

綜合財務報表附註 Notes to the Consolidated Financial Statements

1 架構及主要業務

永嘉集團控股有限公司（「本公司」）於二零零五年十二月十三日在開曼群島根據開曼群島法例第22章公司法（一九六一年第3條法例，合併及修訂本）註冊成立的受豁免有限公司。

於二零零六年八月十四日，根據重組，本公司透過股份交換收購永嘉運動服裝有限公司、Portico Group Limited、Corus Investments Limited及Frankton International Limited（合稱「營運集團」）的所有權益，代價為本公司向營運集團唯一股東李國棟先生及黎清平先生發行100,000,000股入帳列為繳足股款的股份。於二零零六年八月十四日完成上述股份交換後，本公司成為營運集團及其附屬公司的最終控股公司，而本公司由李國棟先生及黎清平先生控制。於二零零六年八月十四日，李國棟先生及黎清平先生向Quinta Asia Limited（於英屬處女群島註冊成立的有限公司，由李國棟先生及黎清平先生控制）轉讓各自所持本公司的權益。自該日起，Quinta Asia Limited成為本公司最終控股公司。該重組（「重組」）視為共同控制權合併（附註2.1）。

本公司及其附屬公司（合稱「本集團」）的業務為生產和分銷成衣產品，包括運動服、活動及戶外服裝以及有關配飾。其生產基地主要位於中國大陸及約旦哈希姆王國（「約旦」）。銷售以原設備生產安排為主，外銷至美國及歐洲客戶，以及以批發及零售模式在中國大陸及香港出售。本集團主要附屬公司的詳情載於綜合財務報表附註10。

1 Organisation and principal activities

Win Hanverky Holdings Limited (the "Company") was incorporated in the Cayman Islands on 13 December 2005, as an exempted company with limited liability under the Companies Law, Cap. 22, (Law 3 of 1961, as combined and revised) of the Cayman Islands.

On 14 August 2006, pursuant to a reorganisation, the Company acquired all of the equity interests in Win Hanverky Sportswear Company Limited, Portico Group Limited, Corus Investments Limited and Frankton International Limited (together the "Operating Group"), through share exchanges. In this connection, as consideration, the Company issued and credited as fully paid up 100,000,000 shares to Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping, who were the sole shareholders of the Operating Group. Upon completion of the above-mentioned share exchanges on 14 August 2006, the Company became the ultimate holding company of the Operating Group and its subsidiaries and the Company was controlled by Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping. On 14 August 2006, Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping transferred their respective equity interests in the Company to Quinta Asia Limited, a company incorporated in the British Virgin Islands with limited liability and controlled by Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping, and Quinta Asia Limited has become the ultimate holding company of the Company since that date. This reorganisation (the "Reorganisation") has been considered as a common control combination (Note 2.1).

The Company and its subsidiaries (together, the "Group") are engaged in the manufacturing and selling of garment products, including sportswear, active and outer wear, and related accessories. Its production bases are primarily located in Mainland China and the Hashemite Kingdom of Jordan ("Jordan"). Sales are primarily under OEM (Original Equipment Manufacturing) arrangements to customers in the United States of America and Europe, and under wholesale and retail modes in Mainland China and Hong Kong. Details of the principal subsidiaries of the Group are set out in Note 10 to these consolidated financial statements.

綜合財務報表附註 Notes to the Consolidated Financial Statements

1 架構及主要業務 (續)

本公司的註冊辦事處位於 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司股份自二零零六年九月六日起在香港聯合交易所有限公司主板上市。

除另有指明外，綜合財務報表以港元呈列，已獲本公司董事會於二零零七年四月十一日批准刊發。

2 重要會計政策概要

該等綜合財務報表包括於二零零六年十二月三十一日的綜合及本公司資產負債表、截至該日止年度綜合損益表、綜合權益變動表及綜合現金流量表，以及重要會計政策概要與附註。

以下為編製該等綜合財務報表時應用的主要會計政策。除另有指明外，該等政策與過往年度所呈列者一致。

2.1 採用合併會計法

該等綜合財務報表乃採用香港會計師公會（「香港會計師公會」）頒佈的香港會計指引第5號「共同控制合併之合併會計法」所規定的合併會計法編撰。

該等綜合財務報表包括受共同控制之所合併公司或業務的財務報表，猶如該等所合併公司或業務自首次受控權方（李國棟先生及黎清平先生）控制當日起經已合併。

1 Organisation and principal activities (Continued)

The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 6 September 2006.

These consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), unless otherwise stated, and were approved for issue by the Company's Board of Directors on 11 April 2007.

2 Summary of significant accounting policies

These consolidated financial statements comprise the consolidated and Company balance sheets at 31 December 2006, and the consolidated income statement, 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 the explanatory notes.

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

2.1 Application of merger accounting

These consolidated financial statements have been prepared using the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling parties, Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.1 採用合併會計法 (續)

所合併公司或業務之資產淨值按控權方所定現有帳面值合併入帳。倘控權方仍持有相關權益，則不會就商譽或收購方所佔被收購方可識別資產、負債及或然負債公平淨值權益超逾共同控制合併當時成本的差額確認任何數額。

綜合損益表包括各合併公司或業務自所呈列之最早日期或合併公司或業務首次受共同控制當日起(以較短期間為準，無論是否共同控制合併日期)之業績。

綜合財務報表所呈列的比較金額乃假設該等公司或業務於上一個結算日或首次受共同控制當日(倘為較後發生)經已合併。

所合併公司採用一致的會計政策。集團內合併公司或業務間的所有交易、結餘及交易所產生之未變現盈利於綜合帳目時抵銷。

2 Summary of significant accounting policies

(Continued)

2.1 Application of merger accounting (Continued)

The net assets of the combining entities or businesses are combined using the existing book carrying amounts from the controlling parties' perspective. No amount is recognised for goodwill or excess of acquirers' interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination, to the extent of the continuation of the controlling parties' interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control if this is later.

A uniform set of accounting policies is adopted by the combining entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.2 編製基準

該等綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」)編製，並按照歷史成本常規法編製。

編製符合香港財務報告準則的財務報表須應用若干主要會計估計，亦須管理層在應用本集團會計政策過程中運用其判斷。財務報表涉及高度判斷或複雜性，或綜合財務報表中的重大假設及估計在附註4披露。該等估計與假設會影響於財務報表日期呈報之資產及負債數額及或然資產及負債披露，以及年內呈報收益及開支數額。儘管該等估計乃根據管理層對事件及行動的了解作出，但最終實際結果或有別於該等估計。

(a) 於二零零六年生效的已頒佈且與本集團業務有關的準則修訂及詮釋

下列修訂及詮釋為與本集團業務有關，且必須於二零零六年一月一日或其後開始的會計期間採用：

- 修訂香港會計準則第39號及香港財務報告準則第4號(經修訂)「財務擔保合約」(由二零零六年一月一日或其後開始之年度生效)。該修訂規定已發出而並非公司過往視為保險合約的財務擔保首先按其公平值確認，其後則以(i)已收取及遞延相關費用的未攤銷結餘；及(ii)於結算日結算承擔所需開支之較高者入帳。採納該修訂對該等綜合財務報表並無重大影響。

2 Summary of significant accounting policies

(Continued)

2.2 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management’s best knowledge of events and actions, actual results ultimately may differ from those estimates.

(a) Amendments and interpretations to published standards effective in 2006 and are relevant to the Group’s operations

The following amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 and are relevant to the Group’s operations:

- Amendment to HKAS 39 and HKFRS 4, Amendment “Financial Guarantee Contracts” (effective for annual periods beginning on or after 1 January 2006). This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value, and subsequently measured at the higher of (i) the unamortised balance of the related fees received and deferred, and (ii) the expenditure required to settle the commitment at the balance sheet date. The adoption of this amendment does not have a significant impact on these consolidated financial statements.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.2 編製基準 (續)

(a) 於二零零六年生效的已頒佈且與本集團業務有關的準則修訂及詮釋 (續)

- 香港(國際財務報告詮釋委員會) — 詮釋第4號「釐定安排是否包括租賃」(由二零零六年一月一日或其後開始之年度生效)。該詮釋須基於安排的內容確定有關安排本身是否或其中包括租賃。此項詮釋須評估：(i)達成安排是否取決於使用個別或多項特定資產(資產)；及(ii)該項安排是否附帶使用該資產之權利。採納該修訂對本集團的財務報表並無重大影響。
- 香港會計準則第21號修訂本「海外業務淨投資」(由二零零六年一月一日或其後開始之年度生效)。該修訂批准以任何貨幣計值的公司之間的貸款納入海外業務淨投資的一部分，因此任何相關匯兌差額均被列入綜合財務報表的權益。該等貸款過去須以交易其中一方的功能貨幣計值。採納該修訂對本集團的財務報表並無重大影響。

2 Summary of significant accounting policies

(Continued)

2.2 Basis of preparation (Continued)

(a) Amendments and interpretations to published standards effective in 2006 and are relevant to the Group's operations (Continued)

- HK(IFRIC)-Int 4 "Determining Whether an Arrangement Contains a Lease" (effective for annual periods beginning on or after 1 January 2006). It requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (i) fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (ii) the arrangement conveys a right to use the asset. The adoption of this interpretation does not have a significant impact on the Group's financial statements.
- HKAS 21 Amendment "Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 January 2006). This amendment permits inter-company loans denominated in any currency to be part of a net investment in a foreign operation, and therefore any relating exchange difference to be treated as equity in the consolidated financial statements. Previously such loans had to be denominated in the functional currency of one of the parties to the transaction. The adoption of this amendment does not have a significant impact on the Group's financial statements.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.2 編製基準 (續)

(b) 本集團並無提前採納的未生效新準則及現行準則詮釋

下列為已頒佈及必須於二零零六年五月一日或其後開始之會計期間或較後期間採用而本集團並無提前採納的新準則及現行準則詮釋：

- 香港財務報告準則第7號「金融工具：披露」(由二零零七年一月一日或其後開始之年度生效)、香港會計準則第1號「修訂資本披露」(由二零零七年一月一日或其後開始之年度生效)。香港財務報告準則第7號推出有關財務工具的新披露規定。本集團已評估香港財務報告準則第7號及香港會計準則第1號的修訂的影響，並總結該等主要額外披露將為香港會計準則第1號的修訂所規定的市場風險敏感度分析及資本披露。本集團將於二零零七年一月一日開始之年度採納香港財務報告準則第7號及香港會計準則第1號的修訂。
- 香港財務報告準則第8號「營運分部」(由二零零九年一月一日或其後開始之年度生效)。香港財務報告準則第8號取代香港會計準則第14號「分部報告」，要求根據本集團內部報告方式(即管理層通常審閱的本集團業務劃分方式)匯報分部資料。管理層認為採納香港財務報告準則第8號對本集團的分部披露並無重大影響。本集團將於二零零九年一月一日起採用香港財務報告準則第8號。

2 Summary of significant accounting policies

(Continued)

2.2 Basis of preparation (Continued)

(b) New standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following are the new standards and interpretations to existing standards that have been published and are mandatory for accounting periods beginning on or after 1 May 2006 or later periods that the Group has not early adopted:

- HKFRS 7 “Financial Instruments: Disclosures” (effective for annual periods beginning on or after 1 January 2007), HKAS 1 “Amendments to capital disclosures” (effective for annual periods beginning on or after 1 January 2007). HKFRS 7 introduces new disclosures relating to financial instruments. The Group has assessed the impact of HKFRS 7 and the amendment to HKAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures required by the amendment of HKAS 1. The Group will adopt HKFRS 7 and the amendment to HKAS 1 from annual periods beginning 1 January 2007.
- HKFRS 8 “Operating Segments” (effective for accounting periods beginning on or after 1 January 2009). HKFRS 8 supersedes HKAS 14, “Segment Reporting”, which requires segments to be reported based on the Group’s internal reporting pattern as they represent components of the Group regularly reviewed by management. Management considers the adoption of HKFRS 8 will have no significant impact on the segment disclosures of the Group. The Group will apply HKFRS 8 from 1 January 2009.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2 Summary of significant accounting policies

(Continued)

2.2 編製基準 (續)

2.2 Basis of preparation (Continued)

(b) 本集團並無提前採納的未生效新準則及現行準則詮釋 (續)

(b) New standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

- 香港 (國際財務報告詮釋委員會) — 詮釋第8號「香港財務報告準則第2號的範圍」(由二零零六年五月一日或其後開始之年度生效)。香港 (國際財務報告詮釋委員會) — 詮釋第8號規定衡量涉及發行股本工具交易的代價 (如可識別的已收代價低於已發行股本工具的公平值) 是否屬於香港財務報告準則第2號所界定範圍。本集團將於二零零七年一月一日起採用香港 (國際財務報告詮釋委員會) — 詮釋第8號，但預期對本集團的綜合財務報表並無任何重大影響。
- 香港 (國際財務報告詮釋委員會) — 詮釋第9號「重新評估嵌入式衍生工具」(由二零零六年六月一日或其後開始之年度生效)。管理層相信由於本集團已評估嵌入式衍生工具是否應根據與香港 (國際財務報告詮釋委員會) — 詮釋第9號一致的原則劃分，故此詮釋對本集團的會計政策應無重大影響。本集團將於二零零七年一月一日起採用香港 (國際財務報告詮釋委員會) — 詮釋第9號。
- HK(IFRIC)-Int 8 “Scope of HKFRS 2” (effective for annual periods beginning on or after 1 May 2006). HK(IFRIC)-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group will apply HK(IFRIC)-Int 8 from 1 January 2007, but it is not expected to have any significant impact on the Group’s consolidated financial statements.
- HK(IFRIC)-Int 9 “Reassessment of Embedded Derivatives” (effective for annual periods beginning on or after 1 June 2006). Management believes that this interpretation should not have significant impact on the Group’s accounting policies as the Group has already assessed whether embedded derivatives should be separated using principles consistent with HK(IFRIC)-Int 9. The Group will apply HK(IFRIC)-Int 9 from 1 January 2007.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.2 編製基準 (續)

(b) 本集團並無提前採納的未生效新準則及現行準則詮釋 (續)

- 香港(國際財務報告詮釋委員會) — 詮釋第10號「中期財務報告及減值」(由二零零六年十一月一日或其後開始之年度生效)。香港(國際財務報告詮釋委員會) — 詮釋第10號禁止於中期確認按成本列帳有關商譽、股本工具投資及財務資產投資的減值虧損於其後結算日撥回。本集團將於二零零七年一月一日採用香港(國際財務報告詮釋委員會) — 詮釋第10號，預期對本集團的綜合財務報表無任何重大影響。
- 香港(國際財務報告詮釋委員會) — 詮釋第11號「香港財務報告準則第2號 — 集團及庫存股份轉讓」(由二零零七年三月一日或其後開始之年度生效)。此詮釋說明如何在財務報表上計入若干集團公司之間以股份為基礎之支付安排。本集團將於二零零八年一月一日起採用香港(國際財務報告詮釋委員會) — 詮釋第11號，預期不會對本集團之財務報表有任何重大影響。

2 Summary of significant accounting policies (Continued)

2.2 Basis of preparation (Continued)

(b) New standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

- HK(IFRIC)-Int 10 “Interim Financial Reporting and Impairment” (effective for annual periods beginning on or after 1 November 2006). HK(IFRIC)-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply HK(IFRIC)-Int 10 from 1 January 2007, but it is not expected to have any significant impact on the Group’s financial statements.
- HK(IFRIC)-Int 11 “HKFRS 2 – Group and Treasury Share Transfer” (effective for annual periods beginning on or after 1 March 2007). This interpretation addresses how certain share-based payment arrangements between group companies should be accounted for in the financial statements. The Group will apply HK(IFRIC)-Int 11 from 1 January 2008 but it is not expected to have any significant impact on the Group’s financial statements.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.2 編製基準 (續)

(c) 尚未生效且與本集團營運無關的現行準則詮釋

下列為已頒佈並須自二零零六年三月一日起或其後開始期間生效，但與本集團業務無關的現行準則詮釋：

- 香港（國際財務報告詮釋委員會）— 詮釋第7號「應用香港會計準則第29號嚴重通脹經濟之財務報告重列法」（由二零零六年三月一日起生效）。香港（國際財務報告詮釋委員會）— 詮釋第7號提供指引，說明若公司在某報告期間確定其功能貨幣的經濟處於嚴重通脹之中，而有關經濟體系在上一期間並無出現嚴重通脹，應如何應用香港會計準則第29號之規定。由於並無任何公司集團以處於嚴重通脹經濟體系之貨幣作為其功能貨幣，故此香港（國際財務報告詮釋委員會）— 詮釋第7號與本集團之營運無關。
- 香港（國際財務報告詮釋委員會）— 詮釋第12號「服務專營權安排」（由二零零八年一月一日或其後開始之會計年度生效）。該詮釋就服務經營權安排中的責任及相關權利之確認及衡量訂立一般原則。本集團並無任何服務經營權安排，因此管理層認為該詮釋與本集團無關。

2 Summary of significant accounting policies

(Continued)

2.2 Basis of preparation (Continued)

(c) Interpretations to existing standards that are not yet effective and not relevant to the Group's operations

The following interpretations to existing standards have been published that are mandatory for the accounting periods beginning on or after 1 March 2006 or later periods but are not relevant for the Group's operations:

- HK(IFRIC)-Int 7 “Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies” (effective from 1 March 2006). HK(IFRIC)-Int 7 provides guidance on how to apply the requirements of HKAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the group entities have a currency of a hyperinflationary economy as its functional currency, HK(IFRIC)-Int 7 is not relevant to the Group's operations.
- HK(IFRIC)-Int 12, “Service Concession Arrangements”, (effective for annual accounting periods beginning on or after 1 January 2008). This interpretation sets out general principles on recognising and measuring the obligation and related rights in service concession arrangements. The Group has no service concession arrangements and management considers the interpretation is not relevant to the Group.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.2 編製基準 (續)

(d) 於二零零六年生效但與本集團營運無關的準則、修訂及詮釋

下列為自二零零六年一月一日或其後開始的會計期間生效而與本集團營運無關的準則、修訂及詮釋：

- 香港會計準則第19號修訂本 — 僱員福利；
- 香港會計準則第39號修訂本 — 預測集團內公司間交易之現金流量對沖會計處理；
- 香港財務報告準則第1號修訂本 — 首次採用香港財務報告準則；
- 香港(國際財務報告詮釋委員會) — 詮釋第5號 — 終止運作、復原及環境修復基金產生權益之權利；及
- 香港(國際財務報告詮釋委員會) — 詮釋第6號 — 參與特定市場之負債 — 廢棄電力及電子設備產生。

2 Summary of significant accounting policies

(Continued)

2.2 Basis of preparation (Continued)

(d) Standards, amendments and interpretations effective in 2006 but not relevant to the Group's operations

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but are not relevant to the Group's operations:

- HKAS 19 Amendment – Employee Benefits;
- HKAS 39 Amendment – Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
- HKFRS 1 Amendment – First-time Adoption of Hong Kong Financial Reporting Standards;
- HK(IFRIC)-Int 5 – Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds; and
- HK(IFRIC)-Int 6 – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.3 綜合帳目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日的財務報表。

(a) 附屬公司

附屬公司指本集團有權控制其財務及營運決策的一切公司(包括為特殊目的成立的公司)，所持股權通常佔其過半數投票權。於評估本集團是否控制另一公司時，會考慮現時可行使或可轉換的潛在投票權的存在及影響。

當附屬公司控制權轉移至本集團之日將其全面綜合入帳，並在終止控制權時停止綜合入帳。

除視為共同擁有權合併的重組(附註1及2.1)外，本集團採用收購會計法處理收購附屬公司入帳事宜。收購成本按於交易當日所獲資產的公平值、已發行股本工具及已產生或承擔的負債並加上收購直接應佔的成本計算。在商業合併過程中所收購的可識別資產、所承擔的負債及或然負債均於收購當日按其公平值作初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購的可識別淨資產公平值的差額列作商譽。倘收購成本低於所收購附屬公司淨資產的公平值，則有關差額將直接在損益表內確認。

少數股東權益即外界股東應佔附屬公司的業績及資產淨值的權益。

2 Summary of significant accounting policies

(Continued)

2.3 Consolidation

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

(a) Subsidiaries

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Except for the Reorganisation which has been considered as a common control combination (Notes 1 and 2.1), the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Minority interest represents interest in the results and net assets of the subsidiaries which are attributable to outside shareholders.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.3 綜合帳目 (續)

(a) 附屬公司 (續)

集團內公司間交易、交易的結餘及未變現盈利已對銷。除非交易顯示相關資產出現減值，否則未變現虧損亦會對銷。附屬公司之會計政策如有需要已作出改變，以確保與本集團所採納者一致。

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

(b) 少數股東權益交易

本集團少數股東權益交易列作本集團股本擁有人的交易。購買少數股東權益時，已付代價及所收購附屬公司淨資產帳面值的相關股份的差額自股權扣除。出售少數股東權益的收益或虧損亦計入股權。出售少數股東權益時，已收所得款項與少數股東權益相關股份的差額計入股權。

2 Summary of significant accounting policies

(Continued)

2.3 Consolidation (Continued)

(a) Subsidiaries (Continued)

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

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

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to minority interests are also recorded in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also recorded in equity.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.3 綜合帳目 (續)

(c) 聯營公司

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

本集團應佔聯營公司收購後的溢利或虧損於損益表中確認，而應佔收購後的儲備變動則在儲備中確認。收購後的累計變動在投資的帳面值調整。當本集團應佔聯營公司虧損等於或大於所佔聯營公司的權益(包括任何其他無抵押之應收款項)時，本集團不再確認超額的虧損，除非本集團有責任或已經代聯營公司付款。

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

聯營公司的攤薄收益及虧損會於損益表確認。

2 Summary of significant accounting policies

(Continued)

2.3 Consolidation (Continued)

(c) Associates

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

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

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.3 綜合帳目 (續)

(d) 共同控制實體

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

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

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

共同控制實體的攤薄收益及虧損於損益表確認。

2 Summary of significant accounting policies

(Continued)

2.3 Consolidation (Continued)

(d) Jointly controlled entities

Jointly controlled entities are entities where the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Investments in jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in jointly controlled entities include goodwill (net of any accumulated impairment loss) identified on acquisition.

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

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.4 分部報告

業務分部指從事提供產品或服務之一組資產及經營業務，而該組資產及業務的風險及回報有別於其他業務分部。地區分部指在某一特定經濟環境下從事提供產品或服務，其產品或服務的風險和回報與在其他經濟環境經營的分部不同。

2.5 外幣換算

(a) 功能及呈報貨幣

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

(b) 交易及結餘

外幣交易均按交易當日通行的匯率換算為功能貨幣。因上述交易結算以及按年終匯率換算以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於損益表確認。

(c) 集團公司

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

- (i) 各資產負債表上的資產及負債乃按結算日的收市匯率換算；

2 Summary of significant accounting policies

(Continued)

2.4 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.5 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.5 外幣換算 (續)

(c) 集團公司 (續)

(ii) 各收益表上的收支乃按平均匯率換算 (除非該平均匯率並非交易日期匯率累計影響的合理估計, 在該情況下, 收支則會按交易日期的匯率換算); 及

(iii) 所有最終匯兌差額確認為權益的獨立項目。

於綜合帳目時, 因換算於海外公司或業務的投資淨額、借貸及其他指定為對沖該等投資的貨幣工具而產生的匯兌差額計入股東權益。當出售部分或全部海外業務時, 記入權益的匯兌差額在收益表中確認為部分出售收益或虧損。

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

2.6 租賃土地及土地使用權

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

2.7 物業、機器及設備

所有物業、機器及設備 (在建工程除外) 按歷史成本扣除累計折舊及累計減值虧損 (如有) 列帳。歷史成本包括收購該等項目直接產生的開支。

2 Summary of significant accounting policies

(Continued)

2.5 Foreign currency translation (Continued)

(c) Group companies (Continued)

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) 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 entities or 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, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

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

2.6 Leasehold land and land use rights

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

2.7 Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.7 物業、機器及設備 (續)

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

有無限可使用年期的永久業權土地毋須攤銷。其他物業、機器及設備的折舊按以下的估計可使用年期，以直線法將成本攤銷至其餘值。

—樓宇	10至50年
—租賃物業裝修	3至10年
—廠房及機器	5至10年
—傢俬及設備	5至10年
—汽車	5年

於每個結算日均會覆核資產餘值及可使用年期，並在適當情況下作出調整。

倘資產帳面值高於其估計可收回金額時，則立即將該資產的面值減至其可收回金額。

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

出售的盈虧乃根據所得款項與面值的差額比較釐定，並計入損益表。

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

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. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Freehold land with unlimited useful life is not depreciated. Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

- Buildings	10 to 50 years
- Leasehold improvements	3 to 10 years
- Plant and machinery	5 to 10 years
- Furniture and equipment	5 to 10 years
- Motor vehicles	5 years

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

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.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.8 無形資產

(a) 專營權

專營權以歷史成本減累計攤銷及累計減值虧損(如有)入帳。專營權收購以收購當時所付代價的公平值首次入帳。所付代價包括根據專營業務未來收益的預設條件而釐定且於收購當時能可靠計量的預計可變付款。

專營權以可反映本集團未來因專營權所產生的預計經濟收益的模式，在專營權有效期內攤銷。

(b) 商譽

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

商譽會分配至現金產生單位以進行減值測試。商譽會分配至預期可自產生商譽之商業合併中受惠之現金產生單位或一組現金產生單位。

2 Summary of significant accounting policies

(Continued)

2.8 Intangible assets

(a) Licence rights

Licence 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 licence at the time of the acquisition. The consideration given represents expected variable payments based on pre-determined criteria on future revenues from the licensed business that can be reliably estimated at the time of the acquisition.

Licence rights are amortised over the licence periods on a basis that reflects the pattern in which the licence's future economic benefits are expected to be consumed by the Group.

(b) Goodwill

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

Goodwill is allocated to cash-generating units 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.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.9 於附屬公司、聯營公司、共同控制實體之投資及非金融資產減值

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

2.10 存貨

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

2 Summary of significant accounting policies

(Continued)

2.9 Impairment of investments in subsidiaries, associates, jointly controlled entities and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, are tested at least annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation and 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 suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Inventories

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.11 應收貿易帳款及其他應收帳款

應收貿易帳款及其他應收帳款最初按公平值入帳，其後運用實際利息法按攤銷成本並扣除減值撥備入帳。倘有客觀證據顯示本集團將無法根據應收帳款的原來條款，全數收回所有款項，則須計提應收貿易帳款及其他應收帳款的減值撥備。若債務人出現重大財務困難、債務人可能破產或須進行財務重組及欠付或拖欠付款，有關情況將視作應收貿易帳款減值的指標。撥備數額為資產面值與按實際利率折現計算估計未來現金流量現值之差額。資產帳面減值自撥備帳目扣除，而虧損數額則於損益表的一般及行政開支內確認。當一項應收貿易帳款為不可收取，則會扣減應收貿易帳款撥備。先前已扣減而其後收回之數額則計入損益表的一般及行政開支。

2.12 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款及銀行透支。銀行透支(如有)列於資產負債表流動負債借貸一項內。

2.13 股本

普通股份列作股本。

發行新股或購股權的直接相關新增成本，在權益中以所得款項的扣除數額列帳。

2.14 應付貿易帳款

應付貿易帳款最初按公平值入帳，其後運用實際利息法按攤銷成本計量。

2 Summary of significant accounting policies

(Continued)

2.11 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 receivables 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 the 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 as 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 effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within general and administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance for trade receivables. Subsequent recoveries of amounts previously written off are credited against general and administrative expenses in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

2.13 Share capital

Ordinary shares are classified as equity.

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

2.14 Trade payables

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.15 借貸

借貸首先以公平值扣除有關交易成本後入帳。交易成本為收購、發行或出售金融資產或金融負債的直接新增成本，包括支付代理、顧問、經紀及交易商的費用及佣金、監管機構及證券交易所的徵費，以及轉讓的稅項及印花稅。借貸其後按攤銷成本列帳；所得款項(扣除交易成本)與贖回價值之間的差額在貸款期內以實際利息法計入損益表。

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

2.16 應付專營權費

收購專營權的應付專營權費最初按收購專營權當時所付收購代價的公平值確認入帳。有關數額包括定期付款及於收購當時能可靠估計的預計可變付款二者的現值。預計可變付款乃根據未來收益的預設條件，並參考與專營權有關的業務過往表現與按業內情況及趨勢而作出的財務預算及預測，經考慮不肯定因素與多個結果的可能性而作出(見附註4(e))。其後有關費用則按實際利息法以攤銷成本入帳。

應付專營權費的利息計入利息開支。預計現金流量的估計增減確認為損益表的其他收益淨額。經修訂預計現金流量以原來實際利率折現為負債面值。

2 Summary of significant accounting policies

(Continued)

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

2.16 Licence fees payable

Licence fees payable in respect of the acquisition of a licence right are initially recognised at fair value of the consideration given to acquire the licence at the time of the acquisition, which represent the present values of expected variable payments that can be reliably estimated at the time of the acquisition. Expected variable payments are based on pre-determined criteria on future revenues by reference to budgets and forecasts based on past performance of the business associated with the underlying licence and industry situation and trends, and after considering uncertainties and different chances of various outcomes (Note 4(e)). They are subsequently stated at amortised cost using the effective interest method.

Interest is accrued on licence fees payable and charged to interest expense. Changes in estimates of the expected cash flows are recognised as other gains-net in the income statement. The revised expected cash flows are discounted using the original effective interest rate to arrive at the carrying amount of the liability.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.17 遞延所得稅

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

倘若可能有未來應課稅溢利可予以抵銷可動用暫時差額，則會確認遞延所得稅資產。

因投資附屬公司、聯營公司及共同控制實體而產生的暫時差額將會計提遞延所得稅撥備，但若暫時差額撥回時間可由本集團控制，以及暫時差額可能不會在可見將來撥回者則除外。

2 Summary of significant accounting policies

(Continued)

2.17 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or 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 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, associates and jointly controlled entities, 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.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.18 僱員福利

(i) 退休福利

本集團公司參與多個界定供款退休福利計劃。界定供款計劃為本集團向獨立公司作出定額供款的退休福利計劃。本集團亦無法律及推定責任為該等定額供款以外的退休後福利支付其他供款。

計劃一般的資金來自向保險公司或國家／受託人管理基金所作供款。本集團按強制、合約或自願基準作出供款。一旦支付供款後，本集團並無進一步責任付款。供款到期時確認為僱員成本，且不會就該等僱員於供款全數歸屬前離開計劃所沒收的供款而作出扣減。

(ii) 股份報酬

本集團實行兩項以股本結算的股份報酬計劃。授出購股權所相應獲得的僱員服務公平值確認為開支。於歸屬期列為開支的總額乃參考已授購股權的公平值釐定，不包括非市場歸屬條件影響（例如獲盈及銷售增長目標）。非市場歸屬條件包括在預期歸屬購股權數目的假設。於各結算日，本集團修訂預期歸屬購股權的估計。本集團會於損益表確認修訂原來估計（如有）的影響，並相應調整股本。

已收所得款項減任何直接交易成本後計入股本（面值），當行使時計入股份溢價。

2 Summary of significant accounting policies

(Continued)

2.18 Employee benefits

(i) Retirement benefits

Group companies participate in various defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions for post-retirement benefits beyond these fixed contributions.

The schemes are generally funded through payments to insurance companies or state/trustee-administered funds. The Group pays contributions on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employment costs when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

(ii) Share-based compensation

The Group operates two equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the 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 options are exercised.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.18 僱員福利 (續)

(iii) 紅利計劃

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

2.19 撥備

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

倘出現多項類似責任，須整體考慮是否須消耗資源以解除責任。即使就同類責任中個別項目消耗資源之可能不大，仍會確認撥備。

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

2 Summary of significant accounting policies

(Continued)

2.18 Employee benefits (Continued)

(iii) Bonus plans

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

2.19 Provisions

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

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.20 收益確認

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

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

(a) 貨物銷售

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

(b) 分包收入

分包收入於提供分包服務時確認入帳。

(c) 利息收入

利息收入按時間比例以實際利息法確認入帳。

2.21 借貸成本

凡與購置、興建或生產必須經過相當長時間籌備以作預定用途或出售的資產直接有關的借貸成本均撥作資本，作為資產的部分成本。所有其他借貸成本於產生年度在損益表支銷。

2 Summary of significant accounting policies

(Continued)

2.20 Revenue recognition

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

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

(a) Sales of goods

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

(b) Subcontracting income

Subcontracting income is recognised when subcontracting services are provided.

(c) Interest income

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

2.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the income statement in the period in which they are incurred.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.22 經營租賃 (作為承租人)

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

2.23 或然負債

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

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

2.24 財務擔保

財務擔保(一種保險合約)為一種合約，規定在債務工具屆滿時若指定債務人未能根據原來或經修訂條款付款的情況下，由發行人向持有人支付指定款項以賠償其損失。本集團於訂約時並無確認財務擔保負債，但會於各個報告日期進行負債充裕度測試，比較財務擔保的淨負債與因財務擔保而產生的現時法律或推定責任所需數額的差額。倘負債少於其現時法律或推定責任的數額，將即時在損益表確認全部差額。

2 Summary of significant accounting policies

(Continued)

2.22 Operating leases (as the lessee)

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

2.23 Contingent liabilities

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

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

2.24 Financial guarantees

A financial guarantee (a type of insurance contract) is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument. The Group does not recognise liabilities for financial guarantees at inception, but performs a liability adequacy test at each reporting date by comparing its net liability regarding the financial guarantee with the amount that would be required if the financial guarantee were to result in a present legal or constructive obligation. If the liability is less than the amount of the present legal or constructive obligation, the entire difference is recognised in the income statement immediately.

綜合財務報表附註 Notes to the Consolidated Financial Statements

2 重要會計政策概要 (續)

2.25 股息分派

向本公司股東作出的股息分派在股息獲本公司股東批准期間於本集團財務報表確認為負債。

3 金融風險管理

3.1 金融風險因素

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

管理層定期管理本集團金融風險。由於本集團財務架構及現時業務性質簡單，故管理層並無進行主要對沖活動。

(a) 外匯風險

本集團涉及多種貨幣（主要為美元及中國人民幣）的外匯風險。未來商業交易所產生的外匯風險確認為於海外業務淨投資的資產與負債。本集團現時並無對沖外匯風險。

(b) 信貸風險

本集團於二零零六年十二月三十一日來自兩名客戶的應收貿易帳款佔來自第三方人士的應收貿易帳款總額約49% (附註14)。除此以外，本集團並無其他高度集中的信貸風險。本集團已制訂政策確保僅向擁有合適信貸紀錄的客戶銷售，並會定期進行客戶信貸評估／檢討。

本集團已實行政策限制因金融機構而產生的信貸風險。

2 Summary of significant accounting policies

(Continued)

2.25 Dividend distributions

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

3 Financial risk management

3.1 Financial risk factors

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

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollars and Chinese Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group currently does not hedge its foreign exchange exposure.

(b) Credit risk

The Group's trade receivables due from two customers represent approximately 49% of the total trade receivables from third parties as at 31 December 2006 (Note 14). Apart from this concentration, the Group has no other significant concentrations of credit risk. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. It performs periodic credit evaluations/reviews of its customers.

The Group has policies that limit the amount of credit exposure to any financial institution.

綜合財務報表附註 Notes to the Consolidated Financial Statements

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(c) 流動資金風險

本集團維持足夠現金及信貸以應付流動資金規定。

(d) 現金流量及公平值利率風險

除二零零六年十二月三十一日按介乎每年1.8%至每年4.9%的實際利率計息的銀行現金及短期銀行存款567,387,000港元外，本集團並無其他重大計息資產。

本集團的利率風險來自借貸。本集團由於按浮息發行借貸而面對現金流量利率風險。

3.2 公平值估計

假設應收貿易帳款、票據及其他應收帳款扣除估計信貸調整後的面值及其他應付貿易帳款、票據及其他應付帳款的面值與公平值相若。由於要作出披露，以現時本集團就同類金融負債可獲市場利率折現計算未來合約現金流量而估計金融負債的公平值。

4 關鍵會計估計及判斷

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

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

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group maintains sufficient cash and credit lines to meet its liquidity requirements.

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

Except for the cash at bank and short-term bank deposits as at 31 December 2006 of HK\$567,387,000 held at effective interest rates ranging from 1.8% per annum to 4.9% per annum, the Group has no other significant interest-bearing asset.

The Group's interest-rate risk also arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk.

3.2 Fair value estimation

The nominal value less estimated credit adjustments of trade, bills, and other receivables and trade, bills, and other payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 Critical accounting estimates and judgements

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

4 關鍵會計估計及判斷 (續)

(a) 物業、機器及設備的可使用年期及餘值

本集團管理層負責釐定物業、機器及設備的估計可使用年期、餘值及有關折舊開支。該等估計建基於具相同性質或功用的物業、機器及設備實際可使用年期的過往經驗。倘可使用年期較之前估計的為短，管理層將提高折舊開支，或將已報廢或出售的技術上過期或非策略資產撇銷或減值。實際經濟年期可能有異於估計可使用年期，實際餘值亦可能有異於估計餘值。定期檢討可能使折舊年期及餘值以致未來期間的折舊開支有所分別。

(b) 物業、機器及設備、租賃土地及土地使用權及無形資產減值

倘出現顯示物業、機器及設備、租賃土地、土地使用權及無形資產(不包括商譽)面值可能無法收回的事件或環境變動，則須進行減值檢討。可收回數額乃根據使用值計算或市場估值而釐定。該等計算須運用判斷及估計。

4 Critical accounting estimates and judgements

(Continued)

(a) Useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values and consequently related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, and it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

(b) Impairment of property, plant and equipment, leasehold land and land use rights and intangible assets

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

4 關鍵會計估計及判斷 (續)

(b) 物業、機器及設備、租賃土地及土地使用權及無形資產減值 (續)

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

(c) 存貨可變現淨值

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

4 Critical accounting estimates and judgements

(Continued)

(b) Impairment of property, plant and equipment, leasehold land and land use rights and intangible assets (Continued)

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

(c) Net realisable value of inventories

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

4 關鍵會計估計及判斷 (續)

(d) 應收貿易帳款、票據及其他應收帳款

本集團按應收貿易帳款、票據及其他應收帳款可收回程度的評估就應收帳款計提的減值撥備。該等評估乃根據客戶及其他債務人的信貸紀錄及現時市況而作出，須要運用判斷及估計。管理層於各結算日重新評估撥備。

(e) 應付專營權費及專營權

應付專營權費及專營權初步以公平值確認入帳。公平值即定期付款及其後年度能可靠計量的預計可變付款的現值。預期付款由管理層按內部財務預期及特許業務的現金流量預測而釐定。在建立該等預算及預測時，管理層會考慮不明朗因素以及實現機會有所分別的各種結果。管理層亦會決定適合用於建立預算及預測的主要假設，包括該等預算及預測是否以適合利率折現或運用恰當增長率建立。循環收益及毛利率的預計增長主要由累計客戶基礎的擴大以及盈利能力的提升所推動。在決定預算及預測所用主要假設時須運用判斷，若主要假設有所變化將使該等預算及預測以至應付專營權費及撥作資本的專營權公平值出現重大差異。

4 Critical accounting estimates and judgements

(Continued)

(d) Trade, bills and other receivables

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

(e) Licence fees payable and licence rights

Licence fees payable and licence rights are initially recognised at their fair values which represent the present values of fixed periodic payments and expected variable payments, that can be reliably estimated, to be made in subsequent years. Expected payments are determined by management based on internal financial budgets and cash flow projections for the licensed business. In making such budgets and projections, management considers uncertainties and that various outcomes have different chances of being realised. Management also assesses the appropriate key assumptions to be applied in developing budgets and projections, including whether these budgets and projections are discounted using an appropriate rate or prepared using the appropriate growth rates. The anticipated growth in recurring revenue and margins is driven primarily by the increasing size of the accumulating customer base, accompanied by profitability improvements. Judgment is required in determining key assumptions adopted in the budgets and projections and changes to key assumptions can significantly affect these budgets and projections and therefore the fair value of the licence fees payable and capitalised licence rights.

綜合財務報表附註 Notes to the Consolidated Financial Statements

4 關鍵會計估計及判斷 (續)

(f) 所得稅

本集團須繳納若干司法權區的所得稅。在日常業務中有若干未能確定最終稅項的交易及計算。本集團按是否須繳納額外稅項而確認預計稅務審核事宜的負債。倘該等事宜的最終稅務結果有異於最初紀錄的數額，有關差額將會影響釐定有關數額期間的所得稅及遞延稅項撥備。

在管理層認為可能可動用暫時性差額或稅項虧損抵銷未來應課稅溢利時，方會確認與若干暫時性差額有關的遞延稅項資產及稅項虧損。倘預測與原來估計有所分別，有關差額將會影響修改有關估計期間遞延稅項資產及所得稅開支的確認。

(g) 業務合併

或然代價涉及所購入公司收購後的表現，若可能須支付或然代價，而於收購日期有關數額又能可靠計量時，則計入收購成本。或然代價由管理層經考慮本集團收購後預期產生的協同效應後，根據內部財務預算及所收購公司的預測而釐定。在作出該等預算及預測時，管理層會考慮不明朗因素以及實現機會有所分別的各種結果。在決定預算及預測所用主要假設時須運用判斷，若主要假設有所變化將使該等預算及預測以至收購代價出現重大差異。

4 Critical accounting estimates and judgements

(Continued)

(f) Income taxes

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

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates are changed.

(g) Business combinations

Contingent consideration involving the post acquisition performance of the purchased entity is included in the cost of the acquisition if the contingent consideration is likely to become payable and can be measured reliably at the date of the acquisition. Contingent consideration is estimated by management based on internal financial budgets and projections of the acquired entity after considering synergies expected to arise after the Group's acquisition. In making such budgets and projections, management considers uncertainties and that various outcomes have different chances of being realised. Judgment is required in determining key assumptions adopted in the budgets and projections and changes to key assumptions can significantly affect these budgets and projections and therefore the estimated consideration for the acquisitions.

綜合財務報表附註 Notes to the Consolidated Financial Statements

5 共同控制權合併會計調整

下列為共同控制權合併(附註1及2.1)對綜合資產負債表影響的對帳。

於二零零六年十二月三十一日的綜合資產負債表：

5 Accounting adjustments under common control combination

The following is a reconciliation of the effect arising from the common control combination (Notes 1 and 2.1) on the consolidated balance sheets.

The consolidated balance sheet as at 31 December 2006:

		本公司	營運集團	調整(附註)	綜合帳目
		The	The	Adjustments	Consolidated
		Company	Operating	(Note)	Consolidated
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
對營運集團	Investment in the				
的投資	Operating Group	538,331	—	(538,331)	—
集團內結餘	Intra-group balances	487,247	(487,247)	—	—
其他資產/(負債)淨額	Other assets/(liabilities) – net	279,975	1,092,172	—	1,372,147
淨資產	Net assets	1,305,553	604,925		1,372,147
股本	Share capital	124,500	523,480	(523,480)	124,500
股本溢價	Share premium	623,905	—	—	623,905
股份基礎付款儲備	Share-based payment reserves	10,853	—	—	10,853
法定儲備	Statutory reserve	—	1,032	—	1,032
外幣匯兌	Foreign currency translation	—	7,258	—	7,258
實繳盈餘	Contributed surplus	528,331	—	(528,331)	—
其他儲備	Other reserves	—	(454,189)	513,480	59,291
所得盈餘	Retained earnings	17,964	491,160	—	509,124
		1,305,553	568,741		1,335,963
少數股東權益	Minority interest	—	36,184	—	36,184
		1,305,553	604,925		1,372,147

綜合財務報表附註 Notes to the Consolidated Financial Statements

5 共同控制權合併會計調整(續)

於二零零五年十二月三十一日的綜合資產負債表：

		營運集團			
		本公司	The	調整(附註)	綜合帳目
		The	Operating	Adjustments	Consolidated
		Company	Group	(Note)	Consolidated
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
對營運集團的投資	Investment in the Operating Group	—	—	—	—
其他資產/(負債)淨額	Other assets/(liabilities)	(5,311)	557,829	—	552,518
淨資產/(負債)	Net assets/(liabilities)	(5,311)	557,829		552,518
股本	Share capital	—	523,480	(513,480)	10,000
股本溢價	Share premium	(5,311)	—	—	(5,311)
法定儲備	Statutory reserve	—	1,032	—	1,032
外幣匯兌	Foreign currency				
繳往盈餘	translation	—	22	—	22
其他儲備	Other reserves		(468,119)	513,480	45,361
所得盈餘	Retained earnings	—	488,524	—	488,524
		(5,311)	544,939		539,628
少數股東權益	Minority interest	—	12,890	—	12,890
		(5,311)	557,829		552,518

附註：上述調整是將營運集團的股本與投資成本對銷。差額513,480,000港元已計入綜合財務報表的其他儲備。

並無由於共同控制權合併而調整任何公司或業務的資產淨值及溢利或虧損淨額以達至一致會計政策。

5 Accounting adjustments under common control combination (Continued)

The consolidated balance sheet as at 31 December 2005:

		營運集團			
		本公司	The	調整(附註)	綜合帳目
		The	Operating	Adjustments	Consolidated
		Company	Group	(Note)	Consolidated
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
對營運集團的投資	Investment in the Operating Group	—	—	—	—
其他資產/(負債)淨額	Other assets/(liabilities)	(5,311)	557,829	—	552,518
淨資產/(負債)	Net assets/(liabilities)	(5,311)	557,829		552,518
股本	Share capital	—	523,480	(513,480)	10,000
股本溢價	Share premium	(5,311)	—	—	(5,311)
法定儲備	Statutory reserve	—	1,032	—	1,032
外幣匯兌	Foreign currency				
繳往盈餘	translation	—	22	—	22
其他儲備	Other reserves		(468,119)	513,480	45,361
所得盈餘	Retained earnings	—	488,524	—	488,524
		(5,311)	544,939		539,628
少數股東權益	Minority interest	—	12,890	—	12,890
		(5,311)	557,829		552,518

Note: The above adjustments are to eliminate the share capital of the Operating Group against the investment cost. The difference of HK\$513,480,000 has been credited to other reserves in the consolidated financial statements.

No adjustments were made to the net assets and net profit or loss of any entities or businesses as a result of the common control combination to achieve consistency of accounting policies.

綜合財務報表附註 Notes to the Consolidated Financial Statements

6 分部資料

(a) 主要呈報方式 — 業務分部

於二零零六年十二月三十一日，本集團在全球主要有三個業務分部：

- (1) 運動服生產；
- (2) 運動服分銷；及
- (3) 活動及戶外服裝。

下列為截至二零零六年十二月三十一日止年度分部業績：

6 Segment information

(a) Primary reporting format – business segments

At 31 December 2006, the Group is organised on a worldwide basis into three main business segments:

- (1) Sportswear manufacturing;
- (2) Sportswear distribution; and
- (3) Active and outer wear.

The segment results for the year ended 31 December 2006 are as follows:

		運動服生產 Sportswear manufacturing 千港元 HK\$'000	運動服分銷 Sportswear distribution 千港元 HK\$'000	活動及 戶外服裝 Active and outer wear 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	集團 Group 千港元 HK\$'000
分部總收益	Total segment revenue	1,488,350	416,048	639,675	—	2,544,073
分部間收益	Inter-segment revenue	(56,554)	—	—	—	(56,554)
銷售額	Revenue	1,431,796	416,048	639,675	—	2,487,519
經營溢利／分部業績	Operating profit/Segment result	151,376	116,020	100,653	(10,853)	357,196
融資收入	Finance income					25,685
融資成本	Finance costs					(21,602)
應佔聯營公司溢利	Share of profit of associates	131				131
應佔共同控制實體 虧損	Share of loss of jointly controlled entities		(605)			(605)
除所得稅前溢利	Profit before income tax					360,805
所得稅開支	Income tax expense					(77,385)
年度溢利	Profit for the year					283,420

下列為計入綜合損益表的其他分部項目：

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

租賃土地及土地 使用權攤銷	Amortisation of leasehold land and land use rights	643	—	—	—	643
物業、機器及 設備折舊	Depreciation of property, plant and equipment	37,930	1,579	4,715	—	44,224
無形資產攤銷	Amortisation of intangible assets	—	30,298	—	—	30,298
存貨減值	Impairment of inventories	213	1,082	—	—	1,295
應收帳款減值	Impairment of receivables	44	156	—	—	200

綜合財務報表附註 Notes to the Consolidated Financial Statements

6 分部資料(續)

(a) 主要呈報方式 — 業務分部(續)

下列為截至二零零五年十二月三十一日止年度分部業績：

		運動服生產 Sportswear manufacturing 千港元 HK\$'000	運動服分銷 Sportswear distribution 千港元 HK\$'000	活動及 戶外服裝 Active and outer wear 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	集團 Group 千港元 HK\$'000
分部總收益	Total segment revenue	1,116,641	333,159	639,341	—	2,089,141
分部間收益	Inter-segment revenue	(35,050)	—	—	—	(35,050)
收益	Revenue	1,081,591	333,159	639,341	—	2,054,091
經營溢利/分部業績	Operating profit/Segment result	156,400	75,657	112,981	—	345,038
融資收入	Finance income					4,595
融資成本	Finance costs					(16,799)
除所得稅前溢利	Profit before income tax					332,834
所得稅開支	Income tax expense					(77,375)
年度溢利	Profit for the year					255,459

下列為計入綜合損益表的其他分部項目：

租賃土地及土地 使用權攤銷	Amortisation of leasehold land and land use rights	643	—	—	—	643
物業、機器及 設備折舊	Depreciation of property, plant and equipment	23,116	354	6,154	—	29,624
無形資產攤銷	Amortisation of intangible assets	—	25,200	—	—	25,200
存貨減值	Impairment of inventories	—	2,240	—	—	2,240
應收帳款減值	Impairment of receivables	2,125	5,098	—	—	7,223

分部間交易乃按照集團旗下公司協定之條款進行。

分部資產主要包括租賃土地及土地使用權、物業、機器及設備、無形資產、對聯營公司及共同控制實體之投資、存貨、應收貿易帳款、票據及其他應收帳款以及現金及現金等價物。未分類資產主要包括持作公司用途之現金及現金等價物及遞延稅項。

6 Segment information (Continued)

(a) Primary reporting format – business segments (Continued)

The segment results for the year ended 31 December 2005 are as follows:

		運動服生產 Sportswear manufacturing 千港元 HK\$'000	運動服分銷 Sportswear distribution 千港元 HK\$'000	活動及 戶外服裝 Active and outer wear 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	集團 Group 千港元 HK\$'000
分部總收益	Total segment revenue	1,116,641	333,159	639,341	—	2,089,141
分部間收益	Inter-segment revenue	(35,050)	—	—	—	(35,050)
收益	Revenue	1,081,591	333,159	639,341	—	2,054,091
經營溢利/分部業績	Operating profit/Segment result	156,400	75,657	112,981	—	345,038
融資收入	Finance income					4,595
融資成本	Finance costs					(16,799)
除所得稅前溢利	Profit before income tax					332,834
所得稅開支	Income tax expense					(77,375)
年度溢利	Profit for the year					255,459

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

租賃土地及土地 使用權攤銷	Amortisation of leasehold land and land use rights	643	—	—	—	643
物業、機器及 設備折舊	Depreciation of property, plant and equipment	23,116	354	6,154	—	29,624
無形資產攤銷	Amortisation of intangible assets	—	25,200	—	—	25,200
存貨減值	Impairment of inventories	—	2,240	—	—	2,240
應收帳款減值	Impairment of receivables	2,125	5,098	—	—	7,223

Inter-segment transactions are conducted at terms mutually agreed among group companies.

Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, intangible assets, investments in associates, investments in jointly controlled entities, inventories, trade, bills and other receivables, and cash and cash equivalents. Unallocated assets mainly comprise cash and cash equivalents held for corporate uses and deferred taxation.

綜合財務報表附註 Notes to the Consolidated Financial Statements

6 分部資料 (續)

(a) 主要呈報方式 — 業務分部 (續)

分部負債主要包括經營負債。未分類負債主要包括稅項及借貸。

資本開支包括租賃土地及土地使用權、物業、機器及設備以及無形資產的添置，而無形資產的添置包括透過業務合併的收購所產生的添置。

下列為截至二零零六年十二月三十一日止年度分部資產、負債及截至該年度的資本開支：

		運動服生產 Sportswear manufacturing 千港元 HK\$'000	運動服分銷 Sportswear distribution 千港元 HK\$'000	活動及 戶外服裝 Active and outer wear 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	集團 Group 千港元 HK\$'000
資產	Assets	825,199	430,232	252,930	404,780	1,913,141
聯營公司	Associates	21,589	—	—	—	21,589
共同控制實體	Jointly controlled entities	—	14,395	—	—	14,395
總資產	Total assets	846,788	444,627	252,930	404,780	1,949,125
負債	Liabilities	228,811	238,640	47,478	62,049	576,978
資本開支	Capital expenditure	178,863	13,076	1,677	—	193,616

下列為截至二零零五年十二月三十一日止年度分部資產及負債以及截至該年度止資本開支：

		運動服生產 Sportswear manufacturing 千港元 HK\$'000	運動服分銷 Sportswear distribution 千港元 HK\$'000	活動及 戶外服裝 Active and outer wear 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	集團 Group 千港元 HK\$'000
總資產	Assets	550,443	434,248	267,386	2,699	1,254,776
負債	Liabilities	217,182	340,150	95,824	49,102	702,258
資本開支	Capital expenditure	118,293	1,087	2,419	—	121,799

6 Segment information (Continued)

(a) Primary reporting format – business segments (Continued)

Segment liabilities comprise mainly operating liabilities. Unallocated liabilities mainly comprise taxation and borrowings.

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

The segment assets and liabilities at 31 December 2006 and capital expenditure for the year then ended are as follows:

		運動服生產 Sportswear manufacturing 千港元 HK\$'000	運動服分銷 Sportswear distribution 千港元 HK\$'000	活動及 戶外服裝 Active and outer wear 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	集團 Group 千港元 HK\$'000
資產	Assets	825,199	430,232	252,930	404,780	1,913,141
聯營公司	Associates	21,589	—	—	—	21,589
共同控制實體	Jointly controlled entities	—	14,395	—	—	14,395
總資產	Total assets	846,788	444,627	252,930	404,780	1,949,125
負債	Liabilities	228,811	238,640	47,478	62,049	576,978
資本開支	Capital expenditure	178,863	13,076	1,677	—	193,616

The segment assets and liabilities at 31 December 2005 and capital expenditure for the year then ended are as follows:

		運動服生產 Sportswear manufacturing 千港元 HK\$'000	運動服分銷 Sportswear distribution 千港元 HK\$'000	活動及 戶外服裝 Active and outer wear 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	集團 Group 千港元 HK\$'000
總資產	Assets	550,443	434,248	267,386	2,699	1,254,776
負債	Liabilities	217,182	340,150	95,824	49,102	702,258
資本開支	Capital expenditure	118,293	1,087	2,419	—	121,799

綜合財務報表附註 Notes to the Consolidated Financial Statements

6 分部資料(續)

(b) 次要呈報方式 — 地區分部

本集團主要在香港及中國大陸經營，銷售對象包括海外以至香港及中國大陸客戶。

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
收益	Revenue		
歐洲	Europe	988,886	744,208
美國	United States of America	609,857	603,221
加拿大	Canada	107,181	104,072
香港	Hong Kong	98,162	41,194
中國大陸	Mainland China	475,895	398,515
其他亞洲國家	Other Asian countries	181,369	77,746
其他	Others	26,169	85,135
		2,487,519	2,054,091

本集團按地區分部劃分的銷售額乃根據產品最終付運目的地釐定。

6 Segment information (Continued)

(b) Secondary reporting format – geographical segments

The Group primarily operates in Hong Kong and Mainland China. Sales are made to overseas customers as well as customers in Hong Kong and Mainland China.

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
The Group's revenue by geographical location is determined by the final destination of delivery of the products.			

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
總資產	Total assets		
香港	Hong Kong	1,080,188	854,987
中國大陸	Mainland China	749,989	328,453
其他亞洲國家	Other Asian countries	27,088	11,137
其他	Others	91,860	60,199
		1,949,125	1,254,776

總資產根據資產所在地劃分。

Total assets are allocated based on where the assets are located.

綜合財務報表附註 Notes to the Consolidated Financial Statements

6 分部資料 (續)

(b) 次要呈報方式 — 地區分部 (續)

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
資本開支	Capital expenditure		
香港	Hong Kong	5,889	6,686
中國大陸	Mainland China	165,322	106,672
其他亞洲國家	Other Asian countries	21,253	6,342
其他	Others	1,152	2,099
		193,616	121,799

資本開支根據資產所在地劃分。

Capital expenditure is allocated based on where the assets are located.

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
分類收益分析	Analysis of revenue by category		
銷售貨品	Sales of goods	2,477,411	2,033,930
提供分包服務	Provision of subcontracting services	10,108	20,161
		2,487,519	2,054,091

綜合財務報表附註 Notes to the Consolidated Financial Statements

7 租賃土地及土地使用權 – 綜合

本集團所擁有的租賃土地及土地使用權權益即預付經營租賃款項及其帳面淨值分析如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
在香港持有：	In Hong Kong held on:		
租賃介乎10至50年	Leases of between 10 to 50 years	14,341	14,691
在中國大陸持有：	In Mainland China held on:		
土地使用權介乎10至50年	Land use rights of between 10 to 50 years	17,135	13,946
		31,476	28,637
年初	Beginning of the year	28,637	25,337
添置	Additions	3,482	3,943
攤銷	Amortisation	(643)	(643)
年終	End of the year	31,476	28,637

預付經營租賃款項的攤銷已計入綜合損益表內的一般及行政開支。

於二零零六年十二月三十一日，本集團並無已抵押以換取銀行融資的租賃土地及土地使用權（二零零五年：10,356,000港元）。

7 Leasehold land and land use rights - Consolidated

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book amounts are analysed as follows:

Amortisation of prepaid operating lease payments has been included in general and administrative expenses in the consolidated income statement.

As at 31 December 2006, no leasehold land and land use rights were pledged to secure the Group's banking facilities (2005: HK\$10,356,000).

綜合財務報表附註 Notes to the Consolidated Financial Statements

8 物業、機器及設備 – 綜合

8 Property, plant and equipment - Consolidated

		永久業權 土地 Freehold land 千港元 HK\$'000	租賃物業 樓宇 Buildings 千港元 HK\$'000	裝修 Leasehold improvements 千港元 HK\$'000	廠房及機器 Plant and machinery 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction in progress 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年一月一日	At 1 January 2005								
成本	Cost	2,700	46,097	23,245	84,959	28,521	10,129	3,418	199,069
累計折舊	Accumulated depreciation	—	(5,651)	(15,230)	(42,896)	(16,658)	(7,006)	—	(87,441)
帳面淨值	Net book amount	2,700	40,446	8,015	42,063	11,863	3,123	3,418	111,628
截至二零零五年 十二月三十一日止年度	Year ended 31 December 2005								
年初帳面淨值	Opening net book amount	2,700	40,446	8,015	42,063	11,863	3,123	3,418	111,628
匯兌差額	Exchange differences	—	—	2	10	(5)	(1)	—	6
添置	Additions	—	189	29,928	60,431	11,541	1,735	14,032	117,856
出售	Disposals	—	—	(368)	(4,899)	(301)	(190)	—	(5,758)
折舊	Depreciation	—	(1,081)	(8,663)	(13,288)	(5,684)	(908)	—	(29,624)
轉撥	Transfers	—	—	2,743	205	73	—	(3,021)	—
年終帳面淨值	Closing net book amount	2,700	39,554	31,657	84,522	17,487	3,759	14,429	194,108
於二零零五年十二月三十一日	As at 31 December 2005								
成本	Cost	2,700	46,286	52,545	136,571	36,312	11,605	14,429	300,448
累計折舊	Accumulated depreciation	—	(6,732)	(20,888)	(52,049)	(18,825)	(7,846)	—	(106,340)
帳面淨值	Net book amount	2,700	39,554	31,657	84,522	17,487	3,759	14,429	194,108
截至二零零六年十二月 三十一日止年度	Year ended 31 December 2006								
年初帳面淨值	Opening net book amount	2,700	39,554	31,657	84,522	17,487	3,759	14,429	194,108
匯兌差額	Exchange differences	—	203	1,689	3,309	700	255	650	6,806
添置	Additions	—	—	7,540	84,959	22,033	1,464	74,138	190,134
出售	Disposals	—	—	(133)	(696)	(88)	—	—	(917)
折舊	Depreciation	—	(1,123)	(11,402)	(22,425)	(8,101)	(1,173)	—	(44,224)
轉讓	Transfers	—	804	25,596	—	—	—	(26,400)	—
年終帳面淨值	Closing net book amount	2,700	39,438	54,947	149,669	32,031	4,305	62,817	345,907
於二零零六年十二月三十一日	As at 31 December 2006								
成本	Cost	2,700	47,389	87,854	223,723	58,634	13,428	62,817	496,545
累計折舊	Accumulated depreciation	—	(7,951)	(32,907)	(74,054)	(26,603)	(9,123)	—	(150,638)
帳面淨值	Net book amount	2,700	39,438	54,947	149,669	32,031	4,305	62,817	345,907

永久業權土地位於約旦。

Freehold land is located in Jordan.

綜合財務報表附註 Notes to the Consolidated Financial Statements

8 物業、機器及設備－綜合(續)

在綜合收益表確認的折舊開支分析如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
銷售成本	Cost of sales	22,425	13,288
一般及行政開支	General and administrative expenses	21,799	16,336
		44,224	29,624

於二零零六年十二月三十一日，本集團並無已抵押以換取銀行融資的樓宇(二零零五年：4,620,000港元)。

8 Property, plant and equipment - Consolidated
(Continued)

Depreciation expense recognised in the consolidated income statement is analysed as follows:

As at 31 December 2006, no building was pledged to secure the Group's banking facilities (2005: HK\$4,620,000).

綜合財務報表附註 Notes to the Consolidated Financial Statements

9 無形資產－綜合

無形資產即(i)品牌產品截至二零一零年合約期方屆滿的專營權及(ii)商譽。

9 Intangible assets - Consolidated

Intangible assets represent (i) licence rights on branded products, with contractual rights up to 2010, and (ii) goodwill.

		專營權 Licence rights 千港元 HK\$'000	商譽 Goodwill 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年一月一日	At 1 January 2005			
成本	Cost	227,743	11,361	239,104
累計攤銷	Accumulated amortisation	(33,310)	—	(33,310)
帳面淨值	Net book amount	194,433	11,361	205,794
截至二零零五年 十二月三十一日止年度	Year ended 31 December 2005			
年初帳面淨值	Opening net book amount	194,433	11,361	205,794
攤銷	Amortisation	(25,200)	—	(25,200)
年終帳面淨值	Closing net book amount	169,233	11,361	180,594
於二零零五年十二月三十一日	At 31 December 2005			
成本	Cost	227,743	11,361	239,104
累計攤銷	Accumulated amortisation	(58,510)	—	(58,510)
帳面淨值	Net book amount	169,233	11,361	180,594
截至二零零六年 十二月三十一日止年度	Year ended 31 December 2006			
年初帳面淨值	Opening net book amount	169,233	11,361	180,594
攤銷	Amortisation	(30,298)	—	(30,298)
年終帳面淨值	Closing net book amount	138,935	11,361	150,296
於二零零六年十二月三十一日	At 31 December 2006			
成本	Cost	227,743	11,361	239,104
累計攤銷	Accumulated amortisation	(88,808)	—	(88,808)
帳面淨值	Net book amount	138,935	11,361	150,296

綜合財務報表附註 Notes to the Consolidated Financial Statements

9 無形資產－綜合 (續)

專營權即已撥作資本，並須根據專營權協議一直計費至二零一零年的預期專營權費(附註20)(包括定期付款及於收購當時能可靠計量的預計可變付款，有關款項乃根據特許業務未來收益的預設條件而釐定)。有關數額根據相等於本集團於收購日期的加權平均借貸年利率約6.6厘的折現率計算而確認入帳。

專營權攤銷已在綜合損益表入帳列為銷售成本。

年底過後，於二零零七年二月，本集團訂立獨家分銷協議，為期約14年，至二零二零年十二月，以取代前述專營權協議。除並無指定定期付款日期及專營權費已經調整外，分銷協議大部份條款與前述專營權協議相若。本集團已初步確定分銷協議為前述專營權協議的延續，現時正評估有關財務影響。

商譽減值測試：

商譽分配至根據地理位置及業務分部劃分的本集團現金產生單位。於二零零六年十二月三十一日，11,361,000港元的商譽(二零零五年：11,361,000港元)乃分配至運動服分銷業務的已識別現金產生單位廣州白雲山運動服裝有限公司。

9 Intangible assets - Consolidated (Continued)

Licence rights represent capitalisation of the expected licence fees, including fixed periodic payments and expected variable payments based on pre-determined criteria on future revenues from the licensed business that can be reliably estimated at the time of the acquisition, payable through 2010 (Note 20) under a licence agreement. It is recognised based on a discount rate equal to the Group's weighted average borrowing rate of approximately 6.6% per annum at the date of the acquisition.

Amortisation of licence rights has been included in cost of sales in the consolidated income statement.

Subsequent to the year end, in February 2007, the Group entered into an exclusive distribution agreement for approximately 14 years through December 2020, to replace the aforementioned licence agreement. Most of the terms of this distribution agreement are similar to those of the aforementioned licence agreement except that there is no fixed periodic payment and the royalty rates have been adjusted. The Group has preliminarily concluded that the distribution agreement will be accounted for as a continuation of the aforementioned licence agreement, and is currently assessing the related financial impact.

Impairment tests for goodwill:

Goodwill is allocated to the Group's cash-generating units identified according to geographical location and business segment. As at 31 December 2006, goodwill of HK\$11,361,000 (2005: HK\$11,361,000) is allocated to Guangzhou Baiyunshan Sportswear Company Limited, the identified cash-generating unit within the sportswear distribution segment.

綜合財務報表附註 Notes to the Consolidated Financial Statements

9 無形資產－綜合 (續)

商譽減值測試：(續)

現金產生單位的可回收金額乃根據使用價值計算方法釐定。該等計算使用根據管理層批准的四年期財務預算而計算的稅前現金流量預測。超出四年期間之現金流量以下文所呈列之估計增長率推算。增長率不超過現金產生單位所經營業務的長期平均增長率。用於計算使用價值的主要假設包括預算毛利率39% (二零零五年：40%)、用以推算預算期間後的現金流量的加權平均增長率0% (二零零五年：5%) 及應用於現金流量預測的稅前折現年利率4.5% (二零零五年：5.0%)。

於二零零六年十二月三十一日，並無商譽減值 (二零零五年：零元)。

10 對附屬公司的投資－本公司

投資非上市股份，按成本入帳 Investment in unlisted shares, at cost
應收附屬公司數額 (附註(a)) Amounts due from subsidiaries (Note (a))

9 Intangible assets - Consolidated (Continued)

Impairment tests for goodwill: (Continued)

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a four-year period. Cash flows beyond the four-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating unit operates. The key assumptions used for value-in-use calculations included budgeted gross margin of 39% (2005: 40%), weighted average growth rate of 0% (2005: 5%) used to extrapolate cash flows beyond the budget period, and pre-tax discount rate of 4.5% (2005: 5.0%) per annum applied to the cash flow projections.

As at 31 December 2006, there was no impairment of the value of goodwill (2005: Nil).

10 Investments in subsidiaries - Company

	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
投資非上市股份，按成本入帳	538,331	—
應收附屬公司數額 (附註(a))	487,247	—
	1,025,578	—

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資－本公司 (續)

10 Investments in subsidiaries - Company (Continued)

下列為於二零零六年十二月三十一日主要附屬公司：

The following is a list of the principal subsidiaries at 31 December 2006:

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零零六年 2006	二零零五年 2005	
Al-Aham Garment Manufacturing Company Limited	約旦，有限責任公司 Jordan, limited liability company	125,000約旦元 J\$125,000	100%	100%	生產成衣產品／約旦 Manufacturing of garment products/ Jordan
寶嘉亞洲有限公司 Bowker Asia Limited	英屬處女群島 (「處女群島」)， 有限責任公司 British Virgin Islands ("BVI"), limited liability company	100美元 US\$100	100%	100%	買賣成衣產品／香港 Trading of garment products/ Hong Kong
寶嘉順祺有限公司 (前身為Bowker Bright Advance Company Limited) (附註(e)) Bowker Printing Factory Company Limited (formerly known as Bowker Bright Advance Company Limited) (Note (e))	香港，有限責任公司 Hong Kong, limited liability company	1,000港元 HK\$1,000	100%	51%	投資控股／香港 Investment holding/ Hong Kong
寶嘉順祺印花廠 (河源)有限公司 Bowker Bright Advance Printing Factory (Heyuan) Company Limited	中國大陸，大陸 外商獨資企業 Mainland China, wholly foreign owned enterprise	25,897,500元人民幣 RMB25,897,500	100%	51%	暫停經營／中國 Inactive/Mainland China
寶嘉(中國)有限公司(附註(e)) Bowker (China) Company Limited (Note (e))	處女群島， 有限責任公司 BVI, limited liability company	1,000美元 US\$1,000	71%	70%	投資控股／處女群島 Investment holding/BVI

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資 – 本公司 (續) 10 Investments in subsidiaries - Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零零六年 2006	二零零五年 2005	
寶盛製衣廠(東莞) 有限公司(附註(e)) Bowker Faith Garment Factory Limited (Note (e))	香港, 有限責任公司 Hong Kong, limited liability company	2,000,000港元 HK\$2,000,000	71%	70%	生產及買賣成衣產品/ 香港及中國大陸 Manufacturing and trading of garment products/Hong Kong and Mainland China
寶嘉製衣配料有限公司 Bowker Garment Accessories Company Limited	香港, 有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	投資控股及買賣 成衣產品/香港 Investment holding and trading of garment products/Hong Kong
寶嘉製衣配料(東莞)有限公司 Bowker Garment Accessories (Dongguan) Company Limited	中國大陸, 外商獨資 企業 Mainland China, wholly foreign owned enterprise	2,798,884元人民幣 RMB2,798,884	100%	100%	生產成衣產品/中國大陸 Manufacturing of garment products/ Mainland China
寶嘉製衣配料 (河源)有限公司 Bowker Garment Accessories (Heyuan) Company Limited	中國大陸, 外商獨資 企業 Mainland China, wholly foreign owned enterprise	4,638,000元人民幣 RMB4,638,000	100%	—	暫停經營/中國大陸 Inactive /Mainland China
寶嘉製衣廠有限公司 Bowker Garment Factory Company Limited	香港, 有限責任公司 Hong Kong, limited liability company	10,000港元每股面值 200,000港元非投票 遞延普通股份(附註(f)) HK\$10,000 ordinary HK\$200,000 non-voting deferred (Note (f))	100%	100%	買賣成衣產品/香港 Trading of garment products/Hong Kong
Bowker Garment Factory Company Limited	處女群島, 有限責任公司 BVI, limited liability company	100美元 US\$100	100%	100%	投資控股/處女群島 Investment holding/BVI

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資－本公司(續) 10 Investments in subsidiaries - Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零零六年 2006	二零零五年 2005	
寶嘉製衣廠(雲浮) 有限公司 Bowker Garment Factory (Yunfu) Company Limited	中國大陸， 外商獨資企業 Mainland China, wholly foreign owned enterprise	23,440,000元 人民幣 RMB23,440,000	70%	70%	生產成衣產品／中國大陸 Manufacturing of garment products/ Mainland China
Bowker Garments Phils., Inc. (附註(d)) Bowker Garments Phils., Inc. (Note (d))	菲律賓， 有限責任公司 The Philippines, limited liability company	33,500,000元披索 PHP33,500,000	99.9%	99.8%	生產成衣產品／菲律賓 Manufacturing of garment products/ The Philippines
Bowker International Company Limited	處女群島， 有限責任公司 BVI, limited liability company	100美元 US\$100	70%	70%	投資控股／處女群島 Investment holding/BVI
寶嘉國際製衣廠有限公司 Bowker International Company Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	持有具中國牌照 的汽車／香港 Holding of motor vehicles with PRC licences/ Hong Kong
寶嘉亞太製衣有限公司 Bowker Pacific Garments Limited	香港，有限責任公司 Hong Kong, limited liability company	3,000,000港元 HK\$3,000,000	70%	70%	投資控股／香港 Investment holding/ Hong Kong
寶嘉亞太(惠陽)製衣有限公司 Bowker Pacific (Huiyang) Garment Company Limited	中國大陸， 外商獨資企業 Mainland China, wholly foreign owned enterprise	12,817,200港元 HK\$12,817,200	70%	70%	生產成衣產品／中國大陸 Manufacturing of garment products/ Mainland China

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資 – 本公司 (續) 10 Investments in subsidiaries - Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零零六年 2006	二零零五年 2005	
寶嘉印花車花廠 (惠陽)有限公司 Bowker Printing & Embroidery (Huiyang) Factory Company Limited	中國大陸， 外商獨資企業 Mainland China, wholly foreign owned enterprise	3,887,692元 人民幣 RMB3,887,692	100%	100%	生產成衣產品／中國大陸 Manufacturing of garment products/ Mainland China
寶嘉創業製衣廠 (雲浮)有限公司 Bowker Venture Garment (Yunfu) Company Limited	中國大陸， 外商獨資企業 Mainland China, wholly foreign owned enterprise	83,225,271元 人民幣 RMB83,225,271	100%	100%	生產成衣產品／中國大陸 Manufacturing of garment products/ Mainland China
Bowker (Vietnam) Garment Factory Company Limited (附註(e)) Bowker (Vietnam) Garment Factory Company Limited (Note (e))	越南社會主義共和國 〔「越南」〕， 有限責任公司 The Socialist Republic of Vietnam ("Vietnam"), limited liability company	31,792,800,000元 越南盾 VDN 31,792,800,000	100%	65%	生產成衣產品／越南 Manufacturing of garment products/ Vietnam
寶嘉越南(控股) 有限公司(附註(e)) Bowker Vietnam Holding Limited (Note (e))	香港，有限責任公司 Hong Kong, limited liability company	1,000,000港元 HK\$1,000,000	100%	65%	投資控股／香港 Investment holding/ Hong Kong
寶嘉怡昇製衣廠 (河源)有限公司(附註(e)) Bowker Yee Sing Garment Factory (Heyuan) Company Limited (Note (e))	中國大陸， 外商獨資企業 Mainland China, wholly foreign owned enterprise	89,731,789元 人民幣 RMB89,731,789	71%	70%	生產成衣產品／中國大陸 Manufacturing of garment products/ Mainland China

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資－本公司 (續) 10 Investments in subsidiaries - Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零零六年 2006	二零零五年 2005	
寶嘉耀華(惠州) 製衣有限公司 Bowker Yao Wa (Huizhou) Industry Limited	中國大陸， 外商獨資企業 Mainland China, wholly foreign owned enterprise	8,320,000元 人民幣 RMB8,320,000	70%	—	生產成衣產品／中國大陸 Manufacturing of garment products/ Mainland China
Corus Investments Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	* 100%	100%	物業持有／香港 Property holding/ Hong Kong
Frankton International Limited	處女群島， 有限責任公司 BVI, limited liability company	10美元 US\$10	* 100%	100%	投資控股／處女群島 Investment holding/BVI
裕金有限公司 Gold Chase Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	買賣成衣產品／香港 Trading of garment products/Hong Kong
廣州白雲山運動服裝 有限公司 Guangzhou Baiyunshan Sportswear Company Limited	中國大陸， 外商獨資企業 Mainland China, wholly foreign owned enterprise	4,515,991元 人民幣 RMB4,515,991	75%	75%	買賣成衣產品／中國大陸 Trading of garment products/ Mainland China
馬利達環球有限公司 Medallion Worldwide Limited	處女群島， 有限責任公司 BVI, limited liability company	100美元 US\$100	100%	100%	投資控股／處女群島 Investment holding/BVI
Portico Group Limited	處女群島， 有限責任公司 BVI, limited liability company	2,481,135美元 US\$2,481,135	* 100%	100%	投資控股／處女群島 Investment holding/BVI

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資—本公司(續) 10 Investments in subsidiaries - Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零零六年 2006	二零零五年 2005	
寶盛(亞太)有限公司 Provel Limited	香港, 有限責任公司 Hong Kong, limited liability company	1,000港元 每股面值 1,000,000港元 非投票遞延 普通股份(附註(f)) HK\$1,000 ordinary HK\$1,000,000 non-voting deferred (Note (f))	100% —	100% —	買賣成衣產品/香港 Trading of garment products/ Hong Kong
番禺領新製衣有限公司 Panyu Newpurls Garment Factory Limited	中國大陸, 外商獨資企業 Mainland China, wholly foreign owned enterprise	4,000,000港元 HK\$4,000,000	100%	100%	生產成衣產品/中國大陸 Manufacturing of garment products/ Mainland China
裕方(香港)有限公司 Rich Form (HK) Limited	香港, 有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	生產成衣產品/香港 Manufacturing of garment products/ Hong Kong
雲浮市寶城製衣廠 有限公司(附註(d)) Sport City Garment Factory Company Limited (Note (d))	中國大陸, 外資合營企業 Mainland China, foreign equity joint venture	4,476,392元 人民幣 RMB4,476,392	72.7%	70%	生產成衣產品/中國大陸 Manufacturing of garment products/ Mainland China
Team & Sports (BVI) Limited	處女群島, 有限責任公司 BVI, limited liability company	10,000美元 US\$10,000	100%	100%	投資控股/處女群島 Investment holding/BVI
天運洋行有限公司(附註(b)) Team & Sports Limited (Note (b))	香港, 有限責任公司 Hong Kong, limited liability company	900,000港元 HK\$900,000	75%	75%	買賣成衣產品/香港 Trading of garment products/Hong Kong
天茵有限公司 Tien Yan Limited	台灣, 有限責任公司 Taiwan, limited liability company	1,000,000元台幣 TWD1,000,000	75%	75%	買賣成衣產品/台灣 Trading of garment products/Taiwan

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資—本公司 (續) 10 Investments in subsidiaries - Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零零六年 2006	二零零五年 2005	
永方有限公司 Win Form Apparel Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	暫停經營／香港 Inactive/Hong Kong
永佳(亞太)有限公司 Win Gear (Asia Pacific) Company Limited	香港，有限責任公司 Hong Kong, limited liability company	500,000港元 HK\$500,000	54.9%	54.9%	買賣成衣產品／香港 Trading of garment products/Hong Kong
永嘉(中國)有限公司(附註(e)) Win Hanverky (China) Company Limited (Note (e))	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	70%	暫停經營／香港 Inactive/Hong Kong
Win Hanverky (Far East) Limited	香港，有限責任公司 Hong Kong, limited liability company	200,000港元 HK\$200,000	100%	100%	買賣成衣產品／香港 Trading of garment products/Hong Kong
永嘉國際股份有限公司 Win Hanverky International Company Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	投資控股／香港 Investment holding/ Hong Kong
永嘉集團(香港)有限公司 Win Hanverky Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元每股面值 1,000,000港元 非投票遞延 普通股份(附註(f)) HK\$10,000 ordinary HK\$1,000,000 non-voting deferred (Note (f))	100% —	100% —	買賣成衣產品／香港 Trading of garment products/ Hong Kong
永嘉運動服裝有限公司 Win Hanverky Sportswear Company Limited	處女群島， 有限責任公司 BVI, limited liability company	64,630,376美元 US\$64,630,376	*100%	100%	投資控股／英屬處女群島 Investment holding/BVI

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資—本公司(續) 10 Investments in subsidiaries - Company (Continued)

名稱 Name	註冊成立地點及 法定實體類型 Place of incorporation and type of legal entity	已發行及繳足股本 Particulars of issued paid up capital	所持股權 Interest held		主要業務及營運地點 Principal activities and place of operations
			二零零六年 2006	二零零五年 2005	
永嘉紡織有限公司(附註(e)) Win Hanverky Textile Limited (Note (e))	香港，有限責任公司 Hong Kong, limited liability company	2,000,000港元 HK\$2,000,000	100%	80%	生產及買賣布料/ 香港及中國大陸 Manufacturing and trading of fabrics/ Hong Kong and Mainland China
榮成實業有限公司 Winner Ford Industrial Limited	香港，有限責任公司 Hong Kong, limited liability company	10,000港元 HK\$10,000	100%	100%	買賣印花及刺繡產品/ 香港 Trading of printing and embroidery products/ Hong Kong
雲浮華盛製衣廠有限公司 YunFu Hua Cheng Clothes Manufactory Company Limited	處女群島， 有限責任公司 BVI, limited liability company	100美元 US\$100	100%	100%	投資控股/處女群島 Investment holding/ BVI

* 本公司直接持有股份。

* Shares held directly by the Company.

附註：

Notes:

(a) 應收附屬公司數額為本公司向相關附屬公司提供的股本融資，乃按本公司對附屬公司投資的會計政策計量。

(a) Amounts due from subsidiaries represent equity funding by the Company to the respective subsidiaries and are measured in accordance with the Company's accounting policy for investments in subsidiaries.

(b) 於二零零五年九月，本集團全資附屬公司Team & Sports (BVI) Limited以代價約97,383,000港元出售所持天運洋行有限公司(「天運洋行」)的25%股權，分期收款至二零一零年。總代價中44,733,000港元為按出售日期至二零一零年天運洋行及其附屬公司出售後的表現的或然代價。其後，本集團所持天運洋行有限公司及其全資附屬公司天茵有限公司及廣州白雲山運動服裝有限公司的股權將由100%減至75%。由於上述出售，本集團全資附屬公司永嘉集團有限公司已就Team & Sports (BVI) Limited履行出售協議所有責任向買家提供擔保。

(b) In September 2005, Team & Sports (BVI) Limited, a wholly owned subsidiary of the Group, disposed of a 25% equity interest in Team & Sports Limited ("T&S") for consideration of approximately HK\$97,383,000, receivable in instalments through 2010. Of the total consideration, HK\$44,733,000 is contingent upon the post disposal performance of T&S and its subsidiaries from the date of disposal to 2010. Consequently, the Group's equity interest in Team & Sports Limited and its wholly owned subsidiaries, namely Tien Yan Limited and Guangzhou Baiyunshan Sportswear Company Limited, was decreased from 100% to 75%. In connection with the disposal, Win Hanverky Limited, a wholly owned subsidiary of the Group, has provided guarantees to the buyer in respect of Team & Sports (BVI) Limited meeting all its obligations under the disposal agreement.

綜合財務報表附註 Notes to the Consolidated Financial Statements

10 對附屬公司的投資—本公司 (續)

附註：(續)

於出售日期天運洋行淨資產的25%即5,646,000港元。出售的代價現值減直接成本與天運洋行淨資產25%的差額共81,677,000港元已計入儲備。

於截至二零零六年十二月三十一日止年度，本集團重新評估天運洋行及其附屬公司出售後的表現。估計自二零零七年至二零一零年的日後收益會下跌，故此估計應收代價會減少7,548,000港元。該下調於儲備中扣除。

(c) 於截至二零零五年十二月三十一日止年度，營運集團(附註1)完成收購若干附屬公司額外權益。收購的總代價共為408,727,000港元。於收購當日應佔該等附屬公司額外權益的面值為11,987,000港元，而代價現值超出所收購額外權益的面值的數額376,576,000港元已在儲備扣除。

(d) 於截至二零零六年十二月三十一日止年度，本集團分別向Bowker Garments Phils., Inc.及雲浮市寶城製衣廠有限公司再注資4,769,000港元及390,000港元。故此，本公司所持Bowker Garments Phils., Inc.及雲浮市寶城製衣廠有限公司分別由99.8%增至99.9%以及70%增至72.7%。

(e) 於截至二零零六年十二月三十一日止年度，本集團完成以代價2港元增購若干附屬公司權益。於收購當日應佔所收購附屬公司額外權益的面值為14,742港元，而代價超出所收購額外權益的面值的數額14,740港元已在儲備中入帳。

(f) 無投票權優先股份並非由本集團所擁有。該等股份並無投票權，除非有關公司的純利超出100,000,000,000港元，否則無權獲得股息，而且除非有關公司於清盤時向其普通股持有已分派100,000,000,000港元，否則亦無權收取分派。

若干附屬公司由於並無正式英文名稱，由本集團管理層根據有關的中文名稱盡力翻譯成英文。

10 Investments in subsidiaries - Company (Continued)

Notes: (Continued)

The 25% share in the net assets of T&S at the date of the disposal amounted to HK\$5,646,000. The excess of the present value of the consideration, net of direct costs, over the carrying amount of the 25% share in the net assets of T&S, arising from the disposal, amounting to HK\$81,677,000, was credited to reserves.

During the year ended 31 December 2006, the Group reassessed the post disposal performance of T&S and its subsidiaries. The estimated future revenues from 2007 to 2010 were reduced and consequently the estimated consideration receivable was reduced by HK\$7,548,000. The reduction was charged against reserves.

(c) During the year ended 31 December 2005, the Operating Group (Note 1) completed the acquisitions of additional interests in certain of its subsidiaries. The total aggregate consideration for the acquisitions amounted to HK\$408,727,000. The carrying value of the attributable additional interests in these subsidiaries acquired at the acquisition dates amounted to HK\$11,987,000 and the excess of the present value of the consideration over the carrying value of the additional interests acquired, amounting to HK\$376,576,000, was charged against reserves.

(d) During the year ended 31 December 2006, the Group injected an additional HK\$4,769,000 into Bowker Garments Phils., Inc. and HK\$390,000 into Sport City Garment Factory Company Limited. Thereafter, the Group's equity interest in Bowker Garments Phils., Inc. and Sport City Garment Factory Company Limited increased from 99.8% to 99.9% and from 70% to 72.7%, respectively.

(e) During the year ended 31 December 2006, the Group completed the acquisitions of additional interests in certain of its subsidiaries at nominal consideration of HK\$2. The carrying value of the additional attributable interests in these subsidiaries acquired at the acquisition dates amounted to HK\$14,742 and the excess of the consideration over the carrying value of the additional interests acquired, amounting to HK\$14,740 was credited to reserves.

(f) The non-voting deferred shares are not owned by the Group. These shares have no voting rights, are not entitled to dividends unless the net profit of the relevant company exceeds HK\$100,000,000,000 and are not entitled to any distributions upon winding up unless a sum of HK\$100,000,000,000 has been distributed by the relevant company to the holders of its ordinary shares.

The English names of certain subsidiaries represent the best effort by the management of the Group to translate their Chinese names as they do not have official English names.

綜合財務報表附註 Notes to the Consolidated Financial Statements

11 於聯營公司之投資 — 綜合

11 Investments in associates - Consolidated

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
年初	Beginning of the year	—	—
收購	Acquisition	21,458	—
分佔溢利	Share of profit	131	—
年終	End of the year	21,589	—

於二零零六年八月，本公司董事李國棟及黎清平先生以零代價向本集團注入(i)於處女群島註冊成立的有限公司富順投資有限公司及其全資附屬公司富順寶嘉染整興業(河源)有限責任公司；及(ii)於處女群島註冊成立的有限公司Fu Jin Bowker Company Limited的30%股權。該等注資根據購買會計法入帳列為股東注資。本集團應佔所收購資產的帳面淨值約為21,458,000港元，與有關資產淨值的公平值相若。

In August 2006, Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping, directors of the Company, contributed to the Group (i) a 30% equity interest in Fu Hsun Investment Company Limited, a limited liability company incorporated in the BVI, and its wholly owned subsidiary, Fu Hsun Bowker Dyeing Factory (Heyuan) Company Limited, and (ii) a 30% equity interest in Fu Jin Bowker Company Limited, a limited liability company incorporated in the BVI, at nil considerations. These contributions have been accounted for under the purchase method of accounting as shareholders' contributions. The Group's share of the carrying amount of the net assets acquired amounted to approximately HK\$21,458,000, which approximated the fair value of such net assets.

綜合財務報表附註 Notes to the Consolidated Financial Statements

11 於聯營公司之投資 — 綜合 (續)

11 Investments in associates - Consolidated

(Continued)

本集團的聯營公司皆無上市，該等聯營公司及本集團應佔聯營公司權益詳情如下：

The particulars of the Group's associates and the Group's share of interests in the associates, all of which are unlisted, were as follows:

名稱 Name	註冊成立地點 及法團類別 Place of incorporation and type of legal entity	已發行繳足 股本詳情 Particulars of issued paid up capital	於二零零六年 所持權益 Interest held 2006	主要業務及營業地點 Principal activities and place of operations
Fu Jin Bowker Company Limited	處女群島，有限公司 BVI, limited liability company	2,900,000美元 US\$2,900,000	30%	採購布料／台灣 Sourcing of fabrics/ Taiwan
富順投資有限公 Fu Hsun Investment Company Limited	處女群島，有限公司 BVI, limited liability company	6,800,000美元 US\$6,800,000	30%	投資控股及布料印染 及供應／台灣 Investment holding and fabrics dyeing and supply/Taiwan
富順寶嘉染整興業 (河源)有限公司 Fu Hsun Bowker Dyeing Factory (Heyuan) Company Limited	中國大陸， 外商全資企業 Mainland China, wholly foreign owned enterprise	54,889,000元 人民幣 RMB54,889,000	30%	投資控股及布料印染 及供應／中國大陸 Fabrics dyeing and supply/Mainland China

本集團應佔資產、負債、收益及業績如下：

The Group's share of the assets, liabilities, revenue and results was as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
資產	Assets	34,888	—
負債	Liabilities	13,299	—
收益	Revenue	17,386	—
年度溢利	Profit for the year	131	—

綜合財務報表附註 Notes to the Consolidated Financial Statements

12 於共同控制實體之投資 — 綜合

12 Investments in jointly controlled entities - Consolidated

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
年初	Beginning of the year	—	—
收購	Acquisitions	15,000	—
分佔虧損	Share of loss	(605)	—
年終	End of the year	14,395	—
代表—	Representing -		
分佔資產淨值	Share of net assets	10,084	—
商譽	Goodwill	4,311	—
		14,395	—

於二零零六年三月，本集團以現金代價15,000,000港元收購嘉運體育用品有限公司百分之五十的股權。嘉運體育用品有限公司擁有兩間附屬公司：運動站有限公司及廣州富堡體育用品有限公司。嘉運體育用品有限公司的其餘50%股權由Team & Sports Limited一名董事實益擁有的本公司有關連公司TSG (BVI) Limited所擁有。收購嘉運體育用品有限公司獲得4,311,000港元的商譽。

於二零零六年八月，本公司董事李國棟及黎清平先生以零代價向本集團注入於加拿大註冊成立的有限公司Gadlee International Inc.的25%實際股權（擁有普通投票股份50%權益的形式）。該注資根據購買會計法入帳列為股東注資。

In March 2006, the Group acquired a 50% equity interest in Win Sports Limited, at a cash consideration of HK\$15,000,000. Win Sports Limited has two subsidiaries: Sport Corners Limited and Guangzhou Fubao Sports Equipment Company Limited. The other 50% equity interest in Win Sports Limited is owned by TSG (BVI) Limited, a related company beneficially owned by a director of Team & Sports Limited. The acquisition of Win Sports Limited resulted in goodwill of HK\$4,311,000.

In August 2006, Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping contributed to the Group a 25% effective interest (in the form of a 50% interest in ordinary voting shares) in Gadlee International Inc., a limited liability company incorporated in Canada, at nil consideration. This contribution has been accounted for under the purchase method of accounting as shareholders' contribution.

綜合財務報表附註 Notes to the Consolidated Financial Statements

12 於共同控制實體之投資 — 綜合 (續)

本集團的共同控制實體皆無上市，該等共同控制實體詳情如下：

12 Investments in jointly controlled entities - Consolidated (Continued)

Details of the Group's jointly controlled entities, all of which are unlisted, were as follows:

名稱 Name	註冊成立地點 及法團類別 Place of incorporation and type of legal entity	已發行繳足 股本詳情 Particulars of issued paid up capital	於二零零六年 所持權益 Interest held 2006	主要業務及營業地點 Principal activities and place of operations
廣州富堡體育用品有限公司 Guangzhou Fubao Sports Equipment Company Limited	中國大陸， 外資獨資企業 Mainland China, wholly foreign owned enterprise	8,500,000元 人民幣 RMB8,500,000	50% 50%	買賣體育用品產品 ／中國大陸 Trading of sportswear products/ Mainland China
運動站有限公司 Sport Corners Limited	香港，有限公司 Hong Kong, limited liability company	500,000港元 HK\$500,000	50%	零售體育用品 產品／香港 Retailing of sportswear products/ Hong Kong
嘉運體育用品有限公司 Win Sports Limited	香港，有限公司 Hong Kong, limited liability company	30,000,000港元 HK\$30,000,000	50%	買賣體育用品 產品／香港 Trading of sportswear products/ Hong Kong
Gadlee International Inc. (附註) Gadlee International Inc. (Note)	加拿大，有限公司 Canada, limited liability company	100元加幣 普通投票股份 100元加幣優先 非投票股份 C\$100 ordinary voting shares C\$100 preferred non-voting shares	50% —	活動及戶外服裝 銷售代理／加拿大 Sales agent of active and outer wear/Canada

附註：本集團持有普通投票股份的50%權益，而並無持有與普通投票權同樣具有分享權的優先非投票股份。實際上，本集團持有Gadlee International Inc.溢利及資產淨值25%實際權益。

Note: The Group holds a 50% interest in the ordinary voting shares and none of the preferred non-voting shares, which carry similar equity participation rights of the ordinary voting shares, in Gadlee International Inc. Effectively, the Group holds 25% effective interest in the profit and net assets of Gadlee International Inc.

綜合財務報表附註 Notes to the Consolidated Financial Statements

12 於共同控制實體之投資 — 綜合 (續)

本集團應佔收資產、負債、收益、業績及承擔如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
資產	Assets	59,953	—
負債	Liabilities	49,869	—
收益	Revenue	49,620	—
年度虧損	Loss for the year	(605)	—
承擔	Commitments	117	—

本集團於共同控制實體的權益並無涉及重大或然負債，而共同控制實體本身亦無任何重大或然負債。

12 Investments in jointly controlled entities - Consolidated (Continued)

The Group's share of the assets, liabilities, revenue, results and commitments was as follows:

There are no material contingent liabilities relating to the Group's interests in the jointly controlled entities, and no material contingent liabilities of the jointly controlled entities themselves.

13 存貨—綜合

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
原材料	Raw materials	105,903	59,818
在建工程	Work in progress	53,079	23,586
製成品	Finished goods	123,743	98,429
		282,725	181,833

存貨成本約1,592,429,000港元(二零零五年：1,273,529,000港元)確認為開支，並已計入銷售成本。

存貨減值為1,295,000港元(二零零五年：2,240,000港元)，已計入綜合損益表的銷售成本。

13 Inventories - Consolidated

The costs of inventories recognised as expense and included in cost of sales amounted to approximately HK\$1,592,429,000 (2005: HK\$1,273,529,000).

Write-downs of inventories amounted to HK\$1,295,000 (2005: HK\$2,240,000), which have been included in cost of sales in the consolidated income statement.

綜合財務報表附註 Notes to the Consolidated Financial Statements

14 應收貿易帳款及票據—綜合

14 Trade and bills receivable - Consolidated

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
應收貿易帳款	Trade receivables		
— 來自第三方	- from third parties	467,824	340,129
— 來自有關連人士 (附註34(e))	- from related parties (Note 34(e))	13,282	9,633
應收票據	Bills receivable	7,327	10,381
		488,433	360,143
減：應收貿易帳款減值撥備	Less: provision for impairment of trade receivables	(9,897)	(16,908)
		478,536	343,235

應收貿易帳款及票據面值與彼等的公平值相若。

於二零零六年十二月三十一日，兩名(二零零五年：兩名)客戶的個別未清繳款項超出來自第三方人士的本集團應收貿易帳款總額10%，而合計的結餘則佔來自第三方人士的本集團應收貿易帳款總額約49%(二零零五年：43%)。除此等客戶外，由於客戶數目眾多，故並無有關應收貿易帳款及票據的集中信貸風險。

於截至二零零六年十二月三十一日止年度，本集團已為應收貿易帳款200,000港元(二零零五年：5,295,000港元)減值。虧損已計入綜合損益表的一般及行政開支。

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

As at 31 December 2006, there were two (2005: two) customers with their individual outstanding balances exceeded 10% of the Group's total trade receivables from third parties, and their aggregated balances accounted for approximately 49% (2005: 43%) of the Group's total trade receivables from third parties. Other than these customers, there was no concentration of credit risk with respect to trade and bills receivable as there are a large number of customers.

During the year ended 31 December 2006, trade receivables of HK\$200,000 (2005: HK\$5,295,000) were impaired. The loss has been included in general and administrative expenses in the consolidated income statement.

綜合財務報表附註 Notes to the Consolidated Financial Statements

14 應收貿易帳款及票據—綜合 (續)

本集團大部分銷售的信貨期介乎30至90天。本集團的應收貿易帳款及票據帳齡分析如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
0至30天	0 - 30 days	248,965	168,571
31至60天	31 - 60 days	119,295	98,742
61至90天	61 - 90 days	35,015	25,058
91至120天	91 - 120 days	38,277	24,432
121至365天	121 - 365 days	36,600	23,079
超過365天	Over 365 days	10,281	20,261
		488,433	360,143

14 Trade and bills receivable - Consolidated
(Continued)

The majority of the Group's sales have credit terms ranging from 30 to 90 days. The ageing analysis of the trade and bills receivable is as follows:

本集團的應付貿易帳款及票據以下列貨幣計值：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
港元	Hong Kong Dollars	28,072	26,715
中國人民幣	Chinese Renminbi	149,750	116,528
美元	United States Dollars	309,544	216,374
其他	Others	1,067	526
		488,433	360,143

The Group's trade and bills receivable were denominated in the following currencies:

綜合財務報表附註 Notes to the Consolidated Financial Statements

15 按金、預付款項及其他應收帳款

15 Deposits, prepayments and other receivables

		綜合 Consolidated		本公司 Company	
		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
即期	Current				
可收回稅項	Tax recoverable	1,358	2,144	—	—
租金、水電費用 及其他按金	Rental, utility and other deposits	10,534	10,347	—	—
營運開支的 預付款項	Prepayments for operating expenses	4,638	4,258	—	—
採購存貨的 預付款項	Prepayments for purchase of inventories	1,429	—	—	—
出售附屬公司 權益的應收帳款 (附註)	Receivables from disposal of interest in a subsidiary (Note)	9,734	22,927	—	—
其他應收帳款	Other receivables	8,467	6,411	714	—
		36,160	46,087	714	—
非即期	Non-current				
出售附屬公司 權益的應收帳款 (附註)	Receivables from disposal of interest in a subsidiary (Note)	17,596	29,907	—	—
		53,756	75,994	714	—

按金、預付款項及其他應收帳款面值與各自的公平值相若。

於二零零五年十二月三十一日，其他應收帳款1,928,000港元減值。虧損已計入綜合損益表的一般及行政開支。

The carrying amounts of deposits, prepayments and other receivables approximate their fair values.

During the year ended 31 December 2005, other receivables of HK\$1,928,000 were impaired. The loss was included in general and administrative expenses in the consolidated income statement.

綜合財務報表附註 Notes to the Consolidated Financial Statements

15 按金、預付款項及其他應收帳款 (續)

附註：

上述出售一家附屬公司權益的應收帳款為有關出售天運洋行有限公司25%股權並於二零一零年前分期支付的應收帳款(附註10(b))。該等應收帳款分析如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
應收帳款	Receivable		
— 一年內	- within one year	10,242	24,040
— 一年後但五年內	- after one year and not later than five years	21,523	38,243
		31,765	62,283
減：未賺取未來利息收入	Less: Unearned future interest income	(4,435)	(9,449)
應收帳款淨現值	Net present value of the receivable	27,330	52,834
包括 —	Analysed as -		
— 一年內應收帳款	Amount receivable within one year	9,734	22,927
— 一年後應收帳款	Amount receivable after one year	17,596	29,907
		27,330	52,834

15 Deposits, prepayments and other receivables (Continued)

Note:

The above receivables from disposal of interest in a subsidiary represent receivables due in instalments through 2010 in connection with the disposal of a 25% equity interest in Team & Sports Limited (Note 10(b)). An analysis of such receivables is as follows:

16 現金及現金等價物／已抵押銀行存款

(a) 現金及現金等價物

		綜合 Consolidated		本公司 Company	
		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
銀行現金及手頭現金	Cash at bank and on hand	173,229	200,985	6,206	—
短期銀行存款	Short-term bank deposits	394,158	—	394,158	—
		567,387	200,985	400,364	—

銀行現金及短期銀行存款實際年利率分別為1.8%(二零零五年：1.4%)及4.9%(二零零五年：不適用)。短期銀行存款的存款期介乎5至33天。

16 Cash and cash equivalents/Pledged bank deposits

(a) Cash and cash equivalents

		綜合 Consolidated		本公司 Company	
		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
銀行現金及手頭現金	Cash at bank and on hand	173,229	200,985	6,206	—
短期銀行存款	Short-term bank deposits	394,158	—	394,158	—
		567,387	200,985	400,364	—

The effective interest rates on cash at bank and short-term bank deposits were 1.8% per annum (2005: 1.4% per annum) and 4.9% per annum (2005: Not applicable), respectively. The short-term bank deposits have maturities ranging from 5 to 33 days.

綜合財務報表附註 Notes to the Consolidated Financial Statements

16 現金及現金等價物／已抵押銀行存款 (續)

(a) 現金及現金等價物 (續)

現金及現金等價物以下列貨幣計值：

		綜合 Consolidated		本公司 Company	
		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
港元	Hong Kong Dollars	131,390	11,820	119,659	—
中國人民幣	Chinese Renminbi	69,404	51,904	—	—
美元	United States Dollars	365,040	136,323	280,705	—
其他	Others	1,553	938	—	—
		567,387	200,985	400,364	—

本集團以中國人民幣計值的現金及現金等價物存放於中國大陸的銀行。換算該等中國人民幣存款為外幣以及將資金匯出中國大陸均受中國大陸政府所頒佈的外匯管制法律及規定所規管。

(b) 已抵押銀行存款

於二零零五年十二月三十一日，已抵押銀行存款為5,279,000港元，以美元計值，已存入若干銀行作為該等銀行所提供貿易融資信貸的抵押。已抵押銀行存款的加權平均年利率為3.7%，存款期為14天。

16 Cash and cash equivalents/Pledged bank deposits (Continued)

(a) Cash and cash equivalents (Continued)

Cash and cash equivalents were denominated in the following currencies:

		綜合 Consolidated		本公司 Company	
		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
港元	Hong Kong Dollars	131,390	11,820	119,659	—
中國人民幣	Chinese Renminbi	69,404	51,904	—	—
美元	United States Dollars	365,040	136,323	280,705	—
其他	Others	1,553	938	—	—
		567,387	200,985	400,364	—

The Group's cash and cash equivalents denominated in Chinese Renminbi were deposited with banks in Mainland China. The conversion of these Chinese Renminbi denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Mainland China Government.

(b) Pledged bank deposits

As at 31 December 2005, pledged bank deposits amounting to HK\$5,279,000 were denominated in United States Dollars and were placed in certain banks as collateral for certain trade finance facilities granted by these banks. The weighted average interest rate on pledged bank deposits was 3.7% per annum; the deposits had a maturity of 14 days.

綜合財務報表附註 Notes to the Consolidated Financial Statements

17 應付貿易帳款及票據 — 綜合

17 Trade and bills payable - Consolidated

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
應付貿易帳款	Trade payables		
— 予第三方	- to third parties	191,358	153,596
— 予關聯方(附註34(e))	- to related parties (Note 34(e))	34,931	27,835
應付票據	Bills payable	2,104	12,778
		228,393	194,209

應付貿易帳款及票據的帳齡分析如下：

The ageing analysis of the trade and bills payable is as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
0至30天	0-30 days	112,702	82,838
31至60天	31-60 days	76,613	62,368
61至90天	61-90 days	30,413	28,517
91至120天	91-120 days	4,585	9,133
121至365天	121-365 days	3,549	6,382
365天以上	Over 365 days	531	4,971
		228,393	194,209

本集團的應付貿易帳款及票據以下列貨幣計值：

The Group's trade and bills payable were denominated in the following currencies:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
港元	Hong Kong Dollars	70,930	54,258
中國人民幣	Chinese Renminbi	36,810	43,372
美元	United States Dollars	119,899	96,211
其他	Others	754	368
		228,393	194,209

綜合財務報表附註 Notes to the Consolidated Financial Statements

18 應計帳款及其他應付帳款

18 Accruals and other payables

		綜合		本公司	
		Consolidated		Company	
		二零零六年	二零零五年	二零零六年	二零零五年
		2006	2005	2006	2005
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
僱員成本應計帳款	Accrual for employment costs	50,044	33,516	1,023	—
其他營運開支應計帳款	Accrual for other operating expenses	20,750	10,425	922	—
應付增值稅	Value added tax payable	10,260	13,506	—	—
已收客戶按金	Deposits received from customers	3,513	4,049	—	—
其他應付帳款	Other payables	11,955	12,255	51	2,611
		96,522	73,751	1,996	2,611

19 借貸 — 綜合

19 Borrowings - Consolidated

		二零零六年	二零零五年
		2006	2005
		千港元	千港元
		HK\$'000	HK\$'000
短期銀行貸款	Short-term bank loan	10,000	—
信託收據進口銀行貸款	Trust receipts import bank loans	749	2,443
		10,749	2,443

此等借貸的面值與彼等的公平值相若。

The carrying amounts of the borrowings approximate their fair values.

短期銀行貸款及信託收據進口銀行貸款均於一年內到期。

The short-term bank loan and trust receipts import bank loans are due within one year.

於二零零六年十二月三十一日的短期銀行貸款及信託收據進口銀行貸款由本公司擔保。於二零零五年十二月三十一日的信託收據進口銀行貸款則由本公司董事李國棟先生及黎清平先生以及本集團附屬公司天運洋行有限公司的一名董事實益擁有的關連公司美海企業有限公司共同擔保。該等共同擔保已於截至二零零六年十二月三十一日止年度間解除。

The short-term bank loan and the trust receipts import bank loans as at 31 December 2006 were guaranteed by the Company. The trust receipts import bank loans as at 31 December 2005 were jointly guaranteed by Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping, directors of the Company, and Amerseas Enterprises Limited, a related company beneficially owned by a director of Team & Sports Limited, a subsidiary of the Group. During the year ended 31 December 2006, such joint guarantees were released.

綜合財務報表附註 Notes to the Consolidated Financial Statements

19 借貸 — 綜合 (續)

此等借貸以下列貨幣計值：

港元	Hong Kong Dollars
中國人民幣	Chinese Renminbi
美元	United States Dollars

19 Borrowings - Consolidated (Continued)

The borrowings were denominated in the following currencies:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
港元	Hong Kong Dollars	—	2,443
中國人民幣	Chinese Renminbi	10,000	—
美元	United States Dollars	749	—
		10,749	2,443

於結算日的實際(年)利率如下：

短期銀行貸款	Short-term bank loan
信託收據進口 銀行貸款	Trust receipts import bank loans

The effective interest rates (per annum) at the balance sheet date were as follows:

		二零零六年 2006		二零零五年 2005	
		港元 HK\$	人民幣 RMB	港元 HK\$	人民幣 RMB
短期銀行貸款	Short-term bank loan	—	6.0%	—	—
信託收據進口 銀行貸款	Trust receipts import bank loans	8.3%	—	5.7%	—

本集團的未動用銀行貸款如下：

The Group has the following undrawn banking facilities:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
浮動利率	Floating rate		
— 於一年內到期	- expiring within one year	338,625	281,915

於一年內到期的貸款為年度貸款，須於二零零七年多個日期重新審核。於二零零六年十二月三十一日，本集團概無抵押租賃土地、土地使用權及樓宇以獲得銀行貸款(二零零五年：14,976,000港元)。

The facilities expiring within one year are annual facilities subject to review at various dates during 2007. As at 31 December 2006, no leasehold land, land use rights and buildings were pledged to secure the Group's banking facilities (2005: HK\$14,976,000).

綜合財務報表附註 Notes to the Consolidated Financial Statements

20 應付專營權費 — 綜合

20 Licence fees payable - Consolidated

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
一年內	Within one year	58,748	58,232
第二年	In the second year	46,580	43,166
第三至五年	In the third to fifth year	84,686	137,935
		190,014	239,333
減：即期部分	Less: Current portion	(58,748)	(58,232)
非即期部分	Non-current portion	131,266	181,101
估計公平值：	Estimated fair value of:		
即期部分	Current portion	61,810	60,992
非即期部分	Non-current portion	145,478	200,737

應付專營權費為預期專營權費，包括定期付款及於收購當時能可靠計量的預計不定額付款，有關款項乃根據專營業務估計收益的合約專營權費率而釐定。根據專營權協議，該等款項須於二零一零年支付(附註9)。該費用於本集團承擔有關責任當日按相等於本集團加權平均借貸年率6.6厘的折現率確認。應付專營權費以美元入帳。

於截至二零零六年十二月三十一日止年度，本集團重估其專營業務的預計未來收益。由於預計來收益有所減少，故此預計應付專營權費亦隨之減少約9,227,000港元。此款項已計入綜合損益表的其他收入(附註24)。

於結算日的估計公平值按折現年率4.5%本(二零零五年：5.0%)計算，此折現率與本集團於二零零六年十二月三十一日可獲的對外借貸率相若。

Licence fees payable represent the expected licence fees, including periodic payments and expected variable payments based on contractual royalty rates applied to the estimated revenues from the licensed business that can be reliably estimated at the time of the acquisition, payable through 2010 (Note 9) under a licence agreement. They are recognised based on a discount rate equal to the Group's weighted average borrowing rate of 6.6% per annum at the date of the acquisition of such obligation. Licence fees payable are denominated in United States Dollars.

During the year ended 31 December 2006, the Group reassessed its estimates of the expected future revenues from the licensed business. The estimated future revenues were reduced and consequently the estimated licence fees payable were reduced by approximately HK\$9,227,000, which was credited to other income in the consolidated income statement (Note 24).

Estimated fair values at the balance sheet date were calculated based on a discount rate of 4.5% (2005: 5.0%) per annum, which approximates the external borrowing rate available to the Group as at 31 December 2006.

綜合財務報表附註 Notes to the Consolidated Financial Statements

21 遞延所得稅 — 綜合

遞延所得稅資產及負債僅可在即期稅項資產與即期稅項負債有合法權利互相抵銷及遞延所得稅相關於同一稅務機關時，方可互相抵銷。款項淨額如下：

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
遞延稅項資產：	Deferred tax assets:		
— 12個月後收回的 遞延稅項資產	- Deferred tax asset to be recovered after more than 12 months	2,016	444
— 12個月內收回的 遞延稅項資產	- Deferred tax asset to be recovered within 12 months	1,042	111
		3,058	555
遞延稅項負債：	Deferred tax liabilities:		
— 12個月後結算的 遞延稅項負債	- Deferred tax liabilities to be settled after more than 12 months	(506)	(322)
— 12個月內結算的 遞延稅項負債	- Deferred tax liabilities to be settled within 12 months	(2,235)	(2,984)
		(2,741)	(3,306)
		317	(2,751)

遞延所得稅帳目變動如下：

The movement on the deferred income tax account is as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
年初	Beginning of the year	(2,751)	2,056
於綜合損益表確認 (附註28)	Recognised in the consolidated income statement (Note 28)	3,068	(4,807)
年終	End of the year	317	(2,751)

綜合財務報表附註 Notes to the Consolidated Financial Statements

21 遞延所得稅 — 綜合 (續)

遞延稅項資產及負債變動 (未計及同一稅務司法權區內互相抵銷的結餘) 如下：

遞延稅項負債：

		稅務折舊 Tax depreciation 千港元 HK\$'000
於二零零五年一月一日	At 1 January 2005	(1,303)
於損益表確認	Recognised in the income statement	(2,459)
於二零零五年十二月三十一日	At 31 December 2005	(3,762)
於損益表確認	Recognised in the income statement	(205)
於二零零六年十二月三十一日	At 31 December 2006	(3,967)

遞延稅項資產：

		Deferred tax assets:				
		稅務折舊 Tax depreciation 千港元 HK\$'000	資產撥備 Provisions against assets 千港元 HK\$'000	稅務虧損 Tax losses 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年一月一日	At 1 January 2005	408	2,244	29	678	3,359
於損益表確認	Recognised in the income statement	(81)	(2,244)	141	(164)	(2,348)
於二零零五年 十二月三十一日	At 31 December 2005	327	—	170	514	1,011
於損益表確認	Recognised in the income statement	171	180	2,919	3	3,273
於二零零六年 十二月三十一日	At 31 December 2006	498	180	3,089	517	4,284

綜合財務報表附註 Notes to the Consolidated Financial Statements

21 遞延所得稅 — 綜合 (續)

如日後可能有應課稅溢利，則承前稅務虧損可變現為相關稅務利益的部分確認為遞延所得稅資產。本集團並無就合共26,084,000港元（二零零五年：31,956,000港元）可結轉抵銷未來應課稅收入的累計虧損確認遞延所得稅資產4,565,000港元（二零零五年：5,592,000港元）。於二零零六年十二月三十一日，此等稅務虧損並無到期日。

22 股本

21 Deferred income tax - Consolidated (Continued)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has not recognised deferred income tax assets of HK\$4,565,000 (2005: HK\$5,592,000) in respect of accumulated losses amounting to HK\$26,084,000 (2005: HK\$31,956,000) that can be carried forward against future taxable income. As at 31 December 2006, these tax losses had no expiry date.

22 Share capital

		法定股本	
		Authorised share capital	
		股份數目	
附註	Number of		
Note	shares	千股	千港元
		'000	HK\$'000
於二零零五年十二月十三日	Upon incorporation of the Company on		
本公司註冊成立後及	13 December 2005 and as at		
於二零零五年十二月三十一日	31 December 2005	(a)	390
股份合併	Consolidation of shares	(b)	—
於二零零六年八月八日增加	Increase on 8 August 2006	(b)	299,610
於二零零六年十二月三十一日	As at 31 December 2006		300,000

綜合財務報表附註 Notes to the Consolidated Financial Statements

22 股本 (續)

22 Share capital (Continued)

		已發行及繳清 Issued and fully paid up	
		股份數目	
	附註 Note	Number of	
		千股 '000	千港元 HK\$'000
於二零零五年十二月十三日 發行及於二零零五年 十二月三十一日	Issued on 13 December 2005 and as at 31 December 2005	(a)	—
於二零零六年八月七日發行	Issued on 7 August 2006	(a)	—
股份合併	Consolidation of shares	(b)	—
於二零零六年八月十四日發行	Issued on 14 August 2006	(c)	100,000
由於發售新股而發行	Issued pursuant to the New Issue	(d)	300,000
股份溢價撥作資本	Capitalisation of share premium	(e)	800,000
根據超額配股安排 而發行	Issued pursuant to the over- allotment arrangement	(f)	45,000
於二零零六年十二月三十一日	As at 31 December 2006		1,245,000

以下為二零零五年十二月十三日(註冊成立日期)至二零零六年十二月三十一日期間本公司法定及已發行股本的變動:

(a) 於註冊成立後, 本公司的法定股本為390,000港元, 分為39,000,000股每股面值0.01港元的股份。於二零零五年十二月十三日, 本公司配發及發行10股本公司未繳股款股份。於二零零六年八月七日, 本公司配發及發行90股本公司未繳股款股份。

(b) 於二零零六年八月八日, 每10股每股價值0.01港元的已發行及未發行股份合併為1股每股面值0.1港元的股份, 而本公司的股本則由39,000,000股每股面值0.01港元的股份合併為3,900,000股每股面值0.1港元的股份。本公司新增2,996,100,000股每股面值0.1港元的股份, 將法定股本由390,000港元增至300,000,000港元。此等股份與當時的已發行股份於各方面均有同等權益。

The following changes in the Company's authorised and issued share capital took place during the period from 13 December 2005 (date of incorporation) to 31 December 2006:

(a) Upon incorporation of the Company, its authorised share capital was HK\$390,000, divided into 39,000,000 shares of HK\$0.01 each. On 13 December 2005, ten shares of the Company were allotted and issued as nil paid. On 7 August 2006, 90 shares of the Company were allotted and issued as nil paid.

(b) On 8 August 2006, every 10 issued and unissued shares of HK\$0.01 each were consolidated into 1 share of HK\$0.1 each, and the Company's share capital was consolidated from 39,000,000 shares of HK\$0.01 each to 3,900,000 shares of HK\$0.1 each. The Company's authorised share capital was increased from HK\$390,000 to HK\$300,000,000, by the creation of an additional 2,996,100,000 shares of HK\$0.1 each. These shares rank pari passu in all respects with the then existing shares.

綜合財務報表附註 Notes to the Consolidated Financial Statements

22 股本 (續)

- (c) 於二零零六年八月十四日，根據重組(附註1)，李國棟先生及黎清平先生轉讓彼等所擁有永嘉運動服裝有限公司、Portico Group Limited、Frankton International Limited及Corus Investments Limited的股權予本公司，作為(i)把發行10股未繳股款股份入帳列為全數繳足及(ii)發行99,999,990股股份的代價。
- (d) 於二零零六年九月六日，本公司透過配售及公開發售(「發售新股」)，以每股2.28港元發行300,000,000股每股面值0.1港元的股份，集資684,000,000港元。
- (e) 當發售新股完成後，本公司從股份溢價帳將合共80,000,000港元轉作資本，並按面值繳付800,000,000股股份，配售及發售予緊接發售新股前名列本公司股東名冊上的股東。
- (f) 於二零零六年九月二十二日，本公司根據超額配股安排就發售新股以每股2.28港元額外發售45,000,000股每股面值0.1港元的股份，集資102,600,000港元。

按附註2.1所披露，本公司採用合併會計法編撰綜合財務報表。因此，上文附註(c)所述100,000,000股已發行股份視為已於此等綜合財務報表所述的整段期間發行。

22 Share capital (Continued)

- (c) On 14 August 2006, pursuant to a reorganisation (Note 1), Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping transferred their equity interests in Win Hanverky Sportswear Company Limited, Portico Group Limited, Frankton International Limited and Corus Investments Limited to the Company as consideration for (i) crediting as fully paid the 10 nil-paid shares issued and (ii) the issue of 99,999,990 shares.
- (d) On 6 September 2006, the Company issued 300,000,000 shares of HK\$0.1 each through a placing and public offering (the "New Issue") at HK\$2.28 per share, totalling HK\$684,000,000.
- (e) Upon completion of the New Issue, a sum of HK\$80,000,000 was capitalised from the share premium account and applied in paying up at par 800,000,000 shares allotted and issued to the shareholders whose names were on the register of members of the Company immediately before the New Issue.
- (f) On 22 September 2006, the Company issued an additional 45,000,000 shares of HK\$0.1 each under the over-allotment arrangement in connection with the New Issue, at HK\$2.28 per share, totalling HK\$102,600,000.

As disclosed in Note 2.1, merger accounting method has been applied in the preparation of the consolidated financial statements. Accordingly, the issued 100,000,000 shares described in Note (c) above are deemed to have been in issue throughout the accounting periods presented in these consolidated financial statements.

綜合財務報表附註 Notes to the Consolidated Financial Statements

22 股本 (續)

購股權

本公司設有的兩種購股權計劃如下：

(i) 首次公開售股前購股權計劃

由於若干董事及一名顧問為本集團服務，故本公司向彼等授出首次公開售股前購股權。於截至二零零六年十二月三十一日止年度，本公司根據首次公開售股前購股權計劃，授出合共44,400,000份購股權，可按每股1.14港元至2.28港元不等的價格認購本公司股份。根據預訂的時間表，此等購股權於三年內歸屬，並於二零一六年五月十日到期。本集團並無法律或推定的責任以現金購回或繳付此等購股權。根據首次公開售股前購股權計劃，本公司不可再授出額外購股權。

未行使購股權數目及相關的加權平均行使價如下：

22 Share capital (Continued)

Share options

The Company operates two share option schemes as described below:

(i) Pre-IPO share option scheme

Pre-IPO share options were granted by the Company to certain directors and a consultant for their services to the Group. During the year ended 31 December 2006, the Company granted 44,400,000 options under the Pre-IPO share option scheme to subscribe for shares in the Company at prices ranging from HK\$1.14 to HK\$2.28 per share. These options are vested according to a pre-determined schedule over three years and will expire on 10 May 2016. The Group has no legal or constructive obligation to repurchase or settle these options in cash. No additional options can be granted under the Pre-IPO share option scheme.

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

		二零零六年 2006		二零零五年 2005	
		每股平均 行使價 Average exercise price per share 港元 HK\$	購股權 Options 千份 '000	每股平均 行使價 Average exercise price per share 港元 HK\$	購股權 Options 千份 '000
於一月一日	At 1 January	—	—	—	—
授出	Granted	1.479	44,400	—	—
於十二月三十一日	At 31 December	1.479	44,400	—	—
於二零零六年十二月 三十一日可行使	Exercisable at 31 December 2006	1.479	—	—	—

綜合財務報表附註 Notes to the Consolidated Financial Statements

22 股本 (續)

購股權 (續)

(i) 首次公開售股前購股權計劃 (續)

於年終未行使購股權的到期日期及行使價如下：

	到期日期 Expiry date
二零一六年五月十日	10 May 2016
二零一六年五月十日	10 May 2016
二零一六年五月十日	10 May 2016

以「柏力克 — 舒爾斯」估值模式釐定於二零零六年所授出購股權的加權平均公平值為每份購股權0.45港元。該模式主要基於於授出日期的股價1.482港元、上述所示的行使價、36.7%的波幅、每年3.0%的股息回報率、五年的預期購股權有效期及每年4%的無風險利率計算。以持續複合股份收益標準差計算的股價波動乃基於過去三年經營同類業務的上市公司的每日股價作統計分析。

基於上文所述，上述於年內授出的購股權公平值約為19,773,000港元(二零零五年：無)。於截至二零零六年十二月三十一日止年度，計入綜合損益表的應佔總額約為10,853,000港元(二零零五年：無)。

22 Share capital (Continued)

Share options (Continued)

(i) Pre-IPO share option scheme (Continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	到期日期 Expiry date	每股行使價 Exercise price per share	購股權 Share options	
			二零零六年 2006	二零零五年 2005
		港元 HK\$	千份 '000	千份 '000
二零一六年五月十日	10 May 2016	1.140	24,000	—
二零一六年五月十日	10 May 2016	1.596	12,000	—
二零一六年五月十日	10 May 2016	2.280	8,400	—
			44,400	—

The weighted average fair value of options granted in 2006 determined using the Black-Scholes valuation model was HK\$0.45 per option. The significant inputs into the model were share price of HK\$1.482, at the grant date, the exercise price shown above, volatility of 36.7%, dividend yield of 3.0% per annum, an expected option life of five years, and annual risk-free interest rate of 4%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices of listed companies in a similar business over the last three years.

Based on the above, the fair value of the above options granted during the year was approximately HK\$19,773,000 (2005: Nil). The attributable amount charged to the consolidated income statement during the year ended 31 December 2006 was approximately HK\$10,853,000 (2005: Nil).

綜合財務報表附註 Notes to the Consolidated Financial Statements

22 股本 (續)

購股權 (續)

(ii) 購股權計劃

於二零零六年八月，本公司採納一項為期10年，至二零一六年八月到期的購股權計劃，可將購股權授予任何董事、僱員、顧問、客戶、供應商、代理人、合夥人或本集團顧問或承包商。行使價由董事會決定，惟不可低於(i)每股面值；(ii)香港聯合交易所有限公司(「聯交所」)於提呈日期(須為營業日)發出的日報表所示的每股收市價；及(iii)根據聯交所於緊接提呈日期前五個營業日發出的日報表計算的股份平均收市價的較高者。本集團並無法律或推定的責任以現金購回或繳付此等購股權。

截至二零零六年十二月三十一日止，本公司並無根據此計劃已授出或未行使的購股權。

22 Share capital (Continued)

Share options (Continued)

(ii) Share option scheme

In August 2006, the Company has adopted a share option scheme, which will remain in force for 10 years up to August 2016. Share options may be granted to any director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group. The exercise price is determined by the Board and shall not be less than the higher of (i) the nominal value of a share; (ii) the closing price of one share as stated in the daily quotation sheets issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer, which shall be a business day; and (iii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

As at 31 December 2006, no share options had been granted or were outstanding under this scheme.

綜合財務報表附註 Notes to the Consolidated Financial Statements

23 儲備

23 Reserves

(a) 綜合

(a) Consolidated

		以股份付 款儲備		外幣換算	其他儲備	保留盈利	總計	
		Share- based Share premium	法定儲備 Statutory reserve (附註) (Note)	Foreign currency translation	Other reserves	Retained earnings	Total	
		千港元	千港元	千港元	千港元	千港元	千港元	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
於二零零五年一月一日	At 1 January 2005	—	—	1,032	(56)	1,041	246,982	248,999
貨幣換算差額	Currency translation differences	—	—	—	78	—	—	78
出售一家附屬公司權益 (附註10(b))	Disposal of interest in a subsidiary (Note 10 (b))	—	—	—	—	81,677	—	81,677
增購附屬公司權益 (附註10(c))	Acquisition of additional interests in subsidiaries (Note 10(c))	—	—	—	—	(376,576)	—	(376,576)
出資(附註31(e))	Capital contributions (Note 31(e))	—	—	—	—	338,555	—	338,555
注資	Capital injections	—	—	—	—	664	—	664
發行股份的 直接成本	Direct costs attributable to issue of shares	(5,311)	—	—	—	—	—	(5,311)
本公司股權持有人 應佔溢利	Profit attributable to equity holders of the Company	—	—	—	—	—	241,542	241,542
於二零零五年十二月三十一日	At 31 December 2005	(5,311)	—	1,032	22	45,361	488,524	529,628
貨幣換算差額	Currency translation differences	—	—	—	7,236	—	—	7,236
出售一家附屬公司 權益的估計應收代價 變動的虧損 (附註10(b))	Loss resulting from change of estimated consideration receivable from disposal of interest in a subsidiary (Note 10(b))	—	—	—	—	(7,548)	—	(7,548)
授出購股權的相關 服務價值 (附註22)	Value of services in respect of share options granted (Note 22)	—	10,853	—	—	—	—	10,853
發行股份(附註22)	Issue of shares (Note 22)	752,100	—	—	—	—	—	752,100
發行股份的 直接成本	Direct costs attributable to issue of shares	(42,884)	—	—	—	—	—	(42,884)
股份溢價撥作資本 (附註22)	Capitalisation of share premium (Note 22)	(80,000)	—	—	—	—	—	(80,000)
增購附屬公司權益 (附註10(e))	Acquisition of additional interests in subsidiaries (Note 10(e))	—	—	—	—	15	—	15
出資(附註11)	Capital contributions (Note 11)	—	—	—	—	21,458	—	21,458
注資	Capital injection	—	—	—	—	5	—	5
重組前已付股息 (附註30)	Dividends paid prior to the Reorganisation (Note 30)	—	—	—	—	—	(240,000)	(240,000)
本公司股權持有人 應佔溢利	Profit attributable to equity holders of the Company	—	—	—	—	—	260,600	260,600
於二零零六年十二月三十一日	At 31 December 2006	623,905	10,853	1,032	7,258	59,291	509,124	1,211,463

綜合財務報表附註 Notes to the Consolidated Financial Statements

23 儲備 (續)

23 Reserves (Continued)

(b) 本公司

(b) Company

		股份溢價 Share premium 千港元 HK\$'000	以股份付款 儲備 Share- based payment reserve 千港元 HK\$'000	出資盈餘 Contributed surplus 千港元 HK\$'000	保留盈利 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年一月一日	At 1 January 2005	—	—	—	—	—
發行股份的直接成本	Direct costs attributable to issue of shares	(5,311)	—	—	—	(5,311)
於二零零五年十二月三十一日	At 31 December 2005	(5,311)	—	—	—	(5,311)
授出購股權的 相關服務價值 (附註22)	Value of services in respect of share options granted (Note 22)	—	10,853	—	—	10,853
重組影響 (附註1)	Effect of the Reorganisation (Note 1)	—	—	528,331	—	528,331
發行股份(附註22)	Issue of shares (Note 22)	752,100	—	—	—	752,100
發行股份的直接成本	Direct costs attributable to issue of shares	(42,884)	—	—	—	(42,884)
股份溢價撥作資本 (附註22)	Capitalisation of share premium (Note 22)	(80,000)	—	—	—	(80,000)
本公司股權持有人應佔溢利	Profit attributable to equity holders of the Company	—	—	—	17,964	17,964
於二零零六年十二月三十一日	At 31 December 2006	623,905	10,853	528,331	17,964	1,181,053

附註：

根據中國大陸的規例，本公司於中國大陸成立及經營的附屬公司須按相關董事會所釐定的比率將已抵銷過往年度虧損的除稅後溢利的部分適量撥入一般儲備及企業發展基金。一般儲備可用作抵銷過往年度虧損或發行紅股，而企業發展基金則用作拓展業務。

於截至二零零六年十二月三十一日止年度，各自附屬公司的董事會不建議分配金額至一般儲備及企業發展基金(二零零五年：無)。

Note:

As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the general reserve and the enterprise expansion fund, at rates determined by their respective boards of directors. The general reserve can be utilised to offset prior year losses or be utilised for the issuance of bonus shares, whilst the enterprise expansion fund can be utilised for the development of business operations.

During the year ended 31 December 2006, no appropriation to the general reserve and the enterprise expansion fund was recommended by the respective subsidiaries' boards of directors (2005: Nil).

綜合財務報表附註 Notes to the Consolidated Financial Statements

24 其他收入及收益

24 Other income and gains

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
應付專營權費用估計變動 產生的收益(附註20)	Gain from change in estimated licence fees payable (Note 20)	9,227	—
有關出售附屬公司權益的其他 應收帳款利息收入(附註15)	Interest income from other receivables from disposal of interest in a subsidiary (Note 15)	4,229	—
其他	Others	1,539	680
		14,995	680

綜合財務報表附註 Notes to the Consolidated Financial Statements

25 按性質劃分的開支

開支包括銷售成本、銷售及分銷成本以及一般及行政開支，分析如下：

25 Expenses by nature

Expenses included in cost of sales, selling and distribution costs and general and administrative expenses are analysed as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
已使用的原材料及消耗品 製成品及在製品存貨增減	Raw materials and consumables used Changes in inventories of finished goods and work in progress	823,080 577,645	635,336 508,605
物業、機器及設備 折舊	Depreciation of property, plant and equipment	44,224	29,624
租賃土地及土地 使用權攤銷	Amortisation of leasehold land and land use rights	643	643
專營權攤銷	Amortisation of licence rights	30,298	25,200
僱員成本(附註26)	Employment costs (Note 26)	324,635	232,012
貨運、交付及保險開支	Freight, delivery and insurance expenses	94,737	71,595
銷售佣金	Sales commission	83,464	72,303
市場推廣、廣告及宣傳開支	Marketing, advertising and promotion expenses	29,842	10,678
配額費用	Quota charges	22,844	5,057
有關土地及樓宇的經營租金	Operating lease rental in respect of land and buildings	18,253	7,167
核數師酬金	Auditors' remuneration	4,061	2,788
應收帳款減值	Impairment of receivables	200	7,223
授予顧問之購股權(附註22)	Share options granted to a consultant (Note 22)	1,201	—
存貨撇減	Write-down of inventories	1,295	2,240
出售物業、機器及設備 之收益	Gain on disposal of property, plant and equipment	(706)	(1,786)
匯兌(收益)/虧損淨值	Exchange (gain)/loss, net	(4,614)	12,093
其他開支	Other expenses	94,216	88,955
		2,145,318	1,709,733

綜合財務報表附註 Notes to the Consolidated Financial Statements

26 僱員成本

26 Employment costs

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
工資、薪金、花紅及津貼	Wages, salaries, bonus and allowances	286,376	214,026
退休福利 — 界定供款計劃	Retirement benefit - defined contribution schemes	11,508	6,440
已授出購股權(附註22)	Share options granted (Note 22)	9,652	—
福利及其他利益	Welfare and other benefits	17,099	11,546
		324,635	232,012

(a) 退休福利成本 — 界定供款計劃

本集團安排其香港僱員參加強制性公積金計劃(「強積金計劃」)，此乃由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團(僱主)及其香港僱員須根據強制性公積金的法例各自繳付僱員收入5%作為每月供款。僱主及僱員各自的每月供款上限為1,000港元，而其他的供款為自願供款。本集團除供款外毋須承擔退休後福利的責任。

根據中國大陸的規定及規例，本集團須為其中國大陸若干員工向國家資助退休金計劃作出供款。本集團僱員須每月按有關收入(包括工資、薪金、津貼及花紅)約8%向計劃供款，而本集團須就有關收入的12%至22%作出供款，而除供款外，本集團毋須承擔退休後福利實際付款的責任。國家資助退休金計劃負責向退休員工支付全部退休金。

(a) Retirement benefit costs - defined contribution plans

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group (the employer) and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employee are subject to a cap of HK\$1,000 and thereafter contributions are voluntary. The Group has no further obligations for post-retirement benefits beyond the contributions.

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement schemes for certain of its employees in Mainland China. The Group's employees make monthly contributions to the schemes at approximately 8% of the relevant income (comprising wages, salaries, allowances and bonus), while the Group contributes 12% to 22% of such income and has no further obligations for the actual payment of post-retirement benefits beyond the contributions. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

綜合財務報表附註 Notes to the Consolidated Financial Statements

26 僱員成本 (續)

(a) 退休福利成本 — 界定供款計劃 (續)

本集團為其台灣、菲律賓、越南及約旦的海外附屬公司合資格僱員參加退休計劃。本集團各公司(僱主)及其僱員每月按僱員有關收入(包括工資、薪金、津貼及花紅)的3%至17%向計劃供款。本集團除供款外毋須承擔退休後福利的責任。

除上述計劃供款外，本集團並無其他退休後福利的重大責任。

(b) 董事酬金

截至二零零六年十二月三十一日止年度，本公司各董事的酬金如下：

董事姓名	Name of Director	袍金 Fees 千港元 HK\$'000	薪金 Salaries 千港元 HK\$'000	酌情花紅 Discretionary bonuses 千港元 HK\$'000	房屋津貼 Housing allowances 千港元 HK\$'000	退休金計劃	有關購股權	總計 Total 千港元 HK\$'000
						僱主供款 Employer's contribution schemes 千港元 HK\$'000	的股份酬金 Share-based compensation in respect of share options 千港元 HK\$'000	
執行董事	Executive directors							
李國棟	Li Kwok Tung, Roy	—	2,779	213	540	21	—	3,553
黎清平	Lai Ching Ping	—	2,329	213	390	21	—	2,953
周志偉	Chow Chi Wai	—	2,002	1,427	—	12	6,731	10,172
張智	Cheung Chi	—	1,680	—	—	12	2,583	4,275
李國樑	Lee Kwok Leung	—	700	190	—	12	337	1,239
獨立非執行董事	Independent non-executive directors							
馬家駿	Ma Ka Chun	48	—	—	—	—	—	48
陳光輝	Chan Kwong Fai	68	—	—	—	—	—	68
關啟昌	Kwan Kai Cheong	101	—	—	—	—	—	101
溫澤光	Wun Kwang	68	—	—	—	—	—	68
		285	9,490	2,043	930	78	9,651	22,477

26 Employment costs (Continued)

(a) Retirement benefit costs - defined contribution plans (Continued)

The Group participates in retirement schemes for qualified employees of its overseas subsidiaries in Taiwan, the Philippines, Vietnam and Jordan. Each of the Group (the employer) and its employees make monthly contributions to the schemes at rates ranging from 3% to 17% of the employees' relevant income (comprising wages, salaries, allowances and bonus). The Group has no further obligations for post-retirement benefits beyond the contributions.

The Group has no material obligation for post-retirement benefits beyond contributions to the above schemes.

(b) Directors' emoluments

The remuneration of each director of the Company for the year ended 31 December 2006 is set out below:

綜合財務報表附註 Notes to the Consolidated Financial Statements

26 僱員成本 (續)

(b) 董事酬金 (續)

截至二零零五年十二月三十一日止年度，本公司各董事的酬金如下：

董事姓名	Name of Director	袍金 Fees 千港元 HK\$'000	薪金 Salaries 千港元 HK\$'000	酌情花紅 Discretionary bonuses 千港元 HK\$'000	房屋津貼 Housing allowances 千港元 HK\$'000	退休金計劃 僱主供款 Employer's contribution to retirement schemes 千港元 HK\$'000	總計 Total 千港元 HK\$'000
執行董事	Executive directors						
李國棟	Li Kwok Tung, Roy	—	1,066	82	2,160	24	3,332
黎清平	Lai Ching Ping	—	1,066	82	1,560	24	2,732
周志偉	Chow Chi Wai	—	546	42	—	12	600
張智	Cheung Chi	—	245	—	—	2	247
李國樑	Lee Kwok Leung	—	650	—	—	12	662
		—	3,573	206	3,720	74	7,573

於截至二零零六年十二月三十一日止年度概無董事放棄任何酬金 (二零零五年：無)。

26 Employment costs (Continued)

(b) Directors' emoluments (Continued)

The remuneration of each director of the Company for the year ended 31 December 2005 is set out below:

No directors waived any emoluments during the year ended 31 December 2006 (2005: Nil).

(c) 五名最高薪人士

本集團五名最高薪人士包括五名 (二零零五年：兩名) 董事，彼等的酬金已載於上述分析。二零零五年十二月三十一日應付其餘三名人士的酬金如下：

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include five (2005: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three individuals at 31 December 2005 were as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
底薪、房屋津貼 及其他津貼	Basic salaries, housing allowances and other allowances	—	2,899
酌情花紅	Discretionary bonuses	—	156
退休福利 — 界定 供款計劃	Retirement benefit - defined contribution schemes	—	36
		—	3,091

綜合財務報表附註 Notes to the Consolidated Financial Statements

26 僱員成本 (續)

(c) 五名最高薪人士 (續)

該等酬金介乎以下範圍：

酬金範圍	Emolument bands	人數	
		二零零六年 2006	二零零五年 2005
500,001港元—1,000,000港元	HK\$500,001 - HK\$1,000,000	—	2
1,000,001港元—1,500,000港元	HK\$1,000,001 - HK\$1,500,000	—	1
		—	3

(d) 截至二零零六年十二月三十一日止年度，本公司並無支付酬金予任何董事或五名最高薪人士，作為加入或邀請加入本集團的獎勵或離職補償（二零零五年：無）。

26 Employment costs (Continued)

(c) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

(d) During the year ended 31 December 2006, no emoluments were paid by the Company to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2005: Nil).

27 融資收入及成本

27 Finance income and costs

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
利息收入	Interest income from		
— 與根據發售新股認購 股份有關的存款 (附註)	- deposits relating to share subscription under the New Issue (Note)	15,213	—
— 應收本公司董事實益 擁有的公司墊款 (附註34(d))	- advances due by companies beneficially owned by directors of the Company (Note 34(d))	—	3,190
— 銀行存款	- bank deposits	10,472	1,405
融資收入	Finance income	25,685	4,595
利息支出	Interest expense on		
— 銀行借貸及透支	- bank borrowings and overdrafts	(6,306)	(512)
— 董事結餘 (附註34(d))	- balances with directors (Note 34(d))	(582)	(572)
— 應付專營權費 (附註20)	- licence fees payable (Note 20)	(14,714)	(15,715)
融資成本	Finance costs	(21,602)	(16,799)
融資收入／(成本)淨值	Net finance income/(costs)	4,083	(12,204)

綜合財務報表附註 Notes to the Consolidated Financial Statements

27 融資收入及成本 (續)

附註：

根據有關發售新股(附註22)的股份認購協議，本公司有權收取於認購期內與股份認購(包括超額認購)有關的銀行存款的利息收入。

28 所得稅開支

香港利得稅已根據本年度估計應課稅溢利按稅率17.5%(二零零五年：17.5%)計提撥備。

在中國大陸成立及經營之附屬公司、聯營公司及共同控制實體於本年度須按27%至33%(二零零五年：27%至33%)稅率繳納中國內地企業所得稅。根據有關稅法規定，該等在中國大陸成立的附屬公司、聯營公司及共同控制實體為外商獨資企業或中外合資企業，由經抵銷過往年度所有未到期承前稅務虧損後的首個獲利年度起計，首兩年可獲豁免繳付企業所得稅，而其後三年則獲半免。

海外(香港及中國大陸除外)溢利之稅項已就本年度估計應課稅溢利按本集團經營所在國家之有關現行稅率計算。

於綜合損益表扣除的稅項指：

27 Finance income and costs (Continued)

Note:

In accordance with the share subscription agreements relating to the New Issue (Note 22), the Company is entitled to the interest income earned from bank deposits relating to the share subscription, including over subscription, during the subscription period.

28 Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits for the year (2005: 17.5%).

Subsidiaries, associates and jointly controlled entities established and operated in Mainland China are subject to Mainland China Enterprise Income Tax at rates ranging from 27% to 33% for the year (2005: 27% to 33%). In accordance with the applicable tax regulations, subsidiaries, associates and jointly controlled entities established in Mainland China as wholly owned foreign enterprises or sino-foreign joint ventures are entitled to full exemption from Enterprise Income Tax for the first two years and a 50% reduction in Enterprise Income Tax for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses carried forward from previous years.

Taxation on overseas (other than Hong Kong and Mainland China) profits has been calculated on the estimated assessable profit for the year at the applicable rates of taxation prevailing in the countries in which the Group operates.

The amounts of taxation charged to the consolidated income statement represent:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
即期所得稅 —	Current income tax -		
香港所得稅	Hong Kong profits tax	46,884	44,927
中國大陸企業所得稅	Mainland China enterprise income tax	33,553	27,576
海外稅項	Overseas taxation	16	65
遞延所得稅(附註21)	Deferred income tax (Note 21)	(3,068)	4,807
		77,385	77,375

綜合財務報表附註 Notes to the Consolidated Financial Statements

28 所得稅開支 (續)

本集團除所得稅前溢利的稅項與使用適用於綜合實體溢利的加權平均稅率得出的理論金額的差別如下：

28 Income tax expense (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
不包括應佔聯營公司及共同控制實體溢利／虧損的除所得稅前溢利	Profit before income tax excluding share of profit/loss of associates and jointly controlled entities	361,279	332,834
以適用於有關地方／國家溢利的加權平均本地稅率計算的稅項	Tax calculated at weighted average domestic tax rates applicable to profits in the respective places/countries	79,371	68,091
毋須課稅收入	Income not subject to tax	(4,305)	(957)
不可扣稅的開支	Expenses not deductible for tax purposes	5,199	8,079
並無確認遞延所得稅的稅務虧損淨額	Tax losses for which no deferred income tax was recognised, net	(3,205)	255
於過往年度撥備不足	Under provision in prior years	—	1,845
其他	Others	325	62
稅務開支	Tax charge	77,385	77,375
加權平均本地適用稅率	Weighted average domestic applicable tax rates	22.0%	20.5%

上述加權平均適用稅率變動主要由於混合不同集團公司的所得溢利變動所致。該等所得溢利須以不同稅率計算，惟相關稅率並無重大變動。

The change in weighted average applicable tax rates above is mainly caused by a change in mix of profits earned in different group companies which are subject to different tax rates, while there were no significant changes in the respective tax rates.

截至二零零六年十二月三十一日止年度，應佔聯營公司及共同控制實體所得稅開支329,000港元(二零零五年：無)已計入綜合損益表的應佔聯營公司及共同控制實體溢利或虧損。

Share of income tax expense of associates and jointly controlled entities for the year ended 31 December 2006 amounting to HK\$329,000 (2005: Nil) were included in the consolidated income statement as share of profit or loss of associates and jointly controlled entities.

綜合財務報表附註 Notes to the Consolidated Financial Statements

29 每股盈利

(a) 基本

本年度每股基本盈利乃根據本公司股權持有人應佔綜合溢利約260,600,000港元(二零零五年:241,542,000港元)及年內已發行普通股加權平均數約1,007,671,000股(二零零五年:900,000,000股)計算。釐定已發行股份數目時,根據重組(附註1)及附註22所述的資本化發行而發行合共900,000,000股股份視為於二零零五年一月一日已發行。

29 Earnings per share

(a) Basic

The calculation of basic earnings per share for the year is based on the consolidated profit attributable to equity holders of the Company of approximately HK\$260,600,000 (2005: HK\$241,542,000) and on the weighted average number of approximately 1,007,671,000 (2005: 900,000,000) ordinary shares in issue during the year. In determining the number of shares in issue, a total of 900,000,000 shares issued in connection with the Reorganisation (Note 1) and the capitalisation issue as described in Note 22 were deemed to have been issued since 1 January 2005.

		二零零六年 2006	二零零五年 2005
本公司股權持有人 應佔溢利(千港元)	Profit attributable to equity holders of the Company (HK\$'000)	260,600	241,542
已發行普通股的 加權平均數(千股)	Weighted average number of ordinary shares in issue ('000)	1,007,671	900,000
每股基本盈利(港元)	Basic earnings per share (HK\$)	0.259	0.268

綜合財務報表附註 Notes to the Consolidated Financial Statements

29 每股盈利(續)

(b) 攤薄

每股攤薄盈利乃假設兌換所有具潛在攤薄影響普通股而調整加權平均已發行普通股數目而計算。根據購股權計劃可予發行的股份為唯一具潛在攤薄影響的普通股。本公司根據已發行購股權所附認購權的貨幣價值作出計算以釐定可能按公平值(乃本公司股份的全年平均市價)收購的股份數目。上述所計算的股份數目與假設行使購股權而發行的股份數目作出比較。

29 Earnings per share (Continued)

(b) Diluted

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Shares issuable under the share option schemes are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		二零零六年 2006	二零零五年 2005
本公司股權持有人 應佔溢利(千港元)	Profit attributable to equity holders of the Company (HK\$'000)	260,600	241,542
加權平均已發行 普通股數目(千股)	Weighted average number of ordinary shares in issue ('000)	1,007,671	900,000
調整購股權(千份)	Adjustment for share options ('000)	15,835	—
每股攤薄盈利的加權平均 普通股數目(千股)	Weighted average number of ordinary shares for diluted earnings per share ('000)	1,023,506	900,000
每股攤薄盈利(港元)	Diluted earnings per share (HK\$)	0.255	0.268

綜合財務報表附註 Notes to the Consolidated Financial Statements

30 股息

本公司自其註冊成立以來並無宣派及支付任何股息。應屆股東週年大會不會建議就截至二零零六年十二月三十一日止年度派付任何股息。

以下股息為重組(附註1)前附屬公司以保留盈利向當時股東宣派的股息。

30 Dividends

The Company has not declared and paid any dividend since its incorporation. No dividend in respect of the year ended 31 December 2006 is to be proposed at the up-coming Annual General Meeting.

The following dividends were declared by subsidiaries out of their retained earnings to their then shareholders prior to the Reorganisation (Note 1).

		向集團內 公司派付	向其他 股東派付	合計
		To a company within the Group	To the other shareholders	Total
		千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000
截至二零零五年 十二月三十一日止年度	Year ended 31 December 2005			
寶嘉亞洲有限公司	Bowker Asia Limited	—	170,000	170,000
截至二零零六年 十二月三十一日止年度	Year ended 31 December 2006			
裕方(香港)有限公司	Rich Form (HK) Limited	42,000	28,000	70,000
Portico Group Limited	Portico Group Limited	—	42,000	42,000
		42,000	70,000	112,000

綜合財務報表附註 Notes to the Consolidated Financial Statements

31 營運所得現金

31 Cash generated from operations

(a) 營運所得現金對帳

(a) Reconciliation of cash generated from operations

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
除所得稅前溢利	Profit before income tax	360,805	332,834
按下列各項調整：	Adjustments for:		
— 專營權攤銷	- Amortisation of licence rights	30,298	25,200
— 租賃土地及土地 使用權攤銷	- Amortisation of leasehold land and land use right	643	643
— 物業、機器及 設備折舊	- Depreciation of property, plant and equipment	44,224	29,624
— 出售物業、機器及設備 的收益(附註(b))	- Gain on disposal of property, plant and equipment (Note (b))	(706)	(1,786)
— 應付專營權費用估計 變動產生的收益	- Gain from a change in estimate of licence fees payable	(9,227)	—
— 以股份支付款項	- Share-based payment	10,853	—
— 融資(收入)/成本淨值	- Finance (income)/costs - net	(4,083)	12,204
— 應佔聯營公司溢利	- Share of profit of associates	(131)	—
— 應佔共同控制實體虧損	- Share of loss of jointly controlled entities	605	—
— 匯兌(收益)/虧損淨值	- Exchange (gain)/loss, net	(4,614)	—
營運資金變動：	Changes in working capital:		
— 存貨增加	- Increase in inventories	(100,892)	(23,997)
— 應收貿易帳款及應收票據增加	- Increase in trade and bills receivable	(135,301)	(62,629)
— 按金、預付款項及 其他應收帳款增加	- Increase in deposits, prepayments and other receivables	(4,052)	(579)
— 應付關聯方款項減少	- Decrease in amounts due to related parties	(145,291)	(140,977)
— 應付貿易帳款及應付票據增加	- Increase in trade and bills payable	34,184	17,328
— 應計款項及其他應付帳款增加	- Increase in accruals and other payables	22,771	24,884
— 支付應付專營權費	- Payment of licence fees payable	(40,092)	(21,205)
營運所得現金	Cash generated from operations	59,994	191,544

綜合財務報表附註 Notes to the Consolidated Financial Statements

31 營運所得現金 (續)

(b) 於現金流量表中，出售物業、機器及設備所得款項包括

31 Cash generated from operations (Continued)

(b) In the cash flow statements, proceeds from disposal of property, plant and equipment comprise

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
帳面淨值 (附註8)	Net book amount (Note 8)	917	5,758
出售物業、機器 及設備收益	Gain on disposal of property, plant and equipment	706	1,786
出售物業、機器 及設備所得款項	Proceeds from disposal of property, plant and equipment	1,623	7,544

(c) 增購附屬公司權益 (附註10(c))

(c) Acquisition of additional interests in subsidiaries (Note 10(c))

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
收購少數股東權益 應佔資產淨值	Net assets attributable to minority interest acquired	—	11,987
代價現值較所收購的少數 股東權益帳面值高出	Excess of present value of consideration over the carrying value of the minority interests acquired	—	376,576
		—	388,563
分期繳付應付代價的 利息部分 (現值調整)	Interest element (present value adjustment) on consideration payable by instalments	—	20,164
總收購成本	Total cost of acquisitions	—	408,727
以下列方式繳付：	Satisfied by:		
現金	Cash	—	50,008
由本公司董事 承擔 (附註34(j))	Assumed by directors of the Company (Note 34(j))	—	358,719
		—	408,727

綜合財務報表附註 Notes to the Consolidated Financial Statements

31 營運所得現金 (續)

31 Cash generated from operations (Continued)

(d) 出售附屬公司權益 (附註10(b))

(d) Disposal of interest in a subsidiary (Note 10(b))

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
出售本集團權益資產淨值	Net asset value of the Group's interest disposed of	—	5,646
代價現值較所出售的淨資產帳面值高出	Excess of present value of consideration over the carrying amount of the net asset disposal of	—	82,288
		—	87,934
分期收取應收代價的未賺取未來利息收入	Unearned future interest income on consideration receivable by instalments	—	9,449
總出售代價	Total consideration for the disposal	—	97,383
以下列方式繳付：	Satisfied by:		
現金 (附註)	Cash (Note)	—	35,100
分期應收款項 (附註15)	Amounts receivable by instalments (Note 15)	—	62,283
		—	97,383

附註：

出售的現金流入淨額為34,490,000港元，即現金所得款項35,100,000港元減直接成本611,000港元。

Note:

Net inflow of cash in respect of the disposal amounted to HK\$34,490,000 which represents cash proceeds of HK\$35,100,000 received less direct costs of HK\$611,000.

(e) 重大非現金投資及融資活動

(e) Significant non-cash investing and financing activities

截至二零零五年十二月三十一日止年度，應付若干附屬公司的若干前少數股東款項合共358,719,000港元已轉讓予本公司董事李國棟先生及黎清平先生承擔。同時，該款項已由李國棟先生及黎清平先生以向本集團出資的方式免除。於轉讓日期，該應付帳款的帳面值(即淨現值)為338,555,000港元。

During the year ended 31 December 2005, amounts payable to certain former minority shareholders of certain subsidiaries, totalling HK\$358,719,000 were assigned to Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping, directors of the Company. At the same time, such amounts were waived by Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping by way of capital contributions to the Group. The carrying amount, representing the net present value of such payables as at the date of the assignment, amounted to HK\$338,555,000.

綜合財務報表附註 Notes to the Consolidated Financial Statements

32 或然負債

於二零零六年十二月三十一日，本集團並無重大或然負債（二零零五年：無）。

33 承擔 — 本集團

(a) 資本承擔

於結算日，已訂約但未撥備的資本開支如下：

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

於二零零六年十二月三十一日，本集團承諾向若干於中國大陸成立的附屬公司注入額外資本，注資總額約45,075,000港元（二零零五年：41,504,000港元）。

(b) 經營租賃承擔

本集團根據土地及樓宇不可撤銷經營租賃之未來最低租金總額如下：

一年內	Within one year
一年至五年	Later than one year and not later than five years
五年後	Later than five years

32 Contingent liabilities

As at 31 December 2006, the Group had no material contingent liabilities (2005: Nil).

33 Commitments - Group

(a) Capital commitments

Capital expenditure at the balance sheet date contracted but not yet provided for is as follows:

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
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26,343	32,144
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As at 31 December 2006, the Group had commitments to inject additional capital into certain subsidiaries established in Mainland China, totalling approximately HK\$45,075,000 (2005: HK\$41,504,000).

(b) Operating lease commitments

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

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
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19,098	8,778
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32,585	15,485
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18,219	11,207
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69,902	35,470
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綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易

若一方有能力直接或間接控制另一方或對另一方的財務及營運決策有重大影響力，以及受共同控制或有共同重大影響者，則視為關聯方。

除於此等綜合財務報表中所披露者外，本集團與關聯方曾進行以下主要交易：

(a) 銷售貨品

本公司董事實益擁有之公司
— 永順鞋業有限公司

本公司附屬公司／
共同控制實體董事及／
或附屬公司少數股東實益
擁有之公司 —
美海企業有限公司
運動站有限公司
天生製衣(國際)有限公司
Umbro International Limited

本集團共同控制實體 —
廣州富堡體育用品有限公司
運動站有限公司
嘉運體育用品有限公司

Company beneficially owned by directors
of the Company -
Win Shoes Manufacturer Company Limited

Companies beneficially owned by directors of
subsidiaries/jointly controlled entities of the
Company and/or minority shareholders of
subsidiaries -
Amerseas Enterprises Limited
Sport Corners Limited
TSG International Limited
Umbro International Limited

Jointly controlled entities of the Group -
Guangzhou Fubao Sports Equipment
Company Limited
Sport Corners Limited
Win Sports Limited

34 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Apart from those disclosed elsewhere in these consolidated financial statements, the following significant transactions were carried out with related parties:

(a) Sales of goods

	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本公司董事實益擁有之公司 — 永順鞋業有限公司	—	377
本公司附屬公司／ 共同控制實體董事及／ 或附屬公司少數股東實益 擁有之公司 — 美海企業有限公司 運動站有限公司 天生製衣(國際)有限公司 Umbro International Limited	664 — 35 50,846	954 7,982 112 9,167
本集團共同控制實體 — 廣州富堡體育用品有限公司 運動站有限公司 嘉運體育用品有限公司	4,621 6,919 730	18,592 — —
	63,815	37,184

貨品按雙方協定的價格出售。

Goods are sold at prices mutually agreed by both parties.

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

34 Related party transactions (Continued)

(b) 購買貨品

(b) Purchases of goods

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本公司董事實益 擁有之公司 — Fu Jin Bowker Company Limited 永順鞋業有限公司	Companies beneficially owned by directors of the Company - Fu Jin Bowker Company Limited Win Shoes Manufacturer Company Limited	— —	69,065 346
本公司附屬公司/ 共同控制實體董事及/ 或附屬公司少數股東實益 擁有之公司 — 雲浮市寶利圖製衣 有限公司紙箱廠 廣州美海運動用品 有限公司 天生製衣(國際)有限公司	Companies beneficially owned by directors of the subsidiaries/jointly controlled entities of the Company and/or minority shareholders of subsidiaries - Bonetto Carton Factory Company Limited Guangzhou Amerseas Sporting Goods Company Limited TSG International Limited	— 22,386 1,307	722 850 1,890
附屬公司一名主管的兄弟實益 擁有的公司 — Oceanjade Corporation Limited	Company beneficially owned by a brother of an officer of a subsidiary - Oceanjade Corporation Limited	49,910	46,300
本集團聯營公司 — Fu Jin Bowker Company Limited	Associate of the Group - Fu Jin Bowker Company Limited	126,656	—
		200,259	119,173

貨品按雙方協定的價格購買。

Goods are purchased at prices mutually agreed by both parties.

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

34 Related party transactions (Continued)

(c) 購買服務及租賃辦公室與倉庫

(c) Purchases of services and rental of offices and warehouses

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
購買服務 —	Purchases of services -		
本公司董事或附屬公司董事 實益擁有之公司 —	Companies beneficially owned by directors of the Company or a director of a subsidiary -		
順祺印花有限公司	Bright Advance Printing Company Limited	14,322	12,720
Catek Trading Limited	Catek Trading Limited	390	1,800
Gadlee International Inc.	Gadlee International Inc.	—	4,480
Renberg International Limited	Renberg International Limited	540	2,460
附屬公司一名主管的兄弟 實益擁有的公司 —	Company beneficially owned by a brother of an officer of a subsidiary -		
Diamond Needle Factory (Jordan) Company Limited	Diamond Needle Factory (Jordan) Company Limited	9,472	9,879
附屬公司少數股東 —	Minority shareholder of a subsidiary -		
Umbro International Limited	Umbro International Limited	1,191	99
本集團的共同控制實體 —	Jointly controlled entity of the Group -		
嘉運體育用品有限公司	Win Sports Limited	848	—
本集團聯營公司 —	Associates of the Group -		
富順寶嘉染整興業 (河源)有限公司	Fu Hsun Bowker Dyeing Factory (Heyuan) Company Limited	30	—
Gadlee International Inc.	Gadlee International Inc.	6,075	—
共同控制實體董事 —	Director of jointly controlled entities -		
何建陽先生	Mr. Ho Kin Yeung, Samuel	800	—
		33,668	31,438
租賃辦公室及倉庫 —	Rental of offices and warehouses -		
本公司附屬公司/ 共同控制實體董事 實益擁有之公司 —	Companies beneficially owned by directors of the subsidiaries/jointly controlled entities of the Company -		
廣州天生體育用品 有限公司	Guangzhou Tien Sung Sporting Goods Company Limited	1,327	1,225
天生集團(香港)有限公司	Tien Sung Group Limited	1,845	2,827
		3,172	4,052

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

(c) 購買服務及租賃辦公室與倉庫
(續)

購買服務主要有關分判服務及分擔關聯方按成本增加基準收回的一般及行政開支。

辦公室及倉庫租金開支與市場水平相若。

(d) 利息收入及利息開支

應收本公司董事實益 擁有公司的墊款利息收入	Interest income on advances due by companies beneficially owned by directors of the Company	—	3,190
應付本公司董事墊款之 利息開支	Interest expense on advances due to directors of the Company	582	572

利息收入及利息開支乃根據香港上海滙豐銀行有限公司所報的最優惠利率賺取及支付。

34 Related party transactions (Continued)

(c) Purchases of services and rental of offices and
warehouses (Continued)

Purchases of services primarily relate to subcontracting services and sharing of general and administrative expenses recovered by the related parties on a cost-plus basis.

Rental of offices and warehouses were charged at approximate market rates.

(d) Interest income and interest expense

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
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Interest income and interest expense were earned and charged, respectively, at the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited.

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

(e) 銷售／購買貨品及服務所產生之年終結餘(列入應收貿易帳款及應付貿易帳款)

34 Related party transactions (Continued)

(e) Year-end balances (included in trade receivables and trade payables) arising from sales/purchases of goods and services

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
應收關聯方款項：	Receivables from related parties:		
本公司董事實益擁有之公司 — Gadlee International Inc.	Company beneficially owned by directors of the Company - Gadlee International Inc.	—	2,334
本公司附屬公司／共同控制實體董事及／或附屬公司少數股東實益擁有之公司 — 運動站有限公司 Umbro International Limited	Companies beneficially owned by directors of subsidiaries/jointly controlled entities of the Company and/or minority shareholders of subsidiaries - Sport Corners Limited Umbro International Limited	— 1,855	4,907 2,113
附屬公司一名主管的兄弟實益擁有的公司 — Diamond Needle Factory (Jordan) Co. Limited	Company beneficially owned by a brother of an officer of a subsidiary - Diamond Needle Factory (Jordan) Co. Limited	1,076	—
本集團共同控制實體 — 廣州富堡體育用品有限公司 運動站有限公司	Jointly controlled entities of the Group - Guangzhou Fubao Sports Equipment Company Limited Sport Corners Limited	5,622 4,647	— —
其他	Others	82	279
		13,282	9,633

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

(e) 銷售／購買貨品及服務所產生之年終結餘(列入應收貿易帳款及應付貿易帳款) (續)

34 Related party transactions (Continued)

(e) Year-end balances (included in trade receivables and trade payables) arising from sales/purchases of goods and services (Continued)

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
應付關聯方款項：	Payables to related parties:		
本公司董事實益擁有之公司 — Fu Jin Bowker Company Limited	Company beneficially owned by directors of the Company - Fu Jin Bowker Company Limited	—	13,389
本公司附屬公司／共同控制實體董事及／或附屬公司少數股東實益擁有之公司 — 美海企業有限公司 順祺印花有限公司 廣州美海運動用品有限公司 Umbro International Limited	Companies beneficially owned by directors of subsidiaries/jointly controlled entities of the Company and/or minority shareholders of subsidiaries - Amerseas Enterprise Limited Bright Advance Printing Company Limited Guangzhou Amerseas Sporting Goods Company Limited Umbro International Limited	145 — 1,565 455	— 2,057 112 —
附屬公司一名主管的兄弟實益擁有的公司 — Diamond Needle Factory (Jordan) Co. Limited Oceanjade Corporation Limited	Companies beneficially owned by a brother of an officer of a subsidiary - Diamond Needle Factory (Jordan) Co. Limited Oceanjade Corporation Limited	— 13,011	1,482 10,506
本集團共同控制實體 — 嘉運體育用品有限公司	Jointly controlled entity of the Group — Win Sports Limited	882	289
本集團聯營公司 — Fu Jin Bowker Company Limited	Associates of the Group - Fu Jin Bowker Company Limited	18,873	—
		34,931	27,835

所有款項為無抵押、免息及須於一般貿易信貸期內支付。

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

(f) 應收關聯方款項

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本公司附屬公司董事或 附屬公司少數股東 實益擁有之公司 — A&S Corporation Limited	Companies beneficially owned by directors of subsidiaries of the Company or minority shareholders of subsidiaries - A&S Corporation Limited	—	2,579
雲浮市寶利圖製衣 有限公司紙箱廠	Bonetto Carton Factory Company Limited	—	431
雲浮市寶利圖製衣 有限公司	Bonetto Garment Factory Company Limited	—	2,438
廣州天生體育用品 有限公司	Guangzhou Tien Sung Sporting Goods Company Limited	—	8,862
傅志聲先生	Mr. Fu Chi Sing	—	500
黎浩文先生	Mr. Lai Ho Man	—	26,962
王文富先生	Mr. Wong Man Fu	—	609
其他	Others	—	1,175
		—	43,556

應收關聯方的非貿易帳款面值與其公平值相若。

應收關聯方款項主要是墊款及代付開支。

除於二零零五年十二月三十一日的應收關聯方款項29,000港元乃根據香港上海滙豐銀行有限公司所報的最優惠利率收取利息外，所有其他款項均為無抵押、免息及無預定還款期。

The carrying amounts of non-trade receivables from related parties approximated their fair values.

Amounts due from related parties primarily resulted from advances and reimbursement of expenses.

Except for HK\$29,000 due from a related party as at 31 December 2005, which bore interest at the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited, all other amounts were unsecured, interest-free and without pre-determined repayment terms.

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

34 Related party transactions (Continued)

(g) 應付關聯方款項

(g) Amounts due to related parties

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本公司附屬公司董事或 附屬公司少數股東 實益擁有之公司 —	Companies beneficially owned by directors of subsidiaries of the Company or minority shareholders of subsidiaries		
TSG (BVI) Limited	TSG (BVI) Limited	—	11,570
美海企業有限公司	Amerseas Enterprises Limited	—	6,755
Regal Energy International Limited	Regal Energy International Limited	—	3,000
雲浮市寶利圖製衣有限公司	Bonetto Garment Factory Company Limited	—	3,427
偉基(遠東)有限公司	Y.K. Limited	—	3,800
陳錦昌先生	Mr. Chan Kam Cheong	—	8,800
黎浩文先生	Mr. Lai Ho Man	—	24,302
吳鴻有先生	Mr. Ng Hung Yau	—	5,110
王文富先生	Mr. Wong Man Fu	—	2,600
本公司董事 —	Directors of the Company -		
黎清平先生	Mr. Lai Ching Ping	—	21,966
李國棟先生	Mr. Li Kwok Tung, Roy	—	52,991
其他	Others	—	1,542
		—	145,863

應付關聯方的非貿易帳款面值與其公平值相若。

The carrying amounts of non-trade payables to related parties approximated their fair values.

應付關聯方款項主要是墊款及代付開支。

Amounts due to related parties primarily resulted from advances and reimbursement of expenses.

除應付本公司董事款項乃根據香港上海滙豐銀行有限公司所報的最優惠利率收取利息外，所有其他款項均為無抵押、免息及無預定還款期。

Except for the amounts due to the directors of the Company which bore interest at the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited, all other amounts were unsecured, interest-free and without pre-determined repayment terms.

(h) 應付附屬公司款項

(h) Amounts due to subsidiaries

應付附屬公司款項均為無抵押、免息及須於催繳時償還。

Amounts due to subsidiaries are unsecured, interest-free and are due on demand.

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

- (i) 根據香港公司條例第161B條，應收關聯方未償還的非貿易帳款的最高結餘披露如下：

34 Related party transactions (Continued)

- (i) Maximum balances of non-trade receivables outstanding from related parties disclosed pursuant to section 161B of the Hong Kong Companies Ordinance, are as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
應收附屬公司董事及／ 或附屬公司少數股東 實益擁有之公司 —	Due from Companies beneficially owned by directors of subsidiaries and/or minority shareholders of subsidiaries -		
A&S Corporation Limited	A&S Corporation Limited	2,579	2,579
雲浮市寶利圖製衣有限公司紙箱廠	Bonetto Carton Factory Company Limited	431	593
雲浮市寶利圖製衣有限公司	Bonetto Garment Factory Company Limited	2,438	4,209
廣州天生體育用品 有限公司	Guangzhou Tien Sung Sporting Goods Company Limited	8,862	19,910
天生集團(香港)有限公司	Tien Sung Group Limited	—	1,574
傅志聲先生	Mr. Fu Chi Sing	500	600
黎浩文先生	Mr. Lai Ho Man	26,962	26,962
王文富先生	Mr. Wong Man Fu	609	609
應收本公司董事實益 擁有之公司 —	Due from companies beneficially owned by directors of the Company -		
Catek Trading Limited	Catek Trading Limited	—	23,451
富運物流有限公司	Full Rich Logistics Limited	—	5,250
Renberg International Limited	Renberg International Limited	—	29,930
銀基海外有限公司	Silvergate Overseas Limited	—	2,000
Stigma Group Limited	Stigma Group Limited	—	2,623
永順鞋業有限公司	Win Shoes Manufacturer Company Limited	—	23,023
雲浮市永嘉鞋廠有限公司	Win Hanverky Shoes Factory (Yunfu) Company Limited	29	3,867
東莞市永嘉鞋廠有限公司	Win Hanverky Shoes Factory (Dongguan) Company Limited	—	2,279
永德科技(香港)有限公司	Win Technologies Company Limited	—	31,556
Bowker Faith Garment Factory Limited #	Bowker Faith Garment Factory Limited #	—	3,890
永恆工業製造有限公司	Breeze Industrial Company Limited	—	902
Ever Crown Enterprises Limited	Ever Crown Enterprises Limited	—	18
Newmont Limited	Newmont Limited	—	34
玉景化工有限公司	Prohen Chemicals Company Limited	—	81
Quinta Asia Limited	Quinta Asia Limited	—	8
Sanview Investment Limited	Sanview Investment Limited	—	34
Tangara Knitting Factory Limited	Tangara Knitting Factory Limited	—	217
應收本公司董事 —	Due from a director of the Company -		
周志偉先生	Mr. Chow Chi Wai	—	50

此「Bowker Faith Garment Factory Limited」於英屬處女群島註冊成立，與本集團於香港註冊成立、擁有相同名稱的附屬公司不同。

This “Bowker Faith Garment Factory Limited” is incorporated in the BVI and is different from a subsidiary of the Group incorporated in Hong Kong bearing the same name.

綜合財務報表附註 Notes to the Consolidated Financial Statements

34 關聯方交易 (續)

(j) 與關聯方之其他重大交易

於二零零五年一月，應付若干附屬公司的若干前少數股東款項合共358,719,000港元已轉讓予李國棟先生及黎清平先生(附註31(e))。同時，李國棟先生及黎清平先生已免除該款項，並入帳為向本集團的出資。於轉讓日期，該應付帳款的帳面值(即淨現值)為338,555,000港元。

於二零零五年九月，Umbro International Limited完成向本集團收購天運洋行有限公司25%權益(附註10(b))後，成為本集團的關聯方。於二零零六年十二月三十一日，本集團應付Umbro International Limited的專營權費為190,014,000港元(二零零五年：239,333,000港元)，須於截至二零一零年期間支付(附註20)。於截至二零零六年十二月三十一日止年度，已付／應付Umbro International Limited的專營權費總額為52,642,000港元(二零零五年：30,889,000港元)。

(k) 主要管理人員酬金

薪金、花紅及津貼	Salaries, bonus and allowances
退休福利 — 界定供款計劃	Retirement benefits - defined contribution schemes
授出購股權	Share options granted

34 Related party transactions (Continued)

(j) Other significant transactions with related parties

In January 2005, amounts payable to certain former minority shareholders of certain subsidiaries, totalling HK\$358,719,000 were assigned to Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping (Note 31(e)). At the same time, such amounts were waived by Mr. Li Kwok Tung, Roy and Mr. Lai Ching Ping and recorded as capital contributions to the Group. The carrying amount, representing the net present value, of such payables as at the date of the assignment amounted to HK\$338,555,000.

Umbro International Limited became a related party of the Group in September 2005 after completion of the acquisition from the Group of a 25% equity interest in Team & Sports Limited (Note 10(b)). As at 31 December 2006, the Group has a licence fee payable of HK\$190,014,000 (2005: HK\$239,333,000) due to Umbro International Limited, which is payable through 2010 (Note 20). During the year ended 31 December 2006, total royalty payments paid/payable to Umbro International Limited amounted to HK\$52,642,000 (2005: HK\$30,889,000).

(k) Key management compensation

	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
薪金、花紅及津貼	15,199	9,993
退休福利 — 界定供款計劃	114	110
授出購股權	9,652	—
	24,965	10,103

綜合財務報表附註 Notes to the Consolidated Financial Statements

35 最終控股公司

本公司董事視Quinta Asia Limited(為於英屬處女群島註冊成立的公司)為最終控股公司。

36 結算日後事項

除於該等綜合財務報表所披露者外，於二零零六年十二月三十一日後發生的重大事件概述如下：

於二零零七年三月，本集團完成以現金代價45,000,000港元增購本集團於二零零六年十二月三十一日之共同控制實體嘉運體育用品有限公司的25%股權(附註12)。其後，嘉運體育用品有限公司成為本集團擁有75%權益的附屬公司。

於二零零七年三月，本集團完成向Umbro International Limited額外出售所持天運洋行有限公司(「天運洋行」)的15%股權，現金代價為16,500,000美元(相等於128,700,000港元)。因此，本集團所持天運洋行及其附屬公司的股權由75%減至60%；而Umbro International Limited所持天運洋行及其附屬公司的股權由25%增至40%。

35 Ultimate holding company

The Company's directors regard Quinta Asia Limited, a company incorporated in the British Virgins Islands, as being the ultimate holding company.

36 Subsequent events

Apart from those matters disclosed elsewhere in these consolidated financial statements, the following significant events have taken place subsequent to 31 December 2006:

In March 2007, the Group completed the acquisition of an additional 25% equity interest in Win Sports Limited, a jointly controlled entity of the Group as at 31 December 2006 (Note 12), for cash consideration of HK\$45,000,000. Thereafter, Win Sports Limited has become a 75% owned subsidiary.

In March 2007, the Group completed the disposal of an additional 15% equity interest in Team & Sports Limited ("T&S") to Umbro International Limited for a cash consideration of US\$16,500,000 (equivalent to HK\$128,700,000). Consequently, the Group's equity interest in T&S and its subsidiaries has decreased from 75% to 60%; while Umbro International Limited's equity interest in T&S and its subsidiaries has increased from 25% to 40%.