



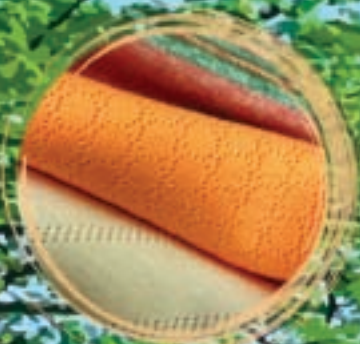
福田實業(集團)有限公司

Fountain Set (Holdings) Limited

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



Annual Report | 2007
年報 |



編織創意 活出新意
Knit Different. Live Different.

GROUP PROFILE

Fountain Set (Holdings) Limited and its subsidiaries are recognised in the industry as the world's largest circular knitted fabric manufacturer and has long been a driving force in the global market through its vertically integrated operations in spinning, knitting, dyeing, printing and finishing. The Group's product range also includes dyed yarns, sewing threads and garments. As a major fabric supplier to garment manufacturers in over 40 countries that supply to internationally renowned retail brands, Fountain Set's worldwide sales reached HK\$7.02 billion (US\$900 million) in the financial year 2007.

Headquartered in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, Fountain Set (Holdings) Limited (SEHK: 420) has production facilities in the PRC, Sri Lanka and Indonesia, with marketing and representative offices in 8 countries and a global staff force of approximately 23,000.

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

集團簡介

福田實業(集團)有限公司及其附屬公司被業界譽為世界最大的圓筒針織面料生產商，並一直通過提供紡紗、針織、染色、印花及整理等高度垂直之綜合服務而成為環球紡織行業的翹楚。集團產品亦包括色紗、縫紉線及成衣。福田實業向超過40個國家的成衣製造商提供面料，以製成國際知名品牌的成衣。福田實業於2007年財政年度的環球銷售額達70.2億港元(9.00億美元)。

福田實業(集團)有限公司之總部位於香港，並於香港聯合交易所有限公司上市(香港聯交所編號：420)，在中國、斯里蘭卡及印尼設有生產設施；海外市場推廣辦事處/代表處分佈8個國家，全球共聘用僱員約23,000人。

欲知更多福田實業資料，請瀏覽 www.fshl.com

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CORPORATE INFORMATION • 公司資料

Directors

Executive Directors

Mr. HA Chung Fong (*Chairman*)

Mr. LAU Hong Yon

Mr. HA Kam On, Victor

Dr. YEN Gordon

Mr. WAI Yick Man

Non-executive Directors

Mr. HA Hon Kuen

Mrs. FUNG YEH Yi Hao, Yvette

Independent Non-executive Directors

Mr. NG Kwok Tung

Mr. WONG Kwong Chi

Mr. CHOW Wing Kin, Anthony, SBS, JP

Company Secretary

Mr. WONG Kin Man

Qualified Accountant

Mr. CHUI Pak Shing

Registered Office & Principal Place of Business

Block A, 7/F, Eastern Sea Industrial Building

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

Website

www.fshl.com

Principal Bankers

Standard Chartered Bank (HK) Limited

The Hongkong and Shanghai Banking Corporation Limited

Bank of China (Hong Kong) Limited

Solicitors

Vivien Chan & Co.

Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants

Share Registrar

Tricor Secretaries Limited

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

董事

執行董事

夏松芳先生 (主席)

柳康遠先生

夏錦安先生

嚴震銘博士

衛億民先生

非執行董事

夏漢權先生

馮葉儀皓女士

獨立非執行董事

伍國棟先生

王幹芝先生

周永健先生，銀紫荊星章，太平紳士

公司秘書

黃建文先生

合資格會計師

崔伯勝先生

註冊辦事處及主要營業地點

香港新界葵涌葵昌路29-39號

東海工業大廈A座7字樓

網址

www.fshl.com

主要往來銀行

渣打銀行(香港)有限公司

香港上海滙豐銀行有限公司

中國銀行(香港)有限公司

律師

陳韻雲律師行

核數師

德勤·關黃陳方會計師行

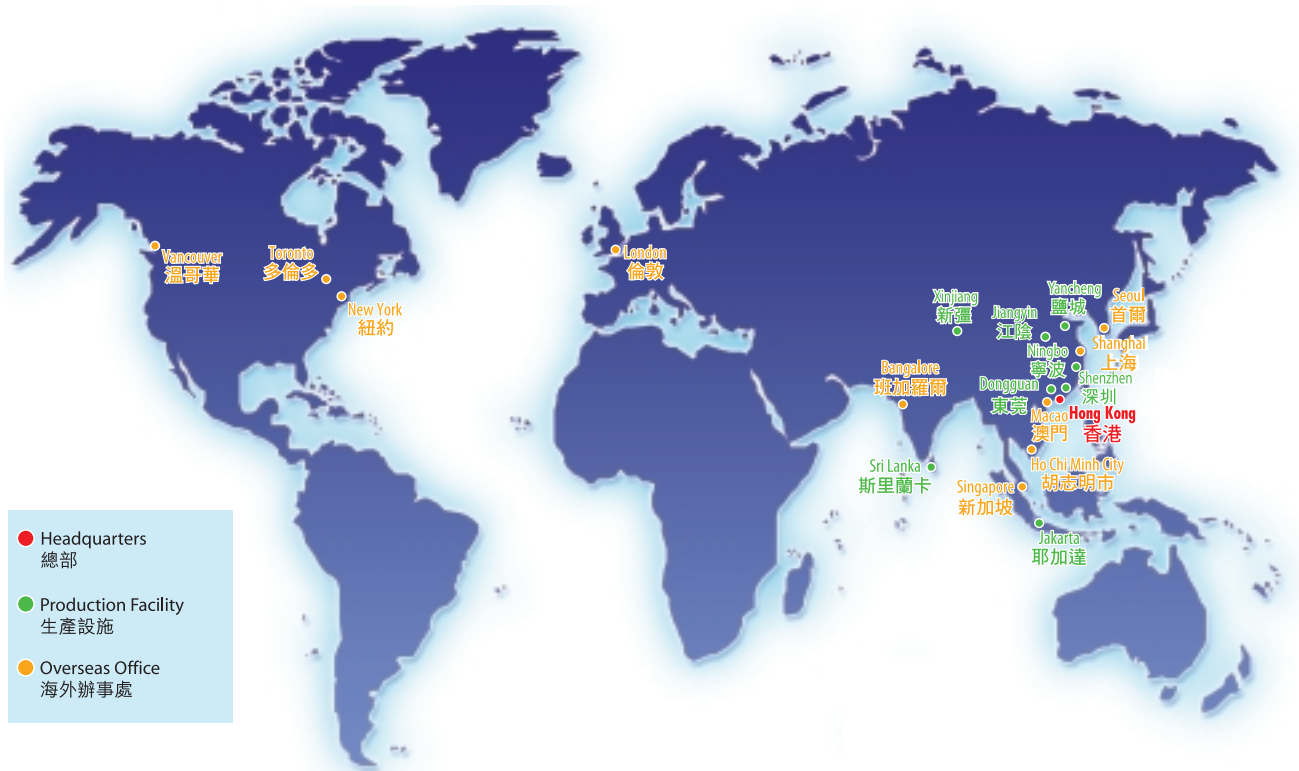
執業會計師

股份登記處

卓佳秘書商務有限公司

香港灣仔皇后大道東28號金鐘匯中心26樓

EXTENSIVE WORLDWIDE NETWORK • 強大環球網絡



HEADQUARTERS • 總部

HONG KONG 香港

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

PRODUCTION FACILITY • 生產設施

CHINA 中國

COTTON SPINNING 棉紡

Enping Hui Hua Textiles Limited
恩平匯華紡織有限公司

Jiangmen Xin Hui Hui Lian Textile Company Limited
江門市新會匯聯紡織有限公司

Kaiping Hui Hua Textiles Limited
開平匯華紡織有限公司

Shaoguan City Huihua Textiles Limited
韶關市匯業紡織有限公司

Xinjiang Hui Hua Cotton Industry Limited
新疆匯華棉業有限公司

Zhao Qing City Hui Hua Textiles Limited
肇慶市匯華紡織有限公司

KNITTING & DYEING 針織及染色

Dongguan Fuan Textiles Limited
東莞福安紡織印染有限公司

Jiangyin Fuhui Textiles Limited
江陰福匯紡織有限公司

Yancheng Fuhui Textiles Limited
鹽城福匯紡織有限公司

DYEING & PRINTING 染色及印花

Dongguan Shatin Lake Side Textiles
Printing & Dyeing Co., Ltd.
東莞沙田麗海紡織印染有限公司

GARMENT MANUFACTURING 製衣

Dongguan Fuyuen Garment Limited
東莞福源製衣有限公司

Dong Guan Hai Xing Apparel Co., Ltd.
東莞海星服裝有限公司

Dongguan Fuquan Garment Co., Ltd.
東莞福泉製衣有限公司

Ningbo Young Top Garments Co., Ltd.
寧波創裕製衣有限公司

SEWING THREADS MANUFACTURING 縫紉線生產

Dongguan Goldlink Thread Factory Co., Ltd.
東莞金菱線廠有限公司

TEXTILE MACHINERY MANUFACTURING 紡織機械生產

Jiangyin Jintian Machinery Limited
江陰金田機械有限公司

JAKARTA 耶加達

GARMENT MANUFACTURING 製衣

P.T. Sandang Mutiara Cemerlang
P.T. Higon International

SRI LANKA 斯里蘭卡

KNITTING & DYEING 針織及染色

Ocean Lanka (Private) Limited
海洋蘭卡(私人)有限公司

TRADING OFFICE • 辦事處

CHINA 中國

SALES OF DYED FABRICS & YARNS 色布及紗銷售

Shenzhen Faun Textiles Limited
深圳福力紡織品有限公司

HONG KONG 香港

RAW MATERIALS SOURCING 原料採購

Highscene Limited
漢盛有限公司

SALES OF DYED FABRICS & YARNS 色布及紗銷售

Fountain Set Limited
福田實業有限公司

SALES OF SEWING THREADS 縫紉線銷售

Goldlink Thread Limited
金菱線廠有限公司

SALES OF GARMENTS 成衣銷售

Hiway Textiles Limited
海匯紡織有限公司

OceanStar Textiles International Limited
海星紡織國際有限公司

Triumph Luck Limited
凱福有限公司

MACAO 澳門

RAW MATERIALS SOURCING 原料採購

Prosperlink (Macao Commercial Offshore) Limited
匯漢(澳門離岸商業服務)有限公司

TORONTO 多倫多

SALES OF DYED FABRICS & GARMENTS 色布及成衣銷售

Fountain Set Textiles (Ontario) Limited
福田紡織(安省)有限公司

VANCOUVER 溫哥華

SALES OF DYED FABRICS & GARMENTS 色布及成衣銷售

Fountain Set Textiles (B.C.) Limited
福田紡織(B.C.)有限公司

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

LONDON 倫敦

Fountain Set (UK) Limited
福田實業(UK)有限公司

NEW YORK 紐約

Fountain Set (U.S.A.) Inc.
福田實業(U.S.A.)有限公司

BANGALORE 班加羅爾

Fountain Set Limited - Indian Liaison Office
福田實業有限公司 - 印度代表處

HO CHI MINH CITY 胡志明市

Fountain Set (Singapore) Pte. Limited
- Vietnam Representative Office
福田實業(新加坡)私人有限公司
- 越南代表處

SEOUL 首爾

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

SHANGHAI 上海

Fountain Set Limited
- Shanghai Representative Office
福田實業有限公司 - 上海代表處

SINGAPORE 新加坡

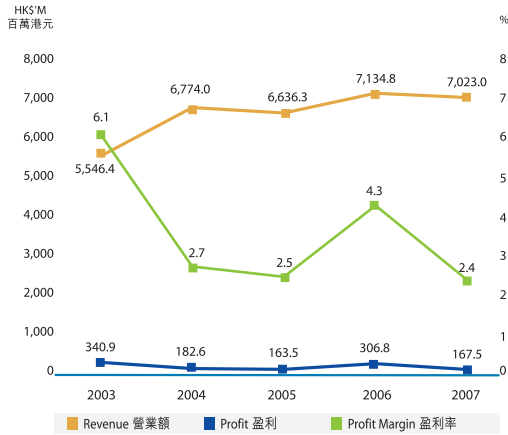
Fountain Set (Singapore) Pte. Limited
福田實業(新加坡)私人有限公司

FINANCIAL AND STATISTICAL HIGHLIGHTS • 財務及統計摘要

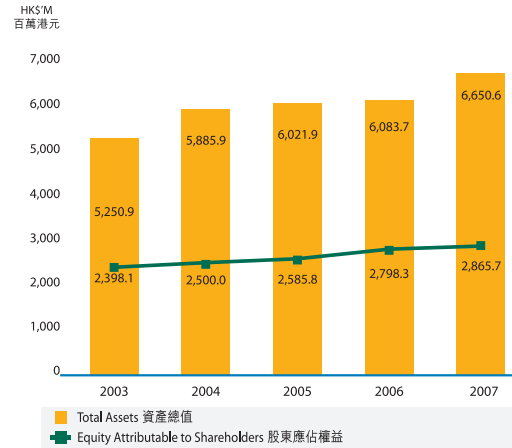
		2007 HK\$Mil 百萬港元	2006 HK\$Mil 百萬港元	Changes 變動
Operating Results	營運業績			
Revenue	營業額	7,023.0	7,134.8	-1.6%
Profit	盈利			
Total	總值	167.5	306.8	-45.4%
Profit margin	盈利率	2.4%	4.3%	
Per share (cents)	每股(仙)			
– Basic	– 基本	21.1	38.6	-45.4%
Dividends	股息			
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)			
Per share (cents)	每股(仙)	8.0	11.0	-27.3%
Dividend payout ratio	派息比率	37.9%	28.5%	
Financial Position at Year End	於年度終結時之財務狀況			
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)			
Net current assets	流動資產淨值	2,490.0	2,520.3	-1.2%
Total assets	資產總值	6,650.6	6,083.7	9.3%
Long-term bank borrowings	長期銀行借貸	1,776.8	1,828.4	-2.8%
Bank borrowings	銀行借貸	2,186.1	2,181.3	0.2%
Net bank borrowings	銀行借貸淨值	1,394.9	1,517.6	-8.1%
Total liabilities	負債總值	3,816.7	3,337.0	14.4%
Tangible net worth	有形淨值	2,833.9	2,746.7	3.2%
Net asset value per share (HK\$)	每股資產淨值(港元)	3.57	3.46	3.2%
Capital expenditure	資本開支	354.8	464.5	-23.6%
(after inclusion of interest capitalised)	(已包括化作資產之利息在內)			
Financial Statistics	財務統計			
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)			
Current ratio	流動比率	2.37	2.94	
Long-term bank borrowings ratio	長期銀行借貸比率	0.63	0.67	
Bank borrowings ratio	銀行借貸比率	0.77	0.79	
Net bank borrowings ratio	銀行借貸淨值比率	0.49	0.55	
Gearing ratio	資本負債比率	1.35	1.21	
Return before tax on average equity	除稅前之平均股東基金回報率	6.6%	13.2%	
Interest cover ratio	利息比率	2.76	4.23	

FINANCIAL AND STATISTICAL HIGHLIGHTS • 財務及統計摘要

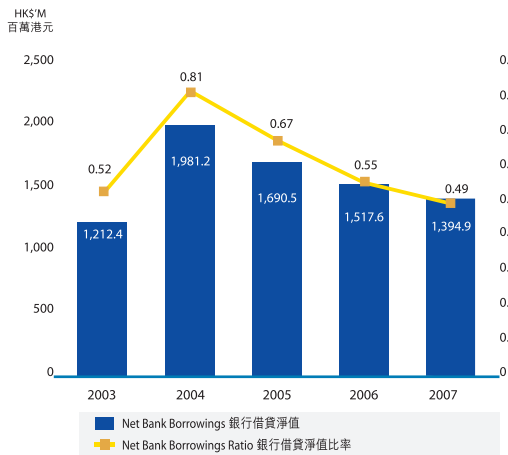
Revenue, Profit and Profit Margin 營業額、盈利及盈利率



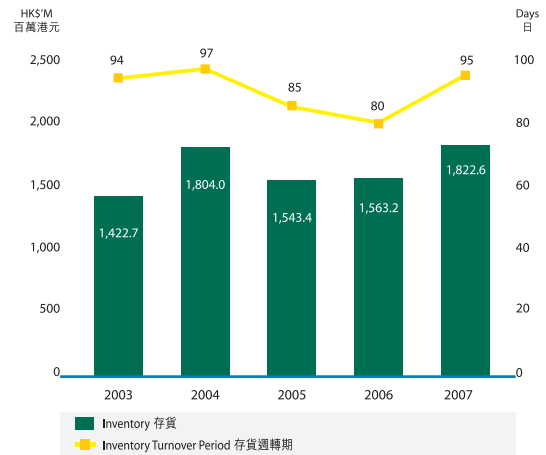
Total Assets and Equity Attributable to Shareholders 資產總值及股東應佔權益



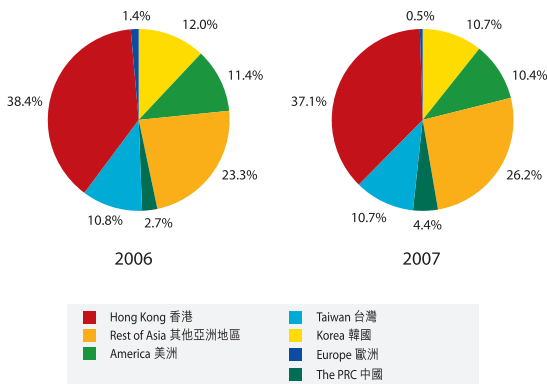
Net Bank Borrowings and Net Bank Borrowings Ratio (after inclusion of proposed final dividend) 銀行借貸淨值及銀行借貸淨值比率 (已包括擬付之末期股息在內)



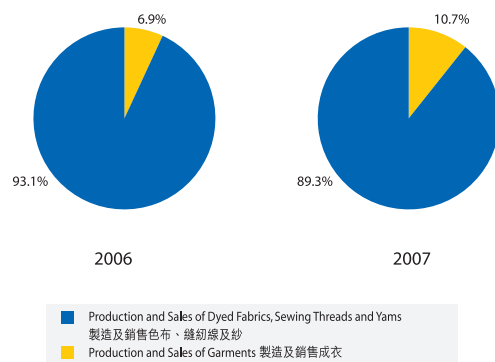
Inventory and Inventory Turnover Period 存貨及存貨週轉期



Source of Revenue by Geographical Segments (billing addresses of customers) 營業額—按地域分類 (按客戶帳單地址)



Source of Revenue by Business Segments 營業額—按業務分類



FINANCIAL SUMMARY • 財務概要

CONSOLIDATED INCOME STATEMENT

綜合收益賬

		Year ended 31st August, 截至八月三十一日止年度				
		2003	2004	2005	2006	2007
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	營業額	5,546,447	6,773,986	6,636,298	7,134,788	7,022,991
Profit from ordinary activities	日常業務盈利	464,665	250,654	224,440	387,193	228,010
Share of results of jointly controlled entities	應佔共同控制 機構業績	456	—	(409)	—	—
Reversal of impairment loss recognised in respect of amounts due from jointly controlled entities	就共同控制機構 所欠款項而確認 之減值損失撥回	—	—	2,163	1,040	540
Profit before taxation	除稅前盈利	465,121	250,654	226,194	388,233	228,550
Income tax charge	所得稅支出	(85,022)	(32,961)	(26,107)	(41,145)	(16,240)
Profit for the year	是年度盈利	380,099	217,693	200,087	347,088	212,310
Attributable to:	應佔：					
Shareholders of the Company	本公司股東	340,925	182,631	163,490	306,772	167,481
Minority shareholders	少數股東	39,174	35,062	36,597	40,316	44,829
		380,099	217,693	200,087	347,088	212,310

FINANCIAL SUMMARY • 財務概要

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		At 31st August, 於八月三十一日				
		2003	2004	2005	2006	2007
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Non-current assets	非流動資產	2,034,759	2,178,269	2,364,403	2,263,256	2,347,435
Current assets	流動資產	3,216,144	3,707,615	3,657,541	3,820,430	4,303,204
Current liabilities	流動負債	1,520,457	1,435,503	1,298,030	1,248,522	1,781,472
Net current assets	流動資產淨值	1,695,687	2,272,112	2,359,511	2,571,908	2,521,732
Total assets less current liabilities	資產總值減流動負債	3,730,446	4,450,381	4,723,914	4,835,164	4,869,167
Non-current liabilities	非流動負債	1,147,060	1,756,776	1,944,698	1,835,514	1,784,711
Net assets	資產淨值	2,583,386	2,693,605	2,779,216	2,999,650	3,084,456
Capital and reserves	資本及儲備					
Share capital	股本	157,052	158,802	158,802	158,802	158,802
Reserves	儲備	2,241,060	2,341,169	2,427,001	2,639,513	2,706,858
Equity attributable to shareholders of the Company	本公司股東應佔權益	2,398,112	2,499,971	2,585,803	2,798,315	2,865,660
Minority interests	少數股東權益	185,274	193,634	193,413	201,335	218,796
Total equity	權益總值	2,583,386	2,693,605	2,779,216	2,999,650	3,084,456

CHAIRMAN'S STATEMENT • 主席報告

FELLOW SHAREHOLDERS

On behalf of the Board, I would like to report to shareholders the results of the Group for the year ended 31st August, 2007. The revenue was approximately HK\$7,022,991,000, a slightly decrease of 1.6% over last year. The profit attributable to shareholders amounted to approximately HK\$167,481,000, a decrease of 5.9% over last year if excluding the net gain on disposal of property interests, otherwise a decrease of 45.4% over last year. Profit margin for the year under review was 2.4%, a decrease of 0.1 percentage point over last year if excluding the net gain on disposal of property interests, otherwise a decrease of 1.9 percentage points over last year. Basic earnings per share was HK21.1 cents, compared to HK22.4 cents in 2006 if excluding the net gain on disposal of property interests, otherwise HK38.6 cents in 2006.

DIVIDEND

The Board has recommended the payment of a final dividend of HK4.0 cents per share for the year ended 31st August, 2007 payable to shareholders whose names appear on the register of members on 28th January, 2008. Subject to approval of the shareholders at the forthcoming annual general meeting, the total dividend for the year will be HK8.0 cents per share, compared to HK11.0 cents per share of last year.

BUSINESS OUTLOOK

While the retail sales report for Thanksgiving holiday in the US was better than expected, many customers indicated that they are still concerned over the market condition in the coming year. In addition, foreign customers have also expressed concern over the cost increase in the PRC that could result in inflation in product pricing which could in turn affect their margin and sales volume. The conservativeness of retailers could be one of the reasons for reduction or delay in their order placements. Since majority of our fabrics are ultimately made into garments sold in the US market, the demand for the Group's product has already been negatively impacted due to the conservative order placements by US retailers.

Like other manufacturers in the PRC, the Group is expecting to face several continuing challenges including the appreciation of Renminbi, potential increase in local minimum wage, the escalating international fuel prices and the new tax system in the PRC. Since the sales of the Group are mainly denominated in Hong Kong dollars and US dollars, the risk of exchange rate fluctuation may impose additional pressure on profit margin.

致各股東

本人謹代表董事會向各股東匯報本集團截至二零零七年八月三十一日止年度之業績。營業額約7,022,991,000港元，與去年比較輕微下跌1.6%。而股東應佔盈利約167,481,000港元，當扣除出售物業權益的淨盈利後，較去年下跌5.9%，否則，較去年下跌45.4%。回顧年度內的盈利率為2.4%，當扣除出售物業權益的淨盈利後，較去年下跌0.1個百分點，否則，較去年下跌1.9個百分點。每股基本盈利為21.1港仙，相對於二零零六年當扣除出售物業權益的淨盈利後為22.4港仙，否則二零零六年的為38.6港仙。

股息

董事會已建議派發截至二零零七年八月三十一日止年度末期股息每股4.0港仙予於二零零八年一月二十八日名列股東名冊內之股東。倘此建議獲即將舉行之股東週年大會通過，全年股息合共為每股8.0港仙，相對去年的為每股11.0港仙。

業務展望

儘管美國感恩節假期的零售銷售報告較預期為佳，許多客戶表明他們對來年市場狀況的憂慮。此外，外國客戶亦表示出對中國成本上升可能引致的產品價格增幅將可能影響其盈利率及銷售額的關注。零售商的保守性可能是減少或延遲落單的原因之一。由於大部份的布料最終製成衣產品並於美國市場銷售，美國零售商的保守落單已經對集團產品的需求帶來負面的影響。

像中國其他製造商，集團預期會面對多項連續的挑戰，包括人民幣升值、潛在的本土最低工資上調、國際油價上升及中國新稅制。因為集團之銷售以港元及美元為主，兌換率波動之風險可能會對盈利率做成額外壓力。

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On the other hand, with the expectation that the economy in the PRC will continue growing in the long-term which may result in increase in consumer spending, the demand for better quality textile products is expected to increase. In addition, the tightening of environmental control and regulations coupled with the change in policy to discourage expansion of export oriented textile production in the PRC will certainly create higher barrier of entry to the industry. This may result in the consolidation of overall textile manufacturing capacity in the PRC. The Group will continue to monitor the market situation and take proactive actions to maintain its long term competitiveness.

The Group will continue to strategically target new clients in the PRC as the local consumer preference shift towards better product quality and innovations. Our domestic sales have shown continuous improvement. The Group has actively participated in various fabric and garment trade shows in the PRC during last year, namely Intertextile Shanghai Apparel Fabrics, The 7th International Textile Fabrics Accessories & Yarns (Qingdao) Exposition 2007 and The China International Knitting Trade Fair as well as delivered various speeches in forum and conferences of the industry. The “fabric by Fountain Set™” brand will continue to be promoted and advertised among our international customers. Innovative branding activities include “fabric by Fountain Set™” hangtags series, product promotional videos, collaborative activities with international fiber companies and more.

After a detailed review of our production capacity development plan in the PRC, the Group has confirmed a project in the Yancheng City of Jiangsu province during financial year of 2007 to develop its fourth fabric mill in the PRC. The Yancheng City is located in the northeastern Jiangsu province, which is about 350 km from Shanghai. The government of the Yancheng City is committed to developing the textile and apparel industry and have attracted considerable growth in the production of printed and dyed fabrics locally over the past few years. With the development of the Yancheng plant, the Group can achieve better geographical diversification while reserving opportunity for future growth.

The Yancheng plant is targeted to commence phase one production in the early part of financial year 2009. During the first year of operation, fabric production capacity will gradually increase to a few million pounds per month of which certain production lines may be transferred from the Group's production facilities in the Guangdong province. This plant, situated over 370,000 square meters of land, could eventually accommodate a maximum production capacity of approximately 10 million pounds of fabric per month once it is fully developed.

另一方面，隨著預期中國經濟在長期將持續增長，這可能令消費上升。對優質紡織品的需求預期會上升。此外，收緊環境保護監控及條例，加上阻礙在中國以出口為主的紡織品生產的擴充之政策改變，肯定對行業的新來者造成更大的障礙。這將導致中國整體紡織製造能力的整固。集團將密切留意市場情況，並採取主動以維持長期競爭力。

因應中國本土消費者轉向選擇較優質及創新的產品，集團將繼續策略性地以位於中國的新客戶為銷售目標。而本土銷售亦持續展現出改善。去年期間，集團在中國積極參與多個布料及成衣展覽會，計有中國國際紡織面料及輔料(秋冬)博覽會、2007第七屆國際紡織面料、輔料及紗線(青島)展覽會及中國國際針織博覽會、以及在行業相關研討會及會議中進行多次演講。「紡特適™面料」品牌將繼續於國際客戶中進行推廣及宣傳。創新品牌活動包括「紡特適™面料」掛牌系列、產品宣傳短片、與國際纖維公司合辦活動及更多。

詳細回顧在中國的生產能力擴展計劃後，集團已於二零零七年財政年度期間確定了在江蘇省鹽城市之一項計劃，發展其於中國的第四所布料廠房。鹽城位於江蘇省東北面，距離上海約350公里。鹽城市政府已承諾發展紡織及成衣行業，並於過去數年吸引大量本土的印花及色布生產。隨著鹽城廠房的發展，集團能達致更佳的地域分散，同時保留日後發展的機會。

鹽城廠房計劃於二零零九年財政年度早段內開始第一期生產。於投產後的首年期間，布料生產能力將逐漸上升到每月約數百萬磅，當中有部份生產線將由集團位於廣東省的生產設施轉移過去。這廠房佔地370,000平方米，在完全發展後，最高的生產能力最終能提供每月約一千萬磅布料。

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At present, the first two phases of Jiangyin fabric mill in Jiangsu province, the PRC, represents about one-third of the Group's total fabric production capacity. A coal-fired electricity and steam co-generation facilities has been in operation and fully utilized since March 2006, which provide the Group with higher energy reliability and efficiency. The Group intends to continue developing this mill in the long term, meanwhile the Group will continue to analyze the market and industry environment, both domestic and international, before installing additional fabric production capacity at this mill. The Group expects overall production efficiency will benefit from economies of scale as well as the more streamlined design of new production lines at both Jiangyin and Yancheng mills, thus enhancing the Group's competitiveness in the global market.

With the investment in a new garment joint venture unit this year, it is estimated that the overall production capacity of the Group's garment business will significantly increase in the next financial year. Currently, we have several garment production sites in Ningbo and Dongguan of the PRC as well as Jakarta of Indonesia. This business involves mainly contract manufacturing of infant and children's wear, sports wear and casual wear for customers in the US. Business with EU customers while not as significant at the moment offers opportunity for growth in the future. After the Chinese New Year of 2008, the Group targets to employ approximately 1,800 additional workforce in its garment division, increasing the total number of staff to approximately 7,600.

The Group has extended its scope of business to manufacturing and selling of fabric production machineries through establishment of a wholly owned subsidiary, Jiangyin Jintian Machinery Limited, in Jiangyin, Jiangsu province, the PRC. The objectives of this new business are to diversify our source of revenue as well as to reduce our machinery cost. The Company has commenced operation since the middle of 2007. With over 37 years of experience in the textile industry, the Group has accumulated vast knowledge and exposure in the engineering of various machineries. Combining our experience in performing in-house maintenance and modifications to our machinery, the Group is currently focusing on producing certain fabric finishing and inspection equipment. The Group has already produced numerous machines for internal use with satisfactory performance. During the initial stage of production, majority of the machineries produced will be supplied to our fabric mills while the balance will be offered to external customers. The revenue contribution of this new business is expected to remain minimal for the first year of its operation commencement.

現在，位於中國江蘇省的江陰布料廠房的首兩期佔集團總布料生產能力約三分之一。燒煤熱電聯產設備自二零零六年三月起已開始運作並全面使用，為集團提供更高的能源可靠性及效益。集團屬意長期繼續發展這所廠房，同時，集團在這所廠房加入額外布料生產能力前，將繼續分析本土及國際市場及行業環境。集團預期整體生產效能將同時受惠於江陰及鹽城廠房的規模效益及更精簡的新生產線設計，因而提升集團在環球市場的競爭力。

隨著本年度在新成衣合資公司上的投資，集團預期成衣業務的整體生產能力將於下一財政年度獲得顯著增長。集團現於中國寧波及東莞、以及印尼耶加達設有若干成衣生產廠房。這業務主要專注於為美國的客戶提供嬰兒及兒童服裝、運動服及休閒服的合約生產。與歐盟客戶的業務現階段並未顯著，故能為未來提供增長機會。在二零零八年農曆新年後，集團計劃為其成衣部門僱用約1,800名額外僱員，使得整體僱員人數上升至約7,600人。

集團通過成立位於中國江蘇省江陰的全資附屬公司——江陰金田機械有限公司拓展其業務範圍至生產及銷售布料生產機械。這新業務的目的是要分散業務收入來源以及降低機械成本。此公司自二零零七年中旬開始投產。集團於紡織行業擁有超過37年經驗，並於多種機械的工程上累積大量知識及經驗。結合集團為機械進行內部維修及修改的經驗，集團現專注於生產若干布料整理及檢測機械。集團已生產眾多效果良好的機械供內部使用。在投產初期，大部份生產的機械將會供應予集團布料廠房，而餘下的將會提供予外部客戶。這業務的收入貢獻在其生產的首年預期仍然有限。

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In addition, the Group will continue to develop the necessary infrastructure and human resources for supporting future development. Particular emphasis will be put on enhancing functions including management information systems, cost and performance management, risk management and corporate governance. Based on the current assessment, the Group expects the industry environment in the coming financial year to be extremely challenging and maintains a very conservative view on the Group's performance. However, with our various on going initiatives including the expansion in garment business, establishment of new fabric mill, reallocation of fabric production capacity between Guangdong and Jiangsu province in the PRC, we are optimistic on the business outlook for the longer term.

AWARDS

This year, the Group was accredited "Fabric China Award for Creative Innovation 2006" by China Textile Information Centre and China Textiles Development Centre. Our subsidiary, Ocean Lanka (Private) Limited was accredited a reputable "Color Accreditation Scheme" certification by the Society of Dyers and Colorists as well as the "FLO-CERT GmbH", a fair trade certification. I am proud of the recognition and would like to extend the credit to all staff in making the Group a leader in the global knitted fabric industry.

ACKNOWLEDGEMENT

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

On behalf of the Board

HA Chung Fong
Chairman

Hong Kong
18th December, 2007

此外，集團將會繼續發展必需的基礎設施及人力資源以支持日後的發展，並會特別著重加強管理資訊系統、成本和績效管理、風險管理及企業管治等功能。按現狀估計，集團預期下一財政年度的行業環境將會極具挑戰性並對集團表現維持非常保守的展望。然而，隨著集團眾多正在進行的活動，包括擴充成衣業務、成立新布料廠房、以及在廣東省及江蘇省間重新分配布料生產能力，集團對長期的業務展望感到樂觀。

獎項

本年，集團榮獲中國紡織信息中心與國家紡織品開發中心頒發的2006年度全國紡織產品開發貢獻獎之「技術創新獎」。集團旗下子公司海洋蘭卡(私人)有限公司分別獲得漂染師及印染師協會顏色認證計劃及公平貿易標籤組織之國際認證單位FLO-CERT GmbH認可的公平貿易認證。本人對這方面所獲得的成就感到光榮並多謝所有僱員的貢獻，使得集團能成為全球針織布料行業中的領導者。

鳴謝

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

代董事會

主席
夏松芳

香港
二零零七年十二月十八日

MANAGEMENT DISCUSSION AND ANALYSIS • 管理層討論及分析

BUSINESS REVIEW

The result of the Group for the year under review was approximately HK\$167,481,000. In the previous financial year, the Group has completed the disposal of certain non-core property interests in Hong Kong during the first half of the financial year. The disposal of these property interests resulted in a net gain (after tax) of approximately HK\$128,796,000 which has been adjusted to take into account the effect of the adoption of new accounting standards and the change of accounting policies during the year under review.

If the net gain on disposal of property interests is excluded, the profit attributable to shareholders for the financial year of 2007 decreased by 5.9% and profit margin was similar to last year. Otherwise, profit attributable to shareholders decreased by 45.4% if the net gain on disposal of property interests in previous year is included.

Several adverse effects on the business environment for the manufacturing industry in the PRC affected the Group's financial results of the year under review. The upsurge in the international fuel and energy prices throughout the year under review increased the cost of certain raw materials and electricity generation. Costs increase in the PRC, including the increase in minimum wage, the appreciation of Renminbi against the US dollars and the decrease in VAT rebate, have created pressure on the profit margin of the Group.

Production and Sales of Dyed Fabrics, Sewing Threads and Yarns

During the year under review, revenue from the production and sales of dyed fabrics, sewing threads and yarns reached approximately HK\$6,271,544,000, a decrease of 5.5% as compared with last year, and accounted for 89.3% of the Group's total revenue.

Production and Sales of Garments

Annual revenue from the production and sales of garments was approximately HK\$751,447,000, an increase of 51.6% as compared with last year, and accounted for 10.7% of the Group's total revenue. Following proactive restructuring and downsizing measures implemented in the previous financial year, the performance of this segment has improved.

業務回顧

集團在回顧年度的業績約167,481,000港元。於上一個財政年度內，集團已在該財政年度的上半年期間完成出售若干位於香港的非核心物業權益。出售此等物業權益帶來淨盈利(除稅後)約128,796,000港元，當中調整了在回顧年度內採納新會計準則及會計政策變動的影響。

如扣除出售物業權益所得的淨盈利，二零零七年財政年度的股東應佔盈利下跌5.9%；而盈利率則與去年相約。否則，如包括去年出售物業權益所得的淨盈利，股東應佔盈利下跌45.4%。

在回顧年度內的集團業績受到中國製造業營商環境的數個不利因素影響。整個回顧年度內的國際油價及能源價格急升，令致若干原料及發電成本上升。而中國的成本上升包括最低工資的上調、人民幣兌美元升值、以及減低增值稅退稅，均對集團的盈利率帶來壓力。

製造及銷售色布、縫紉線及紗

在回顧年度內，製造及銷售色布、縫紉線及紗的營業額達到約6,271,544,000港元，與去年相比下跌5.5%，佔集團營業額總值的89.3%。

製造及銷售成衣

製造及銷售成衣的全年營業額約751,447,000港元，比去年增加51.6%，佔集團營業額總值的10.7%。隨著過去財政年度內實施的積極重組及縮減政策，這業務的表現已得到改善。

MANAGEMENT DISCUSSION AND ANALYSIS • 管理層討論及分析

Analysis by Customer Geographical Regions

The Group's major customers were garment manufacturers located in Asia and accounted for approximately 89.2% of the Group's total revenue, a slight increase of 1.9 percentage points when compared with 87.3% of last year. The remaining 10.8% was generated from sales to customers based in America and Europe. A more substantial growth was achieved in business with customers based in the PRC and the rest of Asia where the Group has established local marketing offices or fabric mills.

FINANCIAL REVIEW

Liquidity and Financial Information

At 31st August, 2007, the Group's total assets amounted to approximately HK\$6,650,639,000, representing an increase of approximately HK\$566,953,000 over last year. Total assets included non-current assets of approximately HK\$2,347,435,000 and current assets of approximately HK\$4,303,204,000. The above assets were financed by current liabilities of approximately HK\$1,781,472,000, non-current liabilities of approximately HK\$1,784,711,000, minority interests of approximately HK\$218,796,000 and equity attributable to shareholders of approximately HK\$2,865,660,000.

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

Bank borrowings and obligations under finance leases totally increased by approximately HK\$4,834,000 and the total amount of short-term bank deposits, bank balances and cash increased by approximately HK\$127,595,000.

At 31st August, 2007, the principal financial ratios (after inclusion of proposed final dividend) were as follows:

客戶所屬地域分析

集團之主要客戶為位於亞洲的成衣製造商，佔集團營業額總值約89.2%，與去年的87.3%相比輕微上升1.9個百分點。而餘下的10.8%則來自銷售予位於美洲及歐洲的客戶。其中位於中國及其他亞洲地區的客戶的業務錄得較為顯著的增長，而集團在當地設有市場推廣辦事處或布料廠房。

財務回顧

流動資金及財務資料

於二零零七年八月三十一日，集團資產總值約6,650,639,000港元，比去年增加約566,953,000港元。資產總值包括非流動資產約2,347,435,000港元及流動資產約4,303,204,000港元。上述資產由流動負債約1,781,472,000港元、非流動負債約1,784,711,000港元、少數股東權益約218,796,000港元及股東應佔權益約2,865,660,000港元提供融資。

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

銀行借貸及財務租賃應付賬款合共增加約4,834,000港元，短期銀行存款、銀行結存及現金總值上升約127,595,000港元。

於二零零七年八月三十一日，主要的財務比率(包括擬付之末期股息在內)如下：

		31st August, 2007 二零零七年 八月三十一日	31st August, 2006 二零零六年 八月三十一日
Gearing ratio	資本負債比率	1.35	1.21
Bank borrowings ratio	銀行借貸比率	0.77	0.79
Net bank borrowings ratio	銀行借貸淨值比率	0.49	0.55

MANAGEMENT DISCUSSION AND ANALYSIS • 管理層討論及分析

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

Capital Expenditure

For the year ended 31st August, 2007, the Group invested approximately HK\$350,073,000 (2006: HK\$460,086,000) in the addition of property, plant and equipment and prepaid lease payments. The Group expects that capital expenditure for the next financial year will be approximately HK\$550 million.

Charge over Assets

The Group's obligations under finance leases are secured by the lessor's charge over the lease assets. At 31st August, 2007, the carrying value of those plant and machinery held under finance leases was approximately HK\$30,526,000 (2006: HK\$63,207,000) and the amount of obligations under finance leases was approximately HK\$439,000 (2006: HK\$5,489,000).

Inventory

The Group's inventory approximately amounted to HK\$1,822,633,000 as of 31st August, 2007 (2006: HK\$1,563,176,000), representing inventory turnover period of 95 days (2006: 80 days). Subsequently, the inventory balance has started to decrease and the Group will continue to actively monitor and control the inventory level.

Employees and Emolument Policies

At 31st August, 2007, the Group had approximately 23,000 full time employees. The Group's emolument policies are formulated on the performance of individual employee and on the basis of the salary trends in the various regions, and will be reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

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

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

資本開支

截至二零零七年八月三十一日止年度，本集團已投資350,073,000港元(二零零六年度：460,086,000港元)以增加物業、機器及設備和預付租賃款項。集團預期下一財政年度的資本開支約五億五千萬港元。

資產抵押

本集團之財務租賃應付賬款乃以出租人之租賃資產作抵押。於二零零七年八月三十一日，該等租賃資產之賬面值約30,526,000港元(二零零六年度：63,207,000港元)及財務租賃應付賬款的金額約439,000港元(二零零六年度：5,489,000港元)。

存貨

本集團於二零零七年八月三十一日之存貨約為1,822,633,000港元(二零零六年度：1,563,176,000港元)，代表存貨週轉期為95日(二零零六年度：80日)。隨後，存貨結餘開始減少，而集團將繼續積極監察及控制存貨量。

僱員及酬金政策

集團於二零零七年八月三十一日之全職僱員人數約為23,000人，而集團的僱員酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而定期作出檢討。集團亦會因應集團之盈利情況，酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

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

CORPORATE GOVERNANCE REPORT • 企業管治報告

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

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

BOARD OF DIRECTORS

The overall management of the Company’s business is vested in the board of directors (the “Board”). The Board has delegated the day-to-day management of the Company’s business to the executive management team, and focus its attention on matters affecting the Company’s overall strategic policies, finances and shareholders. At 31st August, 2007, the Board comprised ten members, consisting of five executive directors, two non-executive directors and three independent non-executive directors. The profile of all directors, including chairman, executive directors, non-executive directors and independent non-executive directors are set out on pages 21 to 24. The relationship among members of the Board (including financial, business, family or other material or relevant relationships, if any) are also disclosed.

The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), and considers all of the independent non-executive directors to be independent.

Five Board meetings were held during the financial year. Directors actively participate in each meeting in person, via telephone or video-conferencing. Directors give and receive reports on the activities of the operating divisions and present papers supporting decisions which require the Board approval. The Board consents are given by-vote at the Board meetings.

The dates of the 2007 regular Board meetings were determined in 2006 and any amendments to this schedule were notified to all directors at least 14 days before the meeting. Suitable arrangements are in place to allow directors to include items in the agenda for regular Board meetings.

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

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

董事會

公司整體業務由董事會負責管理。董事會將公司日常事務的管理授權與公司的行政管理層處理，而董事會本身則專注處理可影響公司整體策略方針、財務及股東的事項。於二零零七年八月三十一日，董事會由十名成員組成，包括五名執行董事、兩名非執行董事及三名獨立非執行董事。所有董事的個人簡介，包括主席、執行董事、非執行董事及獨立非執行董事，均載列於第21至24頁。董事會成員之間的關係（包括財務、業務、家屬或其他重大或相關的關係（如有））亦已作出披露。

公司已獲得每名獨立非執行董事按聯交所證券上市規則（「上市規則」）每年書面聲明以確認其相對於公司的獨立性，並認為所有獨立非執行董事均獨立於公司。

本年度董事會進行了五次會議。各董事親身出席、透過電話或視像會議積極參與每次會議。董事在會上發表及省覽各營運部門的業務報告及提呈須經董事會批准的決策文件。董事在董事會會議上以投票表決方式取得共識。

本公司在二零零六年內已定下二零零七年董事會定期會議的舉行日期，所有日期改動均在最少十四天前通知各董事。公司備有適當安排，讓董事提出商討事項以納入董事會定期會議議程內。

CORPORATE GOVERNANCE REPORT • 企業管治報告

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

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

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

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

Name of director 董事姓名		Meetings Attended/Meetings Held 出席次數/會議次數		
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
<i>Executive directors</i> 執行董事				
Mr. HA Chung Fong	夏松芳先生	5/5		
Mr. LAU Hong Yon	柳康遠先生	5/5		
Mr. HA Kam On, Victor	夏錦安先生	5/5		
Dr. YEN Gordon	嚴震銘博士	5/5		
Mr. WAI Yick Man	衛億民先生	5/5		1/1
<i>Non-executive directors</i> 非執行董事				
Mrs. FUNG YEH Yi Hao, Yvette	馮葉儀皓女士	5/5		1/1
Mr. HA Hon Kuen	夏漢權先生	5/5		
<i>Independent non-executive directors</i> 獨立非執行董事				
Mr. NG Kwok Tung	伍國棟先生	5/5	5/5	1/1
Mr. WONG Kwong Chi	王幹芝先生	5/5	5/5	1/1
Mr. CHOW Wing Kin, Anthony, SBS, JP	周永健先生， 銀紫荊星章，太平紳士	4/5	5/5	1/1

CORPORATE GOVERNANCE REPORT • 企業管治報告

All directors have access to the services of the company secretary who regularly updates the Board on governance and regulatory matters. Any director, wishing to do so in the furtherance of his or her duties, may take independent professional advice (through the Chairman) at the Company's expense. The availability of professional advice extends to the Audit Committee and the Remuneration Committee.

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

BOARD COMMITTEES

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

NON-EXECUTIVE DIRECTORS

All the existing non-executive directors, including independent non-executive directors, were previously appointed with specific terms, and the terms were extended for one year up to 31st August, 2008. They are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company (the "Articles").

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

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

董事委員會

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

主席與行政總裁

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

非執行董事

所有現任非執行董事，包括獨立非執行董事，均在以前以特定年期被委任，並已續約一年至二零零八年八月三十一日止。彼等均需根據本公司章程細則(「公司章程」)在本公司股東週年大會上輪席告退及膺選連任。

CORPORATE GOVERNANCE REPORT • 企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, the Company considers that all directors have complied with the required standards set out in the Model Code throughout the year ended 31st August, 2007.

REMUNERATION OF DIRECTORS

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

The Remuneration Committee presently comprises five directors, including the three independent non-executive directors, Mrs. FUNG YEHI Hao, Yvette (non-executive director) and Mr. WAI Yick Man (executive director). The Committee is chaired by Mr. WONG Kwong Chi.

The Remuneration Committee held one meeting during the year and all the Committee members have attended the meeting. The work of the Remuneration Committee during the year included the following matters:

- make recommendations to the Board of the remuneration of non-executive directors for the year ended 31st August, 2007. The Remuneration Committee has considered factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- review and approve performance-based remuneration scheme from time to time by reference to corporate goals and objectives resolved by the Board from time to time; and
- ensure that no director or any of his associates is involved in deciding his own remuneration.

董事進行證券交易

本公司已採納上市公司董事進行證券交易的標準守則(「標準守則」)為其有關董事進行證券交易之守則。經向本公司所有董事作出查詢後，本公司認為所有董事於截至二零零七年八月三十一日止年度內均已遵守標準守則所要求的標準。

董事之薪酬

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

薪酬委員會現由五位董事組成，包括三位獨立非執行董事、馮葉儀皓女士(非執行董事)及衛億民先生(執行董事)。王幹芝先生為該委員會主席。

薪酬委員會於本年度內舉行了一次會議，所有委員會成員均有出席會議。薪酬委員會於本年度內的工作包括如下事項：

- 就非執行董事截至二零零七年八月三十一日止年度之薪酬向董事會提出建議。薪酬委員會已考慮包括同類公司所支付的薪酬、董事須付出的時間及職責、集團內其他職位的僱用條件及按合理表現釐訂的薪酬等因素；
- 透過參照董事會不時通過的公司目標及目的，檢討及批准按表現而釐定的薪酬方案；及
- 確保任何董事或其任何聯繫人不可參與決定其薪酬。

CORPORATE GOVERNANCE REPORT • 企業管治報告

NOMINATION OF DIRECTORS

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

AUDITOR'S REMUNERATION

For the year ended 31st August, 2007, the fees charged by the Company's auditor in respect of audit and non-audit services amounted to approximately HK\$3,531,000 and HK\$1,317,000 respectively.

AUDIT COMMITTEE

The Company has established an Audit Committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls. The terms of reference of the Audit Committee have been reviewed by the Board with reference to the Code and are posted on the Company's website.

The Audit Committee presently comprises the three independent non-executive directors of the Company and is chaired by Mr. NG Kwok Tung.

The Audit Committee held five meetings during the year and all the Committee members have attended the meetings. The work of the Audit Committee during the year included of the following matters:

- provide recommendation to the Board on the reappointment of the external auditors, and to approve the audit fee and terms of engagement of the external auditors;
- review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and discuss with the external auditors before the audit commences, the nature and scope of the audit and reporting obligations;
- monitor integrity of financial statements, interim report and annual report, and to review significant financial reporting judgments contained in them;

董事之提名

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

核數師酬金

於截至二零零七年八月三十一日止年度內，本公司核數師就提供審核及非審核服務所得的酬金分別約為3,531,000港元及1,317,000港元。

審核委員會

本公司已成立審核委員會，藉以檢討及監察本公司之財務申報程序及內部監控制度。審核委員會的職權範圍書已由董事會參照企業管治守則作出檢閱及已刊載於本公司之網頁內。

審核委員會現由三位獨立非執行董事組成，而伍國棟先生為主席。

審核委員會於本年度內舉行了五次會議，所有委員會成員均有出席會議。審核委員會於本年度內的工作包括如下事項：

- 就外聘核數師的重新委任向董事會提供建議，及核准外聘核數師酬金及聘用條款；
- 按適用的標準檢討及監察外聘核數師的獨立性及客觀性，以及核數程序的有效性；並與外聘核數師在審核工作開始前預先討論審核工作的性質和範圍及有關申報責任；
- 監察財務報表、中期報告及年度報告的完整性，並檢閱其所載有關財務申報的重大判斷；

CORPORATE GOVERNANCE REPORT • 企業管治報告

- review financial controls, internal controls and risk management systems;
 - discuss with the management the system of internal controls and ensure that the management has discharged its duty to have an effective internal control system;
 - ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function;
 - review financial and accounting policies and practices; and
 - review the external auditors' management letter, any material queries raised by the auditors to management in respect of the accounting records, financial accounts or systems of control and management's response.
- 檢閱財務監控、內部監控及風險管理制度；
 - 與管理層討論內部監控系統，並確保管理層已履行職責建立有效的內部監控系統；
 - 確保內部和外聘核數師的工作得到協調；及確保內部審核功能在公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察內部審核功能的有效性；
 - 檢閱財務及會計政策及實務；及
 - 檢閱外聘核數師致管理層的審核情況說明函件、外聘核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層的回應。

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The directors acknowledge the responsibilities for preparing the accounts of the Company and the external auditor's statement about their reporting responsibilities is set out on pages 34 and 35.

INTERNAL CONTROL

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

董事及核數師對賬目的責任

董事知悉其有編製賬目的責任，而外聘核數師發表有關其申報責任的聲明載列於第34及35頁。

內部監控

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

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

DIRECTORS

Mr. HA Chung Fong

Chairman and Managing Director, Founder of the Group,

Director of various subsidiaries of the Group

Chairman of the Board

Aged 69, has extensive experience in the dyeing and knitting industries. Mr. HA is Honorary Life Chairman of Textiles and Clothing Industry Association of Kai Ping City and Honourable Chairman of The Hong Kong General Chamber of Textiles Limited. He has been accredited as Honourary Citizen of Dongguan City, Kai Ping City, Enping City and Xinhui City in the PRC. In 2004, Mr. HA was named as Honourable Professor by Xi'an University of Engineering Science & Technology, the PRC. He also served on various trade, industrial and educational advisory panels in Hong Kong. Mr. HA is the father of Mr. HA Hon Kuen, Mr. HA Kam On, Victor and Ms. HA Kam Yee and is the father-in-law of Dr. YEN Gordon.

Mr. LAU Hong Yon

Executive Director, Director of various subsidiaries of the Group

Board Member

Aged 58, is responsible for the overall management and development of Ocean Lanka (Private) Limited. Mr. LAU joined the Group's accounting department in 1984 and was promoted to Group Financial Controller in 1990. He was then promoted to his current position in 1996, responsible for the Group's financial management and general planning before taking up his current responsibility in 2006. Mr. LAU holds a Master degree in Business Analysis and a Bachelor of Science Degree in Economics from Lancaster University, UK and University of Salford, UK respectively. Mr. LAU held senior information technology and accounting positions in various companies in Hong Kong prior to joining the Group.

Mr. HA Kam On, Victor

Executive Director, Director of various subsidiaries of the Group

Board Member

Aged 42, is responsible for the management and development of the Group's garment business. Mr. HA joined the Group in 2002 and was promoted to his current position in 2004. He possesses a degree in Production Engineering from Coventry University, UK. Prior to joining the Group, Mr. HA has over 10 years of operations and management experience in the garment trading and manufacturing industry. Mr. HA is the son of Mr. HA Chung Fong.

董事

夏松芳先生

主席兼董事總經理，集團創辦人，

集團數間附屬公司之董事

董事會主席

現年六十九歲，在漂染及針織業有豐富經驗。夏先生為開平市紡織服裝行業協會永遠名譽會長及香港紡織商會名譽會長。彼榮獲中國東莞市、開平市、恩平市及新會市的榮譽市民。於二零零四年，夏先生獲委任為中國西安工程科技學院榮譽教授。彼曾參與香港多個商貿、工業及教育顧問小組。夏先生為夏漢權先生、夏錦安先生及夏錦兒小姐之父親，也是嚴震銘博士之岳父。

柳康遠先生

執行董事，集團數間附屬公司之董事

董事會成員

現年五十八歲，現負責海洋蘭卡(私人)有限公司之整體管理及發展。柳先生於一九八四年加入集團之會計部門並於一九九零年晉升為集團財務總監。彼於一九九六年晉升至現職位，負責集團財政管理及整體策劃至二零零六年履行其現職務為止。柳先生分別於英國 Lancaster University 及英國 University of Salford 獲得商業分析碩士學位及經濟理學士學位。在加入集團之前，柳先生曾在香港數間公司擔任資訊科技及會計之高級職位。

夏錦安先生

執行董事，集團數間附屬公司之董事

董事會成員

現年四十二歲，現負責集團製衣業務之管理及發展。夏先生於二零零二年加入集團，並於二零零四年晉升至現職位。彼於英國高雲地利大學獲得生產工程學士學位。在加入集團之前，夏先生在成衣貿易及製造行業有十年以上的營運及管理經驗。夏先生為夏松芳先生之兒子。

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

Dr. YEN Gordon

Executive Director, Director of various subsidiaries of the Group

Board Member

Aged 37, is responsible for business development and corporate planning of the Group. Dr. YEN joined the Group in 1999 as the Assistant to Chairman and was promoted to his current position in 2004. He is the Chairman of The Hong Kong Association of Textile Bleachers, Dyers, Printers and Finishers; a Vice Chairman of Textile Council of Hong Kong; an Executive Vice Chairman of The Hong Kong General Chamber of Textiles; a Vice Director General of China Knitting Industry Association; a Director of The Hong Kong Research Institute of Textiles and Apparel Limited; a Director of GS1 HK Limited; a Director of Hong Kong Chiu Chow Chamber of Commerce; a member of the General Committee of The Chamber of Hong Kong Listed Companies; an Honorary Advisor of The Vocational Training Council and an Election Committee – Member (Textiles & Garment Subsector) of HKSAR Electoral Affairs Commission. Dr. YEN is also an Independent Non-executive Director of Hopewell Highway Infrastructure Limited, a Hong Kong listed company. He holds a Bachelor degree in Manufacturing Engineering from Boston University, USA; a Master degree in Business Administration from McGill University, Canada and a Doctorate degree in Business Administration from The Hong Kong Polytechnic University. Prior to joining the Group, Dr. YEN has extensive infrastructure project development and financing experience. Dr. YEN is the son-in-law of Mr. HA Chung Fong and is the spouse of Ms. HA Kam Yee.

Mr. WAI Yick Man

Executive Director, Director of various subsidiaries of the Group

Board Member, Member of Remuneration Committee

Aged 51, is responsible for the general administration and financial management of the Group. He joined the Group in 1996 as an Independent Non-executive Director and was appointed as the Assistant to Chairman in 1998, responsible for the general administration and financial management of the Group's PRC dyeing and knitting factories. Mr. WAI was then promoted to his current position in 2006. He holds a Bachelor degree in Business Administration from California State University, USA. Prior to joining the Group, Mr. WAI has over 10 years extensive experience in the investment banking industry.

嚴震銘博士

執行董事，集團數間附屬公司之董事

董事會成員

現年三十七歲，現負責集團之業務發展及企業策劃。嚴博士於一九九九年加入集團為主席助理，並於二零零四年晉升至現職位。彼為香港漂染印整理業總會會長、香港紡織業聯會副會長、香港紡織商會常務副會長、中國針織工業協會副理事長、香港紡織及成衣研發中心董事、香港貨品編碼協會董事、香港潮州商會會董、香港上市公司商會常務委員會成員、職業訓練局榮譽顧問及香港特別行政區選舉委員會 – 委員（紡織及製衣界）。嚴博士亦為香港上市公司合和公路基建有限公司之獨立非執行董事。彼持有美國波士頓大學生產工程學士學位、加拿大麥基爾大學工商管理碩士學位、香港理工大學工商管理博士學位。在加入集團之前，嚴博士在基礎建設項目的發展及融資擁有豐富經驗。嚴博士為夏松芳先生之女婿及夏錦兒小姐之配偶。

衛億民先生

執行董事，集團數間附屬公司之董事

董事會成員，薪酬委員會成員

現年五十一歲，現負責集團整體之行政及財務管理。彼於一九九六年加入本集團為獨立非執行董事，並於一九九八年被委任為主席助理，負責集團於國內漂染及針織布廠整體之行政及財務管理。衛先生於二零零六年晉升至現職位。彼持有美國加州州立大學頒發之工商管理學士學位。在加入集團之前，衛先生在投資銀行界有十年以上豐富經驗。

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

Mr. HA Hon Kuen

Non-executive Director, Director of two subsidiaries of the Group

Board Member

Aged 43, joined the Group in 1993 and joined the Group's Board in 1996 as a Non-executive Director. Prior to joining the Group, Mr. HA had several years' working experience in the securities and finance field. He holds a Bachelor degree in Science from the University College of Swansea, UK. Mr. HA is the son of Mr. HA Chung Fong.

Mrs. FUNG YE H Yi Hao, Yvette

Non-executive Director

Board Member, Member of Remuneration Committee

Aged 46, joined the Group's Board in 2000 as a Non-executive Director. Mrs. FUNG is the Deputy Chairman and Executive Director of Synergis Holdings Limited, a Hong Kong listed company and the Executive Director of Hsin Chong Holdings (H.K.) Limited. She holds a B.A. Degree in Psychology from Stanford University, USA, a M.B.A. from University of California, Los Angeles, USA and a J.D. from Stanford Law School, USA. Mrs. FUNG has over 10 years experience in legal practice in both international law firms and corporations. She also serves as a director of two other Hong Kong listed companies, a Member of the Court of The Hong Kong University of Science and Technology and a Member of the Board of Managers at Hong Kong International School.

Mr. NG Kwok Tung

Independent Non-executive Director

Board Member, Chairman of Audit Committee,

Member of Remuneration Committee

Aged 57, joined the Group's Board in 1993 as an Independent Non-executive Director. Mr. NG is a practising accountant and also sits on the boards of several Hong Kong listed companies. He holds a Bachelor of Commerce Degree and a Licentiate in Accountancy from McGill University, Canada and a Diploma in Chinese Law from the University of East Asia, Macao. Mr. NG is a Member of Hong Kong Institute of Certified Public Accountants, Institute of Chartered Accountants of British Columbia, Order of Chartered Accountants of Quebec, The Canadian Institute of Chartered Accountants, The Taxation Institute of Hong Kong, The Society of Chinese Accountants and Auditors and the Society of Registered Financial Planners.

夏漢權先生

非執行董事，集團兩間附屬公司之董事

董事會成員

現年四十三歲，於一九九三年加入集團並於一九九六年加入集團董事會為非執行董事。在加入集團之前，夏先生在證券及財經界有數年工作經驗。彼持有英國 University College of Swansea 理學士學位。夏先生為夏松芳先生之兒子。

馮葉儀皓女士

非執行董事

董事會成員，薪酬委員會成員

現年四十六歲，於二零零零年加入集團董事會為非執行董事。馮女士現為香港上市公司新昌管理集團有限公司之副主席兼執行董事及新昌集團(香港)有限公司之執行董事。彼持有美國史丹福大學心理學文學士學位、美國洛杉磯加州大學工商管理碩士學位及美國史丹福大學法學院法學博士學位。馮女士曾在國際性律師行及機構有十年以上的法律工作經驗。彼亦為另外兩間香港上市公司之董事，並為香港科技大學顧問委員會成員及香港國際學校管理委員會委員。

伍國棟先生

獨立非執行董事

董事會成員，審核委員會主席，

薪酬委員會成員

現年五十七歲，於一九九三年加入集團董事會為獨立非執行董事。伍先生現為執業會計師，並為數間香港上市公司董事會成員。彼持有加拿大麥基爾大學商學院商科學士學位及高級會計文憑及澳門東亞大學中國法律文憑。伍先生為香港會計師公會、加拿大英屬哥倫比亞特許會計師公會、加拿大魁北克省特許會計師公會、加拿大特許會計師公會、香港稅務學會、香港華人會計師公會及註冊財務策劃師協會會員。

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

Mr. WONG Kwong Chi

Independent Non-executive Director

Board Member, Member of Audit Committee,

Chairman of Remuneration Committee

Aged 56, joined the Group's Board in 1998 as an Independent Non-executive Director. Mr. WONG is the Managing Partner of Asian Global Capital and also sits on the boards of several Hong Kong listed companies. He has extensive experience in the capital investment market. Mr. WONG holds a Bachelor degree in Science and a Master degree in Business Administration from The Chinese University of Hong Kong. Mr. WONG served as the Chairman of Hong Kong Venture Capital And Private Equity Association, the Vice Chairman of The Hong Kong Electronic Industries Association and the Vice President of Hong Kong Auto Parts Industry Association. He is also a Member of Hong Kong Young Industrialists Council and the Honorary Treasurer of Hong Kong Critical Components Manufacturers Association.

Mr. CHOW Wing Kin, Anthony, SBS, JP

Independent Non-executive Director

Board Member, Member of Audit Committee,

Member of Remuneration Committee

Aged 57, joined the Group's Board in 2004 as an Independent Non-executive Director. Mr. CHOW has been practicing as a solicitor in Hong Kong for the past 27 years and is a partner in the law firm, Peter C. Wong, Chow & Chow. He also sits on the boards of two other Hong Kong listed companies as well as the board of The Link Management Limited which manages The Link Real Estate Investment Trust. Mr. CHOW is the Chairman of the Process Review Panel for the Securities and Futures Commission, a Member of The Law Reform Commission of Hong Kong and a Council Member of The Hong Kong Institute of Education. He is also a Member of National Committee of the Chinese People's Political Consultative Conference and a Member of the Board of Stewards of The Hong Kong Jockey Club.

王幹芝先生

獨立非執行董事

董事會成員，審核委員會成員，

薪酬委員會主席

現年五十六歲，於一九九八年加入集團董事會為獨立非執行董事。王先生現為亞洲環球基金之首席合伙人，並為數間香港上市公司董事會成員。彼在資本投資市場上有豐富經驗。王先生持有香港中文大學頒發之物理學士及工商管理學碩士學位。王先生為香港創業及私募投資協會前任主席、香港電子業商會前任副會長及香港汽車零部件工業協會前任副會長。彼亦為香港青年工業家協會會員及香港關鍵性零部件製造業協會名譽司庫。

周永健先生，銀紫荊星章，太平紳士

獨立非執行董事

董事會成員，審核委員會成員，

薪酬委員會成員

現年五十七歲，於二零零四年加入集團董事會為獨立非執行董事。周先生在過去二十七年來一直為香港執業律師，乃王澤長、周淑嫻、周永健律師行之合夥人。彼亦為另外兩間香港上市公司董事會成員以及為管理領匯房地產投資信託基金之領匯管理有限公司之董事會成員。周先生為證券及期貨事務監察委員會程序覆檢委員會主席、香港法律改革委員會成員及香港教育學院校董會成員。彼亦為中國人民政治協商會議全國委員會委員及香港賽馬會董事。

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

SENIOR MANAGEMENT

Mr. YIM To Hung

Director and General Manager of the Group's PRC dyeing and knitting factories,

Director of various subsidiaries of the Group

Aged 44, joined the Group in 1982 and since then, he has dedicated his entire career in the textile production and management. Mr. YIM is responsible for the overall production management of our PRC dyeing and knitting factories. He has over 25 years of solid experience in the operations and management of textiles mills in which over 15 years' experience from the PRC.

Mr. CHAN Yuk Yin

Director and General Manager of the Group's Sales Department,

Director of various subsidiaries of the Group

Aged 44, joined the Group in 1990. Between 1990 and 1997, Mr. CHAN served in the Group's sales department and was promoted to his current position in 1997. Mr. CHAN is responsible for the management of the Group's global sales and marketing activities for dyed fabrics and dyed yarns. He has over 20 years' experience in the textile industry and holds a Higher Diploma in Textile Technology from the Hong Kong Polytechnic.

Ms. HA Kam Yee

Sourcing Director of the Group's Sourcing Department

Aged 37, joined the Group in 1994 and became the head of the Group's Sourcing Department since 2002. Ms. HA is responsible for the Group's material sourcing. She holds a Bachelor degree of Science in Computer Science from the University of British Columbia, Canada. Prior to joining the Group, Ms. HA has experience in the information technology field. Ms. HA is the daughter of Mr. HA Chung Fong and is the spouse of Dr. YEN Gordon.

高級管理人員

嚴道雄先生

集團國內漂染及針織布廠之董事兼總經理，

集團數間附屬公司之董事

現年四十四歲，於一九八二年加入集團，自此專注於紡織生產及管理事業上。嚴先生現負責集團國內漂染及針織廠之整體生產管理。彼在紡織廠的營運及管理已有二十五年以上豐富經驗，當中有十五年以上為在中國獲取的經驗。

陳旭賢先生

集團營業部之董事兼總經理，

集團數間附屬公司之董事

現年四十四歲，於一九九零年加入集團。在一九九零年至一九九七年期間，陳先生任職集團營業部，並自一九九七年起晉升至現職位，現負責管理集團色布及色紗產品之環球銷售及市場推廣工作。彼在紡織業已有二十年以上經驗，並持有香港理工學院紡織技術高級文憑。

夏錦兒小姐

集團採購部之採購總監

現年三十七歲，於一九九四年加入集團，並於二零零二年成為集團採購部主管。夏小姐現負責集團整體原料採購工作。彼持有加拿大卑詩省大學電腦科學士學位。在加入集團之前，夏小姐從事資訊科技工作。夏小姐為夏松芳先生之女兒及嚴震銘博士之配偶。

DIRECTORS' REPORT • 董事會報告

The directors present their annual report and the audited consolidated financial statements for the year ended 31st August, 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries and jointly controlled entities are set out in notes 18 and 19 to the consolidated financial statements, respectively.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company for the year ended 31st August, 2007 are set out in the consolidated income statement on page 36 and in the accompanying notes to the consolidated financial statements.

The directors recommend the payment of a final dividend of HK4.0 cents per share payable to shareholders whose names appear on the register of members on 28th January, 2008 which, together with the interim dividend of HK4.0 cents per share paid during the year, makes a total dividend for the year of HK8.0 cents per share.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year are set out in note 14 to the consolidated financial statements. Particulars of the Group's investment properties are set out on page 33.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred expenditure of approximately HK\$159,873,000 and HK\$152,571,000 to plant and machinery and construction in progress, respectively, to expand and upgrade the Group's manufacturing facilities.

Details of these and other movements in the property, plant and equipment of the Group and of the Company during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 29 to the consolidated financial statements.

董事提呈截至二零零七年八月三十一日止年度之年報及經審核之綜合財務報表。

主要業務

本公司乃一間投資控股公司。其主要附屬公司及共同控制機構之主要業務分別載列於綜合財務報表附註18及19內。

業績及備撥

截至二零零七年八月三十一日止年度之本集團業績及本公司備撥詳情載列於第36頁之綜合收益賬及其有關之綜合財務報表附註內。

董事建議派發末期股息每股4.0港仙予在二零零八年一月二十八日名列在股東名冊內之股東，連同在本年度已付的中期股息每股4.0港仙，全年股息共為每股8.0港仙。

投資物業

本年度本集團之投資物業變動詳情載列於綜合財務報表附註14內。本集團之投資物業詳情載列於第33頁。

物業、機器及設備

本年度本集團為擴大及增強本集團生產設備而用於廠房機器及興建中物業的開支分別約為159,873,000港元及152,571,000港元。

本年度本集團及本公司之物業、機器及設備連上述及其他變動詳情載列於綜合財務報表附註15內。

股本

本公司之股本詳情載列於綜合財務報表附註29內。

DIRECTORS' REPORT • 董事會報告

RESERVES

Details of movements in the reserves of the Company during the year are set out in note 31 to the consolidated financial statements.

DIRECTORS

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

Executive directors:

Mr. HA Chung Fong (*Chairman*)

Mr. LAU Hong Yon

Mr. HA Kam On, Victor

Dr. YEN Gordon

Mr. WAI Yick Man

Non-executive directors:

Mr. HA Hon Kuen

Mrs. FUNG YEH Yi Hao, Yvette

Independent non-executive directors:

Mr. NG Kwok Tung

Mr. WONG Kwong Chi

Mr. CHOW Wing Kin, Anthony, SBS, JP

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

Those directors proposed for re-election at the forthcoming AGM have service contracts with the Group and no such director has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

儲備

本年度本公司之儲備變動詳情載列於綜合財務報表附註31內。

董事

於本年度及截至本年報日，本公司董事名單如下：

執行董事：

夏松芳先生 (主席)

柳康遠先生

夏錦安先生

嚴震銘博士

衛億民先生

非執行董事：

夏漢權先生

馮葉儀皓女士

獨立非執行董事：

伍國棟先生

王幹芝先生

周永健先生，銀紫荊星章，太平紳士

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

所有需於即將舉行之週年大會上重選之董事與本集團已簽訂服務合約，但並無與董事訂立任何於一年內非由本集團決定終止而無須支付賠償(一般法定責任除外)之服務合約。

DIRECTORS' REPORT • 董事會報告

DIRECTORS' INTERESTS IN SECURITIES

At 31st August, 2007, the interests of the directors of the Company and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long positions in shares and underlying shares of the Company:

Name of director 董事名稱	Beneficial owner 實益擁有人	Number of shares held as 擁有股份數目		Total 總數	Approximate % of the issued share capital 約佔已發行 股本比率
		Other interests 其他權益			
Mr. HA Chung Fong 夏松芳先生	32,282,000	282,014,044 (note) (附註)		314,296,044	39.58
Mr. HA Kam On, Victor 夏錦安先生	718,000	—		718,000	0.09
Mr. LAU Hong Yon 柳康遠先生	280,000	—		280,000	0.04
Mrs. FUNG YE H Yi Hao, Yvette 馮葉儀皓女士	70,000	—		70,000	0.01

Note:

Mr. HA Chung Fong was deemed to be interested in 282,014,044 shares in the Company by virtue of the set up of a discretionary trust, the Ha Trust, for the benefit of his family and Trustcorp Limited ("Trustcorp") is the trustee of the Ha Trust. Trustcorp is the wholly-owned subsidiary of Newcorp Holdings Limited ("Newcorp").

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

董事之證券權益

於二零零七年八月三十一日，根據本公司按證券及期貨條例第352條設置之名冊所記錄或按上市規則內上市公司董事進行證券交易之標準守則（「標準守則」）須通知本公司及聯交所之資料，本公司各董事及其聯繫人於本公司及其聯營公司所擁有之股份及相關股份權益如下：

於本公司股份及相關股份的好倉情況：

附註：

由於夏松芳先生為其家族利益成立一項酌情信託the Ha Trust，因此被當作擁有282,014,044股本公司股份權益。Trustcorp Limited（「Trustcorp」）為the Ha Trust之受託人。Trustcorp為Newcorp Holdings Limited（「Newcorp」）之全資附屬公司。

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

DIRECTORS' REPORT • 董事會報告

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 30 to the consolidated financial statements.

No share option has been granted to or exercised by the directors of the Company during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBT SECURITIES

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

At 14th June, 2006, Rise Honour Limited ("Rise Honour"), a non-wholly owned subsidiary of the Company, entered into the following agreements:

- (i) an agreement with Goodwin Trading Limited ("Goodwin Trading") in relation to the sales transactions ("Sales Transactions (B) Agreement"). Pursuant to the Sales Transactions (B) Agreement, Rise Honour or a Rise Honour Subsidiary nominated by Rise Honour from time to time has agreed to sell to Goodwin Trading garments and associated products with the aggregate annual amount not exceeding HK\$10,000,000 for the calendar year ending 31st December, 2006. During the year, Rise Honour and/or Rise Honour Subsidiaries did not sell any garments and associated products to Goodwin Trading.

認股權

本公司認股權計劃之詳情載列於綜合財務報表附註30內。

本年度本公司董事並無被授出及行使認股權。

購買股份或債務證券安排

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

董事擁有之重要合約權益及關連交易

於二零零六年六月十四日，本公司非全資附屬公司興誠有限公司(「興誠」)訂立以下協議：

- (i) 與冠威貿易有限公司(「冠威貿易」)就銷售交易而製定的協議(「銷售交易(B)協議」)。按照銷售交易(B)協議，興誠或由興誠不時提名的一間興誠附屬公司同意向冠威貿易銷售成衣及相關產品，而於二零零六年十二月三十一日止年度之總金額不可多於10,000,000港元。本年度興誠及／或興誠附屬公司並無向冠威貿易銷售任何的成衣及相關產品。

DIRECTORS' REPORT • 董事會報告

(ii) an agreement with Dongguan Goodwin Garments Co., Ltd. ("Dongguan Goodwin") in relation to the purchases transactions ("Purchase Transactions Agreement"). Pursuant to the Purchase Transactions Agreement, Rise Honour or a Rise Honour Subsidiary nominated by Rise Honour from time to time has agreed to purchase from Dongguan Goodwin garments and associated products with the aggregate annual amount not exceeding HK\$33,000,000 for the calendar year ending 31st December, 2006. During the year, Rise Honour and/or Rise Honour Subsidiaries did not purchase any garments and associated products from Dongguan Goodwin.

As Mr. SUI Yiu Man is a director of Rise Honour and holds more than 30% equity interest in Goodwin Trading and Dongguan Goodwin, both Goodwin Trading and Dongguan Goodwin are connected persons to the Company and the transactions under each of aforesaid Sales Transactions (B) Agreement and Purchase Transactions Agreement constitute continuing connected transactions.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules and no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

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

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

At 31st August, 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

(ii) 與東莞冠威制衣有限公司（「東莞冠威」）就購買交易而製定的協議（「購買交易協議」）。按照購買交易協議，興誠或由興誠不時提名的一間興誠附屬公司同意向東莞冠威購買成衣及相關產品，而於二零零六年十二月三十一日止年度之總金額不可多於33,000,000港元。本年度興誠及／或興誠附屬公司並無向東莞冠威購買任何成衣及相關產品。

由於水耀敏先生為興誠之董事並持有冠威貿易及東莞冠威多於30%的股權，因此冠威貿易及東莞冠威兩者乃本公司之關連人士，而上述各項的銷售交易(B)協議及購買交易協議中的交易構成持續關連交易。

除上述披露外，於本年度終結時或在本年度內任何時間，本公司或其任何附屬公司並無其他根據上市規則須予披露之關連交易，亦無訂立任何與本公司董事有直接或間接重大利益之重要合約。

購買、出售及贖回本公司之上市證券

本年度本公司及其任何附屬公司並無購買、出售或贖回本公司之上市證券。

主要股東及其他股東權益

於二零零七年八月三十一日，根據本公司按證券及期貨條例第336條所設置的主要股東名冊顯示，除上述部份董事已披露之權益外，以下股東已通知本公司其擁有本公司已發行股本的有關權益。

DIRECTORS' REPORT • 董事會報告

Long (short) positions in shares and underlying shares of the Company:

於本公司股份及相關股份的好倉(淡倉)情況：

Name of substantial shareholder 主要股東名稱	Number of shares 股份數目	Capacity 身份	Approximate % of the issued share capital 約佔已發行 股本比率
Ms. TANG Kuen Mui 鄧娟妹女士	314,296,044 (notes 1 and 3) (附註1及3)	Spouse interest 配偶權益	39.58
Newcorp	282,014,044 (notes 2 and 3) (附註2及3)	Interest of corporation controlled 所控制的法團的權益	35.52
Mondrian Investment Partners Ltd.	71,073,430	Investment manager 投資經理	8.95
Templeton Investment Counsel, LLC	70,811,989	Investment manager 投資經理	8.92
Deutsche Bank Aktiengesellschaft	55,379,000 (48,000)	Beneficial owner, investment manager and person having a security interest in shares 實益擁有人、投資經理及 對股份持有保證權益的人	6.97 (0.01)
Brandes Investment Partners, L.P.	47,764,000	Investment manager 投資經理	6.02

Notes:

附註：

- | | |
|--|---|
| 1. Ms. TANG Kuen Mui, spouse of Mr. HA Chung Fong, was deemed to be interested in the shares. | 1. 鄧娟妹女士為夏松芳先生之配偶，因而被當作擁有該等股份權益。 |
| 2. Newcorp is the ultimate controlling shareholder of Trustcorp and Trustcorp is the trustee of the Ha Trust, a discretionary trust set up by Mr. HA Chung Fong for the benefit of his family. | 2. Newcorp乃Trustcorp之最終控權股東，而Trustcorp為the Ha Trust之受託人，the Ha Trust為夏松芳先生為其家族利益而成立的一項酌情信託。 |
| 3. The interests of Mr. HA Chung Fong, Ms. TANG Kuen Mui and Newcorp were duplicated. | 3. 夏松芳先生、鄧娟妹女士及Newcorp之權益是重複的。 |

DIRECTORS' REPORT • 董事會報告

Other than as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at 31st August, 2007.

MAJOR CUSTOMERS AND SUPPLIERS

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

The aggregate purchases attributable to the Group's five largest suppliers was less than 30% of the total purchases for the year.

DONATIONS

During the year, the Group made charitable and other donations totalling approximately HK\$750,000.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained a sufficient public float throughout the year ended 31st August, 2007.

AUDITOR

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

On behalf of the Board

HA Chung Fong
Director

Hong Kong,
18th December, 2007

除上述披露外，於二零零七年八月三十一日，本公司並無收到任何其他擁有本公司已發行股本的有關權益或淡倉通知。

主要客戶及供應商

本年度本集團前五大客戶共佔營業總額少於30%。

本年度本集團前五大供應商佔採購總額少於30%。

捐款

本年度本集團作出之慈善及其他捐款共約750,000港元。

足夠公眾持股量

從本公司可獲得之公開資料顯示及就本公司董事所知，本公司於截至二零零七年八月三十一日止年度內一直維持足夠公眾持股量。

核數師

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

代董事會

董事
夏松芳

香港
二零零七年十二月十八日

PARTICULARS OF INVESTMENT PROPERTIES • 投資物業詳情

Particulars of investment properties held by the Group at 31st August, 2007 are as follows:

於二零零七年八月三十一日，本集團投資物業詳情如下：

Location	Lease terms	Use	The Group's effective interest
地點	租賃年期	用途	本集團有效權益
Factory 1A&C, 2A&B, 4C&D, 7B&D, 8A-D, 9A-D, 10B-D, 11A, 12A&C and portion of roof, car parking spaces 15, 18, 21, 23, 25, 26, 27, 28, 29, 30, 31 & 32, lorry parking spaces 4, 6, 7 & 17 of Block No. 9 Tin's Centre 3B Hung Cheung Road Section A of T.M.T.L. 74 Tuen Mun, New Territories Hong Kong 香港新界屯門地段74號A段 洪祥路3B號田氏中心第9座 1樓A及C室、2樓A及B室、4樓C及D室、7樓B及D室、8樓A至D室、9樓A至D室、10樓B至D室、11樓A室、12樓A及C室及部份天台、私家車車位15,18, 21, 23, 25, 26, 27, 28, 29, 30, 31及32號和貨車車位4, 6, 7及17號	Medium-term lease 中期租賃	Warehouse and workshop 貨倉及工場	100%

INDEPENDENT AUDITOR'S REPORT • 獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF FOUNTAIN SET (HOLDINGS) LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Fountain Set (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 104, which comprise the consolidated and Company balance sheets as at 31st August, 2007, 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 other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致福田實業(集團)有限公司全體股東
(於香港註冊之有限公司)

本核數師行已審核載於第36頁至第104頁內之福田實業(集團)有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)之綜合財務報表，此等財務報表包括於二零零七年八月三十一日的綜合及本公司資產負債表，與截至該日止年度的綜合收益賬、綜合權益變動報表及綜合現金流量報表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

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

核數師的責任

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

INDEPENDENT AUDITOR'S REPORT • 獨立核數師報告

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st August, 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
18th December 2007

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

本行相信，我們所獲得的審核憑證乃充足及適當地為本行的審核意見提供基礎。

意見

本行認為，該等綜合財務報表已根據香港財務申報準則真實而公平地反映 貴公司及 貴集團於二零零七年八月三十一日的財務狀況及 貴集團截至該日止年度的盈利及現金流量，並已按照香港公司條例而妥善編製。

德勤•關黃陳方會計師行
執業會計師

香港
二零零七年十二月十八日

CONSOLIDATED INCOME STATEMENT • 綜合收益賬

For the year ended 31st August, 2007

截至二零零七年八月三十一日止年度

		Notes 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Revenue	營業額	6	7,022,991	7,134,788
Cost of sales	銷售成本		(5,782,842)	(5,832,331)
			1,240,149	1,302,457
Other income	其他收入		118,359	77,499
Gain on disposal of property interests	出售物業權益之盈利	7	—	144,028
Distribution and selling expenses	分銷及銷售費用		(362,424)	(379,204)
Administrative expenses	行政費用		(670,044)	(654,089)
Finance costs	融資成本	8	(98,030)	(103,498)
Reversal of impairment loss recognised in respect of amounts due from jointly controlled entities	就共同控制機構所欠 款項而確認之 減值損失撥回		540	1,040
Profit before taxation	除稅前盈利		228,550	388,233
Income tax charge	所得稅支出	9	(16,240)	(41,145)
Profit for the year	是年度盈利	10	212,310	347,088
Attributable to:	應佔：			
Shareholders of the Company	本公司股東		167,481	306,772
Minority shareholders	少數股東		44,829	40,316
			212,310	347,088
Dividends paid	已付股息	12	83,371	91,311
Basic earnings per share	每股基本盈利	13	HK21.1cents港仙	HK38.6 cents港仙

CONSOLIDATED CASH FLOW STATEMENT • 綜合現金流量報表

For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
OPERATING ACTIVITIES	營運項目		
Profit before taxation	除稅前盈利	228,550	388,233
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、機器及設備之折舊	248,705	233,524
Depreciation of investment properties	投資物業之折舊	387	1,428
Loss on disposal of property, plant and equipment (other than property interests)	出售物業、機器及設備(物業權益除外)之虧損	2,753	3,741
Gain on disposal of property interests	出售物業權益之盈利	—	(144,028)
Finance costs	融資成本	98,030	103,498
Reversal of impairment loss recognised in respect of amounts due from jointly controlled entities	就共同控制機構所欠款項而確認之減值損失撥回	(540)	(1,040)
Amortisation of prepaid lease payments	預付租賃款項之攤銷	1,769	2,466
Interest income	利息收入	(23,611)	(13,393)
Operating cash flows before movements in working capital	流動資金變動前之營運現金流量	556,043	574,429
Increase in inventories	存貨之增加	(247,247)	(19,753)
(Increase) decrease in trade and other receivables	營業及其他應收款項之(增加)減少	(87,702)	29,387
Increase in trade and other payables	營業及其他應付款項之增加	128,229	16,585
Increase (decrease) in bills payable	應付票據之增加(減少)	332,814	(176,849)
(Increase) decrease in fair value of derivative financial instruments	衍生金融工具公平價值之(增加)減少	(12,949)	45
Net cash generated from operations	營運所得之現金淨值	669,188	423,844
Hong Kong Profits Tax paid (net)	已付香港盈利稅(淨值)	(10,379)	(1,245)
Overseas taxation paid	已付海外稅項	(8,560)	(30,194)
NET CASH FROM OPERATING ACTIVITIES	營運項目所得之現金淨值	650,249	392,405

CONSOLIDATED CASH FLOW STATEMENT • 綜合現金流量報表

For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
INVESTING ACTIVITIES	投資項目		
Purchases of property, plant and equipment	購買物業、機器及設備	(345,651)	(453,835)
Acquisition of a subsidiary (Note 34)	收購一間附屬公司(附註34)	(34,771)	—
Additions of prepaid lease payments	預付租賃款項之增加	(4,422)	(6,252)
Interest received	已收利息	23,605	13,289
Net proceeds from disposal of property interests and property, plant and equipment	出售物業權益及物業、機器及設備所得款項淨值	10,808	487,267
Decrease (increase) in bank deposits with restricted use	有限制用途之銀行存款之減少(增加)	1,494	(1,304)
Repayment from jointly controlled entities	共同控制機構償還之款項	1,280	1,600
		<u>(347,657)</u>	<u>40,765</u>
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資項目(所用)所得之現金淨值		
FINANCING ACTIVITIES	融資項目		
Repayment of bank borrowings	償還銀行借貸	(747,624)	(1,426,161)
Interest paid on bank borrowings	已付銀行借貸之利息	(105,192)	(116,440)
Dividends paid to shareholders of the Company	已付股息予本公司股東	(83,371)	(91,311)
Dividends paid to minority shareholders	已付股息予少數股東	(15,363)	(31,387)
Repayment of obligations under finance leases	償還財務租賃應付賬款	(5,050)	(16,669)
Interest paid on obligations under finance leases	已付財務租賃應付賬款之利息	(133)	(785)
New borrowings raised	新籌集之銀行借貸	757,192	1,361,092
Advance from minority shareholders	少數股東之墊款	26,700	13,350
Banking facilities arrangement fees paid	已付銀行貸款安排費用	—	(1,125)
Capital contribution from minority shareholders	少數股東之資本注資	—	690
		<u>(172,841)</u>	<u>(308,746)</u>
NET CASH USED IN FINANCING ACTIVITIES	融資項目所用之現金淨值		

CONSOLIDATED CASH FLOW STATEMENT • 綜合現金流量報表

For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目之 增加淨值	129,751	124,424
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於是年度開始時之現金及 等同現金項目	656,296	531,529
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	192	343
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	於是年度終結時之現金及 等同現金項目	<u>786,239</u>	<u>656,296</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及等同現金項目結存 之分析		
Being:	作為：		
Short-term bank deposits	短期銀行存款	443,735	292,079
Bank balances and cash	銀行結存及現金	345,065	367,632
Bank overdrafts	銀行透支	<u>(2,561)</u>	<u>(3,415)</u>
		<u>786,239</u>	<u>656,296</u>

CONSOLIDATED BALANCE SHEET • 綜合資產負債表

At 31st August, 2007

於二零零七年八月三十一日

		Notes	2007 HK\$'000 千港元	2006 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Investment properties	投資物業	14	11,634	10,230
Property, plant and equipment	物業、機器及設備	15	2,247,306	2,165,327
Prepaid lease payments - non-current portion	預付租賃款項－非流動部份	16	72,606	65,865
Interests in jointly controlled entities	應佔共同控制機構權益	19	—	—
Deferred tax assets	遞延稅項資產	28	15,889	21,834
			<u>2,347,435</u>	<u>2,263,256</u>
Current assets	流動資產			
Inventories	存貨	20	1,822,633	1,563,176
Prepaid lease payments - current portion	預付租賃款項－流動部份	16	1,905	1,567
Trade and other receivables	營業及其他應收款項	21	1,654,461	1,568,681
Amounts due from jointly controlled entities	共同控制機構所欠款項	19	12,429	13,169
Derivative financial instruments	衍生金融工具	27	12,272	493
Tax recoverable	可收回稅項		8,219	9,654
Bank deposits with restricted use	有限制用途之銀行存款	22	2,485	3,979
Short-term bank deposits	短期銀行存款	22	443,735	292,079
Bank balances and cash	銀行結存及現金	22	345,065	367,632
			<u>4,303,204</u>	<u>3,820,430</u>
Current liabilities	流動負債			
Trade and other payables	營業及其他應付款項	23	781,097	652,049
Bills payable	應付票據	23	499,530	166,716
Amounts due to minority shareholders	欠少數股東款項	24	40,050	13,350
Derivative financial instruments	衍生金融工具	27	496	1,666
Tax payable	應付稅項		50,981	61,864
Bank borrowings – due within one year	銀行借貸 – 一年內到期	25	406,318	344,413
Bank overdrafts	銀行透支	25	2,561	3,415
Obligations under finance leases – due within one year	財務租賃應付賬款 – 一年內到期	26	439	5,049
			<u>1,781,472</u>	<u>1,248,522</u>
Net current assets	流動資產淨值		<u>2,521,732</u>	<u>2,571,908</u>
Total assets less current liabilities	資產總值減流動負債		<u>4,869,167</u>	<u>4,835,164</u>

CONSOLIDATED BALANCE SHEET • 綜合資產負債表

At 31st August, 2007
於二零零七年八月三十一日

			2007	2006
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Non-current liabilities	非流動負債			
Bank borrowings - due after one year	銀行借貸 — 一年後到期	25	1,776,823	1,827,990
Obligations under finance leases	財務租賃應付賬款			
- due after one year	— 一年後到期	26	—	440
Deferred tax liabilities	遞延稅項負債	28	7,888	7,084
			<u>1,784,711</u>	<u>1,835,514</u>
Net assets	資產淨值		<u>3,084,456</u>	<u>2,999,650</u>
Capital and reserves	資本及儲備			
Share capital	股本	29	158,802	158,802
Reserves	儲備		<u>2,706,858</u>	<u>2,639,513</u>
Equity attributable to shareholders of the Company	本公司股東應佔權益		2,865,660	2,798,315
Minority interests	少數股東權益		<u>218,796</u>	<u>201,335</u>
Total equity	權益總值		<u>3,084,456</u>	<u>2,999,650</u>

The consolidated financial statements on pages 36 to 104 were approved and authorised for issue by the Board of Directors on 18th December 2007 and are signed on its behalf by:

第36至104頁之綜合財務報表已於二零零七年十二月十八日由董事會通過及核准發放，並由下列董事代表簽署。

HA Chung Fong
夏松芳
Director
董事

WAI Yick Man
衛億民
Director
董事

BALANCE SHEET • 資產負債表

At 31st August, 2007
於二零零七年八月三十一日

			2007	2006
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	15	7,231	6,461
Investments in subsidiaries	附屬公司投資	18	33,856	33,856
			<u>41,087</u>	<u>40,317</u>
Current assets	流動資產			
Other receivables	其他應收款項		2,155	2,609
Amounts due from subsidiaries	附屬公司所欠款項	18	2,602,204	3,295,966
Derivative financial instruments	衍生金融工具	27	3,145	493
Tax recoverable	可收回稅項		314	314
Short-term bank deposits	短期銀行存款	22	93,515	32,499
Bank balances and cash	銀行結存及現金	22	4,338	3,002
			<u>2,705,671</u>	<u>3,334,883</u>
Current liabilities	流動負債			
Other payables	其他應付款項		11,855	15,237
Derivative financial instruments	衍生金融工具	27	496	1,666
Amounts due to subsidiaries	欠附屬公司款項	18	74,930	695,956
Bank borrowings	銀行借貸			
– due within one year	– 一年內到期	25	132,107	37,830
			<u>219,388</u>	<u>750,689</u>
Net current assets	流動資產淨值		<u>2,486,283</u>	<u>2,584,194</u>
Total assets less current liabilities	資產總值減流動負債		<u>2,527,370</u>	<u>2,624,511</u>

BALANCE SHEET • 資產負債表

At 31st August, 2007
於二零零七年八月三十一日

			2007	2006
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Non-current liabilities	非流動負債			
Bank borrowings	銀行借貸			
– due after one year	– 一年後到期	25	1,626,823	1,811,790
Deferred tax liabilities	遞延稅項負債	28	296	136
			<u>1,627,119</u>	<u>1,811,926</u>
Net assets	資產淨值		<u>900,251</u>	<u>812,585</u>
Capital and reserves	資本及儲備			
Share capital	股本	29	158,802	158,802
Reserves	儲備	31	741,449	653,783
Total equity	權益總值		<u>900,251</u>	<u>812,585</u>

HA Chung Fong
夏松芳
Director
董事

WAI Yick Man
衛億民
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY • 綜合權益變動報表

For the year ended 31st August, 2007

截至二零零七年八月三十一日止年度

		Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserves	Retained profits	Total equity attributable to shareholders of the Company 本公司股東應佔權益總值	Minority interests	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	資本贖回儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	法定儲備 HK\$'000 千港元 (note) (附註)	滾存盈利 HK\$'000 千港元	HK\$'000 千港元	少數股東權益 HK\$'000 千港元	權益總值 HK\$'000 千港元
At 1st September, 2005	於二零零五年九月一日	158,802	197,124	210	(45,874)	16,000	2,258,037	2,584,299	193,413	2,777,712
Exchange differences arising from translation of financial statements denominated in foreign currencies directly recognised in equity	直接在權益內確認之外幣財務報表匯兌差額	—	—	—	(1,445)	—	—	(1,445)	(1,697)	(3,142)
Profit for the year	是年度盈利	—	—	—	—	—	306,772	306,772	40,316	347,088
Total recognised income and expense for the year	是年度確認之收入及支出總值	—	—	—	(1,445)	—	306,772	305,327	38,619	343,946
Dividends paid to shareholders of the Company	已付股息予本公司股東	—	—	—	—	—	(91,311)	(91,311)	—	(91,311)
Dividends paid to minority shareholders	已付股息予少數股東	—	—	—	—	—	—	—	(31,387)	(31,387)
Capital contribution from minority shareholders	少數股東之資本注資	—	—	—	—	—	—	—	690	690
Transfer	調撥	—	—	—	—	2,000	(2,000)	—	—	—
At 1st September, 2006	於二零零六年九月一日	158,802	197,124	210	(47,319)	18,000	2,471,498	2,798,315	201,335	2,999,650
Exchange differences arising from translation of financial statements denominated in foreign currencies directly recognised in equity	直接在權益內確認之外幣財務報表匯兌差額	—	—	—	(16,765)	—	—	(16,765)	(12,005)	(28,770)
Profit for the year	是年度盈利	—	—	—	—	—	167,481	167,481	44,829	212,310
Total recognised income and expense for the year	是年度確認之收入及支出總值	—	—	—	(16,765)	—	167,481	150,716	32,824	183,540
Dividends paid to shareholders of the Company	已付股息予本公司股東	—	—	—	—	—	(83,371)	(83,371)	—	(83,371)
Dividends paid to minority shareholders	已付股息予少數股東	—	—	—	—	—	—	—	(15,363)	(15,363)
At 31st August, 2007	於二零零七年八月三十一日	158,802	197,124	210	(64,084)	18,000	2,555,608	2,865,660	218,796	3,084,456

Note:

The statutory reserves represent the appropriation of certain percentages of profit after taxation of a subsidiary in the People's Republic of China (the "PRC") as recommended by the directors of that subsidiary as reported under the PRC statutory financial statements.

附註：

法定儲備乃指一間在中華人民共和國(「中國」)之附屬公司之董事按中國法定財務報表之呈報要求建議將該附屬公司若干比率的稅後盈利撥備的金額。

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

For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

1. General

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

The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is the same as the functional currency of the Company.

The Company is an investment holding company. The principal activities of its principal subsidiaries and jointly controlled entities are set out in notes 18 and 19, respectively.

2. Application of Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st September, 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised standards, amendment or interpretations that have been issued but are not yet effective. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented. The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on its results and financial position are prepared and presented.

1. 簡介

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

綜合財務報表乃以港元(「港元」)呈列,並與本公司之功能貨幣相同。

本公司乃一間投資控股公司。其主要附屬公司及共同控制機構之主要業務分別載列於附註18及19內。

2. 應用香港財務申報準則

本年度本集團已首次應用香港會計師公會(「香港會計師公會」)頒佈之多項新準則、修正及詮釋(「新香港財務申報準則」),並於二零零六年九月一日本集團之財政年度開始時生效。應用新香港財務申報準則對本會計期間及過往會計期間已編製及呈報之業績及財務狀況沒有重大之影響。據此,並沒有就過往期間之調整作出確認。

本集團並沒有提早採納以下已頒佈但未生效之新及修訂之準則、修正或詮釋。此等新香港財務申報準則可能引致日後編製及呈報之業績及財務狀況產生變動。本集團已開始考慮該等新香港財務申報準則之潛在影響,惟目前仍未能確定該等新香港財務申報準則會否對所編製及呈報之業績及財務狀況有重大之影響。

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

For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

2. Application of Hong Kong Financial Reporting Standards (Continued) 2. 應用香港財務申報準則 (續)

Hong Kong Accounting Standard ("HKAS") 1 (Amendment) 香港會計準則(「香港會計準則」)第1條(修正)	Capital Disclosures ¹ 股本披露 ¹
HKAS 23 (revised) 香港會計準則第23條(修訂)	Borrowing Costs ² 借貸成本 ²
HKFRS 7 香港財務申報準則第7條	Financial Instruments: Disclosures ¹ 金融工具：披露 ¹
HKFRS 8 香港財務申報準則第8條	Operating Segments ² 營運分類 ²
HK(IFRIC)-Int 10 香港(國際財務申報詮釋委員會)－詮釋第10條	Interim Financial Reporting and Impairment ³ 中期財務申報及減值 ³
HK(IFRIC)-Int 11 香港(國際財務申報詮釋委員會)－詮釋第11條	HKFRS 2 - Group and Treasury Share Transactions ⁴ 香港財務申報準則第2條－集團及庫存股份交易 ⁴
HK(IFRIC)-Int 12 香港(國際財務申報詮釋委員會)－詮釋第12條	Service Concession Arrangements ⁵ 服務特許權安排 ⁵
HK(IFRIC)-Int 13 香港(國際財務申報詮釋委員會)－詮釋第13條	Customer Loyalty Programmes ⁶ 客戶忠誠計劃 ⁶
HK(IFRIC)-Int 14 香港(國際財務申報詮釋委員會)－詮釋第14條	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁵ 香港會計準則第19條－既定利益資產的界限、最低撥資的規定及其相互關係 ⁵

¹ Effective for accounting periods beginning on or after 1st January, 2007.

² Effective for accounting periods beginning on or after 1st January, 2009.

³ Effective for accounting periods beginning on or after 1st November, 2006.

⁴ Effective for accounting periods beginning on or after 1st March, 2007.

⁵ Effective for accounting periods beginning on or after 1st January, 2008.

⁶ Effective for accounting periods beginning on or after 1st July, 2008.

¹ 於二零零七年一月一日或以後開始之會計期生效

² 於二零零九年一月一日或以後開始之會計期生效

³ 於二零零六年十一月一日或以後開始之會計期生效

⁴ 於二零零七年三月一日或以後開始之會計期生效

⁵ 於二零零八年一月一日或以後開始之會計期生效

⁶ 於二零零八年七月一日或以後開始之會計期生效

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

For the year ended 31st August, 2007

截至二零零七年八月三十一日止年度

3. Significant Accounting Policies

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

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

Basis of consolidation

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

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

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

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

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3. 主要會計政策

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

本綜合財務報表已按香港會計師公會頒佈之香港財務申報準則編製。再者,本綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露。

綜合基準

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

是年度收購及出售之附屬公司之業績已根據其收購或出售生效日期(如適用)包括在綜合收益賬內。

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

所有集團間之交易、結餘、收入及支出均於綜合賬目時對銷。

綜合附屬公司資產淨值內之少數股東權益與本集團之權益分開呈列。於資產淨值內之少數股東權益包括在原有業務合併日期之有關權益金額及自合併日期起計少數股東之應佔權益的變動。適用於少數股東之虧損超出少數股東應佔附屬公司權益之金額在本集團應佔權益作出對沖分配,惟少數股東有具約束責任及有能力作額外投資以彌補該等虧損之範圍內除外。

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3. Significant Accounting Policies (Continued)

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under *HKFRS 3 Business Combinations* are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on acquisitions prior to 1st September, 2004

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1st September, 2004 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions after 1st January, 2001, the Group has discontinued amortisation from 1st September, 2004 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

3. 主要會計政策 (續)

業務合併

收購附屬公司乃採用購買法入賬。收購成本按於交易日本集團為換取被收購方控制權所給予之資產、所產生或承擔之負債及所發行之股本工具之總公平價值計量，再計入業務合併之任何直接應佔成本。被收購方之可識別資產、負債及或然負債如符合香港財務申報準則第3條業務合併之確認條件，則於收購日按其公平價值確認。

收購時所產生之商譽會確認為一項資產，並初步以成本計量。成本即業務合併成本超出本集團所佔已確認可識別資產、負債及或然負債之公平價值淨值之權益之金額。如於重新評估後，本集團所佔被收購方可識別資產、負債及或然負債淨公平價值之權益超出業務合併成本，超出之金額會即時在損益賬內確認。

被收購方之少數股東權益初步會以少數股東所佔已確認資產、負債及或然負債公平價值之淨值之比例計量。

商譽

於二零零四年九月一日前因收購而產生之商譽

協議日為二零零四年九月一日前因收購附屬公司而產生之商譽乃指收購成本超出本集團於收購日應佔有關附屬公司之可識別資產及負債權益之公平價值的金額。

對於二零零一年一月一日後因收購而產生並於過往已化作資產之商譽，本集團已於二零零四年九月一日起停止該商譽之攤銷，並會每年及當與此商譽有關之現金產生單位有跡象可能減值時對此項商譽進行減值測試(見會計政策如下)。

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3. Significant Accounting Policies (Continued)

Goodwill (Continued)

Goodwill arising on acquisitions on or after 1st September, 2004

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1st September, 2004 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment loss.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策(續)

商譽(續)

於二零零四年九月一日或以後因收購而產生之商譽協議日為二零零四年九月一日或以後因收購附屬公司而產生之商譽乃指收購成本超出本集團於收購日應佔有關附屬公司之可識別資產、負債及或然負債權益之公平價值的金額。此項商譽會以成本減去任何累積減值損失列賬。

收購附屬公司所產生並化作資產之商譽會在綜合資產負債表內分開呈列。

以減值測試而言，因收購而產生之商譽會被分攤至預期可從收購之協同效益中獲益之每一個有關現金產生單位，或每一組之現金產生單位。被分攤商譽之現金產生單位會每年及當此單位有跡象可能減值時作減值測試。就一個財務年度內因收購而產生之商譽，被分攤商譽之現金產生單位會於財務年度終結時作減值測試。當現金產生單位之可收回金額低於其賬面值時，其減值損失會首先被分攤至該單位以減低該單位任何已分攤之商譽之賬面值，然後再根據該單位內每項資產之賬面值按比例分攤至該單位之其他資產。任何商譽之減值損失會直接在綜合收益賬內確認。商譽之減值損失不會在往後期間撥回。

於往後出售附屬公司時，有關化作資產之商譽會包括在計算出售時之損益金額內。

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3. Significant Accounting Policies (Continued)

Investment properties

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

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

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment loss.

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

3. 主要會計政策 (續)

投資物業

於初步確認時，投資物業以成本計算。成本包括任何關連之直接開支。於初步確認後，投資物業以成本扣除累積折舊及任何累積減值損失列出。投資物業之折舊乃按其可估計可使用年期及考慮其估計剩餘價值，以直線法將成本撇銷。

投資物業於出售或當預期不會藉其出售而產生未來經濟效益時不作確認。不作確認該資產所產生之任何損益(以該資產之出售款項淨值與賬面值之差額來計算)會在該項目不作確認之年度包括在綜合收益賬內。

物業、機器及設備

物業、機器及設備(在建工程除外)以成本扣除往後累積折舊及累積減值損失後列出。

物業、機器及設備(在建工程除外)之折舊乃按其估計可使用年期及考慮其估計剩餘價值，以直線法將成本撇銷。

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

以財務租賃持有之資產之折舊與自置資產之基準相同，乃按其估計可使用年期作出折舊。

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3. Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

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

Prepaid lease payments

Prepaid lease payments, which represent up-front payments to acquire leasehold land interests, are stated at cost and amortised over the period of the lease on a straight line basis.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

3. 主要會計政策 (續)

物業、機器及設備 (續)

物業、機器及設備項目於出售或當預期不會藉持續使用該項資產而產生未來經濟效益時不作確認。不作確認該項資產所產生之任何損益(以該項目之出售款項淨值與賬面值之差額來計算)會在該項目不作確認之年度包括在綜合收益賬內。

預付租賃款項

預付租賃款項乃收購租賃持有土地權益時之預付款項，以成本價列出及按租賃期以直線法攤銷。

附屬公司之投資

附屬公司之投資以成本扣除任何已確定之減值損失後包括在本公司資產負債表內。

共同控制機構

合資經營安排乃涉及合營者共同控制機構之經濟活動而成立之獨立機構。

共同控制機構之業績、資產及負債按權益法計入綜合財務報表內。按照權益法，共同控制機構之投資乃以成本及於收購後集團應佔共同控制機構之資產淨值扣除任何已確定之減值損失在綜合資產負債內列賬。當本集團應佔共同控制機構之虧損等於或超出集團於該共同控制機構之權益時(包括實質構成本集團在共同控制機構之部份投資淨值的長期權益)，本集團會不再繼續確認其應佔之額外虧損。本集團僅於已發生法定或推定責任或已代該共同控制機構支付之款項為限情況下，為額外應佔虧損作出撥備及確認負債。

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3. Significant Accounting Policies (Continued)

Inventories

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

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Other than derivatives which are deemed as financial assets held for trading, the Group's financial assets are classified as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from subsidiaries, amounts due from jointly controlled entities and bank deposits and balances) are carried at amortised cost using the effective interest method, less any identified impairment loss. An impairment loss is recognised in the consolidated income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss is reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策 (續)

存貨

存貨乃以成本或可變現淨值兩者之較低值列出。成本按最先存入則最先報銷之方法計算。

金融工具

當集團機構成為金融工具合約條文之訂約方，金融資產及金融負債會在綜合資產負債表上確認。金融資產及金融負債初步以公平價值計算。收購或發行金融資產及金融負債（按公平價值於損益賬內列賬之金融資產及金融負債除外）之直接關連交易成本（如適用）會在初步確認時在金融資產或金融負債之公平價值中計入或扣除。收購時以公平價值計入損益賬內之金融資產或金融負債直接產生之交易成本會即時在損益賬內確認。

金融資產

除視為持作買賣之金融資產的衍生工具外，本集團之金融資產乃分類為貸款及應收款項。

借款及應收款項

借款及應收款項為在活躍市場非報價之附帶固定或可釐定付款之非衍生金融資產。於初步確認後之各結算日，借款及應收款項（包括營業及其他應收款項、附屬公司所欠款項、共同控制機構所欠款項及銀行存款及結餘）均按有效利率方法，扣除任何已確認之減值損失後之已攤銷成本列賬。當客觀證明資產已減值，減值損失會在綜合收益賬內確認，並以資產賬面值與按原有效利率方法折算其估計未來現金流量之現值的差額計算。當該資產之可收回金額之增加可客觀地與於確認減值後發生之事件有關時，則減值損失可在往後期間撥回，惟該資產於撥回減值時之賬面值不得超過假設並無確認減值時之原已攤銷成本。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities (other than derivatives which are deemed as financial liabilities held for trading) including trade and other payables, bills payable, amounts due to subsidiaries, amounts due to minority shareholders, obligations under finance leases and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derivatives that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in the consolidated income statement.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益

集團機構發行之金融負債及權益工具乃按所訂立之合約安排實質及金融負債及權益工具之定義而分類。

權益工具乃證實本集團在扣除所有其負債後在資產內剩餘權益之任何合約。就金融負債及權益工具所採納之會計政策載列如下。

金融負債

金融負債(被視為持作買賣之金融負債的衍生工具除外)包括營業及其他應付款項、應付票據、欠附屬公司款項、欠少數股東款項、財務租賃應付賬款及銀行借貸,其後乃按有效利率方法以攤銷成本計算。

權益工具

本公司發行之權益工具乃以所收款項,扣除直接發行成本後記賬。

不符合以對沖會計法處理之衍生工具

不符合以對沖會計法處理之衍生工具會被視為持作買賣之金融資產或持作買賣之金融負債。此類衍生工具之公平價值的變動會直接在綜合收益賬內確認。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Derecognition

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

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

Equity settled share-based payment transactions

Share options granted and vested to employees before 1st September, 2005

The financial impact of share options granted and vested before 1st September, 2005 is not recorded in the Group's or the Company's balance sheet until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted and vested before 1st September, 2005. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

3. 主要會計政策 (續)

金融工具 (續)

不作確認

當從資產收取現金流量之權利屆滿或此類金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將不作確認。不作確認金融資產時，該資產之賬面值與已收取和應收代價之總和及已直接在權益內確認之累計損益之差額會在綜合收益賬內確認。

金融負債會在有關合約訂明之責任獲解除、取消或屆滿時不作確認。不作確認之金融負債之賬面值與已付和應付之代價之差額會在綜合收益賬內確認。

以權益支付及以股份為基礎之付款交易

於二零零五年九月一日前授出及歸屬予僱員之認股權於二零零五年九月一日前授出及歸屬之認股權之財務影響並沒有在本集團或本公司之資產負債表內記賬，直至認股權被行使為止，就二零零五年九月一日前授出及歸屬之認股權價值沒有在綜合收益賬內確認為費用。當行使認股權時，本公司會將所產生之股份以面值記賬為額外股本及將每股行使價超出股份面值之餘數在股份溢價內記賬。當認股權失效或在行使日前註銷，認股權會在認股權餘額登記冊內刪除。

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3. Significant Accounting Policies (Continued)

Impairment (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

Revenue recognition

Revenue represents the fair value of amounts received and receivable for goods sold and services rendered, net of returns, to outside customers.

Sales of goods are recognised when goods are delivered and title has been passed.

Service income is recognised when services are provided.

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

Retirement benefit schemes

Payments to defined contribution retirement benefit plan are charged as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

減值(商譽除外)

於每個結算日，本集團會檢討其資產之賬面值，以判斷該等資產是否出現減值損失之顯示。若估計一項資產(或現金產生單位)之可收回金額低於其賬面值時，該資產之賬面值會減至其可收回金額。此項減值損失會立即確認為支出。

倘減值損失其後出現逆轉，則該資產(或現金產生單位)之賬面值可增加至其經修訂之預計可收回金額，惟增加後之賬面值不得超過該資產(或現金產生單位)於過往年度並未確認減值損失時之賬面值。此項減值損失撥回會立即確認為收入。

收入確認

收入乃售予外間客戶之貨品及提供外間客戶之服務之已收及應收款項(已扣除退回)之公平價值金額。

貨品銷售於貨品付運及擁有權移交後確認。

服務收入於服務提供後確認。

金融資產之利息收入乃按時間基準以本金結餘金額及適用之有效利率計入。此利率乃按金融資產之預計年期準確地折算估計未來之現金收款至該項資產之賬面淨值之利率。

退休福利計劃

支付定額供款計劃之款項於賦予提供服務之僱員獲取供款之權利時作支出扣除。

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3. Significant Accounting Policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

Leasing

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

The Group as lessor

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated income statement, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see above).

3. 主要會計政策 (續)

借貸成本

直接關連於購買、興建或生產合資格資產之借貸成本會化作該資產之部份成本。該項借貸成本化作資產將於資產大致可供擬作使用或出售時停止。

所有其他借貸成本在其發生期間被確認為支出。

租賃

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

本集團作為出租人

營運租賃之租金收入乃按有關租賃年期以直線法在綜合收益賬內確認。磋商及安排營運租約之初步直接成本會加入該租賃資產之賬面值內及按租賃年期以直線法確認為支出。

本集團作為承租人

按財務租賃持有之資產，以其在訂立租賃時之公平價值或最低租賃支出之現值兩者之較低者確認為本集團資產。而相對欠出租人之負債則以財務租賃應付賬款包括在綜合資產負債表內。租賃款項攤分為財務費用及租賃應付賬款扣減，使負債餘額以固定息率計算利息。財務費用直接在綜合收益賬內扣除，除非該費用直接與合資格資產關連，則會根據集團用於借貸成本之一般政策化作資產(見上)。

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3. Significant Accounting Policies (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Rentals payable under operating leases are charged to the consolidated income statement on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

營運租賃之應付租金會按有關租賃年期以直線法在綜合收益賬內扣除。作為訂立營運租賃獎勵之已收及應收利益則會按租賃年期以直線法確認為扣減租金支出。

稅項

所得稅支出乃指是年度應付稅項及遞延稅項之總和。

是年度應付稅項是以是年度之應課稅盈利作基準。應課稅盈利與綜合收益賬內呈報之盈利並不相等，乃基於其並無計入應在其他年度課稅或扣減之收入或費用項目，亦無計入毋須課稅及不獲扣減之項目所致。本集團是年度稅項之負債乃按照結算日已頒佈或實質上已頒佈之稅率計算。

遞延稅項乃綜合財務報表內資產及負債之賬面值與計算應課稅盈利所用之相關稅基之差異之確認，並採用資產負債表負債法記賬。遞延稅項負債一般按所有應課稅暫時性差異確認，而遞延稅項資產之確認則以可用作抵銷可能會產生應課稅盈利之可扣減暫時性差異為限。倘若暫時性差異是由於商譽或一項不影響應課稅盈利或會計盈利之交易於最初確認為其他資產及負債(業務合併除外)所引致，則此項資產及負債不予確認。

就附屬公司投資及應佔共同經營權益所產生之應課稅暫時性差額會被確認為遞延稅項負債，惟本集團可控制暫時性差額之撥回及在可見將來不會將暫時性差額撥回則除外。

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3. Significant Accounting Policies (Continued)

Taxation (Continued)

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the consolidated income statement in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. HK\$) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in the consolidated income statement in the period in which the foreign operation is disposed of.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於每個結算日作出檢討，並在預期不再有足夠應課稅盈利以收回全部或部份資產之情況下作出相應扣減。

遞延稅項按預期償還負債或變現資產期間之稅率計算。遞延稅項於綜合收益賬內扣除或計入，惟如涉及直接於權益內扣除或計入之項目，則遞延稅項亦會在權益內處理。

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣（「外幣」）進行之交易乃按於交易日期當時之匯率換算為其個別功能貨幣（即該實體經營所在之主要經濟環境貨幣）。於每個結算日，以外幣定值之貨幣項目乃按結算日當時之匯率重新換算。按外幣之歷史成本計算之非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生之匯兌差額乃於其產生之期間於綜合收益賬內確認。

就綜合財務報表之呈列而言，本集團境外業務之資產及負債乃按結算日當時之匯率換算為本公司之呈列貨幣（即港元），而其收入及支出乃按該年度之平均匯率換算，除非匯率於該年度內出現大幅波動則除外，在此情況下則會採用交易日當時之匯率換算。所產生之匯兌差額（如有）確認為權益之獨立部份（匯兌儲備）。該等匯兌差額乃於出售境外業務之期間內於綜合收益賬內確認。

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4. Key Sources of Estimation Uncertainty

In the process of applying the Group's accounting policies, management makes various estimates based on past experiences, expectations of the future and other information. The key sources of estimation uncertainty at the balance sheet date, which may significantly affect the amounts recognised in the consolidated financial statements within the next financial year, are disclosed below:

Allowance for bad and doubtful debts

Management regularly reviews the recoverability and/or age of the trade receivables. Appropriate impairment for estimated irrecoverable amounts are recognised in the consolidated income statement when there is objective evidence that the asset is impaired.

In determining whether impairment for bad and doubtful debts is required, the Group takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and its carrying value. If the financial conditions of customers of the Group deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

Allowance for inventories

Management reviews the net realisable values and/or age of inventories and makes allowance for obsolete and slow moving inventory items identified with reference to existing market environment, the sales performance in previous years and estimated market value. Specific allowance for inventories is only made if the estimated market value of the inventories is lower than its carrying value. If the market value of inventories decline, additional allowance may be required.

4. 不確定性估計之主要來源

在應用本集團會計政策之過程中，管理層根據以往經驗、對未來之預期及其他資料作出不同估計。於結算日之不確定性估計之主要來源可能會對下一財務年度內在綜合財務報表確認之金額有重大影響，現披露如下：

呆壞賬撥備

管理層定期檢討營業應收款項之可收回成數及/或賬齡。當客觀地證實該資產已減值時，其估計不可收回金額所產生之適當減值將會在綜合收益賬內確認。

當決定呆壞賬是否需要減值時，本集團會考慮客戶目前之信譽、過往收款記錄、賬齡情況及收款之可能性。只會對不可能收回之應收款項作出特別準備，並按預期可收回之估計未來現金流量以原有有效利率折算之價值與其賬面值之差額作為確認。倘本集團客戶財務狀況惡化，引致其還款能力降低，將可能需要作出額外減值。

存貨撥備

管理層會檢討存貨的可變現淨值及/或賬齡，並參考現有市場環境、過往年度銷售表現及預期市值而對確認陳舊及滯銷存貨作出撥備。惟當存貨之估計市場價值低於賬面值時，才會作出存貨特別撥備。如存貨之市場價值下調，將可能需要作出額外撥備。

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5. Financial Instruments

5a. Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade and other receivables, amounts due from/to subsidiaries, bank deposits and balances, trade and other payables, bills payable and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

(i) Currency risk

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from the Renminbi ("RMB"). The fluctuations in the United States dollars ("USD") and RMB have always been the concern of the Group. Certain trade receivables and borrowings of the Group are denominated in foreign currencies. In order to mitigate part of the foreign currency risk, foreign currency forward contracts are entered into in accordance with the Group's risk management policies.

(ii) Interest rate risk

The Group's and the Company's exposure to interest rate risk is mainly attributable to its bank borrowings which is charged at variable rates and expose the Group and the Company to interest rate risk.

In order to mitigate this interest rate risk, the management will consider hedging significant interest rate exposure by entering into interest rate swap.

5. 金融工具

5a. 財務風險管理目標及政策

本集團及本公司之主要金融工具包括營業及其他應收款項、附屬公司所欠／欠附屬公司之款項、銀行存款及結存、營業及其他應付款項、應付票據及銀行借貸。該等金融工具詳情於各自的附註作出披露。以下為與該等金融工具有關之風險及降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當措施。

(a) 市場風險

(i) 貨幣風險

本集團主要於中國經營業務，故涉及人民幣（「人民幣」）所產生之外匯風險。本集團一直關注美元（「美元」）與人民幣匯率之波動。本集團部份營業應收款項及借貸均以外幣定值。為降低部份外匯風險，本集團已依據風險管理政策簽訂遠期外匯合約。

(ii) 利率風險

本集團及本公司面對利率風險，主要因其銀行借貸乃以浮動利率計息，使本集團及本公司面對利率風險。

為降低此類利率風險，管理層將考慮簽訂利率對沖安排，以對沖重大之利率風險。

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5. Financial Instruments (Continued)

5a. Financial risk management objectives and policies (Continued)

(b) Credit risk

The Group's and the Company's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31st August, 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated and Company balance sheets and the amount of contingent liabilities disclosed in Note 35. In order to minimise credit risk on trade and other receivables, management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management of the Group reviews the recoverable amount of each individual trade debt or at each balance sheet date to ensure that adequate impairment loss is made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on bank deposits and balances is limited because the counterparties are banks with good reputation.

The Group has no significant concentration of credit risk on trade and other receivables, with exposure spread over a number of counterparties and customers.

5b. Fair value

The fair value of financial assets and financial liabilities (other than derivative instruments) are calculated in accordance with generally accepted pricing models based on discounted cash flow analysis as determined by the financial institution.

The fair value of derivative instruments are calculated using quoted prices as determined by the financial institutions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

5. 金融工具(續)

5a. 財務風險管理目標及政策(續)

(b) 信貸風險

倘對手方於二零零七年八月三十一日未能履行其有關各類已確認金融資產之義務，則本集團及本公司要承受之最大信貸風險為綜合及本公司之資產負債表所列出之該等資產之賬面值及於附註35所披露之或然負債金額。為儘量減低於營業及其他應收款項之信貸風險，管理層已設立專門小組負責信貸額度之釐定、信貸批准及其他監控程序，以確保採取跟進措施收回逾期之款項。此外，本集團之管理層會檢討每項營業應收款項之可收回數額或於各結算日確保就無法收回之數額作出足夠之減值損失。有鑑於此，董事認為本集團之信貸風險已顯著地減低。

銀行存款及結存之信貸風險有限，因為對手方均為有良好信譽之銀行。

由於分散於眾多交易對手方及客戶，故本集團並無在營業及其他應收賬款上面對重大集中之信貸風險。

5b. 公平價值

金融資產及金融負債(衍生工具除外)之公平價值乃根據公認之定價模式，並按財務機構釐定之貼現現金流量之分析基準而計算。

衍生工具之公平價值乃以財務機構釐定之市場價格而計算。

董事認為在綜合財務報表內以攤銷成本記賬之金融資產及金融負債之賬面值與其公平價值相若。

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6. Segment Information

Revenue represents the amounts received and receivable for goods sold and services rendered by the Group, net of returns, to outside customers during the year.

The Group's primary format for reporting segment information is geographical segments (based on location of customers).

2007

		Hong Kong	The PRC	Taiwan	Korea	Rest of Asia	America	Europe	Eliminations	Consolidated
		香港	中國	台灣	韓國	其他 亞洲地區	美洲	歐洲	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	營業額									
External sales	對外銷售	2,608,021	306,333	752,572	751,948	1,842,052	728,405	33,660	—	7,022,991
Inter-segment sales (note)	分類間銷售 (附註)	5,864,277	3,833,465	—	—	235,145	45,053	—	(9,977,940)	—
Total revenue	營業額總值	<u>8,472,298</u>	<u>4,139,798</u>	<u>752,572</u>	<u>751,948</u>	<u>2,077,197</u>	<u>773,458</u>	<u>33,660</u>	<u>(9,977,940)</u>	<u>7,022,991</u>
RESULTS	業績									
Segment results	分類業績	<u>339,214</u>	<u>38,778</u>	<u>96,058</u>	<u>93,522</u>	<u>298,417</u>	<u>74,122</u>	<u>4,179</u>		944,290
Interest income	利息收入									23,611
Unallocated income	不可分拆之收入									20,445
Unallocated expenses	不可分拆之支出									(662,306)
Finance costs	融資成本									(98,030)
Reversal of impairment loss recognised in respect of amounts due from jointly controlled entities	就共同控制機構所欠款項而確認之減值損失撥回									540
Profit before taxation	除稅前盈利									228,550
Income tax charge	所得稅支出									(16,240)
Profit for the year	是年度盈利									<u>212,310</u>

6. 分類資料

營業額乃指本集團於是年度內向外間銷售貨品及提供服務，經扣除退貨後，所取得之已收及應收金額。

本集團呈報分類資料之主要格式為地域分類 (按客戶所在地區為基準)。

二零零七年

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6. Segment Information (Continued)

2006

		Hong Kong	The PRC	Taiwan	Korea	Rest of Asia 其他	America 美洲	Europe 歐洲	Eliminations 對銷	Consolidated 綜合
		香港	中國	台灣	韓國	亞洲地區	美洲	歐洲	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	營業額									
External sales	對外銷售	2,739,748	194,980	770,663	859,608	1,660,066	810,494	99,229	—	7,134,788
Inter-segment sales (note)	分類間銷售(附註)	6,702,508	4,162,470	—	—	194,148	50,860	—	(11,109,986)	—
Total revenue	營業額總值	<u>9,442,256</u>	<u>4,357,450</u>	<u>770,663</u>	<u>859,608</u>	<u>1,854,214</u>	<u>861,354</u>	<u>99,229</u>	<u>(11,109,986)</u>	<u>7,134,788</u>
RESULTS	業績									
Segment results	分類業績	<u>363,208</u>	<u>26,475</u>	<u>101,553</u>	<u>109,719</u>	<u>259,573</u>	<u>99,797</u>	<u>12,925</u>		<u>973,250</u>
Interest income	利息收入									13,393
Gain on disposal of property interests	出售物業權益之盈利									144,028
Unallocated income	不可分拆之收入									5,972
Unallocated expenses	不可分拆之支出									(645,952)
Finance costs	融資成本									(103,498)
Reversal of impairment loss recognised in respect of amounts due from jointly controlled entities	就共同控制機構所欠款項而確認之減值損失撥回									1,040
Profit before taxation	除稅前盈利									<u>388,233</u>
Income tax charge	所得稅支出									<u>(41,145)</u>
Profit for the year	是年度盈利									<u>347,088</u>

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

An analysis of the Group's segment assets and liabilities attributable to geographical markets by location of customer for both years is not presented as it is impracticable to allocate the amounts of the respective assets and liabilities to geographical markets.

6. 分類資料(續)

二零零六年

附註：分類間銷售之價格乃參照銷售時之市場價格而釐定。

由於將各自分類資產及負債之金額按地域市場分配是不適宜的，故本集團在這兩個年度並沒有將分類資產及負債以客戶所在地區按地域市場作出分析。

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6. Segment Information (Continued)

The following is an analysis of the carrying amount of segment assets and expenditure on property, plant and equipment, analysed by the geographical area in which the assets are located:

6. 分類資料(續)

將分類資產之賬面值與物業、機器及設備之開支按資產所在地域分析如下：

		Carrying amount of segment assets 分類資產之賬面值		Expenditure on property, plant and equipment 物業、機器及 設備之開支	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
The PRC	中國	4,084,507	3,890,151	288,282	402,267
Hong Kong	香港	1,318,319	1,153,141	7,538	4,914
Taiwan	台灣	264,645	216,803	—	—
Korea	韓國	47,972	66,801	—	—
Rest of Asia	其他亞洲地區	744,491	605,402	54,440	50,033
America	美洲	129,708	78,994	84	98
Europe	歐洲	12,826	17,507	25	892
		<u>6,602,468</u>	<u>6,028,799</u>	<u>350,369</u>	<u>458,204</u>

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6. Segment Information (Continued)

The following table provides an analysis of the Group's revenue, carrying amount of segment assets, and expenditure on property, plant and equipment, analysed by the business operating divisions.

6. 分類資料(續)

將本集團的營業額、分類資產之賬面值以及物業、機器及設備之開支按業務營運部門分析如下：

		Revenue	Carrying amount of segment assets	Expenditure on property, plant and equipment
		營業額	分類資產之賬面值	物業、機器及設備之開支
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
2007	二零零七年			
Production and sales of dyed fabrics, sewing threads and yarns	製造及銷售色布、縫紉線及紗	6,271,544	5,990,177	323,930
Production and sales of garments	製造及銷售成衣	751,447	388,356	22,689
		<u>7,022,991</u>	<u>6,378,533</u>	<u>346,619</u>
2006	二零零六年			
Production and sales of dyed fabrics, sewing threads and yarns	製造及銷售色布、縫紉線及紗	6,639,230	5,644,165	433,942
Production and sales of garments	製造及銷售成衣	495,558	256,059	21,241
		<u>7,134,788</u>	<u>5,900,224</u>	<u>455,183</u>

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7. Gain on Disposal of Property Interests

During the year ended 31st August, 2006, the Group disposed of certain property interests with an aggregate carrying amount of approximately HK\$318,021,000 (investment properties of approximately HK\$90,792,000, property, plant and equipment of approximately HK\$137,028,000 and prepaid lease payments of approximately HK\$90,201,000) to independent third parties for a consideration of approximately HK\$462,049,000 (net of expenses and other related costs of approximately HK\$24,822,000 and HK\$15,000,000, respectively), resulting in a gain on disposal of approximately HK\$144,028,000 for that year.

8. Finance Costs

Finance costs on:

Bank borrowings wholly repayable within five years
Bank borrowings not wholly repayable within five years
Finance leases wholly repayable within five years

融資成本：

於五年內全部償還之銀行借貸
於五年內無需全部償還之銀行借貸
於五年內全部償還之財務租賃

Total finance costs

Less: amounts capitalised

融資成本總值

減：化作資產金額

7. 出售物業權益之盈利

於截至二零零六年八月三十一日止年度內，本集團以約462,049,000港元之款項(已分別扣除約24,822,000港元之費用及約15,000,000港元之其他有關成本)出售賬面總值約318,021,000港元(投資物業約90,792,000港元、物業、機器及設備約137,028,000港元和預付租賃款項約90,201,000港元)之若干物業權益予獨立第三者，因而在該年度產生約144,028,000港元之出售盈利。

8. 融資成本

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
於五年內全部償還之銀行借貸	102,615	77,352
於五年內無需全部償還之銀行借貸	—	29,730
於五年內全部償還之財務租賃	133	785
	<u>102,748</u>	<u>107,867</u>
減：化作資產金額	(4,718)	(4,369)
	<u>98,030</u>	<u>103,498</u>

Finance costs capitalised during the year arose on the general borrowing pool and has been calculated by applying a capitalisation rate of 4.87% (2006: 4.72%) per annum to expenditure on qualifying assets.

本年度化作資產之融資成本乃由一般借貸項目產生，並經以年息率4.87%(二零零六年度：4.72%)計算，轉至合資格資產內。

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9. Income Tax Charge

Current tax:	是年度稅項：
Hong Kong	香港
Current year	是年度
Overprovision in prior years	過往年度撥備多計
Other jurisdictions	其他司法地區
Deferred tax:	遞延稅項：
Current year (note 28)	是年度 (附註28)
Taxation attributable to the Group	本集團應佔稅項

9. 所得稅支出

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
	1,166	59,387
	(735)	(48)
	431	59,339
	9,060	12,107
	9,491	71,446
	6,749	(30,301)
	16,240	41,145

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for both years.

Pursuant to the relevant laws and regulations in the PRC, certain of the Group's PRC subsidiaries are entitled to exemption from the PRC enterprise income tax for two years commencing from their first profit-making year of operation and thereafter, they are entitled to 50% relief from the PRC enterprise income tax for the following three years. The reduced tax rate for the relief period is 12%. In addition, certain of the Group's PRC subsidiaries are entitled to a 50% reduction in tax rate in the year as over 70% of their turnover are for export purposes. The reduced tax rate is 12%.

Pursuant to the PRC enterprise income tax law passed by the Tenth National People's Congress on 16th March, 2007, the new enterprise income tax rates for domestic and foreign enterprises are unified at 25% effective from 1st January, 2008. Foreign enterprises which are entitled to special incentives will be given concessions throughout a 5-year transition period, if applicable. Management has assessed the impact of this change in tax law on the Group's results of operations and financial position.

兩個年度之香港盈利稅是以估計應評估盈利之17.5%計算。

根據中國有關之法律及法規，本集團若干中國附屬公司可於首個獲利年度起，獲豁免中國企業所得稅兩年，及於其後三年可獲中國企業所得稅稅項減免50%。於稅務優惠期間之減免稅率為12%。此外，本集團若干中國附屬公司因外銷營業額超逾其營業總額70%時，該年度可獲50%稅率寬減，減免稅率為12%。

根據二零零七年三月十六日第十屆全國人民代表大會通過之中國企業所得稅法，本土及外資企業之新企業所得稅率統一為25%，並自二零零八年一月一日起生效。享有特別優惠之外資企業將可獲有五年過渡期之優惠，如適用。管理層已評估此項稅法之變動對本集團營運業績及財務狀況之影響。

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9. Income Tax Charge (Continued)

Pursuant to the relevant laws and regulations in Sri Lanka, the profit generated from a subsidiary of the Group is entitled to exemption from the Sri Lanka income tax for certain years. Accordingly, no provision for the income tax was made during the current year.

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

Details of the deferred tax are set out in note 28.

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

9. 所得稅支出(續)

根據斯里蘭卡有關之法律及法規，由本集團一間附屬公司所產生之盈利可獲豁免若干年期之斯里蘭卡所得稅。據此，本年度並沒有就所得稅作出撥備。

其他司法地區之稅項是以有關各自司法地區當時之稅率計算。

遞延稅項之詳情載列於附註28內。

是年度之稅項支出與除稅前盈利之對賬如下：

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Profit before taxation	除稅前盈利	228,550	388,233
Tax at weighted average applicable rate of 6.4% (2006: 13.3%)	按加權平均適用稅率6.4% (二零零六年度：13.3%)		
	計算之稅項	14,673	51,596
Tax effect of expenses not deductible for tax purpose	費用不獲扣稅的 稅務影響	12,662	2,369
Tax effect of income not taxable for tax purpose	收入毋須課稅的稅務影響	(8,602)	(13,814)
Overprovision in prior years	過往年度撥備多計	(735)	(48)
Tax effect of tax losses not recognised	稅項虧損未被確認之稅務影響	7,958	5,474
Tax effect of other deferred tax assets not recognised	其他遞延稅項資產未被確認 之稅務影響	(194)	604
Effect of tax exemptions granted to certain PRC subsidiaries	若干中國附屬公司獲得稅務 豁免之影響	—	(1,646)
Income tax on concessionary rate	按優惠稅率計算之所得稅	(8,328)	(708)
Utilisation of tax losses previously not recognised	運用過往未被確認之 稅項虧損	(1,784)	(1,266)
Charge (reversal) of deferred tax provided on withholding tax on overseas subsidiaries	海外附屬公司預扣稅之 遞延稅項扣除(撥回)	445	(1,500)
Others	其他	145	84
Tax charge for the year	是年度稅項支出	16,240	41,145

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9. Income Tax Charge (Continued)

The weighted average applicable tax rate for the year ended 31st August, 2007 represents the weighted average tax rate of the operations in different jurisdictions on the basis of the relative amounts of profit before taxation and the relevant statutory rates. The decrease is caused by a change in profitability of the Group's subsidiaries in the respective jurisdictions.

10. Profit for the Year

9. 所得稅支出(續)

截至二零零七年八月三十一日止年度之加權平均適用稅率乃在不同司法地區營運之相關除稅前盈利金額及其法定稅率之加權平均稅率。由於本集團在個別司法地區之附屬公司之盈利有所變動而引致此稅率下降。

10. 是年度盈利

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year has been arrived at after charging:	是年度盈利已扣減下列項目：		
Amortisation of prepaid lease payments included in administrative expenses	包括在行政費用內之預付租賃款項攤銷	1,769	2,466
Auditor's remuneration	核數師酬金	4,406	4,268
Depreciation of investment properties	投資物業之折舊	387	1,428
Depreciation of property, plant and equipment	物業、機器及設備之折舊	248,705	233,524
Loss on disposal of property, plant and equipment (other than property interests)	出售物業、機器及設備(物業權益除外)之虧損	2,753	3,741
Losses arising from changes in fair value of derivative financial instruments	衍生金融工具之公平價值變動所產生之虧損	—	45
Net exchange losses	匯兌虧損淨值	24,284	14,364
Employee benefits expense (including directors' emoluments set out in note 11)	僱員福利支出(包括載列於附註11內之董事酬金)	769,026	720,031
and after crediting:	及已計入：		
Gain arising from changes in fair value of derivative financial instruments	衍生金融工具之公平價值變動所產生之盈利	12,949	—
Net rental income from investment properties	投資物業之租金收入淨值	2,789	6,106
Interest income	利息收入	23,611	13,393

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11. Information Regarding Directors' and Employees' Emoluments

(a) Directors' emoluments

The emoluments paid or payable to each of the 10 (2006: 10) directors were as follows:

2007

		Ha	Lau	Ha		Wai	Ha	Fung	Ng	Wong	Chow	
		Chung	Hong	Kam On,	Yen	Yick	Hon	Yeh	Kwok	Kwong	Wing	Total
		Fong	Yon	Victor	Gordon	Man	Kuen	Yvette	Tung	Chi	Anthony	
		夏松芳	柳康遠	夏錦安	嚴震銘	衛億民	夏漢權	馮葉儀皓	伍國棟	王幹芝	周永健	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	—	—	—	—	—	150	150	250	200	200	950
Other emoluments	其他酬金											
Salaries and other benefits	薪金及其他福利	13,812	3,231	2,638	2,109	2,386	420	—	—	—	—	24,596
Retirement benefits scheme contributions	退休福利計劃供款	—	178	198	146	165	—	—	—	—	—	687
		<u>13,812</u>	<u>3,409</u>	<u>2,836</u>	<u>2,255</u>	<u>2,551</u>	<u>570</u>	<u>150</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>26,233</u>

2006

		Ha	Lau	Ha		Wai	Ha	Fung	Ng	Wong	Chow	
		Chung	Hong	Kam On,	Yen	Yick	Hon	Yeh	Kwok	Kwong	Wing	Total
		Fong	Yon	Victor	Gordon	Man	Kuen	Yvette	Tung	Chi	Anthony	
		夏松芳	柳康遠	夏錦安	嚴震銘	衛億民	夏漢權	馮葉儀皓	伍國棟	王幹芝	周永健	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	—	—	—	—	—	150	150	250	200	200	950
Other emoluments	其他酬金											
Salaries and other benefits	薪金及其他福利	13,728	2,587	2,620	2,096	983	406	—	—	—	—	22,420
Retirement benefits scheme contributions	退休福利計劃供款	—	176	197	145	82	—	—	—	—	—	600
		<u>13,728</u>	<u>2,763</u>	<u>2,817</u>	<u>2,241</u>	<u>1,065</u>	<u>556</u>	<u>150</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>23,970</u>

11. 董事及僱員酬金資料

(a) 董事酬金

已付及應付給十位(二零零六年度：十位)中每一位董事之酬金如下：

二零零七年

		Ha	Lau	Ha		Wai	Ha	Fung	Ng	Wong	Chow	
		Chung	Hong	Kam On,	Yen	Yick	Hon	Yeh	Kwok	Kwong	Wing	Total
		Fong	Yon	Victor	Gordon	Man	Kuen	Yvette	Tung	Chi	Anthony	
		夏松芳	柳康遠	夏錦安	嚴震銘	衛億民	夏漢權	馮葉儀皓	伍國棟	王幹芝	周永健	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	—	—	—	—	—	150	150	250	200	200	950
Other emoluments	其他酬金											
Salaries and other benefits	薪金及其他福利	13,812	3,231	2,638	2,109	2,386	420	—	—	—	—	24,596
Retirement benefits scheme contributions	退休福利計劃供款	—	178	198	146	165	—	—	—	—	—	687
		<u>13,812</u>	<u>3,409</u>	<u>2,836</u>	<u>2,255</u>	<u>2,551</u>	<u>570</u>	<u>150</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>26,233</u>

二零零六年

		Ha	Lau	Ha		Wai	Ha	Fung	Ng	Wong	Chow	
		Chung	Hong	Kam On,	Yen	Yick	Hon	Yeh	Kwok	Kwong	Wing	Total
		Fong	Yon	Victor	Gordon	Man	Kuen	Yvette	Tung	Chi	Anthony	
		夏松芳	柳康遠	夏錦安	嚴震銘	衛億民	夏漢權	馮葉儀皓	伍國棟	王幹芝	周永健	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	—	—	—	—	—	150	150	250	200	200	950
Other emoluments	其他酬金											
Salaries and other benefits	薪金及其他福利	13,728	2,587	2,620	2,096	983	406	—	—	—	—	22,420
Retirement benefits scheme contributions	退休福利計劃供款	—	176	197	145	82	—	—	—	—	—	600
		<u>13,728</u>	<u>2,763</u>	<u>2,817</u>	<u>2,241</u>	<u>1,065</u>	<u>556</u>	<u>150</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>23,970</u>

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11. Information Regarding Directors' and Employees' Emoluments (Continued)

(a) Directors' emoluments (Continued)

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

(b) Employees' emoluments

The five highest paid employees included four (2006: three) directors, details of whose emoluments are set out in note (a) above. Emoluments of the remaining one (2006: two) employee is as follows:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	2,387	4,745
Retirement benefits scheme contributions	退休福利計劃供款	165	328
		<u>2,552</u>	<u>5,073</u>

Emoluments of the (2006: two) highest paid employee was within the band of HK\$2,500,001 to HK\$3,000,000.

12. Dividends Paid

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Final, paid – HK6.5 cents for 2006 (2005: HK7.0 cents) per share	已付末期：二零零六年度 每股6.5港仙 (二零零五年度：7.0港仙)	51,611	55,581
Interim, paid – HK4.0 cents (2006: HK4.5 cents) per share	已付中期：每股4.0港仙 (二零零六年度：4.5港仙)	31,760	35,730
		<u>83,371</u>	<u>91,311</u>

A final dividend of HK4.0 cents (2006: HK6.5 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

11. 董事及僱員酬金資料(續)

(a) 董事酬金(續)

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

(b) 僱員酬金

最高酬金的五名僱員包括四位(二零零六年度：三位)董事，其酬金的詳情已於上述附註(a)列出。剩餘一位(二零零六年度：兩位)僱員之酬金如下：

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	2,387	4,745
Retirement benefits scheme contributions	退休福利計劃供款	165	328
		<u>2,552</u>	<u>5,073</u>

最高酬金的僱員(二零零六年度：兩位)的酬金在2,500,001港元至3,000,000港元範圍之內。

12. 已付股息

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Final, paid – HK6.5 cents for 2006 (2005: HK7.0 cents) per share	已付末期：二零零六年度 每股6.5港仙 (二零零五年度：7.0港仙)	51,611	55,581
Interim, paid – HK4.0 cents (2006: HK4.5 cents) per share	已付中期：每股4.0港仙 (二零零六年度：4.5港仙)	31,760	35,730
		<u>83,371</u>	<u>91,311</u>

董事已建議派發末期股息每股4.0港仙(二零零六年度：6.5港仙)，惟須待股東於即將舉行之股東週年大會上批准。

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13. Basic Earnings Per Share

The calculation of the basic earnings per share attributable to the shareholders of the Company is based on the profit for the year attributable to shareholders of the Company of approximately HK\$167,481,000 (2006: HK\$306,772,000) and on 794,010,960 (2006: 794,010,960) ordinary shares in issue during the year.

Diluted earnings per share is not presented as there were no potential ordinary shares in respect of share options in existence for both years.

14. Investment Properties

13. 每股基本盈利

本公司股東應佔每股基本盈利乃根據本公司股東應佔是年度盈利約167,481,000港元(二零零六年度：306,772,000港元)及按是年度內已發行之普通股份794,010,960股(二零零六年度：794,010,960股)計算。

由於兩個年度均沒有因認股權而產生潛在之普通股份，因此並沒有就每股攤薄盈利作出呈列。

14. 投資物業

THE GROUP
本集團
HK\$'000
千港元

COST	成本	
At 1st September, 2005	於二零零五年九月一日	92,060
Reclassification from buildings	由樓宇調入	18,183
Disposals	出售	(99,784)
		<hr/>
At 31st August, 2006	於二零零六年八月三十一日	10,459
Reclassification from buildings	由樓宇調入	1,791
		<hr/>
At 31st August, 2007	於二零零七年八月三十一日	12,250
		<hr/>
DEPRECIATION AND IMPAIRMENT	折舊及減值	
At 1st September, 2005	於二零零五年九月一日	7,793
Provided for the year	是年度撥備	1,428
Eliminated on disposals	出售時撇銷	(8,992)
		<hr/>
At 31st August, 2006	於二零零六年八月三十一日	229
Provided for the year	是年度撥備	387
		<hr/>
At 31st August, 2007	於二零零七年八月三十一日	616
		<hr/>
CARRYING VALUES	賬面值	
At 31st August, 2007	於二零零七年八月三十一日	11,634
		<hr/>
At 31st August, 2006	於二零零六年八月三十一日	10,230
		<hr/>

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截至二零零七年八月三十一日止年度

14. Investment Properties (Continued)

The fair value of the Group's investment properties at 31st August, 2007 was HK\$23,178,000 (31st August, 2006: HK\$17,402,000). The fair value has been arrived at based on a valuation carried out by Centaline Surveyors Limited, a firm of independent property valuers. The valuation, which conforms to the International Valuation Standards, was determined by reference to recent market prices for similar properties.

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

All of the investment properties of the Group are situated in Hong Kong and are held under medium-term leases.

14. 投資物業(續)

本集團投資物業於二零零七年八月三十一日之公平價值為23,178,000港元(二零零六年八月三十一日: 17,402,000港元)。此公平價值乃按一獨立之物業測量行中原測量師行有限公司按估值基準進行估值而達致, 此項估值乃符合國際估值準則及參考同類物業之近期市場價格而釐定。

上述投資物業以直線法按租賃年期或50年(較短者)折舊。

本集團之所有投資物業乃位於香港並按中期租賃持有。

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For the year ended 31st August, 2007

截至二零零七年八月三十一日止年度

15. Property, Plant and Equipment

THE GROUP

15. 物業、機器及設備

本集團

		Freehold land 永久持有 之土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
COST	成本							
At 1st September, 2005	於二零零五年 九月一日	590	872,731	561,346	2,291,770	31,721	202,734	3,960,892
Currency realignment	外幣換算差額	(13)	(614)	(145)	(2,030)	10	(48)	(2,840)
Additions	增加	1,418	3,761	33,514	217,525	2,652	194,965	453,835
Interest capitalised	利息化作資產	—	—	—	—	—	4,369	4,369
Reclassifications:	調撥：							
– to investment properties	– 至投資物業	—	(24,847)	—	—	—	—	(24,847)
– others	– 其他	—	59,906	56,267	132,541	—	(248,714)	—
Disposals	出售	—	(192,562)	(34,863)	(22,102)	(426)	—	(249,953)
At 31st August, 2006	於二零零六年 八月三十一日	1,995	718,375	616,119	2,617,704	33,957	153,306	4,141,456
Currency realignment	外幣換算差額	(195)	(3,905)	(1,734)	(10,974)	(327)	(3,162)	(20,297)
Additions	增加	166	2,320	27,232	159,873	8,207	147,853	345,651
Interest capitalised	利息化作資產	—	—	—	—	—	4,718	4,718
Addition arise from acquisition of a subsidiary	收購一間附屬公司 而產生之增加	—	174	1,196	5,192	299	655	7,516
Reclassifications:	調撥：							
– to investment properties	– 至投資物業	—	(3,411)	—	—	—	—	(3,411)
– others	– 其他	—	84,251	39,064	62,044	297	(185,656)	—
Disposals	出售	—	(535)	(724)	(85,691)	(2,019)	—	(88,969)
At 31st August, 2007	於二零零七年 八月三十一日	1,966	797,269	681,153	2,748,148	40,414	117,714	4,386,664

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For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

15. Property, Plant and Equipment (Continued)

15. 物業、機器及設備(續)

		Freehold land 永久持有 之土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1st September, 2005	於二零零五年 九月一日	—	254,506	276,146	1,306,535	21,284	—	1,858,471
Currency realignment	外幣換算差額	—	(74)	(157)	(1,128)	(20)	—	(1,379)
Provided for the year	是年度撥備	—	31,755	62,604	135,772	3,393	—	233,524
Elimination on reclassification to investment properties	調撥至投資 物業內之撇銷	—	(6,664)	—	—	—	—	(6,664)
Eliminated on disposals	出售時撇銷	—	(55,863)	(34,087)	(17,451)	(422)	—	(107,823)
At 31st August, 2006	於二零零六年 八月三十一日	—	223,660	304,506	1,423,728	24,235	—	1,976,129
Currency realignment	外幣換算差額	—	(443)	(1,404)	(6,443)	(158)	—	(8,448)
Provided for the year	是年度撥備	—	29,862	67,884	146,674	4,285	—	248,705
Elimination on reclassification to investment properties	調撥至投資 物業內之撇銷	—	(1,620)	—	—	—	—	(1,620)
Eliminated on disposals	出售時撇銷	—	(150)	(689)	(72,938)	(1,631)	—	(75,408)
At 31st August, 2007	於二零零七年 八月三十一日	—	251,309	370,297	1,491,021	26,731	—	2,139,358
CARRYING VALUES	賬面值							
At 31st August, 2007	於二零零七年 八月三十一日	1,966	545,960	310,856	1,257,127	13,683	117,714	2,247,306
At 31st August, 2006	於二零零六年 八月三十一日	1,995	494,715	311,613	1,193,976	9,722	153,306	2,165,327

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截至二零零七年八月三十一日止年度

15. Property, Plant and Equipment (Continued)

THE COMPANY

15. 物業、機器及設備(續)

本公司

		Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總值 HK\$'000 千港元
COST	成本			
At 1st September, 2005	於二零零五年九月一日	33,967	2,835	36,802
Additions	增加	2,389	319	2,708
Disposals	出售	(2,458)	—	(2,458)
		<hr/>	<hr/>	<hr/>
At 31st August, 2006	於二零零六年八月三十一日	33,898	3,154	37,052
Additions	增加	3,180	—	3,180
Disposals	出售	(96)	(872)	(968)
		<hr/>	<hr/>	<hr/>
At 31st August, 2007	於二零零七年八月三十一日	36,982	2,282	39,264
DEPRECIATION	折舊			
At 1st September, 2005	於二零零五年九月一日	28,642	2,231	30,873
Provided for the year	是年度撥備	1,965	210	2,175
Eliminated on disposals	出售時撇銷	(2,457)	—	(2,457)
		<hr/>	<hr/>	<hr/>
At 31st August, 2006	於二零零六年八月三十一日	28,150	2,441	30,591
Provided for the year	是年度撥備	2,147	263	2,410
Eliminated on disposals	出售時撇銷	(96)	(872)	(968)
		<hr/>	<hr/>	<hr/>
At 31st August, 2007	於二零零七年八月三十一日	30,201	1,832	32,033
CARRYING VALUES	賬面值			
At 31st August, 2007	於二零零七年八月三十一日	6,781	450	7,231
		<hr/>	<hr/>	<hr/>
At 31st August, 2006	於二零零六年八月三十一日	5,748	713	6,461
		<hr/>	<hr/>	<hr/>

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截至二零零七年八月三十一日止年度

15. Property, Plant and Equipment (Continued)

The above items of property, plant and equipment are depreciated on a straight line basis at the following rates per annum:

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

The carrying value of properties shown above comprises:

		Freehold land and buildings 永久持有之土地及樓宇		Construction in progress 在建工程	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Properties situated in Hong Kong under medium-term leases	位於香港以中期租賃持有之物業	24,970	27,617	—	—
Properties situated outside Hong Kong:	位於香港以外之物業：				
Freehold	永久持有	1,966	1,995	—	—
Medium-term leases	中期租賃	520,990	467,098	117,714	153,306
		<u>547,926</u>	<u>496,710</u>	<u>117,714</u>	<u>153,306</u>

The carrying value of property, plant and equipment of the Group includes an amount of approximately HK\$30,526,000 (2006: HK\$63,207,000) in respect of plant and machinery held under finance leases.

15. 物業、機器及設備(續)

上述物業、機器及設備以直線法按下列年率折舊：

永久持有之土地	無
樓宇	2% - 4.5%
傢俬、裝置及設備	10% - 33%
廠房機器	10% - 20%
車輛	20% - 30%

以上物業賬面值包括：

		Freehold land and buildings 永久持有之土地及樓宇		Construction in progress 在建工程	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Properties situated in Hong Kong under medium-term leases	位於香港以中期租賃持有之物業	24,970	27,617	—	—
Properties situated outside Hong Kong:	位於香港以外之物業：				
Freehold	永久持有	1,966	1,995	—	—
Medium-term leases	中期租賃	520,990	467,098	117,714	153,306
		<u>547,926</u>	<u>496,710</u>	<u>117,714</u>	<u>153,306</u>

本集團之物業、機器及設備賬面值中以財務租賃而持有的廠房機器約為30,526,000港元(二零零六年度：63,207,000港元)。

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16. Prepaid Lease Payments

16. 預付租賃款項

		THE GROUP 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團之預付租賃款項包括：		
Leasehold land situated in Hong Kong under medium-term leases	位於香港以中期租賃持有之土地	19,665	20,159
Leasehold land situated outside Hong Kong under medium-term leases and medium-term land use rights	位於香港以外以中期租賃持有之土地及中期土地使用權	54,846	47,273
		<u>74,511</u>	<u>67,432</u>
Analysed for reporting purposes as:	就呈報而言之分析：		
Current assets	流動資產	1,905	1,567
Non-current assets	非流動資產	72,606	65,865
		<u>74,511</u>	<u>67,432</u>

17. Goodwill

17. 商譽

		THE GROUP 本集團 HK\$'000 千港元
COST	成本	
At 1st September, 2005, 31st August, 2006 and 31st August, 2007	於二零零五年九月一日、二零零六年八月三十一日及二零零七年八月三十一日	<u>2,503</u>
IMPAIRMENT	減值	
At 1st September, 2005, 31st August, 2006 and 31st August, 2007	於二零零五年九月一日、二零零六年八月三十一日及二零零七年八月三十一日	<u>2,503</u>
CARRYING AMOUNT	賬面值	
At 1st September, 2005, 31st August, 2006 and 31st August, 2007	於二零零五年九月一日、二零零六年八月三十一日及二零零七年八月三十一日	<u>—</u>

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18. Interests in Subsidiaries

Unlisted shares, at cost	非上市股份，以成本列出
Amounts due from subsidiaries	附屬公司所欠款項
Less: Impairment loss recognised	減：減值損失確認
Amounts due to subsidiaries	欠附屬公司款項

18. 應佔附屬公司權益

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
	33,856	33,856
	3,249,651	3,866,259
	(647,447)	(570,293)
	<u>2,602,204</u>	<u>3,295,966</u>
	<u>74,930</u>	<u>695,956</u>

During the year, the Group reviewed the carrying amounts of amounts due from subsidiaries and identified that the recoverable amounts due from certain subsidiaries are less than the carrying amounts. Accordingly, the carrying amounts of these balances are reduced to their respective recoverable amounts.

The amounts due from subsidiaries are repayable on demand and in the opinion of the directors, the amounts are expected to be realised within one year from the balance sheet date and accordingly, such amounts have been classified as current assets.

The amounts due to subsidiaries are repayable on demand and in the opinion of the directors, such amounts have been classified as current liabilities.

本年度本集團檢討附屬公司所欠款項之賬面值，並確定部份附屬公司之可收回金額低於賬面值。據此，該等結餘之賬面值已被減至其各自可收回金額。

附屬公司所欠款項是應要求償還，及根據董事之意見，該等款項預期於結算日後之一年內可變現，據此，該等款項被列為流動資產。

欠附屬公司款項是應要求償還，及根據董事之意見，該等款項被列為流動負債。

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18. Interests in Subsidiaries (Continued)

Particulars of the principal subsidiaries of the Company at 31st August, 2007 are as follows:

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration and operation 註冊成立 /登記及 營業所在地 /國家	Issued and fully paid share capital/ registered capital 已發行及 繳足之股本 /登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本 /登記股本 面值之比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Dongguan Fuan Textiles Limited ("Dongguan Fuan") (note 1) 東莞福安紡織印染有限公司 (「福安」) (附註1)	The PRC 中國	HK\$586,980,000 (note 3) 586,980,000港元 (附註3)	—	51	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售 色布及色紗
Dongguan Fuquan Garment Co., Ltd. (note 2) 東莞福泉製衣有限公司 (附註2)	The PRC 中國	US\$1,478,900 1,478,900美元	—	55.5	Production and sales of garments 製造及銷售成衣
Dongguan Fuyuen Garment Limited (note 1) 東莞福源製衣有限公司 (附註1)	The PRC 中國	HK\$7,500,000 7,500,000港元	—	95	Production and sales of garments 製造及銷售成衣
東莞海星服裝有限公司 (note 2) (附註2)	The PRC 中國	HK\$15,000,000 15,000,000港元	—	100	Production and sales of garments 製造及銷售成衣
Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. ("Dongguan Shatin Lake Side") (note 1) 東莞沙田麗海紡織印染有限公司 (「沙田麗海」) (附註1)	The PRC 中國	HK\$257,500,000 (note 3) 257,500,000港元 (附註3)	—	95	Dyeing, printing and sales of dyed fabrics 染色、印花和銷售色布
恩平匯華紡織有限公司 (note 2) (附註2)	The PRC 中國	US\$5,100,000 5,100,000美元	—	100	Production and sales of yarns 製造及銷售胚紗

18. 應佔附屬公司權益 (續)

於二零零七年八月三十一日本公司之主要附屬公司詳情如下：

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18. Interests in Subsidiaries (Continued)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration and operation 註冊成立 /登記及 營業所在地 /國家	Issued and fully paid share capital/ registered capital 已發行及 繳足之股本 /登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本 /登記股本 面值之比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Folktune Limited 福津有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Investment holding 投資控股
Fountain Set Limited 福田實業有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	100	—	Trading of dyed fabrics and yarns 色布及色紗貿易
Fountain Set Textiles (B.C.) Limited	Canada 加拿大	C\$500,000 (Common shares) 500,000加元 (普通股)	80	—	Trading of fabrics and garments 布及成衣貿易
Fountain Set Textiles (Ontario) Limited	Canada 加拿大	C\$300,100 (Common shares) 300,100加元 (普通股)	51	—	Trading of fabrics and garments 布及成衣貿易
Goldlink Thread Limited 金菱線廠有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	100	—	Trading of sewing threads 縫紉線貿易
Highscene Limited 漢盛有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	—	100	Trading of yarns 胚紗貿易
Hiway Textiles Limited 海匯紡織有限公司	Hong Kong 香港	HK\$2 2港元	—	100	Trading of garments 成衣貿易
Jiangyin Jintian Machinery Limited 江陰金田機械有限公司	The PRC 中國	US\$12,000,000 12,000,000美元	—	100	Manufacturing of machineries 製造機械

18. 應佔附屬公司權益(續)

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18. Interests in Subsidiaries (Continued)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration and operation 註冊成立 /登記及 營業所在地 /國家	Issued and fully paid share capital/ registered capital 已發行及 繳足之股本 /登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本 /登記股本 面值之比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Jiangyin Fuhui Textiles Limited (note 2) 江陰福匯紡織有限公司 (附註2)	The PRC 中國	US\$67,000,000 67,000,000美元	—	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售 色布及色紗
江門市新會匯聯紡織有限公司 (note 2) (附註2)	The PRC 中國	HK\$28,000,000 28,000,000港元	—	100	Production and sales of yarns 製造及銷售胚紗
Kaiping Hui Hua Textiles Limited (note 2) 開平匯華紡織有限公司 (附註2)	The PRC 中國	US\$615,414 615,414美元	—	100	Production and sales of yarns 製造及銷售胚紗
Lake Side Printing Factory Limited 麗海印花廠有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Trading of fabrics and investment holding 布疋貿易及投資控股
Ocean Lanka (Private) Limited	Democratic Socialist Republic of Sri Lanka 斯里蘭卡民主 社會主義共和國	RS985,000,000 985,000,000盧比	—	60	Knitting, dyeing and sales of dyed fabrics 針織、染色和銷售 色布
Ocean Yarn Dyeing Factory Limited 海洋染紗廠有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Investment holding 投資控股
Prosperlink (Macao Commercial Offshore) Limited 匯漢(澳門離岸商業服務)有限公司	Macao 澳門	MOP100,000 100,000葡幣	—	100	Trading of yarns, dyestuffs and chemicals 胚紗及顏料貿易

18. 應佔附屬公司權益(續)

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18. Interests in Subsidiaries (Continued)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration and operation 註冊成立 /登記及 營業所在地 /國家	Issued and fully paid share capital/ registered capital 已發行及 繳足之股本 /登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本 /登記股本 面值之比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
韶關市匯業紡織有限公司 (note 2) (附註 2)	The PRC 中國	HK\$1,000,000 1,000,000港元	—	100	Production and sales of yarns 製造及銷售胚紗
Triumph Luck Limited 凱福有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	55.5	Trading of garments 成衣貿易

Notes:

- Companies are established as cooperative joint ventures in the PRC.
- Companies are established as wholly foreign owned enterprises in the PRC.
- Dongguan Fuan and Dongguan Shatin Lake Side were established by the Group with certain independent third parties. Since the signing of various agreements in previous years, the Group has been entitled to all of the net profits arising from the operations of Dongguan Fuan and Dongguan Shatin Lake Side after the payment of certain fixed amounts to the above independent third parties each year for a term of 10 years up to 31st December, 2010 for Dongguan Fuan and for a term of 25 years up to 1st December, 2021 for Dongguan Shatin Lake Side, and the Group is also entitled to and responsible for all of the assets and liabilities of Dongguan Fuan and Dongguan Shatin Lake Side other than any amounts contributed by the above independent third parties.

18. 應佔附屬公司權益 (續)

附註：

- 於中國以合資經營之合作形式成立的公司。
- 於中國以外商獨資企業成立的公司。
- 福安及沙田麗海乃由本集團與多個獨立第三者成立。自若干合同於多年前簽署後，本集團可享有福安及沙田麗海扣除每年給予獨立第三者固定費用後之淨盈利，同時亦擁有其資產(非由上述獨立第三者所投資)及需要負擔有關之負債。福安之合同為期十年至二零一零年十二月三十一日止；而沙田麗海之合同為期二十五年至二零二一年十二月一日止。

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18. Interests in Subsidiaries (Continued)

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

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

19. Interests in Jointly Controlled Entities

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Share of net assets of jointly controlled entities	應佔共同控制機構之資產淨值	—	—
Amounts due from jointly controlled entities	共同控制機構所欠款項	34,336	35,616
Less: Impairment loss recognised	減：減值損失確認	(21,907)	(22,447)
		<u>12,429</u>	<u>13,169</u>

The amounts due from jointly controlled entities are repayable on demand and in the opinion of the directors, the amounts are expected to be realised within one year from the balance sheet date and accordingly, such amounts have been classified as current assets.

18. 應佔附屬公司權益(續)

以上本公司之附屬公司乃基於董事認為其對本年度業績及本集團於結算日之資產及負債有重要影響性而表列。董事認為併列其他附屬公司詳情會引致篇幅冗長。

於本年度終結時或在本年度任何時間，附屬公司並無任何債務證券結餘。

19. 應佔共同控制機構權益

		THE GROUP 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Share of net assets of jointly controlled entities	應佔共同控制機構之資產淨值	—	—
Amounts due from jointly controlled entities	共同控制機構所欠款項	34,336	35,616
Less: Impairment loss recognised	減：減值損失確認	(21,907)	(22,447)
		<u>12,429</u>	<u>13,169</u>

共同控制機構所欠款項是應要求償還，並根據董事之意見，該等款項預期於結算日後之一年內可變現，據此，該等款項被列為流動資產。

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19. Interests in Jointly Controlled Entities (Continued)

The summarised financial information in respect of the results, assets and liabilities of jointly controlled entities, extracted from the relevant unaudited financial information, which are accounted for using the equity method is set out below:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Non-current assets	非流動資產	21,921	22,382
Current assets	流動資產	1,498	1,882
Current liabilities	流動負債	(69,560)	(71,937)
Net current liabilities	流動負債淨值	(68,062)	(70,055)
Non-current liabilities	非流動負債	(1,045)	(1,084)
Net liabilities	負債淨值	(47,186)	(48,757)
Income	收入	3,369	2,936
Expenses	支出	1,404	9,712

The Group has discontinued recognition of its share of (gain) loss of its jointly controlled entities. The amounts of unrecognised share of those jointly controlled entities, extracted from the relevant unaudited financial information, both for the year and cumulatively, are as follows:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Unrecognised share of (gain) loss of jointly controlled entities for the year	是年度尚未確認應佔共同控制機構之(盈利)虧損	(785)	3,609
Accumulated unrecognised share of losses of jointly controlled entities	累計尚未確認應佔共同控制機構之虧損	23,593	24,378

19. 應佔共同控制機構權益(續)

本集團以權益法入賬之共同控制機構之業績、資產及負債，摘錄自相關未經審核之財務資料，其財務資料概要如下：

本集團已終止確認其應佔共同控制機構之(盈利)虧損。摘錄自相關未經審核之財務資料，是年度及累計之尚未確認應佔共同控制機構之金額如下：

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19. Interests in Jointly Controlled Entities (Continued)

Particulars of the jointly controlled entities of the Group at 31st August, 2007 are as follows:

Name of entity	Form of business structure	Place of incorporation and operation	Proportion of nominal value of issued ordinary share capital indirectly held by the Company 本公司間接所持 已發行股本面值之比率 %	Principal activity
機構名稱	企業結構形式	註冊成立及營業所在地		主要業務
Hoopeston Limited	Incorporated 公司組織	Hong Kong 香港	50	Property holding 持有物業
Simking Development Limited 盛境發展有限公司	Incorporated 公司組織	Hong Kong 香港	50	Property holding 持有物業

19. 應佔共同控制機構權益 (續)

於二零零七年八月三十一日，本集團之共同控制機構詳情如下：

20. Inventories

20. 存貨

		THE GROUP 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Spare parts	備件	194,515	176,503
Raw materials	原料	981,959	795,468
Work in progress	半製品	334,467	294,031
Finished goods	製成品	311,692	297,174
		<u>1,822,633</u>	<u>1,563,176</u>

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21. Trade and Other Receivables

		THE GROUP 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Trade receivables	營業應收款項		
Not yet due	未到期	799,187	701,580
Overdue 1 - 30 days	過期1 - 30天	312,492	273,143
Overdue 31 - 60 days	過期31 - 60天	205,387	141,380
Overdue > 60 days	過期超過60天	128,380	114,118
		<u>1,445,446</u>	<u>1,230,221</u>
Value-added-tax recoverable	可收回增值稅	77,020	206,043
Other receivables, deposits and prepayments	其他應收款項、存出按金及預付款項	<u>131,995</u>	<u>132,417</u>
		<u>1,654,461</u>	<u>1,568,681</u>

The Group allows an average credit period of 45 days to its trade customers.

本集團提供平均45天數期予其營業客戶。

22. Bank Deposits with Restricted Use/Short-Term Bank Deposits/Bank Balances and Cash

The bank deposits with restricted use represent deposits placed by the Group that are with restricted use for tax and custom duties to be incurred by the Group. The bank deposits with restricted use, bank balances and short-term bank deposits carry interest at variable rates.

22. 有限制用途之銀行存款/短期銀行存款/銀行結存及現金

有限制用途之銀行存款乃指本集團之銀行存款為有限制用途的，用於本集團在稅項及關稅上之承擔。該等有限制用途之銀行存款、銀行結餘及短期銀行存款之利息乃按浮動利率計算。

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23. Trade and Other Payables and Bills Payable

The following is an aged analysis of trade payables at the balance sheet date:

		THE GROUP 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Not yet due	未到期	415,778	297,085
Overdue 1 - 30 days	過期1 - 30天	39,463	27,065
Overdue 31 - 60 days	過期31 - 60天	17,609	12,368
Overdue > 60 days	過期超過60天	11,060	8,985
		<u>483,910</u>	<u>345,503</u>

All bills payable of the Group are not yet due at the balance sheet dates.

24. Amounts Due to Minority Shareholders

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

23. 營業及其他應付款項及應付票據

於結算日，營業應付款項之賬齡分析如下：

		THE GROUP 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Not yet due	未到期	415,778	297,085
Overdue 1 - 30 days	過期1 - 30天	39,463	27,065
Overdue 31 - 60 days	過期31 - 60天	17,609	12,368
Overdue > 60 days	過期超過60天	11,060	8,985
		<u>483,910</u>	<u>345,503</u>

於結算日，所有本集團之應付票據乃未到期。

24. 欠少數股東款項

該等款項並無抵押，無需支付利息及應要求償還。

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25. Bank Borrowings and Bank Overdrafts

25. 銀行借貸及銀行透支

		THE GROUP 本集團		THE COMPANY 本公司	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank loans	銀行借款	2,091,050	2,078,120	1,758,930	1,849,620
Import bills loans	進口借款	92,091	94,283	—	—
Bank overdrafts	銀行透支	2,561	3,415	—	—
		<u>2,185,702</u>	<u>2,175,818</u>	<u>1,758,930</u>	<u>1,849,620</u>
Repayable as follows:	須於下列期間償還：				
On demand or within one year	應要求償還或一年內	408,879	347,828	132,107	37,830
More than one year, but not exceeding two years	一年以上但不超過兩年	462,830	252,267	462,830	239,967
More than two years, but not exceeding three years	兩年以上但不超過三年	604,163	466,730	454,163	462,830
More than three years, but not exceeding four years	三年以上但不超過四年	429,865	437,663	429,865	437,663
More than four years, but not exceeding five years	四年以上但不超過五年	279,965	413,365	279,965	413,365
More than five years	五年以上	—	257,965	—	257,965
		<u>2,185,702</u>	<u>2,175,818</u>	<u>1,758,930</u>	<u>1,849,620</u>
Less: Amount due on demand or within one year shown under current liabilities	減：應要求償還或一年內到期金額轉入流動負債項目				
– bank borrowings – due within one year	– 銀行借貸 – 一年內到期	(406,318)	(344,413)	(132,107)	(37,830)
– bank overdrafts	– 銀行透支	(2,561)	(3,415)	—	—
Amount due after one year	一年後到期金額	<u>1,776,823</u>	<u>1,827,990</u>	<u>1,626,823</u>	<u>1,811,790</u>

The above bank borrowings are unsecured at the balance sheet dates.

於結算日，上述之銀行借貸並無抵押。

The average effective interest rate (which is also equal to contracted variable interest rate) on the Group's borrowings is 4.92% (2006: 4.72%) per annum.

本集團銀行借貸之平均有效年利率(此亦等同已訂立之浮動利率)為4.92%(二零零六年度：4.72%)。

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26. Obligations under Finance Leases

26. 財務租賃應付賬款

		THE GROUP 本集團			
		Minimum lease payments		Present value of minimum lease payments	
		最低租賃支出		最低租賃支出 之現有價值	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Repayable as follows:	須於下列期間償還：				
Within one year	一年內	444	5,207	439	5,049
More than one year, but not exceeding two years	一年以上但 不超過兩年	—	446	—	440
		<u>444</u>	<u>5,653</u>		
Less: Future finance charges	減：未來之財務費用	(5)	(164)		
Present value of lease obligations	租賃應付賬款之現值	<u>439</u>	<u>5,489</u>	439	5,489
Less: Amount due within one year shown under current liabilities	減：一年內到期金額 轉入流動負債 項目			439	(5,049)
Amount due after one year	一年後到期金額			<u>—</u>	<u>440</u>

The Group's obligations under finance leases are secured by the lessors' charge over the leased assets.

本集團之財務租賃應付賬款乃以出租人之租賃資產作抵押。

It is the Group's policy to lease certain of its plant and machinery under finance leases. The lease term is 5 years. The average effective interest rate (which is also equal to contracted variable interest rate) of the Group's obligations under finance leases is 7.80% (2006: 6.46%) per annum. No arrangements have been entered into for contingent rental payments.

本集團之政策乃以財務租賃方式租賃其若干廠房機器。租賃年期為五年，本集團財務租賃應付賬款之平均有效年利率(此亦等同已訂立之浮動利率)為7.80%(二零零六年度：6.46%)。並無或然租金付還之安排。

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27. Derivative Financial Instruments

Derivatives not under hedge accounting:

27. 衍生金融工具

不列為對沖入賬之衍生工具：

		THE GROUP 本集團			
		2007		2006	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Fair value of:	公平價值：				
Interest rate swap	利率掉期	—	496	—	1,666
Foreign currency forward contracts	遠期外匯合約	12,272	—	493	—
		<u>12,272</u>	<u>496</u>	<u>493</u>	<u>1,666</u>

The principal terms of the interest rate swap outstanding at 31st August, 2007 are as follows:

於二零零七年八月三十一日，利率掉期結餘之主要條款如下：

Notional amount 面值金額	Maturity 到期日	Swaps 掉期
HK\$91,500,000 91,500,000港元	3rd March, 2008 二零零八年三月三日	From HIBOR to LIBOR 由香港銀行同業拆息轉至倫敦銀行同業拆息

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27. Derivative Financial Instruments (Continued)

The principal terms of the foreign currency forward contracts outstanding at 31st August, 2007 are as follows:

Notional amount 面值金額	Maturity 到期日	Exchange rates 匯率
5 contracts to buy in total of US\$6,000,000 五份買入合共6,000,000美元之合約	Ranging from 21st September, 2007 to 24th December, 2007 由二零零七年九月二十一日 至二零零七年十二月二十四日	HK\$/US\$ 港元兌美元
26 contracts to buy in total of RMB745,391,300 二十六份買入合共745,391,300人民幣 之合約	Ranging from 4th September, 2007 to 28th May, 2008 由二零零七年九月四日至 二零零八年五月二十八日	US\$/RMB 美元兌人民幣
26 contracts to sell in total of RMB732,682,530 二十六份賣出合共732,682,530人民幣 之合約	Ranging from 6th September, 2007 to 30th May, 2008 由二零零七年九月六日至 二零零八年五月三十日	RMB/US\$ 人民幣兌美元

27. 衍生金融工具 (續)

於二零零七年八月三十一日，遠期外匯合約結餘之主要條款如下：

Derivatives not under hedge accounting:

不列為對沖入賬之衍生工具：

		THE COMPANY 本公司			
		2007		2006	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fair value of:	公平價值：				
Interest rate swap	利率掉期	—	496	—	1,666
Foreign currency forward contracts	遠期外匯合約	3,145	—	493	—
		<u>3,145</u>	<u>496</u>	<u>493</u>	<u>1,666</u>

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27. Derivative Financial Instruments (Continued)

The principal terms of the interest rate swap outstanding at 31st August, 2007 are as follows:

Notional amount 面值金額	Maturity 到期日	Swaps 掉期
HK\$91,500,000 91,500,000港元	3rd March, 2008 二零零八年三月三日	From HIBOR to LIBOR 由香港銀行同業拆息轉至倫敦銀行同業拆息

The principal terms of the foreign currency forward contracts outstanding at 31st August, 2007 are as follows:

Notional amount 面值金額	Maturity 到期日	Exchange rates 匯率
5 contracts to buy in total of US\$6,000,000 五份買入合共6,000,000美元之合約	Ranging from 21st September, 2007 to 24th December, 2007 由二零零七年九月二十一日 至二零零七年十二月二十四日	HK\$/US\$ 港元兌美元
26 contracts to sell in total of RMB732,682,530 二十六份賣出合共732,682,530人民幣 之合約	Ranging from 6th September, 2007 to 30th May, 2008 由二零零七年九月六日至 二零零八年五月三十日	RMB/US\$ 人民幣兌美元

27. 衍生金融工具(續)

於二零零七年八月三十一日，利率掉期結餘之主要條款如下：

於二零零七年八月三十一日，遠期外匯合約結餘之主要條款如下：

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28. Deferred Tax

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

		THE GROUP 本集團			
		Accelerated tax depreciation 提前稅項折舊	Tax losses 稅項虧損	Others 其他	Total 總值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元
At 1st September, 2005	於二零零五年九月一日	24,681	(1,651)	(7,479)	15,551
Charge (credit) to the consolidated income statement	於綜合收益賬內 扣除(計入)	(22,383)	(8,507)	589	(30,301)
At 31st August, 2006	於二零零六年八月三十一日	2,298	(10,158)	(6,890)	(14,750)
Charge to the consolidated income statement	於綜合收益賬內 扣除	210	5,694	845	6,749
At 31st August, 2007	於二零零七年八月三十一日	2,508	(4,464)	(6,045)	(8,001)

Note:

These represent mainly deferred tax assets arising from unrealised profit on inventories, unrealised profit on transfer of plant and equipment between subsidiaries and deferred tax liabilities arising from withholding tax charged on certain overseas subsidiaries and interest capitalization at the amount of approximately HK\$2,400,000 (2006: HK\$2,142,000), HK\$1,833,000 (2006: HK\$4,090,000), HK\$3,538,000 (2006: HK\$3,093,000) and HK\$3,360,000 (2006: HK\$3,198,000), respectively.

28. 遞延稅項

本集團及本公司於本報告期間及過往報告期間確認之主要遞延稅項負債(資產)及其變動如下:

附註:

此乃主要為存貨之未變現利益和附屬公司之間機器及設備調撥之未變現利益所產生之遞延稅項資產，以及由若干海外附屬公司扣除之預扣稅及利息化作資產所產生之遞延稅項負債，分別約為2,400,000港元(二零零六年度: 2,142,000港元)、1,833,000港元(二零零六年度: 4,090,000港元)、3,538,000港元(二零零六年度: 3,093,000港元)及3,360,000港元(二零零六年度: 3,198,000港元)。

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28. Deferred Tax (Continued)

At 31st August, 2007, the Group had unused tax losses of approximately HK\$133,481,000 (2006: HK\$117,736,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$37,204,000 (2006: HK\$84,650,000) of such losses, which represent tax losses generated by certain PRC subsidiaries of the Group as it is expected that future taxable profits will be available against which the tax losses can be utilised after management had considered the future profitability of these subsidiaries. No deferred tax asset has been recognised in respect of the remaining HK\$96,277,000 (2006: HK\$33,086,000) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

In addition, at 31st August, 2007, the Group had other deductible temporary differences of approximately HK\$2,342,000 (2006: HK\$3,451,000) in respect of accelerated accounting depreciation. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not certain that taxable profits will be available against which the deductible temporary differences can be utilised.

For the purposes of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for reporting purposes:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	7,888	7,084
Deferred tax assets	遞延稅項資產	(15,889)	(21,834)
		<u>(8,001)</u>	<u>(14,750)</u>

28. 遞延稅項(續)

於二零零七年八月三十一日，本集團可用作抵銷未來盈利之未運用稅項虧損約為133,481,000港元(二零零六年度：117,736,000港元)。而此項虧損中約37,204,000港元(二零零六年度：84,650,000港元)已確認為一項遞延稅項資產，此乃本集團若干中國附屬公司所產生的稅項虧損，經由管理層考慮該等附屬公司之未來盈利能力後，預計未來之應課稅盈利將可抵銷此稅項虧損。餘下之稅項虧損為96,277,000港元(二零零六年度：33,086,000港元)因未能預測將來之盈利來源而未有確認為遞延稅項資產。尚未確認之稅項虧損可能無限期地轉存。

此外，於二零零七年八月三十一日，本集團於其他可扣減暫時性差異之提前會計折舊約為2,342,000港元(二零零六年度：3,451,000港元)。因未能確定應課稅盈利將可作抵銷此可扣減暫時性差異，故未有確認該可扣減暫時性差異為遞延資產。

就資產負債表之呈列而言，若干遞延稅項資產及負債已抵銷。以下是就呈報而言之遞延稅項結餘分析：

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28. Deferred Tax (Continued)

		THE COMPANY 本公司
		Accelerated tax depreciation 提前稅項折舊
		HK\$'000 千港元
At 1st September, 2005	於二零零五年九月一日	2
Charge to the income statement	於收益賬內扣除	134
At 31st August, 2006	於二零零六年八月三十一日	136
Charge to the income statement	於收益賬內扣除	160
At 31st August, 2007	於二零零七年八月三十一日	296

28. 遞延稅項 (續)

29. Share Capital

		Number of ordinary shares of HK\$0.20 each 每股面值0.20港元 之普通股份數目 2007 & 2006	Amount 金額 2007 & 2006 HK\$'000 千港元
Authorised:	法定股本：		
At beginning and end of the year	於是年度開始及終結時	1,400,000,000	280,000
Issued and fully paid:	已發行及繳足股本：		
At beginning and end of the year	於是年度開始及終結時	794,010,960	158,802

29. 股本

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30. Share Options

A share option scheme (the "Option Scheme"), which will expire on 24th January, 2012, was adopted by the Company at the Extraordinary General Meeting held on 25th January, 2002. The primary purpose of the Option Scheme is to provide the Company with a flexible mean of giving incentives to, rewarding, remunerating, compensating and/or providing benefits to the employees and for such other purposes as the board of directors of the Company may approve from time to time. Under the Option Scheme, the board of directors of the Company may offer to full time employees, including full time executive directors, of the Company and/or its subsidiaries who have completed the probation period options to subscribe for shares in the Company in accordance with the terms of the Option Scheme for the consideration of HK\$1 for each lot of share options granted. The total number of shares in respect of which options may be granted under the Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of approval of the Option Scheme. The Company may seek approval from shareholders of the Company in general meeting to refresh the 10% limit. In addition, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any employee in any 12-month period is not permitted to exceed 1% of the total number of shares of the Company in issue, subject to approval from shareholders of the Company. Options granted must be taken within 28 days of the date of grant or such longer or shorter period as the board of directors of the Company may think fit. The minimum period for which an option must be held before it can be exercised is one year or such other period as the board of directors of the Company may think fit commencing from the date of grant ("Hold-up period"). An option period, at the absolute discretion of the board of directors of the Company, shall commence on the expiry of the Hold-up period

30. 認股權

一項將於二零一二年一月二十四日到期的認股權計劃(「認股權計劃」)已於二零零二年一月二十五日舉行的特別股東大會上被採納。認股權計劃之主要目的為本公司可向僱員給予鼓勵、獎賞、報酬、補償及/或提供福利及就本公司董事會不時批准之其他目的而言提供一個靈活方式。根據認股權計劃，本公司董事會可按認股權計劃之條款授予本公司及/或其附屬公司已通過試用期的全職僱員(包括全職執行董事)認股權以認購本公司股份，每次接受認股權之代價為1港元。根據認股權計劃所授出之認股權而發行之股份總數，最多不得超過認股權計劃獲批准當日之已發行股份總數之10%。本公司可在股東大會上尋求股東批准，更新此10%之上限。惟根據認股權計劃及本公司任何其他認股權計劃已授出但尚未行使之認股權獲行使而發行之股份總數，最多不得超過本公司不時已發行股份總數之30%(或根據上市規則容許之較高上限)。除已獲股東批准外，任何一位僱員於任何十二個月期間內，其因行使將獲授認股權之股份總數，最多不得超過本公司已發行股份總數之1%。僱員必須在認股權授出日之28日或本公司董事會另訂的其他期間內接納所獲授予的認股權。僱員必須最少於授出日起計一年或本公司董事會另訂的其他期間(「持有期」)持有認股權後，才可作出認購。認購期由本公司董事會按絕對酌情釐定，將由持有期屆滿後開始計算及不遲於

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30. Share Options (Continued)

and expire no later than the 10th anniversary of the date of grant. The exercise price is determined by the board of directors of the Company and will be at least the highest of the followings:

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

No share options were granted or exercised during the year and no share options were outstanding during the year or at the balance sheet date.

31. Reserves

30. 認股權 (續)

授出日後十週年屆滿。認購價由本公司董事會議定，但必須為以下三者中最高價者：

- 股份於認股權授出日的收市價；
- 股份於認股權授出日之前五個營業日之平均收市價；及
- 股份之每股面值。

本年度內並無認股權被授出或行使及於本年內或結算日亦無認股權結餘。

31. 儲備

		THE COMPANY 本公司			
		Share premium 股份 溢價 HK\$'000 千港元	Capital redemption reserve 資本 贖回儲備 HK\$'000 千港元	Retained profits 滾存 盈利 HK\$'000 千港元	Total 總值 HK\$'000 千港元
At 1st September, 2005	於二零零五年九月一日	197,124	210	361,628	558,962
Profit for the year	是年度盈利	—	—	186,132	186,132
Dividends paid	已付股息	—	—	(91,311)	(91,311)
At 31st August, 2006	於二零零六年八月三十一日	197,124	210	456,449	653,783
Profit for the year	是年度盈利	—	—	171,037	171,037
Dividends paid	已付股息	—	—	(83,371)	(83,371)
At 31st August, 2007	於二零零七年八月三十一日	197,124	210	544,115	741,449

The Company's reserves available for distribution to shareholders as dividends at 31st August, 2007 represented the retained profits of approximately HK\$544,115,000 (2006: HK\$456,449,000).

於二零零七年八月三十一日，可分配為股東股息之本公司儲備（乃指滾存盈利）約為544,115,000港元（二零零六年度：456,449,000港元）。

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

For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

32. Capital Commitments

		THE GROUP 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the consolidated financial statements	就有關購買物業、機器及設備之已簽約但在綜合財務報表未有作出撥備之資本開支	83,501	143,109
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	就有關購買物業、機器及設備之已批准但未簽約之資本開支	45,617	48,576

The Company had no significant capital commitments at the balance sheet dates.

於結算日，本公司並無重大的資本承擔。

33. Operating Leases

The Group as lessee:

33. 營運租賃

本集團作為承租人：

		THE GROUP 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Minimum lease payments paid under operating leases during the year:	是年度就營運租賃而支付的最低租賃支出：		
Land and buildings	土地及樓宇	40,934	38,207
Plant and machinery	廠房機器	23,924	33,701
		64,858	71,908

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For the year ended 31st August, 2007

截至二零零七年八月三十一日止年度

33. Operating Leases (Continued)

At the balance sheet date, the Group had future minimum lease payments under non-cancellable operating leases which fall due as follows:

		THE GROUP 本集團			
		2007		2006	
		Land and buildings 土地及 樓宇 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元	Land and buildings 土地及 樓宇 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元
Within one year	一年內	52,730	23,145	50,443	23,075
In the second to fifth year inclusive	第二年至第五年內(首尾 兩年包括在內)	158,170	46,240	168,012	48,182
Over five years	五年以上	56,811	27,653	90,046	19,822
		<u>267,711</u>	<u>97,038</u>	<u>308,501</u>	<u>91,079</u>

Operating lease payments represent rentals payable by the Group for certain of its office premises and factories. Leases are negotiated for terms ranging from one to twenty five years for land and buildings and from two to ten years for plant and machinery. There is no contingent rental arrangement.

The Group as lessor:

Gross rental income earned from investment properties of the Group during the year was approximately HK\$3,346,000 (2006: HK\$6,923,000). The related outgoings amounted to approximately HK\$557,000 (2006: HK\$817,000).

33. 營運租賃(續)

於結算日，本集團就不可取消之營運租賃的未來最低租賃支出於下列到期日支付：

營運租賃支出乃本集團就其若干辦公室及工廠之應付租金。經磋商之租賃年期就土地及樓宇乃介乎一至二十五年之間，就廠房機器則介乎二至十年之間。並未有或然租金安排。

本集團作為出租人：

本年度本集團就投資物業所賺得之租金收入總值約為3,346,000港元(二零零六年度：6,923,000港元)。其有關的支出約為557,000港元(二零零六年度：817,000港元)。

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

For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

33. Operating Leases (Continued)

At the balance sheet date, the Group had contracted with tenants, in respect of rented premises, for the following future minimum lease receipts:

		THE GROUP 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	2,760	2,735
In the second to fifth year inclusive	第二年至第五年內(首尾兩年包括在內)	2,408	2,633
		<u>5,168</u>	<u>5,368</u>

The Company had no significant operating lease commitments or arrangements at the balance sheet dates.

33. 營運租賃(續)

於結算日，本集團就出租物業已與租戶訂立合約的未來最低租賃收入如下：

於結算日，本公司並無重大的營運租賃承擔或安排。

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

For the year ended 31st August, 2007

截至二零零七年八月三十一日止年度

34. Acquisition of a subsidiary

On 1st November, 2006, the Group acquired the entire issued and paid up share capital of the Ningbo Young Top Garments Co., Ltd. for a cash consideration of HK\$49,000,000. This transaction has been accounted for using the purchase method of accounting.

The fair value of the identifiable assets and liabilities of the subsidiary acquired as at its date of acquisition, which have no significant differences from their respective carrying amounts, is as follows:

		HK\$'000 千港元
Net assets acquired	收購之資產淨值	
Property, plant and equipment	物業、機器及設備	7,516
Prepaid lease payments	預付租賃款項	4,318
Inventories	存貨	12,210
Trade and other receivables	營業及其他應收款項	15,293
Bank balances and cash	銀行結存及現金	14,229
Trade and other payables	營業及其他應付款項	(4,566)
		<hr/>
Cash consideration	現金代價	49,000
		<hr/>
Net cash outflow arising on acquisition	收購時所產生之現金流出淨值	
Cash consideration	現金代價	49,000
Bank balances and cash acquired	收購之銀行結存及現金	(14,229)
		<hr/>
		34,771
		<hr/>

Ningbo Young Top Garments Co., Ltd. did not make any significant contribution to the turnover and results of the Group for the year.

34. 收購一間附屬公司

於二零零六年十一月一日，本集團以49,000,000港元之現金代價收購寧波創裕製衣有限公司之所有已發行及已支付股本。此項交易已以購買法入賬。

於收購日收購這間附屬公司之可識別資產及負債之公平價值與其個別賬面值並沒有重大差別及如下：

寧波創裕製衣有限公司對本集團是年度之營業額及業績並無重大貢獻。

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

For the year ended 31st August, 2007
截至二零零七年八月三十一日止年度

35. Contingent Liabilities

THE COMPANY

- (a) The Company has given limited guarantees to various banks to secure general banking and loan facilities granted to certain subsidiaries to the extent of HK\$3,177,500,000 (2006: HK\$2,619,750,000). At the balance sheet date, the aggregate amounts utilised by these subsidiaries amounted to approximately HK\$1,011,083,000 (2006: HK\$498,334,000).
- (b) The Company has given limited guarantees to various banks and finance companies to secure finance lease obligations of certain subsidiaries to the extent of HK\$439,000 (2006: HK\$5,489,000). At the balance sheet date, the aggregate obligations of the subsidiaries under these leases amounted to approximately HK\$439,000 (2006: HK\$5,489,000).

36. Retirement Benefit Schemes

The Group operates a defined contribution scheme registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Scheme Ordinance for all the eligible employees of the Group in Hong Kong. The assets of both schemes are held separately from those of the Group in funds under the control of trustees. The retirement benefits cost charged to the consolidated income statement represents the contributions payable to the funds by the Group at rates specified in the rules of the schemes.

Employees of the Group in other jurisdictions currently participate in state-sponsored pension scheme or defined contribution schemes operated by the Government of such jurisdictions. The Group are required to contribute a certain percentage of their payroll to the schemes to fund the benefits. The only obligation of the Group with respect to the schemes is to make the required contributions.

At the balance sheet date, there was no significant forfeited contribution, which arose upon employees leaving the retirement benefits schemes, available to reduce the contribution payable in the future years.

The retirement benefits scheme contributions, net of forfeited contributions of approximately HK\$722,000 (2006: HK\$553,000), amounting to approximately HK\$21,894,000 (2006: HK\$20,008,000) has been charged to the consolidated income statement.

35. 或然負債

本公司

- (a) 本公司已向多間銀行給予有限制之擔保至為3,177,500,000港元(二零零六年度: 2,619,750,000港元), 作為該等銀行給予若干附屬公司一般貸款及借款之抵押。於結算日, 該等附屬公司已運用之總額約為1,011,083,000港元(二零零六年度: 498,334,000港元)。
- (b) 本公司已向多間銀行及財務公司給予有限制之擔保至為439,000港元(二零零六年度: 5,489,000港元), 作為該等銀行及財務公司給予若干附屬公司財務租賃借貸之抵押。於結算日, 該等附屬公司之財務租賃應付賬款總額約為439,000港元(二零零六年度: 5,489,000港元)。

36. 退休福利計劃

本集團營運根據職業退休計劃條例註冊成立的定額供款計劃(「職業退休計劃」)及根據強制性公積金計劃條例設立的強制性公積金計劃(「強積金計劃」)予所有合資格之本集團香港僱員。這兩個計劃的資產乃由信託人獨立持有及管理。在綜合收益賬內扣除之退休福利計劃成本乃本集團根據計劃既定比率計算之應付供款。

本集團其他司法地區之僱員現正參與該司法地區政府營運之國家退休福利計劃或定額供款計劃。本集團須將僱員薪酬之指定百分比供款予該等計劃作為福利基金。本集團對該等計劃之唯一責任是按規定作出供款。

於結算日, 因僱員退出退休福利計劃而沒收之供款並不重大, 此款項並可用作扣減未來年度之應付供款。

已在綜合收益賬扣除之退休福利計劃供款金額淨值約為21,894,000港元(二零零六年度: 20,008,000港元), 當中已扣減沒收之供款約722,000港元(二零零六年度: 553,000港元)。

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For the year ended 31st August, 2007

截至二零零七年八月三十一日止年度

37. Related Party Disclosures

(a) Related party transactions

During the year ended 31st August, 2006, the Group paid rentals amounting to approximately HK\$105,000 to a company controlled by Trustcorp Limited. Trustcorp Limited is the trustee of the Ha Trust, a discretionary trust set up by Mr. Ha Chung Fong for the benefit of his family. Mr. Ha Chung Fong is the Chairman and Managing Director of the Company. The rentals were charged in accordance with the terms of the tenancy agreements entered into between the Group and that company. The tenancy agreements expired in November 2005.

During the year ended 31st August, 2006, the Group sold fabrics amounting to approximately HK\$266,000 to a company controlled by the spouse of Mr. Ha Kam On, Victor, the Executive Director of the Company. The fabrics were sold in accordance with the terms of each individual contract entered into between the Group and that company on an order-by-order basis.

(b) Related party balances

Details of the Group's outstanding balances with related parties are set out in the consolidated balance sheet and in notes 19 and 24.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		THE GROUP 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Short-term benefits	短期福利	33,321	32,997
Post-employment benefits	受僱後福利	1,203	1,257
		<u>34,524</u>	<u>34,254</u>

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals and market trends.

37. 相關人士之披露

(a) 相關人士交易

於截至二零零六年八月三十一日止年度內本集團支付租金約105,000港元予一間由Trustcorp Limited所控制之公司。Trustcorp Limited為the Ha Trust之受託人，而the Ha Trust為一項由夏松芳先生為其家族利益而成立之酌情信託。夏松芳先生乃本公司主席兼董事總經理。租金乃依據本集團與該公司訂立之租約條款而支付。租約於二零零五年十一月期滿。

於截至二零零六年八月三十一日止年度內本集團向一間由夏錦安先生之配偶所控制的公司出售約266,000港元之布疋。夏錦安先生為本公司執行董事。布疋之出售乃依據本集團與該公司按個別訂單基準所訂之合約條款而執行。

(b) 相關人士之結餘

本集團與相關人士之結餘詳情載列於綜合資產負債表及附註19及24內。

(c) 主要管理人員之補償

本年度董事及其他主要管理人員之薪酬如下：

		THE GROUP 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Short-term benefits	短期福利	33,321	32,997
Post-employment benefits	受僱後福利	1,203	1,257
		<u>34,524</u>	<u>34,254</u>

董事及主要管理人員之薪酬乃由董事會按個別表現及市場趨勢而釐定。

SHAREHOLDER INFORMATION • 股東資料

Listing : Listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20th April, 1988

Stock Code : 420

Board Lot : 2,000

Par Value : HK\$0.20

Shares Issued : 794,010,960

上市 : 自一九八八年四月二十日起於香港聯合交易所有限公司主板上市

股份代號 : 420

買賣單位 : 2,000

面值 : 0.20港元

已發行股票 : 794,010,960

Financial Calendar 2007/2008

Financial year ended 31st August, 2007

Full year results announced 18th December, 2007

Register of members closed 22nd – 28th January, 2008

Annual general meeting 29th January, 2008

Dispatch of dividend warrants About 5th February, 2008

2008 Interim results to be announced Mid-May 2008

二零零七/二零零八年財務日誌

財政年度結算 二零零七年八月三十一日

全年業績公佈 二零零七年十二月十八日

股份暫停登記 二零零八年一月二十二日至二十八日

股東週年大會 二零零八年一月二十九日

寄發股息單 約二零零八年二月五日

二零零八年 二零零八年五月中旬
中期業績公佈

Final Dividend

The Board has recommended the payment of a final dividend of HK4.0 cents per share for the year ended 31st August, 2007 (2006: HK6.5 cents) payable to shareholders of the Company whose names appear on the register of the members on Monday, 28th January, 2008. Subject to approval of the shareholders of the Company at the forthcoming annual general meeting, the total dividend for the year will be HK8.0 cents per share. Dividend will be distributed to shareholders of the Company on or about Tuesday, 5th February, 2008.

末期股息

董事會已建議派發截至二零零七年八月三十一日止年度末期股息每股4.0港仙(二零零六年度: 6.5港仙)予二零零八年一月二十八日(星期一)名列股東名冊內之本公司股東, 倘此建議獲即將舉行之股東週年大會通過, 全年股息合共為每股8.0港仙。股息將約於二零零八年二月五日(星期二)派發予本公司股東。

Closure of the Register of Members

The register of members will be closed from Tuesday, 22nd January, 2008 to Monday, 28th January, 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited, not later than 4:00 p.m. on Monday, 21st January, 2008.

暫停辦理股份過戶登記手續

本公司將於二零零八年一月二十二日(星期二)至二零零八年一月二十八日(星期一)止, 首尾兩天包括在內, 暫停辦理股份過戶登記手續。為確保收取末期股息之權利, 過戶登記者須於二零零八年一月二十一日(星期一)下午四時前, 將所有過戶文件及有關股票送交本公司股份登記處卓佳秘書商務有限公司。

Shareholder Services

For enquiries about share transfer and registration, please contact the Company's share registrar:

Tricor Secretaries Limited
26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
Tel +852 2980 1766
Fax +852 2861 1465

股東服務

任何有關股份過戶及登記之查詢, 請聯絡本公司股份過戶登記處:

卓佳秘書商務有限公司
香港灣仔皇后大道東28號金鐘匯中心26樓
電話 +852 2980 1766
傳真 +852 2861 1465

Investor Relations

Ms Charmaine CHENG
Corporate Communications & Investor Relations Manager
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29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong
Tel +852 3478 7017
Email pr@fshl.com

投資者關係

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企業傳訊及投資者關係經理
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Global Network 環球網絡

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

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New Territories, Hong Kong

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東海工業大廈A座7字樓

Tel 電話 +852 2485 1881

Fountain Set has overseas marketing/representative offices in the following locations.
Addresses, phone numbers and fax numbers are listed at www.fshl.com
福田實業於下列地區設有海外市場推廣辦事處 / 代表處，地址、電話號碼及傳真號碼
均列明在www.fshl.com內

London • New York • Toronto • Vancouver • Bangalore
倫敦 • 紐約 • 多倫多 • 溫哥華 • 班加羅爾

Ho Chi Minh City • Seoul • Shanghai • Shenzhen • Singapore
胡志明市 • 首爾 • 上海 • 深圳 • 新加坡

Production facilities are set up in the following countries:
於以下國家設有生產設施：

The PRC • Indonesia • Sri Lanka
中國 • 印尼 • 斯里蘭卡