，本集團繼續穩步擴大於中國的銷售網絡，並以開設核心品牌「達芙妮」及「鞋櫃」直營店為重心。年內，本集團核心品牌銷售點淨增加767個，至年底時共達6,369個。於二零一二年十二月三十一日，本集團於大中華地區（連同中高檔品牌的銷售點在內）總共有6,881個銷售點。

此外，本集團於年內進一步優化供應鏈及銷售營運管理，並實施一系列措施以提升營運效率及加強成本控制。本集團於企業及營運管理方面的努力亦得到《亞洲金融》(FinanceAsia)雜誌肯定，獲選為「二零一二年中國最佳中型公司第二名」。

展望未來，我們的願景乃成為領先的品牌管理公司，為顧客提供引領時尚的優質產品。本集團將秉持以增長為本的發展戰略，持續提升營運及管理效率，以促進銷售增長及擴大市場佔有率。審視市場形勢，全球經濟的不明朗因素縈繞不去，而中國政府將採取刺激國內消費的政策，我們會集中力量於關鍵的業務重點，並提升本集團的執行力。

CHAIRMAN'S STATEMENT

We will continue to extend our footprint for our core brands, and, at the same time, to foster a stronger store operation management to boost same-store sales growth. We will continue to reinforce further improvement in supply chain management, as well as in cost efficiency and control. Optimisation of human resources structure, people development and increasing staff productivity at all levels, together with the management systems invested, will be some key areas to support better efficiency. In view of our strategic initiative to capitalise on China's growing middle class, we will take a prudent and focused approach in developing the mid- to high-end brands business by putting emphasis on better-performing brands.

With these strategies and initiatives, we are fully prepared to seize the opportunities in Mainland China's promising market. We will proficiently execute the business plans to generate superior returns to shareholders.

On behalf of the Board, I would like to extend my gratitude to all our customers and business partners for their continuous support, the management team and our employees for their dedication and hard work. They are integral participants in our journey to further success and I am proud to work alongside them. I would also like to take this opportunity to thank our shareholders for their trust and faith in the Company, and its promising future.

Chen Ying-Chieh

Chairman & Chief Executive Officer

Hong Kong, 20 March 2013

主席報告

我們將繼續拓展核心品牌的銷售網絡，同時加強店舖的營運管理以促進同店銷售增長；並將繼續進一步優化供應鏈管理、提高成本效益及加強成本控制。我們亦會優化人力資源架構、著重人才培訓及發展、提升員工生產力，加上各項已投入的營運管理系統的佐益，均將能提升整體效率。為把握中國中產階級興起所帶來之機遇，我們亦已制定審慎而專注的策略去發展中高檔品牌業務，集中資源和力量發展於業務表現較佳之品牌。

藉著以上策略及舉措，我們已整裝待發，為開拓潛力巨大之中國市場做好準備。我們將精誠敬業地執行各業務計劃，為股東帶來更可觀的回報。

本人謹代表董事會，衷心感謝所有客戶及業務伙伴的支持、以及管理團隊與員工的努力。他們乃共襄本集團再創輝煌之中堅力量，與其共事，深感榮幸。本人亦藉此機會感謝所有股東對本公司及其光明未來的信任與支持。

主席兼行政總裁

陳英杰

香港，二零一三年三月二十日

MARKET OVERVIEW

2012 was a challenging year for global economies. The Eurozone sovereign debt crisis and the United States' weaker-than-expected economic recovery cast a shadow on China's exports. In addition, China adopted a tight monetary policy to cool the property market. As a result, the country's economic growth fell from 9.2% in 2011 to 7.8% in 2012. The Chinese appetite for mass-market ladies' footwear remained strong at the beginning of the year but began to slip as the prospect of an economic slowdown loomed large especially in the second half, while performance of department stores in general remained soft throughout the year. Consumer sentiment in China was affected by the uncertainty about the country's economic outlook. The country's retail sales growth eased 2.8 percentage points to 14.3% in 2012, down from 17.1% in 2011 and 18.3% in 2010, reflecting the macroeconomic environment.

BUSINESS REVIEW

Group Performance

The Group's overall performance reflected the prevailing market conditions in 2012. For the year ended 31 December 2012, the Group's turnover increased by 22.8% to HK\$10,529.1 million (2011: HK\$8,576.8 million). Gross profit rose by 18.8% to HK\$6,228.8 million (2011: HK\$5,243.8 million). Operating profit decreased by 0.3% to HK\$1,364.9 million (2011: HK\$1,368.6 million). Profit attributable to owners of the Company increased by 2.4% to HK\$955.7 million (2011: HK\$933.1 million). Basic earnings per share were HK 58.1 cents (2011: HK 57.0 cents). The Board has proposed a final dividend of HK9.0 cents (2011: HK9.0 cents) per share, which together with the interim dividend of HK9.0 cents (2011: HK8.0 cents) per share, brings the annual dividend to HK18.0 cents (2011: HK17.0 cents) per share for 2012, up by 5.9% from last year. The dividend payout ratio was 31.0% (2011: 29.8%).

As at 31 December 2012, the Group's points-of-sale (POS) totaled 6,881, representing a net increase of 716 POS during the year. The sales network comprised 6,369 POS under its core brands ("Daphne" and "Shoebox") and 512 POS for other brands. Inventory turnover days were reduced from 202 days in the first half of 2012 to 188 days for the full year of 2012 (2011: 172 days).

The Group was ranked second in the award of the Best Mid-Cap Companies in China 2012 by a reputable financial magazine FinanceAsia in the region, which was an endorsement of the Group's efforts to strengthen corporate and operating management.

市場概況

二零一二年對全球經濟而言充滿挑戰。歐債危機及美國經濟增長遜於預期，拖累中國出口外貿。與此同時，中國收緊銀根以冷卻房地產市場。中國經濟增速亦因而從二零一一年的9.2%回落至二零一二年的7.8%。中國大眾化女鞋市場的需求於年初尚算旺盛，但自下半年起經濟放緩的憂慮加深，需求也隨即受到影響。此外，百貨店的整體表現於年內持續疲弱。中國的經濟前景有欠明朗，消費意慾因而受到影響。受宏觀經濟影響，二零一二年全國零售增速為14.3%，較二零一一年的17.1%減少2.8個百分點，也較二零一零年的18.3%為低。

業務回顧

集團表現

本集團整體表現與二零一二年的市場普遍情況大致相若。截至二零一二年十二月三十一日止年度，本集團營業額增加22.8%至10,529.1百萬港元（二零一一年：8,576.8百萬港元）。毛利上升18.8%至6,228.8百萬港元（二零一一年：5,243.8百萬港元）。經營盈利減少0.3%至1,364.9百萬港元（二零一一年：1,368.6百萬港元）。本公司擁有人應佔盈利增加2.4%至955.7百萬港元（二零一一年：933.1百萬港元）。每股基本盈利為58.1港仙（二零一一年：57.0港仙）。董事會建議派發末期股息每股9.0港仙（二零一一年：9.0港仙），連同中期股息每股9.0港仙（二零一一年：8.0港仙），二零一二年度全年股息為每股18.0港仙（二零一一年：17.0港仙），較去年增加5.9%。派息比率為31.0%（二零一一年：29.8%）。

於二零一二年十二月三十一日，本集團共設有6,881個銷售點，即全年淨增加共716個。當中，6,369個為核心品牌（「達芙妮」及「鞋櫃」）銷售點，其他品牌銷售點為512個。存貨週轉天數從二零一二年上半年的202日減少至全年的188日（二零一一年：172日）。

本集團獲亞洲區著名財經刊物《亞洲金融》(FinanceAsia)選為「二零一二年中國最佳中型公司的第二名」，肯定了本集團在提升企業及營運管理方面的努力。

Core Brands Business

The Group's core brands business comprises the distribution of ladies' footwear for the mass market under its proprietary brands "Daphne" and "Shoebox" in Mainland China, through a network of both directly-managed shops and franchised stores. Despite the weakening trend of the retail market during the year, turnover rose by 25.0% to HK\$9,591.9 million (2011: HK\$7,671.1 million). Segment revenue from external customers accounted for 90% of the Group's total revenue in 2012 (2011: 89%). Same-store sales achieved high-single digit growth, on top of the high base for 2011, and was driven primarily by sales volume.

Increased promotional activities, together with a different product mix, resulted in a decrease in average selling price by approximately 10% when compared with that of the previous year. Gross profit of core brands business increased by 19.3% to HK\$5,661.8 million (2011: HK\$4,747.4 million), although gross profit margin decreased to 59.0% in 2012 from 61.9% in 2011.

During the year under review, the Group spearheaded its sales network expansion by opening more directly-managed stores in order to strengthen its presence in the market and underpin its future growth. As at 31 December 2012, 5,427 POS for the core brands were directly managed by the Group, representing a net increase of 880 directly-managed POS during the year. Together with 942 POS operated by franchisees, the Group overall has a total of 6,369 POS under the core brands, with a net addition of 767 POS during the year under review. The proportion of directly-managed stores in the total POS for core brands increased to 85% in 2012, compared with 81% in 2011. This reflected the Group's strategy of focusing on directly-managed stores in its sales network expansion.

The acceleration of the opening of more directly-managed stores amid the sluggish retail market made the effect of increasing operating costs, including rental and labour costs, more pronounced. Thus, the Group experienced a contraction of the operating profit margin for the core brands business from 20.3% in 2011 to 15.4% in 2012. To cope with rising rental and labour costs, the Group adopted cost control measures, in particular for the new stores in the second half of the year, and enhanced salespeople productivity, by providing more selling skills training and optimising salespeople scheduling. The Group believes that steady store network expansion will enhance its competitiveness and lay a solid foundation for its future business growth.

核心品牌業務

本集團核心品牌業務指集團通過直營店及加盟店組成的銷售網絡，於中國大陸的大眾化鞋品市場銷售自有品牌「達芙妮」及「鞋櫃」的零售業務。儘管年內面對零售市場轉趨疲弱，業務營業額仍增加25.0%至9,591.9百萬港元（二零一一年：7,671.1百萬港元）。對外客戶營業額佔本集團總營業額的90%（二零一一年：89%）。受到二零一一年的高基數效應影響，於二零一二年集團仍能達到高單位數的同店銷售增長，並主要由銷售數量增長所帶動。

由於促銷力度增加，產品組合轉變，使本集團產品之平均售價較去年下降約10%。核心品牌業務之毛利增加19.3%至5,661.8百萬港元（二零一一年：4,747.4百萬港元），然而毛利率則從二零一一年度的61.9%下降至二零一二年的59.0%。

年內，本集團在擴展銷售網絡方面以開設更多直營店舖為主，藉以鞏固市場地位，並為未來增長打好根基。於二零一二年十二月三十一日，本集團核心品牌共設有5,427個直營銷售點，本年淨增加880個直營銷售點。年內，連同由加盟商營運的942個銷售點，本集團的核心品牌共設有6,369個銷售點，淨增加767個。直營店舖比例由二零一一年度的81%上升至二零一二年的85%，反映了本集團以直營店舖為拓展銷售網絡策略的重心。

在疲弱的零售市況下加快開設直營店舖，使營運成本（包括租金及員工成本）上漲的影響更為明顯。本集團之核心品牌業務的經營利潤率亦因而由二零一一年度的20.3%下降至二零一二年的15.4%。為應對租金及工資成本上升，本集團加緊推行各項控制成本措施，尤其是針對下半年開立的新店，並透過加強銷售培訓及優化門店人員排班等各項措施，以提升銷售人員生產力。本集團相信銷售網絡穩步擴大將有助提升競爭力，為未來業務增長奠下穩固基礎。

Other Brands Business

The other brands business, mainly driven by the Group's mid- to high-end portfolio including own brands of "AEE" and "Ameda", and international brands with exclusive distribution rights such as "Aerosoles" and "ALDO", targets the growing middle class in China to broaden the Group's customer base. With this diversification strategy, the Group has geared up for the potential trade-up by its "Daphne" customers. Revenue from other brands business increased by 30.5% to HK\$690.9 million in 2012 from the HK\$529.6 million in 2011, and accounted for approximately 7% of the Group's turnover, at much the same level as in 2011. This business segment is still undergoing an investment phase. During the year under review, the performance of other brands business was further affected by the general softness of department store channel and, in addition, the slowing economy in Mainland China. In response to such market situation, the Group consolidated its distribution network during the year with a net decrease of 51 POS for its other brands and reduced to 512 POS as at 31 December 2012.

Manufacturing Business

In order to allocate more production capacity for its own brands, the Group began to gradually phase out its original equipment manufacturing ("OEM") business for third parties at its own factories. This is in line with the expansion strategy of focusing on its own brands, including deploying the Group's OEM capacity for the supply and growth of core brands. As a result, revenue contribution from the OEM business to the Group's turnover decreased to approximately 3% (2011: 5%) in 2012. The Group also made plans and took measures to strengthen supply chain management and further increase its production capacity with an aim to enhance production cost efficiency and support future growth of the Group's core and other brands.

Efficiency Improvement Initiatives

Against the backdrop of a slowing retail market and rising operating costs in Mainland China, the Group adopted various measures to keep costs under control and improve efficiency. These include stepping up cost cutting and monitoring measures. On the other hand, training programs were introduced and store operation was strengthened to increase salespeople's productivity. Management system enhancement projects in areas ranging from frontline to the back office, including product planning and merchandising, customer relations management, and store operations, were implemented. Good progress was made in all these enhancement projects during the year. These initiatives will strengthen the Group's competitiveness with positive effects expected to be gradually reflected in the near future.

其他品牌業務

其他品牌業務主要由集團的中高端自有品牌「AEE 愛意」及「Ameda 愛魅」及擁有獨家經銷權的國際品牌「Aerosoles 愛柔仕」及「ALDO」等所推動，以迎合中國持續擴大的中產消費族群，有助擴大集團的客戶基礎。透過此多元化策略，本集團可滿足「達芙妮」客戶未來對高檔次產品的需求。其他品牌業務的營業額從二零一一年度的529.6百萬港元增加30.5%至二零一二年的690.9百萬港元，佔本集團整體營業額約7%，與二零一一年的佔比相若。該業務現仍處於投資期。於回顧年內，中國大陸經濟增長放緩，百貨店渠道的整體表現疲弱，因此其他品牌業務的表現亦受到影響。面對這種情況，本集團年內整合此業務的銷售網絡，將銷售點減至於二零一二年十二月三十一日止的512個，即淨減少51個。

製造業務

為分配更多產能予自有品牌，本集團逐步減少為第三方提供的原設備製造業務。此策略旨在配合專注於自有品牌業務的策略，包括把集團的原設備製造業務所用的產能應用於支持核心品牌產品的供應及未來增長。因此，來自原設備製造業務的收入佔比下降至二零一二年的約3%（二零一一年：5%）。集團亦已擬定計劃及採取措施優化供應鏈管理及進一步增加生產能力，以提升生產的成本效益並支持集團核心品牌及其他品牌的業務增長。

提升效益措施

在中國大陸零售市場增長放緩及營運成本不斷上升的環境下，集團採取了多項控制成本和提高效率的措施，其中包括加強成本減省及監控措施。另一方面，集團開展培訓計劃及優化店舖的營運管理，以增加銷售人員的生產力。集團亦從不同層面包括店面至後勤等多方面，推行管理系統升級項目，涵蓋包括產品規劃及採購、客戶關係管理和店舖管理等範疇。年內，集團於上述各方面的升級項目皆取得了良好的進展。這些舉措將提升集團的競爭力，並在日後陸續見到成效。

FINANCIAL REVIEW

財務回顧

Segmental Analysis

The business performance of individual segment for the year ended 31 December 2012 is summarised as follows:

分部分析

各分部於截至二零一二年十二月三十一日止年度的業務表現載列如下：

		Core brands business 核心品牌業務		Other brands business 其他品牌業務		Manufacturing business 製造業務	
		2012 二零一二年 HK\$' million 百萬港元	2011 二零一一年 HK\$' million 百萬港元	2012 二零一二年 HK\$' million 百萬港元	2011 二零一一年 HK\$' million 百萬港元	2012 二零一二年 HK\$' million 百萬港元	2011 二零一一年 HK\$' million 百萬港元
Revenue from external customers	對外客戶收益	9,508.5	7,597.1	690.9	529.6	329.7	450.2
Inter-segment revenue	分部間收益	83.4	74.0	-	-	1,069.4	1,003.1
Total segment revenue	分部收益總額	9,591.9	7,671.1	690.9	529.6	1,399.1	1,453.3
Segment gross profit	分部毛利	5,661.8	4,747.4	375.6	315.1	187.1	203.4
Segment gross margin	分部毛利率	59.0%	61.9%	54.4%	59.5%	13.4%	14.0%
Segment operating profit/(loss)	分部經營盈利/(虧損)	1,475.7	1,555.1	(127.6)	(64.6)	98.1	108.1
Segment operating margin	分部經營盈利率	15.4%	20.3%	(18.5%)	(12.2%)	7.0%	7.4%

Liquidity and Financial Resources

As at 31 December 2012, the Group had cash and cash equivalents totaling HK\$1,494.8 million (2011: HK\$1,795.7 million) denominated mainly in Renminbi, US dollar, Hong Kong dollar and New Taiwan dollar. The net decrease in cash and cash equivalents of HK\$300.9 million (2011: HK\$264.0 million) is analysed as follows:

流動資金及財政資源

於二零一二年十二月三十一日，本集團持有現金及現金等價物為1,494.8百萬港元（二零一一年：1,795.7百萬港元），主要以人民幣、美元、港元及新台幣為結算單位。淨減少的300.9百萬港元（二零一一年：264.0百萬港元）分析如下：

		2012 二零一二年 HK\$' million 百萬港元	2011 二零一一年 HK\$' million 百萬港元
Net cash generated from operating activities	經營業務產生的現金淨額	431.3	242.6
Capital expenditure	資本開支	(521.0)	(393.7)
Proceeds from disposal of fixed assets	出售固定資產所得款項	3.1	2.2
Proceeds from issue of shares upon exercise of share options	行使購股權而發行股份之所得款項	45.1	19.0
Net dividend paid	已付股息淨額	(300.8)	(234.2)
Net interest received	已收利息淨額	21.7	40.9
Net bank loan repaid	淨銀行貸款償還	-	(4.0)
Net cash outflow from acquisition of other investments	收購其他投資之淨現金流出	-	(30.3)
Effect of exchange rate changes	外匯兌換率變動之影響	19.7	93.5
		(300.9)	(264.0)

As at 31 December 2012, the Group had unutilised banking facilities amounting to HK\$146.6 million (2011: HK\$173.6 million) and current ratio (being current assets divided by current liabilities) was 3.7 (2011: 3.1). The Group has sufficient resources currently to support expansion and development of business in the future.

於二零一二年十二月三十一日，本集團未動用之銀行融資額度為146.6百萬港元（二零一一年：173.6百萬港元），資產流動比率（按流動資產除以流動負債計算）為3.7倍（二零一一年：3.1倍）。本集團現時持有足夠資源以支持未來擴充及業務發展所需。

MANAGEMENT DISCUSSION AND ANALYSIS

To maximise the return on idle liquid resources, the Group placed a number of principal-protected structured deposits with registered banks in Mainland China during the year. Total interest income earned for the year was HK\$43.0 million (2011: HK\$63.1 million).

As at 31 December 2012, the Group's net gearing, calculated on the basis of net debt (being total of bank loan and convertible bonds less cash and cash equivalents) over equity attributable to owners of the Company, was in a net cash (2011: net cash) position. The bank loan was at a floating rate during the year.

Foreign Exchange Risk Management

The Group did not engage in any foreign exchange derivatives during the year (2011: nil). Management closely monitors the market situation and may consider tools to manage foreign exchange risk whenever necessary.

Pledge of Assets

As at 31 December 2012 and 31 December 2011, no assets were pledged as security for banking facilities of the Group.

Capital Expenditure

During the year, the Group incurred a capital expenditure of HK\$521.0 million (2011: HK\$393.7 million) mainly for distribution network expansion and renovation, purchase and construction of regional warehouse and offices, etc.

Contingent Liabilities

As at 31 December 2012 and 31 December 2011, the Group had no significant contingent liabilities.

Human Resources

As at 31 December 2012, the Group had over 27,000 (2011: 25,000) employees in Mainland China, Taiwan, Hong Kong and Korea. Employee and directors' expenditure for the year, including share-based payment expense of HK\$36.2 million (2011: 46.1 million), amounted to HK\$1,389.1 million (2011: HK\$1,219.4 million). The Group values human resources and recognises the importance of retaining high calibre employees. Remuneration packages are generally structured by reference to market terms and the qualifications of individual employees. In addition, share options and discretionary bonuses are granted to eligible employees based on the performance of the Group and the individual employee. The Group also provides mandatory provident fund schemes, medical insurance schemes, staff purchase discounts and training programmes to employees.

PROSPECTS

The outlook for 2013 is expected to remain challenging given prolonged uncertainties in the global economy. Notwithstanding the mitigated risks of a further slowdown, the market is wary of the fragility of the economic recovery in the United States and the Eurozone, which has been hindering China's economic growth during 2012. However, the new Chinese leadership has pledged to boost the economy by fostering domestic demand; urbanisation will continue and disposable income is expected to further increase, and therefore provide tailwind to the Group's business.

管理層討論及分析

為令閒置流動資源帶來最大回報，本集團年內存放了一些保本結構性存款於中國大陸之註冊銀行。年內賺取到的總利息收入為43.0百萬港元（二零一一年：63.1百萬港元）。

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團淨負債比率（根據淨負債（即銀行貸款及可換股債券之總額減現金及現金等價物）除以本公司擁有人應佔權益計算）為淨現金。年內銀行貸款均以浮息計算。

匯率風險管理

本集團於年內並無使用任何外匯衍生工具（二零一一年：無）。管理層將密切注視市場情況，如有需要時，或會考慮使用適當措施調控外匯風險。

資產抵押

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團未有就銀行信貸而抵押資產。

資本開支

年內，本集團的資本開支為521.0百萬港元（二零一一年：393.7百萬港元），主要用於擴展及裝修分銷網絡、購置及建設倉儲設施及辦公室等。

或然負債

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團並無任何重大或然負債。

人力資源

於二零一二年十二月三十一日，本集團於中國大陸、台灣、香港及韓國之僱員人數超過27,000人（二零一一年：25,000人）。年內僱員及董事開支（包括以股份為基礎之款項開支為36.2百萬港元（二零一一年：46.1百萬港元））為1,389.1百萬港元（二零一一年：1,219.4百萬港元）。本集團重視其人力資源並深明留聘優質人才的重要性，所提供之薪酬及福利乃參考市場水平及員工個人能力而定，並按本集團及員工之表現提供購股權及酌情花紅。此外，本集團亦為僱員提供強積金、醫療保障、員工購物折扣及培訓課程。

展望

由於影響全球經濟的不明朗因素縈繞不去，展望二零一三年將仍具挑戰。雖然經濟進一步放緩的風險減弱，但自二零一二年來一直影響中國經濟增長的歐美經濟復甦的不穩定性仍令市場抱有疑慮。幸而，新任中國領導層矢志擴大內需以刺激經濟，繼續推動城鎮化，人均收入預料將繼續增加，而集團業務亦可從中受惠。

In view of these favourable push factors, the Group remains cautiously optimistic towards the retail market in China in the near and medium term. Leveraging its well-established and reputable brand name, the Group will continue to expand its presence in China for ongoing business growth.

In the beginning of 2013 near the end of winter season, the demand for mass market ladies' footwear is still affected by the slow recovery of consumer sentiment. More recently, we believe demand is bottoming out and have observed signs of improvement from the recent sales trend starting in spring season. In view of the high base effect of the first quarter of 2012, we anticipate the same store sales for the first quarter of 2013 will likely be comparable to that of the same period last year. Given the improving seasonal trend, we remain confident that the consumer demand will gradually pick up in the subsequent quarters, especially when the government stimulus to domestic consumption in China begins to take effect later in the year.

The Group has reinforced and accentuated its comprehensive efficiency improvement initiatives since the second half of 2012, and will continue such endeavours in 2013 to improve cost control and enhance overall management efficiency. On the sales channel front, the Group will spearhead the steady expansion of its sales network with a focus on directly-managed stores for core brands.

At the sales operation level, the Group will continue to refine store operation and management to boost same store sales growth. These include enhancing the productivity of salespeople through further optimisation of rosters, increasing staff accountability, providing advanced service training and instilling a service culture to enhance the customer shopping experience.

With regard to supply chain management, the Group will continue to seek further improvement in replenishment ordering, inventory management, product quality and other aspects. Meanwhile, by making efforts to ensure a smooth set-up of the retail management system, the Group expects greater accuracy and efficiency will be achieved in product planning and allocation, inventory control and product replenishment. Such enhancements will undoubtedly give a boost to the sales performance in future.

In addition, the Group will continue to develop its mid- to high-end products into growth drivers so as to diversify its customer base in the long term. The Group will prudently review and concentrate its resources on better-performing brands to facilitate improvement in the performance of this business segment.

Cost control remains a key area of focus. The Group will continue to analyze and improve cost control in all aspects, including rental and labor costs, while enhancing staff productivity and investing in management systems to ensure long-term operating efficiencies.

With these combined efforts, the Group looks to improve its sales performance and profitability, increase its market share and footprint, and enhance its brand equity. The Group is well positioned to capitalise on the opportunities ahead to solidify its leading market position, ensure long-term growth and deliver superior shareholders' value.

鑑於上述利好因素，本集團對近期以至中期的中國零售市場仍然審慎樂觀。憑藉集團強大而知名的自有品牌，本集團將繼續擴大於中國的市場佔有率，以爭取持續的業務增長。

二零一三年初即冬季季末將近時，大眾化市場女鞋的需求仍然受着消費意慾復甦緩慢所影響。然而近期，市場需求似乎已開始見底，我們觀察到最近的春季銷售趨勢逐漸好轉的跡象。即使二零一二年第一季的基數甚高，我們預期二零一三年第一季的同店銷售與去年同期大致相若。正在改善的季節性趨勢令我們有信心消費需求將於未來季度逐步回升，尤其是當中國政府刺激內需的措施於今年稍後時發揮效用的時候。

二零一二年下半年以來，集團已著重推行其一系列提升效益的措施，而於二零一三年，集團將繼續在此領域作出努力，以控制成本及提高整體管理效益。銷售渠道方面，集團將保持以核心品牌的直營店舖為發展重心，並繼續穩步擴大銷售網絡。

於銷售營運層面，集團將繼續採取各種措施優化店舖的營運管理，以提高同店銷售增長。這些措施包括通過進一步優化銷售人員排班、增加員工問責度、提供進階的服務培訓、建立服務文化以提升顧客的購物體驗等等，致力於提高銷售人員的生產力。

供應鏈方面，集團將繼續改善補貨安排、庫存管理、產品素質及其他環節；同時，亦正努力確保零售管理系統的設置工作順暢，讓日後的產品規劃和分配、庫存控制和補貨等方面均能更精確和更有效率。這些改善措施必能提升未來的銷售表現。

此外，集團將繼續發展中高端產品業務，使其成為集團的未來增長動力，長遠而言使集團的顧客層面更多元化。集團將謹慎審視及檢討，並集中資源在表現較好的品牌，從而促進這項業務的業績改善。

另一個重點領域為成本控制。集團將繼續加強分析和改善各項成本，包括租金及人事費用支出，同時亦致力於提高員工的生產力及投資管理系統，以實現長期的經營效率。

通過多方面的持續努力，集團力求提升銷售業績和盈利能力，增加其市場佔有率和覆蓋度，以及提高其品牌價值。集團已準備就緒，把握未來的龐大商機以鞏固領先的市場地位，促進長遠增長及為股東帶來更佳回報。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr CHEN Ying-Chieh, aged 43, is the Chairman and Chief Executive Officer of the Company and is responsible for the overall corporate and business strategic planning of the Group. Mr Chen obtained a bachelor's degree in International Trade from Chung Yuan Christian University. He has been working with the Group since 1992. Mr Chen is a cousin of Mr Chang Chih-Kai, Mr Chang Chih-Chiao and Mr Chen Tommy Yi-Hsun, all executive directors of the Company, and he holds directorships in certain subsidiaries of the Company.

Mr CHANG Chih-Kai, aged 32, joined the Group since 2003 with focus on product development and general management. He has studied a bachelor's degree of Art in Auckland University after graduated from Pakuranga College in New Zealand. Mr Chang is the brother of Mr Chang Chih-Chiao, a cousin of Mr Chen Ying-Chieh and Mr Chen Tommy Yi-Hsun, all executive directors of the Company, and he holds directorships in certain subsidiaries of the Company.

Mr CHEN Tommy Yi-Hsun, aged 31, joined the Group in 2004 with focus on planning and management of the Group's manufacturing business. Prior to joining the Group, Mr Chen worked in footwear trading and manufacturing companies where he had over 8 years of experience. Mr Chen graduated from the University of Victoria in Canada with a bachelor's degree in Arts. Mr Chen is a cousin of Mr Chen Ying-Chieh, Mr Chang Chih-Kai and Mr Chang Chih-Chiao, all executive directors of the Company, and he holds directorships in certain subsidiaries of the Company.

Mr CHANG Chih-Chiao, aged 30, joined the Group in 2007 and is currently primarily responsible for specialised business projects and negotiations. He obtained a bachelor's degree in Visual Communication from the Northumbria University in the United Kingdom. Mr Chang is the brother of Mr Chang Chih-Kai, a cousin of Mr Chen Ying-Chieh and Mr Chen Tommy Yi-Hsun.

NON-EXECUTIVE DIRECTOR

Mr KIM Jin-Goon, aged 45, was appointed as a non-executive director of the Company in April 2011. Mr Kim is currently a partner of TPG Capital, Limited ("TPG"), a leading global private investment firm and an affiliate of Premier China, Limited ("Premier China"), which has substantial interests in the shares, convertible bonds and warrants of the Company, and he is a member of TPG's Operation Group. Mr. Kim is an executive director, the Executive Vice Chairman, the nomination committee chairman and a member of the executive committee of Li Ning Company Limited, a company listed on The Stock Exchange of Hong Kong Limited. From 2007 to 2011, he was an executive director and the interim chief executive officer and he is currently the vice-chairman of the board of China Grand Automotive Service Co., Ltd. and built China's leading passenger car retail and service network. As a director of the board, Mr Kim led the turnaround of UniTrust Finance & Leasing Corporation, a leading capital equipment leasing company in China. Mr Kim has led TPG's operational initiatives to help transform the Company's core operations and pioneer industry's first fast retail

董事及高層管理人員簡歷

執行董事

陳英杰先生，43歲，本公司主席兼行政總裁，負責本集團整體企業及業務策略規劃。陳先生持有中原大學國際貿易學士學位，自一九九二年起為本集團服務。陳先生為本公司執行董事張智凱先生、張智喬先生及陳怡勳先生之表兄，彼亦於本公司若干附屬公司擔任董事職位。

張智凱先生，32歲，自二零零三年起加入本集團，主力從事產品研發及整體管理工作。畢業於紐西蘭Pakuranga College後，入讀Auckland University修讀文學士學位課程。張先生為張智喬先生之兄長、陳英杰先生之表弟及陳怡勳先生之表兄，彼等均為本公司執行董事。張先生亦於本公司若干附屬公司擔任董事職位。

陳怡勳先生，31歲，於二零零四年加入本集團，主力從事本集團製造業務的規劃及管理。於加入本集團之前，陳先生於鞋類貿易及生產公司工作，在鞋類貿易及製造業方面積逾八年經驗。陳先生畢業於加拿大維多利亞大學，持有文學士學位。陳先生是本公司執行董事陳英杰先生及張智凱先生之表弟及本公司執行董事張智喬先生之表兄，彼亦於本公司若干附屬公司擔任董事職位。

張智喬先生，30歲，於二零零七年加入本集團，現時主要負責特定業務項目及洽商。彼持有英國諾森比亞大學視覺傳媒學士學位。張先生為張智凱先生之弟弟、陳英杰先生及陳怡勳先生之表弟。

非執行董事

金珍君先生，45歲，於二零一一年四月獲任命為本公司非執行董事。目前，金先生是TPG Capital, Limited (「TPG」) (一家全球領先的私募股權投資公司)的合夥人，也是持有本公司股份、可換股債券和認股權證中主要權益的Premier China, Limited (「Premier China」)的關聯企業。金先生為TPG營運團隊的成員，並為於香港聯合交易所有限公司上市的李寧有限公司之執行董事、執行副主席、提名委員會主席以及執行委員會成員。金先生於二零零七年至二零一一年擔任廣匯汽車服務股份公司的執行董事兼任首席執行官，目前擔任該公司的副董事長，幫助公司打造了中國領先的乘用車零售和服務網路。他同時擔任中國領先的設備租賃商恒信金融租賃有限公司的董事，領導公司完成了業務改造。金先生通過領導實施TPG的營運措施，幫助本公司改造了核心營運並建立了業界首個快速零售業務模式。在加入TPG之前，金先生曾於二零零二年至二零零六年期間擔任戴

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

business model. Prior to joining TPG, Mr Kim worked for Dell Inc. as the Managing Director of its Korea business from 2002 to 2006. Prior to that from 2000 to 2002, Mr Kim was the vice president of Internet Business Capital Corporation in Cambridge, Massachusetts, and from 1996 to 2000, he was the engagement manager at McKinsey & Company, an international management consulting firm. Mr Kim received his undergraduate degree in Arts majored in Government and East Asian Studies from Harvard University with High Honors, conducted post graduate research in Nanjing-Hopkins Centre in China, and returned to Harvard University to pursue his master of Public Policy.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr HUANG Shun-Tsai, aged 59, is a director of six technology companies in Taiwan. He has been active in the technology field for over 15 years. Mr Huang was appointed as an independent non-executive director of the Company in 2001.

Mr KUO Jung-Cheng, aged 62, is a director of a manufacturing and distribution company in China. Mr Kuo is a former senator of the Legislative Council in Taiwan. He has been serving the community in Taiwan as a representative for over 10 years. Mr Kuo holds a MBA degree from the University of Hawaii. Mr Kuo was appointed as an independent non-executive director of the Company in 2001.

Mr LEE Ted Tak Tai, aged 62, was appointed as an independent non-executive director of the Company in September 2011. Mr Lee is the managing director of T Plus Capital Limited which is engaged in the provision of strategic, financial and business development advisory services. Currently Mr Lee is an independent director and a member of the audit committee of China Ming Yang Wind Power Group Limited, a company listed on the US New York Exchange. Mr Lee is an US certified public accountant (inactive) and he has extensive experience in auditing and accounting sectors and he was a senior partner at Deloitte where he worked for over 30 years both in United States and Asia. Mr Lee graduated from California State University, Fresno with a bachelor's degree in Accounting and obtained a MBA degree from University of Southern California.

ALTERNATE DIRECTOR

Mr LAU Wai Kei, Ricky, aged 43, was appointed as an alternate director to Mr Kim Jin-Goon in April 2011. Mr Lau is a partner of TPG where he has over 15 years of investment experience and he was designated by Premier China as its observer on the board of directors of the Company. Mr Lau also serves as a director of China Grand Auto Service Co., Ltd. Before joining TPG, Mr Lau was responsible for the corporate and project finance division of Hopewell Holdings Limited ("Hopewell"), a regional infrastructure project developer. He joined Hopewell in 1993 and spearheaded the development and financing of several power and transportation projects in China, India and Thailand. Mr Lau obtained a Kellogg-HKUST Executive MBA and graduated from the University of British Columbia and he is a CFA charterholder.

董事及高層管理人員簡歷

爾公司韓國業務的董事總經理。之前，他曾於二零零零年至二零零二年期間擔任位於麻薩諸塞州劍橋的互聯網商業資本公司副總裁。此前他曾於一九九六年至二零零零年擔任國際管理顧問公司麥肯錫公司的專案經理。金先生以高榮譽畢業於哈佛大學，獲得文學士學位，主修政府與東亞研究，之後在中國南京－霍普金斯中心從事研究生研究項目，然後到哈佛大學攻讀公共政策碩士學位。

獨立非執行董事

黃順財先生，59歲，為台灣六間科技公司之董事，從事科技業逾十五年。黃先生於二零零一年獲委任為本公司獨立非執行董事。

郭榮振先生，62歲，為中國一間製造及分銷公司之董事。郭先生亦為前任台灣立法院委員，以議員身份服務台灣民眾逾十年。郭先生持有夏威夷大學工商管理碩士學位。郭先生於二零零一年獲委任為本公司獨立非執行董事。

李德泰先生，62歲，於二零一一年九月獲委任為本公司獨立非執行董事。李先生為泰伽投資有限公司的董事總經理，該公司從事提供策略、財務及業務發展諮詢服務。目前，李先生正擔任中國明陽風電集團有限公司（一間於美國紐約證券交易所上市的公司）的獨立董事及審核委員會成員。李先生是一名美國註冊會計師（非執業）並於審計及會計方面擁有豐富經驗。李先生曾是德勤的資深合夥人，於該所美國及亞洲地區工作逾三十年。李先生畢業於加州州立大學弗雷斯諾分校，持有會計學學士學位，並取得南加州大學的工商管理碩士學位。

替任董事

劉偉琪先生，43歲，於二零一一年四月獲委任為金珍君先生的替任董事。劉先生為TPG的合夥人，擁有逾十五年投資經驗，亦是Premier China任命的本公司董事會的觀察員。劉先生亦出任廣匯汽車服務股份公司董事。加入TPG前，劉先生曾於地區性基建項目發展商合和實業有限公司（「合和」）之企業及項目融資部任職。彼於一九九三年加入合和，集中中國、印度及泰國多個發電及運輸項目的發展及融資。劉先生持有凱洛格－香港科技大學行政人員工商管理碩士資格，並畢業於不列顛哥倫比亞大學及為特許財務分析師特許資格持有人。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡歷

SENIOR MANAGEMENT

Mr HU Huan Xin, Michael, aged 44, has been appointed as the Chief Operating Officer since January 2010. He is primarily responsible for the Group's supply chain management including production planning and operations.

Mr Hu has over 22 years of experience in supply chain and production management in China. Before joining the Group, Mr Hu worked in various senior management positions with focus on supply chain management for a number of international brands including Cadbury Schweppes Co Ltd and Pepsico Inc. in Mainland China. He graduated with a bachelor's degree in International Trade and Economics from the Sun Yat-Sen University, in Mainland China.

Mr LIN Che Li, Jerry, aged 45, joined the Group as the Chief Financial Officer in January 2010 and is responsible for the overall corporate and financial planning of the Group.

Mr Lin has over 18 years of experience in financial planning and management in an international environment. Prior to joining the Group, Mr Lin spent almost 20 years with General Motors, including 15 years in the finance department. His financial and operating experience included assignments at its treasury headquarters in New York and Singapore as well as senior financial management and CFO positions in Taipei, Seoul and Shanghai. Mr Lin holds a MBA degree from Columbia Business School and a bachelor's degree in Electrical Engineering from the University of Rochester, in the United States.

Mr SHIH Wen Che, Jonathan, aged 53, joined the Group as the Chief Sales Officer in March 2012. He is responsible for the management of sales and operation of the Group.

Mr Shih has over 28 years of experience in sales and general management in retail and service industries of which 16 years were in Mainland China. Mr Shih held senior management positions of different functions as well as regional general manager and general manager of China positions with various multinational companies such as City Chain, Pizza Hut, McDonald's, 7-11, Starbucks and Burger King. He graduated from the National Taiwan Ocean University.

高層管理人員

胡煥新先生，44歲，由二零一零年一月起出任首席運營官，主要負責本集團之供應鏈管理，包括生產規劃及營運。

胡先生在國內企業之供應鏈及生產方面的管理擁有逾二十二年經驗。加入本集團前，胡先生曾先後在多個跨國品牌企業的中國大陸業務（包括吉百利史威士有限公司及百事公司）擔任高層管理人員職位，專責供應鏈管理。胡先生持有中國中山大學經濟與國際貿易學士學位。

林哲立先生，45歲，於二零一零年一月起出任本集團之首席財務官。林先生負責本集團之整體企業及財務之規劃。

林先生擁有超過十八年於跨國公司之財務規劃及管理經驗。加入本集團前，林先生曾於美國通用汽車公司服務近二十年，包括於其財政部門工作達十五年。其財務及營運管理經驗包括在此跨國企業位於紐約及新加坡的司庫總部，以及在台北、首爾及上海擔任高級財務營運及首席財務官的職位。林先生持有美國哥倫比亞大學商學院之工商管理碩士學位及美國羅徹斯特大學電機工程學士學位。

施文哲先生，53歲，於二零一二年三月出任本集團首席銷售官一職，負責本集團之銷售及營運管理。

施先生在零售及服務業擁有超過二十八年銷售管理經驗，其中十六年在中國大陸。彼曾於多間跨國品牌企業（包括時間廊、必勝客、麥當勞、7-11、星巴克和漢堡王等）擔任不同職能部門高層管理人員以至區域總經理和中國區總經理等職務。施先生畢業於國立臺灣海洋大學。

The Company is committed to maintaining high standards of corporate governance. To enhance the overall management quality of the Company, the board of directors (the “Board”) has adopted corporate governance practices with special emphasis on an effective Board for leadership and internal control, sound business ethics and integrity, stringent disclosure practices, transparency and accountability to shareholders.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (“Former CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), which came into effective on 1 January 2005 and was revised and renamed as Corporate Governance Code and Corporate Governance Report (“New CG Code”) with effect from 1 April 2012.

During the year ended 31 December 2012, the Company was in compliance with all the code provisions set out in the Former CG Code and the New CG Code except for the deviations from code provisions A.2.1 and A.6.7 which are explained under “Chairman and Chief Executive Officer” and “Communications with Shareholders and Investors” on pages 19 and 27 respectively.

The Board will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest developments.

THE BOARD OF DIRECTORS

Board Composition

The Board and board committees during the year and up to the date of this report comprise:

Members of the Board/board committees 董事會／董事會轄下委員會成員	Date of first becoming director 首次出任董事之日期	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
<i>Executive directors</i> 執行董事				
Mr Chen Ying-Chieh (<i>Chairman & Chief Executive Officer</i>) 陳英杰先生 (主席兼行政總裁)	21 May 1996 一九九六年五月二十一日	✓	✓	
Mr Chen Tommy Yi-Hsun 陳怡勳先生	31 December 2011 二零一一年十二月三十一日			
Mr Chang Chih-Kai 張智凱先生	22 November 2004 二零零四年十一月二十二日			
Mr Chang Chih-Chiao 張智喬先生	12 June 2009 二零零九年六月十二日			

本公司致力維持高水準之企業管治。為提升本公司整體管理質素，董事會（「董事會」）已採納企業管治常規，尤其關注董事會之有效領導及內部監控、維持良好的商業操守及誠信以及對股東之嚴謹披露常規、透明度及問責性。

企業管治常規守則

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「前企業管治守則」）之守則條文，前企業管治守則於二零零五年一月一日生效，經修訂並易名為企業管治守則及企業管治報告（「新企業管治守則」），於二零一二年四月一日生效。

於截至二零一二年十二月三十一日止年度，本公司已遵守前企業管治守則及新企業管治守則所載之全部守則條文，惟偏離守則條文第A.2.1條及第A.6.7條之規定，偏離原因已於第19頁及第27頁之「主席及行政總裁」及「與股東及投資者之溝通」內作出解釋。

董事會將繼續加強適合其業務行為及增長之企業管治常規，並不時檢討其企業管治常規，以確保其遵守法定及專業標準，並符合最新發展。

董事會

董事會組成

年內及截至本報告日期，董事會及董事會轄下委員會由下列人士組成：

Members of the Board/board committees 董事會/董事會轄下委員會成員	Date of first becoming director 首次出任董事之日期	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
<i>Non-executive director</i> 非執行董事				
Mr Kim Jin-Goon 金珍君先生	13 April 2011 二零一一年四月十三日	✓	✓	✓
<i>Independent non-executive directors</i> 獨立非執行董事				
Mr Huang Shun-Tsai (Chairman of Nomination Committee) 黃順財先生(提名委員會主席)	31 July 2001 二零零一年七月三十一日	✓	✓	✓
Mr Kuo Jung-Cheng (Chairman of Remuneration Committee) 郭榮振先生(薪酬委員會主席)	31 July 2001 二零零一年七月三十一日	✓	✓	✓
Mr Lee Ted Tak Tai (Chairman of Audit Committee) 李德泰先生(審核委員會主席)	1 September 2011 二零一一年九月一日	✓	✓	✓
<i>Alternate director</i> 替任董事				
Mr Lau Wai Kei, Ricky (Alternate to Mr Kim Jin-Goon) 劉偉琪先生(金珍君先生之替任董事)	13 April 2011 二零一一年四月十三日	✓	✓	✓

The executive directors draw on a rich and diverse experience from the footwear distribution business while the non-executive director and the independent non-executive directors possess appropriate professional qualifications and management expertise. Through active participation in board meetings, taking the lead in managing issues involving potential conflict of interests and serving on board committees, all independent non-executive directors contribute to the effective direction of the Company and to safeguard the interests of the Company and its shareholders.

During the year ended 31 December 2012, the Board was in compliance with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors (representing at least one-third of the Board), with at least one independent non-executive director possessing appropriate professional qualifications and accounting and related financial management expertise.

Each independent non-executive director gives the Company an annual confirmation of his independence to the Company, and the Company considers these directors to be independent pursuant to Rule 3.13 of the Listing Rules. The names, brief biographies of the directors and relationship among them are set out on page 14 under Biographies of Directors and Senior Management.

執行董事擁有豐富及廣泛的鞋類分銷業務經驗，而非執行董事及獨立非執行董事則具備相關專業資格及管理專門知識。全體獨立非執行董事透過積極參與董事會會議，在管理涉及潛在利益衝突事務時發揮牽頭引導作用及應邀出任董事會轄下之委員會，從而對本公司作出有效指導以及維護本公司及股東之利益。

於截至二零一二年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事(佔董事會成員人數至少三分之一)，其中最少一名獨立非執行董事須具備合適專業資格及會計及相關財務管理專業知識的規定。

每名獨立非執行董事均有就其獨立性向本公司作出年度確認。根據上市規則第3.13條，本公司認為該等董事均屬獨立人士。各董事之姓名、簡歷及彼此間之關係載於第14頁之「董事及高層管理人員簡歷」內。

Responsibilities and Delegation

The Board is responsible for overall management and control of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advices and services of the company secretary and senior management. Any director may request independent professional advice in appropriate circumstances at the Company's expense, upon making reasonable request to the Board.

The Board has delegated responsibilities to the executive directors and senior management of the Company, including implementing decisions of the Board and directing and co-ordinating day-to-day operation and management of the Company. The delegated functions and responsibilities are periodically reviewed by the Board and approval has to be obtained from the Board prior to any significant transactions are entered.

Directors' and Officers' Liability Insurance

Liability insurance for directors and senior management officers of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties. The scope of coverage of the insurance is subject to review annually.

Chairman and Chief Executive Officer

Mr Chen Ying-Chieh is the Chairman of the Board and the Chief Executive Officer of the Company. This was in deviation from code provision A.2.1 of the Former CG Code and New CG Code which stipulates that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. As Mr Chen has been with the Group for over 20 years and has extensive experience in the footwear distribution industry, the Board believes that it is in the best interest of the Group to have Mr Chen taking up both roles for continuous effective management and business development of the Group. The Board will periodically review the balance of power and authority between the Board and the management of the Company and considers segregating the roles when it thinks appropriate.

責任及授權

董事會負責本公司之整體管理及監控，包括批准及監督一切政策上之事宜、整體策略及預算、內部監控及風險管理制度、重大交易（尤其是可能涉及利益衝突之重大交易）、財務資料、董事委任及其他重大財務及營運事宜。

全體董事可隨時索取所有相關資訊以及得到公司秘書及高層管理人員之意見及幫助。任何董事於向董事會作出合理要求後，可要求於適當情況下尋求獨立專業意見，費用由本公司承擔。

董事會已向本公司之執行董事及高層管理人員作出授權，包括執行董事會之決策，指導及協調本公司之日常營運及管理。董事會定期檢討授權之職能及責任，而於進行任何重大交易前必須先取得董事會之批准。

董事及高級人員之責任保險

本公司已為本公司之董事及高層管理人員購買責任保險，就彼等履行職責時可能引起之任何法律責任提供保障。保險之保障範圍須於每年作出檢討。

主席及行政總裁

陳英杰先生為本公司之董事會主席及行政總裁。此偏離前企業管治守則及新企業管治守則之守則條文第A.2.1條規定，當中列明主席與行政總裁的角色應有區分，並不應由一人同時兼任。由於陳先生已於本集團任職超過二十年，於鞋類分銷行業擁有廣泛經驗，董事會相信，委任陳先生負責本集團之持續有效管理及業務發展符合本集團之最佳利益，董事會將定期檢討董事會與本公司管理層之間權力及權限是否平衡，並於適當時考慮將兩個角色加以區分。

Appointment and Re-election of Directors

All non-executive directors are appointed for a specific term of one or two years. All directors are subject to retirement by rotation at least once every three years and are eligible for re-election at annual general meetings in accordance with the Listing Rules and the articles of association of the Company (the “Articles of Association”). Every director newly appointed by the Board is subject to election at the first general meeting after his/her appointment.

In accordance with code provision A.4.3 of the Former CG Code and New CG Code, the continuing appointment of Mr Huang Shun-Tsai and Mr Kuo Jung-Cheng, who serve as independent non-executive directors of the Company for over 9 years, shall be subject to a separate resolution to be approved by shareholders at the forthcoming annual general meeting.

Directors’ Training and Professional Development

All directors should keep abreast of their collective responsibilities and of the conduct and business activities of the Company. The Company is responsible for arranging and funding suitable training for its directors. Accordingly, the Company has put in place a training and development programme for the directors including: (i) an induction programme on the laws and regulations in relation to directors and the Company, knowledge and current development of the Company, responsibilities and potential liabilities of directors for newly appointed directors; and (ii) an on-going training and professional development programme for directors.

During the year ended 31 December 2012, all directors of the Company participated in reading newspapers and materials relating to roles and responsibilities of directors, and regulatory updates of the Listing Rules amendments and corporate governance development. Mr Chen Ying-Chieh, Mr Chen Tommy Yi-Hsun, Mr Chang Chih-Kai, Mr Chang Chih Chiao, Mr Lee Ted Tak Tai, Mr Kim Jin-Goon and Mr Lau Wai Kei, Ricky attended a seminar about board practice organised by an external professional body.

Board Practices and Conduct of Meetings

The Board meets regularly throughout the year to formulate overall strategy of the Group, monitor its financial performance and maintain effective oversight over the management. Directors may participate either in person or through electronic means of communications. Notice of regular board meetings is served to all directors at least 14 days prior to the meeting. For other board and committee meetings, reasonable notice is generally given.

委任及重選董事

所有非執行董事之任期為一年或兩年之特定年期。所有董事均須根據上市規則及本公司之組織章程細則（「公司組織章程細則」）最少每三年於股東週年大會上輪值退任一次，並符合資格膺選連任。每名獲董事會新委任之董事須於其上任後之首個股東大會接受選舉。

根據前企業管治守則及新企業管治守則之守則條文第A.4.3條，黃順財先生及郭榮振先生擔任本公司之獨立非執行董事超過九年，若繼續委任彼等出任有關職務，須由股東於應屆股東週年大會以獨立決議案形式批准方可作實。

董事之培訓及專業發展

所有董事均須瞭解彼等之共同責任以及本集團之行為及業務活動。本公司負責為其董事安排合適之培訓，並提供培訓資金。因此，本公司已就其董事實行一項培訓及發展計劃，包括：(i)為新任董事提供與董事及本公司有關之法律及法規、本公司之認識及目前發展動態、董事之職責及潛在責任之入職培訓；及(ii)為董事提供持續培訓及專業發展計劃。

於截至二零一二年十二月三十一日止年度，本公司所有董事均有閱讀與董事職責有關之報紙及刊物，以及上市規則修訂及企業管治發展之定期更新資料。陳英杰先生、陳怡勳先生、張智凱先生、張智喬先生、李德泰先生、金珍君先生及劉偉琪先生參加了一個由外部專業機構組織之董事常規研討會。

董事會常規及會議進程

董事會年內定期舉行會議，以制定本集團之整體策略、監察其財務表現及對管理層作出有效監督。董事可親身出席或透過電子媒介參與會議。定期董事會會議之通知會於會議舉行之前至少十四日送達所有董事。其他董事會及委員會會議一般會發出合理通知。

Draft agenda of each board meeting is usually sent to all directors together with the notice of meeting in order to give them an opportunity to include any other matters in the agenda for discussion in the meeting. Board papers together with all appropriate, complete and reliable information are sent to directors at least 3 days before each board meeting to keep the directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Chairman and other relevant senior management normally attend regular board and committee meetings, and where necessary, other board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group. Draft minutes are normally circulated to directors for comment in due course after each meeting and the final copy, which is kept by the company secretary, is open for directors' inspection.

Any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened board meeting. Except for those circumstances permitted by the Articles of Association, a director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration abstains from voting on the relevant resolution and such director is not counted for quorum determination purposes.

Apart from regular board meetings, the Chairman of the Company also held a meeting with the independent non-executive directors without the presence of the executive directors during the year.

Model Code for Securities Transactions

The Company has adopted stringent procedures governing directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All directors of the Company have confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

Employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to the compliance with guidelines on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company during the year.

各董事會會議之草擬議程一般會連同會議通知發送予所有董事，讓彼等有機會將其他事項納入議程中以於會議上討論。董事會文件以及所有合適、完整及可靠之資料均於每次舉行董事會會議前最少三日向所有董事發送，使彼等知悉本集團之最新發展及財務狀況，以便彼等作出知情之決定。董事會及每名董事於有需要時，亦有自行及獨立地接觸高層管理人員之途徑。

主席及其他相關之高層管理人員一般會出席常規董事會及委員會會議，並於有需要時出席其他董事會及委員會會議，就本集團之業務發展、財務及會計事宜、法定合規事宜、企業管治及其他主要方面提供意見。每次會議後一般會於合理時間內向董事發送會議記錄初稿以供董事審閱，而最後定稿由公司秘書保存，可供董事查閱。

任何涉及主要股東或董事利益衝突之重大交易，將在正式召開之董事會會議上由董事會審議及處理。除公司組織章程細則允許之情況外，於任何合約、交易、安排或向董事會提呈以供考慮之任何其他類別之建議中擁有重大權益之董事，將須就相關決議案放棄投票，且有關董事不會被計入為決定法定人數之數目內。

除常規董事會會議外，本公司主席亦於年內與獨立非執行董事舉行一次會議，當時無執行董事在場。

證券交易之標準守則

本公司已遵照上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」），採納監管董事進行證券交易之嚴謹措施。本公司全體董事均已確認，彼等於年內一直遵守標準守則所載規定。

可能持有本集團未經刊發之股價敏感資料之僱員，亦需遵守指引（其條款之嚴謹程度不遜於標準守則）。年內，本公司並不知悉未有遵守有關規定之事件。

BOARD COMMITTEES

The Board has established three committees, the Nomination Committee, the Remuneration Committee and the Audit Committee, to assist it in overseeing the Group's affairs. Each committee has its defined and written terms of reference setting out its duties, powers and functions and are posted on the Company's website and the Stock Exchange's website. The board committees report regularly to the Board on their decisions and recommendations and they are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Nomination Committee

The Nomination Committee of the Company has been established since April 2005 and as of the date of this report consists of the following directors:

Mr Huang Shun-Tsai	Independent Non-executive Director
(Chairman of the Committee)	
Mr Kuo Jung-Cheng	Independent Non-executive Director
Mr Lee Ted Tak Tai	Independent Non-executive Director
Mr Kim Jin-Goon	Non-executive Director
Mr Chen Ying-Chieh	Executive Director

The principal duties of the Nomination Committee are as follows:

- To formulate the nomination policy for the Board's consideration and approval and to implement accordingly
- To review the structure, size and composition of the Board at least annually and make recommendations to the Board on any proposed changes
- To identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individual nominated for directorships
- To identify and nominate candidates to fill casual vacancies (as and when they arise) for the approval of the Board
- To assess the independence of independent non-executive directors
- To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer

董事會轄下委員會

董事會轄下設有三個委員會，分別為提名委員會、薪酬委員會及審核委員會，以協助監督本集團事務。各委員會均設有明確書面職權範圍並清楚界定其職責、權力及職能，並於本公司網站及聯交所網站刊載。各董事會轄下委員會定期向董事會報告其決定及建議，而其亦獲提供足夠資源以履行其職責，並於作出合理要求後，可在適當情況下尋求獨立專業意見，費用由本公司承擔。

提名委員會

本公司之提名委員會於二零零五年四月成立，於本報告日期，成員包括下列董事：

黃順財先生	獨立非執行董事
(委員會主席)	
郭榮振先生	獨立非執行董事
李德泰先生	獨立非執行董事
金珍君先生	非執行董事
陳英杰先生	執行董事

提名委員會之主要職責如下：

- 制定提名政策供董事會考慮及批准，並據此實行
- 每年最少一次審議董事會結構、規模及成員組合，並就任何建議變動向董事會提供建議
- 物色合適人選加入董事會，並甄選個別董事人選或就此向董事會提供建議
- 物色及提名合適人選填補臨時空缺(有需要時)以供董事會批准
- 評估獨立非執行董事之獨立性
- 就委任或重新委任董事以及董事繼任計劃向董事會提供建議(尤其是主席及行政總裁)

During the year, one Nomination Committee meeting was held and the independence of independent non-executive directors was considered and the re-appointment of retiring directors which were approved by the shareholders at the annual general meeting was recommended. The terms of reference of the Nomination Committee were reviewed, revised and approved by the Board on 19 March 2012.

Remuneration Committee

The Remuneration Committee of the Company has been established since April 2005 and as the date of this report consists of the following directors:

Mr Kuo Jung-Cheng (Chairman of the Committee)	Independent Non-executive Director
Mr Huang Shun-Tsai	Independent Non-executive Director
Mr Lee Ted Tak Tai	Independent Non-executive Director
Mr Kim Jin-Goon	Non-executive Director
Mr Chen Ying-Chieh	Executive Director

The principal duties of the Remuneration Committee are as follows:

- To make recommendations to the Board on the Company's policy and structure for remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives
- To determine the remuneration packages of executive directors and senior management, including share option benefits, benefits in kind, pension rights, compensation payments (including compensation for loss or termination of office or appointment)
- In making recommendations and decisions, to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group
- To consult the chairman/chief executive officer about the remuneration proposals for other executive directors
- To make recommendations to the Board on the remuneration of non-executive directors

年內，提名委員會曾舉行一次會議，各委員曾考慮獨立非執行董事之獨立性，並建議重新委任退任董事（經股東在股東週年大會上批准）。董事會已於二零一二年三月十九日審議、修訂及批准提名委員會之職權範圍。

薪酬委員會

本公司薪酬委員會於二零零五年四月成立，於本報告日期，成員包括下列董事：

郭榮振先生 (委員會主席)	獨立非執行董事
黃順財先生	獨立非執行董事
李德泰先生	獨立非執行董事
金珍君先生	非執行董事
陳英杰先生	執行董事

薪酬委員會之主要職責如下：

- 就本公司全體董事及高層管理人員之薪酬政策及架構，以及就設立正規而具透明度之程序以制定薪酬政策，向董事會提供建議
- 參照董事會釐定之公司目標及宗旨，審議及批准管理層之薪酬建議
- 釐定執行董事及高層管理人員之薪酬待遇，包括購股權福利、實物利益、退休金權利及補償款項（包括因喪失或終止職務或委任之補償）
- 考慮可供比較公司支付之薪酬、須付出之時間及其職責、以及本集團內其他職位之僱用條件，以提供建議及作出決定
- 就其他執行董事之薪酬建議徵詢主席／行政總裁
- 就非執行董事之薪酬向董事會提供建議

- To review the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive directors and senior management and in accordance with relevant contractual terms and that any compensation payment shall otherwise be fair and not excessive
- To ensure that no director or any of his or her associates is involved in deciding his or her own remuneration
- To do any things to enable the Committee to discharge its powers and functions conferred on it by the Board
- To advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules
- To exercise such other powers, authorities and discretions, and perform such other duties of the Board in relation to the remuneration of the executive directors and senior management as the Board may from time to time delegate to it, having regard the applicable corporate governance code
- 按照相關合約條款，審議有關執行董事及高層管理人員因喪失或被終止職務或委任或因行為失當而被解僱或罷免所涉及的賠償安排，有關賠償須為公平合理且不致過多
- 確保概無任何董事或其任何聯繫人士參與釐定自身之薪酬
- 採取任何行動讓委員會可履行董事會賦予之權力及職能
- 就任何須按上市規則取得股東批准的董事服務合約應如何進行表決向股東提供建議
- 委員會須於參照適用之企業管治守則後，就執行董事及高層管理人員的薪酬問題，行使董事會不時授權予委員會的其他權力，職權及酌情權，以履行職責

During the year, two Remuneration Committee meetings were held and the remuneration packages of executive directors and senior management were reviewed and considered. The remuneration of directors is pre-determined and is based on their respective contractual terms of appointment, if any, and as recommended by the Remuneration Committee. Details of the remuneration paid/payable to individual directors/the chief executive officer of the Company and senior management of the Group by band during the year are set out in Note 14 to the financial statements. The terms of reference of the Remuneration Committee were reviewed, revised and approved by the Board on 19 March 2012.

年內，薪酬委員會曾舉行兩次會議，各委員已審議及考慮體執行董事及高層管理人員之薪酬待遇。董事酬金已預先根據彼等各自之委任合約條款(如有)及薪酬委員會之建議釐定。年內已付/應付本公司個別董事/行政總裁及本集團高層管理人員之薪酬詳情載於財務報表附註14。董事會已於二零一二年三月十九日審議、修訂及批准薪酬委員會之職權範圍。

Audit Committee

The Audit Committee of the Company as of the date of this report consists of the following directors:

Mr Lee Ted Tak Tai (Chairman of the Committee)	Independent Non-executive Director
Mr Huang Shun-Tsai	Independent Non-executive Director
Mr Kuo Jung-Cheng	Independent Non-executive Director
Mr Kim Jin-Goon	Non-executive Director

審核委員會

於本報告日期，本公司之審核委員會成員包括下列董事：

李德泰先生 (委員會主席)	獨立非執行董事
黃順財先生	獨立非執行董事
郭榮振先生	獨立非執行董事
金珍君先生	非執行董事

The principal duties of the Audit Committee are as follows:

- To consider the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, including both audit and non-audit services, and any questions of resignation or dismissal of the external auditors
- To assess the independence of the external auditors and discuss with the external auditors the nature and scope of the audit and reporting obligations
- To develop and implement policies on the engagement of an external auditor to supply non-audit services and to make recommendations to the Board
- To monitor integrity of the financial statements and reports for publication
- To review the financial controls, internal controls and risk management system of the Group and make recommendations to the Board
- To review the financial and accounting policies and practices
- To review the external auditors' management letter and material queries raised by the auditors to management in respect of accounting records, financial statements or systems of control and management's response
- To report matters required to be performed by the Audit Committee under the applicable corporate governance code

At the meetings held during the year, the Audit Committee had performed the following work:

- Review of the audit plan, terms of engagement of the external auditor and recommend fees for the Board's approval
- Review of the financial information of the Group including the annual and interim financial statements, unaudited quarterly operational information and related documents before submission to the Board for approval
- Review of the management letters and reports issued by the external auditor
- Review the effectiveness of internal control and financial control systems
- Consider and review material related party transactions and connected transactions, if any

During the year, three Audit Committee meetings were held and the executive directors, the management and the external auditors attended to provide necessary information. The terms of reference of the Audit Committee were reviewed, revised and approved by the Board on 19 March 2012.

審核委員會之主要職責如下：

- 考慮委聘、續聘及撤換外聘核數師、批准外聘核數師之酬金及委聘條款（包括審核及非審核服務），以及考慮有關外聘核數師辭任或撤換外聘核數師之任何問題
- 評估外聘核數師之獨立性，並與外聘核數師討論審核性質及範圍以及申報義務
- 制定及履行委聘外聘核數師提供非審核服務之政策，並向董事會提供建議
- 監察本公司財務報表及擬刊發報告之完整性
- 檢討本集團財務監控、內部監控及風險管理制度，以及向董事會提供建議
- 審議財務及會計政策與常規
- 審閱外聘核數師致管理層之函件及核數師就會計記錄、財務報表或監控制度向管理層提出之重大疑問，以及管理層作出之回應
- 就審核委員會須按適用之企業管治守則履行的職務作匯報

於年內舉行之會議上，審核委員會已進行以下工作：

- 審閱外聘核數師之審核計劃、委聘條款及建議費用，以提呈董事會批准
- 於提呈本集團之財務資料供董事會批准前審閱該等資料，包括：年度及中期財務報表、未經審核季度營運資料及相關文件
- 審閱外聘核數師致管理層之函件及報告
- 評估內部監控及財務監控制度之效益
- 考慮及審閱重大關聯方交易及關連交易（如有）

年內，審核委員會共舉行三次會議，執行董事、管理層及外聘核數師均有出席以提供所需資料。於二零一二年三月十九日，董事會已審議、修訂及批准審核委員會之職權範圍。

MEETING ATTENDANCE OF BOARD AND BOARD COMMITTEES' MEMBERS

The attendance of individual members of the Board and board committees at meetings of the Board and board committees and the annual general meeting held in 2012 are as follows:

董事會及董事會轄下委員會成員之會議出席情況

於二零一二年舉行之董事會及董事會轄下委員會會議及股東週年大會之董事會及董事會轄下委員會個別成員出席情況載列如下：

		Number of meetings attended/held 會議出席／舉行會議次數				Annual General Meeting 股東週年大會
		Board 董事會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會	
<i>Executive directors</i>	<i>執行董事</i>					
Mr Chen Ying-Chieh	陳英杰先生	5/5	1/1	2/2		1/1
Mr Chen Tommy Yi-Hsun	陳怡勳先生	5/5				1/1
Mr Chang Chih-Kai	張智凱先生	5/5				1/1
Mr Chang Chih-Chiao	張智喬先生	5/5				1/1
<i>Non-executive director</i>	<i>非執行董事</i>					
Mr Kim Jin-Goon	金珍君先生	5/5	1/1	2/2	3/3	0/1
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Mr Huang Shun-Tsai	黃順財先生	5/5	1/1	2/2	3/3	0/1
Mr Kuo Jung-Cheng	郭榮振先生	5/5	1/1	2/2	3/3	0/1
Mr Lee Ted Tak Tai	李德泰先生	5/5	1/1	2/2	3/3	1/1

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board, supported by management of the Group, is responsible for preparation of financial statements of the Company and the Group. In the preparation of the financial statements, the Hong Kong financial reporting standards have been adopted and the appropriate accounting policies have been consistently applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to shareholders, and make appropriate disclosure and announcements in a timely manner. Management would provide such explanation and information to the Board as will enable it to make an informed assessment of the financial and other information put before the Board for approval.

Internal Control

During the year, the Board has conducted a review of the effectiveness of the internal control system of the Company and its subsidiaries, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function, operational, and compliance controls and risk management function.

問責性及審核

財務申報

董事會於本集團管理層之支持下，負責編製本公司及本集團之財務報表。於編製該等財務報表時，已採納香港財務報告準則，並貫徹應用適當的會計政策。董事會的目的在於就本集團於年報及中期報告中之表現向股東呈列一份清晰及平衡之評估，並及時作出適當披露及公告。管理層將向董事會提供有關解釋及資料，以便董事會能對提呈董事會批准之財務及其他資料作出知情評估。

內部監控

年內，董事會已檢討本公司及其附屬公司內部監控制度之效益，包括資源充足性、員工資格及經驗、培訓課程及本公司之會計預算及財務申報職能、營運及合規控制及風險管理職能。

Independent Auditor and Remuneration

The working scope and reporting responsibilities of PricewaterhouseCoopers, the Company's external auditor, are set out on pages 42 and 43 under "Independent Auditor's Report".

The remuneration paid/payable to the Company's independent auditor, PricewaterhouseCoopers, for the provision of audit and non-audit services for the year were HK\$4,535,000 and HK\$250,000 respectively.

INVESTOR RELATIONS

Communications with Shareholders and Investors

The Board recognises the importance of good communications with its shareholders and potential investors. To promote effective communication, the Company maintains websites at "www.daphne.com.cn" and "www.daphneholdings.com" where extensive information and updates on the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access. Shareholders and investors may express their enquires and concerns to the Company by addressing them to the investor relations department of the Company by letter, telephone, fax or email. Details of the contact information are set out on page 3 of this annual report.

During the year, Mr Kim Jin-Goon, the non-executive director of the Company, Mr Huang Shun-Tsai and Mr Kuo Jung-Cheng, the independent non-executive directors of the Company, were unable to attend the annual general meeting of the Company held on 25 April 2012 due to their unavoidable business engagements. This was in deviation from code provision A.6.7 of the Former CG Code and New CG Code.

The Company continues to enhance communication and relationship with its investors. The Board designates specialised personnel to maintain regular dialogue with institutional investors and analysts to keep them informed of the Group's developments.

獨立核數師及酬金

本公司外部核數師羅兵咸永道會計師事務所之工作範圍及申報責任載於「獨立核數師報告」第42頁及第43頁。

於本年度就所獲提供之審核及非審核服務已付／應付之本公司獨立核數師羅兵咸永道會計師事務所之酬金分別為4,535,000港元及250,000港元。

投資者關係

與股東及投資者之溝通

董事會深明與股東及有意作出投資之人士維持良好溝通之重要性。為促進有效溝通，本集團設有「www.daphne.com.cn」及「www.daphneholdings.com」網站，當中提供有關本集團業務發展及營運、財務資料、企業管治常規守則及其他資料之廣泛資料及最新動態，以供公眾查閱。股東及投資者可透過向本公司投資者關係部門寫信、致電、發送傳真或電郵表達對本公司之質詢及問題。聯絡資料詳情載於本年報第3頁。

年內，本公司非執行董事金珍君先生、本公司獨立非執行董事黃順財先生及郭榮振先生因業務纏身，無法出席本公司於二零一二年四月二十五日召開之股東週年大會。此乃偏離前企業管治守則及新企業管治守則第A.6.7條規定。

本公司繼續改善與投資者之溝通及關係。董事會指定專門人士維持與機構投資者及分析員定期對話，使彼等知悉本集團之發展。

Investor conferences attended in 2012

於二零一二年出席之投資者會議

Date 日期	Event 活動	Organiser 舉辦單位	Location 地點
January 2012 二零一二年一月	Investor Luncheon 投資者午餐會	Piper Jaffray 派傑	Hong Kong 香港
March 2012 二零一二年三月	Roadshow 路演	HSBC 滙豐	Hong Kong 香港
March 2012 二零一二年三月	Roadshow 路演	BOCOM 交通銀行	Hong Kong 香港
March 2012 二零一二年三月	Roadshow 路演	Merrill Lynch 美林	Singapore 新加坡
May 2012 二零一二年五月	Greater China Conference 2012 大中華區投資者會議2012	Macquarie 麥格理	Hong Kong 香港
May 2012 二零一二年五月	The 10th BOCI Investor Conference 第十屆中銀國際投資者會議	BOCI 中銀國際	Beijing 北京
May 2012 二零一二年五月	17th CLSA China Forum 里昂第十七屆中國投資論壇	CLSA 里昂	Beijing 北京
May 2012 二零一二年五月	3rd Annual Hong Kong Investor Summit 第三屆年度香港投資者峰會	Morgan Stanley 摩根士丹利	Beijing 北京
June 2012 二零一二年六月	Consumer Day 2012 消費者企業日2012	UBS 瑞銀	Hong Kong 香港
June 2012 二零一二年六月	9th Annual Piper Jaffray China Growth Conference 第九屆年度派傑中國增長會議	Piper Jaffray 派傑	Hong Kong 香港
August 2012 二零一二年八月	Roadshow 路演	Morgan Stanley 摩根士丹利	Hong Kong 香港
August 2012 二零一二年八月	Roadshow 路演	BOCI 中銀國際	Hong Kong 香港
August 2012 二零一二年八月	Roadshow 路演	CLSA 里昂	Singapore 新加坡
September 2012 二零一二年九月	Greater China Consumer Select Corporate Day 大中華消費企業日	Barclays 巴克萊	Hong Kong 香港
September 2012 二零一二年九月	Greater China Consumer Corporate Day 大中華消費企業日	UOB KayHian 大華繼顯	Taipei 台北
September 2012 二零一二年九月	2012 Greater China Consumer Conference 2012大中華消費行業會議	KGI 凱基證券	Hong Kong 香港
October 2012 二零一二年十月	HSBC 2nd Annual China Consumption Conference 滙豐第二屆年度中國消費行業會議	HSBC 滙豐	Hong Kong 香港
October 2012 二零一二年十月	Greater China CEO Summit 2012 2012大中華區CEO峰會	Goldman Sachs 高盛	Hong Kong 香港
November 2012 二零一二年十一月	Citi China Investor Conference 2012 花旗中國投資者會議2012	Citigroup 花旗	Macau 澳門
November 2012 二零一二年十一月	China Conference 中國會議	Merrill Lynch 美林	Beijing 北京
November 2012 二零一二年十一月	HSBC 4th Annual Asia Investor Forum 滙豐第四屆年度亞洲投資者論壇	HSBC 滙豐	Boston, New York 波士頓, 紐約
November 2012 二零一二年十一月	HSBC Asia Corporate Day 滙豐亞洲企業日	HSBC 滙豐	London 倫敦
November 2012 二零一二年十一月	Hong Kong/China Conference 香港/中國會議	CIMB 聯昌證券	Hong Kong 香港
December 2012 二零一二年十二月	Hong Kong/China Mini Conference 2012 (Consumer) 香港/中國會議2012 (消費行業)	Citigroup 花旗	Hong Kong 香港
December 2012 二零一二年十二月	Greater China Conference 大中華會議	KGI 凱基證券	Taipei 台北
December 2012 二零一二年十二月	Hong Kong Conference 香港會議	JI-Asia 吉亞	Hong Kong 香港

Constitutional Documents

There is no change in the memorandum and articles of association of the Company during the year.

憲章文件

年內本公司組織章程大綱及細則並無變動。

SHAREHOLDERS' RIGHTS

Convening Extraordinary General Meeting and Putting Forward Proposals at General Meetings

Pursuant to Articles of Association, an extraordinary general meeting shall be convened on the written requisition of any two or more members of the Company deposited at the principal place of business of the Company in Hong Kong (17th Floor, Fung House, 19-20 Connaught Road Central, Hong Kong) for the attention of the Board.

The written requisition shall specify the objects of the extraordinary general meeting and signed by the requisitionist(s), provided that such requisitionist(s) held as at the date of deposit of the written requisition not less than one-fourth of the paid up capital of the Company which carries the voting right at general meetings of the Company.

Procedures for Shareholders to propose a person for election as a Director

No person, other than a retiring director of the Company, shall, unless recommended by the directors for election, be eligible for election to the office of director at any general meeting, unless notice in writing by some members (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a director and notice in writing by that person of his willingness to be elected shall have been given the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that the period for lodgement of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

Accordingly, if a shareholder wishes to nominate a person for election as a director at the annual general meeting, he/she/it shall deposit a written notice to that effect at the Company's principal place of business in Hong Kong or at the Company's share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for the attention of the board of directors or the company secretary of the Company. Such notice should include (i) the intention to propose a resolution to elect a nominated candidate as a director at the annual general meeting; (ii) a notice signed by the nominated candidate of the candidate's willingness to be elected; (iii) the nominated candidate's information as required to be disclosed under rule 13.51(2) of the Listing Rules; and (iv) the nominated candidate's written consent to the publication of his/her personal data.

The aforesaid procedures have been published on the Company's website.

股東權利

召開特別股東大會及於股東大會上提呈建議

根據組織章程細則，股東特別大會可藉任何兩名或以上本公司股東以書面呈請遞呈至於本公司之香港主要營業地點（地址為香港干諾道中19-20號馮氏大廈17樓，收件人為董事會）而召開。

書面呈請須說明股東特別大會之目的及由呈請人簽署，惟前提是呈請人於遞呈該書面呈請當日應持有不少於本公司已繳足股本（附有於本公司股東大會上之投票權）四分之一。

股東提名他人參選董事之程序

除獲董事會推薦參選之人士以外，任何人士（本公司退任董事除外）均不符合資格於任何股東大會上獲選為董事，除非有權出席大會並於會上投票並已發出其有意提名該人士參選董事之通知之某股東（非獲提名之人士）以書面發出之通知以及該人士有意參選之書面通知，已向本公司發出，惟發出有關通知之最短期間須至少為七日，且提交有關通知之期間須自進行有關選舉之股東大會通告寄發翌日起計，不遲於至有關大會舉行日期前七日。

因此，倘一名股東有意提名他人於股東週年大會上參選董事，則須於本公司之香港主要營業地點或本公司於香港之股東過戶登記處卓佳秘書商務有限公司（地址為香港皇后大道東28號金鐘滙中心26樓）提交相關意向之書面通知，收件人為本公司董事會或公司秘書。有關通知須包括(i)有意於股東週年大會上提呈推選提名候選人出任董事之決議案；(ii)由獲提名候選人簽署表明其願意參選之通知書；(iii)根據上市規則第13.51(2)條須予披露之獲提名候選人資料；及(iv)獲提名候選人有關刊登其個人資料之同意書。

上述程序已於本公司網站刊登。

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 18 to the financial statements. The Group is principally engaged in the manufacturing, distribution and retailing of footwear, apparel and accessories mainly in China.

SEGMENT INFORMATION

An analysis of the Group’s performance by reportable segments is set out in Note 5 to the financial statements.

RESULTS

The results of the Group for the year ended 31 December 2012 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 44 to 111.

DIVIDENDS

An interim dividend of HK9.0 cents per share, totalling HK\$148,263,000, was paid on 26 September 2012.

The board of directors recommends the payment of a final dividend of HK9.0 cents per share, totalling HK\$148,387,000 in respect of the year ended 31 December 2012.

RESERVES

The distributable reserves of the Company, calculated in accordance with the Companies Laws (Revised) Chapter 22 of the Cayman Islands, as at 31 December 2012 amounted to HK\$705,507,000 (2011: HK\$639,089,000).

Movements in the reserves of the Group and of the Company during the year are set out in Note 29 to the financial statements.

CHARITABLE DONATIONS

Donations made for charitable purposes by the Group during the year amounted to HK\$3,957,000 (2011: HK\$4,184,000).

FIXED ASSETS

During the year, the Group acquired fixed assets of HK\$546,776,000 (2011: HK\$349,669,000). Movements in fixed assets of the Group are set out in Notes 16 and 17 to the financial statements.

董事會報告

本董事會謹此提呈截至二零一二年十二月三十一日止年度之報告，連同本公司及其附屬公司（統稱「本集團」）之經審核財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載於財務報表附註18。本集團主要於中國從事製造、分銷及零售鞋類產品、服飾及配件業務。

分部資料

本集團按可申報分部劃分之表現分析載於財務報表附註5。

業績

本集團截至二零一二年十二月三十一日止年度之業績，以及本公司及本集團於該日之業務狀況載於第44頁至第111頁之財務報表。

股息

中期股息每股9.0港仙，合共148,263,000港元，已於二零一二年九月二十六日派付。

本董事會建議就截至二零一二年十二月三十一日止年度派付末期股息每股9.0港仙，合共148,387,000港元。

儲備

根據開曼群島法例第22章公司法（經修訂）計算，於二零一二年十二月三十一日，本公司可供分派之儲備為705,507,000港元（二零一一年：639,089,000港元）。

本集團及本公司於年內之儲備變動詳情載於財務報表附註29。

慈善捐款

本集團於年內作慈善用途之捐款為3,957,000港元（二零一一年：4,184,000港元）。

固定資產

於年內，本集團購買固定資產546,776,000港元（二零一一年：349,669,000港元）。本集團之固定資產變動詳情載於財務報表附註16及17。

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in Note 27 to the financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 112.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands where the Company is incorporated.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

DIRECTORS

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

EXECUTIVE DIRECTORS

Mr Chen Ying-Chieh (*Chairman & Chief Executive Officer*)

Mr Chen Tommy Yi-Hsun

Mr Chang Chih-Kai

Mr Chang Chih-Chiao

NON-EXECUTIVE DIRECTOR

Mr Kim Jin-Goon

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Huang Shun-Tsai

Mr Kuo Jung-Cheng

Mr Lee Ted Tak Tai

ALTERNATE DIRECTOR

Mr Lau Wai Kei, Ricky (*Alternate Director to Mr Kim Jin-Goon*)

In accordance with Article 99 of the Company's Articles of Association, Mr Chang Chih-Kai, Mr Huang Shun-Tsai and Mr Kuo Jung-Cheng will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

董事會報告

股本

本公司股本於年內之變動詳情載於財務報表附註27。

五年財務概要

本集團於過去五個財政年度之各年業績、資產及負債概要載於第112頁。

優先購買權

本公司之公司組織章程細則及本公司在該地成立之開曼群島法例並無有關優先購買權之條文。

購買、出售或贖回股份

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何股份。

董事

本公司於年內及截至本報告日期之董事如下：

執行董事

陳英杰先生 (*主席兼行政總裁*)

陳怡勳先生

張智凱先生

張智喬先生

非執行董事

金珍君先生

獨立非執行董事

黃順財先生

郭榮振先生

李德泰先生

替任董事

劉偉琪先生 (*金珍君先生之替任董事*)

根據本公司之公司組織章程細則第99條，張智凱先生、黃順財先生及郭榮振先生將於應屆股東週年大會輪值退任，惟彼等符合資格並願意膺選連任。

REPORT OF THE DIRECTORS

All the independent non-executive directors have confirmed their independence pursuant to Rule 3.13 of the Listing Rules and based on such confirmation, the Company is of the opinion that the independence status of the independent non-executive directors remains intact as at 31 December 2012.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographies of directors and senior management are set out on pages 14 to 16.

DIRECTORS' SERVICE CONTRACTS

The term of directorship of each non-executive director is either one year or two years and the term will continue for a successive period of one year or two years unless terminated by either party giving not less than one month's notice to the other party.

None of the directors has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business 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.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2012, the interests of each director in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事會報告

所有獨立非執行董事已根據上市規則第3.13條，就彼等之獨立性作出確認。基於上述確認，本公司認為，截至二零一二年十二月三十一日，所有獨立非執行董事均為獨立人士。

董事及高層管理人員之簡歷

董事及高層管理人員之簡歷載於第14頁至第16頁。

董事之服務合約

非執行董事之董事任期為一年或兩年，除非由任何一方向另外一方發出不少於一個月通知而終止，否則任期會繼續重續一年或兩年。

董事概無與本公司訂立不可於一年內免付賠償(法定補償除外)予以終止服務之服務合約。

董事之合約權益

本公司或其任何附屬公司概無訂立與本集團業務有關，而本公司董事於其中直接或間接擁有重大權益，且於本年度年結日或於年內任何時間仍然有效之重大合約。

董事於本公司股份及相關股份之權益

於二零一二年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條之規定而須予存置之登記冊所記錄，董事於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份中擁有之權益，或已根據標準守則知會本公司及聯交所之權益如下：

Long positions in shares and underlying shares of the Company

於本公司股份及相關股份之好倉

	Number of shares 股份數目			Total 總計	Percentage of issued share capital of the Company 佔本公司 已發行股本 百分比
	Corporate interest 公司權益	Personal interest 個人權益	Underlying interest 相關權益		
Mr Chen Ying-Chieh 陳英杰先生	147,738,920 (Note 1) (附註1)	–	16,000,000 (Note 3) (附註3)	163,738,920	9.93
Mr Chen Tommy Yi-Hsun 陳怡勳先生	170,846,895 (Note 2) (附註2)	1,600,000	2,400,000 (Note 3) (附註3)	174,846,895	10.61
Mr Chang Chih-Kai 張智凱先生	–	–	6,500,000 (Note 3) (附註3)	6,500,000	0.39
Mr Chang Chih-Chiao 張智喬先生	–	–	5,500,000 (Note 3) (附註3)	5,500,000	0.33

Notes:

- Mr Chen Ying-Chieh has beneficial interest in 147,738,920 shares in the Company through Pushkin Holding Limited, a company incorporated in the British Virgin Islands, in which Mr Chen Ying-Chieh holds one-third of the equity interest.
- Mr Chen Tommy Yi-Hsun has beneficial interest in 170,846,895 shares in the Company through Top Glory Assets Limited, a company incorporated in the British Virgin Islands, in which Mr Chen Tommy Yi-Hsun holds one-half of the equity interest.
- These interests represented the interests in underlying shares of the Company in respect of share options granted to the directors on 27 January 2010.

Save as disclosed above and the section “Share option scheme”, as at 31 December 2012, none of the directors or chief executive, nor any of their associates (including their spouses and children under 18 years of age), had any interests in or had been granted, or exercised, any rights to subscribe for shares of the Company and its associated corporations required to be disclosed pursuant to the SFO.

附註：

- 陳英杰先生透過Pushkin Holding Limited擁有本公司147,738,920股股份之實益權益。Pushkin Holding Limited乃於英屬處女群島註冊成立之公司，由陳英杰先生持有三分之一股權。
- 陳怡勳先生透過Top Glory Assets Limited擁有本公司170,846,895股股份之實益權益。Top Glory Assets Limited乃於英屬處女群島註冊成立之公司，由陳怡勳先生持有一半股權。
- 該等股份指於二零一零年一月二十七日授予董事之購股權涉及之本公司相關股份之權益。

除上文及「購股權計劃」一節所披露者外，於二零一二年十二月三十一日，各董事或主要行政人員或彼等之任何聯繫人士（包括彼等之配偶及18歲以下之子女）概無擁有或獲授或行使可認購本公司及其相聯法團之股份之任何權利而須根據證券及期貨條例作出披露。

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in shares or underlying shares in, or debentures of, the Company or its associated corporations.

SHARE OPTION SCHEME

The Company has adopted and amended its share option scheme (the "Share Option Scheme") on 29 May 2003 and 7 December 2009 respectively to provide incentives to the employees, including any executive and non-executive directors and officers of the Company and its subsidiaries, to contribute to the Group and to enable the Group to recruit high-calibre employees and attract and retain human resources that are valuable to the Group. Pursuant to the Share Option Scheme, the directors may, at their discretion, invite eligible participants including employees, executive and non-executive directors, officers, agents or consultants of the Group to take up options to subscribe for the Company's shares subject to the terms and conditions stipulated therein. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years.

The total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme must not in aggregate exceed (i) 10% of the shares of the Company in issue on 17 June 2008, the date of approval of the refreshment of the Share Option Scheme mandate limit by shareholders of the Company after the adoption of the Share Option Scheme on 29 May 2003; or (ii) 30% of the issued share capital of the Company from time to time. No share options may be granted under the Share Option Scheme if this will result in such limit exceeded unless another shareholders' approval is obtained. As at the date of this annual report, the number of shares available for issue, save for those granted but yet to be exercised, under the Share Option Scheme is 91,344,238, representing approximately 5.5% of the total number of shares of the Company in issue. The total number of shares of the Company issued and to be issued upon exercise of share options (including both exercised and outstanding share options) granted in any 12-month period to each participant must not exceed 1% of the shares of the Company in issue.

The exercise price must be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares.

於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事及主要行政人員（包括彼等之配偶及18歲以下之子女）持有本公司或其相聯法團之股份、相關股份或債券之權益或淡倉。

購股權計劃

本公司分別於二零零三年五月二十九日及二零零九年十二月七日採納及修訂購股權計劃（「購股權計劃」），以提供獎勵予僱員（包括本公司及其附屬公司任何執行董事及非執行董事及高級人員），使彼等為本集團作出貢獻，並讓本集團得以招聘及吸納或留聘對本集團而言屬珍貴之優秀人力資源。根據購股權計劃，董事可酌情邀請合資格參與者（包括本集團僱員、執行董事及非執行董事、高級人員、代理或顧問）接納購股權，以按購股權計劃訂明之條款及條件認購本公司股份。除被取消或修改外，購股權計劃將維持十年內有效。

根據購股權計劃所授出之全部購股權獲行使而可能發行之股份總數，合共不得超過(i)於二零零八年六月十七日（於二零零三年五月二十九日採納購股權計劃後，獲本公司股東批准更新購股權計劃授權限額之日期）本公司已發行股份之10%；或(ii)本公司不時之已發行股本之30%。如根據購股權計劃授出之購股權將會超出上述限額，則不得授出購股權，惟倘另外獲得股東批准則除外。於本年報日期，除已授出但尚未行使之購股權外，根據購股權計劃可予發行之股份總數為91,344,238股，佔本公司已發行股份總數約5.5%。每名參與者在任何12個月期間內獲授之購股權（包括已行使及尚未行使之購股權）予以行使時已經及將予發行之本公司股份總數，不得超過本公司已發行股份1%。

行使價不得低於下列最高者：(a)股份於授出日期在聯交所每日報價表所示之收市價；(b)股份在緊接授出日期前五個營業日在聯交所每日報價表所示之平均收市價；及(c)股份面值。

REPORT OF THE DIRECTORS

董事會報告

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1.0 in total by the grantee.

購股權要約可由承授人於要約日期起計28日內經支付合共1.0港元之象徵性代價後接納。

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

購股權並不賦予其持有人收取股息或於股東大會上投票之權利。

Details of movements of the share options granted under the Share Option Scheme for the year ended 31 December 2012 were as follows:

於截至二零一二年十二月三十一日止年度，根據購股權計劃授出之購股權之變動詳情如下：

	Date of grant	Exercise price HK\$	Outstanding at 1 January 2012 於二零一二年 一月一日 未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Outstanding at 31 December 2012 於二零一二年 十二月三十一日 未行使	Exercisable period 行使期間
<i>Executive directors</i>								
<i>執行董事</i>								
Mr Chen Ying-Chieh 陳英杰先生	27 January 2010 二零一零年一月二十七日	6.19	16,000,000	-	-	-	16,000,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至 二零二零年一月二十六日 (Note 7) (附註7)
Mr Chang Chih-Kai 張智凱先生	27 January 2010 二零一零年一月二十七日	6.19	6,500,000	-	-	-	6,500,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至 二零二零年一月二十六日 (Note 7) (附註7)
Mr Chang Chih-Chiao 張智喬先生	27 January 2010 二零一零年一月二十七日	6.19	5,500,000	-	-	-	5,500,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至 二零二零年一月二十六日 (Note 7) (附註7)
Mr Chen Tommy Yi-Hsun 陳怡勳先生	27 January 2010 二零一零年一月二十七日	6.19	4,000,000	-	1,600,000 (Note 5) (附註5)	-	2,400,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至 二零二零年一月二十六日 (Note 8) (附註8)

	Date of grant	Exercise price HKS 行使價 港元	Outstanding at 1 January 2012 於二零一二年 一月一日 未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Outstanding at 31 December 2012 於二零一二年 十二月三十一日 未行使	Exercisable period 行使期間
<i>Employees</i> 僱員								
Ms Chang Wan Hsun (an associate of Mr Chang Chih-Kai and Mr Chang Chih-Chiao) 張婉瑜女士(張智凱先生及 張智喬先生之聯繫人士)	27 January 2010 二零一零年 一月二十七日	6.19	4,000,000	-	-	-	4,000,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至 二零二零年一月二十六日 (Note 8) (附註8)
In aggregate 合計	27 January 2010 二零一零年一月二十七日	6.19	12,675,000	-	2,080,000 (Note 6) (附註6)	1,800,000	8,795,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至 二零二零年一月二十六日 (Note 8) (附註8)
In aggregate 合計	22 July 2010 二零一零年七月二十二日	7.61	1,000,000	-	-	-	1,000,000	1 April 2011 to 21 July 2020 二零一一年四月一日至 二零二零年七月二十一日 (Note 9) (附註9)
In aggregate 合計	22 July 2010 二零一零年七月二十二日	7.61	600,000	-	-	-	600,000	1 April 2011 to 21 July 2020 二零一一年四月一日至 二零二零年七月二十一日 (Note 10) (附註10)
In aggregate 合計	27 January 2011 二零一一年一月二十七日	7.84	2,500,000	-	-	-	2,500,000	27 January 2012 to 26 January 2021 二零一二年一月二十七日至 二零二零年一月二十六日 (Note 8) (附註8)
In aggregate 合計	19 August 2011 二零一一年八月十九日	8.35	1,000,000	-	-	-	1,000,000	19 August 2012 to 18 August 2021 二零一二年八月十九日至 二零二零年八月十八日 (Note 8) (附註8)
In aggregate 合計	28 October 2011 二零一一年十月二十八日	8.30	300,000	-	-	-	300,000	28 October 2012 to 27 October 2021 二零一二年十月二十八日至 二零二零年十月二十七日 (Note 11) (附註11)

	Date of grant	Exercise price HK\$ 行使價 港元	Outstanding at 1 January 2012 於二零一二年 一月一日 未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Outstanding at 31 December 2012 於二零一二年 十二月三十一日 未行使	Exercisable period 行使期間
<i>Employees</i> 僱員								
In aggregate 合計	11 January 2012 二零一二年一月十一日	8.27	-	700,000 (Note 1) (附註1)	-	-	700,000	11 January 2013 to 10 January 2022 二零一三年一月十一日至 二零一二年一月十日 (Note 11) (附註11)
In aggregate 合計	11 January 2012 二零一二年一月十一日	8.27	-	2,500,000 (Note 1) (附註1)	-	-	2,500,000	11 January 2013 to 10 January 2022 二零一三年一月十一日至 二零一二年一月十日 (Note 8) (附註8)
In aggregate 合計	20 March 2012 二零一二年三月二十日	10.132	-	3,300,000 (Note 2) (附註2)	-	-	3,300,000	20 March 2013 to 19 March 2022 二零一三年三月二十日至 二零一二年三月十九日 (Note 8) (附註8)
In aggregate 合計	13 July 2012 二零一二年七月十三日	8.214	-	300,000 (Note 3) (附註3)	-	-	300,000	13 July 2013 to 12 July 2022 二零一三年七月十三日至 二零一二年七月十二日 (Note 11) (附註11)
In aggregate 合計	30 August 2012 二零一二年八月三十日	7.948	-	300,000 (Note 4) (附註4)	-	-	300,000	30 August 2013 to 29 August 2022 二零一三年八月三十日至 二零一二年八月二十九日 (Note 11) (附註11)
<i>Consultant</i> 顧問								
Mr Chen Hsien Min (an associate of Mr Chen Tommy Yi-Hsun) 陳賢民先生(陳怡勳先生之 聯繫人士)	27 January 2010 二零一零年一月二十七日	6.19	12,000,000	-	3,600,000 (Note 5) (附註5)	-	8,400,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至 二零一零年一月二十六日 (Note 12) (附註12)

Notes:

1. The closing price per share immediately before the date of grant is HK\$8.15.
2. The closing price per share immediately before the date of grant is HK\$10.20.
3. The closing price per share immediately before the date of grant is HK\$7.61.
4. The closing price per share immediately before the date of grant is HK\$7.95.
5. The closing price per share immediately before the date of exercise is HK\$11.78.
6. The closing price per share immediately before the dates of exercise is HK\$9.90.
7. 15% of the share options vested or will vest on each of the five anniversary dates of the date of grant and 25% of the share options will vest, subject to certain performance targets determined by the board of directors of the Company, on the fifth anniversary of the date of grant.
8. 20% of the share options vested or will vest on each of the five anniversary dates of the date of grant.
9. One-fifth of the share options will vest on each anniversary with the first tranche starting on 1 April 2011.
10. One-third of the share options will vest on each anniversary with the first tranche starting on 1 April 2011.
11. One-third of the share options vested or will vest on each of the three anniversary dates of the date of grant.
12. 15% of the share options vested or will vest on each of the four anniversary dates of the date of grant and 40% of the share options will vest on the fifth anniversary date of the date of grant.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 31 December 2012, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed under the section "Directors' interests in shares and underlying shares of the Company".

附註：

1. 緊接授出日期前每股股份之收市價為8.15港元。
2. 緊接授出日期前每股股份之收市價為10.20港元。
3. 緊接授出日期前每股股份之收市價為7.61港元。
4. 緊接授出日期前每股股份之收市價為7.95港元。
5. 緊接行使日期前每股股份之收市價為11.78港元。
6. 緊接行使日期前每股股份之收市價為9.90港元。
7. 購股權由授出日期起計五個週年日每年歸屬15%，其餘25%須待本公司董事會將予釐定之若干表現目標達成後，於授出日期起計第五個週年日歸屬。
8. 購股權由授出日期起計五個週年日每年歸屬20%。
9. 購股權由二零一一年四月一日起每個週年日歸屬五分之一。
10. 購股權由二零一一年四月一日起每個週年日歸屬三分之一。
11. 購股權由授出日期起計三個週年日每年歸屬三分之一。
12. 購股權由授出日期起計四個週年日每年歸屬15%，其餘40%於授出日期起計第五個週年日歸屬。

主要股東於本公司股份及相關股份之權益

按本公司根據證券及期貨條例第XV部第336條之規定而須存置之主要股東登記冊所示，於二零一二年十二月三十一日，本公司已獲知會下列主要股東權益（即佔本公司已發行股本5%或以上）。此等權益並不包括在「董事於本公司股份及相關股份之權益」一節下所披露者。

Name	Capacity	Number of shares	Percentage of issued share capital of the Company
名稱	身份	股份數目	佔本公司已發行股本百分比
Long positions			
好倉			
Lucky Earn International Limited	Beneficial interests 實益擁有人	400,719,995 (Note 1) (附註1)	24.31
Premier China, Ltd.	Beneficial interests 實益擁有人	298,510,572 (Note 2) (附註2)	18.11
TPG Asia GenPar V Advisors, Inc.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11
TPG Asia Genpar V, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11
TPG Asia V, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11
TPG Group Holdings (SBS) Advisors, Inc.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11
TPG Group Holdings (SBS), L.P.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11
TPG Holdings I, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11
TPG Holdings I-A, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11
Mr David Bonderman	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11
Mr James G. Coulter	Interests of controlled corporation 受控公司之權益	298,510,572 (Note 2) (附註2)	18.11

Name	Capacity	Number of shares	Percentage of issued share capital of the Company
名稱	身份	股份數目	佔本公司已發行股本百分比
Top Glory Assets Limited	Beneficial interests 實益擁有人	170,846,895 (Note 3) (附註3)	10.37
Mr Chen Tommy Yi-Hsun 陳怡勳先生	Interests of controlled corporation 受控公司之權益	170,846,895 (Note 3) (附註3)	10.37
Ms Chen Jennifer Yi-Chen 陳怡臻女士	Interests of controlled corporation 受控公司之權益	170,846,895 (Note 3) (附註3)	10.37
Pushkin Holding Limited	Beneficial interests 實益擁有人	147,738,920 (Note 4) (附註4)	8.96
Mr Chen Ying-Chieh 陳英杰先生	Interests of controlled corporation 受控公司之權益	147,738,920 (Note 4) (附註4)	8.96
Mr Chen Ying-Tien 陳英典先生	Interests of controlled corporation 受控公司之權益	147,738,920 (Note 4) (附註4)	8.96
Mr Chen Ying-Che 陳英哲先生	Interests of controlled corporation 受控公司之權益	147,738,920 (Note 4) (附註4)	8.96

Notes:

1. Mr Chang Chih-Kai and Mr Chang Chih-Chiao, both executive directors of the Company, and their two sisters have beneficial interests of 26%, 26% and 24% each, respectively, in Lucky Earn International Limited, a company incorporated in the British Virgin Islands.
2. Premier China, Ltd. has subscribed for convertible bonds and warrants of the Company. Upon full conversions of the convertible bonds and full exercise of the warrants, an aggregate of 278,510,572 shares will be issued. Premier China, Ltd. is a subsidiary of TPG Group Holdings (SBS) Advisors, Inc., which is in turn owned 50% each by Mr David Bonderman and Mr James G. Coulter.
3. Mr Chen Tommy Yi-Hsun ("Mr Chen"), an executive director of the Company, and Ms Chen Jennifer Yi-Chen ("Ms Chen") have beneficial interests of 50% each in Top Glory Assets Limited, a company incorporated in the British Virgin Islands. By virtue of the SFO, they are deemed to be interested in 170,846,895 shares of the Company held by Top Glory Assets Limited.
4. Mr Chen Ying-Chieh, the Chairman of the Company, and his two brothers, Mr Chen Ying-Tien and Mr Chen Ying-Che, each has one-third of the beneficial interests of Pushkin Holding Limited. By virtue of the SFO, they are deemed to be interested in the 147,738,920 shares of the Company held by Pushkin Holding Limited.

附註：

1. 本公司執行董事張智凱先生及張智喬先生與彼等兩名姊妹分別擁有在英屬處女群島註冊成立之Lucky Earn International Limited 26%、26%及各24%之實益權益。
2. Premier China, Ltd.已認購本公司可換股債券及認股權證。於可換股債券全面兌換及於認股權證全面行使時，將予發行合共278,510,572股股份。Premier China, Ltd.為TPG Group Holdings (SBS) Advisors, Inc.之附屬公司，而該公司則由David Bonderman先生及James G. Coulter先生各擁有50%。
3. 陳怡勳先生（「陳先生」，本公司之執行董事）及陳怡臻女士（「陳女士」）各自實益擁有在英屬處女群島註冊成立之Top Glory Assets Limited 50%權益。根據證券及期貨條例，彼等被視為在Top Glory Assets Limited所持有之170,846,895股本公司股份中擁有權益。
4. 本公司主席陳英杰先生及彼之兩名兄弟陳英典先生及陳英哲先生各自實益擁有Pushkin Holding Limited三分之一的權益。根據證券及期貨條例，彼等被視為在Pushkin Holding Limited所持有之147,738,920股本公司股份中擁有權益。

REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales during the year attributable to the Group's five largest customers were less than 30% of the Group's total turnover.

The aggregate purchases attributable to the Group's largest and five largest suppliers accounted for approximately 23% and 56%, respectively, of the Group's total purchases for the year.

None of the directors, their associates or any shareholder of the Company which to the knowledge of the directors owns more than 5% of the Company's share capital, had any beneficial interest in the Group's five largest suppliers.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE PRACTICES

Information on the Company's compliance of the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules is set out in the Corporate Governance Report on pages 17 to 29.

SUFFICIENCY OF PUBLIC FLOAT

On the basis of information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed minimum public float required under the Listing Rules.

AUDITOR

PricewaterhouseCoopers shall retire and being eligible, offer itself for re-appointment, and a resolution to effect this will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Chen Ying-Chieh
Chairman

Hong Kong, 20 March 2013

董事會報告

管理合約

年內，本公司概無訂立或訂有任何涉及本公司整體或任何主要部分業務之管理及行政合約。

主要客戶及供應商

年內，本集團五大客戶之銷售總額佔本集團之總營業額少於30%。

年內，本集團向最大供應商及五大供應商作出之採購總額分別佔本集團之採購總額約23%及56%。

各董事、彼等之聯繫人士或據董事所知擁有本公司股本5%以上之本公司股東，概無擁有本集團五大供應商任何實益權益。

遵守企業管治常規守則

本公司遵守上市規則附錄十四所載企業管治常規守則之資料載於第17頁至第29頁之企業管治報告內。

足夠公眾持股量

於本報告日期，根據本公司獲得之公開資料及據本公司董事所知，本公司公眾持股量維持上市規則所規定之最低水平。

核數師

羅兵咸永道會計師事務所將任滿退任，惟符合資格並願意應聘續任，並將於本公司應屆股東週年大會上提呈決議案。

代表董事會

主席
陳英杰

香港，二零一三年三月二十日

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DAPHNE INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Daphne International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 44 to 111, which comprise the consolidated and company balance sheets as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement 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 about whether the consolidated financial statements are free from material misstatement.

獨立核數師報告

獨立核數師報告 致達芙妮國際控股有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第44頁至第111頁達芙妮國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一二年十二月三十一日的綜合及公司資產負債表,及截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表與綜合現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就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報告準則及香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,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。

核數師的責任

我們的責任是根據我們的審計就該等綜合財務報表作出意見,並按照委聘的條款,僅向全體股東報告我們的意見。除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

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

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 of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

OPINION

意見

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一二年十二月三十一日的事務狀況，及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, 20 March 2013

香港，二零一三年三月二十日

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

綜合收益表

截至二零一二年十二月三十一日止年度

		Note	2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
		附註		
Turnover	營業額	5	10,529,100	8,576,762
Cost of sales	銷售成本		(4,300,268)	(3,332,985)
Gross profit	毛利		6,228,832	5,243,777
Other income	其他收入	6	110,073	121,354
Other losses – net	其他虧損 – 淨額	7	(19,786)	(74,203)
Selling and distribution expenses	銷售及分銷開支		(4,410,251)	(3,366,335)
General and administrative expenses	一般及行政開支		(543,968)	(556,026)
Operating profit	經營盈利	8	1,364,900	1,368,567
Finance costs	財務成本	9	(49,436)	(46,907)
Share of (loss)/profit of associates	應佔聯營公司(虧損)/盈利		(8,150)	421
Profit before income tax	除所得稅前盈利		1,307,314	1,322,081
Income tax expense	所得稅開支	10	(332,551)	(377,350)
Profit for the year	年內盈利		974,763	944,731
Attributable to:	以下各方應佔:			
Owners of the Company	本公司擁有人		955,673	933,063
Non-controlling interests	非控制性權益		19,090	11,668
			974,763	944,731
Earnings per share	每股盈利	12		
Basic (HK cents)	基本(港仙)		58.07	56.96
Diluted (HK cents)	攤薄(港仙)		52.94	52.23
Dividends	股息	13	296,650	278,826

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

綜合全面收益表

截至二零一二年十二月三十一日止年度

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Profit for the year	年內盈利	974,763	944,731
Currency translation differences	貨幣匯兌差額	49,982	149,013
Total comprehensive income for the year	年內全面收益總額	1,024,745	1,093,744
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人	1,004,755	1,077,576
Non-controlling interests	非控制性權益	19,990	16,168
		1,024,745	1,093,744

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2012

綜合資產負債表

於二零一二年十二月三十一日

			2012	2011
			二零一二年	二零一一年
		Note	HK\$' 000	HK\$' 000
		附註	千港元	千港元
Non-current assets	非流動資產			
Intangible assets	無形資產	15	115,452	129,926
Land use rights	土地使用權	16	49,747	51,196
Fixed assets	固定資產	17	1,183,584	899,662
Interests in associates	於聯營公司之權益	20	11,055	3,359
Available-for-sale financial asset	可出售金融資產	21	624	16,624
Deposits paid for acquisition of land use rights and fixed assets	收購土地使用權及 固定資產之已付按金		38,841	63,947
Long-term rental deposits and prepayments	長期租金按金及預付款項		194,977	175,564
Deferred income tax assets	遞延所得稅資產	31	111,491	106,469
			1,705,771	1,446,747
Current assets	流動資產			
Inventories	存貨	22	2,368,890	2,058,526
Trade receivables	貿易應收賬款	23	346,696	274,303
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項		1,278,319	926,096
Cash and cash equivalents	現金及現金等價物	24	1,494,759	1,795,744
			5,488,664	5,054,669
Current liabilities	流動負債			
Trade payables	貿易應付賬款	25	865,951	819,131
Other payables and accrued charges	其他應付賬款及應計費用		477,577	563,497
Current income tax liabilities	即期所得稅負債		151,167	250,612
Bank loan – unsecured	銀行貸款 – 無抵押	26	7,268	6,998
			1,501,963	1,640,238
Net current assets	流動資產淨值		3,986,701	3,414,431
Total assets less current liabilities	總資產減流動負債		5,692,472	4,861,178

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2012

綜合資產負債表

於二零一二年十二月三十一日

			2012	2011
			二零一二年	二零一一年
		Note	HK\$'000	HK\$'000
		附註	千港元	千港元
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	27	164,824	164,096
Reserves	儲備	29	4,660,512	3,871,771
			4,825,336	4,035,867
Non-controlling interests	非控制性權益		211,260	195,759
Total equity	總權益		5,036,596	4,231,626
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	30	639,738	605,879
Deferred income tax liabilities	遞延所得稅負債	31	16,048	19,445
Other non-current liability	其他非流動負債		90	90
License fee payables	應付特許使用權費		-	4,138
			655,876	629,552
Total equity and non-current liabilities	總權益及非流動負債		5,692,472	4,861,178

CHEN YING-CHIEH

陳英杰

Director

董事

CHANG CHIH-KAI

張智凱

Director

董事

BALANCE SHEET

AS AT 31 DECEMBER 2012

資產負債表

於二零一二年十二月三十一日

			2012	2011
			二零一二年	二零一一年
		Note	HK\$'000	HK\$'000
		附註	千港元	千港元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	18	368,822	368,822
Current assets	流動資產			
Other receivables	其他應收賬款		264	285
Amount due from a subsidiary	應收一間附屬公司賬款	19	1,272,798	1,209,941
Cash and cash equivalents	現金及現金等價物	24	42	150
			1,273,104	1,210,376
Current liabilities	流動負債			
Other payables and accrued charges	其他應付賬款及應計費用		20,221	58,498
Net current assets	流動資產淨值		1,252,883	1,151,878
Total assets less current liabilities	總資產減流動負債		1,621,705	1,520,700
Equity	權益			
Share capital	股本	27	164,824	164,096
Reserves	儲備	29	817,143	750,725
Total equity	總權益		981,967	914,821
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	30	639,738	605,879
Total equity and non-current liabilities	總權益及非流動負債		1,621,705	1,520,700

CHEN YING-CHIEH

陳英杰

Director

董事

CHANG CHIH-KAI

張智凱

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

綜合權益變動表

截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔			
		Share capital	Reserves	Non- controlling interests	Total
		股本	儲備	非控制性 權益	總計
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
At 1 January 2011	於二零一一年一月一日	163,789	2,960,543	183,271	3,307,603
Profit for the year	年內盈利	–	933,063	11,668	944,731
Currency translation differences	貨幣匯兌差額	–	144,513	4,500	149,013
Total comprehensive income	全面收益總額	–	1,077,576	16,168	1,093,744
Dividends	股息	–	(231,106)	(3,680)	(234,786)
Issue of shares upon exercise of share options	於行使購股權時發行股份	307	18,696	–	19,003
Share-based payment expense	以股份為基礎之付款開支	–	46,061	–	46,061
Write-back of unclaimed dividends	撥回未領取股息	–	1	–	1
Total transactions with owners	與擁有人交易總額	307	(166,348)	(3,680)	(169,721)
At 31 December 2011	於二零一一年十二月三十一日	164,096	3,871,771	195,759	4,231,626
Profit for the year	年內盈利	–	955,673	19,090	974,763
Currency translation differences	貨幣匯兌差額	–	49,082	900	49,982
Total comprehensive income	全面收益總額	–	1,004,755	19,990	1,024,745
Dividends	股息	–	(296,525)	(4,489)	(301,014)
Issue of shares upon exercise of share options	於行使購股權時發行股份	728	44,335	–	45,063
Share-based payment expense	以股份為基礎之付款開支	–	36,173	–	36,173
Write-back of unclaimed dividends	撥回未領取股息	–	3	–	3
Total transactions with owners	與擁有人交易總額	728	(216,014)	(4,489)	(219,775)
At 31 December 2012	於二零一二年十二月三十一日	164,824	4,660,512	211,260	5,036,596

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

綜合現金流量表

截至二零一二年十二月三十一日止年度

			2012 二零一二年	2011 二零一一年
		Note 附註	HK\$' 000 千港元	HK\$' 000 千港元
Operating activities	經營活動			
Cash generated from operations	營運產生之現金	32	873,241	609,946
Income tax paid	已付所得稅		(441,943)	(367,311)
Net cash generated from operating activities	經營活動產生之現金淨額		431,298	242,635
Investing activities	投資活動			
Dividend received from an associate	已收一間聯營公司股息		212	550
Interest received	已收利息		43,047	63,143
Purchase of fixed assets	購置固定資產		(521,009)	(391,693)
Proceeds from disposal of fixed assets	出售固定資產收款		3,130	2,171
Decrease in bank deposit with maturity over three months	存款期超過三個月之銀行存款減少		-	35,385
Acquisition of license rights	收購特許使用權		-	(1,966)
Acquisition of additional interest in an available-for-sale financial asset	收購可出售金融資產之額外權益		-	(15,313)
Net cash outflow from acquisition of subsidiaries	收購附屬公司之現金流出淨額		-	(15,000)
Net cash used in investing activities	投資活動所用之現金淨額		(474,620)	(322,723)
Financing activities	融資活動			
Dividends paid	已付股息		(296,525)	(231,106)
Dividends paid to non-controlling interest of subsidiaries	已付附屬公司非控制性權益股息		(4,489)	(3,680)
Interest paid	已付利息		(21,364)	(22,244)
Proceeds from issue of shares upon exercise of share options	於行使購股權時發行股份之收款		45,063	19,003
Repayment of bank loan	償還銀行貸款		-	(3,974)
Net cash used in financing activities	融資活動所用之現金淨額		(277,315)	(242,001)
Decrease in cash and cash equivalents	現金及現金等價物減少		(320,637)	(322,089)
Cash and cash equivalents as at 1 January	於一月一日之現金及現金等價物		1,795,744	2,024,289
Effect of foreign exchange rate changes	匯率變動影響		19,652	93,544
Cash and cash equivalents as at 31 December	於十二月三十一日之現金及現金等價物	24	1,494,759	1,795,744

1 GENERAL INFORMATION

Daphne International Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) is principally engaged in the manufacturing, distribution and retailing of footwear, apparel and accessories in China and export sales with major market in the United States of America (the “US”).

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

These consolidated financial statements have been approved for issue by the board of directors on 20 March 2013.

2 PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset, financial assets and financial liabilities at fair value through profit or loss.

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

(i) Standards and amendments effective and adopted by the Group in 2012

HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Transfers of Financial Assets

The adoption of these amendments has no material impact on the consolidated financial statements of the Group.

1 一般資料

達芙妮國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）於中國從事製造、分銷及零售鞋類產品、服飾及配件業務，及主要外銷至美利堅合眾國（「美國」）。

本公司為於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司上市。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

此綜合財務報表已於二零一三年三月二十日經董事會批准刊行。

2 主要會計政策

編製此綜合財務報表時所採用之主要會計政策載於下文。除另有註明外，該等政策貫徹應用於全部列示之年份。

(a) 編製基準

綜合財務報表乃按照香港會計師公會頒佈之所有適用香港財務報告準則（「香港財務報告準則」）編製。綜合財務報表乃按歷史成本法編製，並就重估可出售金融資產及按公平價值計入損益之金融資產及金融負債作出調整。

編製符合香港財務報告準則之財務報表需要運用若干關鍵會計估計。管理層亦須在應用本集團之會計政策時作出判斷。涉及高度判斷或複雜性之範疇，或對綜合財務報表屬重大假設及估計之範疇於附註4內披露。

(i) 於二零一二年生效及為本集團採納之準則及修訂

香港會計準則第12號(修訂本)	遞延稅項：收回相關資產
香港財務報告準則第1號(修訂本)	首次採納香港財務報告準則—嚴重通脹及剔除首次採納者之固定日期
香港財務報告準則第7號(修訂本)	金融工具：披露—轉讓金融資產

採納有關修訂對本集團之綜合財務報表並無重大影響。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策(續)

(a) Basis of preparation (Continued)

(ii) Standards, amendments and interpretations to existing standards that have been issued but are not yet effective nor been adopted by the Group in 2012

HKAS 1 (Amendment)	Presentation of Financial Statements ¹
HKAS 19 (2011)	Employee Benefits ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Liabilities ³
HKFRS 1 (Amendment)	Government Loans ²
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Liabilities ²
HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures – Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ²
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities ³
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ²
Fourth Annual Improvements Project (2011)	Improvements to HKFRSs published in June 2012 ²

(a) 編製基準(續)

(ii) 於二零一二年已頒佈但尚未生效而本集團亦未有採納之準則、現有準則修訂及詮釋

香港會計準則第1號(修訂本)	財務報表之呈列 ¹
香港會計準則第19號(二零一一年)	僱員福利 ²
香港會計準則第27號(二零一一年)	獨立財務報表 ²
香港會計準則第28號(二零一一年)	於聯營公司及合營企業之投資 ²
香港會計準則第32號(修訂本)	金融工具：呈列－抵銷金融資產及金融負債 ³
香港財務報告準則第1號(修訂本)	政府貸款 ²
香港財務報告準則第7號(修訂本)	金融工具：披露－抵銷金融資產及金融負債 ²
香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	金融工具：披露－香港財務報告準則第9號之強制性生效日期及過渡性披露 ⁴
香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	聯合安排 ²
香港財務報告準則第12號	披露於其他實體之權益 ²
香港財務報告準則第13號	公平價值之計量 ²
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本)	綜合財務報表、聯合安排及披露於其他實體之權益：過渡指引 ²
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本)	投資實體 ³
香港(國際財務報告詮釋委員會)－詮釋第20號	露天礦場生產階段之剝採成本 ²
第四份年度改進項目(二零一一年)	於二零一二年六月頒佈之香港財務報告準則之改進 ²

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策 (續)

(a) Basis of preparation (Continued)

(ii) Standards, amendments and interpretations to existing standards that have been issued but are not yet effective nor been adopted by the Group in 2012 (Continued)

- ¹ Effective for accounting periods beginning on or after 1 July 2012
- ² Effective for accounting periods beginning on or after 1 January 2013
- ³ Effective for accounting periods beginning on or after 1 January 2014
- ⁴ Effective for accounting periods beginning on or after 1 January 2015

HKFRS 10, Consolidated Financial Statements, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is in the process of assessing HKFRS 10's full impact and intends to adopt HKFRS 10 no later than the accounting period beginning on or after 1 January 2013.

HKFRS 12, Disclosures of Interests in Other Entities, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is in the process of assessing HKFRS 12's full impact and intends to adopt HKFRS 12 no later than the accounting period beginning on or after 1 January 2013.

The adoption of the above new/revised HKFRSs may affect the presentation and disclosure of the financial statements and management anticipates that there will be no significant impact on the results and the financial position of the Group.

(a) 編製基準 (續)

(ii) 於二零一二年已頒佈但尚未生效而本集團亦未有採納之準則、現有準則修訂及詮釋 (續)

- ¹ 於二零一二年七月一日或之後開始之會計期間生效
- ² 於二零一三年一月一日或之後開始之會計期間生效
- ³ 於二零一四年一月一日或之後開始之會計期間生效
- ⁴ 於二零一五年一月一日或之後開始之會計期間生效

香港財務報告準則第10號「綜合財務報表」建基於現有原則上，認定某一主體是否應包括在母公司的綜合財務報表內時，控制權概念為一項決定性因素。此準則提供額外指引，在難以評估的情況下協助釐定控制權。本集團目前正在評估香港財務報告準則第10號的全面影響，並有意不遲於二零一三年一月一日或之後開始的年度期間採納香港財務報告準則第10號。

香港財務報告準則第12號「於其他實體權益之披露」包含在其他實體所有形式的權益的披露規定，包括聯合安排、聯營、特別目的工具實體以及其他資產負債表外工具。本集團目前正在評估香港財務報告準則第12號的全面影響，並有意不遲於二零一三年一月一日或之後開始的會計期間採納香港財務報告準則第12號。

採納以上新訂／經修訂香港財務報告準則或會對財務報表之呈列和披露構成影響，管理層預期這對本集團之業績及財務狀況不會構成重大影響。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation

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

(i) Subsidiaries

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

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

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

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

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

2 主要會計政策(續)

(b) 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(i) 附屬公司

附屬公司為所有本集團有權監管其財務及營運政策之實體，一般持有佔過半數投票權之股權。於評估本集團是否控制另一實體時，會考慮目前可行使或可轉換之潛在投票權存在與否及其影響。附屬公司由其控制權轉讓予本集團之日起全面綜合入賬，並由該控制終止之日起終止綜合入賬。

本集團採用會計收購法計算業務合併。收購附屬公司的轉讓代價為所轉讓資產、所產生負債及本集團所發行股本權益的公平價值。所轉讓代價包括或然代價安排產生的任何資產或負債的公平價值。收購相關成本於產生時列為開支。於業務合併時所收購的可辨別資產及所承擔的負債及或然負債，初步按收購日的公平價值計量。按逐項收購基準，本集團以公平價值或非控制性權益按比例應佔被收購方已確認可辨別資產淨值，確認被收購方非控制性權益。

於附屬公司的投資乃以成本減減值的方法入賬。成本會調整以反映因或然代價修訂產生的代價變動。成本亦包括投資的直接應佔費用。附屬公司之業績由本公司按股息及應收款項入賬。

被收購方的任何非控制性權益金額及任何先前於被收購方的股本權益於收購日期的公平價值超出所收購之可辨別資產淨值之公平價值的差額，即為過剩的轉讓代價，將列作商譽。倘在廉價購入的情況下，該數額低於所收購附屬公司資產淨值之公平價值，則有關差額將直接在綜合收益表內確認。

集團內公司之間的交易、交易的結餘及未變現收益已予以對銷。未變現虧損亦予以對銷。附屬公司的會計政策已按需要變更，以確保與本集團採用的政策符合一致。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策 (續)

(b) Consolidation (Continued)

(ii) Transactions with non-controlling interests

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

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

(iii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

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

The Group's share of associates' post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Since 1 January 2012, the Group had significant influence over an equity investment in Mainland China previously classified as an available-for-sale financial asset. Accordingly, the equity investment in Mainland China had been classified as an investment in an associate (Note 20).

(b) 綜合賬目 (續)

(ii) 非控制性權益交易

本集團將其與非控制性權益進行的交易視為與本集團擁有人之間進行的交易。向非控制性權益採購，所支付的任何代價與所收購的附屬公司資產淨值賬面值的相關應佔部分的差額，於權益中入賬。向非控制性權益進行出售所產生的盈虧亦於權益入賬。

倘本集團不再擁有控制權或重大影響力，其於該實體之任何保留權益按其公平價值重新計量，而賬面值變動則於收益表中確認。就列作聯營公司或金融資產之保留權益之其後入賬，以公平價值作初始賬面值。此外，先前於其他全面收益內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收益內確認之金額重新分類至收益表。

(iii) 聯營公司

聯營公司指本集團可對該公司行使重大影響力但並非控制權之公司，一般持有佔其投票權20%至50%之股權。於聯營公司之投資按權益會計法入賬，初步按成本值確認，惟賬面值將會增減以確認投資者在收購日期後佔被投資方損益的比例。

倘於聯營公司之所有權權益減少，而重大影響力獲保留，則先前於其他全面收益內確認之金額僅有一定比例部分重新分類至收益表(如適用)。

本集團應佔聯營公司之收購後盈利或虧損乃於綜合收益表確認，而應佔收購後儲備變動則於儲備(連同對投資賬面值作出的相應調整)內確認。倘本集團應佔聯營公司之虧損相等於或超出其於該聯營公司之權益(包括任何其他無抵押應收賬款)，則本集團不會進一步確認虧損，除非本集團已代表該聯營公司承擔法定或推定責任或已替該聯營公司付款。

自二零一二年一月一日起，本集團對位於中國內地且先前被分類為可供出售金融資產之一項股權投資具有重大影響力。因此，於中國內地之股權投資已分類為於一間聯營公司之投資(附註20)。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策(續)

(c) Foreign currency translation

(i) Functional and presentation currency

Each of the Group's entities determines its own functional currency and items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar ("HKD"), which is different from the Company's functional currency of Renminbi ("RMB"). The directors consider that the presentation of consolidated financial statements in HKD will facilitate the interpretation and understanding of financial information of the Group.

(ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement within other losses – net.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the consolidated income statement, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are recognised in the consolidated income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

(c) 外幣換算

(i) 功能及呈報貨幣

本集團實體各自釐定其功能貨幣。本集團各實體之財務報表內包括之項目乃以有關實體業務所在主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以有別於本公司功能貨幣(人民幣)之港元列值。董事認為，以港元列示綜合財務報表有助詮釋及理解本集團之財務資料。

(ii) 交易及結餘

外幣交易乃以交易日期之匯率換算為功能貨幣。結算該等交易及按年結日之匯率換算以外幣計值之貨幣資產及負債產生之匯兌收益及虧損會於綜合收益表確認。

與借貸、現金及現金等價物有關之匯兌收益及虧損於綜合收益表內財務成本中呈列。所有其他匯兌收益及虧損於綜合收益表內其他虧損－淨額中呈列。

以外幣計值並列作可出售之貨幣證券公平價值變動根據證券攤銷成本變動而產生之匯兌差額與證券賬面值其他變動分析。有關攤銷成本變動之匯兌差額於綜合收益表確認，而賬面值其他變動則於權益確認。

非貨幣金融資產及負債之匯兌差額於綜合收益表確認為公平價值收益或虧損之一部分。非貨幣金融資產(如分類為可出售權益)之匯兌差額列入權益之可出售儲備。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策 (續)

(c) Foreign currency translation (Continued)

(iii) Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each consolidated income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

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

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

(d) Segment reporting

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

(c) 外幣換算 (續)

(iii) 集團公司

功能貨幣有別於呈報貨幣之所有集團內部實體 (並不涉及嚴重通脹經濟體系之貨幣) 之業績及財務狀況會按以下方式換算為呈報貨幣:

- 各資產負債表所呈報資產及負債按該資產負債表日期之收市匯率換算;
- 各綜合收益表內之收入及開支按平均匯率換算; 及
- 所有由此產生之匯兌差額確認為一項獨立之權益項目。

於綜合賬目時, 換算海外業務投資淨額以及借貸及設定對沖該等投資之其他貨幣工具所產生之匯兌差額於股東權益內處理。當部分出售或售出海外業務時, 此匯兌差額會於綜合收益表確認為出售收益或虧損一部分。

收購海外實體產生之商譽及公平價值調整均列作該海外實體之資產及負債, 並按收市匯率換算。

(d) 分部報告

經營分部之申報方式與向主要經營決策者提供之內部報告一致。本公司執行董事已獲辨識為負責分配資源及評估經營分部業績的主要經營決策者, 並作出策略性決定。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策(續)

(e) Intangible assets

(i) Goodwill

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

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

(ii) License rights

Separately acquired license rights are stated at historical cost less accumulated amortisation and accumulated impairment losses, if any. They are initially measured as the fair value of the consideration given to acquire the license at the time of the acquisition. The consideration given represents expected variable payments based on predetermined criteria on future revenues from the licensed business that can be reliably estimated at the time of the acquisition.

License rights are amortised on a straight-line basis over the period of the rights of 5 to 30 years. Amortisation is included in general and administrative expenses in the consolidated income statement.

(iii) Trademarks

Separately acquired trademarks are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Trademarks acquired in a business combination are recognised initially at fair value at the acquisition date and subsequently carried at the amount initially recognised less accumulated amortisation and accumulated impairment losses, if any. Amortisation of trademarks that have definite useful lives is calculated using the straight-line method to allocate the costs of acquired trademarks and patents over their estimated useful lives of 20 years. Amortisation is included in general and administrative expenses in the consolidated income statement.

(e) 無形資產

(i) 商譽

商譽指收購成本超過於收購日期本集團應佔所收購附屬公司之可識別資產淨值之公平價值。收購附屬公司之商譽包括在無形資產內。獨立確認之商譽會每年進行減值測試，並按成本值減累計減值虧損(如有)列賬。商譽之減值虧損不會撥回。出售某個實體之收益或虧損包括與被出售實體有關之商譽之賬面值。

就減值測試而言，商譽會分配至現金產生單位。商譽分配至預期可從產生商譽之業務合併中受惠之一組或多組現金產生單位。

(ii) 特許使用權

單獨收購之特許使用權按歷史成本值減累計攤銷及累計減值虧損(如有)列賬，初步按收購時就收購特許使用權所付代價之公平價值計量。所付代價指根據特許業務未來收益之預設條件而釐定且於收購當時能可靠估算之預計可變付款。

特許使用權於權利使用年期5至30年內以直線法攤銷。攤銷計入綜合收益表之一般及行政開支內。

(iii) 商標

單獨收購的商標按成本扣除累計攤銷及減值虧損(如有)列值。於企業合併時所收購的商標最初按於收購日的公平價值列值，其後按其初始列值數額扣除累計攤銷及累計減值虧損(如有)列值。有特定使用年限的商標的攤銷以直線法計算，於20年的估計可使用年期內攤分已收購商標及專利的成本。攤銷計入綜合收益表之一般及行政開支內。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策 (續)

(f) Land use rights

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Cost mainly represents the consideration paid for the right to use the land on which various plants and buildings are situated for a period of 10 to 50 years from the date the respective right was granted. Amortisation of land use rights is calculated on a straight-line basis over the period of the rights.

(g) Fixed assets

Fixed assets, which comprise buildings, leasehold improvements, construction-in-progress, plant and machinery, furniture, fixtures and equipment and motor vehicles, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of fixed assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 to 50 years
Leasehold improvements	1 to 3 years
Plant and machinery, furniture, fixtures and equipment and motor vehicles	5 years

Construction-in-progress represents fixed assets under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings and the costs of plant and machinery. No depreciation is charged on construction-in-progress until such time as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to fixed assets and depreciated in accordance with the policy stated above.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(f) 土地使用權

土地使用權按成本值減累計攤銷及累計減值虧損(如有)列賬。成本值主要指就廠房及樓宇所在地之土地使用權而已支付之代價,而有關土地使用權由授出日期起計為期10至50年。攤銷土地使用權乃按使用權期間以直線法計算。

(g) 固定資產

固定資產包括樓宇、租賃物業裝修、在建工程、廠房及機器、傢俱、固定裝置與設備及汽車,按歷史成本值減累計折舊及累計減值虧損(如有)列賬。歷史成本值包括收購有關項目之直接應佔開支。

本集團僅於資產未來可能產生之經濟利益將流入本集團以及能可靠計量該項目成本時,將其後成本列入資產賬面值或確認為獨立資產(視情況而定)。更換部分之賬面值會解除確認。所有於財政期間產生之其他維修及保養費用在綜合收益表列支。

固定資產之折舊按其估計可使用年期以直線法將成本分攤至其剩餘價值計算如下:

樓宇	20至50年
租賃物業裝修	1至3年
廠房及機器、傢俱、固定裝置及設備及汽車	5年

在建工程指興建中及有待安裝之固定資產,乃按成本值減累計減值虧損(如有)列賬。成本值包括樓宇之建造成本及廠房及機器之成本。於有關資產完工及可作擬定用途前,不會就在建工程作出折舊。當有關資產可予使用時,成本值將根據上述政策轉撥為固定資產及計提折舊。

於各個結算日,本集團會檢討資產之剩餘價值及可使用年期,並作出適當調整。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(g) Fixed assets (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(h)).

Gains or losses on disposals of fixed assets, the difference between the net sales proceeds and the carrying amount of the relevant assets, are recognised in the consolidated income statement.

(h) Impairment of assets

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

(i) Financial assets Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables comprise trade receivables and other receivables (Note 2(k)), deposits and cash and cash equivalents (Note 2(l)) in the balance sheet.

2 主要會計政策(續)

(g) 固定資產(續)

倘資產之賬面值超過其估計可收回金額，則即時撇減其賬面值至其可收回金額(附註2(h))。

出售固定資產之收益或虧損為出售收款淨額與有關資產賬面值之差額，會於綜合收益表內確認。

(h) 資產減值

具無限可用年期或尚未可供使用之資產毋須攤銷，惟每年進行一次減值測試。須攤銷之資產於出現顯示可能無法收回賬面值之事件或狀況變動時進行檢討。倘資產賬面值超出其可收回金額，則會按該款額確認減值虧損。可收回金額為資產公平價值減出售成本或使用價值(以較高者為準)。評估減值時，資產乃按可個別識別現金流量(現金產生單位)之最低層次組合。已出現減值之資產(除商譽外)於各結算日檢討是否可能撥回減值。

(i) 金融資產分類

本集團將其金融資產分類為：按公平價值計入損益之金融資產、貸款及應收賬款，以及可出售金融資產。分類視乎購入金融資產之目的而定。管理層於初步確認時釐定其金融資產之分類。

(i) 按公平價值計入損益之金融資產

按公平價值計入損益之金融資產為持作買賣金融資產。倘收購旨在於短期內出售，則分類為此金融資產類別。除非指定作對沖用途，否則衍生工具分類為持作買賣類別。屬於此類別之資產分類為流動資產。

(ii) 貸款及應收賬款

貸款及應收賬款為並無於活躍市場掛牌而有固定或可釐定款額之非衍生金融資產。貸款及應收賬款計入流動資產，惟到期日為結算日起計12個月以後者除外。此等貸款及應收賬款分類為非流動資產。貸款及應收賬款包括資產負債表之貿易應收賬款及其他應收賬款(附註2(k))、按金及現金及現金等價物(附註2(l))。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策 (續)

(i) Financial assets (Continued)

(iii) Available-for-sale financial assets

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

Recognition and measurement

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

Gains or losses arising from changes in the fair value of financial assets classified under financial assets at fair value through profit or loss are presented in the consolidated income statement within other losses – net in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in consolidated income statement; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

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

(i) 金融資產 (續)

(iii) 可出售金融資產

可出售金融資產為指定列入此類別或並無分類為任何其他類別之非衍生工具。除非管理層有意於結算日起計12個月內出售投資，否則可出售金融資產計入非流動資產。

確認及計量

金融資產之定期買賣於買賣日期確認，買賣日期即本集團承諾買賣資產之日期。非按公平價值計入綜合損益之所有金融資產投資初步按公平價值加交易成本確認。按公平價值計入損益之金融資產初步按公平價值確認，而交易成本則於綜合收益表支銷。自投資收取現金流量之權利屆滿或轉讓，且本集團已轉讓所有權絕大部分風險及回報時，將會解除確認金融資產。可出售金融資產及按公平價值計入損益之金融資產其後按公平價值列賬。貸款及應收賬款以實際利率法按攤銷成本列賬。

由被分類為按公平價值計入損益之金融資產之公平價值變動而產生之收益或虧損，均於產生期間在綜合收益表列作其他虧損一淨額。按公平價值計入損益之金融資產之股息收入於確立本集團收取款項之權利時，在綜合收益表確認為其他收入之一部分。

以外幣計值並分類為可出售之貨幣證券之公平價值之變動，會就該證券之已攤銷成本變動產生之匯兌差額及該證券賬面值之其他變動進行分析。貨幣證券之匯兌差額於綜合收益表確認，而非貨幣證券之匯兌差額則於權益中確認。分類為可出售之貨幣證券及非貨幣證券公平價值之變動均於權益中確認。

當分類為可出售之證券售出或減值時，已於權益確認之累計公平價值調整計入綜合收益表，列作可出售金融資產之收益或虧損。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (Continued)

Recognition and measurement (Continued)

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

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement – is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. Impairment test on trade receivables is described in Note 2(k).

Offsetting financial instruments

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

(j) Inventories

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

2 主要會計政策(續)

(i) 金融資產(續)

確認及計量(續)

可出售股本工具之股息於確立本集團收取款項之權利時，在綜合收益表確認為其他收入之一部分。

上市金融資產公平價值以現行買入價計算。倘金融資產之市場並不活躍(及就非上市證券而言)，本集團以估值方法確定公平價值，包括採用近期公平交易、參考大致相同之其他工具、貼現現金流量分析及期權定價模式，盡量採用市場數據及盡可能減少依賴視個別實體而定之數據。

本集團於每個結算日評估有否客觀證據顯示金融資產或一組金融資產已減值。就分類為可出售之股本證券而言，若證券之公平價值大幅或長期降至低於其成本值，則顯示證券有減值跡象。倘可出售金融資產出現任何該等跡象，累計虧損(按收購成本與現行公平價值間差額減早前於綜合收益表確認之金融資產任何減值虧損計量)自權益中剔除及於綜合收益表確認。於綜合收益表確認之股本工具減值虧損，不會透過綜合收益表回撥。貿易應收賬款之減值測試載於附註2(k)。

抵銷金融工具

倘有抵銷已確認金額的可依法強制執行權利，且有意按淨額基準結算或變現資產並同時結算負債時，則金融資產與負債將相互抵銷，淨額於資產負債表內呈報。

(j) 存貨

存貨包括原材料、在製品及製成品，按成本值或可變現淨值兩者之較低者入賬。成本值按加權平均法計算，包括物料成本、直接工資、其他直接成本及有關生產之經常開支(根據一般營運能力)，惟不包括借貸成本。可變現淨值按日常業務之估計售價減適用之不定額銷售開支釐定。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策 (續)

(k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the loss upon provision made is recognised in the consolidated income statement. When a trade receivable is proven uncollectible, it is written off against the provision for impairment of trade and other receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, time deposits and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(m) Share capital

Ordinary shares are classified as equity.

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

(n) Trade payables

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

(o) Borrowings

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

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

(k) 貿易及其他應收賬款

貿易及其他應收賬款初步按公平價值確認，其後以實際利率法按攤銷成本，扣除減值撥備計算。貿易及其他應收賬款乃於有客觀憑證證明本集團將無法根據應收賬款原訂條款收回所有到期款項時，確立減值撥備。債務人出現重大財務困難、債務人可能破產或進行財務重組及欠繳或未能償還款項，均被視為貿易應收賬款出現減值之指標。撥備款額乃資產賬面值與按原有實際利率貼現之估計未來現金流量現值之差額，虧損撥備金額於綜合收益表確認。當貿易應收賬款被證實為不可收回時，其將在貿易及其他應收賬款減值撥備中予以撇銷。倘日後收回過往所撇銷之金額，將把有關金額計入綜合收益表。

(l) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款、定期存款及其他原訂於三個月或以內到期之短期高流通量投資，以及銀行透支。銀行透支於資產負債表內之流動負債列作借貸。

(m) 股本

普通股分類為股本。

發行新股份或購股權所增加之直接成本於權益中列為所得款項之扣減項目(扣除稅項)。

(n) 貿易應付賬款

貿易應付賬款首先按公平價值確認，其後以實際利率法按攤銷成本計量。

(o) 借貸

借貸初步以公平價值確認(扣除所產生交易成本)。借貸其後以攤銷成本列賬；收款(扣除交易成本)與贖回價值之間之差額，乃以實際利率法於借貸期間在綜合收益表確認。

借貸歸類為流動負債，除非本集團有無條件權利將債項還款期延長至結算日起計最少12個月後則除外。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(p) Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holders, where the number of shares that would be issued on conversion and the value of the consideration that would be received do not vary, are accounted for as compound financial instruments which contain both a liability and an equity component.

At initial recognition, the liability component of the convertible bonds is determined using a market interest rate for an equivalent non-convertible bond. The remainder of the proceeds is allocated to the conversion option as equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion or maturity. The equity component is recognised in equity, net of any tax effects.

When the bond is converted, the relevant equity component and the carrying amount of the liability component at the time of conversion are transferred to share capital and share premium for the shares issued. When the bond is redeemed, the relevant equity component is transferred to retained profits.

(q) Current and deferred income taxes

Income taxes for the year comprise current and deferred tax. Income tax is recognised in the consolidated income statement except that it relates to items recognised directly in equity and in which case it is recognised in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries/places where the Company and its subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策(續)

(p) 可換股債券

可換股債券可按持有人選擇兌換為權益股本，在兌換時將發行之股份數目及將收取之代價價值不會改變，並列作包含負債及權益部份之複合金融工具入賬。

於首次確認時，可換股債券之負債部份按相等之不可換股債券的市場息率釐定。所得款項餘額分配至兌換選擇權並作為權益部份。有關發行複合金融工具之交易成本按所得款項之比例分配至負債及權益部份。

負債部份其後按攤銷成本列賬，並以實際利率法計算，直至獲兌換或到限期時為止。權益部份於扣除任何稅項影響後於權益確認。

當債券獲兌換時，有關權益部份以及於兌換時負債部份之賬面值轉入所發行股份之股本及股份溢價。當債券獲贖回時，有關權益部份轉入保留盈利。

(q) 即期及遞延所得稅

本年度所得稅包括即期及遞延稅項。所得稅於綜合收益表確認，除與直接於權益確認之項目相關之所得稅會於權益中確認。即期所得稅開支按本公司及其附屬公司及聯營公司經營所在及產生應課稅收入之國家／地方於結算日已實施或大致上實施之稅法計算。管理層定期評估就適用稅項法規有待詮釋的情況的稅項申報情況，並在適當情況下按預期將支付予稅務機構的款額為基準確定撥備。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(q) Current and deferred income taxes (Continued)

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

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

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

(r) Employee benefits

(i) Pension obligations

The Group participates in a number of defined contribution retirement schemes in Hong Kong, Taiwan and various cities in Mainland China where the Group operates.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to separately administered funds on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 主要會計政策 (續)

(q) 即期及遞延所得稅 (續)

遞延所得稅乃就資產與負債之稅基及其於綜合財務報表中之賬面值兩者之暫時差額，以負債法確認。然而，倘遞延所得稅乃產生自於(業務合併除外)初步確認資產或負債之交易，而交易當時並無影響會計或應課稅盈利或虧損，則不會列賬。遞延所得稅乃以於結算日已實施或大致上實施之稅率及法例釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

遞延所得稅資產按可能出現可用作抵銷暫時差額之日後應課稅盈利之程度來確認。

本集團就於附屬公司及一間聯營公司之投資所產生之暫時差額作出遞延所得稅撥備，除非本集團可控制撥回暫時差額之時間，且暫時差額不大可能於可預見將來撥回則屬例外。

(r) 僱員福利

(i) 退休金責任

本集團於業務所在地香港、台灣及中國多個城市參與多項定額供款退休計劃。

定額供款計劃為本集團按強制、合約或自願方式向獨立管理基金作出定額供款之退休金計劃。如基金並無足夠資產支付所有僱員於本期間及過往期間提供服務而享有之有關僱員服務福利，本集團亦無法定或推定責任支付進一步供款。於到期支付時，供款確認為僱員福利開支及以可全數取得供款前已退出該計劃之僱員供款扣減。預付供款確認為資產，惟以現金退款或日後付款扣減為限。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策(續)

(r) Employee benefits (Continued)

(ii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan under which the Group entities receive services from employees as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and retaining an employee of the Group entity over a specific period). Non-market vesting conditions are included in assumptions about the number of share options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of share options that are expected to vest based on non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

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

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses with reference to a number of factors including the Group's operating results, individual and market performance and directors' discretion. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(s) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made. Provisions for restructuring comprise lease termination penalties, employee termination payments and anticipated loss on disposal of relevant assets. Provisions are not recognised for future operating losses.

(r) 僱員福利(續)

(ii) 以股份為基礎之補償

本集團推行一項以權益結算以股份為基礎之補償計劃，據此，僱員向本集團實體提供服務以作為獲授本集團股本工具(購股權)之代價。授出購股權而取得僱員服務之公平價值乃確認為開支。於歸屬期內列作開支之總金額乃參照已授出購股權之公平價值釐定，不包括任何非市場服務及表現歸屬條件(例如盈利能力、銷售增長目標及於指定年限留聘本集團實體之僱員)之影響。非市場歸屬條件包括在預期可予歸屬之購股權數目之假設。支銷總金額於歸屬期間內確認，即達成所有規定歸屬條件之期間。於各結算日，公司會根據非市場歸屬條件修訂可予歸屬之購股權數目之估計，並於綜合收益表確認修訂原來估計數字(如有)之影響，以及對權益作相應調整。

當購股權獲行使時，已收之收款扣除任何直接應佔交易成本，乃計入股本(面值)及股份溢價中。

(iii) 花紅計劃

本集團參考多項因素就花紅確認負債及開支，包括本集團之經營業績、個人及市場表現及董事之酌情決定。於出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

(s) 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能涉及經濟資源流失，並能可靠地衡量涉及金額，則確認有關撥備。重組撥備包括租賃終止罰款、僱員離職付款及出售相關資產之預期虧損。不會就未來經營虧損確認撥備。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策 (續)

(s) Provisions and contingent liabilities (Continued)

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

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

(t) Revenue recognition

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

Revenue is recognised when it is probable that future economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Revenue from sales of goods manufactured or traded is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Government incentives are recognised where there is reasonable assurance that the incentives will be received and all attaching conditions will be complied with.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Franchise and royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Operating lease rental income is recognised on a straight-line basis over the periods of the leases.

Handling income is recognised when the services are rendered.

(s) 撥備及或然負債 (續)

倘有多項類似責任，於釐定履行有關責任而引致經濟資源流出之可能性時，會整體考慮該等責任類別。即使同一責任類別所包含任何一個項目之資源流出之可能性極低，仍須確認撥備。

撥備乃按履行該責任預計所需開支以除稅前貼現率計算之現值計量，有關貼現率反映當時市場對貨幣時間值及該責任特定風險之評估。因時間流逝而增加之撥備確認為利息支出。

(t) 收入確認

收入包括本集團在日常業務過程中銷售產品和服務所得收入之已收或應收代價之公平價值。所示收入已扣除適用增值稅、退貨、回扣及折扣，並已撇銷本集團內部銷售。

當未來經濟利益可能流入本集團，而該金額能可靠地計量，則確認收入。

銷售生產或貿易之貨品之收入是於擁有權之大部分風險與回報轉移時確認，一般為貨品送抵客戶及所有權轉移時同步發生。

政府補貼於合理確認將可收取補貼及所有隨附條件均獲遵守之情況下確認。

利息收入以實際利率法按時間比例確認。倘一筆應收賬款出現減值，本集團會將賬面值減至其按有關金融工具原有實際利率貼現之估計未來現金流量而設定之可收回款額，並繼續解除貼現作為利息收入。已減值貸款之利息收入採用原有實際利率確認。

專營權及特許權收入根據有關協議規定按累算基準確認。

經營租賃租金收入於租賃期內按直線法確認。

手續費收入於提供服務時確認。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue recognition (Continued)

Dividend income is recognised when the right to receive payment is established.

Vendor rebate is recognised when the rights to receive payments are established in accordance with the terms of agreements with vendors.

(u) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases (net of any incentives received from the lessor), including upfront payment made for leasehold land use rights, are charged to the consolidated income statement on a straight-line basis over the lease periods.

(v) Dividend distribution

Dividend distribution to the owners of the Company is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the board of directors and the owners of the Company.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to manage certain risk exposure when necessary. As at 31 December 2012, the Group did not have any outstanding derivative financial instruments.

(a) Foreign exchange risk

The Group mainly operates in China with transactions primarily settled in RMB, HKD and United States dollar (USD). The Group is exposed to foreign exchange risk arising from future commercial transactions, recognised financial assets (mainly bank balances and trade receivables) and recognised financial liabilities (mainly trade payables) denominated in currencies other than the functional currency of the Group's entities to which they relate.

To manage foreign exchange risk arising from commercial transactions, recognised assets and liabilities, the Group may use forward foreign exchange contracts when major fluctuation in the relevant foreign currency is anticipated.

As at 31 December 2012, the post-tax profit of the Group would have been decreased by approximately HK\$2,787,000 (2011: HK\$819,000) if RMB had strengthened by 5% against HKD and USD mainly resulted from foreign exchange losses on translation of HKD and USD denominated monetary assets with all other variables held constant.

2 主要會計政策(續)

(t) 收入確認(續)

股息收入於收取股息之權利確立時確認。

賣方回扣於按照與賣方訂立之協議條款收取款項之權利確立時確認。

(u) 經營租賃

凡有關資產擁有權之絕大部分風險及回報由出租公司保留之租賃均以經營租賃方式入賬。經營租賃之付款減任何自出租公司獲取之優惠(包括就租賃土地使用權支付之首期款項)在租賃期內以直線法在綜合收益表中支銷。

(v) 股息分派

向本公司擁有人分派之股息乃於董事會及本公司擁有人批准股息之期間內在本集團財務報表確認為負債。

3 財務風險管理

本集團業務面對多項財務風險：外匯風險、現金流量及公平價值利率風險、信貸風險及流動資金風險。本集團之整體風險管理計劃針對金融市場之難以預測性，並尋求減低對本集團財務表現構成之潛在不利影響。本集團於必要時會使用衍生金融工具管理若干風險。於二零一二年十二月三十一日，本集團並無任何衍生金融工具。

(a) 外匯風險

本集團主要於中國營運，交易主要以人民幣、港元及美元結算。本集團所承擔之外匯風險來自未來商業交易，及以本集團實體相關功能貨幣以外之貨幣計值之已確認金融資產(主要為銀行結餘及貿易應收賬款)與已確認金融負債(主要為貿易應付賬款)。

為管理商業交易及已確認資產及負債之外匯風險，本集團於預期相關外幣出現大幅波動時或會使用遠期外匯合約。

於二零一二年十二月三十一日，倘人民幣兌港元及美元升值5%，在所有其他可變動因素維持不變下，由於換算港元及美元計值貨幣資產之外匯虧損，本集團之除稅後盈利將減少約2,787,000港元(二零一一年：819,000港元)。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Cash flow and fair value interest rate risk

The Group is exposed to cash flow interest rate risk mainly arising from bank deposits and short-term bank loan bearing interest at floating rates. The Group is exposed to fair value interest rate risk arising from the convertible bonds bearing interest at fixed rates. Management intend to draw short-term bank loans as to increase flexibility in financing. The Group will review whether bank loans bearing fixed or floating rates should be drawn from time to time with reference to the trend of changes in interest rates. The Group did not enter into any interest rate swaps to hedge its exposure to interest rate risks.

As at 31 December 2012, the post-tax profit of the Group would have been increased/decreased by approximately HK\$14,875,000 (2011: HK\$17,887,000) if the interest rates had been increased/decreased by 100 basis points with all other variables held constant.

(c) Credit risk

The Group has no significant concentration of credit risk. The carrying amounts of trade receivables, other receivables, rental deposits and bank balances stated in the consolidated balance sheet represent the Group's maximum exposure to credit risk in relation to its financial assets.

The majority of the Group's trade and other receivables arose from credit sales to trading customers. The Group has policies in place to evaluate and monitor the credit terms and payment history of its customers to ensure recoverability of trade debts. The Group also reviews the balance of trade receivables at each balance sheet date to ensure that adequate provision for uncollectible receivables was made.

Rental deposits are mainly placed with various landlords in Mainland China, Taiwan and Hong Kong and are due to refund upon the expiry of the tenancy agreements and handover of the leased premises. During the year, the Group did not experience significant defaults by the landlords.

As at 31 December 2012 and 31 December 2011, substantially all the Group's bank balances and term deposits with banks were held in registered financial institutions located in Mainland China, Hong Kong and Taiwan which management assessed and believed are of acceptable credit quality. The Group has a policy to limit the credit exposure to any financial institution and management does not expect any significant loss arising from non-performance by these counterparties.

3 財務風險管理 (續)

(b) 現金流量及公平價值利率風險

本集團所承擔之現金流量利率風險主要來自按浮動利率計息之銀行存款及短期銀行借貸。本集團所承擔之公平價值利率風險乃來自按固定利率計息之可換股債券。管理層擬提取短期銀行貸款以增加資金之靈活性。本集團將不時參考利率變動趨勢以檢討應提取按固定利率或浮動利率計息之銀行貸款。本集團並無訂立任何利率掉期以對沖所承擔之利率風險。

於二零一二年十二月三十一日，倘利率增加／減少100基點，而所有其他可變動因素維持不變，本集團之除稅後盈利將增加／減少約14,875,000港元（二零一一年：17,887,000港元）。

(c) 信貸風險

本集團並無高度集中之信貸風險。本集團有關其金融資產之最大信貸風險反映於綜合資產負債表所載貿易應收賬款、其他應收賬款、租金按金及銀行結餘之賬面值。

本集團大部分貿易應收賬款及其他應收賬款來自貿易客戶之信貸銷售。本集團已有政策評估及監控客戶之信貸期及付款記錄，以確保收回貿易應收賬款。本集團亦於各結算日審視貿易應收賬款之結餘，確保就未能收回之應收款項作出充足撥備。

租金按金主要給予中國內地、台灣及香港之多名業主，並於租賃協議屆滿及交還租賃物業時可予退還。年內，本集團並無遭遇重大業主違約事件。

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團絕大部份銀行結餘及定期銀行存款乃存放於中國內地、香港及台灣之註冊金融機構，而管理層已評估該等機構之信貸質素並相信其信貸質素屬可接納。本集團有政策限制其承受任何金融機構之信貸風險，管理層並不預期會承擔該等交易對手不履約所產生的任何損失。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (Continued)

During the years ended 31 December 2012 and 31 December 2011, the Group placed with registered financial institutions a number of principal-protected structured deposits which are interest rate-linked principal protected investments and management has the option of termination at any time with the counterparties. Management believes that there is no significant credit risk with respect to such structured deposits as they were made with registered financial institutions of no history of default. As at 31 December 2012 and 31 December 2011, the Group did not hold structured deposits.

(d) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due.

The Group measures and monitors its liquidity through the maintenance of prudent ratio regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group also maintains a healthy level of liquid assets and banking facilities to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. As at 31 December 2012, the Group had unutilised banking facilities of HK\$146,580,000 (2011: HK\$173,580,000).

The contractual maturity of the financial liabilities based on the undiscounted cash flows is as follows:

		Group 本集團				Total 總計
		Within 3 months 三個月內 HK\$'000 千港元	Between 3 and 6 months 三個月 至六個月 HK\$'000 千港元	Between 6 months and 1 year 六個月 至一年 HK\$'000 千港元	Between 1 year and 5 years 一年 至五年 HK\$'000 千港元	
At 31 December 2012	於二零一二年 十二月三十一日					
Trade payables	貿易應付賬款	865,951	-	-	-	865,951
Other payables	其他應付賬款	465,476	-	-	-	465,476
Bank loan – unsecured	銀行貸款 – 無抵押	7,268	-	-	-	7,268
License fee payables	應付特許使用權費	-	-	4,643	-	4,643
Convertible bonds	可換股債券	-	-	-	683,650	683,650
Interest on convertible bonds	可換股債券利息	10,682	10,682	10,682	9,614	41,660
Other non-current liability	其他非流動負債	-	-	-	90	90
		1,349,377	10,682	15,325	693,354	2,068,738

3 財務風險管理(續)

(c) 信貸風險(續)

截至二零一二年十二月三十一日及二零一一年十二月三十一日止年度，本集團向註冊金融機構存放多筆保本結構性存款。該等結構性存款為利率掛鈎保本投資，而管理層有權選擇隨時向對方終止。管理層相信，該等結構性存款並無重大信貸風險，因已存放於並無拖欠記錄的註冊金融機構。於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團並無持有結構性存款。

(d) 流動資金風險

流動資金風險指本集團無力履行現有到期付款責任之風險。

本集團在整體資產、負債、貸款及承擔之流動結構方面維持審慎之比率，以計量及監控其流動資金狀況。此外，本集團將流動資產及銀行融資維持於穩健水平，確保在日常業務中隨時備有充裕之現金以應付任何預期之外的重大現金需求。於二零一二年十二月三十一日，本集團之未動用銀行融資為146,580,000港元(二零一一年：173,580,000港元)。

金融負債根據非貼現現金流量計算之合約到期日如下：

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 財務風險管理 (續)

(d) Liquidity risk (Continued)

(d) 流動資金風險 (續)

		Group 本集團				
		Within 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Total
		三個月內	三個月 至六個月	六個月 至一年	一年 至五年	總計
		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
At 31 December 2011	於二零一一年 十二月三十一日					
Trade payables	貿易應付賬款	819,131	–	–	–	819,131
Other payables	其他應付賬款	556,116	–	–	–	556,116
Bank loan – unsecured	銀行貸款 – 無抵押	6,998	–	–	–	6,998
License fee payables	應付特許使用權費	–	–	–	4,138	4,138
Convertible bonds	可換股債券	–	–	–	676,665	676,665
Interest on convertible bonds	可換股債券利息	10,573	10,573	10,573	30,661	62,380
Other non-current liability	其他非流動負債	–	–	–	90	90
		1,392,818	10,573	10,573	711,554	2,125,518
		Company 本公司				
		Within 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Total
		三個月內	三個月 至六個月	六個月 至一年	一年 至五年	總計
		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
At 31 December 2012	於二零一二年 十二月三十一日					
Other payables	其他應付賬款	20,221	–	–	–	20,221
Convertible bonds	可換股債券	–	–	–	683,650	683,650
Interest on convertible bonds	可換股債券利息	10,682	10,682	10,682	9,614	41,660
		30,903	10,682	10,682	693,264	745,531
At 31 December 2011	於二零一一年 十二月三十一日					
Other payables	其他應付賬款	58,498	–	–	–	58,498
Convertible bonds	可換股債券	–	–	–	676,665	676,665
Interest on convertible bonds	可換股債券利息	10,573	10,573	10,573	30,661	62,380
		69,071	10,573	10,573	707,326	797,543

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 財務風險管理(續)

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern as well as maximising returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the objectives, policies or processes of capital risk management during the years ended 31 December 2012 and 31 December 2011.

The Group monitors capital using a net gearing ratio, which is net debt (being total of bank loan and convertible bonds, less cash and cash equivalents) divided by equity attributable to owners of the Company. The net gearing ratios as at the balance sheet dates were as follows:

(e) 資本風險管理

本集團資本風險管理之主要目標為保障本集團之持續經營能力及盡量提高股東回報及其他持份者之利益。

本集團管理其資本架構，並就經濟狀況變動作出調整。本集團可能調整向股東派發之股息、向股東退還資本或發行新股份以維持或調整資本結構。於截至二零一二年十二月三十一日及二零一一年十二月三十一日止年度內，有關目標、政策或程序並無變動。

本集團採用淨負債比率(即淨債務(銀行貸款及可換股債券總額減現金及現金等價物)除以本公司擁有人應佔權益)監察資本。於結算日之淨負債比率如下：

		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Bank loan – unsecured	銀行貸款 – 無抵押	7,268	6,998
Convertible bonds	可換股債券	639,738	605,879
Less: Cash and cash equivalents	減：現金及現金等價物	(1,494,759)	(1,795,744)
Net debt	淨債務	(847,753)	(1,182,867)
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,825,336	4,035,867
		Net cash 淨現金	Net cash 淨現金

The Group has net cash as at both 31 December 2012 and 31 December 2011. The Group's strategy is to maintain a solid capital base to support the operation and development of its business in the long term.

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團有淨現金。本集團之策略為維持穩建之資本基礎，以支持其業務之長期營運及發展。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

(a) Impairment of non-financial assets

The Group tests annually whether goodwill has suffered any impairment (Note 15). Other non-financial assets including property, plant and equipment, leasehold land and land use rights and other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

(b) Income tax

The Group is subject to income taxes in several jurisdictions. Judgment is required in determining the provision for income taxes. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against the temporary differences or tax losses can be utilised. Deferred income tax liabilities on temporary differences relating to undistributed profits of the Group's subsidiaries in Mainland China are recognised to the extent that profits are expected to be distributed as the Company controls and pre-determines the dividend policy of these subsidiaries and management expects it is probable that profits will be partly retained and not distributed from these subsidiaries to their foreign holding companies in the foreseeable future. Management reassesses its expectation at each balance sheet date.

4 重要會計估計及判斷

本集團基於過往經驗及其他因素，包括經考慮有關情況後合理預期日後將發生之事件，持續作出估計及判斷。

本集團會對未來作出估計及假設。誠如其界定涵義，所產生之會計估計甚少與有關之實際結果相同。有重大風險會對下個財政年度之資產及負債之賬面值造成大幅調整之估計及假設論述如下。

(a) 非金融資產減值

本集團每年測試商譽是否有任何減值(附註15)。其他非金融資產包括物業、廠房及設備、租賃土地及土地使用權及其他無形資產，在有事項或事態變化顯示未能收回賬面值時進行覆檢。可收回金額乃按使用價值計算法或公平價值減出售成本計算。該等計算法需要應用判斷及估計。

(b) 所得稅

本集團須繳納數個司法權區之所得稅，決定所得稅撥備時須作出重大判斷。日常業務中有多項無法確定最終稅項之交易及計算。倘最終稅務結果與初步記錄款額有別，差額將影響作出確定期間之即期及遞延所得稅撥備。

倘管理層預期可能出現日後應課稅盈利而須動用暫時差額或稅項虧損，即會確認與暫時差額及稅項虧損相關之遞延所得稅資產。本集團並已就中國內地附屬公司之未分派盈利，在將於可見未來分派盈利之情況下，確認暫時差額之遞延所得稅負債，因本公司可控制及預先制定該等附屬公司之股息政策，管理層預期該等附屬公司在可見未來將保留部分盈利，而非向其海外控股公司分派盈利。管理層於各結算日重新評定其預期。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

4 重要會計估計及判斷(續)

(c) Depreciation and amortisation

Management determines the estimated useful lives and related depreciation/amortisation charges for the Group's fixed assets and intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation/amortisation charges where useful lives are different to previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation/amortisation expense in future periods.

(d) Net realisable value of inventories

Net realisable value of inventories is the estimated selling prices in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in economic conditions in places where the Group operates and changes in customer taste and competitor actions in response to changes in market conditions. Management reassesses these estimates at each balance sheet date.

(e) Fair value estimation of available-for-sale financial asset

Financial instruments carried at fair value are measured according to the levels of the fair value hierarchy defined as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- (iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At 31 December 2012 and 31 December 2011, the Group's available-for-sale financial asset was measured by level 3 of the fair value measurement hierarchy.

(c) 折舊及攤銷

管理層就本集團透過使用固定資產及無形資產，而於將來獲得的經濟利益之估計期間，釐定其估計可使用年期及有關折舊／攤銷費用。管理層將於可使用年期有別於過往估計情況下修訂折舊／攤銷費用，或將會撇除或撇減已棄置或出售之技術上陳舊或非策略資產。實際經濟年期或會不同於估計可使用年期。定期審閱會使折舊年期出現變動，因而使未來期間之折舊／攤銷開支出現變動。

(d) 存貨之可變現淨值

存貨之可變現淨值乃於日常業務過程中之估計售價減估計出售開支。此等估計乃根據現時市況及製造及出售性質類似產品之過往經驗而作出，可能會因本集團經營地點之經濟狀況轉變及因客戶品味改變及競爭對手就市況轉變所作出之行動而有重大變化。管理層於各結算日重新評估有關估計。

(e) 可出售金融資產公平價值估計

按公平價值列賬之金融工具乃根據以下界定之公平價值層級計量：

- (i) 第一層—相同資產或負債於活躍市場的報價(未作調整)；
- (ii) 第二層—為第一層報價以外，其他直接(即價格)或間接(即從價格推衍)可觀察的有關資產或負債的資料；及
- (iii) 第三層—並非根據可觀察的市場數據的資產或負債的資料(即無法觀察的資料)。

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團所有可出售金融資產乃按第三層公平價值計量層級計量。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(e) Fair value estimation of available-for-sale financial asset (Continued)

The following table presents the changes in the carrying value of level 3 instruments for the year ended 31 December 2012:

		HK\$' 000 千港元
At 1 January 2012	於二零一二年一月一日	16,624
Transferred to interests in associates	轉撥至於聯營公司之權益	(16,000)
<hr/>		
At 31 December 2012	於二零一二年十二月三十一日	624

The fair value of available-for-sale financial asset is determined by using various valuation techniques. The Group uses its judgment to select a variety of methods such as discounted cash flow and fair value of net assets attributable to the Group. The assumptions adopted on projected cash flow are based on management's best estimates and valuation of material assets of the investee by external appraiser was referenced.

5 SEGMENT INFORMATION

The Group is principally engaged in the manufacturing, distribution and retailing of footwear, apparel and accessories.

The chief operating decision-maker ("CODM") has been identified as the executive directors. CODM assesses the performance of the business from a business unit perspective, i.e. core brands business, other brands business and manufacturing business and allocate resources accordingly.

CODM assesses the performance of the operating segments based on a measure of segment results before finance costs, amortisation of intangible assets and unallocated corporate income and expenses. Certain corporate overhead expenses, including management fee, rental and utilities were reallocated among individual segments based on estimated consumption.

Revenue from external customers are after elimination of inter-segment revenue. Inter-segment revenue is charged in accordance with terms determined and agreed mutually by relevant parties. Revenue from external customers of core brands business and other brands business is mainly derived from Mainland China, Taiwan and Hong Kong and revenue from external customers of manufacturing business is mainly derived from the US. None of the customers accounted for 10% or more of the total turnover of the Group during both years ended 31 December 2012 and 31 December 2011.

4 重要會計估計及判斷(續)

(e) 可出售金融資產公平價值估計(續)

下表載列截至二零一二年十二月三十一日止年度第三層工具的賬面值變動：

		HK\$' 000 千港元
At 1 January 2012	於二零一二年一月一日	16,624
Transferred to interests in associates	轉撥至於聯營公司之權益	(16,000)
<hr/>		
At 31 December 2012	於二零一二年十二月三十一日	624

可出售金融資產之公平價值以各種估值技巧釐定。本集團以其判斷選擇各種方法(例如折現現金流模式及本集團應佔資產淨值之公平價值)。就預期現金流所採納之假設乃基於管理層之最佳估計而得出，並參考外聘估值師就被投資公司之重大資產所作估值。

5 分部資料

本集團主要從事製造、分銷及零售鞋類產品、服飾及配件業務。

已認定執行董事為主要經營決策者(「主要經營決策者」)。主要經營決策者已按業務分部，即核心品牌業務、其他品牌業務及製造業務評核業務表現，並將資源作相應分配。

主要經營決策者根據分部業績(未計入財務費用、無形資產攤銷及未分配企業收入及開支)之計量，評核經營分部之業務表現。若干企業經常開支(包括管理費、租金及水電開支)乃根據估計使用量於各分部間重新分配。

對外客戶收益已抵銷分部間收益。分部間之收益乃按經雙方釐定及同意之條款支取。核心品牌業務及其他品牌業務之對外客戶收益主要來自中國內地、台灣及香港，而製造業務之對外客戶收益主要來自美國。截至二零一二年十二月三十一日及二零一一年十二月三十一日止兩個年度，概無客戶佔本集團總營業額10%或以上。

5 SEGMENT INFORMATION (CONTINUED)

The Group's non-current assets, excluding deferred income tax assets, are mainly located in Mainland China.

5 分部資料(續)

本集團之非流動資產(遞延所得稅資產除外)主要位於中國內地。

For the year ended 31 December 2012
截至二零一二年十二月三十一日止年度

		Core brands business 核心品牌業務 HK\$' 000 千港元	Other brands business 其他品牌業務 HK\$' 000 千港元	Manufacturing business 製造業務 HK\$' 000 千港元	Inter-segment elimination 分部間對銷 HK\$' 000 千港元	Group 本集團 HK\$' 000 千港元
Revenue from external customers	對外客戶收益	9,508,496	690,940	329,664	-	10,529,100
Inter-segment revenue	分部間收益	83,400	-	1,069,419	(1,152,819)	-
Total segment revenue	總分部收益	9,591,896	690,940	1,399,083	(1,152,819)	10,529,100
Segment results	分部業績	1,475,728	(127,555)	98,121	5,080	1,451,374
Amortisation of intangible assets	無形資產攤銷					(6,764)
Impairment of an intangible asset	一無形資產之減值					(7,000)
Unallocated corporate income	未分配企業收入					61
Unallocated corporate expenses	未分配企業開支					(72,771)
Operating profit	經營盈利					1,364,900
Finance costs	財務成本					(49,436)
Share of loss of associates	應佔聯營公司虧損					(8,150)
Profit before income tax	除所得稅前盈利					1,307,314
Income tax expense	所得稅開支					(332,551)
Profit for the year	年內盈利					974,763
Amortisation of intangible assets	無形資產攤銷	-	6,764	-	-	6,764
Impairment of an intangible asset	一無形資產之減值	-	7,000	-	-	7,000
Amortisation of land use rights	土地使用權攤銷	602	-	1,085	-	1,687
Depreciation of fixed assets	固定資產折舊	220,058	14,332	17,819	-	252,209
Capital expenditure	資本開支	448,302	49,532	23,175	-	521,009

5 SEGMENT INFORMATION (CONTINUED) 5 分部資料 (續)

As at 31 December 2012
於二零一二年十二月三十一日

		Core brands business 核心品牌業務 HK\$'000 千港元	Other brands business 其他品牌業務 HK\$'000 千港元	Manufacturing business 製造業務 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Segment assets	分部資產	5,659,710	714,598	581,180	6,955,488
Goodwill	商譽	15,079	984	-	16,063
Other intangible assets	其他無形資產	-	99,389	-	99,389
		5,674,789	814,971	581,180	7,070,940
Interests in associates	於聯營公司之權益				11,055
Available-for-sale financial asset	可供出售金融資產				624
Deferred income tax assets	遞延所得稅資產				111,491
Unallocated corporate assets	未分配企業資產				325
Total assets	總資產				7,194,435
Segment liabilities	分部負債	1,125,145	83,971	272,596	1,481,712
Deferred income tax liabilities	遞延所得稅負債				16,048
Convertible bonds	可換股債券				639,738
Unallocated corporate liabilities	未分配企業負債				20,341
Total liabilities	總負債				2,157,839

5 SEGMENT INFORMATION (CONTINUED) 5 分部資料(續)

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

		Core brands business 核心品牌業務 HK\$' 000 千港元	Other brands business 其他品牌業務 HK\$' 000 千港元	Manufacturing business 製造業務 HK\$' 000 千港元	Inter-segment elimination 分部間對銷 HK\$' 000 千港元	Unallocated 未分配 HK\$' 000 千港元	Group 本集團 HK\$' 000 千港元
Revenue from external customers	對外客戶收益	7,597,051	529,552	450,159	-	-	8,576,762
Inter-segment revenue	分部間收益	74,014	-	1,003,111	(1,077,125)	-	-
Total segment revenue	總分部收益	7,671,065	529,552	1,453,270	(1,077,125)	-	8,576,762
Segment results	分部業績	1,555,120	(64,576)	108,111	(20,636)	-	1,578,019
Amortisation of intangible assets	無形資產攤銷						(6,643)
Unallocated corporate income	未分配企業收入						3,000
Unallocated corporate expenses	未分配企業開支						(205,809)
Operating profit	經營盈利						1,368,567
Finance costs	財務成本						(46,907)
Share of profit of an associate	應佔一間聯營公司盈利						421
Profit before income tax	除所得稅前盈利						1,322,081
Income tax expense	所得稅開支						(377,350)
Profit for the year	年內盈利						944,731
Amortisation of intangible assets	無形資產攤銷	-	6,643	-	-	-	6,643
Amortisation of land use rights	土地使用權攤銷	591	-	1,020	-	-	1,611
Depreciation of fixed assets	固定資產折舊	146,597	14,127	16,878	-	-	177,602
Fair value loss on available-for-sale financial assets	可供出售金融資產之公平價值虧損	-	-	-	-	61,872	61,872
Capital expenditure	資本開支	317,464	36,664	39,531	-	-	393,659

5 SEGMENT INFORMATION (CONTINUED) 5 分部資料 (續)

		As at 31 December 2011 於二零一一年十二月三十一日			
		Core brands business 核心品牌業務 HK\$' 000 千港元	Other brands business 其他品牌業務 HK\$' 000 千港元	Manufacturing business 製造業務 HK\$' 000 千港元	Group 本集團 HK\$' 000 千港元
Segment assets	分部資產	4,969,060	658,967	613,546	6,241,573
Goodwill	商譽	15,079	974	-	16,053
Other intangible assets	其他無形資產	-	113,873	-	113,873
		4,984,139	773,814	613,546	6,371,499
Interest in an associate	於一間聯營公司之權益				3,359
Available-for-sale financial assets	可出售金融資產				16,624
Deferred income tax assets	遞延所得稅資產				106,469
Unallocated corporate assets	未分配企業資產				3,465
Total assets	總資產				6,501,416
Segment liabilities	分部負債	1,130,010	139,014	316,843	1,585,867
Deferred income tax liabilities	遞延所得稅負債				19,445
Convertible bonds	可換股債券				605,879
Unallocated corporate liabilities	未分配企業負債				58,599
Total liabilities	總負債				2,269,790

6 OTHER INCOME

6 其他收入

		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Government incentives	政府補貼	49,895	35,569
Interest income	利息收入	43,047	63,143
Franchise and royalty income	特許權及專營權收入	6,248	7,588
Gross rental income	租金收入總額	1,503	1,010
Handling income	手續費收入	295	919
Income derived from an available-for-sale financial asset	來自一可出售金融資產之收入	61	3,000
Vendor rebate	賣方回扣	-	1,001
Others	其他	9,024	9,124
		110,073	121,354

7 OTHER LOSSES – NET

7 其他虧損－淨額

		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Fair value loss on available-for-sale financial assets	可出售金融資產之公平價值虧損	-	(61,872)
Impairment of an intangible asset	一無形資產之減值	(7,000)	-
Loss on disposal of fixed assets	出售固定資產之虧損	(17,398)	(13,558)
Loss on termination of a license right	終止特許使用權之虧損	(1,789)	-
Net exchange gain	匯兌收益淨額	6,401	1,227
		(19,786)	(74,203)

8 OPERATING PROFIT

8 經營盈利

Operating profit is stated after charging the following:

營運盈利已扣除下列各項：

		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Amortisation of land use rights	土地使用權攤銷	1,687	1,611
Amortisation of license rights	特許使用權攤銷	2,906	2,873
Amortisation of trademarks	商標攤銷	3,858	3,770
Auditors' remuneration	核數師酬金	6,117	6,067
Cost of inventories sold including provision for slow-moving inventories of HK\$56,835,000 (2011: HK\$48,024,000)	售出存貨成本，包括滯銷存貨撥備56,835,000港元（二零一一年：撥備撥回48,024,000港元）	3,773,128	2,765,217
Depreciation of fixed assets	固定資產折舊	252,209	177,602
Employee benefits expense (Note 14)	僱員福利開支（附註14）	1,389,068	1,219,393
Net provision for impairment of trade receivables	貿易應收賬款減值撥備淨額	1,672	423
Operating lease rentals (including concessionaire fees) in respect of land and buildings	土地及樓宇之經營租賃租金（包括商場特許銷售費）	2,263,358	1,686,332

9 FINANCE COSTS

9 財務成本

		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Interest on convertible bonds	可換股債券利息	48,425	45,451
Interest relating to license fee payables	應付特許使用權費利息	765	625
Interest on a bank loan	銀行貸款利息	200	263
Interest on other non-current liabilities	其他非流動負債利息	-	568
Others	其他	46	-
		49,436	46,907

10 INCOME TAX EXPENSE

10 所得稅開支

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Current tax	即期稅項	340,299	409,100
(Over)/under provision in prior years	過往年度(超額撥備)/撥備不足	(229)	1,215
Deferred tax (Note 31)	遞延稅項(附註31)	(7,519)	(32,965)
		332,551	377,350

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable domestic tax rates of the Group entities as follows:

本集團有關除所得稅前盈利之所得稅與假若採用本集團實體之適用當地稅率而計算之理論稅項之差額如下：

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Profit before income tax	除所得稅前盈利	1,307,314	1,322,081
Less: Share of loss/(profit) of associates	減：應佔聯營公司虧損/(盈利)	8,150	(421)
		1,315,464	1,321,660
Income tax calculated at domestic tax rates applicable to profits in the respective places	按有關地區所產生盈利適用之當地稅率計算之所得稅	271,477	302,019
Tax concessions	稅項減免	(83)	(126)
Deferred tax assets previously not recognised	過往未確認之遞延稅項資產	(2,348)	(536)
Income not subject to tax	毋須繳稅收入	(9,020)	(6,575)
Expenses not deductible for tax purposes	不可扣稅開支	43,470	39,020
Tax losses for which no deferred tax assets recognised	未確認遞延稅項資產之稅項虧損	335	1,026
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(761)	(147)
(Over)/under provision in prior years	過往年度(超額撥備)/撥備不足	(229)	1,215
Derecognition of previously recognised deferred income tax assets	終止確認過往已確認之遞延所得稅資產	1,018	177
Withholding taxes on royalties, management fee and profits appropriated by subsidiaries in Mainland China	專營權費、管理費及中國內地附屬公司分派盈利之預扣稅	28,692	41,277
Income tax expense	所得稅開支	332,551	377,350

10 INCOME TAX EXPENSE (CONTINUED)

The weighted average domestic tax rate was 21% (2011: 23%).

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit for the year. Income tax on profits arising outside Hong Kong has been calculated on the estimated assessable profit for the year at the rates of income tax prevailing in the places in which the Group operates.

Provision for China corporate income tax was calculated based on the statutory tax rate of 25% (2011: 25%) on the assessable income of each of the Group's entities except that certain subsidiaries of the Company operating in Mainland China were entitled to a 50% reduction in corporate income tax during the years ended 31 December 2012 and 31 December 2011 and corporate income tax is calculated using the applicable preferential income tax rate granted to the subsidiaries.

Pursuant to the China corporate income tax laws, 10% withholding tax is levied on all foreign investors, except that only 5% is levied for foreign investors which are incorporated in Hong Kong, in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 31 December 2007. As at 31 December 2012, deferred income tax liabilities of approximately HK\$145,175,000 (31 December 2011: HK\$98,852,000) has not been recognised in relation to the undistributed profits on the Group's subsidiaries in Mainland China amounted to approximately HK\$2,903,506,000 (31 December 2011: HK\$1,974,720,000). The Company has pre-determined a dividend declaration policy in respect of its foreign-invested subsidiaries established in Mainland China and deferred income tax liabilities are provided to the extent that profits are expected to be distributed by the subsidiaries in the foreseeable future.

Pursuant to the China corporate income tax laws, withholding tax at a reduced rate of 7% (2011: 7%) by treaty is applied to the Group's entities incorporated in Hong Kong for royalties received or receivable. During the year ended 31 December 2012, withholding tax rate of 5% was levied on management fee received or receivable from a Group's entity in Mainland China by the Group's establishment in Taiwan.

11 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of HK\$281,319,000 (2011: HK\$251,031,000).

10 所得稅開支(續)

加權平均地方稅率為21% (二零一一年：23%)。

年內香港利得稅乃按估計應課稅盈利之16.5% (二零一一年：16.5%) 計算。香港以外地區之盈利所得稅已根據年內估計應課稅盈利，按本集團業務所在地區之現行所得稅率計算。

於截至二零一二年十二月三十一日及二零一一年十二月三十一日止年度，中國企業所得稅乃就本集團旗下各實體的應課稅收入按法定稅率25% (二零一一年：25%) 計算撥備，惟本公司在中國內地經營之若干附屬公司合資格享有50%稅項減免，而企業所得稅則按授予附屬公司的適用所得稅優惠稅率計算。

根據中國企業所得稅法，所有海外投資者須就外資企業於二零零七年十二月三十一日後所賺取盈利之股息分派，繳納10%之預扣稅，惟於香港註冊成立之海外投資者則僅須繳納5%之預扣稅。於二零一二年十二月三十一日，並無就本集團中國內地附屬公司之未分派盈利約2,903,506,000港元 (二零一一年十二月三十一日：1,974,720,000港元) 確認遞延所得稅負債約145,175,000港元 (二零一一年十二月三十一日：98,852,000港元)。本公司已就於中國內地成立之外資附屬公司預先設定股息分派政策，並在預期盈利將於可見將來由附屬公司分派時計提遞延所得稅負債撥備。

根據中國企業所得稅法，本集團於香港註冊成立之實體，須就已收或應收專營權費按經條約寬減之7% (二零一一年：7%) 稅率繳納預扣稅。截至二零一二年十二月三十一日止年度，本集團須就於台灣成立之實體已收取或應收本集團於中國內地之實體之管理費用繳納5%預扣稅。

11 本公司擁有人應佔盈利

於本公司財務報表內處理之本公司擁有人應佔盈利為281,319,000港元 (二零一一年：251,031,000港元)。

12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company of HK\$955,673,000 (2011: HK\$933,063,000) and the weighted average of 1,645,685,226 (2011: 1,638,204,932) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the adjusted profit attributable to owners of the Company of HK\$1,004,098,000 (2011: HK\$978,514,000) and the adjusted weighted average of 1,896,601,345 (2011: 1,873,549,453) ordinary shares, after taking into consideration of conversion of convertible bonds and exercise of share options and warrants.

12 每股盈利

每股基本盈利乃根據本公司擁有人應佔本集團盈利955,673,000港元(二零一一年: 933,063,000港元)及年內已發行普通股加權平均數1,645,685,226股(二零一一年: 1,638,204,932股)計算。

每股攤薄盈利經計及兌換可換股債券及行使購股權及認股權證後,根據經調整本公司擁有人應佔盈利1,004,098,000港元(二零一一年: 978,514,000港元)及經調整普通股加權平均數1,896,601,345股(二零一一年: 1,873,549,453股)計算。

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Profit attributable to owners of the Company	本公司擁有人應佔盈利	955,673	933,063
Interest on convertible bonds	可換股債券之利息	48,425	45,451
Adjusted profit attributable to owners of the Company		1,004,098	978,514
		2012 二零一二年 Number of shares 股份數目	2011 二零一一年 Number of shares 股份數目
Weighted average number of ordinary shares in issue	已發行普通股加權平均數目	1,645,685,226	1,638,204,932
Effect of conversion of convertible bonds	兌換可換股債券之影響	178,510,572	178,510,572
Effect of exercise of share options	行使購股權之影響	16,967,862	10,394,297
Effect of exercise of warrants	行使認股權證之影響	55,437,685	46,439,652
Weighted average number of ordinary shares adjusted for effect of dilution	就攤薄影響而調整之普通股加權平均數	1,896,601,345	1,873,549,453

For the year ended 31 December 2012, 3,300,000 (2011: 5,100,000) share options outstanding are anti-dilutive and are ignored in the calculation of diluted earnings per share since the exercise price of the share options was higher than the average market price during the year.

截至二零一二年十二月三十一日止年度,由於購股權的行使價較該年內之平均市價為高,因此於計算之每股攤薄盈利時,並無將3,300,000份(二零一一年: 5,100,000份)未行使而具反攤薄作用之購股權計算在內。

13 DIVIDENDS

13 股息

		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Interim dividend, paid, of HK9.0 cents (2011: HK8.0 cents) per ordinary share	已付中期股息每股普通股9.0港仙 (二零一一年：8.0港仙)	148,263	131,031
Final dividend, proposed, of HK9.0 cents (2011: HK9.0 cents) per ordinary share	擬派末期股息每股普通股9.0港仙 (二零一一年：9.0港仙)	148,387	147,795
		296,650	278,826

At a meeting held on 20 March 2013, the Board proposed a final dividend of HK9.0 cents per share in respect of the year ended 31 December 2012 to be approved by the shareholders at the forthcoming annual general meeting. The proposed dividend is not reflected as a dividend payable in these financial statements but will be reflected as an appropriation of retained profits for the year ending 31 December 2013.

於二零一三年三月二十日舉行之會議上，董事會建議就截至二零一二年十二月三十一日止年度派發末期股息每股9.0港仙，將於應屆股東週年大會上向股東提呈批准。此建議股息於財務報表內並不列作應派股息，惟會列作截至二零一三年十二月三十一日止年度之保留盈利分配。

14 EMPLOYEE BENEFITS EXPENSE

14 僱員福利開支

Employee benefits expense, including directors' emoluments, represents:

僱員福利開支(包括董事酬金)指：

		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Wages, salaries, allowances and bonuses	工資、薪金、津貼及花紅	1,268,639	1,127,416
Defined contribution pension costs (Note (a))	定額供款退休金成本(附註(a))	84,256	45,916
Share-based payment expense	以股份為基礎之付款開支	36,173	46,061
		1,389,068	1,219,393

(a) Defined contribution pension costs

During the year, no unvested benefits were utilised by the Group to reduce the level of contributions (2011: nil). As at 31 December 2012 and 31 December 2011, no unvested benefits were available to be utilised in future years.

(a) 定額供款退休金成本

年內，本集團並未使用任何未歸屬利益減低供款水平(二零一一年：無)。於二零一二年十二月三十一日及二零一一年十二月三十一日，概無未歸屬利益可於未來數年內使用。

14 EMPLOYEE BENEFITS EXPENSE (CONTINUED)

14 僱員福利開支(續)

(b) Emoluments of directors and chief executive officer

The remuneration of each director and the chief executive officer (“CEO”) of the Company for the year ended 31 December is set out below:

(b) 董事及行政總裁酬金

截至十二月三十一日止年度，本公司各董事及行政總裁（「行政總裁」）之酬金如下：

		Fees	Salaries	Defined contribution pension costs	Discretionary bonuses	Share-based payment expense	Total
		袍金	薪金	定額供款 退休金成本	酌情花紅	以股份 為基礎之 付款開支	總計
		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
2012	二零一二年						
Name of director	董事姓名						
Mr Chen Ying-Chieh (CEO)	陳英杰先生 (行政總裁)	-	4,842	14	7,500	6,965	19,321
Mr Chang Chih-Kai	張智凱先生	-	1,506	-	1,875	2,830	6,211
Mr Chang Chih-Chiao	張智喬先生	-	1,506	-	1,875	2,394	5,775
Mr Chen Tommy Yi- Hsun	陳怡勳先生	-	1,520	8	7,500	1,012	10,040
Mr Huang Shun-Tsai	黃順財先生	72	-	-	-	-	72
Mr Kuo Jung-Cheng	郭榮振先生	72	-	-	-	-	72
Mr Lee Ted Tak Tai	李德泰先生	362	-	-	-	-	362
		506	9,374	22	18,750	13,201	41,853
2011	二零一一年						
Name of director	董事姓名						
Mr Chen Ying-Chieh (CEO)	陳英杰先生 (行政總裁)	-	4,160	19	11,053	9,351	24,583
Mr Chang Chih-Kai	張智凱先生	-	1,869	-	5,625	3,799	11,293
Mr Chang Chih-Chiao	張智喬先生	-	1,869	-	5,625	3,215	10,709
Mr Chen Hsien Min	陳賢民先生	3,461	513	14	30,000	7,014	41,002
Mr Chen Tommy Yi- Hsun	陳怡勳先生	-	988	7	7,500	2,446	10,941
Mr Hsiao Hsi-Ming	蕭溪明先生	72	-	-	-	-	72
Mr Huang Shun-Tsai	黃順財先生	72	-	-	-	-	72
Mr Kuo Jung-Cheng	郭榮振先生	72	-	-	-	-	72
Mr Lee Ted Tak Tai	李德泰先生	121	-	-	-	-	121
		3,798	9,399	40	59,803	25,825	98,865

14 EMPLOYEE BENEFITS EXPENSE (CONTINUED)

14 僱員福利開支(續)

(c) Five highest paid individuals

The five highest paid individuals for the year include three (2011: five) directors whose emoluments are presented above. The emoluments of the remaining two individuals during the year ended 31 December 2012 are as follows:

(c) 五名最高薪人士

年內，五名最高薪人士包括三名(二零一一年：五名)董事，其酬金詳情已於上文披露。於截至二零一二年十二月三十一日止年度，應付其餘兩名人士之酬金如下：

		HK\$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	7,059
Share-based payment expense	以股份為基礎之付款開支	6,845
		13,904

Emolument bands	酬金幅度	Number of individuals 人數
HK\$6,000,001 to HK\$7,000,000	6,000,001港元至7,000,000港元	1
HK\$7,000,001 to HK\$8,000,000	7,000,001港元至8,000,000港元	1
		2

No emoluments have been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No directors or the five highest paid individuals waived or agreed to waive any emoluments during the year.

本集團並無向董事或五名最高薪人士支付任何酬金，作為吸引彼等加入本集團，或作為加入本集團時之獎勵或離職補償。年內，各董事或五名最高薪人士均無放棄或同意放棄任何酬金。

(d) Remuneration of senior management by band

The remuneration of the the senior management (excluding directors and chief executive officer of the Company) of the Group by band for the year ended 31 December is as follows:

(d) 高層管理人員之薪酬幅度

截至十二月三十一日止年度，本集團高層管理人員(不包括本公司董事及行政總裁)之薪酬幅度如下：

Remuneration bands	薪酬幅度	2012 二零一二年	2011 二零一一年
		Number of individuals 人數	Number of individuals 人數
HK\$3,000,001 to HK\$4,000,000	3,000,001港元至4,000,000港元	1	-
HK\$4,000,001 to HK\$5,000,000	4,000,001港元至5,000,000港元	1	-
HK\$5,000,001 to HK\$6,000,000	5,000,001港元至6,000,000港元	-	1
HK\$6,000,001 to HK\$7,000,000	6,000,001港元至7,000,000港元	1	1
HKS7,000,001 to HK\$8,000,000	7,000,001港元至8,000,000港元	-	1

15 INTANGIBLE ASSETS

15 無形資產

		Group 本集團			
		Goodwill 商譽 HK\$'000 千港元 (Note) (附註)	License rights 特許使用權 HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost		成本值			
At 1 January 2011	於二零一一年一月一日	26,618	45,844	73,832	146,294
Exchange adjustment	匯兌調整	41	1,837	3,180	5,058
Additions	添置	-	1,966	-	1,966
At 31 December 2011	於二零一一年十二月三十一日	26,659	49,647	77,012	153,318
Exchange adjustment	匯兌調整	10	461	795	1,266
Termination of a license right	終止一特許使用權	-	(2,340)	-	(2,340)
At 31 December 2012	於二零一二年十二月三十一日	26,669	47,768	77,807	152,244
Accumulated amortisation and impairment		累計攤銷及減值			
At 1 January 2011	於二零一一年一月一日	10,606	2,303	3,496	16,405
Exchange adjustment	匯兌調整	-	120	224	344
Amortisation	攤銷	-	2,873	3,770	6,643
At 31 December 2011	於二零一一年十二月三十一日	10,606	5,296	7,490	23,392
Exchange adjustment	匯兌調整	-	66	121	187
Amortisation	攤銷	-	2,906	3,858	6,764
Impairment	減值	-	-	7,000	7,000
Termination of a license right	終止一特許使用權	-	(551)	-	(551)
At 31 December 2012	於二零一二年十二月三十一日	10,606	7,717	18,469	36,792
Net book value		賬面淨值			
At 31 December 2012	於二零一二年十二月三十一日	16,063	40,051	59,338	115,452
At 31 December 2011	於二零一一年十二月三十一日	16,053	44,351	69,522	129,926

15 INTANGIBLE ASSETS (CONTINUED)

Note: Goodwill is allocated to the Group's cash-generating unit ("CGU") identified according to the operating segment. The Group performs impairment tests on goodwill annually, or more frequently if there is any indication that it may be impaired, by comparing the recoverable amount to the carrying amount as at the balance sheet date. The recoverable amount of the CGU was determined based on value-in-use calculations. These calculations used cash flow projections based on financial budgets approved by management covering a 5-year period. The pre-tax discount rate and the estimated weighted average annual sales growth rate after the 5-year budgeted period applied to the cash flow projections was approximately 20% and 2% respectively. The budgeted gross profit margin and net profit margin were determined by the management for the CGU based on past performance and its expectations for market development. Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount significantly.

16 LAND USE RIGHTS

15 無形資產(續)

附註：商譽乃分配至根據經營分部劃分之本集團現金產生單位(「現金產生單位」)。本集團就商譽每年(或如出現可能減值之任何跡象，則更頻繁)作減值測試，方法為於結算日將可收回金額與賬面值作比較。現金產生單位之可收回金額乃按使用價值而釐定。該計算乃使用根據管理層批准之五年財政預算之現金流量預測計算。在預測五年財政預算期後之現金流量時所使用之除稅前貼現率及估計加權平均年度銷售增長率分別為約20%及2%。現金產生單位之預算毛利率及純利率乃由管理層按過往表現及其對市場發展之預期而釐定。管理層相信，倘上述任何關鍵假設出現任何合理可預見變更，均不會導致商譽之賬面值大幅超逾其可收回金額。

16 土地使用權

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$' 000 千港元	HK\$' 000 千港元
Cost	成本值		
At 1 January	於一月一日	74,438	71,299
Exchange adjustment	匯兌調整	784	3,139
Disposal	出售	(683)	-
At 31 December	於十二月三十一日	74,539	74,438
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	23,242	20,963
Exchange adjustment	匯兌調整	194	668
Amortisation	攤銷	1,687	1,611
Disposal	出售	(331)	-
At 31 December	於十二月三十一日	24,792	23,242
Net book value	賬面淨值		
At 31 December	於十二月三十一日	49,747	51,196
At 1 January	於一月一日	51,196	50,336

As at both 31 December 2012 and 31 December 2011, all land use rights were held in Mainland China on leases of between 10 to 50 years.

於二零一二年十二月三十一日及二零一一年十二月三十一日，所有土地使用權均於中國內地以租賃持有，為期10至50年。

17 FIXED ASSETS

17 固定資產

		Group 本集團						Total 總計
		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Construction-in-progress 在建工程 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俱、固定裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	
Cost	成本值							
At 1 January 2011	於二零一一年一月一日	466,431	458,601	53,762	146,436	175,227	44,692	1,345,149
Exchange adjustment	匯兌調整	21,366	18,155	2,090	6,838	7,823	2,033	58,305
Additions	添置	24,255	211,381	32,787	11,601	62,043	7,602	349,669
Transfer	轉撥	35,131	2,984	(43,257)	-	5,142	-	-
Disposals	出售	-	(180,244)	-	(3,825)	(9,512)	(1,732)	(195,313)
At 31 December 2011	於二零一一年十二月三十一日	547,183	510,877	45,382	161,050	240,723	52,595	1,557,810
Exchange adjustment	匯兌調整	7,741	8,578	6	1,519	3,097	559	21,500
Additions	添置	145,929	318,502	10,996	7,533	58,795	5,021	546,776
Transfer	轉撥	42,508	8,387	(52,231)	973	363	-	-
Disposals	出售	(4,754)	(105,420)	-	(33,604)	(12,178)	(6,135)	(162,091)
At 31 December 2012	於二零一二年十二月三十一日	738,607	740,924	4,153	137,471	290,800	52,040	1,963,995
Accumulated depreciation	累計折舊							
At 1 January 2011	於二零一一年一月一日	82,161	297,232	-	126,710	96,517	31,679	634,299
Exchange adjustment	匯兌調整	3,803	10,421	-	5,968	4,216	1,423	25,831
Depreciation	折舊	12,280	118,390	-	8,176	33,393	5,363	177,602
Disposals	出售	-	(166,357)	-	(3,762)	(7,926)	(1,539)	(179,584)
At 31 December 2011	於二零一一年十二月三十一日	98,244	259,686	-	137,092	126,200	36,926	658,148
Exchange adjustment	匯兌調整	1,148	4,267	-	1,286	1,714	403	8,818
Depreciation	折舊	13,174	183,952	-	8,445	40,444	6,194	252,209
Disposals	出售	(2,508)	(85,978)	-	(33,399)	(10,905)	(5,974)	(138,764)
At 31 December 2012	於二零一二年十二月三十一日	110,058	361,927	-	113,424	157,453	37,549	780,411
Net book value	賬面淨值							
At 31 December 2012	於二零一二年十二月三十一日	628,549	378,997	4,153	24,047	133,347	14,491	1,183,584
At 31 December 2011	於二零一一年十二月三十一日	448,939	251,191	45,382	23,958	114,523	15,669	899,662

18 INVESTMENTS IN SUBSIDIARIES

18 於附屬公司之投資

		Company 本公司	
		2012 二零一二年	2011 二零一一年
		HK\$' 000 千港元	HK\$' 000 千港元
Unlisted investments, at cost	非上市投資，按成本值	368,822	368,822

The following is a list of the principal subsidiaries as at 31 December 2012:

下表載列於二零一二年十二月三十一日之主要附屬公司：

Name 名稱	Place of incorporation/ operation 註冊成立/ 營運地點	Particulars of issued/paid- up capital 已發行/繳足 股本詳情	Interest held 所持權益 %	Principal activities 主要業務
Aee International Ltd. ^(b) 愛意精品鞋業(上海)有限公司 ^(b)	China 中國	USD8,580,000 8,580,000美元	59.96	Distribution of footwear and accessories 分銷鞋類產品及配件
Alldevelop Holdings Limited	British Virgin Islands 英屬處女群島	1 share of US\$1 each 1股每股面值1美元之股份	100	Investment holding 投資控股
Cheng Lin Shuyang Shoes Co. Ltd. ^(b) 承霖鞋業滄陽有限公司 ^(b)	China 中國	US\$500,000 500,000美元	100	Processing of footwear 加工鞋類產品
Colossus Asia Limited 鉅實亞洲有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值1港元之普通股	59.96	Retail distribution of footwear and accessories 零售分銷鞋類產品及配件
Dafu Footwear Co., Ltd. Hanjiang Putian City ^(a) 莆田市涵江大福鞋業有限公司 ^(a)	China 中國	US\$3,180,000 3,180,000美元	90	Manufacture of footwear 製造鞋類產品
Dasheng Footwear Co., Ltd. Putian City ^(b) 莆田市涵江大盛鞋業有限公司 ^(b)	China 中國	US\$4,285,700 4,285,700美元	100	Manufacture of footwear 製造鞋類產品
Daphne Korea Co. Ltd.	Korea 韓國	KRW300,000,000 300,000,000韓圓	100	Research and development of fashion design 研發時尚設計
Daphne Marketing Co., Ltd. 展昕貿易股份有限公司	Taiwan 台灣	NTD300,000,000 300,000,000新台幣	92	Retail distribution of footwear and accessories 零售分銷鞋類產品及配件
Daxin Footwear Co., Ltd. Putian City ^(b) 莆田市涵江大欣鞋業有限公司 ^(b)	China 中國	US\$1,500,000 1,500,000美元	100	Processing of footwear 加工鞋類產品
Daxing Shoe Material Co., Ltd. Hanjiang Putian City ^(b) 莆田市涵江大興鞋材有限公司 ^(b)	China 中國	US\$1,499,925 1,499,925美元	100	Manufacture of footwear 製造鞋類產品

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

18 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 營運地點	Particulars of issued/paid- up capital 已發行/繳足 股本詳情	Interest held 所持權益 %	Principal activities 主要業務
Despina Fashion (Shanghai) Co., Ltd. ^(b) 黛比娜時裝(上海)有限公司 ^(b)	China 中國	RMB20,000,000 20,000,000人民幣	100	Distribution of apparel and accessories 分銷服飾及配件
Full Pearl International Limited 富珍國際有限公司	British Virgin Islands 英屬處女群島	3,294 shares of US\$1 each 3,294股每股面值 1美元之股份	59.96	Investment holding and trading of footwear and accessories 投資控股及買賣 鞋類產品及配件
Fuzhou Da Yue Footwear Co. Ltd. ^(b) 撫州大躍鞋業有限公司 ^(b)	China 中國	US\$300,000 300,000美元	100	Processing of footwear 加工鞋類產品
Gentlefit Trading Limited 祥田貿易有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each; 13,055,667 non-voting deferred shares of HK\$1 each ^(d) 100股每股面值 1港元之普通股; 13,055,667股每股面值1港元 之無投票權遞延股份 ^(d)	100	Trading of footwear material, investment and trademark holding 買賣鞋類物料、 投資及持有商標
Guang Ze Da Yi Footwear Co., Ltd. ^(b) 光澤大億鞋業有限公司 ^(b)	China 中國	US\$300,000 300,000美元	100	Processing of footwear 加工鞋類產品
Jiangxi Dachuan Footwear Co., Ltd. ^(b) 江西大川鞋業有限公司 ^(b)	China 中國	US\$1,400,000 1,400,000美元	100	Processing of footwear 加工鞋類產品
Jiangxi Da Qian Footwear Co. Ltd. ^(b) 江西大千鞋業有限公司 ^(b)	China 中國	US\$300,000 300,000美元	100	Processing of footwear 加工鞋類產品
Modern City Development Limited 成田發展有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each; 10,000 non-voting deferred shares of HK\$1 each ^(d) 100股每股面值 1港元之普通股; 10,000股每股面值 1港元之無投票 權遞延股份 ^(d)	100	Investment holding 投資控股
Prime Success (BVI) Limited	British Virgin Islands 英屬處女群島	5,000,000 shares of US\$0.01 each 5,000,000股每股 面值0.01美元之股份	100	Investment holding 投資控股
Putian Hanjiang Footwear Co., Ltd. ^(a) 莆田市涵江鞋業有限公司 ^(a)	China 中國	US\$6,000,000 6,000,000美元	85	Manufacture of footwear 製造鞋類產品

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

18 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 營運地點	Particulars of issued/paid- up capital 已發行/繳足 股本詳情	Interest held 所持權益 %	Principal activities 主要業務
Shanghai Guang Wei Industry & Commerce Co., Ltd. ^(a) 上海光偉實業有限公司 ^(a)	China 中國	US\$4,600,000 4,600,000美元	87.8	Manufacture of footwear 製造鞋類產品
Shoebox Holdings Limited 鞋櫃控股有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股 面值1港元之普通股	95	Investment and trademark holding 投資及持有商標
Taizhou Rong Wei Shoes Co. Ltd. ^(b) 泰州榮偉鞋業有限公司 ^(b)	China 中國	US\$1,000,000 1,000,000美元	100	Processing of footwear 加工鞋類產品
Daphne Investment (Group) Co., Ltd. (formerly known as Victoria Success Investment Co., Ltd.) ^(b) 達芙妮投資(集團)有限公司 (前稱永恩投資(集團) 有限公司) ^(b)	China 中國	US\$30,000,000 30,000,000美元	100	Distribution of footwear and accessories and investment holding 分銷鞋類產品及 配件以及投資控股
Victoria Success (Shanghai) Limited ^(b) 永恩實業(上海)有限公司 ^(b)	China 中國	US\$23,000,000 23,000,000美元	100	Manufacture of footwear 製造鞋類產品
Victoria Success Shoes (Suqian) Co. Ltd. ^(b) 永恩鞋業(宿遷)有限公司 ^(b)	China 中國	RMB3,000,000 3,000,000人民幣	100	Processing of footwear 加工鞋類產品
Winson Union Limited 永信聯有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值 1港元之普通股	100	Investment holding 投資控股
Yangzhou Quanwei Industry & Commerce Co., Ltd. ^(b) 揚州銓偉實業有限公司 ^(b)	China 中國	US\$700,570 700,570美元	100	Processing of footwear 加工鞋類產品
Zhumadian Victoria Success Footwear Co., Ltd. ^(b) 駐馬店永恩鞋業有限公司 ^(b)	China 中國	US\$500,000 500,000美元	100	Processing of footwear 加工鞋類產品
鞋櫃商貿有限公司 ^(b)	China 中國	RMB250,000,000 250,000,000人民幣	95	Distribution of footwear, apparel and accessories 分銷鞋類產品、 服飾及配件

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes:

- (a) These companies were established in China in the form of equity joint ventures.
- (b) These companies were established in China in the form of wholly foreign-owned enterprises.
- (c) Other than investment in Prime Success (BVI) Limited and Full Pearl International Limited which are held directly by the Company, all subsidiaries shown above are held indirectly by the Company.
- (d) The non-voting deferred shares practically carry no rights to dividends, nor rights to receive notice, nor rights to attend and vote at any general meeting of the respective companies, nor rights to participate in any distribution on winding up.
- (e) None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

19 AMOUNT DUE FROM A SUBSIDIARY – COMPANY

The amount due from a subsidiary is unsecured, interest-free and repayable on demand.

20 INTERESTS IN ASSOCIATES

18 於附屬公司之投資 (續)

附註：

- (a) 該等公司為於中國成立之合資企業。
- (b) 該等公司為於中國成立之全外資企業。
- (c) 除於Prime Success (BVI) Limited及富珍國際有限公司之投資乃由本公司直接持有外，上列所有其他附屬公司均由本公司間接持有。
- (d) 無投票權遞延股份實際上無權收取有關公司之股息或接收該公司任何股東大會通告或出席股東大會並於會上投票。於有關公司清盤時亦無權參與任何分派。
- (e) 各附屬公司於年終或年內任何時間概無任何未償還債務證券。

19 應收一間附屬公司賬款 – 本公司

應收一間附屬公司賬款乃無抵押、免息，並須應要求償還。

20 於聯營公司之權益

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	3,359	3,338
Exchange adjustment	匯兌調整	58	150
Share of (loss)/profit of associates	應佔聯營公司(虧損)/盈利	(8,150)	421
Dividend received or receivable	已收或應收股息	(212)	(550)
Reclassified from available-for-sale financial assets (Note)	自可出售金融資產重新分類(附註)	16,000	-
At 31 December	於十二月三十一日	11,055	3,359

20 INTERESTS IN ASSOCIATES (CONTINUED)

20 於聯營公司之權益(續)

Details of the associates as at 31 December 2012 are as follows:

於二零一二年十二月三十一日，聯營公司之詳情如下：

Name 名稱	Place of incorporation/ operation 註冊成立/ 營運地點	Particulars of paid-up capital 已繳足股本詳情	Interest held indirectly 所持 間接權益 %	Principal activity 主要業務
Dayong Shoe Material Co., Ltd. Hanjiang Putian City 莆田市涵江大永鞋業有限公司	China 中國	RMB5,457,000 5,457,000人民幣	30	Manufacture of shoe materials 製造鞋類物料
Jingxing Shoe Industrial Co., Ltd. Putian City 莆田市涵江金星鞋業有限公司	China 中國	USD4,900,000 4,900,000美元	30	Manufacture of footwear products 製造鞋類產品

Summarised financial information of the associates on a gross basis is as follows:

下表為聯營公司的整體財務資料概要：

		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Assets	資產	69,441	10,691
Liabilities	負債	88,826	439
Revenues	收入	222,738	13,990
(Loss)/profit	(虧損)/盈利	(27,165)	1,404

Note: Following the expiry of an agreement signed with the major shareholder of Jingxing Shoe Industrial Co., Ltd. Putian City ("Jingxing"), the Group reclassified its 30% equity investment in Jingxing from an available-for-sale financial asset to an associate with a carrying value of HK\$16,000,000 as at 1 January 2012.

附註：在與莆田市涵江金星鞋業有限公司(「金星」)之主要股東簽訂之協議屆滿後，於本集團將其於金星之30%股本投資由可出售金融資產重新分類至一間聯營公司，於二零一二年一月一日之賬面值為16,000,000港元。

21 AVAILABLE-FOR-SALE FINANCIAL ASSET

21 可出售金融資產

		Group 本集團	
		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Unlisted equity investment, at fair value	非上市股本投資，按公平價值	624	16,624

As at 31 December 2012 and 31 December 2011, the Group's available-for-sale financial asset is denominated in RMB.

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團之可出售金融資產乃以人民幣為結算單位。

21 AVAILABLE-FOR-SALE FINANCIAL ASSET (CONTINUED)

21 可出售金融資產(續)

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$' 000 千港元	HK\$' 000 千港元
At 1 January	於一月一日	16,624	63,183
Reclassified to interests in associates (Note 20)	重新分類為聯營公司之權益(附註20)	(16,000)	-
Addition	添置	-	15,313
Fair value loss on available-for-sale financial asset	可出售金融資產之公平價值虧損	-	(61,872)
At 31 December	於十二月三十一日	624	16,624

22 INVENTORIES

22 存貨

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$' 000 千港元	HK\$' 000 千港元
Raw materials	原材料	38,112	44,097
Work-in-progress	在製品	44,006	70,662
Finished goods	製成品	2,286,772	1,943,767
		2,368,890	2,058,526

Inventories are stated net of provisions for impairment of HK\$204,796,000 (2011: HK\$146,143,000) as at 31 December 2012.

於二零一二年十二月三十一日，存貨乃按扣除存貨減值撥備204,796,000港元(二零一一年：146,143,000港元)列賬。

23 TRADE RECEIVABLES

23 貿易應收賬款

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$' 000 千港元	HK\$' 000 千港元
Trade receivables	貿易應收賬款	349,129	276,217
Less: Provision for impairment of receivables	減：應收賬款減值撥備	(2,433)	(1,914)
Trade receivables – net	貿易應收賬款－淨額	346,696	274,303

23 TRADE RECEIVABLES (CONTINUED)

23 貿易應收賬款(續)

Movement of provision for impairment of trade receivables is as follows:

貿易應收賬款減值撥備之變動載列如下：

		Group 本集團	
		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
At 1 January	於一月一日	1,914	1,721
Exchange adjustment	匯兌調整	33	-
Provision for impairment	減值撥備	2,408	580
Write-back of provision for impairment	減值撥備撥回	(736)	(157)
Receivables written off during the year as uncollectible	年內撇銷列作不可收回之應收賬款	(1,186)	(230)
At 31 December		2,433	1,914

The ageing analysis of trade receivables by invoice date is as follows:

按發票日期計算之貿易應收賬款賬齡分析如下：

		Group 本集團	
		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
0 – 30 days	0至30日	234,392	215,865
31 – 60 days	31至60日	73,478	40,294
61 – 90 days	61至90日	20,022	9,762
91 – 120 days	91至120日	8,135	4,422
121 – 180 days	121至180日	5,989	1,974
181 – 360 days	181至360日	4,101	818
Over 360 days	360日以上	579	1,168
		346,696	274,303

As at 31 December 2012, trade receivables of HK\$281,903,000 (2011: HK\$237,077,000) were neither past due nor impaired. These related to a number of independent customers for whom there was no relevant history of default. The ageing analysis by past due date of trade receivables that were past due but not impaired is as follows:

於二零一二年十二月三十一日，貿易應收賬款281,903,000港元(二零一一年：237,077,000港元)並未逾期或出現減值。該等款項乃關於多名並無違約記錄之獨立客戶。按逾期日劃分為已逾期但無減值之貿易應收賬款賬齡分析如下：

		Group 本集團	
		2012 二零一二年 HK\$' 000 千港元	2011 二零一一年 HK\$' 000 千港元
Not past due	尚未逾期	281,903	237,077
1 – 30 days past due	逾期1至30日	36,993	18,669
31 – 60 days past due	逾期31至60日	12,086	10,006
61 – 90 days past due	逾期61至90日	5,384	4,034
91 – 120 days past due	逾期91至120日	3,287	1,735
121 – 180 days past due	逾期121至180日	3,746	1,357
181 – 360 days past due	逾期181至360日	3,297	1,425
		346,696	274,303

23 TRADE RECEIVABLES (CONTINUED)

The carrying amounts of trade receivables are denominated in the following currencies:

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
RMB	人民幣	297,656	226,529
USD	美元	35,921	36,574
New Taiwan dollar ("NTD")	新台幣 (「新台幣」)	12,893	10,855
HKD	港元	226	345
		346,696	274,303

The carrying value of trade receivables approximated its fair value. The Group generally allows an average credit period of 30 to 60 days to its trade customers other than major and long standing customers with whom specific extended terms will be agreed between the Group and the relevant counter parties.

23 貿易應收賬款 (續)

貿易應收賬款之賬面值以下列貨幣計值：

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
RMB	人民幣	297,656	226,529
USD	美元	35,921	36,574
New Taiwan dollar ("NTD")	新台幣 (「新台幣」)	12,893	10,855
HKD	港元	226	345
		346,696	274,303

貿易應收賬款之賬面值與其公平價值相若。本集團一般給予購貨客戶平均30至60日信貸期，惟主要及長期客戶之特別延長信貸期則由本集團與有關客戶雙方協定。

24 CASH AND CASH EQUIVALENTS

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Cash at banks and in hand	銀行存款及手頭現金	768,367	723,715	42	150
Deposits with banks within three months of maturity	存款期為三個月以內之銀行存款	726,392	1,072,029	-	-
		1,494,759	1,795,744	42	150

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

24 現金及現金等價物

現金及現金等價物之賬面值以下列貨幣計值：

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
RMB	人民幣	1,323,636	1,639,018	-	-
USD	美元	98,655	63,848	6	7
HKD	港元	48,026	72,710	36	143
NTD	新台幣	24,382	19,894	-	-
Korean Won	韓圓	15	244	-	-
Others	其他	45	30	-	-
		1,494,759	1,795,744	42	150

24 CASH AND CASH EQUIVALENTS (CONTINUED)

As at 31 December 2012, the weighted average effective interest rate of the Group's bank deposits within three months of maturity was 1.53% (2011: 1.49%) per annum.

RMB is not a freely convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of the Mainland China is subject to the rules and regulations of exchange control promulgated by the government of the Mainland China.

25 TRADE PAYABLES

The ageing analysis of trade payables, including trade balances due to related parties (Note 34(a)) by invoice date, is as follows:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
181 – 360 days	181至360日
Over 360 days	360日以上

24 現金及現金等價物(續)

於二零一二年十二月三十一日，本集團存款期為三個月以內之銀行存款之加權平均實際年利率為1.53厘(二零一一年：1.49厘)。

人民幣不可於國際市場自由兌換。將人民幣兌換為外幣及匯出中國內地須受中國內地政府頒佈之外匯管制規則及法規限制。

25 貿易應付賬款

按發票日期計算之貿易應付賬款(包括應付關聯方之貿易結餘(附註34(a)))賬齡分析如下：

		Group 本集團	
		2012	2011
		二零一二年	二零一一年
		HK\$' 000	HK\$' 000
		千港元	千港元
0 – 30 days	0至30日	400,350	592,334
31 – 60 days	31至60日	217,710	157,978
61 – 90 days	61至90日	228,815	46,896
91 – 120 days	91至120日	9,711	14,650
121 – 180 days	121至180日	4,082	3,448
181 – 360 days	181至360日	5,137	3,351
Over 360 days	360日以上	146	474
		865,951	819,131

26 BANK LOAN – UNSECURED

As at 31 December 2012 and 31 December 2011, the Group's unsecured bank loan was denominated in NTD and repayable within one year. The carrying value of the bank loan approximated its fair value.

As at 31 December 2012, the effective interest rate of the bank loan was 2.8% (2011: 2.8%) per annum.

As at 31 December 2012, the Company has given guarantees to various banks to secure general banking facilities granted to certain subsidiaries amounting to HK\$130,015,000 (2011: HK\$168,895,000) and no such facilities were utilised.

26 銀行貸款 – 無抵押

於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團之無抵押銀行貸款以新台幣計值，須於一年內償還。該銀行貸款之賬面值與其公平價值相若。

於二零一二年十二月三十一日，該銀行貸款之實際利率為每年2.8厘(二零一一年：2.8厘)。

於二零一二年十二月三十一日，本公司就若干附屬公司獲授一般銀行融資130,015,000港元(二零一一年：168,895,000港元)向多家銀行提供擔保，而截至當日概無動用該筆融資。

27 SHARE CAPITAL

27 股本

		Group and Company 本集團及本公司			
		2012 二零一二年		2011 二零一一年	
		Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 之普通股數目	HK\$' 000 千港元	Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 之普通股數目	HK\$' 000 千港元
Authorised:	法定：				
At 1 January and 31 December	於一月一日及十二月三十一日	10,000,000,000	1,000,000	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	1,640,962,384	164,096	1,637,892,384	163,789
Issue of shares upon exercise of share options	於購股權獲行使時發行	7,280,000	728	3,070,000	307
At 31 December	於十二月三十一日	1,648,242,384	164,824	1,640,962,384	164,096

During the year ended 31 December 2012, share options were exercised by grantees to subscribe for 7,280,000 (2011: 3,070,000) shares at the exercise price of HK\$6.19 (2011: HK\$6.19) per share. The total proceeds were HK\$45,063,000 (2011: HK\$19,003,000).

於截至二零一二年十二月三十一日止年度，承授人已行使購股權以認購7,280,000股股份（二零一一年：3,070,000股股份），行使價為每股6.19港元（二零一一年：6.19港元）。所得款項總額為45,063,000港元（二零一一年：19,003,000港元）。

28 EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS

28 以權益結算以股份為基礎之付款交易

Pursuant to the share option scheme adopted and amended on 29 May 2003 and 7 December 2009 respectively, the Company may grant share options to eligible persons including the executive and non-executive directors, employees and consultants employed by the Group. The share options are generally valid for a period of ten years and will lapse if the grantees leave the Group before the share options are exercisable. The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

根據分別於二零零三年五月二十九日及二零零九年十二月七日採納及修訂之購股權計劃，本公司可向合資格參與者，包括執行董事及非執行董事、僱員及本集團聘用之顧問授出購股權。購股權有效期一般為十年，而倘被授方於購股權可行使前不再任職於本集團，購股權即告失效。本集團並無法定或推定責任以現金購回或結清購股權。

The total number of shares which may be issued upon exercise of all share options to be granted under the share option scheme must not in aggregate exceed 10% of the shares of the Company in issue on 17 June 2008, the date of approval of the refreshment of the scheme mandate limit by shareholders of the Company after the adoption of the share option scheme on 29 May 2003. The Company may grant up to 163,789,238 share options, representing 10% of the shares of the Company in issue as at the date of refreshment of the scheme mandate limit.

根據購股權計劃授出之全部購股權獲行使時可予發行之股份總數，合共不得超過於二零零八年六月十七日（即於二零零三年五月二十九日採納購股權計劃後，本公司股東批准更新計劃授權限額當日）本公司已發行股份之10%。本公司可授出163,789,238份購股權，相當於更新計劃授權限額當日本公司已發行股份之10%。

28 EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

28 以權益結算以股份為基礎之付款交易 (續)

Movements in the number of share options outstanding and their weighted average exercise prices are as follows:

尚未行使之購股權數目及其加權平均行使價之變動如下：

		2012 二零一二年		2011 二零一一年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目
At 1 January	於一月一日	6.33	66,075,000	6.23	68,125,000
Granted	授出	9.12	7,100,000	8.01	3,800,000
Exercised	行使	6.19	(7,280,000)	6.19	(3,070,000)
Lapsed	失效	6.19	(1,800,000)	6.45	(2,780,000)
At 31 December	於十二月三十一日	6.66	64,095,000	6.33	66,075,000

Details of the share options outstanding as at 31 December are as follows:

於十二月三十一日尚未行使之購股權詳情如下：

Grant date 授出日期	Note 附註	Exercise price 行使價	Number of share options 購股權數目	
			2012 二零一二年	2011 二零一一年
27 January 2010	二零一零年一月二十七日	(a) HK\$6.19 6.19港元	51,595,000	60,675,000
22 July 2010	二零一零年七月二十二日	(b) HK\$7.61 7.61港元	1,600,000	1,600,000
27 January 2011	二零一一年一月二十七日	(a) HK\$7.84 7.84港元	2,500,000	2,500,000
19 August 2011	二零一一年八月十九日	(a) HK\$8.35 8.35港元	1,000,000	1,000,000
28 October 2011	二零一一年十月二十八日	(c) HK\$8.30 8.30港元	300,000	300,000
11 January 2012	二零一二年一月十一日	(d) HK\$8.27 8.27港元	3,200,000	–
20 March 2012	二零一二年三月二十日	(a) HK\$10.132 10.132港元	3,300,000	–
13 July 2012	二零一二年七月十三日	(c) HK\$8.214 8.214港元	300,000	–
30 August 2012	二零一二年八月三十日	(c) HK\$7.948 7.948港元	300,000	–
			64,095,000	66,075,000

28 EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

28 以權益結算以股份為基礎之付款交易 (續)

Notes:

附註：

- (a) As at 31 December 2012, there are 28,000,000 (2011: 28,000,000) share options granted to directors of the Company, of which 15% of the share options will vest on each of the five anniversary dates of the date of grant and 25% of the share options will vest, subject to certain performance targets determined by the board of directors of the Company, on the fifth anniversary of the date of grant.

- (a) 於二零一二年十二月三十一日，共有28,000,000份(二零一一年：28,000,000份)授予本公司董事之購股權，將由授出日期起計五個週年日每年歸屬15%，其餘25%須待本公司董事會釐定之若干表現目標達成後，於授出日期起計第五個週年日歸屬。

As at 31 December 2012, there are 21,995,000 (2011: 24,175,000) share options granted to a director of the Company and employees of the Group, of which one-fifth of the share options will vest on each of the five anniversary dates of the date of grant.

於二零一二年十二月三十一日，共有21,995,000份(二零一一年：24,175,000份)授予本公司董事及本集團僱員之購股權，將由授出日期起計五個週年日每年歸屬五分之一。

As at 31 December 2012, there are 8,400,000 (2011: 12,000,000) share options granted to an ex-director and consultant of the Company, of which 15% of the share options will vest on each of the four anniversary dates of the date of grant and 40% of the share options will vest on the fifth anniversary of the date of grant.

於二零一二年十二月三十一日，共有8,400,000份(二零一一年：12,000,000份)授予本公司前董事及顧問之購股權，由授出日期起計四個週年日每年歸屬15%，其餘40%於授出日期起計第五個週年日歸屬。

- (b) As at 31 December 2012, there are 1,000,000 (2011: 1,000,000) share options granted to an employee of the Group, of which one-fifth of the share options will vest on each anniversary with the first tranche starting on 1 April 2011.

- (b) 於二零一二年十二月三十一日，共有1,000,000份(二零一一年：1,000,000份)授予本集團一名僱員之購股權，將於二零一一年四月一日起每個週年日歸屬五分之一。

As at 31 December 2012, there are 600,000 (2011: 600,000) share options granted to employees of the Group, of which one-third of the share options will vest on each anniversary with the first tranche starting on 1 April 2011.

於二零一二年十二月三十一日，共有600,000份(二零一一年：600,000份)授予本集團僱員之購股權，將於二零一一年四月一日起每個週年日歸屬三分之一。

- (c) As at 31 December 2012, there are 900,000 (2011: 300,000) share options granted to employees of the Group, of which one-third of the share options will vest on each of the three anniversary dates of the date of grant.

- (c) 於二零一二年十二月三十一日，共有900,000份(二零一一年：300,000份)授予本集團僱員之購股權，將由授出日期起計三個週年日每年歸屬三分之一。

- (d) As at 31 December 2012, there are 2,500,000 share options granted to an employee of the Group, of which one-fifth of the share options will vest on each of the five anniversary dates of the date of grant.

- (d) 於二零一二年十二月三十一日，共有2,500,000份授予本集團僱員之購股權，將由授出日期起計五個週年日每年歸屬五分之一。

As at 31 December 2012, there are 700,000 shares options granted to an employee of the Group, of which one-third of the share options will vest on each of the three anniversary dates of the date of grant.

於二零一二年十二月三十一日，700,000份授予本集團一名僱員之購股權，將於授出日期起計三個週年日每年歸屬三分之一。

28 EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

28 以權益結算以股份為基礎之付款交易 (續)

Fair value of share options and assumptions

The fair value of services received in return for share options granted was measured by reference to the fair value of share options granted. The weighted average fair value of the share options granted during the year was HK\$3.39 (2011: HK\$2.88) per share option which was determined using the Binomial Options Pricing Model with significant inputs into the model as follows:

購股權公平價值及假設

就授出購股權而收取之服務之公平價值乃參照所授出購股權之公平價值計量。於年內授出之購股權之公平價值加權平均數為3.39港元(二零一一年：2.88港元)，乃按二項式期權定價模式釐定，該模式之主要輸入數據如下：

		2012 二零一二年	2011 二零一一年
Weighted average share price at measurement date	於計量日期之加權平均股價	HK\$8.87 8.87港元	HK\$7.92 7.92港元
Weighted average option exercise price	加權平均購股權行使價	HK\$9.12 9.12港元	HK\$8.01 8.01港元
Expected annualised volatility	預期年度化波幅	38.08%	37.26%
Weighted average risk-free rate	加權平均無風險利率	1.55%	2.30%
Expected option life	預期購股權年期	10 years 10年	10 years 10年
Weighted average expected dividend yield	預期加權平均孳息率	1.91%	2.39%

Expected annualised volatility was determined by using the historical volatility of the Company's share price over the previous three to five years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

預期年度化波幅乃使用本公司於過去三至五年之股價波幅而釐定。該模式所用之預期年期已按管理層之最佳估計就不可轉讓性、行使限制及行為考慮之影響予以調整。

29 RESERVES

29 儲備

		Group 本集團										
		Share premium	Capital redemption reserve	Convertible bonds capital reserve	Warrants capital reserve	Share-based payment reserve	Translation reserve	Merger reserve	Statutory reserves	Retained profits	Total	
		股份溢價	股本贖回儲備	可換股債券資本儲備	認股權證資本儲備	為基礎之付款儲備	匯兌儲備	合併儲備	法定儲備	保留盈利	總計	
		HKS' 000	HKS' 000	HKS' 000	HKS' 000	HKS' 000	HKS' 000	HKS' 000	HKS' 000	HKS' 000	HKS' 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	
			(Note (a)) (附註(a))					(Note (b)) (附註(b))	(Note (c)) (附註(c))			
At 1 January 2011	於二零一一年一月一日	24,505	2,882	(197)	26,178	363,370	58,589	269,759	322	83,328	2,131,807	2,960,543
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	-	144,363	-	-	-	144,363
Profit appropriations	盈利分配	-	-	-	-	-	-	-	-	15,163	(15,163)	-
Share of an associate's reserve	應佔一間聯營公司儲備	-	-	-	-	-	-	150	-	12	(12)	150
Profit for the year	年內盈利	-	-	-	-	-	-	-	-	-	933,063	933,063
Dividends	股息	-	-	-	-	-	-	-	-	-	(231,106)	(231,106)
Write-back of unclaimed dividends	撥回未領取股息	-	-	-	-	-	-	-	-	-	1	1
Share-based payment expense	以股份為基礎之付款開支	-	-	-	-	-	46,061	-	-	-	-	46,061
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	-	(2,456)	-	-	-	2,456	-
Issue of shares upon exercise of share options	於行使購股權時發行股份	25,523	-	-	-	-	(6,827)	-	-	-	-	18,696
At 31 December 2011	於二零一一年十二月三十一日	50,028	2,882	(197)	26,178	363,370	95,367	414,272	322	98,503	2,821,046	3,871,771
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	-	49,024	-	-	-	49,024
Profit appropriations	盈利分配	-	-	-	-	-	-	-	-	55,163	(55,163)	-
Share of associates' reserves	應佔聯營公司儲備	-	-	-	-	-	-	58	-	5	(5)	58
Profit for the year	年內盈利	-	-	-	-	-	-	-	-	-	955,673	955,673
Dividends	股息	-	-	-	-	-	-	-	-	-	(296,525)	(296,525)
Write-back of unclaimed dividends	撥回未領取股息	-	-	-	-	-	-	-	-	-	3	3
Share-based payment expense	以股份為基礎之付款開支	-	-	-	-	-	36,173	-	-	-	-	36,173
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	-	(2,029)	-	-	-	2,029	-
Issue of shares upon exercise of share options	於行使購股權時發行股份	60,390	-	-	-	-	(16,055)	-	-	-	-	44,335
At 31 December 2012	於二零一二年十二月三十一日	110,418	2,882	(197)	26,178	363,370	113,456	463,354	322	153,671	3,427,058	4,660,512

29 RESERVES (CONTINUED)

29 儲備 (續)

		Company 本公司								
		Share premium	Capital redemption reserve	Contributed surplus	Convertible bonds capital reserve	Warrants capital reserve	Translation reserve	Share-based payment reserve	Retained profits	Total
		股份溢價	股本贖回儲備	繳入盈餘	可換股債券資本儲備	認股權證資本儲備	匯兌儲備	以股份為基礎之付款儲備	保留盈利	總計
		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
			(Note (a)) (附註(a))	(Note (d)) (附註(d))						
At 1 January 2011	於二零一一年一月一日	24,505	2,882	152,891	26,178	363,370	5,697	58,589	17,271	651,383
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	14,659	-	-	14,659
Profit for the year	年內盈利	-	-	-	-	-	-	-	251,031	251,031
Dividends	股息	-	-	-	-	-	-	-	(231,106)	(231,106)
Write-back of unclaimed dividends	撥回未領取股息	-	-	-	-	-	-	-	1	1
Share-based payment expense	以股份為基礎之付款開支	-	-	-	-	-	-	46,061	-	46,061
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	-	-	(2,456)	2,456	-
Issue of shares upon exercise of share options	於行使購股權時發行股份	25,523	-	-	-	-	-	(6,827)	-	18,696
At 31 December 2011	於二零一一年十二月三十一日	50,028	2,882	152,891	26,178	363,370	20,356	95,367	39,653	750,725
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	1,113	-	-	1,113
Profit for the year	年內盈利	-	-	-	-	-	-	-	281,319	281,319
Dividends	股息	-	-	-	-	-	-	-	(296,525)	(296,525)
Write-back of unclaimed dividends	撥回未領取股息	-	-	-	-	-	-	-	3	3
Share-based payment expense	以股份為基礎之付款開支	-	-	-	-	-	-	36,173	-	36,173
Transfer upon lapse of share options	於購股權失效時轉撥	-	-	-	-	-	-	(2,029)	2,029	-
Issue of shares upon exercise of share options	於行使購股權時發行股份	60,390	-	-	-	-	-	(16,055)	-	44,335
At 31 December 2012	於二零一二年十二月三十一日	110,418	2,882	152,891	26,178	363,370	21,469	113,456	26,479	817,143

29 RESERVES (CONTINUED)

Notes:

(a) Capital redemption reserve

The capital redemption reserve represents the nominal amount of shares repurchased by the Company in 1999.

(b) Merger reserve

The merger reserve represents the difference between the aggregate nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the share capital issued by the Company as consideration for the acquisition pursuant to the corporate reorganisation in 1995.

(c) Statutory reserves

As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the statutory reserves and enterprise expansion fund, at rates determined by their respective boards of directors. The statutory reserves can be utilised to offset prior year losses or be utilised for the issuance of bonus shares, whilst the enterprise expansion fund can be utilised for the development of business operations. When the statutory reserves reach an amount equal to 50% of the registered capital of the Company's subsidiaries, further appropriation is optional.

(d) Contributed surplus

The contributed surplus of the Company represents the difference between the aggregate net assets of the subsidiaries acquired by the Company under the corporate reorganisation in 1995 and the nominal amount of the Company's shares issued for the acquisition.

(e) Distributable reserves

The Company's reserves available for distribution to its owners of the Company comprise share premium, contributed surplus, fair value adjustment of warrant capital reserve, translation reserve, share-based payment reserve and retained profits. Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to owners subject to the provisions of its Articles of Association and provided that immediately following the distribution or the payment of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares. In accordance with the Company's Articles of Association, dividends shall be payable out of the profits or other reserves, including the share premium, of the Company.

29 儲備 (續)

附註：

(a) 股本贖回儲備

股本贖回儲備指本公司於一九九九年購回股份之面值。

(b) 合併儲備

合併儲備指附屬公司於被本公司收購當日之股本面值總額與本公司根據一九九五年公司重組作為收購代價所發行股本面值兩者之差額。

(c) 法定儲備

根據中國內地法規，本公司於中國內地成立及經營之附屬公司須將其稅後盈利（經抵銷上一年度虧損後）之一部份撥入法定儲備及企業發展基金，撥款比例由附屬公司各自之董事會釐定。法定儲備可用作抵銷上一年度虧損或用作發行紅股，而企業發展基金可用作發展業務營運。法定儲備達到本公司附屬公司註冊資本50%後，可選擇不再撥款。

(d) 繳入盈餘

本公司之繳入盈餘指本公司根據一九九五年公司重組收購附屬公司之資產淨值總額與本公司因收購而發行之股份面值兩者之差額。

(e) 可供分派儲備

本公司可供分派予本公司擁有人之儲備包括股份溢價、繳入盈餘、認股權證公平價值調整資本儲備、匯兌儲備、以股份為基礎之付款儲備及保留盈利。根據開曼群島公司法（經修訂），本公司之股份溢價可用作向擁有人分派或支付股息，惟須受公司組織章程細則之條文所規限，而緊隨作出分派或派付股息後，本公司必須能於日常業務過程中償還到期債項。股份溢價亦可以繳足紅股形式分派。根據本公司之公司組織章程細則，股息須以本公司之盈利或其他儲備（包括股份溢價）支付。

30 CONVERTIBLE BONDS AND WARRANTS

On 12 June 2009, the Company issued unlisted and unsecured RMB denominated USD settled convertible bonds due in 2014 (the “Bonds”) and unlisted warrants to subscribe 100 million new shares of the Company (the “Warrants”) in an aggregate principal amount of RMB550,000,000.

The terms of the Bonds and the Warrants are summarised below:

- (a) the Bonds bear interest of 3.125% per annum on the outstanding principal amount of the Bonds and the interests are payable by the Company semi-annually in arrears;
- (b) the Bonds are convertible at the option of the bondholders into fully paid ordinary shares on or after the issue date of the Bonds up to 12 June 2014 at a conversion price of HK\$3.50 per share, with its exchange rate fixed at HK\$1.00 = RMB0.8803 (which was approximately the spot rate of HK\$/RMB on the date of completion) and subject to certain adjustments pursuant to the terms of the agreement entered with the bondholders;
- (c) 178,510,572 conversion shares will be issued upon full conversion of the Bonds based on the initial conversion price of HK\$3.50 per share;
- (d) the Bonds are redeemable on maturity at a value equal to the USD equivalent of the aggregate of 100% of the outstanding RMB principal amount and all amounts accrued thereon;
- (e) the exercise price of the Warrants is HK\$4.00 per warrant and it is denominated at RMB3.49792 per warrant, with its exchange rate fixed at HK\$1.00 = RMB0.87448 (which was approximately the spot rate of HK\$/RMB on the date of amendment), pursuant to the amendment deed dated 25 August 2010; and
- (f) the Warrants can be exercised at any time during the period commencing from the issue date of the Warrants up to 12 June 2014.

At the issuance of the Bonds, a liability component representing the 5-year 3.125% straight debt and an equity component representing the convertible option of HK\$3.50 per share were recognised at fair value. Upon issuance of the Warrants, a derivative financial instrument was recognised at fair value. On 25 August 2010, upon the execution of an amendment deed by the Company with the warrant holder to fix the exercise price of the Warrants at RMB3.49792 per warrant, the derivative financial instrument was derecognised and the carrying amount of it was transferred to warrants capital reserve.

30 可換股債券及認股權證

於二零零九年六月十二日，本公司發行人民幣計值美元結算於二零一四年到期之非上市及無抵押可換股債券（「債券」）及可認購100,000,000股本公司新股份之非上市認股權證（「認股權證」），本金總額為550,000,000人民幣。

債券及認股權證之條款概述如下：

- (a) 債券按未兌換本金額以年利率3.125厘計息。本公司將每半年延付利息；
- (b) 於債券發行日期起至二零一四年六月十二日期間，債券持有人可選擇以換股價每股3.50港元，轉換債券為本公司之繳足普通股，而匯率則固定為1.00港元 = 0.8803人民幣（與完成日期之港元／人民幣現貨匯率相若），惟須根據與債券持有人訂立之協議條款進行若干調整；
- (c) 債券按最初兌換價每股3.50港元獲悉數兌換後將發行178,510,572股兌換股份；
- (d) 債券可於到期時按相等於尚未兌換人民幣本金額之100%及全部應計款項總和價值之美元等值金額贖回；
- (e) 認股權證之行使價為每份認股權證4.00港元，其後根據日期為二零一零年八月二十五日之修訂契約更改為每份認股權證3.49792人民幣，匯率固定為1.00港元 = 0.87448人民幣（與修訂日期之港元／人民幣現貨匯率相若）；及
- (f) 認股權證可由認股權證發行日期起至二零一四年六月十二日止期間隨時行使。

發行債券時，負債部份（即按3.125厘計息之五年期債項）及權益部份（即每股3.50港元之兌換權）乃按公平價值確認。發行認股權證時，按公平價值確認衍生金融工具。於二零一零年八月二十五日，在本公司與認股權證持有人簽署修訂契約以將認股權證行使價定為每份認股權證3.49792人民幣後，衍生金融工具已予終止確認，其賬面值亦已轉撥入認股權證資本儲備。

30 CONVERTIBLE BONDS AND WARRANTS (CONTINUED)

Movements of the liability component of the Bonds are as follows:

		Group and Company 本集團及本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	605,879	556,622
Exchange adjustment	匯兌調整	6,561	24,506
Interest expense	利息開支	27,298	24,751
At 31 December	於十二月三十一日	639,738	605,879

During both years ended 31 December 2012 and 31 December 2011, no Bonds were redeemed, converted or purchased and cancelled and no Warrants were exercised.

債券之負債部份變動如下：

		Group and Company 本集團及本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	605,879	556,622
Exchange adjustment	匯兌調整	6,561	24,506
Interest expense	利息開支	27,298	24,751
At 31 December	於十二月三十一日	639,738	605,879

於截至二零一二年十二月三十一日及二零一一年十二月三十一日止年度，概無債券被贖回、兌換或購買及註銷，亦無認股權證被行使。

31 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using the applicable tax rates.

The movement in net deferred income tax assets is as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	87,024	51,217
Exchange adjustment	匯兌調整	900	2,842
Credited to consolidated income statement (Note 10)	計入綜合收益表(附註10)	7,519	32,965
At 31 December	於十二月三十一日	95,443	87,024

Deferred income tax assets are recognised for tax loss to be carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2012, the Group has unrecognised tax losses of HK\$97,758,000 (2011: HK\$89,770,000) to be carried forward against future taxable income, including HK\$6,644,000 (2011: HK\$4,968,000) and HK\$67,174,000 (2011: HK\$67,577,000) that will expire within the next five years and in five to ten years, respectively.

31 遞延所得稅

遞延所得稅採用負債法就暫時差額按適用稅率作全數計算。

遞延所得稅資產淨值之變動如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	87,024	51,217
Exchange adjustment	匯兌調整	900	2,842
Credited to consolidated income statement (Note 10)	計入綜合收益表(附註10)	7,519	32,965
At 31 December	於十二月三十一日	95,443	87,024

本公司就將予結轉之稅項虧損確認遞延所得稅資產，惟僅以有關稅項可能透過日後之應課稅盈利實現者為限。於二零一二年十二月三十一日，本集團有可結轉與未來之應課稅收入對銷之未確認稅項虧損97,758,000港元(二零一一年：89,770,000港元)，包括6,644,000港元(二零一一年：4,968,000港元)及67,174,000港元(二零一一年：67,577,000港元)分別於未來五年內及五至十年到期。

31 DEFERRED INCOME TAX (CONTINUED)

31 遞延所得稅(續)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

年內，遞延稅項資產及負債(在同一徵稅司法權區之結餘抵銷前)之變動如下：

Deferred income tax assets 遞延所得稅資產		Group 本集團									
		Provisions 撥備		Decelerated tax depreciation 減速稅項折舊		Tax losses 稅項虧損		Others 其他		Total 總計	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年
		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
At 1 January	於一月一日	80,467	48,957	5,627	4,866	19,340	2,305	1,035	260	106,469	56,388
Exchange adjustment	匯兌調整	823	2,381	39	218	113	456	17	27	992	3,082
Credited/(charged) to consolidated income statement	計入/(扣除自)綜合收益表	11,290	29,129	1,193	543	(9,664)	16,579	1,211	748	4,030	46,999
At 31 December	於十二月三十一日	92,580	80,467	6,859	5,627	9,789	19,340	2,263	1,035	111,491	106,469

Deferred income tax liabilities 遞延所得稅負債		Group 本集團									
		Accelerated tax depreciation 加速稅項折舊		Withholding tax on undistributed profits 未分派盈利預扣稅		Others 其他		Total 總計			
		2012	2011	2012	2011	2012	2011	2012	2011		
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年		
		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		
At 1 January	於一月一日	6,319	4,404	12,647	560	479	207	19,445	5,171		
Exchange adjustment	匯兌調整	93	226	-	-	(1)	14	92	240		
Charged/(credited) to consolidated income statement	扣除自/(計入)綜合收益表	2,438	1,689	(5,449)	12,087	(478)	258	(3,489)	14,034		
At 31 December	於十二月三十一日	8,850	6,319	7,198	12,647	-	479	16,048	19,445		

32 CONSOLIDATED CASH FLOW STATEMENT

32 綜合現金流量表

Reconciliation of operating profit to cash generated from operations

經營盈利與營運產生之現金之對賬

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Operating profit	經營盈利	1,364,900	1,368,567
Amortisation	攤銷	8,451	8,254
Depreciation	折舊	252,209	177,602
Fair value loss on available-for-sale financial asset	可出售金融資產公平價值虧損	-	61,872
Loss on disposal of fixed assets	出售固定資產之虧損	17,398	13,558
Loss on termination of a license right	終止特許使用權之虧損	1,789	-
Impairment of an intangible asset	一無形資產之減值	7,000	-
Interest income	利息收入	(43,047)	(63,143)
Share-based payment expense	以股份為基礎之付款開支	36,173	46,061
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	1,644,873	1,612,771
Increase in inventories	存貨增加	(287,651)	(928,227)
Increase in trade receivables, other receivables, deposits and prepayments	貿易應收賬款、其他應收賬款、按金及預付款項增加	(426,167)	(470,270)
(Decrease)/increase in trade payables, other payables, accrued charges and other non-current liability	貿易應付賬款、其他應付賬款、應計費用及其他非流動負債(減少)/增加	(57,814)	395,672
Cash generated from operations	營運產生之現金	873,241	609,946

33 COMMITMENTS

(a) Capital commitments for purchase of land use rights and fixed assets

Authorised but not contracted	已授權但未訂約
Contracted but not provided for	已訂約但未撥備

Group 本集團	
2012	2011
二零一二年	二零一一年
HK\$' 000	HK\$' 000
千港元	千港元

79,847	172,493
63,301	26,823
143,148	199,316

(b) Commitments under operating leases

As at 31 December 2012, the Group had future aggregate minimum lease payments in respect of various production plants and facilities, warehouses, offices and distribution outlets under non-cancellable operating leases as follows:

Not later than one year	一年內
Later than one year and not later than five years	一年後及五年內
Later than five years	五年後

Group 本集團	
2012	2011
二零一二年	二零一一年
HK\$' 000	HK\$' 000
千港元	千港元

1,304,758	1,044,885
1,417,941	1,225,781
36,084	46,586
2,758,783	2,317,252

Payment obligations in respect of operating leases on properties with contingent rent vary with respect to gross revenues are not included as future minimum lease payments.

就收入總額收取或然租金之物業經營租賃之應付租金，並未計入未來最低付款總額內。

The Company did not have any material commitments as at 31 December 2012 (2011: nil).

於二零一二年十二月三十一日，本公司並無任何重大承擔(二零一一年：無)。

34 RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following related party transactions during the year:

(a) Transactions and balances with related companies

	Transactions		Balance at year end	
	交易		年結日之結餘	
	2012	2011	2012	2011
	二零一二年	二零一一年	二零一二年	二零一一年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Purchases and subcontracting services from:				
Associates	44,276	1,196	119	134
Investee companies	1,573	17,659	302	7,191

Purchases of shoe materials and footwear products from associates and investee companies, were conducted in the normal course of the Group's business. The terms of transactions were determined and agreed between the Group and the counter parties and all balances due were repayable according to trade terms.

(b) Key management personnel compensation

	(b) 主要管理人員之薪酬	
	2012	2011
	二零一二年	二零一一年
	HK\$'000	HK\$'000
	千港元	千港元
Salaries, allowances and bonuses	37,777	96,843
Defined contribution pension costs	63	150
Share-based payment expense	19,144	35,873
	56,984	132,866

34 關聯方交易及結餘

除本財務報表其他部份所披露之交易及結餘外，本集團於年內曾進行下列關聯方交易：

(a) 與關聯公司之交易及結餘

	Transactions		Balance at year end	
	交易		年結日之結餘	
	2012	2011	2012	2011
	二零一二年	二零一一年	二零一二年	二零一一年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Purchases and subcontracting services from:				
Associates	44,276	1,196	119	134
Investee companies	1,573	17,659	302	7,191

向聯營公司及被投資公司採購鞋類物料及鞋類產品乃於本集團日常業務過程中進行。交易條款乃經本集團與交易方協定後釐定，而所有應付結餘亦按照貿易條款於到期時支付。

(b) 主要管理人員之薪酬

	(b) 主要管理人員之薪酬	
	2012	2011
	二零一二年	二零一一年
	HK\$'000	HK\$'000
	千港元	千港元
Salaries, allowances and bonuses	37,777	96,843
Defined contribution pension costs	63	150
Share-based payment expense	19,144	35,873
	56,984	132,866

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

For the years ended 31 December

截至十二月三十一日止年度

		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		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
Results	業績					
Turnover	營業額	10,529,100	8,576,762	6,623,840	5,831,994	5,289,297
Gross profit	毛利	6,228,832	5,243,777	3,800,841	3,207,078	2,787,386
Profit before income tax	除所得稅前盈利	1,307,314	1,322,081	850,161	633,543	666,267
Profit for the year attributable to:	以下各方應佔 年內盈利：	974,763	944,731	611,611	400,659	497,177
Owners of the Company	本公司擁有人	955,673	933,063	595,510	393,838	492,920
Non-controlling interests	非控制性權益	19,090	11,668	16,101	6,821	4,257
Basic earnings per share (HK cents)	每股基本盈利 (港仙)	58.07	56.96	36.36	24.05	30.09
Dividend per share (HK cents)	每股股息 (港仙)	18.0	17.0	12.0	8.0	5.5

As at 31 December

於十二月三十一日

		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		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
Assets and liabilities	資產及負債					
Total assets	總資產	7,194,435	6,501,416	5,049,050	3,940,808	2,962,361
Total liabilities	總負債	2,157,839	2,269,790	1,741,447	1,698,883	1,071,063
Total equity attributable to:	以下各方應佔 總權益：	5,036,596	4,231,626	3,307,603	2,241,925	1,891,298
Owners of the Company	本公司擁有人	4,825,336	4,035,867	3,124,332	2,202,898	1,854,533
Non-controlling interests	非控制性權益	211,260	195,759	183,271	39,027	36,765

