



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

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

SEHK: 420

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

2011 年報
ANNUAL REPORT

GROUP PROFILE

About Fountain Set (Holdings) Limited

Fountain Set (Holdings) Limited and its subsidiaries are recognized in the industry as one of the world's largest circular knitted fabric manufacturers and has long been a driving force in the global market through its vertically integrated operations in spinning, knitting, dyeing, printing and finishing. The Group's product range also includes dyed yarns, sewing threads and garments. As a major fabric supplier to garment manufacturers in over 40 countries that supply to internationally renowned retail brands, Fountain Set Group's worldwide sales reached HK\$7.6 billion (US\$974 million) in the financial year 2011.

Headquartered in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, Fountain Set (Holdings) Limited (SEHK: 420) has production facilities in the PRC, Sri Lanka and Indonesia, with marketing and representative offices in 5 countries and a global staff force of over 14,200.

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

集團簡介

有關福田實業(集團)有限公司

福田實業(集團)有限公司及其附屬公司被業界譽為世界最大的圓筒針織布料生產商之一，並一直通過提供紡紗、針織、染色、印花及整理等高度垂直之綜合服務而成為環球紡織行業的翹楚。集團產品亦包括色紗、縫紉線及成衣。作為主要布料供應商，集團向超過40個國家的成衣製造商提供布料，以供應成衣至國際知名的零售品牌。集團於2011年財政年度的環球銷售額達76億港元(9.74億美元)。

福田實業(集團)有限公司之總部位於香港，並於香港聯合交易所有限公司上市(香港聯交所編號：420)，在中國、斯里蘭卡及印尼設有生產設施；海外市場推廣辦事處／代表處分佈五個國家，全球僱員超過一萬四千二百人。

欲知更多集團資料，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. HA Kam On, Victor (*Group Managing Director*)

Mr. HA Hon Kuen

Dr. YEN Gordon

Non-executive Director

Mr. CHAN Yuk Yin

Independent Non-executive Directors

Mr. NG Kwok Tung

Mr. WONG Kwong Chi

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

Mrs. FUNG YEH Yi Hao, Yvette

Company Secretary

Mr. WONG Kin Man

Registered Office & Principal Place of Business

Block A, 7/F, Eastern Sea Industrial Building

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

Website

www.fshl.com

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Bank of China (Hong Kong) Limited

Solicitor

Vivien Chan & Co.

Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants

Share Registrar

Tricor Secretaries Limited

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

董事

執行董事

夏松芳先生 (主席)

夏錦安先生 (集團董事總經理)

夏漢權先生

嚴震銘博士

非執行董事

陳旭賢先生

獨立非執行董事

伍國棟先生

王幹芝先生

周永健先生，銀紫荊星章，太平紳士

馮葉儀皓女士

公司秘書

黃建文先生

註冊辦事處及主要營業地點

香港新界葵涌葵昌路29-39號

東海工業大廈A座7字樓

網址

www.fshl.com

主要往來銀行

渣打銀行(香港)有限公司

香港上海滙豐銀行有限公司

中國銀行(香港)有限公司

律師

陳韻雲律師行

核數師

德勤·關黃陳方會計師行

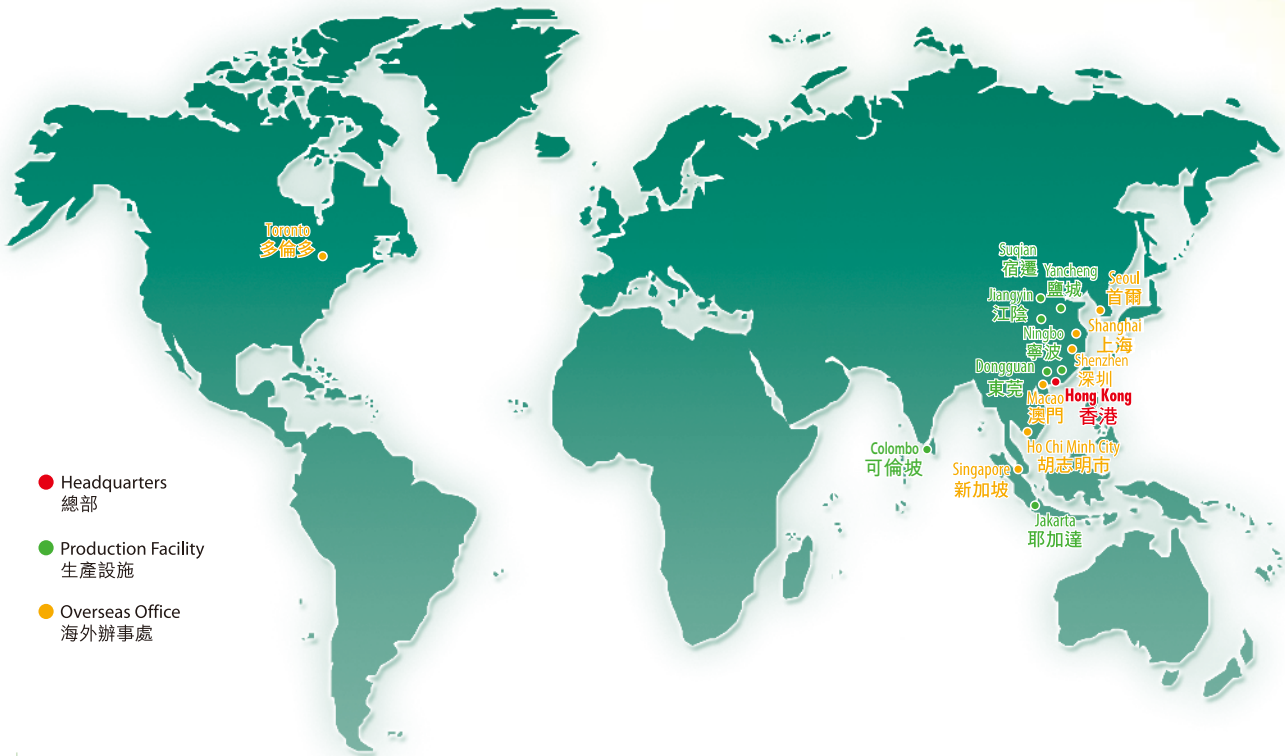
執業會計師

股份登記處

卓佳秘書商務有限公司

香港灣仔皇后大道東28號金鐘匯中心26樓

EXTENSIVE WORLDWIDE NETWORK 強大環球網絡



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

HEADQUARTERS • 總部

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

PRODUCTION FACILITY • 生產設施

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

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

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

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

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

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

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

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

TRADING OFFICE • 辦事處

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

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

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

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

SALES OF GARMENTS 成衣銷售

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

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

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

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

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

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

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

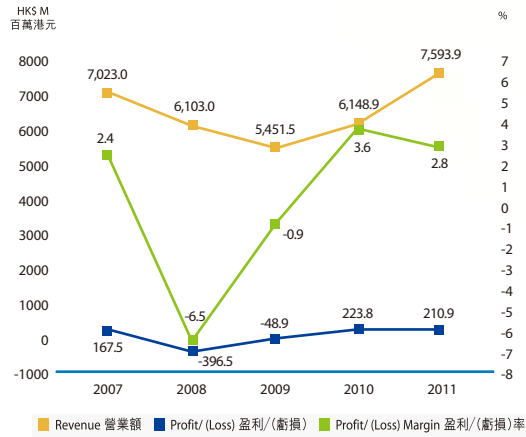
Chinese names are only translations of their official English names. In case of inconsistencies, the English names shall prevail.
中文名稱僅為彼等官方英文名稱之譯文。倘有歧異，概以英文名稱為準。

FINANCIAL AND STATISTICAL HIGHLIGHTS 財務及統計摘要

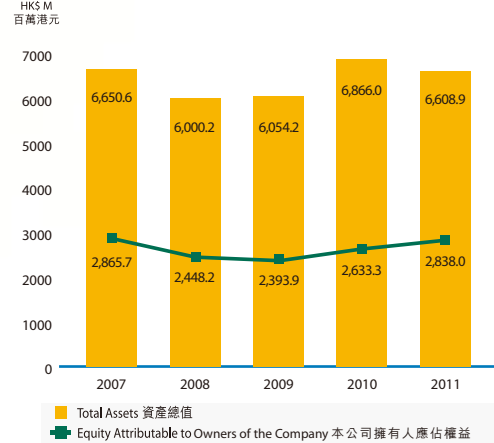
		2011	2010	Changes
		HK\$Mil	HK\$Mil	變動
		百萬港元	百萬港元	
			(restated)	
			(經重列)	
Operating Results	營運業績			
Revenue	營業額	7,593.9	6,148.9	23.5%
Profit	盈利			
Total	總值	210.9	223.8	-5.8%
Profit margin	盈利率	2.8%	3.6%	
Earnings per share (HK cents)	每股盈利 (港仙)			
– Basic	– 基本	26.6	28.2	-5.8%
– Diluted	– 攤薄	26.6	N/A	N/A
Dividends	股息			
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)			
Per share (cent)	每股 (仙)	1.0	1.0	–
Dividend payout ratio	派息比率	3.8%	3.5%	
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	1,601.7	1,403.7	14.1%
Total assets	資產總值	6,608.9	6,866.0	-3.7%
Long-term bank borrowings	長期銀行借貸	755.9	951.3	-20.5%
Bank borrowings	銀行借貸	2,199.4	2,559.3	-14.1%
Net bank borrowings	銀行借貸淨值	1,074.8	1,888.9	-43.1%
Total liabilities	負債總值	3,510.1	3,990.8	-12.0%
Tangible net worth	有形淨值	2,830.1	2,625.4	7.8%
Net asset value per share (HK\$)	每股資產淨值 (港元)	3.56	3.31	7.8%
Capital expenditure	資本開支	110.3	268.1	-58.9%
(after inclusion of interest capitalised)	(已包括化作資產之利息在內)			
Financial Statistics	財務統計			
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)			
Current ratio	流動比率	1.59	1.47	
Long-term bank borrowings ratio	長期銀行借貸比率	0.27	0.36	
Bank borrowings ratio	銀行借貸比率	0.78	0.97	
Net bank borrowings ratio	銀行借貸淨值比率	0.38	0.72	
Gearing ratio	資本負債比率	1.24	1.52	
Return before tax on average equity	除稅前之平均股東基金回報率	11.5%	9.2%	
Interest cover ratio	利息比率	5.39	5.61	

FINANCIAL AND STATISTICAL HIGHLIGHTS 財務及統計摘要

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



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



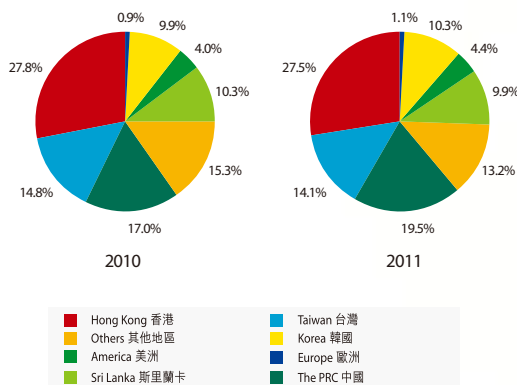
Net Bank Borrowings and Net Bank Borrowings Ratio (after inclusion of proposed final dividend) 銀行借貸淨值及銀行借貸淨值比率(已包括擬付之末期股息在內)



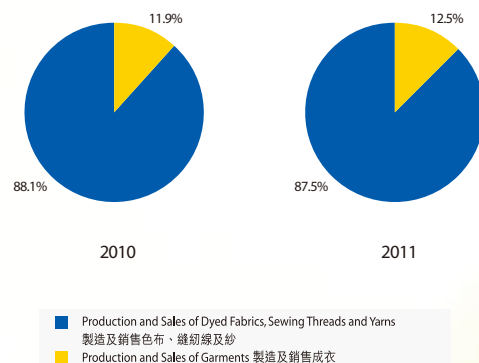
Inventory and Inventory Turnover Period 存貨及存貨週轉期



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



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



FINANCIAL SUMMARY 財務概要

CONSOLIDATED INCOME STATEMENT

綜合收益表

Year ended 31st August,

截至八月三十一日止年度

		2007	2008	2009	2010	2011
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	營業額	7,022,991	6,103,045	5,451,492	6,148,949	7,593,889
Profit (loss) from ordinary activities	日常業務盈利(虧損)	228,010	(371,125)	8,280	250,095	343,191
Reversal of impairment loss on amounts due from jointly controlled entities	共同控制機構所欠款項的減值損失撥回	540	21,907	-	-	-
Profit (loss) before taxation	除稅前盈利(虧損)	228,550	(349,218)	8,280	250,095	343,191
Income tax expense	所得稅支出	(16,240)	(9,179)	(12,475)	(6,516)	(103,473)
Profit (loss) for the year	是年度盈利(虧損)	212,310	(358,397)	(4,195)	243,579	239,718
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	167,481	(396,451)	(48,928)	223,798	210,886
Non-controlling interests	非控股權益	44,829	38,054	44,733	19,781	28,832
		212,310	(358,397)	(4,195)	243,579	239,718

FINANCIAL SUMMARY 財務概要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31st August,

於八月三十一日

		2007	2008	2009	2010	2011
		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
		(restated)	(restated)	(restated)	(restated)	(restated)
		(經重列)	(經重列)	(經重列)	(經重列)	(經重列)
Non-current assets	非流動資產	2,347,680	2,337,883	2,620,084	2,479,434	2,300,207
Current assets	流動資產	4,302,959	3,662,332	3,434,138	4,386,539	4,308,695
Current liabilities	流動負債	1,781,472	1,488,830	1,865,990	2,974,955	2,699,104
Net current assets	流動資產淨值	2,521,487	2,173,502	1,568,148	1,411,584	1,609,591
Total assets less current liabilities	資產總值減流動負債	4,869,167	4,511,385	4,188,232	3,891,018	3,909,798
Non-current liabilities	非流動負債	1,784,711	1,812,191	1,639,475	1,077,923	871,572
Net assets	資產淨值	3,084,456	2,699,194	2,548,757	2,813,095	3,038,226
Capital and reserves	資本及儲備					
Share capital	股本	158,802	158,802	158,802	158,802	158,802
Reserves	儲備	2,706,858	2,289,353	2,235,079	2,474,523	2,679,224
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,865,660	2,448,155	2,393,881	2,633,325	2,838,026
Non-controlling interests	非控股權益	218,796	251,039	154,876	179,770	200,200
Total equity	權益總值	3,084,456	2,699,194	2,548,757	2,813,095	3,038,226

CHAIRMAN'S STATEMENT 主席報告

FELLOW SHAREHOLDERS

On behalf of the Board, I am pleased to report to shareholders the results of the Group for the year ended 31st August, 2011. The revenue was approximately HK\$7,593,889,000, an increase of 23.5% over last year. Profit attributable to owners of the Company amounted to approximately HK\$210,886,000, a decrease of 5.8% over last year. Net profit margin under review was 2.8%, compared with 3.6% in the same period last year. Basic earnings per share was HK 26.6 cents, compared to HK 28.2 cents in 2010. However, if excluding non-recurring exceptional items for the current and previous years (comprising gain on disposal of property interests, net gain on disposal of subsidiaries and provision for tax audit), profit attributable to owners of the Company increased drastically by 82.9% from last year, net profit margin was 3.1% as compared with 2.1% last year, and basic earnings per share was HK 29.2 cents as compared with HK 16.0 cents in 2010.

致各股東

本人謹代表董事會欣然向各股東匯報本集團截至二零一一年八月三十一日止年度之業績。營業額約為7,593,889,000港元，與去年比較上升23.5%。本公司擁有人應佔盈利約為210,886,000港元，與去年比較下降5.8%，回顧期內淨盈利率為2.8%，相比去年同期淨盈利率為3.6%，每股基本盈利為26.6港仙，相比二零一零年為28.2港仙。然而，倘若撇除本年度和去年的非經常性特殊項目（包括出售物業權益之所得收益，出售附屬公司之所得收益淨額和稅務審查的撥備），本公司擁有人應佔盈利與去年比較則大幅上升82.9%，淨盈利率為3.1%，相比去年2.1%，而每股基本盈利則為29.2港仙，相比二零一零年16.0港仙。

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	% 百分比 change 變化
Profit attributable to owners of the Company	本公司擁有人應佔盈利	210,886	223,798	(5.8%)
Add/(less): non-recurring exceptional items:	增加／(減少)： 非經常性特殊項目：			
Gain on disposal of property interests	出售物業權益之所得收益	-	(96,387)	
Net gain on disposal of subsidiaries	出售附屬公司之所得收益淨額	(20,212)	(766)	
Provision for tax audit	稅務審查的撥備	41,000	-	
Profit attributable to owners of the Company (excluding non-recurring exceptional items)	本公司擁有人應佔盈利 (撇除非經常性特殊項目)	231,674	126,645	82.9%
		HK cents 港仙	HK cents 港仙	
Basic earnings per share	每股基本盈利	26.6	28.2	
Basic earnings per share (excluding non-recurring exceptional items)	每股基本盈利 (撇除非經常性特殊項目)	29.2	16.0	

CHAIRMAN'S STATEMENT 主席報告

During the earlier part of financial year 2011, the World economy showed some signs of stabilization. However, the price of cotton and cotton yarn repeatedly broke new record highs during the first half of the period under review, due partly to shortage of supply and reducing global inventory. During the year under review, the Group's revenue increased by 23.5% as compared with the previous financial year due to the significant increase in average selling price. Other manufacturing costs such as energy and wages also increased during the period under review. Although customers have generally accepted escalation in the price of fabrics, such escalation compensated majority of the cost increases due to upsurge in the price of raw materials as well as inflation in other manufacturing costs but were generally insufficient for the fabric manufacturers to maintain gross profit margin.

Through a series of continuous and proactive management actions, we were able to reduce administrative expenses to revenue ratio as well as distribution and selling expenses to revenue ratio when compared with the previous financial year. The Group's improvement in quality and on-time delivery performances resulted in reduction in claims and last-minute air freight expenses, enabling significant reduction in the distribution and selling expenses by more than 22% over last year even though the revenue increased by 23.5%. In addition, the Group's factory utilization rate improved over the same period last year especially in the first half of the financial year. At the same time, apart from the continuous expansion into the domestic market in China, the Group has also successfully built new working relationships with brands and retailers in the sports wear and casual wear sectors in emerging markets such as Russia.

During the second half of our financial year, cotton price declined sharply within a short period of time, thus resulting in relatively higher inventory value as compared with the market price of raw materials at that time. This negative impact was reflected partially during the second half of the financial year as average selling price adjusted downward following deflation in price of raw material. Severe consolidation in the textile industry has continued following the global financial crisis in 2008 and escalated by the unprecedented volatility of cotton prices in 2010 and 2011. This consolidation will provide some relief to stronger players in the supply-chain such as the Group as customers place more confidence in partnering with more reputable, better established, and well resourced fabric suppliers.

在二零一一年財政年度初期，全球經濟呈現了某些穩定跡象。然而，部份原因由於供應短缺及全球庫存減少，回顧財政年度上半年度棉花和棉紗價格屢創新高紀錄。在回顧年度內，由於平均銷售價格的大幅上升，集團的營業額與去年財政年度相比上升23.5%。其他製造成本例如能源和工資於回顧期內亦有上升。雖然顧客普遍接受布料價格急升，此可彌補大部分由於原材料價格急漲，以及其他製造成本之通貨膨脹的成本上升，但一般不足以保持布料製造商的毛利率。

通過一系列持續和積極的管理措施，與上一財政年度相比，我們減少了行政開支佔營業額的比率以及分銷及銷售費用佔營業額的比率。即使收入增加了23.5%，由於集團提高質量以及交貨表現準時，索賠和緊急空運費用減少，使集團的分銷和銷售費與去年相比顯著下降超過22%。此外，集團的工廠使用率，尤其是在本財政年度之上半年相對於去年同期得到提高。與此同時，除了對中國內銷市場的不斷擴大，集團也成功地與新興市場如俄羅斯的體育服及休閒服裝行業的品牌和零售商建立新的合作關係。

在本財政年度下半年，棉花價格在短時間內急劇下跌，導致存貨價值相較當時市場之原料料價格相對高。因平均銷售價格隨著原材料售價之通縮向下調整，其部分負面影響反映在財政年度之下半年。隨著二零零八年全球金融危機及在二零一零年和二零一一年棉花價格前所未有的波動以來，紡織行業繼續大量整合。這整合將提供於供應鏈中較穩建的企業如集團一些緩解作用，乃因為客戶更有信心與信譽良好、較成熟及資源豐富的布料供應商合作。

CHAIRMAN'S STATEMENT 主席報告

The Group continued to strengthen its financial position during the period under review. As at 31st August, 2011, the Group's total cash and cash equivalents approximately amounted to HK\$1,124,552,000 while bank borrowings were reduced by HK\$359,866,000 or 14.1% over last year. Improved financial management enabled the Group to remain financial stability during a period of severe raw material cost volatility. It is our aim to further enhance our financial position, especially given the expectation of tighter liquidity in the banking sector in the near future.

Regarding the tax audit case initiated by the Hong Kong Inland Revenue Department ("IRD"), the Group has been cooperating closely with the IRD to provide all requested information in the past few years. Based on the advice from the Group's tax advisor, the Group made a tax provision of HK\$41,000,000 in the current year. At this stage, it is not possible for the Group to ascertain the outcome of the tax audit. However, we will consider various approaches in the best interests of the Group to resolve this dispute with the IRD.

In addition, the Group has set up a sustainability and corporate social responsibility committee since 2009 and is committed to investing and implementing environmental-friendly procedures in our business and production processes as well as promoting and encouraging eco-living to our staff. With the aim of enhancing energy efficiency, reducing emission, and promoting sustainable initiatives, numerous green programs have been planned and executed in factories and offices, such as installation of energy saving devices, recycle and reduce wastes and water, process reengineering and actively promote green culture within the Group.

DIVIDEND

The Board has resolved to pay a final dividend of HK 1.0 cent per share for the year ended 31st August, 2011. The total dividend for the year would be HK 1.0 cent per share as compared with HK 1.0 cent per share for last year.

在回顧年度內，集團繼續加強著集團的財政狀況。截至二零一一年八月三十一日，集團的總現金和等同現金項目共計約1,124,552,000港元。同時，銀行借貸與去年相比減少約359,866,000港元或14.10%。經改善的財政管理讓集團集在原材料成本極度波動的時期保持財務穩定。集團將繼續以改善自身的財務狀況為目標，尤其是預期銀行借貸流動性將會在可見的未來進一步收緊。

就有關香港稅務局（「稅務局」）啟動之一項稅務審查，集團於過去數年一直與稅務局緊密合作，提供任何所需的資料。經考慮集團稅務顧問之意見後，集團於本財政年度作出稅務撥備合共41,000,000港元。集團於現階段不可能確定此項稅務審查之結果，但會考慮符合本集團最佳利益之不同方法以解決與稅務局之糾紛。

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

股息

董事會決定就截至二零一一年八月三十一日止年度派發每股1.0港仙末期股息。今年總股息為每股1.0港仙，相對去年總股息為每股1.0港仙。

CHAIRMAN'S STATEMENT 主席報告

AWARDS

Jiangyin Fuhui Textile Limited, the Group's wholly owned subsidiary, was accredited "Hundred Star Enterprise" by the People's Government of Jiangyin this year. It was also awarded with "Outstanding Enterprise of Foreign Investment" and "Outstanding Organization for Environmental Protection" by the Jiangyin Economic Development Zone Government; and "Caring Enterprise" by the Jiangyin Charity Federation and "Outstanding Staff Library of Chinese Trade Unions" by the All China Federation of Trade Unions. Ocean Lanka (Private) Limited, a Group's fabric subsidiary, has been accredited with the "Fair-trade Certificate" since 2006. Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd., a fabric subsidiary of the Group, was granted a "Gold label" of Low Carbon Manufacturing Programme (LCMP) from World Wildlife Fund (WWF), a leap from the "Certified Label" in 2010. Two of our fabric mills namely Dongguan Shatin Lake Side Textiles Printing & Dyeing Co. Ltd. and Ocean Lanka (Private) Limited received the "Global Organic Textiles Standard" (GOTS) certificate by the Institute for Marketecology.

BUSINESS OUTLOOK

The difficult business environment is expected to persist as unemployment rate remains high and the recent economic data are not promising in parts of North America and Europe, resulting in lower consumer confidence and demand for textile products. The possibility of further worsening of debt crisis in Europe is leading to more uncertainty and instability in the global economic environment that is likely to remain fragile and weak in the near future. Meanwhile, the average selling price of knitted fabrics for the next year will most likely be lower compared with that of the year under review as the prices of cotton and cotton yarn have declined substantially since early 2011. Through our focus on products, services and efficiency, the Group will continue to build upon our strong reputation and loyal customer base to seek growth in export market share.

獎項

今年，集團全資擁有布廠附屬公司江陰福匯紡織有限公司獲江陰市人民政府評為「百強明星企業」，亦獲江陰經濟開發區頒發「外商投資先進企業」、「環境保護先進集體」，江陰市慈善總工會頒發的「愛心企業」及獲中華全國總工會評為「全國工會優秀職工書屋」，集團布廠附屬公司海洋蘭卡(私人)有限公司自二零零六年繼續獲頒「公平貿易認證」，集團另一附屬公司東莞沙田麗海紡織印染有限公司於2011年度的世界自然基金會低碳製造計劃中，由2010年度的「可認證」標籤大幅躍升至「黃金」標籤，以及集團其中兩間布廠－東莞沙田麗海紡織印染有限公司及海洋蘭卡(私人)有限公司均獲得Institute for Marketecology頒發「全球有機紡織標準獎狀(GOTS)」。

業務展望

北美和歐洲的部分地區失業率居高不下及近期的經濟數據不樂觀，導致消費者信心及對紡織產品需求降低，預計業務環境將持續艱難。歐洲債務危機可能進一步惡化，導致短期內世界經濟環境更加不確定和不穩定，或許仍然持續疲弱和弱勢。同時，自二零一一年初以來隨著棉花和棉紗價格的大幅下降，下一年的針織面料平均銷售價格與回顧期內相比將很大可能調低。集團透過集中於產品、服務和效率，並會建立良好的聲譽和忠誠的客戶群，以尋求出口市場佔有率的增長。

CHAIRMAN'S STATEMENT 主席報告

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

The Group currently possesses a total of approximately 25 million pounds of monthly fabric production capacity. Our latest fabric mill, Yancheng Fuhui Textiles Limited, located in Yancheng City of the Jiangsu province in China has commenced production during last financial year. The Yancheng mill will provide an enormous potential for future expansion of the Group as the domestic consumption in China continues to grow and when export market recovers. The Group targets to maintain approximately 3 million pounds of monthly fabric dyeing output in the Yancheng mill during the next financial year. Eventually, the Yancheng mill could be developed to house a total fabric dyeing capacity of over 10 million pounds per month upon completion of all phases. The Group will carefully monitor market conditions and the development plans of our customers before further investing and developing any additional capacity.

Sales of garment during the financial year under review have increased by 30.2% when compared with the previous year as a result of strengthening effort in business development. We expect the momentum of sales growth in the garment business to continue in the coming year.

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

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

集團現時每月的布料生產量總計約為二千五百萬磅。集團旗下一間位於中國江蘇省鹽城市的最新布料廠房－鹽城福匯紡織有限公司－已於上年財政年度內開始投產。由於中國本地消費持續增長，以及出口市場復甦，鹽城廠房將為集團未來擴展提供巨大的潛力。集團的目標是在下一個財政年度內，鹽城廠房每月的染布生產量維持約三百萬磅，當所有分段建設完成後，廠房最終可發展至每月能容納超過一千萬磅的總染布生產量。在進一步增加投資及發展額外的生產量前，集團將密切注視市場環境及客戶的發展計劃。

因在業務發展上加強努力，與去年比較，成衣銷售額在回顧年度內增長30.2%。我們預計成衣業務的銷售增長動力將在未來一年繼續。

集團亦將進一步優化其營運活動與基礎設施，以配合不斷變化的市場狀況，並維持堅實基礎以支持長遠發展。這些措施包括持續檢討管理職責，例如成本和表現考核、風險管理及企業管治等。集團將維持對營運資本和資本開支的嚴格控制，在未來數年內專注降低淨資本負債比率至更具持續性的水準。

CHAIRMAN'S STATEMENT 主席報告

Based on the current assessment, the Group expects industrial environment in the coming financial year to be very challenging, especially during the earlier part of the year due to relatively higher price inventory coupled with declining selling price. However, we expect this situation to improve as material and selling prices are expected to stabilize during the later part of the year. We therefore maintain a somewhat cautious view on the Group's overall performance in the near term. Nevertheless, with our strategically located fabric mills in Guangdong and Jiangsu provinces in China and Sri Lanka as well as the growth in domestic sales in China, we are well positioned to increase our market share following further consolidation of the supply chain and when market demand gradually recovers in the future. Therefore, we are relatively more optimistic on business outlook for the longer term.

ACKNOWLEDGEMENT

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

On behalf of the Board

HA Chung Fong

Chairman

Hong Kong

25th November, 2011

按現狀估計，集團預期來年財政年度尤其是在年度初期，因較高價之原材料加上下調中之銷售價格，行業環境將充滿挑戰，所以維持於短期內對集團整體表現較為審慎的展望，雖然如此，集團在中國的廣東省、江蘇省及斯里蘭卡戰略性的分佈布料廠房以及於中國國內銷售的增長，集團正處於有利位置，在供應鏈繼續整合及未來市場需求逐漸復甦後增加市場佔有率。因此，集團對長期的業務展望感到較為樂觀。

鳴謝

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

代董事會

主席

夏松芳

香港

二零一一年十一月二十五日

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS REVIEW

During the year under review, the profit attributable to owners of the Company was approximately HK\$210,886,000, a decrease of 5.8% over last year, or an increase of 82.9% last year if excluding non-recurring exceptional items (comprising gain on disposal of property interests, net gain on disposal of subsidiaries and provision for tax audit) in current year and last year. Gross Profit margin decreased slightly from 16.2% last year to 15.3% this year due to increase in manufacturing costs such as material, staff and energy cost as compared with previous year. The Group's operation efficiency is gradually returned to a normalized level because of the improved market environment. Distribution and selling expenses significantly decreased by over 22%, representing 2.5% of revenue compared with 4.0% in 2010. Administrative expenses to revenue also dropped from 9.1% in 2010 to 8.1% in this financial year. The increase in finance costs, from HK\$48,201,000 to HK\$71,589,000, was due to the increase in bank borrowings and interest rates. With aggressive and stringent credit control implemented during the year, our trade receivable day improved from 81 days in 2010 to 61 days in 2011. Furthermore, the Group received the fourth and last installments amounted totally to RMB155,000,000 in this financial year after the disposal of a Group's subsidiary, Dongguan Fuan Textiles Limited's properties in April 2009.

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\$6,643,889,000, an increase of 22.6% as compared with last year, and accounted for 87.5% of the Group's total revenue.

Production and Sales of Garments

Annual revenue from the production and sales of garments was approximately HK\$950,000,000, an increase of 30.2% as compared with last year, and accounted for 12.5% of the Group's total revenue.

業務回顧

在回顧年度內，本公司擁有人應佔盈利約為210,886,000港元，與去年比較下降5.8%，倘若撇除本年度和去年的非經常性特殊項目（包括出售物業權益之所得收益，出售附屬公司之所得收益淨額和稅務審查的撥備），與去年比較上升82.9%。毛利率比去年錄得輕微下降，從去年的16.2%下降到今年的15.3%，乃由於原材料、員工及能源費用等生產成本較去年上漲所致。鑒於市場環境的改善，集團的營運效率正逐步恢復至正常水準。分銷及銷售開支顯著下降超過22%，佔營業額的2.5%，相對於二零一零年為4.0%。本財政年度，行政開支佔營業額的比率也從二零一零年的9.1%下降到8.1%。由於銀行借款和利率的增長，財務開支從48,201,000港元增加到71,589,000港元。隨著本年度實施強力及嚴格的信貸控制，我們的營業應收賬款天數從二零一零年的81天改善到二零一一的61天。另外，集團在二零零九年四月出售集團附屬機構東莞福安紡織印染有限公司之物業後，在本財政年度收取了第四期和最後一期款項共人民幣155,000,000元。

製造及銷售色布、縫紉線及紗

在回顧年度內，製造及銷售色布、縫紉線及紗的營業額達到約6,643,889,000港元，與去年相比上升22.6%，佔集團營業額總值的87.5%。

製造及銷售成衣

製造及銷售成衣的全年營業額約950,000,000港元，比去年上升30.2%，佔集團營業額總值的12.5%。

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 94.6% of the Group's total revenue, a decrease of 0.5 percentage points when compared with 95.1% of last year. The remaining 5.4% was generated from sales to customers based in America and Europe. A more substantial growth was achieved in business with customers based in China, accounted for approximately 19.6% of the Group's total revenue. The Group has established local marketing offices or fabric mills and strategically targeted China as our potential growth country in the past few years.

FINANCIAL REVIEW

Liquidity and Financial Information

At 31st August, 2011, the Group's total assets amounted to approximately HK\$6,608,902,000, representing a decrease of approximately HK\$257,071,000 over last year. Total assets included non-current assets of approximately HK\$2,300,207,000 and current assets of approximately HK\$4,308,695,000. The above assets were financed by current liabilities of approximately HK\$2,699,104,000, non-current liabilities of approximately HK\$871,572,000, non-controlling interests of approximately HK\$200,200,000 and equity attributable to owners of the Company of approximately HK\$2,838,026,000.

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 bank borrowings. Capital expenditure was mainly financed by long-term bank borrowings and proceeds received from sale of properties.

Bank borrowings totally decreased by approximately HK\$359,866,000 and the total amount of short-term bank deposits, bank balances and cash increased by approximately HK\$454,176,000.

At 31st August, 2011, 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94.6%，與去年的95.1%相比輕微下降了0.5個百分點。而餘下的5.4%則來自銷售予位於美洲及歐洲的客戶。其中位於中國的客戶的業務錄得較為顯著的增長，佔集團營業額總值約19.6%。集團在當地設有市場推廣辦事處或布料廠房，並於過去數年策略地步署中國為我們潛力增長之國家。

財務回顧

流動資金及財務資料

於二零一一年八月三十一日，集團資產總值約6,608,902,000港元，比去年減少約257,071,000港元。資產總值包括非流動資產約2,300,207,000港元及流動資產約4,308,695,000港元。上述資產由流動負債約2,699,104,000港元、非流動負債約871,572,000港元、非控股權益約200,200,000港元及本公司擁有人應佔權益約2,838,026,000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銀行貸款和物業出售的收益撥付。

銀行借貸合共減少約359,866,000港元，短期銀行存款、銀行結存及現金總值增加約454,176,000港元。

於二零一一年八月三十一日，主要的財務比率(包括擬付之末期股息在內)如下：

		2011 二零一一年	2010 二零一零年
Gearing Ratio	資本負債比率	1.24	1.52
Bank Borrowing Ratio	銀行借貸比率	0.78	0.97
Net Bank Borrowing Ratio	銀行借貸淨值比率	0.38	0.72

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

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

Capital Expenditure

During the year, the Group invested approximately \$110,334,000 (2010: HK\$268,104,000) in the additions of property, plant and equipment. Capital expenditure of approximately \$35,000,000 was postponed from financial year 2011 to 2012. As a result, the Group expects that capital expenditure for financial year 2012 will not exceed HK\$180,000,000.

Inventory

The Group's inventory approximately amounted to HK\$1,683,454,000 as of 31st August, 2011 (2010: HK\$1,938,592,000) and the inventory turnover day was 96 days (2010: 137 days). The decrease is due to significantly decline in purchase of cottons and yarns in second half of financial year as a result of highly fluctuated prices of cotton and cotton yarn.

Employees and Emolument Policies

At 31st August, 2011, the Group had approximately 14,200 full time employees (2010: 16,200). The Group's emolument policies are formulated on the performance of individual employee and on the basis of the salary trends in various regions, and are reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

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

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

資本開支

於本年間，本集團已投資約110,334,000港元（二零一零年：268,104,000港元）以增加物業、機器及設備。約35,000,000港元之資本開支從2011年財政年度延期到2012年財政年度。因此，集團預期下一財政年度的資本開支不會超過180,000,000港元。

存貨

本集團於二零一一年八月三十一日之存貨約為1,683,454,000港元（二零一零年：1,938,592,000港元），存貨周轉期為96天（二零一零年：137天）。其減少是由於棉花及棉紗價格的急劇波動，在財政年度下半年棉花及紗線購買量明顯減少。存貨週轉期為96日（二零一零年：137日）。

僱員及酬金政策

集團於二零一一年八月三十一日之全職僱員人數約為14,200人（二零一零年：一萬六千二百人），而集團的僱員酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而定期作出檢討。集團亦會因應集團之盈利情況，酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

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

CORPORATE GOVERNANCE REPORT 企業管治報告

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

The Company has applied the principles and complied with all the code provisions of the Code throughout the year except that, with respect to the Code provision A.2.1, the roles of chairman and chief executive officer ("CEO") were performed by the same individual for the period from 1st September, 2010 to 30th April, 2011. Considered reasons are provided in the section of "Chairman and Chief Executive Officer".

BOARD OF DIRECTORS

The overall management of the Company's business was vested in the board of directors (the "Board"). The Board has delegated the day-to-day management of the Company's business to the executive management team, and focuses its attention on matters affecting the Company's overall strategic policies, finances and shareholders. The Board comprised nine members, consisting of four executive directors, one non-executive director and four independent non-executive directors as at 31st August, 2011. The profile of all directors are set out on pages 23 to 27. 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 respective independence pursuant to the independence guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). As explained in the announcement dated 3rd March, 2010, although Mrs. FUNG YEH Yi Hao, Yvette has not met the requirement under Rule 3.13(7) of the Listing Rules since she was a non-executive director of the Company prior to her re-designation as an independent non-executive director. In view Mrs. FUNG prior to her re-designation did not have any executive/management role or function in the Group and she had not been under the employment of any member of the Group throughout such period she was a non-executive director, the Company considers that Mrs. FUNG to be independent. In this connection, the Company considers four independent non-executive directors to be independent.

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

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

本公司全年均有應用企業管治守則的原則，並遵守企業管治守則的所有守則條文，惟有關守則條文A.2.1的規定除外，即於二零一零年九月一日至二零一一年四月三十日期間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

本公司整體業務由董事會負責管理。董事會將本公司日常事務的管理授權予本公司的行政管理層處理，而董事會本身則專注處理可影響本公司整體策略方針、財務及股東的事項。於二零一一年八月三十一日，董事會由九名成員組成，包括四名執行董事、一名非執行董事及四名獨立非執行董事。所有董事的個人簡介均載列於第23至27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。

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

本財政年度董事會進行了四次會議。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。

CORPORATE GOVERNANCE REPORT 企業管治報告

The dates of the 2011 regular Board meetings were determined in 2010 and any amendments to this schedule were notified to all directors at least 14 days before the meeting. Suitable arrangements were in place to allow directors to include items in the agenda for regular Board meetings.

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

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:

本公司在二零一零年內已定下二零一一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。本公司備有適當安排，讓董事提出商討事項以納入董事會定期會議議程內。

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

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

Name of directors 董事姓名		Meetings Attended/Meetings Held 出席次數／會議次數		
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
<i>Executive directors</i>	<i>執行董事</i>			
Mr. HA Chung Fong	夏松芳先生	4/4		
Mr. HA Kam On, Victor	夏錦安先生	4/4		
Mr. HA Hon Kuen	夏漢權先生	4/4		
Dr. YEN Gordon	嚴震銘博士	4/4		
Mr. LAU Hong Yon (retired on 1st March, 2011)	柳康遠先生 (於二零一一年三月一日退休)	2/2		2/2
<i>Non-executive directors</i>	<i>非執行董事</i>			
Mr. CHAN Yuk Yin (appointed on 1st March, 2011)	陳旭賢先生 (於二零一一年三月一日獲委任)	2/2		
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>			
Mr. NG Kwok Tung	伍國棟先生	4/4	5/5	5/5
Mr. WONG Kwong Chi	王幹芝先生	4/4	5/5	5/5
Mr. CHOW Wing Kin, Anthony, SBS, JP	周永健先生， 銀紫荊星章，太平紳士	4/4	5/5	5/5
Mrs. FUNG YEH Yi Hao, Yvette	馮葉儀皓女士	4/4		5/5

CORPORATE GOVERNANCE REPORT 企業管治報告

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

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

BOARD COMMITTEES

The Board has established two committees, namely the Audit Committee and the Remuneration Committee, throughout the year ended 31st August, 2011. Their terms of reference were approved by the Board. During the year, these committees adhered to their principles, procedures and arrangements set out above. The respective committee secretary took full minutes of the meetings of these committees and the work of these committees was reported to the Board regularly.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the Code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. Mr. HA Chung Fong was the Chairman and Managing Director of the Company for the period from 1st September, 2010 to 30th April, 2011. On 1st May, 2011, Mr. HA Kam On, Victor was appointed as Group Managing Director in place of Mr. HA Chung Fong, details of which were set out in the announcement dated 24th May, 2011. After such change, the roles of the chairman and CEO of the Company are separate that Mr. HA Chung Fong acts the Chairman while Mr. HA Kam On, Victor acts CEO role. The Board viewed that the aforesaid arrangements were in the best interest of the Company after having considered the business operation and nature of the Company.

NON-EXECUTIVE DIRECTORS

All the existing independent non-executive directors, were previously appointed with specific terms, and the terms were extended for one year up to 31st August, 2012. A non-executive director, Mr. Chan Yuk Yin, entered into an appointment letter with the Company for a term of one year commencing 1st March, 2011. They are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company (the "Articles").

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

截至二零一一年八月三十一日止年度內，董事會已成立兩個委員會，分別為審核委員會及薪酬委員會。其職權範圍書已經董事會批核。於本年度，該委員會的運作遵循上述各項原則、程序及安排。委員會相關秘書負責為該委員會撰寫完整的會議記錄，而委員會則定期向董事會作出工作匯報。

主席與行政總裁

按守則條文A.2.1的規定，主席與行政總裁的角色應有區分，不應由一人同時兼任。主席與行政總裁之間之職責分工應清楚界定並以書面列載。於二零一零年九月一日至二零一一年四月三十日期間，夏松芳先生為本公司之主席兼董事總經理。於二零一一年五月一日，夏錦安先生獲委任為集團董事總經理，以接替夏松芳先生。其詳情已載於本公司於二零一一年五月二十四日之公告。經該變更後，本公司之主席及行政總裁的角色已區分。夏松芳先生為主席，而夏錦安先生則擔任行政總裁的角色。經考慮本公司之業務運作及特性，董事會認為上述安排乃最符合本公司利益。

非執行董事

所有現任獨立非執行董事，均在以前以特定年期被委任，並已續約一年至二零一二年八月三十一日止。一位非執行董事陳旭賢先生已與本公司簽訂聘任信，任期由二零一一年三月一日開始，為期一年。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 enquiries of all directors, the Company confirms that all directors have complied with the required standards set out in the Model Code throughout the year ended 31st August, 2011.

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 the four independent non-executive directors. The Committee is chaired by Mr. WONG Kwong Chi.

The Remuneration Committee held five meetings during the year and detail of attendance is shown in the table on page 18. 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, 2011. The Remuneration Committee has considered factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- review and approve remuneration and performance-based remuneration scheme of executive directors from time to time by reference to corporate goals and objectives resolved by the Board from time to time; and
- ensure that no director or any of respective associates is involved in deciding their respective remuneration.

NOMINATION OF DIRECTORS

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

董事進行證券交易

本公司已採納上市公司董事進行證券交易的標準守則（「標準守則」）為其有關董事進行證券交易之守則。經向本公司所有董事作出具體查詢後，本公司認為所有董事於截至二零一一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。

薪酬委員會現由四位獨立非執行董事組成。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五次會議，出席詳情列於第18頁之表內。薪酬委員會於本年度內的工作包括如下事項：

- 就非執行董事截至二零一一年八月三十一日止年度之薪酬向董事會提出建議。薪酬委員會已考慮包括同類公司所支付的薪酬、董事須付出的時間及職責、集團內其他職位的僱用條件及按合理表現釐訂的薪酬等因素；
- 透過參照董事會不時通過的公司目標及目的，檢討及批准執行董事的薪酬及按表現而釐定的薪酬方案；及
- 確保任何董事或各自的任何聯繫人不可參與決定彼等之薪酬。

董事之提名

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

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company has established a Nomination Committee on 1st September, 2011 for the purpose of making recommendations to the Board on the appointment of directors. The terms of reference of the Nomination Committee have been reviewed by the Board with reference to the Code and are posted on the Company's website.

The Nomination Committee presently comprises five directors, including the Chairman, Mr. HA Chung Fong, and the four independent non-executive directors. The Committee is chaired by Mr. CHOW Wing Kin Anthony, *SBS, JP*.

AUDITORS' REMUNERATION

For the year ended 31st August, 2011, the fees charged by the Company's auditors in respect of audit and non-audit services amounted to approximately HK\$4,076,000 and HK\$573,000 respectively.

AUDIT COMMITTEE

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

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

The Audit Committee held five meetings during the year and detail of attendance is shown in the table on page 18. The work of the Audit Committee during the year included of the following matters:

- provide recommendation to the Board on the reappointment of external auditors, and to approve the audit fee and terms of engagement of the external auditors;
- review and monitor external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and discuss with external auditors before audit commences, the nature and scope of the audit and reporting obligations;

本公司已於二零一一年九月一日成立提名委員會，就董事委任向董事會提出建議。提名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。

提名委員會現由五位董事組成，包括夏松芳主席及四位獨立非執行董事。周永健先生，*銀紫荊星章*，*太平紳士*為該委員會主席。

核數師酬金

於截至二零一一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4,076,000港元及573,000港元。

審核委員會

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

審核委員會現由三位獨立非執行董事(即伍國棟先生、王幹芝先生及周永健先生，*銀紫荊星章*，*太平紳士*)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，出席詳情列於第18頁之表內。審核委員會於本年度內的工作包括如下事項：

- 就外聘核數師的重新委任向董事會提供建議，及核准外聘核數師酬金及聘用條款；
- 按適用的標準檢討及監察外聘核數師的獨立性及客觀性，以及核數程序的有效性；並與外聘核數師在審核工作開始前預先討論審核工作的性質和範圍及有關申報責任；

CORPORATE GOVERNANCE REPORT 企業管治報告

- monitor integrity of financial statements, interim report and annual report, and to review significant financial reporting judgments contained in them;
- review financial controls, internal controls and risk management systems;
- discuss with management regarding the system of internal controls and ensure that management has discharged its duty to have an effective internal control system including adequacy of resources, qualifications and experience of staff of accounting and financial reporting function, and their training programmes and budget;
- ensure co-ordination between internal and external auditors, and to ensure that internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of internal audit function;
- review financial and accounting policies and practices; and
- review external auditors' management letter, any material queries raised by auditors to management in respect of accounting records, financial accounts or systems of control and management's response.
- 監察財務報表、中期報告及年度報告的完整性，並檢閱其所載有關財務申報的重大判斷；
- 檢閱財務監控、內部監控及風險管理制度；
- 與管理層討論內部監控系統，並確保管理層已履行職責建立有效的內部監控系統；包括財務匯報職能方面資源、相關同事之資歷及經驗是否充足、及其所接受培訓課程及有關預算是否充足；
- 確保內部和外聘核數師的工作得到協調；及確保內部審核功能在本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 AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

The directors acknowledge the responsibilities for preparing the accounts of the Company. The external auditors' statement about their reporting responsibilities is set out on pages 38 and 39.

INTERNAL CONTROLS

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

董事及核數師對賬目的責任

董事知悉其有編製賬目的責任。外聘核數師發表有關其申報責任的聲明載列於第38及39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

Member of Nomination Committee

Director of various subsidiaries of the Group

Aged 73, is the founder of the Group. Mr. HA is also the Honourable Chairman of The Hong Kong General Chamber of Textiles Limited and Honourary Life Chairman of Textiles and Clothing Industry Association of Kai Ping City. He has been accredited as Honourary Citizen of Dongguan City, Kai Ping City, Enping City and Xinhui City in the PRC. Mr. HA was presented with "Lifetime Achievement Award" from China Knitting Industry Association in 2010. Mr. HA is also an Honourable Professor of Xi'an University of Engineering Science & Technology. He also served on various trade, industrial and educational advisory panels in Hong Kong. Mr. HA is the father of Mr. HA Hon Kuen, Mr. HA Kam On, Victor and Ms. HA Kam Yee and is the father-in-law of Dr. YEN Gordon.

Mr. HA Kam On, Victor

Group Managing Director

Director of various subsidiaries of the Group

Aged 46, joined the Group in 2002 as General Manager of the garment business and became an Executive Director in 2004. He was promoted to Executive Director and Group General Manager in 2009 and appointed as Group Managing Director in May, 2011. He serves as a Director of the Lions Kidney Education Center & Research Foundation; a Director of HK Wuxi Trade Association; a Founding Member of the Hong Kong Professionals & Senior Executives Association and a Member of Hong Kong Young Industrialists Council. He has been accredited as Honorary Citizen of Jiangmen City in the PRC; and was also awarded the "Young Industrialist Awards of Hong Kong" from the Federation of Hong Kong Industries in 2010. He possesses a degree in Production Engineering from Coventry University, UK. Prior to joining the Group, Mr. HA has over 10 years of operations and management experience in the garment trading and manufacturing industry. Mr. HA is the son of Mr. HA Chung Fong.

董事

夏松芳先生

主席

提名委員會成員

集團數間附屬公司之董事

現年七十三歲，集團創辦人。夏先生為開平市紡織服裝行業協會永遠名譽會長及香港紡織商會名譽會長。彼榮獲中國東莞市、開平市、恩平市及新會市的榮譽市民。夏先生於二零一零年榮獲由中國針織工業協會授予之「中國針織行業終身成就獎」。夏先生同時也獲委任為中國西安工程科技學院榮譽教授。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，也是嚴震銘博士之岳父。

夏錦安先生

集團董事總經理

集團數間附屬公司之董事

現年四十六歲，於二零零二年加入集團，並於二零零四年晉升為執行董事，負責集團的製衣業務。夏先生於二零零九年晉升至執行董事兼集團總經理，及於二零一一年五月獲委任為集團董事總經理。彼為國際獅子會腎病教育中心及研究基金會董事、香港無錫商會董事、香港專業及資深行政人員協會創會會員及香港青年工業家協會會員。彼榮獲中國江門市榮譽市民，並於二零一零年獲得由香港工業總會頒發之「香港青年工業家獎」。彼於英國高雲地利大學獲得生產工程學士學位。在加入集團之前，夏先生在成衣貿易及製造行業有十年以上的營運及管理經驗。夏先生為夏松芳先生之兒子。

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

Mr. HA Hon Kuen

Executive Director

Director of various subsidiaries of the Group

Aged 47, joined the Group in 1993 and joined the Group's Board in 1996 as a Non-executive Director and re-designated to an Executive Director on 1st March, 2010. Prior to joining the Group, Mr. HA had several years' working experience in the securities and finance field. He holds a Bachelor degree in Science from the University College of Swansea, UK. Mr. HA is the son of Mr. HA Chung Fong.

Dr. YEN Gordon

Executive Director

Director of various subsidiaries of the Group

Aged 41, joined the Group in 1999 as the Assistant to Chairman and was promoted to his current position in 2004. He serves as a Member of the Henan Province Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is also the Chairman of The Hong Kong Association of Textile Bleachers, Dyers, Printers and Finishers; an Executive Vice Chairman of The Hong Kong General Chamber of Textiles; a Vice Chairman of Textile Council of Hong Kong; a Vice Director General of China Knitting Industry Association; a Director of The Hong Kong Research Institute of Textiles and Apparel Limited; a Director of GS1 HK Limited; a Director of the Hong Kong Chiu Chow Chamber of Commerce; a General Committee member of the Chamber of Hong Kong Listed Companies; a member of the Textile Advisory Board to the Trade & Industry Department and an Honorary Advisor of The Vocational Training Council. Dr. YEN also serves as an Independent Non-executive Director of Hopewell Highway Infrastructure Limited, a Hong Kong listed company. He holds a Bachelor degree in Manufacturing Engineering from Boston University, USA; a Master degree in Business Administration from McGill University, Canada and a Doctorate degree in Business Administration from The Hong Kong Polytechnic University. Prior to joining the Group, Dr. YEN had extensive experience in the infrastructure sector. Dr. YEN is the son-in-law of Mr. HA Chung Fong and is the spouse of Ms. HA Kam Yee.

夏漢權先生

執行董事

集團數間附屬公司之董事

現年四十七歲，於一九九三年加入集團並於一九九六年加入集團董事會為非執行董事及於二零一零年三月一日調任為執行董事。在加入集團之前，夏先生在證券及財經界有數年工作經驗。彼持有英國University College of Swansea理學士學位。夏先生為夏松芳先生之兒子。

嚴震銘博士

執行董事

集團數間附屬公司之董事

現年四十一歲，於一九九九年加入集團為主席助理，並於二零零四年晉升至現職位。彼為中國河南省政協委員。彼亦為香港漂染印整理業總會會長、香港紡織商會常務副會長、香港紡織業聯會副會長、中國針織工業協會副理事長、香港紡織及成衣研發中心董事、香港貨品編碼協會董事、香港潮州商會會董、香港上市公司商會常務委員會委員、工業貿易署紡織業諮詢委員會委員及職業訓練局榮譽顧問。嚴博士亦為香港上市公司合和公路基建有限公司之獨立非執行董事。彼持有美國波士頓大學生產工程學士學位、加拿大麥基爾大學工商管理碩士學位及香港理工大學工商管理博士學位。在加入集團之前，嚴博士在基礎建設行業擁有豐富經驗。嚴博士為夏松芳先生之女婿及夏錦兒小姐之配偶。

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

Mr. CHAN Yuk Yin

Non-executive Director

Aged 48, joined the Group in 1990. Between 1990 and 1997, Mr. CHAN served in the Group's sales department and was promoted to Director and General Manager of various subsidiaries of the Group in 1997. Mr. CHAN was responsible for the overall management of various subsidiaries of the Group. Mr. CHAN resigned from all his roles in the Group, namely as the Director and General Manager of various subsidiaries of the Group on 1st March, 2011. Immediately upon his resignation, Mr. CHAN was appointed as a Non-executive Director of the Company on the same date. He has over 20 years' experience in the textile industry and holds a Higher Diploma in Textile Technology from the Hong Kong Polytechnic University.

Mr. NG Kwok Tung

Independent Non-executive Director

Chairman of Audit Committee

Member of Remuneration Committee

Member of Nomination Committee

Aged 61, joined the Group's Board in 1993 as an Independent Non-executive Director. Mr. NG is a practising accountant. He is also an Independent Non-executive Director of Universe International Holdings Limited and a Non-executive Director of Wah Ha Reality Company Limited, both of which are listed companies in Hong Kong. He holds a Bachelor of Commerce Degree and a Licentiate in Accountancy from McGill University, Canada and a Diploma in Chinese Law from the University of East Asia, Macao. Mr. NG is a Member of Hong Kong Institute of Certified Public Accountants, Institute of Chartered Accountants of British Columbia, Order of Chartered Accountants of Quebec, The Canadian Institute of Chartered Accountants, The Taxation Institute of Hong Kong, The Society of Chinese Accountants and Auditors and the Society of Registered Financial Planners.

陳旭賢先生

非執行董事

現年四十八歲，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集團數間附屬公司之董事兼總經理，負責集團數間附屬公司之整體管理。陳先生於二零一一年三月一日辭任彼於本集團的所有職位，即集團數間附屬公司之董事兼總經理，並緊隨於辭任後於同日起獲委任為本公司之非執行董事。彼在紡織業已有二十年以上經驗，並持有香港理工大學紡織技術高級文憑。

伍國棟先生

獨立非執行董事

審核委員會主席

薪酬委員會成員

提名委員會成會

現年六十一歲，於一九九三年加入集團董事會為獨立非執行董事。伍先生現為執業會計師。彼亦為寰宇國際控股有限公司之獨立非執行董事及華廈置業有限公司之非執行董事，該兩間公司均為香港上市公司。彼持有加拿大麥基爾大學商學院商科學士學位及高級會計文憑及澳門東亞大學中國法律文憑。伍先生為香港會計師公會、加拿大英屬哥倫比亞特許會計師公會、加拿大魁北克省特許會計師公會、加拿大特許會計師公會、香港稅務學會、香港華人會計師公會及註冊財務策劃師協會會員。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

Mr. WONG Kwong Chi*Independent Non-executive Director**Member of Audit Committee**Chairman of Remuneration Committee**Member of Nomination Committee*

Aged 60, joined the Group's Board in 1998 as an Independent Non-executive Director. Mr. WONG is the Managing Partner of Asian Global Capital. Mr. Wong is an Executive Director of China.com Inc. and an Independent Non-executive Director of Glory Mark Hi-tech (Holdings) Limited, both being listed companies in Hong Kong. He is also an Executive Director of CDC Software Corporation, a company listed in USA. For the period from August 2005 to September 2011, he was an Executive Director of CDC Corporation, a company listed in USA. Mr. WONG has extensive experience in the capital investment market. Mr. WONG holds a Bachelor degree in Science and a Master degree in Business Administration from The Chinese University of Hong Kong. Mr. WONG served as the Chairman of Hong Kong Venture Capital And Private Equity Association, the Vice Chairman of The Hong Kong Electronic Industries Association and the Vice President of Hong Kong Auto Parts Industry Association. He is also a Member of Hong Kong Young Industrialists Council and the Honorary Treasurer of Hong Kong Critical Components Manufacturers Association.

Mr. CHOW Wing Kin, Anthony, SBS, JP*Independent Non-executive Director**Member of Audit Committee**Member of Remuneration Committee**Chairman of Nomination Committee*

Aged 61, joined the Group's Board in 2004 as an Independent Non-executive Director. Mr. CHOW has been practicing as a solicitor in Hong Kong for the past 30 years and is a partner in the law firm, Messrs. Peter C. Wong, Chow & Chow. He is a Non-executive Director of Kingmaker Footwear Holdings Limited, a company listed in Hong Kong. He also sits on the board of The Link Management Limited which manages The Link Real Estate Investment Trust. For the period from June 2005 to July 2011, Mr. Chow was an Independent Non-executive Director of Ping An Insurance (Group) Company of China, Limited, a company listed in Hong Kong. Mr. CHOW is the Chairman of the Process Review Panel for the Securities and Futures Commission, a member of Personal Data (Privacy) Advisory Committee and a member of Appeal Board on Public Meetings and Processions. He is also a Member of National Committee of the Chinese People's Political Consultative Conference and a Member of the Board of Stewards of The Hong Kong Jockey Club.

王幹芝先生

獨立非執行董事

審核委員會成員

薪酬委員會主席

提名委員會成員

現年六十歲，於一九九八年加入集團董事會為獨立非執行董事。王先生現為亞洲環球基金之首席合伙人。王先生現為香港上市公司中華網科技公司之執行董事及輝煌科技(控股)有限公司之獨立非執行董事。彼現亦為美國上市公司CDC Software Corporation之執行董事。於二零零五年八月至二零一一年九月期間，彼亦為美國上市公司CDC Corporation之執行董事。王先生在資本投資市場上有豐富經驗。王先生持有香港中文大學頒發之物理學士及工商管理學碩士學位。王先生為香港創業及私募投資協會前任主席、香港電子業商會前任副會長及香港汽車零部件工業協會前任副會長。彼亦為香港青年工業家協會會員及香港關鍵性零部件製造業協會名譽司庫。

周永健先生，銀紫荊星章，太平紳士

獨立非執行董事

審核委員會成員

薪酬委員會成員

提名委員會主席

現年六十一歲，於二零零四年加入集團董事會為獨立非執行董事。周先生在過去三十年來一直為香港執業律師，乃王澤長、周淑嫻、周永健律師行之合夥人。彼為香港上市公司信星鞋業集團有限公司之非執行董事。彼亦為管理領匯房地產投資信託基金之領匯管理有限公司之董事會成員。於二零零五年六月至二零一一年七月期間，周先生為香港上市公司中國平安保險(集團)股份有限公司之獨立非執行董事。周先生為證券及期貨事務監察委員會程序覆檢委員會主席、個人資料(私隱)諮詢委員會委員及公眾集會及遊行上訴委員會成員。彼亦為中國人民政治協商會議全國委員會委員及香港賽馬會董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

Mrs. FUNG YEH Yi Hao, Yvette

Independent Non-executive Director

Member of Remuneration Committee

Member of Nomination Committee

Aged 50, joined the Group's Board in 2000 as a Non-executive Director and re-designated to an Independent Non-executive Director on 1st March, 2010. Mrs. FUNG is also a Director of Hsin Chong International Holdings Ltd. and Chair of The Yeh Family Philanthropy. She also serves as an Independent Non-executive Director of Tai Ping Carpets International Limited, a listed company in Hong Kong. From September 2003 to September 2008, she was the Deputy Chairman and Executive Director of Synergis Holdings Limited, a Hong Kong listed company. From September 1999 to November 2009, she was also an Independent Non-executive Director of Doxen Energy Group Limited (formerly known as Hong Kong Catering Management Limited), a Hong Kong listed company. She holds a B.A. Degree in Psychology from Stanford University, USA, a M.B.A. from University of California, Los Angeles, USA and a J.D. from Stanford Law School, USA. She is a Member of the Council of The Hong Kong University of Science and Technology, a Council Member of the Hong Kong Society for the Deaf, a Member of the Public Affairs Forum (Home Affairs Bureau) and a Member of the Board of Visitors of Stanford Law School.

SENIOR MANAGEMENT

Mr. YIM To Hung

Director and General Manager of various subsidiaries of the Group

Aged 48, joined the Group in 1982 and since then, he has dedicated his entire career in the textile production and management. Mr. YIM is responsible for the overall management of various subsidiaries of the Group. He has over 25 years of solid experience in the textiles industry in which over 15 years' management experience in the PRC.

Ms. HA Kam Yee

Sourcing Director of the Group's Material Sourcing Department

Aged 41, joined the Group's material sourcing department in 1994 and became the head of the department in 2002. Ms. HA is responsible for monitoring the Group's material sourcing operations. She holds a Bachelor degree of Science in Computer Science from the University of British Columbia, Canada. Prior to joining the Group, Ms. HA had experience in the information technology field. Ms. HA is the daughter of Mr. HA Chung Fong and is the spouse of Dr. YEN Gordon.

馮葉儀皓女士

獨立非執行董事

薪酬委員會成員

提名委員會成員

現年五十歲，於二零零零年加入集團董事會為非執行董事，並於二零一零年三月一日調任為獨立非執行董事。馮女士亦為新昌國際集團有限公司之董事、葉氏家族慈善機構主席及香港上市公司太平地氈國際有限公司之獨立非執行董事。於二零零三年九月至二零零八年九月期間，彼為香港上市公司新昌管理集團有限公司之副主席兼執行董事。於一九九九年九月至二零零九年十一月期間，亦為香港上市公司東星能源集團有限公司(前稱香港飲食管理有限公司)之獨立非執行董事。彼持有美國史丹福大學心理學文學士學位、美國洛杉磯加州大學工商管理碩士學位及美國史丹福大學法學院法學博士學位。彼為香港科技大學校董會成員、香港聾人福利促進會之執行委員會成員、民政事務局公共事務論壇成員及美國史丹福大學法學院董事會成員。

高級管理人員

嚴道雄先生

集團數間附屬公司之董事兼總經理

現年四十八歲，於一九八二年加入集團，自此專注於紡織生產及管理事業上。嚴先生現負責集團數間附屬公司之整體管理。彼在紡織業已有二十五年以上豐富經驗，當中有十五年以上為在中國獲取的管理經驗。

夏錦兒小姐

集團原料採購部之採購總監

現年四十一歲，於一九九四年加入集團之原料採購部，並於二零零二年成為該部主管。夏小姐現負責監察集團整體原料採購運作。彼持有加拿大卑詩省大學電腦科學士學位。在加入集團之前，夏小姐從事資訊科技工作。夏小姐為夏松芳先生之女兒及嚴震銘博士之配偶。

DIRECTORS' REPORT 董事會報告

The directors present their annual report and the audited consolidated financial statements for the year ended 31st August, 2011.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 15 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 40.

No interim dividend was declared for the year. The directors now recommend the payment of a final dividend of HK1.0 cent per share to the shareholders on the register of members on 12th January, 2012, amounting to HK\$7,940,000, and the retention of the remaining profit for the year.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group had additions of HK\$110,334,000 to property, plant and equipment which were mainly used 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 13 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital are set out in note 30 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31st August, 2011 represented the retained profits of HK\$628,518,000 (2010: HK\$619,561,000).

董事提呈截至二零一一年八月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司作為一間投資控股公司。其主要附屬公司之主要業務載列於綜合財務報表附註15內。

業績及備撥

本年度之本集團業績載列於第40頁之綜合收益表內。

本年度並無派發中期股息，董事現建議派發末期股息每股1.0港仙予在二零一二年一月十二日名列在股東名冊之股東，合共7,940,000港元，並保留本年度餘下的盈利。

物業、機器及設備

本年度本集團添置物業、機器及設備110,334,000港元，主要用於擴大及增強本集團之生產設備。

本年度本集團及本公司之物業、機器及設備就上述及其他變動詳情載列於綜合財務報表附註13內。

股本

股本之詳情載列於綜合財務報表附註30內。

本公司之可供分派儲備

於二零一一年八月三十一日，本公司可供分派予股東之儲備為保留盈利628,518,000港元（二零一零年：619,561,000港元）。

DIRECTORS' REPORT 董事會報告

DIRECTORS

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

Executive directors:

Mr. HA Chung Fong (*Chairman*)
 Mr. HA Kam On, Victor (*Group Managing Director*)
 Mr. HA Hon Kuen
 Dr. YEN Gordon
 Mr. LAU Hong Yon (retired on 1st March, 2011)

Non-executive director:

Mr. CHAN Yuk Yin (appointed on 1st March, 2011)

Independent non-executive directors:

Mr. NG Kwok Tung
 Mr. WONG Kwong Chi
 Mr. CHOW Wing Kin, Anthony, *SBS, JP*
 Mrs. FUNG YEH Yi Hao, Yvette

Pursuant to Article 102 of the Company's Articles of Association, Mr. HA Hon Kuen, Mr. NG Kwok Tung and Mrs. FUNG YEH Yi Hao, Yvette shall retire by rotation at the forthcoming annual general meeting ("AGM"). All retiring directors, being eligible, offer themselves for re-election.

Pursuant to Article 93 of the Company's Articles of Association, Mr. CHAN Yuk Yin shall retire at the forthcoming AGM but will not offer himself for re-election.

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

董事

於本年度及截至本報告日期，本公司董事名單如下：

執行董事：

夏松芳先生 (*主席*)
 夏錦安先生 (*集團董事總經理*)
 夏漢權先生
 嚴震銘博士
 柳康遠先生 (於二零一一年三月一日退任)

非執行董事：

陳旭賢先生 (於二零一一年三月一日獲委任)

獨立非執行董事：

伍國棟先生
 王幹芝先生
 周永健先生，*銀紫荊星章，太平紳士*
 馮葉儀皓女士

根據本公司組織章程細則第102條，夏漢權先生、伍國棟先生及馮葉儀皓女士將於即將舉行之股東週年大會（「股東週年大會」）上輪值告退，惟所有告退之董事均符合資格及願膺選連任。

根據本公司組織章程細則第93條，陳旭賢先生將於即將舉行之股東週年大會上告退，且不會膺選連任。

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

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31st August, 2011, 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 contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long positions in shares of the Company:

Name of director 董事名稱	Number of issued ordinary shares held as 佔已發行普通股數目			Approximate percentage of the issued share capital of the Company 約佔本公司 已發行 股本比率
	Beneficial owner 實益擁有人	Other interests 其他權益	Total 總數	
Mr. HA Chung Fong 夏松芳先生	45,398,000	280,082,044 (note) (附註)	325,480,044	40.99
Mr. HA Kam On, Victor 夏錦安先生	11,440,000	–	11,440,000	1.44
Dr. YEN Gordon 嚴震銘博士	6,400,000	–	6,400,000	0.81
Mr. CHAN Yuk Yin 陳旭賢先生	3,360,000	–	3,360,000	0.42
Mrs. FUNG YEH Yi Hao, Yvette 馮葉儀皓女士	70,000	–	70,000	0.01

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

董事之股份及相關股份權益

於二零一一年八月三十一日，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香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）所載上市公司董事進行證券交易之標準守則須通知本公司及聯交所之資料，本公司各董事及彼等之聯繫人士於本公司及其相聯法團之股份及相關股份中擁有之權益如下：

於本公司股份的好倉情況：

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

DIRECTORS' REPORT 董事會報告

Long positions in underlying shares of the Company:

於本公司相關股份的好倉情況：

Name of director 董事名稱	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 相關股份數目
Mr. HA Kam On, Victor 夏錦安先生	Beneficial owner 實益擁有人	7,900,000	7,900,000
Mr. HA Hon Kuen 夏漢權先生	Beneficial owner 實益擁有人	5,000,000	5,000,000
Dr. YEN Gordon 嚴震銘博士	Beneficial owner 實益擁有人	7,900,000	7,900,000
Dr. YEN Gordon 嚴震銘博士	Interest of spouse 配偶權益	5,000,000	5,000,000

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 as at 31st August, 2011.

除上述披露者外，於二零一一年八月三十一日，概無本公司董事或彼等之聯繫人士於本公司或其任何相聯法團之股份及相關股份中擁有任何權益或淡倉。

SHARE OPTIONS

Particulars of the Company's share option schemes, the 2002 Scheme and the 2011 Scheme, are defined and set out in note 31 to the consolidated financial statements.

購股權

本公司之購股權計劃、二零零二年計劃及二零一一年計劃之詳情已於綜合財務報表附註31界定及載列。

DIRECTORS' REPORT 董事會報告

The following table discloses movements in the Company's share options during the year:

下表披露本公司於年內之購股權變動情況：

	Scheme	Date of grant	Exercise price	Outstanding at beginning of the year	Granted during the year	Forfeited during the year	Outstanding at end of the year
	計劃	授出日期	行使價	於年初尚未行使	年內已授出	年內已沒收	於年終尚未行使
<i>Category 1: Directors</i>							
<i>第1類：董事</i>							
Mr. HA Kam On, Victor	2002	17th September, 2010	HK\$1.29	-	4,600,000	-	4,600,000
夏錦安先生	二零零二年	二零一零年九月十七日	1.29港元				
	2011	18th August, 2011	HK\$1.21	-	3,300,000	-	3,300,000
	二零一一年	二零一一年八月十八日	1.21港元				
Mr. HA Hon Kuen	2002	17th September, 2010	HK\$1.29	-	2,000,000	-	2,000,000
夏漢權先生	二零零二年	二零一零年九月十七日	1.29港元				
	2011	18th August, 2011	HK\$1.21	-	3,000,000	-	3,000,000
	二零一一年	二零一一年八月十八日	1.21港元				
Dr. YEN Gordon	2002	17th September, 2010	HK\$1.29	-	4,600,000	-	4,600,000
嚴震銘博士	二零零二年	二零一零年九月十七日	1.29港元				
	2011	18th August, 2011	HK\$1.21	-	3,300,000	-	3,300,000
	二零一一年	二零一一年八月十八日	1.21港元				
Total Directors				-	20,800,000	-	20,800,000
董事合共							
<i>Category 2: Employees</i>							
<i>第2類：僱員</i>							
	2002	17th September, 2010	HK\$1.29	-	11,200,000	(4,600,000)	6,600,000
	二零零二年	二零一零年九月十七日	1.29港元				
	2011	18th May, 2011	HK\$1.91	-	3,352,000	-	3,352,000
	二零一一年	二零一一年五月十八日	1.91港元				
	2011	18th August, 2011	HK\$1.21	-	13,445,000	-	13,445,000
	二零一一年	二零一一年八月十八日	1.21港元				
Total Employees				-	27,997,000	(4,600,000)	23,397,000
僱員合共							
Two categories				-	48,797,000	(4,600,000)	44,197,000
兩類別合共							

DIRECTORS' REPORT 董事會報告

Share options granted on 17th September, 2010 under the 2002 Scheme are exercisable during the period from 17th March, 2014 to 17th March, 2017 in three tranches, being

- 17th March, 2014 to 17th March, 2017 (up to 30.00% of the share options granted are exercisable)
- 17th March, 2015 to 17th March, 2017 (up to 60.00% of the share options granted are exercisable)
- 17th March, 2016 to 17th March, 2017 (all share options granted are exercisable)

Share options granted on 18th May, 2011 under the 2011 Scheme are exercisable during the period from 18th May, 2012 to 17th May, 2015 in three tranches, being

- 18th May, 2012 to 17th May, 2015 (up to 32.52% of the share options granted are exercisable)
- 18th May, 2013 to 17th May, 2015 (up to 65.04% of the share options granted are exercisable)
- 18th May, 2014 to 17th May, 2015 (all share options granted are exercisable)

Share options granted on 18th August, 2011 under the 2011 Scheme are exercisable by 2 batches as follows:

Batch 1: 15,900,000 share options are exercisable during the period from 19th August, 2012 to 18th August, 2017 in five tranches, being

- 19th August, 2012 to 18th August, 2017 (up to 20.00% of the share options granted are exercisable)
- 19th August, 2013 to 18th August, 2017 (up to 40.00% of the share options granted are exercisable)
- 19th August, 2014 to 18th August, 2017 (up to 60.00% of the share options granted are exercisable)

於二零一零年九月十七日根據二零零二年計劃授出之購股權可於二零一四年三月十七日至二零一七年三月十七日期間分三個階段予以行使，即

- 二零一四年三月十七日至二零一七年三月十七日(最多佔已授出購股權之30.00%可予行使)
- 二零一五年三月十七日至二零一七年三月十七日(最多佔已授出購股權之60.00%可予行使)
- 二零一六年三月十七日至二零一七年三月十七日(所有已授出之購股權可予行使)

於二零一一年五月十八日根據二零一一年計劃授出之購股權可於二零一二年五月十八日至二零一五年五月十七日期間分三個階段予以行使，即

- 二零一二年五月十八日至二零一五年五月十七日(最多佔已授出購股權之32.52%可予行使)
- 二零一三年五月十八日至二零一五年五月十七日(最多佔已授出購股權之65.04%可予行使)
- 二零一四年五月十八日至二零一五年五月十七日(所有已授出之購股權可予行使)

於二零一一年八月十八日根據二零一一年計劃授出之購股權可分兩批予以行使，載列如下：

第一批：15,900,000份購股權可於二零一二年八月十九日至二零一七年八月十八日期間分五個階段予以行使，即

- 二零一二年八月十九日至二零一七年八月十八日(最多佔已授出購股權之20.00%可予行使)
- 二零一三年八月十九日至二零一七年八月十八日(最多佔已授出購股權之40.00%可予行使)
- 二零一四年八月十九日至二零一七年八月十八日(最多佔已授出購股權之60.00%可予行使)

DIRECTORS' REPORT 董事會報告

- 19th August, 2015 to 18th August, 2017 (up to 80.00% of the share options granted are exercisable)
- 19th August, 2016 to 18th August, 2017 (all share options granted are exercisable)

Batch 2: 7,145,000 share options are exercisable during the period from 19th August 2012 to 18th August, 2015 in three tranches, being

- 19th August, 2012 to 18th August, 2015 (up to 34.15% of the share options granted are exercisable)
- 19th August, 2013 to 18th August, 2015 (up to 68.31% of the share options granted are exercisable)
- 19th August, 2014 to 18th August, 2015 (all share options granted are exercisable)

The closing prices of the Company's shares immediately before 17th September, 2010, 18th May, 2011 and 18th August, 2011, the dates of grant of the options, were HK\$1.29, HK\$1.80 and HK\$1.21, respectively.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Connected Transactions" in this report and note 40 to the consolidated financial statements, 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.

- 二零一五年八月十九日至二零一七年八月十八日(最多佔已授出購股權之80.00%可予行使)
- 二零一六年八月十九日至二零一七年八月十八日(所有已授出之購股權可予行使)

第二批：7,145,000份購股權可於二零一二年八月十九日至二零一五年八月十八日期間分三個階段予以行使，即

- 二零一二年八月十九日至二零一五年八月十八日(最多佔已授出購股權之34.15%可予行使)
- 二零一三年八月十九日至二零一五年八月十八日(最多佔已授出購股權之68.31%可予行使)
- 二零一四年八月十九日至二零一五年八月十八日(所有已授出之購股權可予行使)

本公司股份於緊接二零一零年九月十七日、二零一一年五月十八日及二零一一年八月十八日(即購股權授出日期前)之收市價分別為1.29港元、1.80港元及1.21港元。

購買股份或債券安排

除上述披露者外，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，使本公司董事可藉購買本公司或任何其他公司之股份或債券而獲益。

董事擁有之重要合約權益

除本報告「關連交易」一段及綜合財務報表附註40一段所披露者外，於本年度終結時或在本年度任何時間，本公司或其任何附屬公司並無訂立任何與本公司董事有直接或間接重大益之重要合約。

DIRECTORS' REPORT 董事會報告

CONNECTED TRANSACTIONS

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in note 40 to the consolidated financial statements in accordance with Chapter 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The independent non-executive directors have also reviewed the continuing connected transactions and in their opinion, those transactions were entered into by the Group:

- (i) in the ordinary course of business of the Group;
- (ii) on normal commercial terms or terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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, 2011, 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.

關連交易

本公司核數師已獲委聘根據香港會計師公會頒布的《香港核證工作準則》第3000號「對過往財務資料進行審核或審閱以外的核證工作」及參照實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」報告本集團之持續關連交易。核數師已根據上市規則第14A.38條發出無保留意見函件，當中載有核數師對本集團於綜合財務報表附註40所披露之持續關連交易之發現及結論。本公司已將核數師函件副本送呈聯交所。

獨立非執行董事亦已審閱持續關連交易，並認為該等交易乃由本集團按下列基準訂立：

- (i) 於本集團日常業務過程中訂立；
- (ii) 按一般商業條款或不遜於本集團提供予獨立第三方或獨立第三方提供予本集團之條款訂立；及
- (iii) 根據監管該等交易之協議條款訂立，而該等協議條款屬公平合理，並符合本公司股東的整體利益。

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

於二零一一年八月三十一日，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 positions in shares and underlying shares of the Company:

於本公司股份及相關股份的好倉情況：

Name of substantial shareholder 主要股東名稱	Number of shares 股份數目	Capacity 身份	Approximate percentage of the issued share capital 約佔已發行 股本比率
Ms. TANG Kuen Mui 鄧娟妹女士	325,480,044 <i>(notes 1 and 3)</i> <i>(附註1及3)</i>	Spouse interest 配偶權益	40.99
Newcorp	280,082,044 <i>(notes 2 and 3)</i> <i>(附註2及3)</i>	Interest of corporation controlled 所控制的法團的權益	35.27

Notes:

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

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st August, 2011.

EMOLUMENT POLICY

The emolument policy of the employees (excluding key management) of the Group is set up by the senior management of the Group on the basis of their merit, qualifications and competence.

The emoluments of the directors and key management of the Company are decided by the board of directors (the "Board") and reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

附註：

- 鄧娟妹女士為夏松芳先生之配偶，因而被當作於夏松芳先生及Newcorp所持有之股份中擁有權益。
- Newcorp乃Trustcorp之最終控股股東，而Trustcorp為the Ha Trust之受託人，the Ha Trust為夏松芳先生為其家族利益而成立的一項全權信託。
- 夏松芳先生、鄧娟妹女士及Newcorp之權益是重複的。

除上述披露者外，於二零一一年八月三十一日，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。

薪酬政策

有關本集團僱員（不包括主要管理人員）之薪酬政策由本集團高級管理層制定，並以彼等之表現、資歷及工作能力為基準。

本公司董事及主要管理人員之酬金由董事會（「董事會」）參照本公司之營運業績、個別表現及比較市場統計數字而釐定，並由薪酬委員會審閱。

DIRECTORS' REPORT 董事會報告

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 31 to the consolidated financial statements.

本公司採納一項購股權計劃，藉以給予董事及合資格僱員獎勵，計劃詳情載於綜合財務報表附註31。

MAJOR CUSTOMERS AND SUPPLIERS

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

主要客戶及供應商

本年度本集團之五大客戶共佔營業總額少於30%。

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

本年度本集團之五大供應商佔採購總額少於30%。

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

本年度本公司之董事及彼等之聯繫人士或股東，並無在本集團之五大客戶或供應商中擁有任何權益。

DONATIONS

During the year, the Group made charitable and other donations totalling HK\$627,000.

捐款

本年度本集團作出之慈善及其他捐款共627,000港元。

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, 2011.

足夠公眾持股量

從本公司可獲得之公開資料顯示及就本公司董事所知，本公司於截至二零一一年八月三十一日止年度內一直維持足夠公眾持股量。

AUDITOR

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

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。

On behalf of the Board

代表董事會

HA Chung Fong

Director

董事

夏松芳

Hong Kong

25th November, 2011

香港

二零一一年十一月二十五日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS 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 40 to 148, which comprise the consolidated and Company's statements of financial position as at 31st August, 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致福田實業(集團)有限公司全體股東
(於香港註冊成立的有限公司)

本核數師行已審核載於第40頁至第148頁內的福田實業(集團)有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)的綜合財務報表,此等財務報表包括於二零一一年八月三十一日的綜合及公司財務狀況表,與截至該日止年度的綜合收益賬、綜合全面收益表、綜合權益變動報表及綜合現金流量報表,以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例,編製真實及公平的綜合財務報表,及落實其認為編製綜合財務報表所必要的內部監控,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。

核數師的責任

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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, 2011 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

25th November, 2011

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。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製真實及公平的綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對機構的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體呈列方式。

本行相信，本行所獲得的審核憑證乃充足及適當地為本行的審核意見提供基礎。

意見

本行認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一一年八月三十一日的財務狀況及 貴集團截至該日止年度的盈利及現金流量，並已按照香港公司條例而妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一一年十一月二十五日

CONSOLIDATED INCOME STATEMENT 綜合收益表

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

		NOTES 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Revenue	營業額	5	7,593,889	6,148,949
Cost of sales	銷售成本		(6,429,052)	(5,154,109)
Gross profit	毛利		1,164,837	994,840
Other income	其他收入		54,967	70,351
Gain on disposal of property interests	出售物業權益之所得收益	12	-	96,387
Reversal of impairment loss on property, plant and equipment	物業、機器及設備之減值損失撥回		-	1,813
Distribution and selling expenses	分銷及銷售費用		(189,496)	(244,071)
Administrative expenses	行政費用		(613,459)	(560,564)
Other expenses	其他費用		(22,281)	(59,006)
Finance costs	融資成本	6	(71,589)	(48,201)
Impairment loss on assets classified as held for sale	分類為持作出售之資產之減值損失		-	(1,801)
Impairment loss on property, plant and equipment	物業、機器及設備之減值損失		-	(419)
Net gain on disposal of subsidiaries	出售附屬公司之所得收益淨額	38	20,212	766
Profit before taxation	除稅前盈利		343,191	250,095
Income tax expense	所得稅支出	7	(103,473)	(6,516)
Profit for the year	是年度盈利	8	239,718	243,579
Profit for the year attributable to:	應佔是年度盈利：			
Owners of the Company	本公司擁有人		210,886	223,798
Non-controlling interests	非控股權益		28,832	19,781
			239,718	243,579
			HK cents港仙	HK cents港仙
Earnings per share	每股盈利	11		
Basic	基本		26.6	28.2
Diluted	攤薄		26.6	N/A不適用

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

		NOTES	2011 HK\$'000 千港元	2010 HK\$'000 千港元
		附註		
Profit for the year	是年度盈利	8	239,718	243,579
Other comprehensive income (expense):	其他全面收益(開支):			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		7,835	29,316
Reclassification adjustment of translation reserve upon disposal of subsidiaries	出售附屬公司時匯兌儲備之重新分類調整	38	(5,166)	(766)
Other comprehensive income for the year	是年度其他全面收益		2,669	28,550
Total comprehensive income for the year	是年度全面收益總值		242,387	272,129
Total comprehensive income for the year attributable to:	應佔是年度全面收益總值:			
Owners of the Company	本公司擁有人		209,246	239,444
Non-controlling interests	非控股權益		33,141	32,685
			242,387	272,129

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31st August, 2011

於二零一一年八月三十一日

			At 31st August, 2011 於二零一一年 八月三十一日	At 31st August, 2010 於二零一零年 八月三十一日	At 1st September, 2009 於二零零九年 九月一日
	NOTES 附註		HK\$'000 千港元	HK\$'000 千港元 (restated) (經重列)	HK\$'000 千港元 (restated) (經重列)
Non-current assets		非流動資產			
Investment properties	12	投資物業	-	-	12,755
Property, plant and equipment	13	物業、機器及設備	2,155,311	2,328,801	2,293,055
Prepaid lease payments – non-current portion	14	預付租賃款項 – 非流動部份	119,207	125,324	129,491
Consideration receivable – non-current portion	16	應收代價 – 非流動部份	-	-	168,672
Deferred tax assets	17	遞延稅項資產	25,689	25,309	16,111
			2,300,207	2,479,434	2,620,084
Current assets		流動資產			
Inventories	18	存貨	1,683,454	1,938,592	1,180,756
Trade and bills receivables	19	營業及票據應收款項	1,275,741	1,372,026	1,135,082
Prepayments, deposits and other receivables		預付款項、按金及 其他應收款項	214,193	209,979	217,108
Prepaid lease payments – current portion	14	預付租賃款項 – 流動部份	2,732	2,812	2,848
Consideration receivable – current portion	16	應收代價 – 流動部份	-	171,283	64,042
Derivative financial instruments	21	衍生金融工具	4,984	2,514	-
Tax recoverable		可收回稅項	3,039	18,957	26,267
Bank deposits with restricted use	22	有限制用途之銀行存款	-	-	2,127
Short-term bank deposits	22	短期銀行存款	106,075	42,438	58,015
Bank balances and cash	22	銀行結存及現金	1,018,477	627,938	742,400
			4,308,695	4,386,539	3,428,645
Assets classified as held for sale		分類為持作出售之資產	-	-	5,493
			4,308,695	4,386,539	3,434,138
Current liabilities		流動負債			
Trade and bills payables	23	營業及票據應付款項	698,433	867,513	610,859
Other payables and accruals	24	其他應付款項及應計費用	320,661	331,771	279,133
Amounts due to non-controlling shareholders	25	欠非控股股東款項	80,100	80,100	80,100
Consideration payable – current portion	26	應付代價 – 流動部份	23,501	58,446	28,672
Deferred income – current portion	27	遞延收入 – 流動部份	1,458	1,458	1,458
Derivative financial instruments	21	衍生金融工具	108	773	-
Tax payable		應付稅項	131,311	26,187	20,572
Restructuring provisions	28	重組撥備	-	730	4,689
Bank borrowings – due within one year	29	銀行借貸 – 一年內到期	1,443,532	1,604,591	839,538
Bank overdrafts	29	銀行透支	-	3,386	969
			2,699,104	2,974,955	1,865,990
Net current assets		流動資產淨值	1,609,591	1,411,584	1,568,148
Total assets less current liabilities		資產總值減流動負債	3,909,798	3,891,018	4,188,232

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31st August, 2011

於二零一一年八月三十一日

			At 31st August, 2011 於二零一一年 八月三十一日	At 31st August, 2010 於二零一零年 八月三十一日	At 1st September, 2009 於二零零九年 九月一日
		NOTES 附註	HK\$'000 千港元	HK\$'000 千港元 (restated) (經重列)	HK\$'000 千港元 (restated) (經重列)
Non-current liabilities	非流動負債				
Consideration payable – non-current portion	應付代價 – 非流動部份	26	–	–	46,316
Deferred income – non-current portion	遞延收入 – 非流動部份	27	67,080	68,538	69,996
Derivative financial instruments	衍生金融工具	21	45,583	54,389	30,898
Bank borrowings – due after one year	銀行借貸 – 一年後到期	29	755,854	951,275	1,489,018
Deferred tax liabilities	遞延稅項負債	17	3,055	3,721	3,247
			871,572	1,077,923	1,639,475
Net assets	資產淨值		3,038,226	2,813,095	2,548,757
Capital and reserves	資本及儲備				
Share capital	股本	30	158,802	158,802	158,802
Reserves	儲備		2,679,224	2,474,523	2,235,079
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,838,026	2,633,325	2,393,881
Non-controlling interests	非控股權益		200,200	179,770	154,876
Total equity	權益總值		3,038,226	2,813,095	2,548,757

The consolidated financial statements on pages 40 to 148 were approved and authorised for issue by the Board of Directors on 25th November, 2011 and are signed on its behalf by:

第40至148頁的綜合財務報表已於二零一一年十一月二十五日由董事會通過及核准發放，並由下列董事代表簽署：

HA Chung Fong

夏松芳

DIRECTOR

董事

HA Kam On, Victor

夏錦安

DIRECTOR

董事

STATEMENT OF FINANCIAL POSITION 財務狀況表

At 31st August, 2011

於二零一一年八月三十一日

		NOTES	2011 HK\$'000	2010 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	13	5,441	4,932
Investments in subsidiaries	附屬公司投資	15	32,539	33,856
			37,980	38,788
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他			
	應收款項	20	6,666	17,131
Amounts due from subsidiaries	附屬公司所欠款項	15	3,457,621	3,152,295
Derivative financial instruments	衍生金融工具	21	-	2,508
Tax recoverable	可收回稅項		314	314
Bank balances and cash	銀行結存及現金	22	85,585	32,831
			3,550,186	3,205,079
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用	24	18,742	13,085
Amounts due to subsidiaries	欠附屬公司款項	15	1,031,238	668,485
Tax payable	應付稅項		41,000	-
Bank borrowings – due within one year	銀行借貸 – 一年內到期	29	761,916	658,344
			1,852,896	1,339,914
Net current assets	流動資產淨值		1,697,290	1,865,165
Total assets less current liabilities	資產總值減流動負債		1,735,270	1,903,953

STATEMENT OF FINANCIAL POSITION 財務狀況表

At 31st August, 2011

於二零一一年八月三十一日

		NOTES	2011 HK\$'000	2010 HK\$'000
		附註	千港元	千港元
Non-current liabilities	非流動負債			
Derivative financial instruments	衍生金融工具	21	45,583	54,389
Bank borrowings – due after one year	銀行借貸 – 一年後到期	29	701,638	873,867
			747,221	928,256
Net assets	資產淨值		988,049	975,697
Capital and reserves	資本及儲備			
Share capital	股本	30	158,802	158,802
Reserves	儲備	32	829,247	816,895
Total equity	權益總值		988,049	975,697

HA Chung Fong

夏松芳

DIRECTOR

董事

HA Kam On, Victor

夏錦安

DIRECTOR

董事

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

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests	Total equity	
		Share capital	Share premium	Capital redemption reserve	Translation reserve	Share options reserve	Statutory reserves	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	贖回儲備	匯兌儲備	購股權儲備	法定儲備	滾存盈利	總值	非控股權益	權益總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
							(note)				
							(附註)				
At 1st September, 2009	於二零零九年九月一日	158,802	197,124	210	(50,784)	-	37,785	2,050,744	2,393,881	154,876	2,548,757
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	16,412	-	-	-	16,412	12,904	29,316
Release upon disposal of a subsidiary (note 38)	出售一間附屬公司時轉出(附註38)	-	-	-	(766)	-	-	-	(766)	-	(766)
Profit for the year	是年度盈利	-	-	-	-	-	-	223,798	223,798	19,781	243,579
Total comprehensive income for the year	是年度全面收益總值	-	-	-	15,646	-	-	223,798	239,444	32,685	272,129
Transfer	調撥	-	-	-	-	-	4,408	(4,408)	-	-	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	-	(7,791)	(7,791)
At 31st August, 2010	於二零一零年八月三十一日	158,802	197,124	210	(35,138)	-	42,193	2,270,134	2,633,325	179,770	2,813,095
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	3,526	-	-	-	3,526	4,309	7,835
Release upon disposal of subsidiaries (note 38)	出售附屬公司時轉出(附註38)	-	-	-	(5,166)	-	-	-	(5,166)	-	(5,166)
Profit for the year	是年度盈利	-	-	-	-	-	-	210,886	210,886	28,832	239,718
Total comprehensive (expense) income for the year	是年度全面(開支)收益總值	-	-	-	(1,640)	-	-	210,886	209,246	33,141	242,387
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	-	-	-	3,395	-	-	3,395	-	3,395
Dividend recognised as distribution	已確認分派之股息	-	-	-	-	-	-	(7,940)	(7,940)	-	(7,940)
Capital contribution from a non-controlling shareholder	非控股股東之注資	-	-	-	-	-	-	-	-	4	4
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	-	(11,900)	(11,900)
Appropriation to a non-controlling shareholder upon deregistration of a subsidiary	取消註冊附屬公司時分派予非控股股東	-	-	-	-	-	-	-	-	(815)	(815)
At 31st August, 2011	於二零一一年八月三十一日	158,802	197,124	210	(36,778)	3,395	42,193	2,473,080	2,838,026	200,200	3,038,226

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

	NOTE 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元 (restated) (經重列)
OPERATING ACTIVITIES	營運項目		
Profit before taxation	除稅前盈利	343,191	250,095
Adjustments for:	調整：		
Amortisation of deferred income	遞延收入的攤銷	(1,458)	(1,458)
Depreciation of investment properties	投資物業之折舊	-	121
Depreciation of property, plant and equipment	物業、機器及設備之折舊	256,808	239,919
Equity-settled share-based payments	以權益結算以股份為基礎之付款	3,395	-
Finance costs	融資成本	71,589	48,201
Gain on disposal of property interests	出售物業權益之所得收益	-	(96,387)
Impairment loss on property, plant and equipment	物業、機器及設備之減值損失	-	419
Impairment loss on assets classified as held for sale	分類為持作出售之資產之減值損失	-	1,801
Interest income	利息收入	(9,779)	(18,506)
Loss on disposal/written-off of property, plant and equipment, other than property interests	出售／註銷物業、機器及設備之虧損(物業權益除外)	5,169	14,740
Net gain on disposal of subsidiaries	出售附屬公司之所得收益淨額	(20,212)	(766)
Impairment loss (reversed) recognised on trade receivables, net	確認為營業應收款項之減值損失(撥回)淨值	(8,245)	24,870
Reversal of impairment loss on property, plant and equipment	物業、機器及設備之減值損失撥回	-	(1,813)
Release of prepaid lease payments	預付租賃款項轉出	2,791	2,027
Operating cash flows before movements in working capital	流動資金變動前的營運現金流量	643,249	463,263
Decrease (increase) in inventories	存貨的減少(增加)	261,532	(753,855)
Decrease (increase) in trade and bills receivables	營業及票據應收款項的減少(增加)	100,961	(264,100)
(Increase) decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之(增加)減少	(14,516)	23,312
Net movement in derivative financial instruments	衍生金融工具的變動淨值	(11,941)	21,750
(Decrease) increase in trade and bills payables	營業及票據應付款項的(減少)增加	(199,779)	245,106
Increase in other payables and accruals	其他應付款項及應計費用的增加	2,943	51,913
Decrease in restructuring provisions	重組撥備減少	(730)	(3,959)
Net cash generated from (used in) operations	營運所得(所用)的現金淨值	781,719	(216,570)
Hong Kong Profits Tax refunded	退回香港利得稅	21,689	279
Overseas taxation paid	已付海外稅項	(5,196)	(2,594)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	營運項目所得(所用)的現金淨值	798,212	(218,885)

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

	NOTES 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元 (restated) (經重列)
INVESTING ACTIVITIES			
Consideration received for sale of assets classified as held for sale	投資項目 出售分類為持作出售之資產之所收代價	192,550	80,971
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	46,600	-
Interest received	已收利息	3,270	3,484
Proceeds from disposal of investment properties, property, plant and equipment and prepaid lease payments	出售投資物業、物業、機器及設備以及預付租賃款項所得款項	2,412	119,808
Purchase of property, plant and equipment	購買物業、機器及設備	(110,334)	(266,632)
Proceeds from disposal of assets classified as held for sale	出售分類為持作出售之資產所得款項	-	4,903
Decrease in bank deposits with restricted use	有限制用途之銀行存款的減少	-	2,127
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資項目所得(所用)的現金淨值	134,498	(55,339)
FINANCING ACTIVITIES			
Repayment of bank borrowings	融資項目 償還銀行借貸	(3,904,647)	(2,548,595)
Interest paid	已付利息	(62,496)	(60,779)
Payments for consideration payable	支付應付代價	(35,630)	(18,195)
Payments as compensation and for acquisition of additional interest in a subsidiary	支付賠償及收購附屬公司額外權益	(13,721)	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	(11,900)	(7,791)
Dividends paid	已付股息	(7,940)	-
Appropriation to a non-controlling shareholder upon deregistration of a subsidiary	取消註冊附屬公司時分派予非控股股東	(815)	-
New bank borrowings raised	新籌集之銀行借貸	3,556,825	2,773,938
Capital contribution from a non-controlling shareholder	非控股股東注資	4	-
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資項目(所用)所得的現金淨值	(480,320)	138,578
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及等同現金項目的增加(減少)淨值	452,390	(135,646)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於是年度開始時的現金及等同現金項目	666,990	799,446
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動的影響	5,172	3,190
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	於是年度終結時的現金及等同現金項目	1,124,552	666,990
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS:			
Short-term bank deposits	現金及等同現金項目結存的分析： 短期銀行存款	106,075	42,438
Bank balances and cash	銀行結存及現金	1,018,477	627,938
Bank overdrafts	銀行透支	-	(3,386)
		1,124,552	666,990

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

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1. GENERAL

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

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

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 15.

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

In the current year, the Group has applied a number of new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are mandatorily effective for the current financial year.

Except as described below, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

Amendments to HKAS 17 "Leases"

As part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

1. 簡介

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

綜合財務報表乃以港元呈列，港元亦為本公司的功能貨幣。

本公司乃一間投資控股公司。其主要附屬公司的主要業務載列於附註15內。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團已應用多項由香港會計師公會(「香港會計師公會」)頒佈並於本財政年度強制生效之新訂及經修訂準則、修訂本及詮釋(「新訂及經修訂香港財務報告準則」)。

除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則對該等綜合財務報表所呈報之款額及／或該等綜合財務報表所載之披露事項並無造成重大影響。

香港會計準則第17號「租賃」之修訂本

作為二零零九年頒佈之香港財務報告準則之改進之一部份，對香港會計準則第17號「租賃」有關租賃土地之分類作出了修訂。在修訂香港會計準則第17號之前，本集團須將租賃土地歸類為營運租賃，並在綜合財務狀況表內呈列為預付租賃款項。香港會計準則第17號之修訂本已經刪除有關規定。該等修訂本規定將租賃土地按照香港會計準則第17號所載之一般原則歸類，即根據租賃資產擁有權所附帶之絕大部份風險及回報是否已轉移至承租人而釐定。

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

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

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

Amendments to HKAS 17 “Leases” (continued)

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1st September, 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payments to property, plant, and equipment retrospectively. This resulted in the Group's prepaid lease payments with the carrying amounts of HK\$9,266,000 and HK\$9,021,000 as at 1st September, 2009 and 31st August, 2010, respectively, being reclassified to property, plant and equipment. Therefore, the carrying amount of the Group's property, plant and equipment as at 1st September, 2009 increased from HK\$2,283,789,000 to HK\$2,293,055,000 and the carrying amount of the Group's property, plant, and equipment as at 31st August, 2010 increased from HK\$2,319,780,000 to HK\$2,328,801,000.

As at 31st August, 2011, leasehold land that qualifies for finance lease classification with the carrying amount of HK\$8,776,000 has been included in the Group's property, plant and equipment. The application of the amendments to HKAS 17 has had no impact on the Group's reported profit or loss or earnings per share figures for the current and prior years and on the Company.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第17號「租賃」之修訂本（續）

根據香港會計準則第17號之修訂本所載之過渡條文，本集團按訂立租約時存在之資料重新評估於二零一零年九月一日尚未屆滿之租賃土地分類。符合融資租賃分類資格之租賃土地已追溯由預付租賃款項重新分類至物業、機器及設備。此導致本集團於二零零九年九月一日及二零一零年八月三十一日之賬面值分別為9,266,000港元及9,021,000港元之預付租賃款項重新分類至物業、機器及設備。因此，本集團之物業、機器及設備於二零零九年九月一日之賬面值由2,283,789,000港元增加至2,293,055,000港元，而本集團之物業、機器及設備於二零一零年八月三十一日之賬面值由2,319,780,000港元增加至2,328,801,000港元。

於二零一一年八月三十一日，符合融資租賃分類資格賬面值為8,776,000港元之租賃土地已計入本集團之物業、機器及設備內。應用香港會計準則第17號之修訂本對本集團於本年度及過往年度之已申報盈利或虧損或每股盈利以及對本公司並無造成影響。

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

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

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ²
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ³
HKFRS 11	Joint Arrangements ³
HKFRS 12	Disclosure of Interests in Other Entities ³
HKFRS 13	Fair Value Measurement ³
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ⁴
HKAS 12 (Amendments)	Deferred Tax Recovery of Underlying Assets ⁵
HKAS 19 (as revised in 2011)	Employee Benefits ³
HKAS 24 (as revised in 2009)	Related Party Disclosures ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ³
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ³
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ¹
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ³

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂準則、修訂本或詮釋：

香港財務報告準則(修訂本)	二零一零年頒佈之香港財務報告準則的改進 ¹
香港財務報告準則第7號(修訂本)	披露—金融資產之轉撥 ²
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第10號	綜合財務報表 ³
香港財務報告準則第11號	聯合安排 ³
香港財務報告準則第12號	於其他實體的權益披露 ³
香港財務報告準則第13號	公平值計量 ³
香港會計準則第1號(修訂本)	其他全面收益項目的呈列 ⁴
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產 ⁵
香港會計準則第19號(於二零一一年經修訂)	僱員福利 ³
香港會計準則第24號(於二零零九年經修訂)	關連方披露 ¹
香港會計準則第27號(於二零一一年經修訂)	獨立財務報表 ³
香港會計準則第28號(於二零一一年經修訂)	於聯營公司及合營公司之投資 ³
香港(國際財務報告詮釋委員會)—詮釋第14號(修訂本)	最低資本規定之預付款項 ¹
香港(國際財務報告詮釋委員會)—詮釋第20號	露天礦生產階段的剝採成本 ³

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

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

- ¹ Effective for annual periods beginning on or after 1st January, 2011.
- ² Effective for annual periods beginning on or after 1st July, 2011.
- ³ Effective for annual periods beginning on or after 1st January, 2013.
- ⁴ Effective for annual periods beginning on or after 1st July, 2012.
- ⁵ Effective for annual periods beginning on or after 1st January, 2012.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- ¹ 於二零一一年一月一日或之後開始之年度期間生效
- ² 於二零一一年七月一日或之後開始之年度期間生效
- ³ 於二零一三年一月一日或之後開始之年度期間生效
- ⁴ 於二零一二年七月一日或之後開始之年度期間生效
- ⁵ 於二零一二年一月一日或之後開始之年度期間生效

本公司董事預期應用該等新訂及經修訂準則、修訂本或詮釋將不會對本集團之業績及財務狀況造成重大影響。

3. 主要會計政策

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

綜合財務報表（除部份金融工具以公平價值列出外）乃按歷史成本基準編製，所採用的主要會計政策解說如下。歷史成本一般基於交換商品所給予之代價公平價值計算。

主要會計政策載列如下。

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

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. 主要會計政策(續)

綜合基準

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

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

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

所有集團間的交易、結餘、收入及支出均於綜合賬目時對銷。

附屬公司的非控股權益與本集團的權益分開呈列。

將全面收入總額分配至非控股權益

倘若附屬公司的全面收入及開支總額歸屬於本公司的擁有人及非控股權益會導致非控股權益產生虧絀餘額,全面收入及開支總額仍然必須歸屬於本公司的擁有人及非控股權益。

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

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

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

Investment properties

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

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

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

3. 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司的擁有權變動

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

投資物業

投資物業指持作賺取租金及／或資本增值的物業。

投資物業初步以成本(包括任何直接應佔開支)列賬。於初步確認後，投資物業以成本減往後累計折舊及任何累計減值損失列賬。折舊撇銷投資物業之成本乃按其估計可使用年期並經考慮其估計剩餘價值後以直線法確認。

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

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

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than construction in progress and freehold land) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Freehold land is carried at cost less any recognised impairment loss.

Construction in progress includes property, plant and equipment in the course of construction for production or for administrative purposes. Construction in progress is carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. Construction in progress is classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策(續)

物業、機器及設備

物業、機器及設備包括持作生產或供應貨物或提供服務或行政用途的樓宇(惟在建工程及永久持有的土地除外)，以成本扣減往後累計折舊及累計減值損失(如有)後列賬。

除在建工程及永久持有的土地外，物業、機器及設備折舊乃按估計可使用年期經扣減其剩餘價值後，以直線法撇銷其成本。估計可使用年期、剩餘價值及折舊方法於各報告期終進行檢討，而任何估計變動的影響按預期基準入賬。

永久持有的土地乃按成本減任何已確認減值損失列賬。

在建工程包括在建建築過程中供生產或作行政用途的物業、機器及設備。在建工程以成本減任何已確認的減值損失列賬。成本包括專業費用及(如屬合資格資產)按本集團會計政策資本化的借貸成本。在建工程於完成後及可供擬定使用時分類為物業、機器及設備的適當類別。此等資產的折舊基準與其他資產相同，乃於可供其擬定使用時開始計算。

物業、機器及設備項目於出售或當預期不會藉持續使用該項資產而產生未來經濟效益時不作確認。出售或棄用一項物業、機器及設備所產生的任何收益或虧損釐定為資產銷售所得款項與賬面值的差額，並於損益內確認。

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

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截至二零一一年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investments in subsidiaries

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

Inventories

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

Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (i.e. derivative financial instruments) are recognised immediately in profit or loss.

3. 主要會計政策 (續)

物業、機器及設備 (續)

可供日後業主自用的在建樓宇

當正興建樓宇作生產或行政用途時，於建築期間就預付租賃款項之攤銷撥備會被計入在建樓宇成本部分。在建樓宇以成本減任何已確定減值損失列賬。當樓宇可供使用時(即當樓宇可按管理層計劃的方式於可經營地點及狀況下)開始計提折舊。

附屬公司的投資

附屬公司的投資以成本扣除任何已確定的減值損失後包括在本公司財務狀況表內。

存貨

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

金融工具

當集團機構成為金融工具合約條文的訂約方，金融資產及金融負債會在財務狀況表上確認。

金融資產及金融負債初步以公平價值計算。收購或發行金融資產及金融負債的直接關連交易成本會在初步確認時在金融資產或金融負債的公平價值中計入或扣除(如適用)。收購按公平價值計入損益之金融資產或金融負債(即衍生金融工具)直接關連之交易成本隨即於損益內確認。

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For the year ended 31st August, 2011
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified as loans and receivables and derivative financial instruments.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

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

3. 主要會計政策(續)

金融工具(續)

金融資產

本集團的金融資產分類為貸款及應收款項以及衍生金融工具。

有效利率方法

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

債務工具的利息收入按有效利率方法確認。

貸款及應收款項

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of loans and receivables

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項減值

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

減值的客觀證據可能包括：

- 發行人或對手方出現嚴重財務困難；或
- 違反合約，例如欠繳或拖欠利息或本金付款；或
- 借款人很有可能將宣告破產或進行財務重組；或
- 因財務困難導致該金融資產的活躍市場消失。

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

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

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

For the year ended 31st August, 2011
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of loans and receivables (continued)

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

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

Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities. The Group's financial liabilities are generally classified into derivative financial instruments and other financial liabilities.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項減值(續)

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

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

金融負債及權益工具

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

權益工具乃證實集團機構在扣除所有其負債後在資產內剩餘權益的任何合約。本集團之金融負債一般分類為衍生金融工具及其他金融負債。

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

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

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

Equity instruments

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

Derivative financial instruments

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

有效利率方法

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

利息費用按有效利率方法確認。

其他金融負債

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

權益工具

本公司發行的權益工具乃以所收款項，扣除直接發行成本後記賬。

衍生金融工具

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Company and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Company measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 "Revenue".

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 in its entirety, 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 in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

3. 主要會計政策(續)

金融工具(續)

財務擔保合約

財務擔保合約為簽發者需就特定負債人未能根據原本或經修改之債務文件之條款於到期日支付款項產生之損失向持有人作出特定補償之合約。由本公司簽發且並無指定為按公平價值計入損益之財務擔保合約，初步會以公平價值減簽發財務擔保合約直接應佔之交易成本確認。於初步確認後，本公司之財務擔保合約以下列之較高者計算：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)最初確認之金額減(如適用)根據香港會計準則第18號「收入」確認之累計攤銷。

不作確認

當從資產收取現金流量的權利屆滿或此類金融資產已轉讓及本集團已將其於金融資產擁有權的絕大部份風險及回報轉移，則金融資產將不作確認。

於完全不作確認金融資產時，該資產的賬面值與已收取和應收代價及已於其他全面收益確認及於權益累計之累計盈虧的總和的差額會在損益內確認。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

3. 主要會計政策(續)

持作出售的非流動資產

倘非流動資產賬面值將主要透過銷售交易而非透過持續使用收回，則該項非流動資產須分類為持作出售項目。僅於出售機會相當高及該項非流動資產可於現況下即時出售時，本條件方被視為達成。管理層必須負責進行出售，而該項出售預期於分類日期起計一年內符合確認為完成出售。

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

政府補貼

除非能合理確定本集團將符合所附帶之條件及將獲發有關補貼，否則政府補貼不予確認。

政府補貼於本集團確認有關成本為開支的期間內，有系統地於損益內確認，該補貼擬用於補償相關成本。與折舊資產有關的政府補貼於綜合財務狀況表確認為遞延收入，並按相關資產的可使用年期內撥入損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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

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

Impairment losses on tangible assets

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

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

3. 主要會計政策(續)

撥備

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

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

有形資產的減值損失

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which date the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

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

3. 主要會計政策(續)

收入確認

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

貨品銷售收入於貨品付運及擁有權移交後確認，即下列條件獲達成之日：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權有關之銷售貨品持續管理權或實際控制權；
- 銷售收入金額能夠可靠地計量；
- 與交易相關之經濟利益很可能流向本集團；及
- 有關交易產生或將產生之成本能夠可靠地計量。

金融資產的利息收入乃於經濟利益可能流向本集團，且收益金額能被可靠地計量時予以確認。

投資所得的股息收入於股東確立收取股款的權利時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

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

Borrowing costs

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

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

Leasing

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

The Group as lessor

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

3. 主要會計政策(續)

退休福利費用

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

借貸成本

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

所有其他借貸成本在其發生期間的損益內確認。

租賃

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

本集團作為出租人

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人

營運租賃付款以直線法按租賃年期確認為開支，惟倘若另有系統性基準更能代表租賃資產之經濟利益被消耗之時間模式則除外。

倘若於訂立營運租賃時收取租賃優惠，則有關優惠確認為負債。有關優惠之利益總額以直線法確認為租金開支減少，惟倘若另有系統性基準更能代表租賃資產之經濟利益被消耗之時間模式則除外。

租賃土地及樓宇

倘租賃包括土地及樓宇部分，則本集團會基於有關各部分擁有權之絕大部分風險及回報是否轉讓予本集團的評定，獨立評估各要素作為財務或營運租賃的分類。具體而言，最低租賃付款(包括任何一次過預付款)按租賃開始時土地及樓宇部分之租賃權益的相對公平價值比例於土地與樓宇部分之間分配。

倘租賃付款能夠可靠分配，則列為營運租賃的租賃土地權益於綜合財務狀況表呈列為「預付租賃款項」，並以直線基準於租賃年內攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

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

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

3. 主要會計政策(續)

稅項

所得稅開支乃指是年度應付稅項及遞延稅項的總和。

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

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

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

3. 主要會計政策(續)

稅項(續)

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

遞延稅項資產及負債根據報告期終已頒佈或實質上已頒佈的稅率(及稅法)，按償付負債或變現資產期間內的預計適用稅率計量。

遞延稅項負債及資產的計量，反映於報告期終本集團預計收回或償付其資產及負債賬面值時產生的稅務後果。遞延稅項於損益內確認，惟倘遞延稅項與其他全面收益或直接於權益確認的項目有關，在此情況下，遞延稅項分別於其他全面收益或於權益中直接確認。

外幣

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

於結算及重新換算貨幣項目時產生的匯兌差額乃於其產生的期間於損益內確認。

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

For the year ended 31st August, 2011
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in the share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share options reserve will be transferred to retained profits.

3. 主要會計政策(續)

外幣(續)

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

以權益結算以股份為基礎之付款交易

參考購股權於授出日的公平價值所釐定的已收取服務的公平價值，於歸屬期間以直線法支銷，並會於權益中作出相應增加(購股權儲備)。

於報告期終，本集團修訂其對預期最終會歸屬的購股權數目之估計。於歸屬期間，修訂該等估計的影響(如有)將於損益確認，並於購股權儲備作出相應調整。

當購股權獲行使時，原於購股權儲備中確認的金額將撥入股份溢價。當購股權於歸屬日期後遭沒收或於到期日仍未獲行使，則原於購股權儲備中確認的金額則會撥入滾存溢利。

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

For the year ended 31st August, 2011

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimated impairment of trade receivables

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

Allowance for inventories

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

4. 不確定性估計的主要來源

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

營業應收款項的估計減值

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

存貨撥備

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

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

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated provision for the tax audit

As detailed in note 7, the Hong Kong Inland Revenue Department (“IRD”) has initiated a tax audit on the Company and its subsidiaries for the years of assessment from 2001/02 onwards and issued the Protective Assessments for the years of assessment 2001/02, 2002/03, 2003/04 and 2004/05. Having taken the advices from the Group’s tax advisor, the directors of the Company made an aggregate provision of HK\$41,000,000 in the current year, which was charged to the consolidated income statement, in relation to the tax audit and believe that other than the aforesaid provision, no significant amount of additional profits tax will be payable for the tax audit. If the final tax required for the settlement of the tax audit is more than expected, a material additional provision may arise.

5. REVENUE AND SEGMENT INFORMATION

The board of directors of the Company, i.e. the chief operating decision maker, regularly reviews the operating results and financial information based on distinct geographical areas of location of customers, including Hong Kong (place of domicile of the Group), the People’s Republic of China (the “PRC”), Taiwan, Korea, Sri Lanka, America, Europe and Others (i.e. representing other geographical locations mainly Singapore and Macau). All of these geographical areas are operating segments except “Others” which is an aggregation of operating segments.

The following is an analysis of the Group’s revenue and profit from the production and sales of dyed fabrics, sewing threads, yarns and garments and results by reportable segment for the year.

4. 不確定性估計的主要來源(續)

稅務審查的估計撥備

誠如附註7所詳述，香港稅務局(「稅務局」)就本公司及其附屬公司由二零零一／零二及其後之課稅年度進行一項稅務審查，並就二零零一／零二、二零零二／零三、二零零三／零四及二零零四／零五課稅年度分別發出保障性評稅通知。經考慮本集團稅務顧問之意見後，於是年度本公司董事已就此稅務審查作出撥備合共41,000,000港元於綜合收益表扣除及相信除上述撥備外，就稅務審查需償付之補加利得稅金額並不重大。倘若償付稅務審查所需之最終稅項多於預期，或會產生重大額外撥備。

5. 營業額及分類資料

本公司董事會(即主要營運決策者)根據客戶所在地區位於不同的地域位置定期審閱經營業績及財務資料，包括香港(集團所屬地)、中華人民共和國(「中國」)、台灣、韓國、斯里蘭卡、美洲、歐洲及其他地區(即指其他地域位置，主要為新加坡及澳門)，所有該等地域位置為營運分類，而「其他地區」則為綜合之營運分類。

以下為本集團源自製造及銷售色布、縫紉線、紗及成衣之營業額及盈利於是年度按可申報分類所作之分析。

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

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION
(continued)

2011

5. 營業額及分類資料(續)

二零一一年

	Segment										Consolidated
	Hong Kong		Taiwan	Korea	Sri Lanka		America	Europe	Others	total	
	Kong	The PRC	Taiwan	Korea	Lanka	America	Europe	Others	total	Eliminations	Consolidated
	香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	營業額										
External sales	對外銷售										
	2,090,673	1,484,926	1,072,529	782,444	748,313	331,627	81,133	1,002,244	7,593,889	-	7,593,889
Inter-segment sales (note)	分類間銷售(附註)										
	4,832,987	2,719,455	-	-	486,374	85,574	-	65,462	8,189,852	(8,189,852)	-
Total segment revenue	分類營業額總值										
	6,923,660	4,204,381	1,072,529	782,444	1,234,687	417,201	81,133	1,067,706	15,783,741	(8,189,852)	7,593,889
RESULTS	業績										
Segment profit	分類盈利										
	274,480	188,802	153,923	113,239	79,632	13,657	9,704	140,517			973,954
Interest income	利息收入										
											9,779
Unallocated income	未分配收入										
											4,316
Unallocated expenses	未分配支出										
											(593,481)
Finance costs	融資成本										
											(71,589)
Net gain on disposal of subsidiaries	出售附屬公司之所得 收益淨額										
											20,212
Profit before taxation	除稅前盈利										
											343,191

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

For the year ended 31st August, 2011
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 5. REVENUE AND SEGMENT INFORMATION
(continued)

5. 營業額及分類資料(續)

2010

二零一零年

		Hong Kong		Taiwan	Korea	Sri Lanka	America	Europe	Others	Segment total	Eliminations	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	營業額											
External sales	對外銷售	1,707,561	1,045,977	910,026	609,452	631,836	246,681	53,148	944,268	6,148,949	-	6,148,949
Inter-segment sales (note)	分類間銷售(附註)	4,296,142	2,951,383	-	-	386,798	37,580	-	154,593	7,826,496	(7,826,496)	-
Total segment revenue	分類營業額總值	6,003,703	3,997,360	910,026	609,452	1,018,634	284,261	53,148	1,098,861	13,975,445	(7,826,496)	6,148,949
RESULTS	業績											
Segment profit (loss)	分類盈利(虧損)	191,088	122,841	130,460	87,886	72,096	(725)	4,912	134,989			743,547
Interest income	利息收入											18,506
Gain on disposal of property interests	出售物業權益之所得收益											96,387
Reversal of impairment loss on property, plant and equipment	物業、機器及設備之減值損失撥回											1,813
Unallocated income	未分配收入											2,526
Unallocated expenses	未分配支出											(563,029)
Finance costs	融資成本											(48,201)
Impairment loss on assets classified as held for sale	分類為持作出售之資產之減值損失											(1,801)
Impairment loss on property, plant and equipment	物業、機器及設備之減值損失											(419)
Gain on disposal of a subsidiary	出售附屬公司之收益											766
Profit before taxation	除稅前盈利											250,095

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

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

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截至二零一一年八月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION

(continued)

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

Other segment information

Amounts included in the measure of segment profit or loss:

5. 營業額及分類資料(續)

可申報分類之會計政策與本集團附註3所述之會計政策相同。分類盈利／虧損乃指各分類所賺取或產生的盈利／虧損，當中並沒有計入中央行政成本及其他費用(包括非有關生產之僱員福利成本、董事酬金、銀行費用等)，折舊、利息收入、出售物業權益之所得收益、出售／註銷物業、機器及設備之收益或虧損、物業、機器及設備以及分類為持作出售之資產之減值損失／減值損失撥回、衍生金融工具之收益或虧損淨值、融資成本及出售附屬公司之所得收益淨額等。此乃為資源分配及績效評估而向本公司董事會匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向本公司董事會呈列。

其他分類資料

已包括入計量分類盈利或虧損之金額：

	Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Consolidated
	香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元

2011

二零一一年

Impairment loss (reversed)
recognised on
trade receivables, net

營業應收款項之已確認
減值損失(撥回)
淨值

	(4,499)	1,224	581	17	(567)	(48)	(46)	(4,907)	(8,245)
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2010

二零一零年

Impairment loss recognised
(reversed) on trade
receivables, net

營業應收款項之已確認
減值損失(撥回)
淨值

	7,197	5,067	7,631	-	114	(544)	(40)	5,445	24,870
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue from the Group's products

The following is an analysis of the Group's revenue from external customers by products:

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Production and sales of dyed fabrics, sewing threads and yarns (note)	製造及銷售色布、縫紉線及紗 (附註)	6,643,889	5,419,354
Production and sales of garments	製造及銷售成衣	950,000	729,595
		7,593,889	6,148,949

Note: The balance substantially represents revenue from sales of dyed fabrics for both years.

5. 營業額及分類資料(續)

本集團產品之營業額

以下為按產品劃分本集團來自外部客戶營業額之分析：

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Production and sales of dyed fabrics, sewing threads and yarns (note)	製造及銷售色布、縫紉線及紗 (附註)	6,643,889	5,419,354
Production and sales of garments	製造及銷售成衣	950,000	729,595
		7,593,889	6,148,949

附註：兩個年度的金額指營業額主要源自銷售色布。

Geographical information

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

		At 31st August, 2011 於 二零一一年 八月三十一日 HK\$'000 千港元	At 31st August, 2010 於 二零一零年 八月三十一日 HK\$'000 千港元 (restated) (經重列)	At 1st September, 2009 於 二零零九年 九月一日 HK\$'000 千港元 (restated) (經重列)
The PRC	中國	2,081,324	2,248,900	2,219,217
Hong Kong	香港	21,556	22,287	48,706
America	美洲	201	193	255
Sri Lanka	斯里蘭卡	170,198	181,160	164,879
Others	其他地區	1,239	1,585	2,244
		2,274,518	2,454,125	2,435,301

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

地域資料

於報告期終，本集團之非流動資產(附註)按地域位置之分析如下：

		At 31st August, 2011 於 二零一一年 八月三十一日 HK\$'000 千港元	At 31st August, 2010 於 二零一零年 八月三十一日 HK\$'000 千港元 (restated) (經重列)	At 1st September, 2009 於 二零零九年 九月一日 HK\$'000 千港元 (restated) (經重列)
The PRC	中國	2,081,324	2,248,900	2,219,217
Hong Kong	香港	21,556	22,287	48,706
America	美洲	201	193	255
Sri Lanka	斯里蘭卡	170,198	181,160	164,879
Others	其他地區	1,239	1,585	2,244
		2,274,518	2,454,125	2,435,301

附註：非流動資產不包括應收代價及遞延稅項資產。

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

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

**5. REVENUE AND SEGMENT INFORMATION
(continued)****Information about major customers**

No revenue from individual customer contributed over 10% of the total revenue of the Group for each of the two years ended 31st August, 2011.

6. FINANCE COSTS**5. 營業額及分類資料(續)**

有關主要客戶之資料

於截至二零一一年八月三十一日止兩個年度之各年，均無來自個別客戶之營業額佔本集團營業總額超過10%。

6. 融資成本

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Finance costs on:	融資成本：		
Bank borrowings wholly repayable within five years	須於五年內全部償還之銀行借貸	70,904	48,020
Imputed interest expense on consideration payable (note 26)	應付代價之推算利息開支(附註26)	685	1,653
Total finance costs	融資成本總值	71,589	49,673
Less: amounts capitalised (note 13)	減：化作資產金額(附註13)	-	(1,472)
		71,589	48,201

Finance costs capitalised during the year ended 31st August, 2010 arose on the general borrowing pool and were calculated by applying a capitalisation rate of 2.06% per annum on expenditure of qualifying assets.

截至二零一零年八月三十一日止年度化作資產之融資成本乃由一般借貸項目產生，並按合資格資產開支以資本化年息率2.06%計算。

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7. INCOME TAX EXPENSE

7. 所得稅支出

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Current tax:	是年度稅項：		
Hong Kong	香港	52,164	6,795
The PRC	中國	9,396	3,307
Other jurisdictions	其他司法地區	3,318	22
		64,878	10,124
Under(over)provision in prior years:	過往年度撥備不足(超額撥備)：		
Hong Kong	香港	9	-
The PRC	中國	(1,865)	5,741
Other jurisdictions	其他司法地區	497	(625)
		(1,359)	5,116
Provision for the tax audit	稅務審查撥備	41,000	-
		104,519	15,240
Deferred tax (note 17):	遞延稅項(附註17)：		
Hong Kong	香港	78	8
The PRC	中國	(729)	(8,901)
Other jurisdictions	其他司法地區	(395)	169
		(1,046)	(8,724)
		103,473	6,516

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) of the estimated assessable profit for the year.

香港利得稅乃按是年度之估計應課稅盈利以16.5%(二零一零年:16.5%)計算。

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7. INCOME TAX EXPENSE (continued)

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

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

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

In February 2008, the IRD initiated a tax audit on the Company and its subsidiaries for the years of assessment from 2001/02 onwards and is obtaining information and documents from the Group. In March 2008, 2009 and 2010 and February 2011, notices of estimated additional assessment (the "Protective Assessments") for the years of assessment 2001/02, 2002/03, 2003/04 and 2004/05 in an aggregate amount of HK\$14,532,000, HK\$19,844,000, HK\$18,390,000 and HK\$62,834,000, respectively, were issued to the Company and certain subsidiaries of the Company by the IRD. Regarding the Protective Assessments for the year of assessment 2003/04, out of the aggregate amount of HK\$18,390,000, two Protective Assessments of HK\$4,375,000 issued to the Company and a Hong Kong subsidiary, respectively, were in effect alternative assessments to that of an overseas subsidiary. Regarding the Protective Assessments for the year of assessment 2004/05, out of the aggregate amount of HK\$62,834,000, two Protective Assessments of HK\$2,266,000 and HK\$23,194,000 issued to the Company and a Hong Kong subsidiary, respectively, were also in effect alternative assessments to that of an overseas subsidiary. Objections against the Protective Assessments were lodged. For the years of assessment 2001/02 and 2002/03, full amounts were held over unconditionally. For the years of assessment 2003/04 and 2004/05, amounts were held over on the condition that Tax Reserve Certificates in the amount of HK\$1,600,000 and HK\$23,000,000 were purchased in May 2010 and in April 2011 respectively. The scope and outcome of the tax audit cannot be readily ascertained at this stage.

7. 所得稅支出(續)

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

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

其他司法地區之稅項是以有關各自司法地區當時之稅率計算。

於二零零八年二月,稅務局就本公司及其附屬公司由二零零一/零二及其後之課稅年度進行一項稅務審查,並正向本集團搜集資料及文件。於二零零八年三月、二零零九年三月及二零一零年三月以及二零一一年二月,稅務局就二零零一/零二、二零零二/零三、二零零三/零四及二零零四/零五課稅年度分別發出合共14,532,000港元、19,844,000港元、18,390,000港元及62,834,000港元金額之估計補加評稅通知(「保障性評稅」)予本公司及本公司若干附屬公司。就二零零三/零四課稅年度之保障性評稅合共18,390,000港元之金額,當中兩張保障性評稅金額各4,375,000港元分別發出給本公司及一間香港附屬公司實為發出給一間海外附屬公司的保障性評稅之交替式的估計評稅。就二零零四/零五課稅年度之保障性評稅合共62,834,000港元之金額,當中兩張保障性評稅金額2,266,000港元及23,194,000港元分別發出給本公司及一間香港附屬公司實為發出給一間海外附屬公司的保障性評稅之交替式的估計評稅。就此項保障性評稅已提出反對,二零零一/零二及二零零二/零三課稅年度之全數金額已獲無條件緩繳,而二零零三/零四及二零零四/零五課稅年度之金額已分別於二零一零年五月及二零一一年四月購買1,600,000港元及23,000,000港元之儲稅券時獲緩繳。此項稅務審查之範圍及結果於現階段還未能確定。

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7. INCOME TAX EXPENSE (continued)

Having taken the advices from the Group's tax advisor, the directors of the Company made an aggregate provision of HK\$41,000,000 in the current year, which was charged to the consolidated income statement, in relation to the tax audit and believe that other than the aforesaid provision, no significant amount of additional profits tax will be payable for the tax audit.

Since the process to finalise the tax audit with the IRD is still at a preliminary stage, it is too remote to consider the eventual amount of penalty and interest payable, if any, under the tax audit at this stage. Hence, no amount of penalty or interest has been considered as necessary.

Given the above stance of the Group, the directors of the Company are also considering various approaches in the best interests of the Group to resolve the dispute with the IRD. If the above dispute is not resolved before 31st March, 2012, the IRD will issue 2005/06 protective assessment to the Group for revenue protection purpose. It may affect the Group's financial position and results of its operations.

Details of the deferred tax are set out in note 17.

7. 所得稅支出(續)

經考慮本集團稅務顧問之意見後，於是年度本公司董事已就此稅務審查作出撥備合共41,000,000港元於綜合收益表扣除及相信除上述撥備外，就稅務審查需償付之補加利得稅金額並不重大。

由於與稅務局達致完成稅務審查之程序仍在初步階段，於現階段實為過早去考慮其最終罰款金額及應付利息，(如有)。因此，未有罰款金額或利息被視為需要。

鑑於本集團之上述情況，本公司董事亦正在考慮符合本集團最佳利益之不同方法以解決與稅務局之糾紛。倘於二零一二年三月三十一日前未能解決上述糾紛，稅務局將會發出二零零五／零六課稅年度之保障性評稅予本集團作收入保障目的，則可能會對本集團之財務狀況及營運業績造成影響。

有關遞延稅項之詳情載於附註17。

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7. INCOME TAX EXPENSE (continued)

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

7. 所得稅支出(續)

是年度於綜合收益表的稅項支出與除稅前盈利的對賬如下：

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前盈利	343,191	250,095
Tax at domestic rates applicable to profits or losses in the jurisdiction concerned	有關司法地區之損益適用之當地稅率計算的稅項	35,142	23,809
Tax effect of expenses not deductible for tax purpose	費用不獲扣稅的稅務影響	4,755	989
Tax effect of income not taxable for tax purpose	收入毋須課稅的稅務影響	(12,521)	(23,562)
(Over)underprovision in prior years	過往年度(超額撥備)撥備不足	(1,359)	5,116
Provision for the tax audit	稅務審查撥備	41,000	-
Tax effect of tax losses not recognised	稅項虧損未被確認的稅務影響	45,689	32,194
Tax effect of other deferred tax not recognised	其他遞延稅項未被確認的稅務影響	20,737	12,356
Income tax at concessionary rate	按優惠稅率計算的所得稅	(623)	(1,102)
Utilisation of tax losses previously not recognised	運用過往未被確認的稅項虧損	(18,215)	(35,838)
Utilisation of other deferred tax previously not recognised	運用過往未被確認的其他遞延稅項	(10,482)	(7,914)
Deferred tax (reversed) provided on withholding tax on PRC and overseas subsidiaries	中國及海外附屬公司預扣稅的遞延稅項(撥回)計提	(736)	474
Others	其他	86	(6)
Tax charge for the year	是年度稅項支出	103,473	6,516

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8. PROFIT FOR THE YEAR

8. 是年度盈利

		2011 HK\$'000 千港元	2010 HK\$'000 千港元 (restated) (經重列)
Profit for the year has been arrived at after charging:	是年度盈利已扣減下列：		
Auditors' remuneration	核數師之薪酬	4,600	4,770
Cost of inventories recognised as expenses	確認為費用之存貨成本	6,429,052	5,154,109
Depreciation of investment properties	投資物業之折舊	-	121
Depreciation of property, plant and equipment (note)	物業、機器及設備之折舊(附註)	256,808	239,919
Employee benefits expense (including directors' emoluments set out in note 9)	僱員福利支出(包括載於附註9之董事酬金)	876,284	751,736
Impairment loss recognised on trade receivables, net	確認為營業應收款項之減值損失淨值	-	24,870
Loss on disposal/written-off of property, plant and equipment, other than property interests (included in other expenses)	出售/註銷物業、機器及設備之虧損(物業權益除外)(包括在其他費用內)	5,169	14,740
Net exchange losses (included in other expenses)	匯兌虧損淨值(包括在其他費用內)	17,112	5,086
Net loss from derivative financial instruments (included in other expenses)	衍生金融工具之虧損淨值(包括在其他費用內)	-	39,180
Release of prepaid lease payments included in	包括在以下項目內的預付租賃款項轉出		
- cost of sales (note)	- 銷售成本(附註)	2,711	1,914
- administrative expenses	- 行政費用	80	113
and after crediting:	及已計入：		
Amortisation of deferred income*	遞延收入的攤銷*	1,458	1,458
Imputed interest income on consideration receivable* (note 16)	應收代價之推算利息收入*(附註16)	6,469	15,055
Interest income*	利息收入*	3,310	3,451
Net rental income from investment properties*	投資物業的租金收入淨值*	-	2,590
Net gain from derivative financial instruments*	衍生金融工具之收益淨值*	2,521	-
Impairment loss reversed on trade receivables, net	營業應收款項之減值損失淨值撥回	8,245	-

* Included in other income

* 包括在其他收入內

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8. PROFIT FOR THE YEAR (continued)

Note: Upon the application of amendments to HKAS 17 "Leases" (see note 2) during the current year, the Group reclassified an amount of HK\$245,000 from release of prepaid lease payments to depreciation of property, plant and equipment for year ended 31st August, 2010.

8. 是年度盈利(續)

附註：於是年度應用香港會計準則第17號「租賃」之修訂本(見附註2)後，本集團將截至二零一零年八月三十一日止年度之預付租賃款項轉出245,000港元重新分類至物業、機器及設備之折舊。

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

The emoluments paid or payable to each of the ten (2010: nine) directors were as follows:

9 董事及僱員酬金資料**(a) 董事酬金**

已付或應付給十位(二零一零年：九位)中每一位董事的酬金如下：

2011

二零一一年

	HA	HA	HA	LAU	NG	WONG	CHOW	FUNG			
	Chung Fong	Kam On, Victor	Hon Kuen	YEN Gordon	Hong Yon	CHAN Yuk Yin	NG Kwok Tung	WONG Chi	CHOW Wing Kin, Anthony	FUNG YEH Yi Hao, Yvette	Total
	夏松芳	夏錦安	夏漢權	嚴震銘	柳康遠	陳旭賢	伍國棟	王幹芝	周永健	馮葉儀皓	總值
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note i)	(note ii)					
					(附註i)	(附註ii)					

Fees	袍金	-	-	-	-	-	75	250	200	200	200	925
Other emoluments	其他酬金											
Salaries and other benefits	薪金及其他福利	12,849	3,185	1,357	2,826	1,732	-	-	-	-	-	21,949
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	726	331	726	-	-	-	-	-	-	1,783
Retirement benefits scheme contributions	退休福利計劃供款	-	230	74	185	69	-	-	-	-	-	558
		<u>12,849</u>	<u>4,141</u>	<u>1,762</u>	<u>3,737</u>	<u>1,801</u>	<u>75</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>25,215</u>

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

2010

	HA Chung Fong 夏松芳 HK\$'000 千港元	HA Kam On, Victor 夏錦安 HK\$'000 千港元	HA Hon Kuen Gordon 夏漢權 HK\$'000 千港元	YEN 嚴震銘 HK\$'000 千港元	LAU Hong Yon 柳康遠 HK\$'000 千港元 (note i) (附註i)	NG Kwok Tung 伍國棟 HK\$'000 千港元	WONG Chi 王幹芝 HK\$'000 千港元	CHOW Wing Kin, Anthony 周永健 HK\$'000 千港元	FUNG YEH Yi Hao, Yvette 馮葉儀皓 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Fees	-	-	150	-	-	250	200	200	150	950
Other emoluments										
Salaries and other benefits	12,849	2,454	666	1,962	2,498	-	-	-	-	20,429
Retirement benefits scheme contributions	-	184	13	136	165	-	-	-	-	498
	<u>12,849</u>	<u>2,638</u>	<u>829</u>	<u>2,098</u>	<u>2,663</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>150</u>	<u>21,877</u>

Notes:

- (i) Mr. LAU Hong Yon retired on 1st March, 2011.
- (ii) Mr. CHAN Yuk Yin was appointed as a non-executive director of the Company on 1st March, 2011.

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.

9. 董事及僱員酬金資料(續)
(a) 董事酬金(續)

二零一零年

	LAU Hong Yon 柳康遠 HK\$'000 千港元 (note i) (附註i)	NG Kwok Tung 伍國棟 HK\$'000 千港元	WONG Chi 王幹芝 HK\$'000 千港元	CHOW Wing Kin, Anthony 周永健 HK\$'000 千港元	FUNG YEH Yi Hao, Yvette 馮葉儀皓 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Fees	-	250	200	200	150	950
Other emoluments						
Salaries and other benefits	2,498	-	-	-	-	20,429
Retirement benefits scheme contributions	165	-	-	-	-	498
	<u>2,663</u>	<u>250</u>	<u>200</u>	<u>200</u>	<u>150</u>	<u>21,877</u>

附註:

- (i) 柳康遠先生於二零一一年三月一日退休。
- (ii) 陳旭賢先生於二零一一年三月一日獲委任為本公司非執行董事。

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

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9. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)**(b) Employees' emoluments**

The five highest paid employees included three (2010: three) directors, whose emoluments are set out in note (a) above. Emoluments of the remaining two (2010: two) employees are as follows:

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	5,080	4,470
Retirement benefits scheme contributions	退休福利計劃供款	186	307
Equity-settled share-based payments	以權益結算以股份為基礎之付款	754	-
		6,020	4,777

Their emoluments were within the following bands:

彼等之酬金介乎以下組別：

		2011	2010
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	2
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1	-

9. 董事及僱員酬金資料(續)**(b) 僱員酬金**

最高酬金的五名僱員包括三位(二零一零年：三位)董事，其酬金詳情載於上述附註(a)。餘下兩位(二零一零年：兩位)僱員的酬金如下：

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10. DIVIDENDS

10. 股息

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Dividend recognised as distribution during the year:	是年度已確認分派之股息：		
2010 final dividend of HK 1 cent (2010: Nil) per share	二零一零年末期股息每股1港仙 (二零一零年：無)	7,940	-

No interim dividend was paid or proposed for both years.

於兩個年度並無已付或擬派中期股息。

The final dividend of HK 1 cent in respect of the year ended 31st August, 2011 (2010: HK 1 cent) per share, amounting to HK\$7,940,000 (2010: HK\$7,940,000) in total, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

本公司董事建議派付截至二零一一年八月三十一日止年度之末期股息每股1港仙(二零一零年：1港仙)，合共7,940,000港元(二零一零年：7,940,000港元)，並須待股東於應屆股東週年大會上批准。

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

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

11. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據下列數據計算：

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利所用之本公司擁有人應佔是年度盈利	<u>210,886</u>	<u>223,798</u>
		2011	2010

Number of shares**股份數目**

Number of ordinary shares for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利所用之普通股數目	<u>794,010,960</u>	<u>794,010,960</u>
--	----------------------	--------------------	--------------------

The computation of diluted earnings per share for the year ended 31st August, 2011 does not assume the exercise of the Company's outstanding share options because the adjusted exercise prices of those options calculated in accordance with HKAS 33 "Earnings Per Share" are higher than the average market price of the shares for the relevant period.

由於根據香港會計準則第33號「每股盈利」計算，本公司尚未行使購股權之經調整行使價高於股份於相關期間之平均市價，因此計算截至二零一一年八月三十一日止年度之每股攤薄盈利時並無假設該等購股權已獲行使。

Diluted earnings per share is not presented for the year ended 31st August, 2010 as there were no potential ordinary shares outstanding during that year.

由於截至二零一零年八月三十一日止年度沒有尚未行使之潛在普通股，因此並無呈列該年度之每股攤薄盈利。

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

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

12. INVESTMENT PROPERTIES
12. 投資物業

		HK\$'000 千港元
<hr/>		
COST	成本	
At 1st September, 2009	於二零零九年九月一日	14,176
Disposals	出售	(14,176)
		<hr/>
At 31st August, 2010 and 2011	於二零一零年及二零一一年八月三十一日	-
<hr/>		
DEPRECIATION	折舊	
At 1st September, 2009	於二零零九年九月一日	1,421
Provided for the year	是年度撥備	121
Eliminated on disposals	出售時撇銷	(1,542)
		<hr/>
At 31st August, 2010 and 2011	於二零一零年及二零一一年八月三十一日	-
<hr/>		
CARRYING VALUES	賬面值	
At 31st August, 2010 and 2011	於二零一零年及二零一一年八月三十一日	-
		<hr/> <hr/>

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

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

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For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

12. INVESTMENT PROPERTIES (continued)

12. 投資物業(續)

HK\$'000

千港元

Investment properties	投資物業	12,634
Property, plant and equipment	物業、機器及設備	10,624
Prepaid lease payments	預付租賃款項	2,872
		26,130

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

有關該等交易之詳情已載於本公司日期為二零零九年十一月十三日之通告內。

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

上述投資物業以直線法按租賃年期或50年(以較短者為準)折舊。

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

本集團的所有投資物業乃位於香港並於出售前持有作賺取租金及/或資本增值。

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

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT
THE GROUP

13. 物業、機器及設備

本集團

		Freehold and leasehold land 永久持有及 租賃的土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
COST	成本							
At 1st September, 2009 (originally stated)	於二零零九年九月一日 (原先呈列)	1,921	689,296	732,290	2,288,209	32,616	289,801	4,034,133
Effect of application of amendments to HKAS 17 "Leases"	應用香港會計準則第17號 「租賃」之修訂本之影響	21,152	-	-	-	-	-	21,152
At 1st September, 2009 (restated)	於二零零九年九月一日 (經重列)	23,073	689,296	732,290	2,288,209	32,616	289,801	4,055,285
Currency realignment	外幣換算差額	420	21,130	3,391	17,606	1,066	1,279	44,892
Additions	增加	-	67,799	59,166	71,205	3,057	65,405	266,632
Interest capitalised (note 6)	利息化作資產(附註6)	-	-	-	-	-	1,472	1,472
Reclassifications	調撥	-	287,645	10,792	8,275	-	(306,712)	-
Transfer to assets classified as held for sale	轉撥至分類為持作出售 之資產	-	-	-	(11,632)	-	-	(11,632)
Disposals/written-off	出售/註銷	-	(20,329)	(40,001)	(300,205)	(1,807)	-	(362,342)
At 31st August, 2010 (restated)	於二零一零年八月三十一日 (經重列)	23,493	1,045,541	765,638	2,073,458	34,932	51,245	3,994,307
Currency realignment	外幣換算差額	5	6,328	9,766	21,318	344	812	38,573
Additions	增加	-	2,900	23,014	58,224	4,813	21,383	110,334
Reclassifications	調撥	-	-	51,531	602	-	(52,133)	-
Disposals/written-off	出售/註銷	-	-	(14,759)	(19,524)	(8,538)	-	(42,821)
Disposal of subsidiaries (note 38)	出售附屬公司(附註38)	-	(39,255)	(56)	(200)	(411)	-	(39,922)
At 31st August, 2011	於二零一一年八月三十一日	23,498	1,015,514	835,134	2,133,878	31,140	21,307	4,060,471

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For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、機器及設備(續)

		Freehold and leasehold land 永久持有 及租賃的土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1st September, 2009 (originally stated)	於二零零九年九月一日 (原先呈列)	-	142,344	430,364	1,152,832	24,789	15	1,750,344
Effect of application of amendments to HKAS 17 "Leases"	應用香港會計準則第17號 「租賃」之修訂本之影響	11,886	-	-	-	-	-	11,886
At 1st September, 2009 (restated)	於二零零九年九月一日 (經重列)	11,886	142,344	430,364	1,152,832	24,789	15	1,762,230
Currency realignment	外幣換算差額	-	2,494	2,214	9,258	893	-	14,859
Provided for the year (restated)	是年度撥備(經重列)	245	34,707	59,342	142,478	3,147	-	239,919
Reversal of impairment loss	減值損失撥回	-	-	-	(1,780)	(18)	(15)	(1,813)
Impairment loss recognised upon transfer to assets classified as held for sale	轉撥至分類為持作出售之 資產時確認之減值損失	-	-	-	419	-	-	419
Eliminated on transfer to assets classified as held for sale	轉撥至分類為持作出售 之資產時撇銷	-	-	-	(10,421)	-	-	(10,421)
Eliminated on disposals/ written-off	出售/註銷時撇銷	-	(9,265)	(35,701)	(293,122)	(1,599)	-	(339,687)
At 31st August, 2010 (restated)	於二零一零年八月三十一日 (經重列)	12,131	170,280	456,219	999,664	27,212	-	1,665,506
Currency realignment	外幣換算差額	-	2,378	8,074	19,677	251	-	30,380
Provided for the year	是年度撥備	245	43,612	58,162	151,525	3,264	-	256,808
Eliminated on disposals/ written-off	出售/註銷時撇銷	-	-	(11,345)	(15,833)	(8,062)	-	(35,240)
Eliminated on disposal of subsidiaries (note 38)	出售附屬公司時撇銷 (附註38)	-	(11,827)	(45)	(67)	(355)	-	(12,294)
At 31st August, 2011	於二零一一年八月三十一日	12,376	204,443	511,065	1,154,966	22,310	-	1,905,160
CARRYING VALUES	賬面值							
At 31st August, 2011	於二零一一年八月三十一日	11,122	811,071	324,069	978,912	8,830	21,307	2,155,311
At 31st August, 2010 (restated)	於二零一零年八月三十一日 (經重列)	11,362	875,261	309,419	1,073,794	7,720	51,245	2,328,801
At 1st September, 2009 (restated)	於二零零九年九月一日 (經重列)	11,187	546,952	301,926	1,135,377	7,827	289,786	2,293,055

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

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

本公司

		Furniture, fixtures and equipment	Motor vehicles	Total
		傢俬、裝置 及設備	車輛	總值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
COST				
	成本			
At 1st September, 2009	於二零零九年九月一日	38,702	2,282	40,984
Additions	增加	1,267	907	2,174
Written-off	註銷	(10)	-	(10)
		<hr/>	<hr/>	<hr/>
At 31st August, 2010	於二零一零年八月三十一日	39,959	3,189	43,148
Additions	增加	1,342	1,231	2,573
Disposals/written-off	出售/註銷	(1,201)	-	(1,201)
		<hr/>	<hr/>	<hr/>
At 31st August, 2011	於二零一一年八月三十一日	40,100	4,420	44,520
		<hr/>	<hr/>	<hr/>
DEPRECIATION				
	折舊			
At 1st September, 2009	於二零零九年九月一日	34,221	2,165	36,386
Provided for the year	是年度撥備	1,776	64	1,840
Eliminated on written-off	註銷時撇銷	(10)	-	(10)
		<hr/>	<hr/>	<hr/>
At 31st August, 2010	於二零一零年八月三十一日	35,987	2,229	38,216
Provided for the year	是年度撥備	1,579	485	2,064
Eliminated on disposals/written off	出售/註銷時撇銷	(1,201)	-	(1,201)
		<hr/>	<hr/>	<hr/>
At 31st August, 2011	於二零一一年八月三十一日	36,365	2,714	39,079
		<hr/>	<hr/>	<hr/>
CARRYING VALUES				
	賬面值			
At 31st August, 2011	於二零一一年八月三十一日	3,735	1,706	5,441
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31st August, 2010	於二零一零年八月三十一日	3,972	960	4,932
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Freehold land	Nil
Leasehold land and buildings	Shorter of 2% – 4.5% or period of the lease term
Furniture, fixtures and equipment	10% – 33%
Plant and machinery	10% – 20%
Motor vehicles	20% – 30%
Construction in progress	Nil

The carrying value of properties shown above comprises:

13. 物業、機器及設備(續)

上述物業、機器及設備之成本以直線法經計入估計剩餘價值後按下列年率折舊：

永久持有的土地	無
租賃土地及樓宇	2% – 4.5%或 租賃年期(以較 短者為準)
傢俬、裝置及設備	10% – 33%
廠房機器	10% – 20%
車輛	20% – 30%
在建工程	無

以上物業賬面值包括：

Freehold and leasehold land and buildings			Construction in progress		
永久持有及租賃的 土地以及樓宇			在建工程		
At 31st August, 2011	At 31st August, 2010	At 1st September, 2009	At 31st August, 2011	At 31st August, 2010	At 1st September, 2009
於二零一一年 八月三十一日	於二零一零年 八月三十一日	於二零零九年 九月一日	於二零一一年 八月三十一日	於二零一零年 八月三十一日	於二零零九年 九月一日
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
	(restated)	(restated)			
	(經重列)	(經重列)			

Leasehold land in Hong Kong under medium-term leases	於香港以中期租賃持有的租賃土地	8,776	9,021	9,266	-	-	-
Freehold land outside Hong Kong	於香港以外的永久持有土地	2,346	2,341	1,921	-	-	-
Buildings erected on land in Hong Kong held under medium-term leases	於香港以中期租賃持有的土地上的樓宇	5,173	5,385	15,887	-	-	-
Buildings erected on land in the PRC held under medium-term land use rights	於中國以中期土地使用權持有的土地上的樓宇	730,181	792,478	476,760	20,990	50,928	282,348
Buildings erected on freehold and land held under medium-term leases outside Hong Kong (note)	於香港以外永久持有及以中期租賃持有的土地上的樓宇(附註)	75,717	77,398	54,305	317	317	7,438
		822,193	886,623	558,139	21,307	51,245	289,786

Note: The directors of the Company consider that the allocation of buildings erected on the freehold and leasehold land cannot be reliably separated for disclosure.

附註：本公司董事認為，於永久持有及租賃的土地上之樓宇分配不能可靠地分開披露。

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

For the year ended 31st August, 2011
截至二零一一年八月三十一日止年度

14. PREPAID LEASE PAYMENTS

14. 預付租賃款項

		At 31st August, 2011	At 31st August, 2010	At 1st September, 2009
		於二零一一年 八月三十一日	於二零一零年 八月三十一日	於二零零九年 九月一日
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
			(restated) (經重列)	(restated) (經重列)
The Group's prepaid lease payments comprise:	本集團的預付租賃款項 包括：			
Leasehold land situated outside Hong Kong under medium-term leases or medium-term land use rights	位於香港以外以中期租賃 或中期土地使用權 持有的租賃土地	121,939	128,136	132,339
Analysed for reporting purposes as:	就呈報而言的分析：			
Current assets	流動資產	2,732	2,812	2,848
Non-current assets	非流動資產	119,207	125,324	129,491
		121,939	128,136	132,339

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15. INTERESTS IN SUBSIDIARIES

15. 應佔附屬公司權益

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，以成本列出	31,435	33,856
Deemed contribution (note)	被視為注資(附註)	1,104	-
		<u>32,539</u>	<u>33,856</u>
Amounts due from subsidiaries	附屬公司所欠款項	4,003,646	3,708,278
Less: Impairment loss recognised	減：減值損失確認	(546,025)	(555,983)
		<u>3,457,621</u>	<u>3,152,295</u>
Amounts due to subsidiaries	欠附屬公司款項	1,031,238	668,485
		<u>1,031,238</u>	<u>668,485</u>
Movements in the impairment loss recognised are as follows:	已確認減值損失之變動如下：		
		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Balance at beginning of the year	年初結餘	555,983	555,983
Impairment loss reversed	已撥回減值損失	(9,958)	-
Balance at end of the year	年終結餘	<u>546,025</u>	<u>555,983</u>

Note: Deemed contribution arises from the equity-settled share-based payments incurred by the Company but attributable to its subsidiaries' employees.

附註：本公司所產生而歸屬於其附屬公司僱員之以權益結算以股份為基礎之付款被視為注資。

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15. INTERESTS IN SUBSIDIARIES (continued)

The amounts due from subsidiaries are unsecured and repayable on demand. Except for an aggregate amount of HK\$1,006,550,000 (2010: HK\$751,030,000) which bears interest rate with reference to the average effective interest rate of the bank borrowings of the Group, the balances are interest-free. In the opinion of the directors, as the Company acts as the treasury centre for the operating subsidiaries, the amounts are expected to be realised within one year from the end of the reporting period and accordingly, such amounts have been classified as current assets. At the end of the reporting period, the amounts (net of impairment loss recognised) of HK\$3,457,621,000 (2010: HK\$3,152,295,000) were not impaired as a result of the satisfactory assessment of the current financial position and business prospects of those subsidiaries by the management of the Group. An impairment loss has been recognised if after the same assessment, the amount was considered not recoverable. At the end of the reporting period, the impairment loss recognised is related to individually impaired amounts and the relevant subsidiaries are considered not in a good financial position to repay their debts after assessing their net assets value, liquidity position and business prospects.

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

15. 應佔附屬公司權益(續)

附屬公司所欠款項為無抵押並應要求償還，惟當中之金額1,006,550,000港元則除外(二零一零年：751,030,000港元)，此等金額參考本集團銀行借貸的平均有效利率計息，其餘則為免息。根據董事的意見，由於本公司作為經營附屬公司之庫存中心，該等款項預期於報告期終後一年內可變現，因此，該等款項被列為流動資產。於報告期終，由於本集團管理層滿意對該等附屬公司之現有財務狀況及業務前景所進行之評估，因此有關款項(經扣除已確認之減值損失)3,457,621,000港元(二零一零年：3,152,295,000港元)並無減值。倘若進行相同的評估後有關款項被認為無法收回，則會確認減值損失。於報告期終，所確認之減值損失乃來自個別減值款項及經評估資產淨值、流動資金狀況及業務前景後被視為清還債務能力不在良好的財務狀況下之附屬公司。

欠附屬公司之款項為無抵押、免息及應要求償還。

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15. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries of the Company at 31st August, 2010 and 2011 are as follows:

15. 應佔附屬公司權益 (續)

於二零一零年八月三十一日及二零一一年八月三十一日本公司的主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及 繳足的 股本/登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本/ 登記股本面值的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Dongguan Fuquan Garment Co., Ltd. (note a) 東莞福泉製衣有限公司(附註a)	The PRC 中國	United States Dollar ("USD") 3,499,352 3,499,352美元	-	55.5	Production and sales of garments 製造及銷售成衣
東莞福怡服裝有限公司(note a)(附註a)	The PRC 中國	HK\$14,000,000 (2010: HK\$12,800,000) 14,000,000港元 (2010 : 12,800,000港元)	-	100	Production and sales of garments 製造及銷售成衣
Dongguan Goldlink Thread Factory Co., Ltd. (note a) 東莞金菱線廠有限公司(附註a)	The PRC 中國	HK\$3,600,000 3,600,000港元	-	100	Manufacturing of sewing threads 製造縫紉線
東莞海星服裝有限公司 (note a)(附註a)	The PRC 中國	HK\$15,000,000 15,000,000港元	-	100	Production and sales of garments 製造及銷售成衣
Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. (note b) 東莞沙田麗海紡織印染有限公司(附註b)	The PRC 中國	HK\$307,500,000 307,500,000港元	-	95	Dyeing, printing and sales of dyed fabrics 染色、印花和銷售色布
Folktune Limited ("Folktune") 福津有限公司(「福津」)	Hong Kong 香港	HK\$2 2港元	100	-	Investment holding 投資控股
Fountain Set Limited 福田實業有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	100	-	Trading of dyed fabrics and yarns 色布及色紗貿易
Fountain Set Textiles (Ontario) Ltd.	Canada 加拿大	Canadian Dollar ("CAD") 300,100 (Common shares) 300,100加元(普通股)	51	-	Trading of fabrics and garments 布及成衣貿易

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15. INTERESTS IN SUBSIDIARIES (continued)

15. 應佔附屬公司權益(續)

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及 繳足的 股本/登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本/ 登記股本面值的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
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
Jiangmen Huilian Textile Company Limited (note a) 江門市匯聯紡織有限公司(附註a)	The PRC 中國	HK\$28,000,000 28,000,000港元	-	100	Production and sales of yarns 製造及銷售胚紗
Jiangyin Fuhui Textiles Limited (note a) 江陰福匯紡織有限公司(附註a)	The PRC 中國	USD104,000,000 (2010: USD102,000,000) 104,000,000美元 (2010 : 102,000,000美元)	-	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售 色布及色紗
江陰金田機械有限公司 (note a)(附註a)	The PRC 中國	USD12,000,000 12,000,000美元	-	100	Manufacturing of machineries 製造機械
Kaiping Hui Hua Textiles Limited (note a) 開平匯華紡織有限公司(附註a)	The PRC 中國	USD615,414 615,414美元	-	100	Production and sales of yarns 製造及銷售胚紗
Lake Side Printing Factory Limited 麗海印花廠有限公司	Hong Kong 香港	HK\$2 2港元	100	-	Investment holding 投資控股

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15. 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 繳足的 股本/登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本/ 登記股本面值的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Ningbo Young Top Garments Co., Ltd. (note a) 寧波創裕製衣有限公司 (附註a)	The PRC 中國	USD22,000,000 (2010: USD16,079,462) 22,000,000美元 (2010 : 16,079,462美元)	-	55.5	Production and sales of garments 製造及銷售成衣
Ocean Lanka (Private) Limited	Democratic Socialist Republic of Sri Lanka 斯里蘭卡民主 社會主義共和國	Sri Lanka Rupee ("LKR") 985,000,000 985,000,000盧比	-	60	Knitting, dyeing and sales of dyed fabrics 針織、染色和銷售色布
Ocean Yarn Dyeing Factory Limited 海洋染紗廠有限公司	Hong Kong 香港	HK\$2 2港元	100	-	Investment holding 投資控股
Prosperlink (Macao Commercial Offshore) Limited 匯漢(澳門離岸商業服務)有限公司	Macao 澳門	Macau Pataca 100,000 100,000葡幣	-	100	Trading of yarns, dyestuffs and chemicals 胚紗及顏料貿易
上海福匯紡織貿易有限公司 (note a) (附註a)	The PRC 中國	RMB5,000,000 人民幣5,000,000元	-	100	Trading of dyed fabrics 色布貿易
深圳福力紡織品有限公司 (note a) (附註a)	The PRC 中國	RMB5,000,000 人民幣5,000,000元	-	100	Trading of dyed fabrics 色布貿易
Suqian Young Top Garments Co., Ltd. (note a) 宿遷創裕製衣有限公司 (附註a)	The PRC 中國	USD800,000 800,000美元	-	55.5	Production and sales of garments 製造及銷售成衣
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
鹽城福匯紡織有限公司 (note a) (附註a)	The PRC 中國	USD40,500,000 (2010: USD35,000,000) 40,500,000美元 (2010 : 35,000,000美元)	-	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和 銷售色布及色紗

Notes:

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

附註:

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

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15. INTERESTS IN SUBSIDIARIES (continued)

The above table includes the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the Group for the year or formed a substantial portion of the assets and liabilities of the Group at the end of the reporting period. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length. Details of the subsidiaries, which were disposed of or deregistered during the year, are set out in note 38.

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

16. CONSIDERATION RECEIVABLE

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

Of the above consideration, RMB30,000,000 was settled upon the signing of the Property Agreement as the first installment. The second and the third installments of RMB30,000,000 (approximately HK\$34,474,000) and RMB40,000,000 (approximately HK\$46,497,000), respectively, were settled during the year ended 31st August, 2010. The fourth and last installments of RMB77,500,000 (approximately HK\$94,145,000) and RMB77,500,000 (approximately HK\$98,405,000), respectively, were settled during the current financial year.

The receivable amounts were unsecured and interest-free. The fair value of the deferred consideration at the date of initial recognition was determined as RMB231,643,000 (approximately HK\$261,743,000) based on the estimated future cash flows by applying a discount rate of 9.8% per annum.

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

15. 應佔附屬公司權益(續)

以上本公司的附屬公司乃基於本公司董事認為其對本年度業績及本集團於報告期終的資產及負債有重要影響性而表列。本公司董事認為併列其他附屬公司的詳情會引致篇幅過於冗長。有關於本年度已出售或取消註冊附屬公司之詳情載於附註38。

於本年度終結時或在本年度任何時間，附屬公司並無任何債權證結餘。

16. 應收代價

二零零九年四月二十七日，本公司之一間非全資附屬公司東莞福安紡織印染有限公司(「東莞福安」)與一名獨立第三方訂立協議，以出售位於中國廣東省東莞市長安鎮宵邊大道福安紡織城內的土地及若干樓宇、傢俬、裝置及設備(「該等物業」)，總現金代價為人民幣255,000,000元(約288,136,000港元)，分五期支付(「物業合同」)。

於上述代價中，於簽訂物業合同時已支付人民幣30,000,000元作為第一期款項。第二期及第三期分期款項分別為人民幣30,000,000元(約34,474,000港元)及人民幣40,000,000元(約46,497,000港元)已於截至二零一零年八月三十一日止年度支付。第四期及最後一期分期款項分別為人民幣77,500,000元(約94,145,000港元)及人民幣77,500,000元(約98,405,000港元)亦已於本財政年度支付。

該等應收款項為無抵押及免息。於初步確認日期之遞延代價之公平價值為人民幣231,643,000元(約261,743,000港元)，乃根據估計未來現金流量按貼現年率9.8%計算。

有關上述交易詳情已載於本公司日期為二零零九年七月三十日之通函內。

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17. DEFERRED TAX

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

THE GROUP

		本集團			
		Accelerated tax depreciation	Tax losses	Others	Total
		提前稅項折舊	稅項虧損	其他	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
				(note)	
				(附註)	
At 1st September, 2009	於二零零九年九月一日	1,806	(1,192)	(13,478)	(12,864)
(Credited) charged to profit or loss	於損益內(計入)扣除	(1,111)	731	(8,344)	(8,724)
At 31st August, 2010	於二零一零年八月三十一日	695	(461)	(21,822)	(21,588)
Charged (credited) to profit or loss	於損益內扣除(計入)	167	(210)	(1,003)	(1,046)
At 31st August, 2011	於二零一一年八月三十一日	862	(671)	(22,825)	(22,634)

Note: The amount represents mainly deferred tax assets arising from deferred income as disclosed in note 27, unrealised profit on inventories and unrealised gain on transfer of plant and equipment between subsidiaries and deferred tax liabilities arising from withholding tax charged on certain PRC and overseas subsidiaries at the amounts of HK\$17,134,000 (2010: HK\$17,499,000), HK\$2,411,000 (2010: HK\$2,581,000), HK\$1,986,000 (2010: HK\$2,097,000) and HK\$2,985,000 (2010: HK\$3,721,000), respectively.

17. 遞延稅項

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

附註: 有關款額主要為附註27所披露之遞延收入所產生之遞延稅項資產、存貨的未變現利益及附屬公司之間機器及設備調撥的未變現收益, 以及若干中國及海外附屬公司扣除的預扣稅所產生的遞延稅項負債, 分別為17,134,000港元(二零一零年: 17,499,000港元)、2,411,000港元(二零一零年: 2,581,000港元)、1,986,000港元(二零一零年: 2,097,000港元)及2,985,000港元(二零一零年: 3,721,000港元)。

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17. DEFERRED TAX (continued)

As at 31st August, 2011, the Group had unused tax losses of approximately HK\$552 million (2010: HK\$434 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$4 million (2010: HK\$3 million) of such losses, which represent tax losses incurred by certain of the Company's subsidiaries as it is considered by the management that future taxable profits will be available against which the tax losses can be utilised. No deferred tax asset has been recognised in respect of the remaining HK\$548 million (2010: HK\$431 million) tax losses due to the unpredictability of future profit streams. As at 31st August, 2011, of the above tax losses, an aggregate amount of approximately HK\$432 million (2010: HK\$276 million) can be carried forward for five years following the year when the losses were incurred. Other tax losses may be carried forward indefinitely.

In addition, at 31st August, 2011, the Group had other deductible temporary differences of approximately HK\$90 million (2010: HK\$44 million) in respect of unrealised gain on transfer of plant and equipment between subsidiaries, unrealised profit on inventories, allowance for doubtful debts and inventories and interest capitalisation. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not certain that taxable profits will be available against which the deductible temporary differences can be utilised.

17. 遞延稅項(續)

於二零一一年八月三十一日，本集團可用作抵銷未來盈利的未運用稅項虧損約為552,000,000港元(二零一零年：434,000,000港元)。而此項虧損中約4,000,000港元(二零一零年：3,000,000港元)已確認為一項遞延稅項資產，此乃本公司若干附屬公司所產生的稅項虧損，經管理層考慮認為未來的應課稅盈利將可抵銷此稅項虧損。餘下的稅項虧損為548,000,000港元(二零一零年：431,000,000港元)因未能預測將來的盈利來源而未有確認為遞延稅項資產。於二零一一年八月三十一日，上述稅項虧損中，總金額約432,000,000港元(二零一零年：276,000,000港元)可於產生虧損年度後轉存五年。其他稅項虧損可能無限期地轉存。

此外，於二零一一年八月三十一日，本集團就附屬公司之間機器及設備調撥的未變現收益、存貨的未變現利益、呆賬及存貨撥備以及利息化作資產的其他可扣減暫時差異約為90,000,000港元(二零一零年：44,000,000港元)。因未能確定應課稅盈利將可作抵銷此可扣減暫時差異，故未有確認該可扣減暫時差異為遞延稅項資產。

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17. DEFERRED TAX (continued)

According to the EIT Law, starting from 1st January, 2008, 10% withholding income tax will be imposed on dividends relating to profits earned in the calendar year 2008 onwards to foreign investors for the companies established in the PRC. For investors incorporated in Hong Kong and holds at least 25% of the equity interest in the PRC company, reduced rate of 5% will be applied. Deferred tax has been provided for in the consolidated financial statements in respect of the temporary differences attributable to such profits amounting to HK\$25,200,000 (2010: HK\$31,700,000). Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to HK\$67,817,000 (2010: HK\$41,551,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For the overseas subsidiaries, the Group provided the deferred tax in full in respect of the withholding tax attributable to the undistributed profits of HK\$12,818,000 (2010: HK\$12,050,000). The rate applied is the respective domestic income tax rate.

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

17. 遞延稅項 (續)

根據企業所得稅法，由二零零八年一月一日起，於中國成立的公司向境外投資者派發與於二零零八年及以後年度的盈利有關的股息須繳納10%預扣所得稅。於香港註冊成立且持有中國公司最少25%權益的投資者，將應用寬減稅率5%。就該等盈利應佔的暫時差異已於綜合財務報表作出遞延稅項撥備25,200,000港元（二零一零年：31,700,000港元）。由於本集團可以控制暫時差異撥回之時間，而暫時差異很可能於可見將來不會撥回，故並未就中國附屬公司滾存盈利之暫時差異67,817,000港元（二零一零年：41,551,000港元）在綜合財務報表內作出遞延稅項撥備。

就海外附屬公司而言，本集團已就未分派溢利12,818,000港元（二零一零年：12,050,000港元）之預扣稅全數計提遞延稅項撥備。所應用之稅率為各自之地方所得稅率。

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

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(25,689)	(25,309)
Deferred tax liabilities	遞延稅項負債	3,055	3,721
		(22,634)	(21,588)

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17. DEFERRED TAX (continued)
THE COMPANY

		Tax losses	Accelerated tax depreciation	Total
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1st September, 2009	於二零零九年九月一日	(40)	40	-
(Credited) charged to profit or loss	於損益內(計入)扣除	(66)	66	-
At 31st August, 2010	於二零一零年八月三十一日	(106)	106	-
(Credited) charged to profit or loss	於損益內(計入)扣除	(162)	162	-
At 31st August, 2011	於二零一一年八月三十一日	(268)	268	-

As at 31st August, 2011, the Company had unused tax losses of HK\$2,538,000 (2010: HK\$2,502,000) available for offset against future profits. A deferred tax has been recognised in respect of HK\$1,630,000 (2010: HK\$649,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$908,000 (2010: HK\$1,853,000) tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

17. 遞延稅項(續)
本公司

		Tax losses	Accelerated tax depreciation	Total
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1st September, 2009	於二零零九年九月一日	(40)	40	-
(Credited) charged to profit or loss	於損益內(計入)扣除	(66)	66	-
At 31st August, 2010	於二零一零年八月三十一日	(106)	106	-
(Credited) charged to profit or loss	於損益內(計入)扣除	(162)	162	-
At 31st August, 2011	於二零一一年八月三十一日	(268)	268	-

於二零一一年八月三十一日，本公司可用作抵銷未來盈利的未運用稅項虧損為2,538,000港元(二零一零年：2,502,000港元)。就此項虧損中的1,630,000港元(二零一零年：649,000港元)已確認為一項遞延稅項。餘下的稅項虧損908,000港元(二零一零年：1,853,000港元)因未能預測將來的盈利來源而未有確認為遞延稅項資產。稅項虧損可能無限定期轉存。

18. INVENTORIES

Spare parts	備件
Raw materials	原料
Work in progress	半製品
Finished goods	製成品

18. 存貨

	2011	2010
	HK\$'000	HK\$'000
	千港元	千港元

Spare parts	備件	98,941	118,224
Raw materials	原料	787,348	1,006,077
Work in progress	半製品	397,242	421,254
Finished goods	製成品	399,923	393,037
		1,683,454	1,938,592

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19. TRADE AND BILLS RECEIVABLES

Trade receivables	營業應收款項
Bills receivables	票據應收款項
Less: allowance for doubtful debts	減：呆賬撥備

19. 營業及票據應收款項

2011	2010
HK\$'000	HK\$'000
千港元	千港元

1,116,780	1,220,305
187,184	199,566
(28,223)	(47,845)
1,275,741	1,372,026

The Group allows a credit period ranging from 30 days to 90 days to its trade customers. The following is an aged analysis of trade and bills receivables based on the payment due date net of allowance for doubtful debts:

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

2011	2010
HK\$'000	HK\$'000
千港元	千港元

Not yet due	未到期
Overdue 1 – 30 days	過期1-30天
Overdue 31 – 60 days	過期31-60天
Overdue > 60 days	過期超過60天

919,114	925,897
179,692	226,351
109,931	128,389
67,004	91,389
1,275,741	1,372,026

As at 31st August, 2011, included in bills receivables is an amount of HK\$8,735,000 (2010: Nil) which have been discounted with recourse (see note 29).

於二零一一年八月三十一日，票據應收款項包括附追索權之貼現款項8,735,000港元(二零一零年：無)(見附註29)。

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19. TRADE AND BILLS RECEIVABLES (continued)

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

Included in the Group's trade receivables balance are debtors with an aggregate carrying amount of HK\$356,627,000 (2010: HK\$446,129,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality and the amounts are either settled subsequently or still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

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

Movements in the allowance for doubtful debts are as follows:

19. 營業及票據應收款項(續)

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

包括在本集團營業及票據應收款項結餘內的應收賬合共賬面值為356,627,000港元(二零一零年：446,129,000港元)，其於報告期終已過期。由於信貸質素並無重大變動且該等金額已於其後結清或根據過往經驗仍視為可予收回，本集團並無就此作出減值損失撥備。本集團並無就該等結餘持有任何抵押品。

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

呆賬撥備之變動如下：

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Balance at beginning of the year	年初結餘	47,845	25,582
Currency realignment	外幣換算差額	323	17
Impairment loss (reversed) recognised on trade receivables, net	營業應收款項之已確認減值損失(撥回)淨額	(8,245)	24,870
Amounts written-off as uncollectible	撇銷的不可收回金額	(11,700)	(2,624)
Balance at end of the year	年終結餘	<u>28,223</u>	<u>47,845</u>

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19. TRADE AND BILLS RECEIVABLES (continued)

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$28,223,000 (2010: HK\$47,845,000) that are considered irrecoverable by management after consideration of the credit quality of those individual customers, the ongoing relationship with the Group and the ageing of those receivables. The Group does not hold any collateral over these balances.

No allowance for doubtful debts has been provided or reversed for bills receivables during both years.

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

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
USD	美元	488,418	623,196
RMB	人民幣	295,930	197,628
LKR	盧比	3,506	3,283
HK\$	港元	761	4,870

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		THE GROUP 本集團		THE COMPANY 本公司	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Value-added tax recoverable	可退回增值稅	65,967	85,234	-	-
Tax Reserve Certificates	儲稅券	24,600	1,600	2,000	-
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	123,626	123,145	4,666	17,131
		214,193	209,979	6,666	17,131

The Group's other receivables that are denominated in currencies other than functional currencies of the relevant group entities are set out in note 19.

19. 營業及票據應收款項 (續)

呆賬撥備包括合共結餘28,223,000港元(二零一零年:47,845,000港元)的個別減值營業應收款項,經管理層考慮該等個別客戶的信貨質素、與本集團持續關係及該等應收款項的賬齡後,認為該等應收款項無法收回。本集團並無就該等結餘持有任何抵押。

應收票據於兩個年度並無計提或撥回任何呆賬撥備。

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

20. 預付款項、按金及其他應收款項

		THE GROUP 本集團		THE COMPANY 本公司	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Value-added tax recoverable	可退回增值稅	65,967	85,234	-	-
Tax Reserve Certificates	儲稅券	24,600	1,600	2,000	-
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	123,626	123,145	4,666	17,131
		214,193	209,979	6,666	17,131

本集團以相關集團實體功能貨幣以外貨幣計值的其他應收款項載於附註19。

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21. DERIVATIVE FINANCIAL INSTRUMENTS

21. 衍生金融工具

	THE GROUP				THE COMPANY			
	本集團				本公司			
	Current		Non-current		Current		Non-current	
	流動		非流動		流動		非流動	
2011	2010	2011	2010	2011	2010	2011	2010	
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	
Derivative financial assets 衍生金融資產								
Foreign currency forward contracts 遠期外匯合約	4,984	2,514	-	-	-	2,508	-	-
Derivative financial liabilities 衍生金融負債								
Foreign currency forward contracts 遠期外匯合約	108	773	-	-	-	-	-	-
Interest rate swaps 利率掉期			45,583	54,389			45,583	54,389
	108	773	45,583	54,389	-	-	45,583	54,389

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

於報告期終，尚未到期的遠期外匯合約之主要條款如下：

Notional amount	Currency conversion	面值金額	貨幣換算
At 31st August, 2011:		於二零一一年八月三十一日：	
43 contracts to sell USD62,335,387 in total	USD1: RMB6.3522 to 6.5097	43份賣出合共 62,335,387美元的合約	1美元兌6.3522至 6.5097人民幣
1 contract to buy USD1,020,168 in total	USD1: RMB6.3715	1份買入合共 1,020,168美元的合約	1美元兌 6.3715人民幣
At 31st August, 2010:		於二零一零年八月三十一日：	
17 contracts to sell USD20,000,000 in total	USD1: RMB6.7262 to 6.8129	17份賣出合共 20,000,000美元的合約	1美元兌6.7262至 6.8129人民幣
17 contracts to buy USD20,000,000 in total*	USD1: RMB6.6320 to 6.7417	17份買入合共 20,000,000美元的合約*	1美元兌6.6320至 6.7417人民幣

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

上述遠期外匯合約將自報告期終起計一年內到期。

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21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The principal terms of the Group's interest rate swaps outstanding at the end of the reporting period are as follows:

Notional amount	Interest rate swaps
At 31st August, 2011:	
2 contracts with HK\$960,000,000 in total*	From Hong Kong Interbank Offered Rate ("HIBOR") to fixed rates ranging from 2.63% to 3.95%
At 31st August, 2010:	
2 contracts with HK\$1,000,000,000 in total*	From HIBOR to fixed rates ranging from 2.03% to 3.95%

* These contracts are entered into by the Company.

The above interest rate swap contracts will mature within two (2010: three) years from the end of the reporting period.

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

21. 衍生金融工具(續)

於報告期終，本集團尚未到期的利率掉期之主要條款如下：

面值金額	利率掉期
於二零一一年八月三十一日：	
2份合共960,000,000港元 的合約*	由香港銀行同業 拆息(「香港銀行 同業拆息」)轉至 定息介乎2.63% 至3.95%
於二零一零年八月三十一日：	
2份合共1,000,000,000港元 的合約*	由香港銀行同業 拆息轉至定息介 乎2.03%至3.95%

* 該等合約由本公司訂立。

上述利率掉期合約將自報告期終起計兩年(二零一零年：三年)內到期。

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

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

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

The restricted bank deposits carried market interest rates ranging from 0.36% to 0.72% per annum for the year ended 31st August, 2009. Bank balances and short term bank deposits carry market interest rates ranging from 0.01% to 5.50% (2010: 0.01% to 6.10%) per annum.

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

22. 有限制用途之銀行存款／短期銀行存款／銀行結存及現金

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

於截至二零零九年八月三十一日止年度，有限制之銀行存款乃按市場年利率介乎0.36%至0.72%計息。銀行結存及短期銀行存款按市場年利率介乎0.01%至5.50% (二零一零年：0.01%至6.10%) 計息。

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

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2011	2010	2011	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
RMB	人民幣	421,249	137,699	61	-
USD	美元	179,745	164,860	15,599	12,845
CAD	加元	12,730	5,232	4,522	10
HK\$	港元	3,455	11,516	-	-
LKR	盧比	1,511	10	-	-
British Pound ("GBP")	英鎊	3,313	3,135	3,240	3,067

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23. TRADE AND BILLS PAYABLES

Trade payables	營業應付款項
Bills payables	票據應付款項

23. 營業及票據應付款項

2011	2010
HK\$'000	HK\$'000
千港元	千港元

418,672	518,923
279,761	348,590
698,433	867,513

The following is an aged analysis of trade payables based on the payment due date:

營業應付款項按付款到期日的賬齡分析如下：

2011	2010
HK\$'000	HK\$'000
千港元	千港元

Not yet due	未到期
Overdue 1 – 30 days	過期1-30天
Overdue 31 – 60 days	過期31-60天
Overdue > 60 days	過期超過60天

363,886	413,674
26,801	61,053
6,550	17,801
21,435	26,395
418,672	518,923

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

於報告期終，本集團之所有票據應付款項均未到期。

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

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

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

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

2011	2010
HK\$'000	HK\$'000
千港元	千港元

USD	美元
RMB	人民幣
HK\$	港元
LKR	盧比

306,152	405,512
313,616	353,232
14,873	14,740
10,035	8,383

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24. OTHER PAYABLES AND ACCRUALS

24. 其他應付款項及應計費用

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2011	2010	2011	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Other payables (note)	其他應付款項(附註)	149,248	163,621	290	149
Accruals	應計費用	171,413	168,150	18,452	12,936
		320,661	331,771	18,742	13,085

Note: As at 31st August, 2010, the balance included an amount of HK\$19,827,000 in relation to an undertaking that the Group had committed, at any time after one year from 27th April, 2009, (i) to make an one-off payment of HK\$7,616,000 as compensation to release the Group's obligation under an undertaking and operation agreement to a non-controlling shareholder of Dongguan Fuan and (ii) to acquire the remaining 10% equity interest in Dongguan Fuan from that non-controlling shareholder at a consideration of HK\$12,211,000. The one-off payment and an amount of HK\$6,105,000 were settled during the current year and the remaining amount of HK\$6,106,000 remained outstanding as at 31st August, 2011. Further details are set out in the circular of the Company dated 30th July, 2009.

附註：於二零一零年八月三十一日，該結餘包括金額19,827,000港元，乃為本集團就有關承諾函承諾於二零零九年四月二十七日起一年後任何時間(i)向東莞福安之非控股股東一次性支付7,616,000港元之補償費作為解除本集團根據承包經營合同之承擔及(ii)以代價12,211,000港元從該名非控股股東收購其於東莞福安餘下10%之股本權益。該一次性付款及款額6,105,000港元已於是年度內支付，於二零一一年八月三十一日尚未支付之餘額為6,106,000港元。有關詳情載於本公司日期為二零零九年七月三十日之通函內。

The Group's other payables that are denominated in currencies other than functional currencies of the relevant group entities are set out in note 23.

以相關集團實體功能貨幣以外貨幣計值的本集團其他應付款項載於附註23。

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25. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

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

26. CONSIDERATION PAYABLE

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

Pursuant to the Share Transfer Agreement, the consideration is payable by 5 installments. The payable amounts are unsecured and interest-free. The fair value of the deferred consideration at the date of initial recognition was determined as HK\$74,433,000 based on the estimated future cash flows by applying a discount rate of 3.7% per annum. During the current year, an amount of HK\$35,630,000 was settled by the Group. The remaining balance is repayable on demand at the end of the reporting period.

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

25. 欠非控股股東款項

該等款項並無抵押，免息及應要求償還。

26. 應付代價

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

根據股權轉讓協議，代價分五期支付。該等應付款項為無抵押及免息。於初步確認日期之遞延代價之公平價值為74,433,000港元，乃根據估計未來現金流量按貼現年率3.7%計算。於是年度內，本集團已支付35,630,000港元。於報告期終，餘額須按要求時償還。

有關上述交易之詳情已載於本公司日期為二零零九年七月三十日之通函內。

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27. DEFERRED INCOME

In prior years, the Group received a government subsidy of HK\$72,912,000 for the purchase of certain assets, which had been deferred to recognise as income over the useful lives of the relevant assets upon the fulfillment of the relevant conditions. An amount of HK\$1,458,000 (2010: HK\$1,458,000) was amortised as income during the year, with a corresponding adjustment to deferred tax assets previously recognised.

27. 遞延收入

於過往年度，本集團已收一項政府補貼72,912,000港元，用於購買若干資產，補貼已於達成相關條件後按有關資產使用年期確認為收入。年內，已將1,458,000港元(二零一零年：1,458,000港元)攤銷為收入，並已於先前確認之遞延稅項資產作出相應調整。

28. RESTRUCTURING PROVISIONS
28. 重組撥備

		HK'000 千港元
At 1st September, 2009	於二零零九年九月一日	4,689
Utilisation of provision	運用撥備	(3,959)
At 31st August, 2010	於二零一零年八月三十一日	730
Utilisation of provision	運用撥備	(730)
At 31st August, 2011	於二零一一年八月三十一日	-

Restructuring provisions were made in relation to the closure plan of Dongguan Fuan in prior years. The provision was fully utilised during the year ended 31st August, 2011. As at 31st August, 2011, the closure plan is close to completion.

重組撥備乃就過往年度東莞福安之關閉計劃而作出。於截至二零一一年八月三十一日止年度，有關撥備已獲悉數動用。於二零一一年八月三十一日，關閉計劃已接近完成。

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29. BANK BORROWINGS/BANK OVERDRAFTS

29. 銀行借貸／銀行透支

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2011	2010	2011	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank loans	銀行借貸	1,945,663	2,174,757	1,463,554	1,532,211
Import bills loans	進口借款	244,988	381,109	-	-
Discounted bills with recourse	附追索權之貼現票據	8,735	-	-	-
Bank overdrafts	銀行透支	-	3,386	-	-
		2,199,386	2,559,252	1,463,554	1,532,211
Repayable as follows:	須於下列期間償還：				
On demand or within one year	應要求償還或一年內	1,443,532	1,607,977	761,916	658,344
More than one year, but not exceeding two years	一年以上但不超過兩年	481,446	664,868	427,230	639,066
More than two years, but not exceeding five years	兩年以上但不超過五年	274,408	286,407	274,408	234,801
		2,199,386	2,559,252	1,463,554	1,532,211
Less: Amounts repayable on demand or due within one year shown under current liabilities	減：應要求償還或一年內到期金額轉入流動負債項目				
- bank borrowings due within one year	- 銀行借貸一年內到期	(1,443,532)	(1,604,591)	(761,916)	(658,344)
- bank overdrafts	- 銀行透支	-	(3,386)	-	-
Amounts due after one year	一年後到期金額	755,854	951,275	701,638	873,867

Except for discounted bills which are secured by the corresponding bills receivables as disclosed in note 19, the above bank borrowings are unsecured at the end of the reporting period.

除附註19所披露以相關應收票據作為抵押之貼現票據外，於報告期終，上述的銀行借貸並無抵押。

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29. BANK BORROWINGS/BANK OVERDRAFTS (continued)

The bank borrowings of the Group and the Company are mainly variable-rate borrowings which carry interest at HIBOR plus a spread, ranging from 0.4% to 2.3% (2010: 0.4% to 2.3%) or London Interbank Offered Rate plus a spread, ranging from 1.0% to 2.1% (2010: 0.6% to 1.0%) per annum in Hong Kong or the People's Bank of China Base Lending Rate per annum in the PRC. The average effective interest rates of the bank borrowings of the Group and the Company are 2.58% and 2.04% (2010: 2.05% and 1.66%) per annum, respectively. Some other bank borrowings of the Group carry interest at fixed-rates ranging from 2.3% to 6.7% (2010: 1.0% to 4.5%) per annum.

Discounted bills as at 31st August, 2011 represent bills discounted to a bank with recourse. The fixed interest rate applied is 6.06% per annum.

In addition, the average effective interest rate of the bank overdrafts of the Group was 3.77% per annum for the year ended 31st August, 2010.

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

29. 銀行借貸／銀行透支(續)

本集團及本公司的銀行借貸主要為浮息借貸，於香港乃按香港銀行同業拆息加上息差介乎年利率0.4%至2.3%（二零一零年：0.4%至2.3%）或倫敦銀行同業拆息加上息差介乎年利率1.0%至2.1%（二零一零年：0.6%至1.0%）計息，而於中國為中國人民銀行基準貸款利率計息。本集團及本公司銀行借貸之平均有效年利率分別為2.58%及2.04%（二零一零年：2.05%及1.66%）。本集團部份其他銀行借貸乃按固定年利率介乎2.3%至6.7%（二零一零年：1.0%至4.5%）計息。

於二零一一年八月三十一日之貼現票據乃指給予銀行附追索權之貼現票據。所採用之固定年利率為6.06%。

此外，截至二零一零年八月三十一日止年度，本集團銀行透支的平均有效年利率為3.77%。

本集團以相關集團實體功能貨幣以外貨幣計值的銀行借貸及銀行透支載列如下：

		THE GROUP 本集團	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元
USD	美元	244,838	143,423
RMB	人民幣	128,765	138,806
LKR	盧比	-	3,198

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30. SHARE CAPITAL

30. 股本

		Number of ordinary shares of HK\$0.20 each 每股面值0.20港元 的普通股份數目 2011 & 2010	Amount 金額 2011 & 2010 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

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31. SHARE-BASED PAYMENT TRANSACTIONS

The 2002 Scheme

The Company has a share option scheme (the "2002 Scheme"), which was adopted by the Company at the extraordinary general meeting held on 25th January, 2002. The 2002 Scheme will expire on 24th January, 2012. The primary purpose of the 2002 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 2002 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 2002 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 2002 Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of approval of the 2002 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 2002 Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any employee in any 12-month period is not permitted to exceed 1% of the total number of shares of the Company in issue, subject to approval from shareholders of the Company. Options granted must be taken within 28 days of the date of grant or such longer or shorter period as the board of directors of the Company may think fit. The minimum period for which an option must be held before it can be exercised is one year or such other period as the board of directors of the Company may think fit commencing from the date of grant ("Hold-up period"). An option period, at the absolute discretion of the board of directors of the Company, shall commence on the expiry of the Hold-up period and expire no later than the 10th anniversary of the date of grant. The exercise price is determined by the board of directors of the Company and will be at least the highest of the followings:

31. 以股份為基礎之付款交易

二零零二年計劃

本公司擁有一項購股權計劃(「二零零二年計劃」)，乃由本公司於二零零二年一月二十五日舉行之股東特別大會上採納。二零零二年計劃將於二零一二年一月二十四日屆滿。二零零二年計劃的主要目的為本公司可向僱員給予鼓勵、獎賞、報酬、補償及／或提供福利及就本公司董事會不時批准的其他目的而言提供一個靈活方式。根據二零零二年計劃，本公司董事會可按二零零二年計劃的條款授予本公司及／或其附屬公司已通過試用期的全職僱員(包括全職執行董事)購股權以認購本公司股份，每次接受購股權的代價為1港元。根據二零零二年計劃所授出的購股權而發行的股份總數，最多不得超過二零零二年購股權計劃獲批准當日的已發行股份總數的10%。本公司可在股東大會上尋求股東批准，更新此10%的上限。此外，根據二零零二年計劃及本公司任何其他購股權計劃已授出但尚未行使的購股權獲行使而發行的股份總數，最多不得超過本公司不時已發行股份總數的30%(或根據上市規則容許的較高上限)。除已獲股東批准外，任何一位僱員於任何十二個月期間內，其因行使將獲授購股權的股份總數，最多不得超過本公司已發行股份總數的1%。僱員必須在購股權授出日起28日內或本公司董事會可能認為適當的其他較長或較短期間內接納所獲授予的購股權。僱員必須最少於授出日起計一年或本公司董事會可能認為適當的其他期間(「持有期」)持有購股權後，才可作出認購。認購期由本公司董事會按絕對酌情權釐定，將由持有期屆滿後開始計算及不遲於授出日後十週年屆滿。行使價由本公司董事會議定，但必須為以下三者中的最高者：

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31. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The 2002 Scheme (continued)

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

Under the 2002 Scheme, 22,400,000 options were granted on 17th September, 2010. The closing price of the Company's shares immediately before the date of grant was HK\$1.29. Details of the movements of those options and other information of the grant are set out below.

The 2011 Scheme

On 20th January, 2011, the 2002 Scheme was early terminated and the Company adopted a new share option scheme (the "2011 Scheme") pursuant to a resolution passed at the extraordinary general meeting held on the same date. Further details are set out in the announcement of the Company dated 10th December, 2010.

The terms and conditions of the 2011 Scheme are basically the same as those of the 2002 Scheme except that the eligible participants of the 2011 Scheme include, among others, directors and full-time or part-time employees whereas the eligible participants of the 2002 Scheme cover only directors and full-time employees. In addition, there is no specific period for accepting the share options granted and also no specific Hold-up period, which are determined by the board of directors upon the grant of share options as they think as appropriate.

The 2011 Scheme will expire on 20th January, 2021.

Under the 2011 Scheme, share options of 3,352,000 and 23,045,000 were granted on 18th May, 2011 and 18th August, 2011, respectively. The closing prices of the Company's shares immediately before the dates of grant were HK\$1.80 and HK\$1.21, respectively.

31. 以股份為基礎之付款交易 (續)

二零零二年計劃 (續)

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

根據二零零二年計劃，已於二零一零年九月十七日授出22,400,000份購股權。本公司股份於緊接授出日期之收市價為1.29港元。有關該等購股權變動詳情及授出之其他資料載列於下文。

二零一一年計劃

於二零一一年一月二十日，二零零二年計劃已被提前終止，而本公司已根據於同日舉行之股東特別大會上通過之一項決議案採納一項新購股權計劃（「二零一一年計劃」）。有關詳情載於本公司日期為二零一零年十二月十日之公告內。

二零一一年計劃之條款及條文基本上與二零零二年計劃相同，惟二零一一年計劃之合資格參與者包括（其中包括）董事及全職或兼職僱員，而二零零二年計劃之合資格參與者僅包括董事及全職僱員。此外，概無由董事會於購股權授出時已釐定之接納已授出購股權特定期限，亦無特定持有期（如彼等認為適用）。

二零一一年計劃將於二零二一年一月二十日屆滿。

根據二零一一年計劃，已分別於二零一一年五月十八日及二零一一年八月十八日授出3,352,000份及23,045,000份購股權。本公司股份於緊接授出日期之收市價分別為1.80港元及1.21港元。

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**31. SHARE-BASED PAYMENT TRANSACTIONS
(continued)**

The following table discloses movements of the Company's share options granted under the 2002 Scheme and the 2011 Scheme during the year.

31. 以股份為基礎之付款交易(續)

下表披露本公司根據二零零二年計劃及二零一一年計劃已授出購股權於年內之變動情況。

	Scheme	Date of grant	Exercise price	Outstanding at 1st September, 2009, 31st August, 2010 and 1st September, 2010	Granted during the year	Forfeited during the year	Outstanding at 31st August, 2011
	計劃	授出日期	行使價	於二零零九年九月一日、二零一零年八月三十一日及二零一零年九月一日尚未行使	年內已授出	年內已沒收	於二零一一年八月三十一日尚未行使
Category 1: Directors 第1類：董事	2002 二零零二年	17th September, 2010 二零一零年九月十七日	HK\$1.29 1.29港元	-	11,200,000	-	11,200,000
	2011 二零一一年	18th August, 2011 二零一一年八月十八日	HK\$1.21 1.21港元	-	9,600,000	-	9,600,000
				-	20,800,000	-	20,800,000
Category 2: Employees 第2類：僱員	2002 二零零二年	17th September, 2010 二零一零年九月十七日	HK\$1.29 1.29港元	-	11,200,000	(4,600,000)	6,600,000
	2011 二零一一年	18th May, 2011 二零一一年五月十八日	HK\$1.91 1.91港元	-	3,352,000	-	3,352,000
	2011 二零一一年	18th August, 2011 二零一一年八月十八日	HK\$1.21 1.21港元	-	13,445,000	-	13,445,000
				-	27,997,000	(4,600,000)	23,397,000
Two categories 兩類別合共				-	48,797,000	(4,600,000)	44,197,000
Exercisable at the end of the year 於年結時可予行使				N/A 不適用			-

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31. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Share options granted on 17th September, 2010 under the 2002 Scheme are exercisable during the period from 17th March, 2014 to 17th March, 2017 in three tranches, being

- 17th March, 2014 to 17th March, 2017 (up to 30.00% of the share options granted are exercisable)
- 17th March, 2015 to 17th March, 2017 (up to 60.00% of the share options granted are exercisable)
- 17th March, 2016 to 17th March, 2017 (all share options granted are exercisable)

Share options granted on 18th May, 2011 under the 2011 Scheme are exercisable during the period from 18th May, 2012 to 17th May, 2015 in three tranches, being

- 18th May, 2012 to 17th May, 2015 (up to 32.52% of the share options granted are exercisable)
- 18th May, 2013 to 17th May, 2015 (up to 65.04% of the share options granted are exercisable)
- 18th May, 2014 to 17th May, 2015 (all share options granted are exercisable)

31. 以股份為基礎之付款交易(續)

於二零一零年九月十七日根據二零零二年計劃授出之購股權可於二零一四年三月十七日至二零一七年三月十七日期間分三個階段予以行使，即

- 二零一四年三月十七日至二零一七年三月十七日(最多佔已授出購股權之30.00%可予行使)
- 二零一五年三月十七日至二零一七年三月十七日(最多佔已授出購股權之60.00%可予行使)
- 二零一六年三月十七日至二零一七年三月十七日(所有已授出之購股權可予行使)

於二零一一年五月十八日根據二零一一年計劃授出之購股權可於二零一二年五月十八日至二零一五年五月十七日期間分三個階段予以行使，即

- 二零一二年五月十八日至二零一五年五月十七日(最多佔已授出購股權之32.52%可予行使)
- 二零一三年五月十八日至二零一五年五月十七日(最多佔已授出購股權之65.04%可予行使)
- 二零一四年五月十八日至二零一五年五月十七日(所有已授出之購股權可予行使)

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31. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted on 18th August, 2011 under the 2011 Scheme are exercisable by 2 batches as follows:

Batch 1: 15,900,000 share options are exercisable during the period from 19th August, 2012 to 18th August, 2017 in five tranches, being

- 19th August, 2012 to 18th August, 2017 (up to 20.00% of the share options granted are exercisable)
- 19th August, 2013 to 18th August, 2017 (up to 40.00% of the share options granted are exercisable)
- 19th August, 2014 to 18th August, 2017 (up to 60.00% of the share options granted are exercisable)
- 19th August, 2015 to 18th August, 2017 (up to 80.00% of the share options granted are exercisable)
- 19th August, 2016 to 18th August, 2017 (all share options granted are exercisable)

Batch 2: 7,145,000 share options are exercisable during the period from 19th August, 2012 to 18th August, 2015 in three tranches, being

- 19th August, 2012 to 18th August, 2015 (up to 34.15% of the share options granted are exercisable)
- 19th August, 2013 to 18th August, 2015 (up to 68.31% of the share options granted are exercisable)
- 19th August, 2014 to 18th August, 2015 (all share options granted are exercisable)

31. 以股份為基礎之付款交易(續)

於二零一一年八月十八日根據二零一一年計劃授出之購股權可分兩批予以行使，載列如下：

第一批：15,900,000份購股權可於二零一二年八月十九日至二零一七年八月十八日期間分五個階段予以行使，即

- 二零一二年八月十九日至二零一七年八月十八日(最多佔已授出購股權之20.00%可予行使)
- 二零一三年八月十九日至二零一七年八月十八日(最多佔已授出購股權之40.00%可予行使)
- 二零一四年八月十九日至二零一七年八月十八日(最多佔已授出購股權之60.00%可予行使)
- 二零一五年八月十九日至二零一七年八月十八日(最多佔已授出購股權之80.00%可予行使)
- 二零一六年八月十九日至二零一七年八月十八日(所有已授出之購股權可予行使)

第二批：7,145,000份購股權可於二零一二年八月十九日至二零一五年八月十八日期間分三個階段予以行使，即

- 二零一二年八月十九日至二零一五年八月十八日(最多佔已授出購股權之34.15%可予行使)
- 二零一三年八月十九日至二零一五年八月十八日(最多佔已授出購股權之68.31%可予行使)
- 二零一四年八月十九日至二零一五年八月十八日(所有已授出之購股權可予行使)

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**31. SHARE-BASED PAYMENT TRANSACTIONS
(continued)**

The fair values of the share options were determined using the Binomial model:

31. 以股份為基礎之付款交易 (續)

購股權之公平價值乃採用二項式模式釐定：

		Under the 2002 Scheme		Under the 2011 Scheme	
		根據二零零二年計劃		根據二零一一年計劃	
		Share options granted on		Share options granted on	
		17th September, 2010		18th May, 2011	
		於二零一零年九月十七日		於二零一一年五月十八日	
		已授出購股權		已授出購股權	
Number of options	購股權數目	22,400,000	3,352,000	23,045,000	
Grant date fair value	授出日期之公平價值	HK\$15,812,000 港元	HK\$2,718,000 港元	HK\$13,156,000 港元	
Grant date share price	授出日期之股價	HK\$1.29 港元	HK\$1.80 港元	HK\$1.21 港元	
Exercise price	行使價	HK\$1.29 港元	HK\$1.91 港元	HK\$1.21 港元	
Suboptimal exercise factor	次優行使因素	2	2	2	
Contractual life	合約年期	6.5 years 年	4 years 年	4-6 years 年	
Expected volatility	預計波幅	58.25%	66.97%	59.96%-66.16%	
Dividend yield	股息率	0%	0.58%	0.88%	
Risk-free interest rate	無風險利率	1.59%	1.23%	0.48%-0.99%	

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31. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Expected volatilities were determined by using historical volatilities of the stock return of the Company over the previous 4 to 6.5 years. The risk-free interest rates used in the model were determined based on the yield of Hong Kong Sovereign Curve for the share options granted on 17th September, 2011 and the yield of Hong Kong Exchange Fund Note for the share options granted on 18th May, 2011 and 18th August, 2011.

The Group recognised the total expense of HK\$3,395,000 (2010: Nil) for the current year in relation to share options granted by the Company. Out of the amount, HK\$1,783,000 (2010: Nil) is related to the directors of the Company.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss over the remaining vesting period, with a corresponding adjustment to the share options reserve.

The Binomial model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

31. 以股份為基礎之付款交易(續)

預期波幅乃採用本公司過去4至6.5年股票回報之歷史波幅釐定。模式中採用之無風險利率乃根據香港主權曲線回報率(yield of Hong Kong Sovereign Curve)(就二零一一年九月十七日已授出之購股權)及香港外匯基金債券回報率(就二零一一年五月十八日及二零一一年八月十八日已授出之購股權)釐定。

本集團於本年度已就本公司授出之購股權確認總開支3,395,000港元(二零一零年:無),當中之1,783,000港元(二零一零年:無)與本公司董事有關。

於報告期終,本集團修訂其對預期最終歸屬的購股權數目之估計。修訂原先估計產生之影響(如有)按剩餘歸屬年期於損益確認,並於購股權儲備作出相應調整。

購股權之公平價值採用二項式模式估計。計算購股權公平價值所採用之變動因素及假設乃根據董事之最佳估計而釐定。購股權之價值於若干主觀假設之變動因素下會有所不同。

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32. RESERVES

32. 儲備

		THE COMPANY				
		本公司				
		Share	Capital	Share	Retained	Total
		premium	redemption	options	profits	
		股份溢價	贖回儲備	購股權	滾存盈利	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1st September, 2009	於二零零九年九月一日	197,124	210	-	530,192	727,526
Profit and total comprehensive income for the year	是年度盈利及全面收益總額	-	-	-	89,369	89,369
At 31st August, 2010	於二零一零年八月三十一日	197,124	210	-	619,561	816,895
Profit and total comprehensive income for the year	是年度盈利及全面收益總額	-	-	-	16,897	16,897
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	-	3,395	-	3,395
Dividend recognised as distribution	已確認分派之股息	-	-	-	(7,940)	(7,940)
At 31st August, 2011	於二零一一年八月三十一日	197,124	210	3,395	628,518	829,247

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33. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debts, which include the borrowings disclosed in note 29, and equity attributable to owners of the Company, comprising issued share capital and reserves.

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

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

33. 資本風險管理

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

本集團的資本架構包括債務(當中包括附註29所披露的借貸)及本公司擁有人應佔權益(包括已發行股本及儲備)。

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

34. 金融工具

(a) 金融工具類別

	THE GROUP		THE COMPANY	
	本集團		本公司	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Financial assets	金融資產			
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及等同現金項目)			
	2,467,782	2,270,113	3,543,842	3,185,126
Derivative financial instruments	衍生金融工具			
	4,984	2,514	-	2,508
Financial liabilities	金融負債			
Amortised cost	攤銷成本			
	3,056,424	3,650,470	2,494,808	2,200,696
Derivative financial instruments	衍生金融工具			
	45,691	55,162	45,583	54,389

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34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

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

Market risk

(i) Currency risk

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

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

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

34. 金融工具(續)

(b) 財務風險管理目標及政策

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

市場風險

(i) 貨幣風險

本集團若干實體有外幣交易，故本集團涉及外幣風險。

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

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

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

Monetary assets and liabilities:

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

貨幣資產及負債：

		THE GROUP 本集團			
		Assets 資產		Liabilities 負債	
		2011	2010	2011	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
USD	美元	668,163	788,056	550,990	548,935
RMB	人民幣	717,179	506,610	442,381	492,038
CAD	加元	12,730	5,232	-	-
LKR	盧比	5,017	3,293	10,035	11,581
HK\$	港元	4,216	16,386	14,873	14,740
GBP	英鎊	3,313	3,135	-	-

		THE COMPANY 本公司			
		Assets 資產		Liabilities 負債	
		2011	2010	2011	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
USD	美元	15,599	12,845	-	-
RMB	人民幣	61	-	-	-
CAD	加元	4,522	10	-	-
GBP	英鎊	3,240	3,067	-	-

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

Derivative financial instruments:

34. 金融工具 (續)**(b) 財務風險管理目標及政策 (續)**

市場風險 (續)

(i) 貨幣風險 (續)

衍生金融工具：

	THE GROUP		THE COMPANY	
	本集團		本公司	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Derivative financial assets	衍生金融資產			
Foreign currency forward contracts to sell RMB and buy USD	賣出人民幣及買入美元的遠期外匯合約			
	-	2,508	-	2,508
Foreign currency forward contracts to buy RMB and sell USD	買入人民幣及賣出美元的遠期外匯合約			
	4,984	6	-	-
	4,984	2,514	-	2,508
Derivative financial liabilities	衍生金融負債			
Foreign currency forward contracts to buy RMB and sell USD	買入人民幣及賣出美元的遠期外匯合約			
	-	773	-	-
Foreign currency forward contracts to sell RMB and buy USD	賣出人民幣及買入美元的遠期外匯合約			
	108	-	-	-
	108	773	-	-

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34. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the risk of fluctuation of USD, RMB, CAD, LKR, GBP and HK\$ when such currencies are different from the relevant group entities.

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

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析

本集團主要涉及美元、人民幣、加元、盧比、英鎊及港元(當該等貨幣與相關集團實體的功能貨幣不同時)的波動風險。

下表詳細載列上述外幣兌相關集團實體功能貨幣升值或貶值5%的敏感度。由於港元與美元掛鈎，因此港元兌美元除外。5%為向主要管理人員內部呈報外匯風險及管理層對匯率可能合理變動的評估所採用的敏感度比率。敏感度分析僅包括尚未結算以外幣列值的貨幣項目及衍生金融工具，並於年底按5%的外匯率變動調整其換算或衍生金融工具之公平價值。按此基準，當美元、人民幣、加元、盧比及英鎊兌相關集團實體功能貨幣升值5%，是年度稅前盈利將會增加(減少)，反之亦然。

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

Sensitivity analysis (continued)

Monetary assets and liabilities:

34. 金融工具 (續)**(b) 財務風險管理目標及政策 (續)**

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析 (續)

貨幣資產及負債：

	THE GROUP		THE COMPANY	
	本集團		本公司	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Increase (decrease) in pre-tax profit for the year				
USD against RMB	415	334	-	-
USD against CAD	1,471	1,087	-	-
RMB against HK\$	13,740	729	3	-
CAD against USD	321	236	-	-
CAD against HK\$	315	25	226	1
LKR against USD	(251)	(414)	-	-
GBP against HK\$	166	157	162	153
	16,177	2,154	391	154

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

Sensitivity analysis (continued)

Derivative financial instruments:

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

敏感度分析(續)

衍生金融工具：

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2011	2010	2011	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Foreign currency forward contracts to sell RMB and buy USD	賣出人民幣及買入美元的遠期外匯合約	389	7,792	-	7,792
Foreign currency forward contracts to buy RMB and sell USD	買入人民幣及賣出美元的遠期外匯合約	(23,862)	(7,795)	-	-

(ii) Interest rate risk

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

(ii) 利率風險

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

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For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

34. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both non-derivative (included variable-rate borrowings only as the directors consider the exposure on bank balances is not significant) and derivative instruments at 31st August, 2010 and 2011. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 (2010: 50) basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For non-derivative bank borrowings, if interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's pre-tax profit for the year would decrease/increase by HK\$8,949,000 and HK\$7,318,000 (2010: HK\$10,100,000 and HK\$7,661,000), respectively.

For derivative financial instruments, if HIBOR had been 50 basis points higher and all other variables were held constant, the Group's and the Company's pre-tax profit for the year would increase by the same amount of HK\$8,192,000 (2010: HK\$13,216,000), and vice versa.

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感度分析

下列敏感度分析根據非衍生工具(僅包括浮息借貸,因董事認為就銀行結餘所承擔之風險並不重大)及衍生工具於二零一零年及二零一一年八月三十一日的利率風險釐定。有關分析乃假設於報告期終尚未償還的負債數額在本年整個年度內均為未償還。向主要管理人員內部呈報利率風險乃採用50個(二零一零年:50個)基點的升降,代表管理層對利率可能合理變動的評估。

就非衍生銀行借貸而言,倘利率上升/下跌50個基點,而所有其他變數維持不變,則本集團及本公司的是年度稅前盈利將分別減少/增加8,949,000港元及7,318,000港元(二零一零年:10,100,000港元及7,661,000港元)。

就衍生金融工具而言,倘香港銀行同業拆息上升50個基點,而所有其他變數維持不變,則本集團及本公司的是年度稅前盈利將增加相同金額8,192,000港元(二零一零年:13,216,000港元),反之亦然。

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

For the year ended 31st August, 2011
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34. FINANCIAL INSTRUMENTS (continued)

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

Credit risk

As at 31st August, 2011, the maximum exposure to credit risk by the Group and the Company which will cause a financial loss due to failure to discharge an obligation by the counterparties and financial guarantees provided is arising from:

- the carrying amounts of the recognised financial assets as stated in the statements of financial position; and
- the amount of contingent liabilities in relation to financial guarantees issued by the Company as disclosed in note 37.

In order to manage the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Credit sales of products are only made to customers with good credit quality and repayment history. In addition, the Group regularly reviews the recoverable amount of debt on both collective and individual basis to ensure that adequate impairment losses are made for irrecoverable amounts. During the year, a net impairment loss of HK\$8,245,000 in respect of the trade receivables was reversed by the Group whereas a net impairment loss of HK\$24,870,000 was recognised for the year ended 31st August, 2010. Furthermore, the Company only provides financial guarantees to its subsidiaries after a careful consideration of its subsidiaries' financial conditions. In this regard, the directors of the Company consider that the Group's and the Company's credit risk are significantly reduced.

The credit risk on liquid funds of the Group and the Company is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險

於二零一一年八月三十一日，本集團及本公司因對手方未能履行責任及提供財務擔保而導致財務損失的最高信貸風險乃因以下各項產生：

- 財務狀況表所呈列已確認金融資產的賬面值；及
- 附註37所披露有關本公司所發出財務擔保之或然負債的款額。

為管理其信貸風險，本集團的管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進行動收回逾期債項。產品信貸銷售僅提供予具有良好信貸質素及還款記錄的客戶。此外，本集團會定期按集體及個別基準檢討債項的可收回款額，以確保就無法收回款額作出足夠的減值損失。年內，本集團已就營業應收款項撥回減值損失淨值8,245,000港元，而於截至二零一零年八月三十一日止年度則確認減值損失淨值24,870,000港元。此外，本公司僅於審慎考慮其附屬公司的財務狀況後方向其附屬公司提供財務擔保。就此而言，本公司董事認為本集團及本公司的信貸風險已大幅減低。

本集團及本公司的流動資金信貸風險有限，因對手方均為國際信貸評級機構給予高信貸評級的銀行。

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For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

34. FINANCIAL INSTRUMENTS (continued)

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

Credit risk (continued)

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group and the Company has no significant concentration of credit risk with exposure spread over a number of counterparties.

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

Other than equity, the Group and the Company relies on bank borrowings as a significant source of liquidity. As at 31st August, 2011, the available unutilised banking facilities of the Group and the Company are approximately HK\$2,315 million and HK\$113 million (2010: HK\$1,932 million and HK\$713 million), respectively.

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial liabilities and derivatives financial liabilities (including foreign currency forward contracts and interest rate swaps contracts) based on the agreed repayment terms. For non-derivative financial liabilities, the tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

除存放於若干高信貸評級銀行的流動資金外，本集團及本公司並無面對重大集中信貸風險，因風險分散於多個對手方。

流動資金風險

於管理流動資金風險時，本集團與本公司會監察及維持管理層視為足夠水平的現金及等同現金項目，以撥付本集團及本公司營運所需及減低現金流量波動的影響。管理層會監察銀行借貸的運用情況，並確保遵守相關貸款契諾。

除權益外，本集團及本公司倚賴銀行借貸作為主要流動資金來源。於二零一一年八月三十一日，本集團及本公司的可動用但未運用的銀行信貸額分別約為2,315,000,000港元及113,000,000港元(二零一零年：1,932,000,000港元及713,000,000港元)。

下表詳列根據議定償還條款本集團及本公司非衍生金融負債及衍生金融負債(包括遠期外匯合約及利率掉期合約)的餘下合同到期情況。就非衍生金融負債，該表乃按照本集團及本公司可能被要求付款的最早日期根據金融負債的未貼現現金流量編製。該表包括利息及本金現金流量。在利息流採用浮動利率之限度內，未貼現金額乃由報告期終之利率得出。

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34. FINANCIAL INSTRUMENTS (continued)
(b) Financial risk management objectives and policies (continued)
Liquidity risk (continued)

For derivative instruments settled on a net basis, undiscounted net cash flows are presented. Whereas they require gross settlement, the undiscounted gross outflow (inflow) on these derivatives are shown on the tables.

THE GROUP
34. 金融工具(續)
(b) 財務風險管理目標及政策(續)
流動資金風險(續)

淨額結算的衍生工具，以未貼現現金流量淨值呈列。如需以總額結算，該等衍生工具的未貼現流出(流入)總額載列於下表。

本集團

	Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at
							31st August, 2011
	加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月 至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	於二零一一年 八月三十一日 的賬面值 HK\$'000 千港元
2011							二零一一年
Non-derivative financial liabilities							非衍生金融負債
Trade, bills and other payables							營業、票據及其他應付款項
	-	398,864	252,123	102,450	-	753,437	
Amounts due to non-controlling shareholders							欠非控股股東款項
	-	80,100	-	-	-	80,100	
Consideration payable	3.70	23,573	-	-	-	23,573	應付代價
Bank borrowings							銀行借貸
- fixed rate	3.76	71,765	201,961	141,785	-	415,511	一定息
- variable rate	2.34	104,938	288,859	675,270	780,356	1,849,423	一浮息
		679,240	742,943	919,505	780,356	3,122,044	
Derivatives - net settlement							衍生工具—以淨額結算
Interest rate swaps	0.02	-	5,606	18,339	21,650	45,595	利率掉期
Foreign currency forward contracts	-	-	-	108	-	108	遠期外匯合約
		-	5,606	18,447	21,650	45,703	

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For the year ended 31st August, 2011

截至二零一一年八月三十一日止年度

34. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Liquidity risk (continued)****THE GROUP****34. 金融工具 (續)****(b) 財務風險管理目標及政策 (續)****流動資金風險 (續)****本集團**

	Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31st August, 2010 於二零一零年 八月三十一日 的賬面值
	加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月 至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	HK\$'000 千港元
2010							
Non-derivative financial liabilities							
Trade, bills and other payables							
		營業、票據及 其他應付款項					
		-	448,131	308,232	196,057	252	952,672
Amounts due to non-controlling shareholders		欠非控股股東款項					
		-	80,100	-	-	-	80,100
Consideration payable	3.70	應付代價	-	35,630	23,501	-	59,131
Bank borrowings		銀行借貸					
- fixed rate	3.72	一定息	2,632	254,926	288,650	-	546,208
- variable rate	1.87	一浮息	268,220	611,661	209,352	969,556	2,016,531
Bank overdrafts	6.81	銀行透支	3,405	-	-	-	3,405
			802,488	1,210,449	717,560	969,808	3,700,305
Derivatives – net settlement		衍生工具—以淨額結算					
Interest rate swaps	0.07	利率掉期	-	5,718	12,159	36,550	54,427
Derivatives – gross settlement		衍生工具—以總額結算					
Foreign currency forward contracts		遠期外匯合約					
- outflow	-	一流出	23,344	62,250	54,469	-	140,063
- inflow	-	一流入	(23,307)	(61,927)	(54,056)	-	(139,290)
			37	323	413	-	773

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34. FINANCIAL INSTRUMENTS (continued)
(b) Financial risk management objectives and policies (continued)
Liquidity risk (continued)
THE COMPANY
34. 金融工具(續)
(b) 財務風險管理目標及政策(續)
流動資金風險(續)
本公司

	Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at
							31st August, 2011
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	於二零一一年 八月三十一日 的賬面值 HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
2011							
Non-derivative financial liabilities							
Other payables		16	-	-	-	16	16
Amounts due to subsidiaries		1,031,238	-	-	-	1,031,238	1,031,238
Bank borrowings – variable rate	2.08	100,057	174,842	517,661	724,120	1,516,680	1,463,554
Financial guarantee contracts		3,145,341	-	-	-	3,145,341	-
		<u>4,276,652</u>	<u>174,842</u>	<u>517,661</u>	<u>724,120</u>	<u>5,693,275</u>	<u>2,494,808</u>
Derivatives – net settlement							
Interest rate swaps	0.02	-	5,606	18,339	21,650	45,595	45,583

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For the year ended 31st August, 2011

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34. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Liquidity risk (continued)****THE COMPANY**

	Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying	
							amount at 31st August, 2010 於二零一零年 八月三十一日	
	加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月 至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	的賬面值 HK\$'000 千港元	
2010								
Non-derivative financial liabilities								
Amounts due to subsidiaries		欠附屬公司款項	-	668,485	-	-	-	668,485
Bank borrowings – variable rate	1.60	銀行借貸 – 浮息	212,052	427,495	37,544	886,698	1,563,789	1,532,211
Financial guarantee contracts		財務擔保合約	-	2,561,344	-	-	2,561,344	-
			3,441,881	427,495	37,544	886,698	4,793,618	2,200,696
Derivatives – net settlement		衍生工具 – 以淨額結算						
Interest rate swaps	0.07	利率掉期	-	5,718	12,159	36,550	54,427	54,389

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

34. 金融工具 (續)**(b) 財務風險管理目標及政策 (續)****流動資金風險 (續)****本公司**

	Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying	
							amount at 31st August, 2010 於二零一零年 八月三十一日	
	加權平均 有效利率 %	少於一個月 或應要求 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月 至一年 HK\$'000 千港元	超過一年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	的賬面值 HK\$'000 千港元	
2010								
Non-derivative financial liabilities								
Amounts due to subsidiaries		欠附屬公司款項	-	668,485	-	-	-	668,485
Bank borrowings – variable rate	1.60	銀行借貸 – 浮息	212,052	427,495	37,544	886,698	1,563,789	1,532,211
Financial guarantee contracts		財務擔保合約	-	2,561,344	-	-	2,561,344	-
			3,441,881	427,495	37,544	886,698	4,793,618	2,200,696
Derivatives – net settlement		衍生工具 – 以淨額結算						
Interest rate swaps	0.07	利率掉期	-	5,718	12,159	36,550	54,427	54,389

上述財務擔保合約金額包括倘擔保對手方就全數擔保金額提出申索，則本公司根據有關安排可被要求償付之最高金額。根據於報告期終之預期，本公司認為較可能毋須根據有關安排支付任何金額。然而，此預期可能改變，視乎對手方根據擔保提出申索之可能性，而此可能性則須視乎對手方持有並受擔保之財務應收款項承受信貸虧損之可能性而定。

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34. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of derivative financial instruments are calculated using generally accepted pricing models based on quoted forward exchange rates and discounted cash flow analysis based on the applicable yield curves of interest rates provided by counterparty financial institutions.
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

Fair value measurement recognised in the statements of financial position

Financial instruments that are measured subsequent to initial recognition at fair value and grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) on active market for identical assets or liabilities.

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

倘浮動利率之變動有別於於報告期終所釐定之利率估計變動，則上述非衍生之金融負債浮息工具之金額可能改變。

(c) 公平價值

金融資產及金融負債的公平價值乃按以下釐定：

- 衍生金融工具的公平價值乃按公認定價模式，並以對手方財務機構提供的適用利率收益曲線所釐定的市場遠期匯率及貼現現金流量分析基準而計算。
- 其他金融資產及金融負債的公平價值乃根據公認定價模式按貼現現金流量分析而釐定。

董事認為在財務狀況表內以攤銷成本入賬的金融資產及金融負債的賬面值與彼等的公平價值相若。

於財務狀況表確認之公平價值計量

於首次確認後以公平價值計量之金融工具並按照其可觀察公平價值程度分為一至三級。

- 第一級公平價值計量乃自相同資產或負債於活躍市場中之報價(未經調整)得出。

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34. FINANCIAL INSTRUMENTS (continued)**(c) Fair value (continued)****Fair value measurement recognised in the statements of financial position (continued)**

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of the reporting period, all of the Group's and the Company's derivative financial instruments are grouped into Level 2 category.

There were no transfers between the three Levels during the year.

35. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:

- acquisition of property, plant and equipment
- additions to intangible assets

已簽約但於綜合財務報表未有作出撥備之資本開支：

- 購買物業、機器及設備
- 添置無形資產

Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for

就有關購買物業、機器及設備的已批准但未簽約的資本開支

THE GROUP

本集團

2011	2010
HK\$'000	HK\$'000
千港元	千港元

7,432	34,777
1,386	–
8,818	34,777

7,540	29,612
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The Company had no significant capital commitments at the end of the reporting period.

34. 金融工具 (續)**(c) 公平價值 (續)****於財務狀況表確認之公平價值計量 (續)**

- 第二級公平價值計量乃除第一級所包括之報價外，自資產或負債可直接（即價格）或間接（自價格衍生）觀察之輸入數據得出。
- 第三級公平價值計量乃以使用計入並非根據可觀察市場數據之資產或負債之輸入數據（無法觀察輸入數據）之估值方法得出。

於報告期終，本集團及本公司所有衍生金融工具均歸類為第二級類別。

年內並無於三個級別之間作出轉撥。

35. 資本承擔

於報告期終，本公司並無重大的資本承擔。

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36. OPERATING LEASES

The Group as lessee

36. 營運租賃

本集團作為承租人

		THE GROUP	
		本集團	
		2011	2010
		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	52,745	46,639
Plant and machinery	廠房機器	10,996	13,389
		63,741	60,028

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於報告期終，本集團就不可取消營運租賃的未來最低租賃支出承擔於下列到期日支付：

		THE GROUP			
		本集團			
		2011		2010	
		Land and buildings	Plant and machinery	Land and buildings	Plant and machinery
		土地及樓宇	廠房機器	土地及樓宇	廠房機器
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year	一年內	54,756	6,360	48,083	7,754
In the second to fifth year inclusive	第二年至第五年內 (首尾兩年包括在內)	134,605	22,419	112,299	21,861
Over five years	五年以上	74,340	5,494	46,147	10,459
		263,701	34,273	206,529	40,074

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36. OPERATING LEASES (continued)

The Group as lessee (continued)

Operating lease payments represent rentals payable by the Group for certain of its office premises, factories, and plant and machinery. 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 ended 31st August, 2010 was HK\$2,849,000 (2011: Nil). The related outgoings amounted to HK\$259,000 (2011: Nil).

The Group had no operating lease arrangements at the end of the reporting period.

The Company had no significant operating lease commitments or arrangements at the end of the reporting period.

37. CONTINGENT LIABILITIES

THE COMPANY

The Company has given limited guarantees to various banks to secure general banking and loan facilities granted to certain subsidiaries to the extent of HK\$3,145,341,000 (2010: HK\$2,561,344,000). As at 31st August, 2011, the aggregate amounts utilised by these subsidiaries amounted to HK\$1,006,838,000 (2010: HK\$1,375,631,000).

36. 營運租賃(續)

本集團作為承租人(續)

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

本集團作為出租人

截至二零一零年八月三十一日止年度，本集團就投資物業所賺得的租金收入總值為2,849,000港元(二零一一年：無)。其有關的支出為259,000港元(二零一一年：無)。

於報告期終，本集團並無經營租賃安排。

於報告期終，本公司並無重大的營運租賃承擔或安排。

37. 或然負債

本公司

本公司已向多間銀行給予有限制的擔保至為3,145,341,000港元(二零一零年：2,561,344,000港元)，作為該等銀行給予若干附屬公司一般貸款及借款的抵押。於二零一一年八月三十一日，該等附屬公司已運用的總額為1,006,838,000港元(二零一零年：1,375,631,000港元)。

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38. DISPOSAL OF SUBSIDIARIES

During the current year, the Group deregistered its 80% owned subsidiary, Fountain Set Textiles (B.C.) Limited ("Fountain Set Textiles (B.C.)"), and disposed of its entire 100% interests in wholly-owned subsidiaries, namely Futian Properties Limited ("Futian Properties" and formerly known as Fountain Set Properties Limited), Futian Development Limited ("Futian Development" and formerly known as Fountain Set Development Limited), Intracord Company Limited ("Intracord") and 韶關市滙業紡織有限公司("韶關滙業") to certain independent third parties. During the year ended 31st August, 2010, the Group deregistered its wholly-owned subsidiary, 肇慶市滙華紡織有限公司.

The net assets of these disposed subsidiaries at the respective dates of disposal were as follows:

38. 出售附屬公司

於是年度，本集團取消註冊其擁有80%之附屬公司Fountain Set Textiles (B.C.) Limited (「Fountain Set Textiles (B.C.)」)及出售其全資附屬公司福田地產有限公司(「福田地產」，英文名稱已更改)、福田發展有限公司(「福田發展」，英文名稱已更改)、Intracord Company Limited (「Intracord」)及韶關市滙業紡織有限公司(「韶關滙業」)之全部權益予多名獨立第三方。截至二零一零年八月三十一日止年度，本集團已取消註冊其全資附屬公司肇慶市滙華紡織有限公司。

該等已出售之附屬公司於各自出售日期之資產淨值載列如下：

		Fountain Set Textiles (B.C.)	Futian Properties	Futian Development	Intracord and 韶關滙業	2011 Total	2010 Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash consideration received and cash inflow arising on disposal	已收現金代價及出售時產生之現金流入	-	32,221	13,809	570	46,600	-
Analysis of assets and liabilities over which control was lost:	已失去資產及負債控制權之分析：						
Property, plant and equipment	物業、機器及設備	-	27,427	-	201	27,628	-
Prepaid lease payments	預付租賃款項	-	1,006	2,641	-	3,647	-
Trade and other receivables	營業及其他應收款項	-	-	-	2,227	2,227	-
Trade and other payables	營業及其他應付款項	-	-	(141)	(1,807)	(1,948)	-
		-	28,433	2,500	621	31,554	-
Gain (loss) on disposal of subsidiaries:	出售附屬公司之所得收益(虧損)：						
Consideration received	已收代價	-	32,221	13,809	570	46,600	-
Net assets disposed of	所出售之資產淨值	-	(28,433)	(2,500)	(621)	(31,554)	-
Translation reserve released	撥回匯兌儲備	5,782	-	-	(616)	5,166	766
Gain (loss) on disposal	出售收益(虧損)	5,782	3,788	11,309	(667)	20,212	766

The above disposed subsidiaries had no significant impact on the Group's results and cash flows in the current and prior periods.

上述已出售之附屬公司並無對本集團於本期間及過往期間之業績及現金流量造成重大影響。

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39. RETIREMENT BENEFIT SCHEMES

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

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

During both years, 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 HK\$415,000 (2010: HK\$324,000), amounting to HK\$36,724,000 (2010: HK\$27,748,000) have been charged to profit or loss for the year and included in employee benefits expense as set out in note 8.

39. 退休福利計劃

本集團根據職業退休計劃條例註冊成立一項定額供款計劃（「職業退休計劃」）及根據強制性公積金計劃條例設立一項強制性公積金計劃（「強積金計劃」）予所有合資格的本集團香港僱員。這兩個計劃的資產乃由信託人獨立持有及管理。在損益內扣除的退休福利成本乃本集團根據計劃既定比率計算的應付供款。

本集團其他司法地區的僱員現正參與該司法地區政府營運的國家退休福利計劃或定額供款計劃。本集團須將僱員薪酬的若干百分比供款予該等計劃作為福利基金。本集團對該等計劃的唯一責任是按規定作出供款。

兩個年度，因僱員退出退休福利計劃而沒收的供款並不重大，此款項並可用作扣減未來年度的應付供款。

已於本年度在損益內扣除的退休福利計劃供款金額淨值為36,724,000港元（二零一零年：27,748,000港元），當中已扣減沒收的供款415,000港元（二零一零年：324,000港元），並已計入附註8所載之僱員福利開支內。

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40. RELATED AND CONNECTED PARTIES DISCLOSURES
(a) Related party balances

Details of the Group's outstanding balances with related parties are set out in the consolidated statement of financial position and in note 25.

Details of the Company's outstanding balances with related parties are set out in the statement of financial position and in note 15.

(b) Connected party transactions
Name of connected party

關連人士名稱

Nature of transactions

交易性質

2011
HK\$'000

千港元

The FM Group (note i) FM集團(附註i)	Sale of fabrics, yarns and similar items 售賣布料、紗及類似產品	84,114
The AH Group (note ii) AH集團(附註ii)	Sale of fabrics, yarns and similar items 售賣布料、紗及類似產品	80,959
The LFK Group (note iii) LFK集團(附註iii)	Sale of fabrics, yarns and similar items 售賣布料、紗及類似產品	75,650
Factory Co (note iv) 織廠公司(附註iv)	Provision of fabrics knitting services by Factory Co 織廠公司提供針織加工服務	25,860

40. 相關及關連人士的披露
(a) 相關人士的結餘

本集團與相關人士的結餘詳情載列於綜合財務狀況表及附註25內。

本公司與相關人士的結餘詳情載列於財務狀況表及附註15內。

(b) 關連人士交易

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40. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)

(b) Connected party transactions (continued)

Notes:

- (i) On 10th December, 2010, the Company and Mr. Feroz Omar (“Mr. Feroz”) entered into a master agreement (the “FM Master Sales Agreement”) regarding the sales of fabrics, yarns and similar items by the Group to the FM Group. Mr. Feroz is a director of a non-wholly owned subsidiary of the Company, and accordingly a connected person of the Company under the Listing Rules. The FM Group includes companies which Mr. Feroz or/and his relatives who are persons referred to in Rules 14A.11(4)(b)(i) and 14A.11(4)(c)(i) of the Listing Rules individually or together exercise or control the exercise of more than half of the voting power at general meetings or control the composition of a majority of the board of directors and hence the FM Group are associates of Mr. Feroz. The transactions under the FM Master Sales Agreement constitute continuing connected transactions of the Company under the Listing Rules.

The FM Master Sales Agreement is for a term commencing from 20th January, 2011 to 31st August, 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$88,000,000 for the year ended 31st August, 2011 as set out in an announcement of the Company dated 10th December, 2010.

- (ii) On 10th December, 2010, the Company and Mr. Anil Kumar Lalchand Hirdaramani (“Mr. Hirdaramani”) entered into a master agreement (the “AH Master Sales Agreement”) regarding the sales of fabrics, yarns and similar items by the Group to the AH Group. Mr. Hirdaramani is a director of a non-wholly owned subsidiary of the Company, and accordingly a connected person of the Company under the Listing Rules. The AH Group includes companies which Mr. Hirdaramani or/and his relatives who are persons referred to in Rules 14A.11(4)(b)(i) and 14A.11(4)(c)(i) of the Listing Rule individually or together exercise or control the exercise of more than half of the voting power at general meetings or control the composition of a majority of the board of directors and hence the AH Group are associates of Mr. Hirdaramani. The transactions under the AH Master Sales Agreement constitute continuing connected transactions of the Company under the Listing Rules.

40. 相關及關連人士的披露 (續)

(b) 關連人士交易 (續)

附註：

- (i) 於二零一零年十二月十日，本公司與Feroz Omar先生（「Feroz先生」）就本集團向FM集團出售布料、紗及類似產品訂立總協議（「FM總銷售協議」）。Feroz先生為本集團一間非全資附屬公司之董事，根據上市規則，彼為本公司之關連人士。FM集團之成員公司包括由Feroz先生或／及其於上市規則第14A.11(4)(b)(i)條及第14A.11(4)(c)(i)條所述之親屬可在該等公司的股東大會上個別地或共同地行使或控制行使過半數以上的表決權，或控制該等公司的董事會大部分成員的公司，因此FM集團為Feroz先生之聯繫人士。根據上市規則，FM總銷售協議之交易構成本公司之持續關連交易。

FM總銷售協議為期限由二零一一年一月二十日起至二零一三年八月三十一日止。

該等關連交易並無超過本公司日期為二零一零年十二月十日之公佈所載截至二零一一年八月三十一日止年度之年度上限88,000,000港元。

- (ii) 於二零一零年十二月十日，本公司與Anil Kumar Lalchand Hirdaramani先生（「Hirdaramani先生」）就本集團向AH集團出售布料、紗及類似產品訂立總協議（「AH總銷售協議」）。Hirdaramani先生為本公司一間非全資附屬公司之董事，根據上市規則，彼為本公司之關連人士。AH集團之成員公司包括由Hirdaramani先生或／及其於上市規則第14A.11(4)(b)(i)條及第14A.11(4)(c)(i)條所述之親屬可在該等公司股東大會上個別地或共同地行使或控制行使過半數以上的表決權，或控制該等公司董事會大部分成員的公司，因此AH集團為Hirdaramani先生之聯繫人士。根據上市規則，AH總銷售協議之交易構成本公司之持續關連交易。

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40. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)

(b) Connected party transactions (continued)

Notes: (continued)

(ii) (continued)

The AH Master Sales Agreement is for a term commencing from 20th January, 2011 to 31st August, 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$100,000,000 for the year ended 31st August, 2011 as set out in an announcement of the Company dated 10th December, 2010.

(iii) On 10th December, 2010, the Company and LFK (Holdings) Limited ("LFK") entered into a master agreement (the "LFK Master Sales Agreement") regarding the sale of fabrics, yarns and similar items by the Group to members of the LFK Group (i.e. LFK and its subsidiaries). As the relatives who are persons referred to in Rule 14A.11(4)(c)(i) of the Listing Rules of a director of the Company, Mr. HA Kam On, Victor, together exercise or control the exercise of more than half of the voting power at general meetings or control the composition of a majority of the board of directors of LFK, members of the LFK Group are associates of that director of the Company under the Listing Rules and the transactions under the LFK Master Sales Agreement constitute continuing connected transactions of the Company under the Listing Rules.

The LFK Master Sales Agreement is for a term commencing from 20th January, 2011 to 31st August, 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$165,000,000 for the year ended 31st August, 2011 as set out in an announcement of the Company dated 10th December, 2010.

40. 相關及關連人士的披露(續)

(b) 關連人士交易(續)

附註:(續)

(ii) (續)

AH總銷售協議為期限由二零一一年一月二十日起至二零一三年八月三十一日止。

該等關連交易並無超過本公司日期為二零一零年十二月十日之公佈所載截至二零一一年八月三十一日止年度之年度上限100,000,000港元。

(iii) 於二零一零年十二月十日，本公司與LFK (Holdings) Limited (「LFK」) 就本集團向LFK集團成員公司(即LFK及其附屬公司)出售布料、紗及類似產品訂立總協議(「LFK總銷售協議」)。由於本公司董事夏錦安先生於上市規則第14A.11(4)(c)(i)條所述之親屬可在LFK股東大會上共同地行使或控制行使過半數以上的表決權，或控制LFK董事會大部分成員的公司，因此根據上市規則，LFK集團之成員公司為該名董事之聯繫人士，因此根據上市規則，LFK總銷售協議之交易構成本公司之持續關連交易。

LFK總銷售協議為期限由二零一一年一月二十日起至二零一三年八月三十一日止。

該等關連交易並無超過本公司日期為二零一零年十二月十日之公佈所載截至二零一一年八月三十一日止年度之年度上限165,000,000港元。

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截至二零一一年八月三十一日止年度

40. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)**(b) Connected party transactions (continued)**

Notes: (continued)

(iv) On 10th December, 2010, the Company and 江陰滙堅針織有限公司 (“Factory Co”) entered into a master agreement (the “Master Services Agreement”) regarding the provision of fabrics knitting services by Factory Co to the Group. As Factory Co is owned as to 51% by the brother of a director of certain subsidiaries in the Group, it is an associate of that director under the Listing Rules. The transactions under the Master Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.

The Master Services Agreement is for a term commencing from 20th January, 2011 to 31st August, 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$39,000,000 for the year ended 31st August, 2011 as set out in an announcement of the Company dated 10th December, 2010.

(c) Compensation of key management personnel

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

Short-term benefits	短期福利
Post-employment benefits	離職後福利
Equity-settled share-based payments	以權益結算以股份為基礎之付款

The remunerations of directors and key management are decided by the board of directors and reviewed by the Remuneration Committee, having regard to the Company’s operating results, individual performance and comparable market statistics.

40. 相關及關連人士的披露 (續)**(b) 關連人士交易 (續)**

附註：(續)

(iv) 於二零一零年十二月十日，本公司與江陰滙堅針織有限公司 (「織廠公司」) 就織廠公司向本集團提供針織加工服務訂立總協議 (「總服務協議」)。由於織廠公司由本集團若干附屬公司之一名董事之弟弟擁有51%股權，因此根據上市規則，織廠公司為該名董事之聯繫人士。根據上市規則，總服務協議之交易構成本公司之持續關連交易。

總服務協議為期限由二零一一年一月二十日起至二零一三年八月三十一日止。

該等關連交易並無超過本公司日期為二零一零年十二月十日之公佈所載截至二零一一年八月三十一日止年度之年度上限39,000,000港元。

(c) 主要管理人員的補償

本年度董事及其他主要管理人員的薪酬如下：

THE GROUP	
本集團	
2011	2010
HK\$'000	HK\$'000
千港元	千港元

Short-term benefits	短期福利	28,731	27,513
Post-employment benefits	離職後福利	920	921
Equity-settled share-based payments	以權益結算以股份為基礎之付款	2,840	-
		32,491	28,434

董事及主要管理人員之酬金由董事會參照本公司之營運業績、個別表現及可比較市場統計數字而釐定，並由薪酬委員會審閱。

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 2011/2012

Financial year ended 31st August, 2011

Full year results announced 25th November, 2011

Register of members closed 9th-12th and 18th-19th January, 2012

Annual general meeting 12th January, 2012

Dispatch of dividend warrants 2nd February, 2012

2012 Interim results to be announced Late April 2012

二零一一／二零一二年財務日誌

財政年度結算 二零一一年八月三十一日

全年業績公佈 二零一一年十一月二十五日

股份暫停登記 二零一二年一月九日至十二日及十八日至十九日

股東週年大會 二零一二年一月十二日

寄發股息單 二零一二年二月二日

二零一二年 二零一二年四月下旬
中期業績公佈

Closure of the Register of Members

The register of members of the Company will be closed from Monday, 9th January, 2012 to Thursday, 12th January, 2012 and Wednesday, 18th January, 2012 to Thursday, 19th January, 2012, both days inclusive, during which period no transfer of shares will be registered.

暫停辦理股份過戶登記手續

本公司將於二零一二年一月九日（星期一）至二零一二年一月十二日（星期四）止及二零一二年一月十八日（星期三）至二零一二年一月十九日（星期四）止（首尾兩天包括在內），暫停辦理股份過戶登記手續。

Shareholder Services

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

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

股東服務

任何有關股份過戶及登記的查詢，請聯絡本公司股份過戶登記處：

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

Investor Relations

Ms Charmaine CHENG
Assitant General Manager – Corporate Affairs
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Tel +852 3478 7017
Email pr@fshl.com

投資者關係

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助理總經理 – 企業事務
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Global Network | 環球網絡

FOUNTAIN SET (HOLDINGS) LIMITED
福田實業 (集團)有限公司

Block A, 6/F, Eastern Sea Industrial Building,
29-39 Kwai Cheong Road, Kwai Chung,
New Territories, Hong Kong

香港新界葵涌葵昌路29-39號
東海工業大廈A座6字樓

Tel 電話 +852 2485 1881



Fountain Set has overseas marketing/representative offices in the following locations. Addresses, phone numbers and fax numbers are listed at www.fshl.com

福田實業於下列地區設有海外市場推廣辦事處/代表處，地址、電話號碼及傳真號碼均列明在www.fshl.com內

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

Production facilities are set up in the following countries:
於下列國家設有生產設施:

China • Indonesia • Sri Lanka
中國 • 印尼 • 斯里蘭卡