



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

2012
ANNUAL REPORT
年報

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

GROUP PROFILE

About Fountain Set (Holdings) Limited

Fountain Set (Holdings) Limited and its subsidiaries are one of the world's largest circular knitted fabric manufacturers, providing vertically integrated operations in fabric knitting, dyeing, printing and finishing. In addition to its core business of manufacturing and sale of knitted fabric which generates majority of the total revenue, the Group's product range also includes dyed yarns, sewing threads and garments. As a major knitted fabric supplier to garment manufacturers in over 40 countries that supply apparel products including sportswear, casual wear, sleep wear and inner wear to many internationally renowned retailers and brands, Fountain Set's worldwide sales reached HK\$9.17 billion (US\$1.18 billion) in the 16 months ending 31 December 2012.

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 13,300.

Since June 2012, Chinatex Corporation has become the largest shareholder of Fountain Set (Holdings) Limited. Chinatex is under direct administration of the State-Owned Assets Supervision and Administration Commission of the State Council of the PRC and is one of the 500 largest enterprises in the PRC.

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

To learn more about Chinatex Corporation, please visit www.chinatex.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是世界最大的圓筒針織面料生產商之一，提供針織、染色、印花及整理等高度垂直之綜合服務。除了佔總營業額大部份之生產及銷售針織面料的核心業務外，集團產品亦包括色紗、縫紉線及成衣。作為主要針織面料供應商，集團向超過40個國家的成衣製造商提供面料，以製成包括運動服、休閒服、睡衣和內衣等眾多國際知名零售商和品牌的成衣。集團截至2012年12月31日止16個月的環球銷售額達91.7億港元（11.83億美元）。

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；市場推廣辦事處／代表處分佈5個國家，全球共聘用僱員約13,300人。

從2012年6月起，中國中紡集團公司成為福田實業集團第一大股東。中紡集團乃由中國國務院國有資產監督管理委員會直接管理，並為中國500強企業之一。

欲知更多福田實業集團資料，請瀏覽www.fshl.com

欲知更多中紡集團資料，請瀏覽 www.chinatex.com

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CORPORATE INFORMATION 公司資料

HONORARY CHAIRMAN

Mr. HA Chung Fong

BOARD OF DIRECTORS

Executive Directors

Madam LI Lan (Chairman)

Mr. HA Kam On, Victor (Vice-Chairman and Chief Executive Officer)

Dr. YEN Gordon (Chief Financial Officer)

Mr. GONG Zhengyi

Mr. ZHAO Yao

Non-Executive Directors

Mr. ZHANG Chong

Independent Non-Executive Directors

Mr. NG Kwok Tung

Mr. CHOW Wing Kin, Anthony, SBS, JP

Mr. YANG Shibin

COMPANY SECRETARY

Mr. CHAN Siu Man

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Block A, 6/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
China CITIC Bank International Limited

SOLICITOR

Vivien Chan & Co.

AUDITOR

BDO Limited
Certified Public Accountants

SHARE REGISTRAR

Tricor Secretaries Limited
26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

名譽主席

夏松芳先生

董事會

執行董事

李蘭女士 (主席)

夏錦安先生 (副主席兼行政總裁)

嚴震銘博士 (首席財務官)

宮征誼先生

趙耀先生

非執行董事

張湧先生

獨立非執行董事

伍國棟先生

周永健先生，銀紫荊星章，太平紳士

楊世濱先生

公司秘書

陳少文先生

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6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
中信銀行(國際)有限公司

律師

陳韻雲律師行

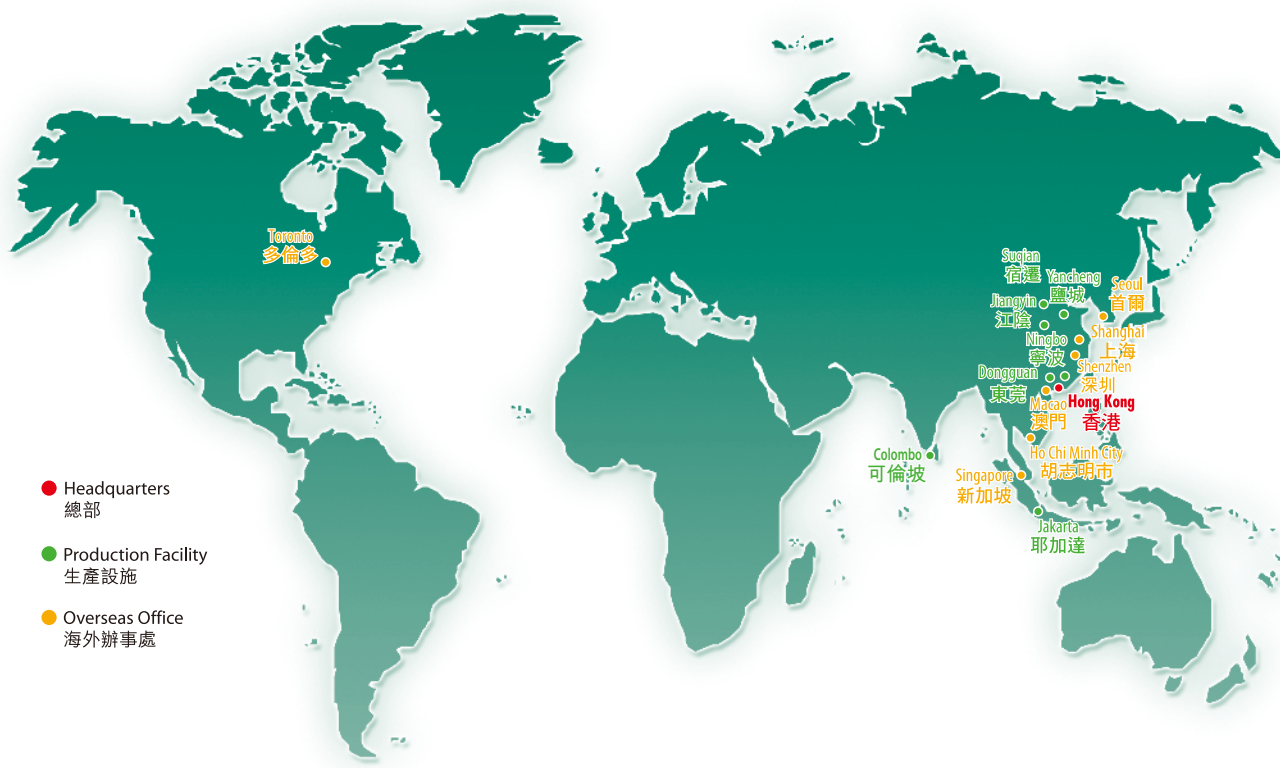
核數師

香港立信德豪會計師事務所有限公司
執業會計師

股份登記處

卓佳秘書商務有限公司
香港灣仔皇后大道東28號金鐘匯中心26樓

EXTENSIVE WORLDWIDE NETWORK 強大環球網絡



HEADQUARTERS • 總部

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

PRODUCTION FACILITY • 生產設施

CHINA 中國
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

JAKARTA 耶加達
GARMENT MANUFACTURING 製衣
PT. 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*

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*

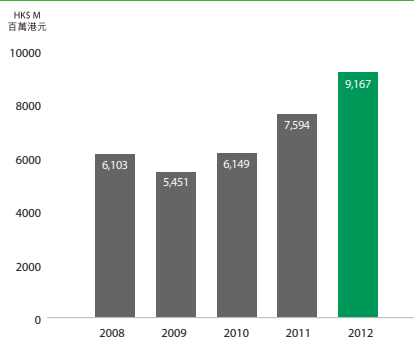
Chinese names are only translations of their official English names. In case of inconsistencies, the English names shall prevail.
中文名稱僅為彼等官方英文名稱之譯文。倘有歧異,概以英文名稱為準。

FINANCIAL AND STATISTICAL HIGHLIGHTS 財務及統計摘要

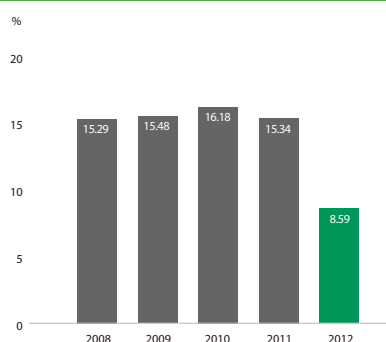
		For the 16 months ended 31 December 2012 截至2012年 12月31日止 16個月 HK\$Mil 百萬港元	For the 12 months ended 31 August 2011 截至2011年 8月31日止 12個月 HK\$Mil 百萬港元
Operating Results	營運業績		
Revenue	營業額	9,167.1	7,593.9
(Loss) Profit	(虧損) 盈利		
Total	總值	(324.2)	210.9
(Loss) Profit margin	(虧損) 盈利率	(3.5%)	2.8%
(Loss) Earnings per share (HK cents)	每股(虧損) 盈利(港仙)		
– Basic	– 基本	(33.5)	26.6
– Diluted	– 攤薄	(33.5)	26.6
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)	0	1.0
Dividend payout ratio	派息比率	N/A 不適用	3.8%
		At 31 December 2012 於2012年 12月31日 HK\$Mil 百萬港元	At 31 August 2011 於2011年 8月31日 HK\$Mil 百萬港元
Financial Position at Period/Year End	於期間/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	1,464.4	1,601.7
Total assets	資產總值	6,020.1	6,608.9
Long-term bank borrowings	長期銀行借貸	240.6	755.9
Bank borrowings	銀行借貸	1,483.1	2,199.4
Net bank borrowings	銀行借貸淨值	265.0	1,074.8
Total liabilities	負債總值	2,773.7	3,510.1
Tangible net worth	有形淨值	3,009.7	2,830.1
Net asset value per share (HK\$)	每股資產淨值(港元)	2.50	3.56
Capital expenditure (after inclusion of interest capitalized)	資本開支 (已包括化作資產之利息在內)	103.0	110.3
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	1.58	1.59
Long-term bank borrowings ratio	長期銀行借貸比率	0.08	0.27
Bank borrowings ratio	銀行借貸比率	0.51	0.78
Net bank borrowings ratio	銀行借貸淨值比率	0.09	0.38
Gearing ratio	資本負債比率	0.95	1.24
Return before tax on average equity	除稅前之平均股東基金回報率	(11.0%)	11.5%
Interest cover ratio	利息比率	(2.66)	5.39

FINANCIAL AND STATISTICAL HIGHLIGHTS 財務及統計摘要

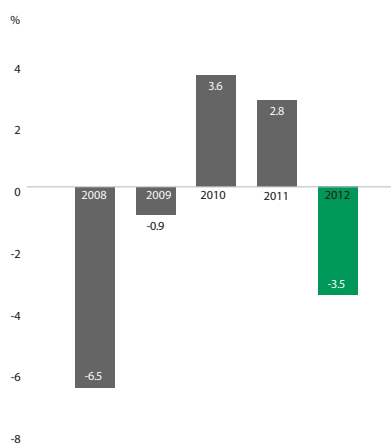
Revenue 營業額



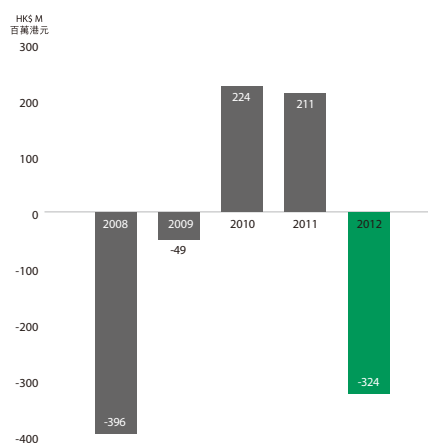
Gross Profit Margin 毛利率



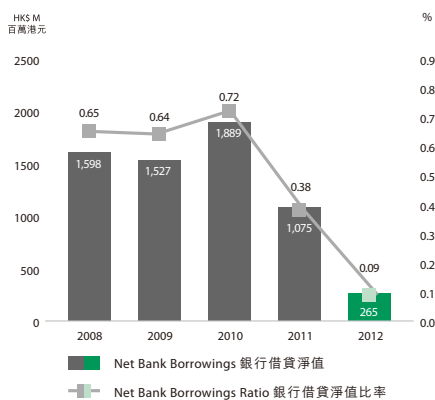
Profit/(Loss) Margin 盈利/(虧損)率



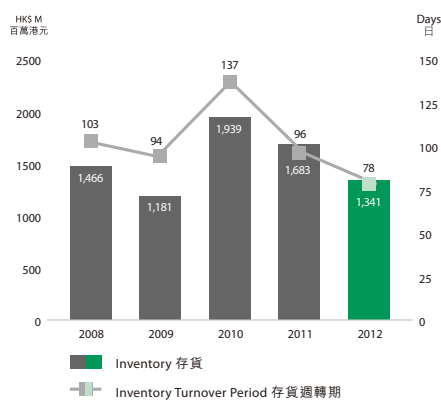
Profit/(Loss) 盈利/(虧損)



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



Note: In August 2012, the Company changed its financial year end date from 31 August to 31 December. Hence the figures for the period ended 31 December 2012 cover the 16 months period from 1 September 2011 to 31 December 2012.

附註：於2012年8月，本公司將其財政年度結算日由8月31日更改為12月31日。因此，截至2012年12月31日止期間之數據涵蓋由2011年9月1日至2012年12月31日止16個月期間。

FINANCIAL SUMMARY 財務概要

CONSOLIDATED INCOME STATEMENT

綜合收益表

		For the	For the	For the	For the	For the
		year ended	year ended	year ended	year ended	16 months
		31 August	31 August	31 August	31 August	ended
		2008	2009	2010	2011	31 December
		截至2008年	截至2009年	截至2010年	截至2011年	截至2012年
		8月31日	8月31日	8月31日	8月31日	12月31日止
		止年度	止年度	止年度	止年度	16個月
		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	6,103,045	5,451,492	6,148,949	7,593,889	9,167,089
Profit (loss) from ordinary activities	日常業務盈利(虧損)	(371,125)	8,280	250,095	343,191	(333,457)
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	21,907	-	-	-	-
(Loss)/profit before taxation	除稅前(虧損)/盈利	(349,218)	8,280	250,095	343,191	(333,457)
Income tax expense	所得稅支出	(9,179)	(12,475)	(6,516)	(103,473)	(4,304)
(Loss)/profit for the year/period	是年度/期間(虧損)/盈利	(358,397)	(4,195)	243,579	239,718	(337,761)
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	(396,451)	(48,928)	223,798	210,886	(324,167)
Non-controlling interests	非控股權益	38,054	44,733	19,781	28,832	(13,594)
		(358,397)	(4,195)	243,579	239,718	(337,761)

FINANCIAL SUMMARY 財務概要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

		At 31 August 2008 於2008年 8月31日 HK\$'000 千港元 (restated) (經重列)	At 31 August 2009 於2009年 8月31日 HK\$'000 千港元 (restated) (經重列)	At 31 August 2010 於2010年 8月31日 HK\$'000 千港元 (restated) (經重列)	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元
Non-current assets	非流動資產	2,337,883	2,620,084	2,479,434	2,300,207	2,023,461
Current assets	流動資產	3,662,332	3,434,138	4,386,539	4,308,695	3,996,634
Current liabilities	流動負債	1,488,830	1,865,990	2,974,955	2,699,104	2,532,214
Net current assets	流動資產淨值	2,173,502	1,568,148	1,411,584	1,609,591	1,464,420
Total assets less current liabilities	資產總值減流動負債	4,511,385	4,188,232	3,891,018	3,909,798	3,487,881
Non-current liabilities	非流動負債	1,812,191	1,639,475	1,077,923	871,572	308,101
Net assets	資產淨值	2,699,194	2,548,757	2,813,095	3,038,226	3,179,780
Capital and reserves	資本及儲備					
Share capital	股本	158,802	158,802	158,802	158,802	240,609
Reserves	儲備	2,289,353	2,235,079	2,474,523	2,679,224	2,769,113
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,448,155	2,393,881	2,633,325	2,838,026	3,009,722
Non-controlling interests	非控股權益	251,039	154,876	179,770	200,200	170,058
Total equity	權益總值	2,699,194	2,548,757	2,813,095	3,038,226	3,179,780

AWARDS & CERTIFICATIONS 獎項及認證

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

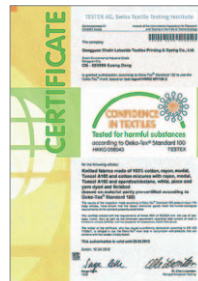


Name of Awards/Certification 獎項/認證名稱
3 Years+Entrant and Green Medalist of Hang Seng PRD Environmental Awards 2010/11
 恒生珠三角環保大獎2010/11
 「綠色獎章」及「3年+ 參與」
 Issued by 發出單位
 Federation of Hong Kong Industries (FHKI) and Hang Seng Bank
 香港工業總會/恒生銀行

Name of Award/Certification 獎項/認證名稱
International Marketing Development Award*
 國際市場開拓大獎
 Issued by 發出單位
 China Knitting Industry Association
 中國針織工業協會

Name of Award/Certification 獎項/認證名稱
Top 100 Turnover of Knitting Industry in China*
 中國針織行業主營業務收入百強企業
 Issued by 發出單位
 China Knitting Industry Association
 中國針織工業協會

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



Name of Award/Certification 獎項/認證名稱
The Best Design Pattern Award*
 最佳圖紋設計獎
 Issued by 發出單位
 Textile Apparel Weekly
 紡織服裝週刊

Name of Award/Certification 獎項/認證名稱
Oeko-Tex Standard 100 (Class I)
 Issued by 發出單位
 TESTEX AG,
 Swiss Textile Testing Institute

Name of Award/Certification 獎項/認證名稱
Oeko-Tex Standard 100 (Class II)
 Issued by 發出單位
 TESTEX AG,
 Swiss Textile Testing Institute



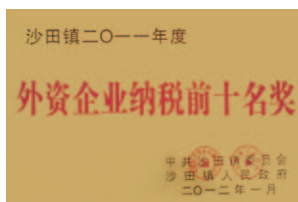
Name of Award/Certification 獎項/認證名稱
Oeko-Tex Standard 100 (Class II)
 Issued by 發出單位
 TESTEX AG,
 Swiss Textile Testing Institute

Name of Award/Certification 獎項/認證名稱
Low Carbon Manufacturing Programme (LCMP) Gold Label
 低碳製造計劃黃金標籤
 Issued by 發出單位
 WWF
 世界自然基金會

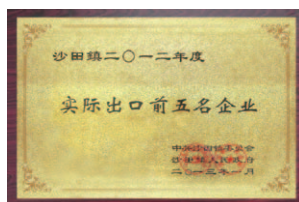
Name of Award/Certification 獎項/認證名稱
Foreign Enterprise Tax Growth Award*
 外資企業納稅增幅獎
 Issued by 發出單位
 CPC Shatin Town Committee – People's Government of Shatin Town
 中共沙田鎮委 – 沙田鎮人民政府

* English names are only translation of their official chinese names. In case of inconsistencies, the chinese name shall prevail.
 英文名稱僅為官方中文名稱之譯文。倘有歧異，概以中文名稱為準。

AWARDS & CERTIFICATIONS 獎項及認證



Name of Award/Certification 獎項/認證名稱
Top 10 Foreign Enterprise Tax Award 2011*
 2011年度外資企業納稅前十名獎
 Issued by 發出單位
**CPC Shatian Town Committee –
 People's Government of Shatian Town**
 中共沙田鎮委 – 沙田鎮人民政府



Name of Award/Certification 獎項/認證名稱
Top Five Actual Export Enterprises 2012*
 2012年度沙田鎮實際出口前五名企業
 Issued by 發出單位
**CPC Shatian Town Committee –
 People's Government of Shatian Town**
 中共沙田鎮委 – 沙田鎮人民政府



Name of Award/Certification 獎項/認證名稱
**Outstanding Enterprise of Energy
 Conservation in Shatian Town 2011***
 2011年度沙田鎮節能工作先進單位
 Issued by 發出單位
**Energy Conservation Leader Section Office
 of Shatian Dongguan**
 東莞市沙田鎮節能減排工作
 領導小組辦公室



Name of Award/Certification 獎項/認證名稱
**Sectional Awards – Manufacturing
 (Certificate of Merit)**
 「界別卓越獎」— 製造業 (優異獎)
 Issued by 發出單位
Environmental Campaign Committee (ECC)
 環境保護運動委員會



Name of Award/Certification 獎項/認證名稱
Organic Exchange Blended Standard
 有機交易混紡標準
 Issued by 發出單位
Institute for Marketecology (IMO)
 瑞士生態市場研究所



Name of Award/Certification 獎項/認證名稱
Global Organic Textile Standard (GOTS) 2.0
 2.0版全球有機紡織品標準
 Issued by 發出單位
Institute for Marketecology (IMO)
 瑞士生態市場研究所



Name of Award/Certification 獎項/認證名稱
Organic Exchange 100 Standard
 有機交易100標準
 Issued by 發出單位
Institute for Marketecology (IMO)
 瑞士生態市場研究所



Name of Award/Certification 獎項/認證名稱
Quality Management System Certification*
 質量管理體系認證證書
 Issued by 發出單位
**China Great Wall (Tianjin) Quality
 Assurance Centre**
 長城(天津)質量保證中心



Name of Award/Certification 獎項/認證名稱
**Environmental Management System
 Certification***
 環境管理體系認證證書
 Issued by 發出單位
**China Great Wall (Tianjin) Quality
 Assurance Centre**
 長城(天津)質量保證中心

AWARDS & CERTIFICATIONS 獎項及認證

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



Name of Award/Certification 獎項/認證名稱
Water Saving and Emission Reduction Demonstrative Project*
 節水減排示範項目
 Issued by 發出單位
 Water Resources Department of Jiangsu Province
 江蘇省水利廳



Name of Award/Certification 獎項/認證名稱
Outstanding Enterprise of Environmental Protection 2011*
 2011年度環境保護先進集體
 Issued by 發出單位
 Jiangyin Economic Development Zone Managing Committee
 江陰高新技術產業開發區管理委員會



Name of Award/Certification 獎項/認證名稱
Outstanding Enterprise of Production Safety 2011*
 2011年度安全生產先進單位
 Issued by 發出單位
 Production Safety Committee of People's Government of Jiangyin
 江陰市人民政府安全生產委員會



Name of Award/Certification 獎項/認證名稱
Water Saving Enterprise of Jiangsu Province*
 江蘇省節水型企業
 Issued by 發出單位
 Water Resources Department of Jiangsu Province / Jiangsu Development & Reform Commission
 江蘇省水利廳 / 江蘇省發改委



Name of Award/Certification 獎項/認證名稱
Carbon Footprint and Water Footprint Evaluation Demonstrative Enterprise*
 碳足跡和水足跡評價示範企業
 Issued by 發出單位
 National Quality Inspection Public Industry Research
 國家質檢公益性行業科研專項《紡織品標識體系研究》課題



Name of Award/Certification 獎項/認證名稱
Enterprise of Foreign Trade Over 20 Billion
 外貿超雙百億美元突出貢獻單位
 Issued by 發出單位
 People's Government of Jiangyin
 江陰市人民政府



Name of Award/Certification 獎項/認證名稱
Pioneer Award of a Good Demonstration of Jiangyin*
 江陰市百佳創先爭優示範先鋒獎
 Issued by 發出單位
 People's Government of Jiangyin
 江陰市人民政府



Name of Award/Certification 獎項/認證名稱
China Knitting Industry Environment Optimization, Energy Saving and Emission Reduction Outstanding Enterprise*
 中國針織行業 環境優化 節能減排優秀企業
 Issued by 發出單位
 China Knitting Industry Association
 中國針織工業協會



Name of Award/Certification 獎項/認證名稱
Environmental Management System Certification
 環境管理體系認證證書
 Issued by 發出單位
 China Environmental United (Beijing) Certification Center Co.,Ltd
 中環聯合(北京)認證中心有限公司

AWARDS & CERTIFICATIONS 獎項及認證

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

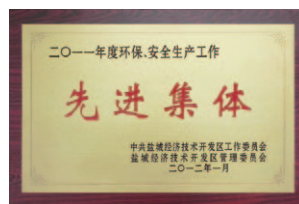


Name of Award/Certification 獎項/認證名稱

Quality Demonstration Unit*
質量示範單位

Issued by 發出單位

Yancheng Information Centre of State
Quality Supervision Bureau
國家質量監督鹽城信息中心

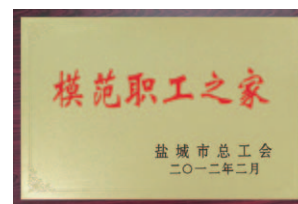


Name of Award/Certification 獎項/認證名稱

Outstanding Enterprise of Environmental
Protection & Production Safety 2011*
2011年度環保、安全生產工作先進集體

Issued by 發出單位

Yancheng Economic Development Zone
Managing Committee/Yancheng Economic
Development Zone Working Committee
中共鹽城經濟技術開發區工作委員會、鹽城經
濟技術開發區管理委員會



Name of Award/Certification 獎項/認證名稱

The Model Home of Workers*
模範職工之家

Issued by 發出單位

Yancheng Federation of Trade Unions
鹽城市總工會



Name of Award/Certification 獎項/認證名稱

Director Member
理事單位

Issued by 發出單位

Jiangsu Association of Enterprises with
Foreign Investment
江蘇省外商投資企業協會



Name of Award/Certification 獎項/認證名稱

Workers Vanguard*
工人先鋒號

Issued by 發出單位

Jiangsu Federation of Trade Unions
江蘇省總工會



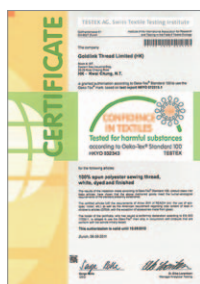
Name of Award/Certification 獎項/認證名稱

Environmental Management System Certification
環境管理體系認證證書

Issued by 發出單位

Beijing NGV Certification Centre
北京恩格威認證中心

Goldlink Thread Limited 金菱線廠有限公司



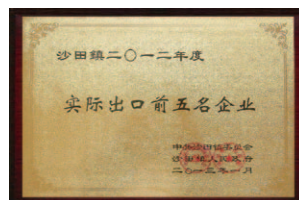
Name of Award/Certification 獎項/認證名稱

Oeko-Tex Standard 100 (Class I)

Issued by 發出單位

TESTEX AG,
Swiss Textile Testing Institute

Dongguan Fu Yi Apparel Co., Ltd. 東莞福怡服裝有限公司



Name of Award/Certification 獎項/認證名稱

Top Five Actual Export Enterprises 2012*
2012年度沙田鎮實際出口前五名企業*

Issued by 發出單位

CPC Shatian Town Committee –
People's Government of Shatian Town
中共沙田鎮委 – 沙田鎮人民政府

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



Name of Award/Certification 獎項/認證名稱

Environmental Management
System Certification
環境管理體系認證證書

Issued by 發出單位

United Kingdom Accreditation
Service (UKAS) and National Accreditation
Board, USA (ANAB)

CHAIRMAN'S STATEMENT 主席報告

Dear Shareholders,

I am honored to report to shareholders the results of the Group for the 16 months period ended 31 December 2012 on behalf of the new board of directors following our reorganization in 2012.

WITH CONCERTED EFFORT WE REFORM AND INNOVATE

The financial year of 2012 was a very important year in the development timeline of the Fountain Set Group, it was also a year during which the Group confronted severely challenging operating environment that was unprecedented in recent years. In relation to dramatic fluctuation in the prices of textile raw and auxiliary materials and the continued escalation of power and labor costs, the Group fell short of responding promptly and effectively while the reform on management and control measures and methods were less than sufficient. Although the Company maintained a steadfast business, the operating performance was disappointing and resulted in a significant loss that adversely impacted the interests of the Fountain Set Group and Shareholders. On behalf of the Board and the management team, I would like to express our deepest apologies to this heartrending situation.

To the Group's Shareholders and the Board, the financial year 2012 was no doubt a year of great change. Chinatex Corporation ("Chinatex"), based on Fountain Set's 40 some years of development history during which the foundation for the Group's operation and industry influence was established, invested approximately HK\$511 million in Fountain Set (Holdings) Limited in June 2012 through the placement of new share and has since become the Group's single largest shareholder. The injection of the new capital has effectively reduced the Group's financial costs, thus enhancing our capital strength. This has strengthened the Group's ability to tackle severe challenges and to implement internal adjustments and reforms. At the same time, Chinatex and the Fountain Set Group leveraged their individual strengths to provide the Group with active support in the supply of raw materials. The Group has also restructured the Board accordingly and I had the honor to be elected as the new Chairman of the Board. Under the leadership of the new Board, the management has made tremendous effort in the last half year of the past financial year by adopting a series of measures to reduce operating and management costs and to control losses with visible results. The Group's overall performance has since stabilized and begun to show favorable improvements.

致各股東

本人榮幸代表於2012年內重組之新董事會向各股東匯報本集團截至2012年12月31日止16個月期間之業績。

同心同德，改革創新

已經過去的2012年財政年度是福田實業集團發展歷程中十分重要的一年，也是經營形勢遭遇近年來少有嚴峻挑戰的一年。針對這年內紡織原料、輔料價格大幅波動，以及動力和人工成本持續攀升的不利局面，集團未能及時作出快速而有效的反應、管控措施和手段調整不夠到位。雖然集團依然保持了業務的穩定，但經營業績極不理想，出現了大幅的虧損，給福田實業集團和股東的利益造成了巨大的損失，令人十分痛心。對此，我謹代表董事會和管理層向各位股東深表歉意。

2012年財政年度也是集團股東和董事會發生重大變化的一年。基於對福田實業集團40多年發展過程中所奠定的經營基礎和業界影響力的認可，中紡集團（以下簡稱「中紡」）於2012年6月透過配發新股投資福田實業（集團）有限公司，成為集團之單一最大股東，集團也得以獲得約5.11億港元支持。新資金的注入有效降低了集團的財務成本，使我們的資金實力得到進一步增強，從而有能力應對更加嚴峻的挑戰，推動集團的調整轉型。與此同時，中紡還與福田實業集團在經營上發揮各自優勢，使集團在原材料的供應上得到積極的支持。集團還相應調整了董事會的組成，本人亦榮幸獲選成為集團新任董事會主席。在新董事會的領導下，管理團隊奮發努力，於過去財政年度的後半年內在經營和管理上分別推行了降低成本、控制虧損的一系列措施，並取得了明顯成效，集團整體業績開始呈現出企穩回升的積極勢頭。

CHAIRMAN'S STATEMENT 主席報告

The Fountain Set Group boasts a glamorous history, yet it has been experiencing some profound impacts brought about by changes in the operating environment. Still faced with daunting challenges, the Board, the management, and I are aware of the great responsibilities involved in this honorable mission. I am confident that by capitalizing on the solid foundation and capabilities of the Fountain Set Group built up over the years, the relentless support of the Shareholders as well as the hard work of our extensive staff force, we are poised to overcome every difficulty and hurdle that may lie ahead to turn a new page for the Group's development through the pursue of innovation, reform and improvement. After profound review and consideration on the subjects of controlling costs, increasing gross profit and the core assignment of generating profit as soon as possible, the Board and the management have reached broad consensus on certain measures to address existing issues in our operation and management that are now being proactively implemented.

OUTLOOK

With over 80% of our fabric ultimately being made into garments destined for overseas markets including the US and EU, the wellbeing of the export market is vital to our business. In general, the world economic situation remains uncertain and this unstable trend may continue. However, the outlook of the US economy has shown some signs of improvement, signifying that US customer demand may improve slightly in 2013 as compared to the year before. Meanwhile, the demands in EU and China are expected to remain at similar levels as 2012. When presented with opportunities and challenges, I firmly believe that straight adherence to the direction of reform, innovation, transformation and upgrading, persistent advancement and implementation of various adjustment and improvement measures, more proactively enhancement of the competitiveness of the Group are the only ways we can better capture the opportunity in order to lay a solid path for sustainable and healthy development of the Group.

福田實業集團擁有引以為榮的輝煌歷史，但在經歷深刻變化的經營環境所帶來的重大影響。面對依然嚴峻的挑戰，本人、董事會和管理層都深感責任的重大與使命的光榮。本人深信，憑藉福田實業集團多年來形成的深厚經營基礎和能力，以及股東各方的積極支持與廣大員工的積極努力，只要我們團結一心，改革積弊，創新求變，我們一定能夠克服前進道路上的各種艱難險阻，迎來福田實業集團發展新的篇章。與此同時，圍繞近期如何有效控制成本、提升毛利，儘早實現轉虧為盈這個中心任務，董事會和管理層經過深刻反思，就集團在經營和管理中存在的主要問題以及應採取的應對措施達成了廣泛的共識，並正在積極地推行和落實之中。

展望

由於我們的布料有超過80%以成衣形式銷往美國及歐洲，出口市場的形勢對我們是十分重要的。儘管總體而言，世界經濟形勢維持不確定而不穩定的形勢可能仍將持續，但近期經濟資料顯示，美國經濟前景略有改善跡象，代表2013年美國客戶的需求與去年相比將有機會略微提高。與此同時，預計2013年歐洲和中國的需求將保持平穩。面對挑戰與機遇，本人深信唯有堅持改革創新、轉型升級的既定方向、堅定不移地推進和落實各項調整與改進措施、更加積極主動地提升集團的綜合競爭能力，我們才能更好地把握住機會，為集團早日走上持續健康發展的道路打下一個堅實的基礎。

CHAIRMAN'S STATEMENT 主席報告

As stated above, since June 2012, Chinatex, under the direct administration of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC and is one of the 500 largest enterprises in the PRC, has invested in the Group through the allotment of new shares in an aggregate amount of approximately HK\$511 million. The new funding was mainly applied to repaying bank borrowings. As of 31 December 2012, Chinatex is the single largest shareholder of the Fountain Set (Holdings) Limited and owns approximately 34% of the outstanding shareholdings of the Company. Participation of Chinatex not only enhanced financial strength of the Group but also provided stronger support on raw material supply as well as new development ideas, management resources and strategic directions, which are all important for the Group's recovery and future development.

Apart from continuously satisfying the needs of our existing customers, the Group will also carry on the development of new working relationships with brands and retailers in emerging markets such as Russia and Eastern Europe. The Group is also committed to enhancing our research and development, product quality as well as technical expertise. We will actively explore new materials and technologies in fabric production and continue developing higher added-value products for our customers. The Group seeks to continue enhancing our operating efficiency including fuel and water consumption saving as well as cost structure while increasing speed-to-market at the same time. Without adding extra production capacity, the Group will continue to invest in new equipment and machines to enhance our production capabilities and level of automation. In addition, the Group is committed to corporate social responsibility and upholding environmental protection measures.

APPRECIATION

I would take this opportunity to sincerely thank Mr HA Chung Fong, our former Chairman, current Honorary Chairman and senior consultant, who is also the founder of the Group, for his unparalleled contribution and efforts to the Group in the past 44 years. With his remarkable leadership and relentless drive for growth, Fountain Set has developed from a small fabric dyeing workshop with around 20 staff to one of the world's largest circular knitted fabric manufacturers. I would also like to express our appreciation for the strong support of the Shareholders, the professional leadership of our management team and the dedicated contribution of our staff members in propelling the Group through the difficulties in 2012.

如上述所言，自2012年6月，中紡透過配發新股投資集團，總金額約5.11億港元，中紡由中國國務院國有資產監督管理委員會直接管轄，為中國500強企業之一。新的資金主要用於償還銀行借款。截至2012年12月31日，中紡已成為福田實業(集團)有限公司的單一最大股東，擁有本公司已發行股本約34%。中紡的加入不僅大幅提高了集團的財政實力，而且令集團在原材料供應上獲得了更有力的支持，亦帶來新的發展思路、管理資源及戰略方向，為集團的復蘇及進一步發展起了非常重要的作用。

除了不斷滿足現有客戶的需求，集團將繼續發展與新興市場如俄國及東歐之品牌和零售商的業務關係。集團致力於增強研究及發展、提升產品質量及專業技術。我們將積極為客戶引進新物料和新技術於面料生產中，繼續開發更高附加值的產品。集團亦將繼續提高營運效率包括減省燃料和水的消耗以及優化成本結構，同時加強快速市場回應。集團將不再新增額外產能的情況下繼續投資新設備及機器以增強生產能力及自動化水平。另外，集團亦積極履行企業社會責任及落實各項環境保護措施之實施。

感謝

我願借此機會衷心感謝集團的前主席、現任名譽主席及高級顧問夏松芳先生，是他創辦了集團，在過去的44年裏，他不遺餘力，為集團作出了無比重大的貢獻，付出了極大的努力。在夏主席卓越的領導下，福田實業集團已經由一家擁有約20名員工的小型染布加工場發展成為世界最大的圓筒針織面料生產商之一。我亦在此感謝股東們強而有力的支持、管理團隊的專業帶領和全體員工的努力，與集團一同走過艱辛的2012年。

CHAIRMAN'S STATEMENT 主席報告

ADJUST OUR COURSE TO REFORM TOGETHER

"The castle wall of the enemy is like a wall of iron, yet with firm strides, and prompt action, we shall eventually conquer its summit." The responsibility of carrying on the past and creating a brighter future has fallen on our shoulders. Let's stand united as we directly take on the challenges that lie ahead, proactively adjust our course and change ourselves. Together, we can "Reform"!

LI Lan

Chairman and Executive Director

26 March 2013

調整自己一起變革

「雄關漫道真如鐵，而今邁步從頭越」。繼往開來、再創輝煌的重任已經責無旁貸地落在我們全體員工的肩上。讓我們一起再一次直接面對挑戰，再一次選擇主動調整與改變自己。在一起，我們就能「變革」！

李蘭

主席及執行董事

2013年3月26日

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

BUSINESS REVIEW

Overview

With effect from 10 August 2012, the financial year end of Fountain Set (Holdings) Limited has been changed from 31 August to 31 December. This annual report accounts for financial results of the Group from September 2011 to December 2012, with a total of 16 months instead of the usual 12 months. The financial year of 2012 ("FY2012") was one of the more difficult years for the textile and apparel industry and the Group. The adverse economic environment in North America and Europe caused by factors including high unemployment rate and concerns over default of European debts continued, resulting in weak demand for textile products and further deterioration in the demand for textile and apparel products. At the same time, some large scale local brands and retailers in China have experienced over-inventory situation which negatively affected the demand for the textile products. During the period under review, there was unusually high price premium of Chinese cotton over that of the rest of the World which mainly as a result of the purchase of domestically produced cotton by the Chinese government at a guaranteed minimum price. Coupled with the surging labor cost, high energy cost and RMB appreciation, each operator of the industry value chain has experienced one of the toughest operating environments in the past decade.

The Group's production capacity maintained at about 25 million pounds of fabric dyeing per month which was diversified among four fabric mills in both China and Sri Lanka. The Group was one of the pioneers in the industry to diversify our production base by establishing fabric mills in more than one province in Mainland China since 2003. Currently, we have four fabric mills located in Dongguan, Jiangyin and Yancheng, China as well as Colombo, Sri Lanka.

During the period under review, the Group has disposed of the textile machinery business at the aggregate consideration of RMB90,000,000 and has also ceased the cotton spinning business. The scale-back actions of our non-core businesses are in-line with our strategic business plan to reallocate our resources to the Group's principal businesses, to realize its investment in China, reduce gearing and increase the liquidity of the Group. In respect of the disposal of the textile machinery business, the Group has recorded a gain from the disposal of approximately HK\$43,144,000. For the disposal of the cotton spinning business, the Group has made a loss from the disposal of approximately HK\$8,272,000. The net proceeds from these two disposals have been used for loan repayment and general working capital of the Group.

業務回顧

概述

生效於2012年8月10日，福田實業(集團)有限公司的財政年度結算日已經從8月31日更改為12月31日。此次集團的年度報告匯報從2011年9月至2012年12月的財務業績，共16個月而不是一般的12個月。2012年財政年度對紡織和服裝行業以及集團都是其中較為困難的一年。高失業率及擔憂歐洲債務持續違約等因素而引致北美和歐洲經濟環境嚴峻，導致消費者信心減弱及對紡織品成衣業需求下降。同時，中國本土部分大型品牌和零售商經歷的過剩庫存情況對紡織產品的需求造成了負面影響。在回顧期內，主要由於中國政府以保底價格收購國產棉花，造成國內棉花價格較世界其他地區的溢價不尋常地高。加上勞動力成本飆升、高能源成本和人民幣升值的因素，令產業價值鏈的每個經營者經歷了過去10年內其中一個最困難的經營環境。

集團來自在中國和斯里蘭卡多元化經營的4個廠房的染布產能維持在每月約2千5百萬磅。集團自2003年起已在中國大陸超過一個省份建立面料廠房，使生產基地多樣化，是行業內的先行者之一。目前，我們分別於中國東莞、江陰、鹽城和斯里蘭卡可倫坡設有4個面料廠房。

在回顧期內，集團出售其紡織機械業務，總代價為人民幣90,000,000元，同時也終止了棉紡業務。縮減非核心業務規模的行動與集團策略性業務計劃一致，即將資源重新分配於集團的主要業務上，實現其在中國的投資，降低資產負債比率及提高集團的流動性。對於紡織機械業務的出售，集團錄得出售收益約43,144,000港元。對於出售的棉紡企業，集團錄得出售之虧損約8,272,000港元。此兩項出售之所得款項淨額已用作償還貸款及集團一般營運資金。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

Customers

As a fabric manufacturer, the Group's direct customers are garment factories who are actual purchaser of fabrics. At the same time, the Group has also developed a long-lasting and strong cohesiveness relationship with the retailers and brands over the years. These "end-buyer" customers are commonly the ones to coordinate fabric design, volume and price directly with the Group. The Group is also committed in developing new and innovative fabrics for our customers with over four-decade of our expertise and craftsmanship in the circular knitted fabric industry. Our end-buyer customers consist of renowned international and domestic brands and retailers. The aggregate revenue attributable to the Group's five largest customers was less than 30% of the total revenue for the year.

Products

The Group has been actively developing and promoting a wide range of knitted fabrics under the trademark of "fabric by Fountain Set™" which is the consolidated brand name for our comprehensive knitted fabric collection. Our quality and innovative products include:

1. Performance series: "UV-Protection", "Anti-Mosquito", "Nano water and oil repellent"
2. Eco series: organic cotton, complete cotton (made by blending combing noils and virgin fibers) and original bamboo fiber;
3. Moisture management series: our own brands "Invisi.dri™" (rapidly absorbs moisture from the skin but without showing any "water stain" marks on the fabric surface), "Comforton™" (utilizes the "push-and-pull" method to more effectively wick away perspiration), Dr Dry® and "Sukool™" (powerful finishing provides superior moisture management);
4. Fresh series: our own brand "ActivFresh™ C, B and S" of odor management and anti-microbial fabrics

Capital Investment

The Group is committed to continue investing in infrastructure, machinery and information systems according to the operating needs and future development plans. With several fabric mills and garment factories within the Group, regular infrastructure maintenance and machinery upgrades are necessary to ensure continuous improvement in operations. The Group has been configuring SAP as our enterprise resources planning systems and the target implementation date is early 2014. It is expected that the overall operational efficiency and productivity will be highly improved.

客戶

作為面料生產商，集團的直接客戶為實際採購面料的成衣製造商。同時，多年來集團亦與零售商及品牌商建立並保持長期緊密穩定的關係。這些所謂的「最終客戶」通常都直接與集團協調面料設計、數量及價格。集團亦利用在圓筒針織面料行業超過40年之專業技術經驗保證為客戶不斷開發創新面料。我們的最終客戶均為在國際及國內享有盛譽的知名品牌和零售商。在回顧期內，集團之5大客戶共佔營業額少於30%。

產品

集團一直積極開發及推廣我們以統一品牌紡特適™為商標的多元化針織面料系列。我們的優質和創新產品包括：

1. 功能系列：「防紫外線」、「防蚊」以及「納米防水防油」
2. 環保系列：有機棉、環保棉（由落棉及新棉混紡而成）以及竹原纖維
3. 排汗系列：我們的自主品牌「Invisi.dri™」（快速的把水份從皮膚上吸收，但不會在布面呈現任何水漬），「Comforton™」（採用「推一拉」原理把汗水更有效地帶走），Dr Dry®和「Sukool™」（超凡的排汗功能處理）
4. 防菌系列：我們吸味及防菌面料的自主品牌「ActivFresh™ C, B及S」

資本投資

本集團根據經營需要及未來發展計劃致力於持續投資於基礎設施、機械和資訊系統。集團擁有多家面料廠房及製衣廠房，為確保能持續改進營運，定期維護基礎設施和機械升級是非常有必要的。集團已開始設置SAP作為我們的企業資源的規劃系統且目標實施日期為2014年的初期。預計整體營運效率和生產力將大大提高。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

Dividend

In view of the current business situation of the Group, the Board has resolved not to pay any final dividend for the period ended 31 December 2012.

FINANCIAL REVIEW

The Group has been actively and consistently communicated with the capital market throughout the years. Against the backdrop of stagnant market situation, the textiles industry may continue to be weak, as well as the challenges the Group is facing in the current phase of its corporate development, the Group's financial performance will be affected in the short term.

The key operating and financial indicators of the Group for the period ended 31 December 2012 are set out below:

股息

鑒於集團面臨現時的業務狀況，董事會決定就截至2012年12月31日止期內不予派發任何末期股息。

財務回顧

集團這些年來一直積極地保持與資本市場的溝通。在市場不景氣的背景下，紡織行業可能會繼續疲軟，加上集團企業發展的當前階段所面臨的各種挑戰，在短期內，集團的財務表現將會受到影響。

本集團截至2012年12月31日止期內之主要經營及財務指標呈列如下：

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率	8.6%	15.3%
EBITDA margin (%)	息稅折舊攤銷前利潤率	1.1%	8.9%
Expenses as a % of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	3.2%	2.5%
Administrative expenses	行政費用	9.8%	8.1%
Finance costs	融資成本	1.0%	0.9%
Asset efficiency	資產效率		
Inventory turnover (days)	存貨週轉期(日)	78	96
Trade and bills receivables turnover (days)	營業及票據應收款項週轉期(日)	67	61
Trade and bills payables turnover (days)	營業及票據應付款項週轉期(日)	46	40

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

	31 December 2012 2012年 12月31日	31 August 2011 2011年 8月31日
Asset ratios		
	資產比率	
Current ratio	流動比率	1.6
Net debt/EBITDA ratio	淨債務／息稅折舊攤銷前利潤率	1.6
	2.6	1.6

Revenue

The Group's revenue for the period ended 31 December 2012 amounted to HK\$9,167,089,000.

營業額

集團截至2012年12月31日止期內的營業額達9,167,089,000港元。

Revenue by business segments 營業額按業務分類



In FY2012, the Group's core business, production and sales of dyed fabrics, sewing threads and yarns, generated revenue of HK\$7,977,076,000, which accounted for 87.0% of the Group's total revenue. Revenue from production and sales of garments was HK\$1,190,013,000, accounted for 13.0% of the Group's total revenue.

於2012年財政年度，集團核心業務—製造及銷售色布、縫紉線及紗的營業額達到7,977,076,000港元，佔集團營業額總值的87.0%。製造及銷售成衣的營業額為1,190,013,000港元，佔集團營業額總值的13.0%。

Cost of Sales and Gross Profit

For the period ended 31 December 2012, overall cost of sales of the Group amounted to HK\$8,379,813,000 and overall gross profit margin was 8.6%.

銷售成本及毛利

集團截至2012年12月31日止期內之整體銷售成本為8,379,813,000港元，整體毛利率為8.6%。

Distribution and Selling Expenses

For the period ended 31 December 2012, the Group's overall selling and distribution costs amounted to HK\$ 294,682,000, accounting for 3.2% of the Group's total revenue.

分銷及銷售費用

集團截至2012年12月31日止期內之整體分銷及銷售費用為294,682,000港元，佔集團營業額總值的3.2%。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

Administrative Expenses

For the period ended 31 December 2012, the Group's overall administrative expenses approximately amounted to HK\$895,285,000, accounting for 9.8% of the Group's total revenue.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

For the period ended 31 December 2012, the Group's EBITDA approximately amounted to HK\$101,251,000.

Finance costs

For the period ended 31 December 2012, the Group's finance costs approximately amounted to HK\$87,288,000, representing 1.0% of the Group's total revenue.

Capital Expenditure

During the period under review, the Group invested approximately HK\$99,396,000 in the additions of property, plant and equipment. The Group expects the capital expenditure for the next financial year will be approximately HK\$160,000,000.

Income Tax Expenses

For the period ended 31 December 2012, income tax expenses of the Group approximately amounted to HK\$4,304,000.

Inventory

The Group's inventory approximately amounted to HK\$1,340,553,000 as of 31 December 2012. The inventory turnover period was 78 days.

行政費用

集團截至2012年12月31日止期內之整體行政費用約895,285,000港元，佔集團營業額總值的9.8%。

息稅前利潤加折舊及攤銷(EBITDA)

集團截至2012年12月31日止期內之息稅前利潤加折舊及攤銷約101,251,000港元。

融資成本

集團截至2012年12月31日止期內之融資成本淨額約為87,288,000港元，佔本集團營業額總值的1.0%。

資本開支

於回顧期內，集團已投資約99,396,000港元以增加物業、機器及設備。集團預期下一財政年度的資本開支約為160,000,000港元。

所得稅支出

集團截至2012年12月31日止期內之所得稅支出約為4,304,000港元。

存貨

集團於2012年12月31日之存貨約為1,340,553,000港元。存貨周轉期為78天。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

Liquidity and Financial Resources

At 31 December 2012, the Group's total assets amounted to approximately HK\$6,020,095,000. The key figures of financial position were as follows:

資金流動性及財政資源

於2012年12月31日，集團資產總值約6,020,095,000港元。財務狀況的主要資料如下：

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Non-current assets	非流動資產	2,023,461	2,300,207
Current assets	流動資產	3,996,634	4,308,695
Total assets	資產總值	6,020,095	6,608,902
Current liabilities	流動負債	2,532,214	2,699,104
Non-current liabilities	非流動負債	308,101	871,572
Non-controlling interests	非控股權益	170,058	200,200
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,009,722	2,838,026
Total liabilities and equity	負債及權益總值	6,020,095	6,608,902

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 business disposals.

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業務出售的收益撥付。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

At 31 December 2012, the principal financial ratios (after inclusion of proposed final dividend) were as follows:

於2012年12月31日，主要的財務比率（包括擬付之末期股息在內）如下：

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Gearing ratio	資本負債比率	0.95	1.24
Bank borrowing ratio	銀行借貸比率	0.51	0.78
Net bank borrowing ratio	銀行借貸淨值比率	0.09	0.38

The reporting currency of the Group is Hong Kong dollars. The sales and the purchase of raw materials of the Group are mainly denominated in Hong Kong dollars, US dollars and RMB. Bank borrowings are also denominated in Hong Kong dollars, US dollars and RMB 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 RMB exposure. The fluctuations in the US dollars and RMB 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.

本集團報告貨幣為港元。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，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。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，集團會依據風險管理政策作出合適的對沖安排。

EMPLOYEES AND REMUNERATION POLICIES

At 31 December 2012, the Group had approximately 13,300 full time employees (2011: 14,200). 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.

僱員及酬金政策

集團於2012年12月31日之全職僱員人數約為13,300人（2011：14,200），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。

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.

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。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

MANAGEMENT FOCUS

The Group believes that the global economy will take some time to normalize and the pressure of cost escalation will persist in China's textile and apparel industry while competition will remain intense. In view of these challenges, the Group will focus resources on its core businesses as well as enhancing its operating efficiency and performance through a series of proactive reforms. These initiatives include:

1. Optimizing the Group's organization, management structure, and operating process through seamless team work between production, purchasing, and sales

Facing the increasingly stern operating environment and market competition, we should reevaluate the existing management structure and operating processes of the Group to enhance the synergetic cooperation between purchasing, production, and sales so as to effectively reduce cost and wastage, as well as to improve operating efficiency and performance. In this respect, the Group has realigned the purchasing structure in FY2012. It is anticipated that with the assistance and support of Chinatex, our purchasing efficiency can reach a more competitive level. The Group has also surveyed the production condition of its three existing production bases in China to determine the short-term improvement targets and the corresponding measures. At the same time, the Group has also decided to appoint professional human resource consulting firm to formulate an incentive program for encouraging our sales personnel to be more proactive and be more aggressive in improving sales performance. We believe that the progressive completion of these various measures could forge continue improvement of the Group's overall performance.

管理重點

集團相信全球經濟恢復正常將需要一段時間，同時中國紡織和服裝行業中成本上漲的壓力將持續，而競爭仍會維持激烈。面對這個挑戰，集團將集中資源於核心業務以及通過一系列積極的改革來提高營運效率和績效。這些措施包括：

1. 優化集團組織管理架構和運營流程(生產、採購、銷售緊密配合)

面對日益嚴峻的經營環境和市場競爭，必須重新審視集團現有的管理架構和營運流程，使採購、生產和銷售更加緊密協同，從而更加有效地降低成本與損耗，提升營運效率和經營業績。在此方面，集團已於2012年財政年度重新調整了採購架構，預期在中紡的協助和支持下，改善採購效率至更有市場競爭力之水平；集團也有針對性地審視了現有國內3大生產基地的生產狀況，並分別釐定了近期的改善目標和相應措施；與此同時，集團亦已決定委任專業的人力資源顧問公司，啟動針對銷售人員的激勵制度的重新釐定工作，以鼓勵銷售隊伍更加積極、進取地提升銷售績效。我們相信，這些措施的陸續落實，將會有力地推動集團整體業績的持續改善。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

2. Optimizing the allocation of production and the underlining features of local products

Providing quality products is the basis for servicing our customers and presenting our shareholders with equitable returns. The Group has, over a period of time and through capital investment, achieved a production capacity layout with economies of scale. Facing future market environment that is uncertain and unstable, we believe we should focus our energy on addressing the demands of the market and customers, optimizing existing production facilities, and underscoring unique product offerings for the production bases in different regions. Hence, the features and competitive edges of the differentiated products can be emphasized to satisfy market demands and elevate the effectiveness of our operation. We are confident that our increasing financial strength is poised to transform our technology incessantly and selectively while maintaining necessary investment in energy savings and emission reduction. This is essential to maintaining and increasing the Group's overall competitiveness.

3. Strengthening budget management, harnessing the function of financial cost analysis to monitor the variation of cost and to identify areas for implementing control

The Group considers continuous reduction in costs and increase of efficiency are the top priorities for the management of operations. To target certain essential production factors that manifest continual increase in costs, we should take further steps to broaden our thinking, draw collective wisdom to absorb all useful ideas, learn thoroughly and draw on the management experiences and methods of advanced enterprises, to focus on the seamless implementation of comprehensive budgeting. To this end, we will deploy various analytical tools to understand and monitor the variable changes of cost instantly and dynamically, and pinpoint those areas that require timely and effective measures of control. Although our Group has over the past few years implemented various cost reduction measures, we consider reducing costs and improving efficiency as perpetual tasks. The setting up of the Group's new ERP system is being actively promoted internally. We believe that the Group's overall operating and control system will benefit from the progressive implementation of such system. Thus, we shall be able to ensure that information can be communicated seamlessly to enable more effective reduction in costs and improvement in efficiency. The prices and services that we offer to our customers can then become more competitive.

2. 優化產能配置，突出區域產品特色

提供高品質的產品是集團服務客戶、回報股東的立身之本。集團在過去的一段時期內，已經透過資本性投資形成了具規模效益的產能佈局。面對未來不確定、不穩定的市場環境，我們認為，應集中精力，緊緊圍繞市場和客戶的需求，優化現有的產能配置，突出各個生產基地的區域性產品特色，形成更加突出的差異化產品組合特色和優勢，以更好地滿足市場需求並提升經營效益。我們相信，隨著財務實力的增強，集團有足夠的能力選擇性繼續推進必要的技術改造和節能減排方面的基礎性投入，這對於維持和提升集團整體競爭能力必不可少。

3. 加強預算管理，利用財務成本分析職能，即時跟蹤成本的變化，有針對地實施管控

集團認為，持續地降本增效是當前經營管理工作的重中之重。針對當前一些生產要素成本持續攀升的不利情勢，應進一步開闊思路，集思廣益，充分學習和借鑒一些先進企業的管理經驗與做法，緊緊圍繞落實全面預算這條主線，積極運用各種成本分析工具，更加即時和動態地瞭解與跟蹤成本變化動因，並有針對性地採取及時有效的管控措施。儘管集團在過去的幾年中已實施多項削減成本的措施，但降低成本、提升效率永無止境。集團新的ERP系統的建設正在積極推進之中。我們相信，集團整體營運和管控體系將得益於該系統的逐步落地，我們也將能夠通過確保資訊的無縫流動來更加有效地實現降低成本和提升效率，從而使我們能夠提供更有競爭力的價值和服務給予我們的顧客。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

4. Optimization staff allocation and reducing personnel cost

We are very proud of our hardworking and committed staff force. Hence, we promise our staff, and take up the responsibility, to create more opportunities for development as well as to stimulate proactiveness and creativity in order to grow together with the Group. Facing the stern challenges that lie in front of us, the Group will positively reinforce the principle of “unity and synchronization; reform and creativity”, which shall lead our staff to respond and to follow the various reforming measures. Since the beginning of the second half of FY2012, the Group has, in its headquarters and production bases, kicked off a program to optimize job allocation for staff to fortify a more resilient and energetic staff force, encourage proactive working attitude among key employees, elevate job efficiency so as to reduce personnel cost. The program has to an extent achieved positive development – the rapid uptrend of personnel cost has since been controlled.

5. Shutting down and cleaning up certain loss-stricken companies and businesses

Based on the principle of “focusing on core competence and be better and stronger”, and by adapting the Group’s existing business structure with the severe industry development environment that lies ahead of us, the Group considers it imperative to focus on our fabric production core business in order to lay a foundation for future development in case of recovery. In this regard, we ceased our cotton spinning and textile machinery business in FY2012. In addition, in view of the losses of certain subsidiary companies of the Group, we have reviewed the necessity of continuing development and alternative adjustment programs. We anticipate that we can progressively create the necessary conditions for expediting the process of such adjustments. Hence, the Group can focus its resources and energy towards the improvement of its core business.

6. Placing great emphasis on energy saving and emission reduction; being proactive in taking up social responsibility and working together for the betterment of China

In response to the Chinese government’s call for “energy saving and remission reduction” and “the betterment of China”, the Group will continue to invest in constructing and upgrading its infrastructure facilities. It is our belief that energy saving and remission reduction are the best means for integrating enterprise interest and social responsibility. To this end, the Group has established a “Committee for sustainable development and corporate social responsibility” and various energy saving and remission reduction task forces.

4. 優化人員配置，降低人力成本

勤勉敬業的員工隊伍是集團引以為榮的寶貴財富。不斷為他們創造更多地發展空間，激發他們的主動性和創造性，實現與集團共同成長，這是我們的承諾與責任。面對當前的嚴峻挑戰，集團積極宣導「同心同步，改革創新」的理念，引導集團員工積極回應和配合集團的各項改革措施。從 2012 年財政年度年下半年開始，為了打造更高彈性和活力的員工隊伍，集團已經開始在總部和生產機地進行員工的優化配置工作，以激發骨幹員工工作的積極性，提升工作效率，從而有效降低人力成本。該項工作亦已取得了階段性的積極進展，人力成本快速上升的勢頭已經得到有效遏制。

5. 關閉和清理部分虧損公司和業務

本著「聚焦核心、做優做強」的思想，結合集團現有的業務結構和當前嚴峻的行業發展環境，集團認為近期應集中做好面料生產等核心業務，以便為今後的恢復性發展打下一個堅實的基礎。為此，我們於 2012 年財政年度終止了棉紡業務和紡織機械生產業務。同時，針對部分子公司和業務虧損的狀況，集團已經開始重新審視持續開展的必要性和備選的調整方案。我們期望能夠逐步創造條件，加快對這些業務的調整處置進程，以便集團釋放資源和精力，更好地聚焦於核心業務的改善。

6. 高度重視節能減排，積極實踐社會責任，共同建設美好中國

集團積極回應中國政府「節能減排」、「共建美好中國」的號召，持續投入資源用於相關基礎設施的建設和改造。我們深信，節能減排是將企業利益與社會責任有機結合的最佳途徑之一。在此方面，集團設立了「可持續發展及企業社會責任委員會」及各公司能源管理節能減排小組。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

In the production process, each of our production mills will aim at energy saving, wastage reduction and emission reduction, and will continue to inject resources for upgrading energy consuming equipment, especially the technical review of key areas that consume water, electricity and heat energy. In this respect, we have installed recyclable components and energy saving devices in equipment that commands processes such as dyeing and temperature control in order to fully utilize every bit of water, electricity and thermal energy. The environmental impact of the emissions from the equipment will also be reduced, matching and even better than national emission standards. In FY2012, the Group has already implemented 17 measures including insulation for dyeing machines, heat source transformation for finishing machines, fan and water pump energy-saving regulators, waste water and heat energy recovery system for dyeing and finishing processes. These measures have achieved remarkable economic and social benefits.

Among products that we manufacture, the Group proactively promotes the use of environmentally friendly materials and eco-friendly production techniques. A series of innovative environmentally friendly products are being developed, such as Kapok fiber, organic cotton, and natural bamboo-derived fiber. Within our workplaces, the Group has initiated a green office campaign with an aim of achieving a greener workplace. At the same time, we are also researching the incorporation into our daily operations of the 4R concepts: Reduction, Reuse, Recycle, and Regeneration.

Internally, the Group has attempted every endeavor to promote growth that is sustainable. Externally, we have collaborated with a number of organizations to promote environment protection and sustainable growth for the industry, which has received wide reception.

The Group remains cautious of the global macro-economic environment in 2013. Nevertheless, the Board and the management believe that the Group's strategies and the above initiatives are rational and on the right tracks thus maintain a relatively optimistic outlook on business for the longer term. Going forward, the Group commits to enhancing our operational efficiency through a series of proactive measures to achieve sustainable and financially stable corporate development.

在生產過程中，各生產廠房以節能、降耗、減排為目標，持續加大對能源消耗設備的技術改造投入，尤其對耗水、電、熱能的關鍵設備集中進行技術檢討，先後在染整等工序、照明及控溫設備中安裝循環再用元件或節能裝置，力求使每噸水、每度電、每組熱能的功效發揮最大，同時也將設備的排放物對環境的影響性降低，完全達到並優於國家的排放環保標準。於2012年財政年度內，集團已先後實施包括染布缸保溫、定型機熱源改造、風機水泵變頻節能、染整工藝廢水熱能回收等共17項工程，取得了顯著的經濟效益和社會效益。

在產品中，集團積極宣傳使用環保特性材料，經環保工藝生產下開發有環保特性的產品，並持續開發新型環保系列產品，如：木棉、有機棉和天然竹原纖維等。集團亦積極開展綠色辦公室活動，目標實現一個更綠色的工作場所，並不斷研究如何於日常運作中融入4R概念：Reduction（減量）、Reuse（重複使用）、Recycling（回收）、Regeneration（再生）。

集團除努力推動可持續發展工作外，亦與多個團體合作，積極推行業界內環保及可持續發展的工作，獲得了良好的口碑。

集團對2013年環球宏觀經濟環境依然保持謹慎態度。然而，董事會及管理層認為集團的策略和上述措施均為理性和在正確的軌道，從而維持對長期業務前景相對樂觀。展望未來，集團將繼續致力於加強我們的營運效率，通過一系列積極的措施來實現集團可持續發展和財務穩健的企業發展。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company is committed to maintaining a high standard of corporate governance practices and procedures. Throughout the period from 1 September 2011 to 31 March 2012 and the period from 1 April 2012 to 31 December 2012, the Company has consistently adopted and complied with all the applicable code provisions of the Code on Corporate Governance Practices (effective until 31 March 2012) (the “Old Code”) and the revised Corporate Governance Code (effective from 1 April 2012) (the “Code”) respectively as set out in Appendix 14 of the Listing Rules as guidelines to reinforce our corporate governance principles, except for the deviation as disclosed in the section headed “Corporate Governance – Corporate Governance Code” in this annual report.

BOARD OF DIRECTORS

Board Composition

As of 31 December 2012, the board of Directors of the Company (the “Board”) comprised nine members, consisting of five Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors. The number of Independent Non-Executive Directors represents one-third of the Board as required by Rule 3.10A of the Listing Rules. The profile of all directors are set out on pages 40 to 44. The relationship among members of the Board (including financial, business, family or other material or relevant relationships, if any) are also disclosed.

All Directors entered into letters of appointment or service contracts with the Company, subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the articles of association of the Company. Article 102(A) of the articles of association of the Company provides that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third or any other number subject to such manner of rotation as may be required by the Listing Rules or other codes, rules, and regulations prescribed from time to time by the applicable regulatory authority, shall retire from office. Article 93 of the articles of association of the Company also provides that any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Roles and Responsibilities of the Board and Delegation to the Management

The Board is responsible for the leadership and control of the Group and is responsible for promoting the success of the Group by directing and supervising the business operations of the Group in the interests of the Company’s shareholders (the “Shareholders”) by formulating strategic directions and monitoring the financial and management performance of the Group.

本公司致力維持高水平的企業管治常規及程序。由2011年9月1日起至2012年3月31日止期間以及由2012年4月1日起至2012年12月31日止期間，本集團一貫地採納及遵守上市規則附錄14所載之企業管治常規守則（於2012年3月31日前有效）（「舊守則」）及經修訂企業管治守則（於2012年4月1日起生效）（「守則」）之全部守則條文，作為強化本公司企業管治原則之方針，惟本年報「企業管治－企業管治守則」一節所披露之偏離事件除外。

董事會

董事會成員

於2012年12月31日，本公司董事會（「董事會」）由9名成員組成，包括5名執行董事、1名非執行董事及3名獨立非執行董事。根據上市規則第3.10A條之規定，獨立非執行董事的人數需佔董事會三分之一。所有董事的個人簡介均載列於第40至第44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。

全體董事已與本公司訂立委任函件或服務合約，並須根據本公司之組織章程細則於本公司之股東大會上輪席告退及膺選連任。本公司之組織章程細則第102(A)條規定，在各股東週年大會上當時三分之一董事（或倘董事人數並非3或3之倍數，則為最接近三分之一的數目或按上市規則所規定須輪席告退或適用監管機構不時訂明之其他守則、規則及規例所規定之任何其他數目）須退任。本公司之組織章程細則第93條亦規定，獲委任以填補董事會臨時空缺或增添董事會成員之董事，其任期僅至本公司下一次股東大會為止，並合資格於會上膺選連任，惟不得計算入須於該大會上輪席告退之董事人數內。

董事會之角色及職責以及轉授予管理層

董事會以本公司股東（「股東」）利益為出發點，負責領導及監控本集團，並透過制定策略決策及監督本集團之財務及管理層表現，指導及監督本集團之業務營運促進本集團之成功。

CORPORATE GOVERNANCE REPORT 企業管治報告

The overall management of the Group's business was vested in the Board. The Board has delegated the day-to-day management of the Group's business to the executive management team, and focuses its attention on matters affecting the Group's overall strategic policies, finances and the Shareholders. The executive management team assumes full accountability to the Board for the operations of the Group. A formal schedule was formulated to identify specific matters that shall be reserved to the Board and those delegated to the management. The Board had given clear directions to the management that certain matters must be referred to the Board for consideration and approval. The Board is the ultimate decision making body of the Company except for matters requiring the approval of the Shareholders in accordance with the articles of association of the Company, the Listing Rules and other applicable laws and regulations.

Practices and Conduct of Meetings

Eight Board meetings were held and regular Board meetings were held at approximately quarterly interval during the period of 16 months ended 31 December 2012 (the "Period"). Each of the Directors has actively participated in each meeting in person, via telephone or videoconferencing. The Board consents were given by-vote at the Board meetings.

The dates of the 2012 regular Board meetings were determined in 2011 and any amendments to this schedule were notified to all Directors at least 14 days before the meeting. Appropriate arrangements were in place to allow Directors to include items in the agenda for regular Board meetings.

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 three other committees. 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.

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 in which he/she or any of his/her associates have material interest and that he/she shall not be counted in the quorum present at the Board meeting. The matter was considered at a Board meeting attended by Independent Non-Executive Directors who had no material interest in the transaction.

本公司整體業務由董事會負責管理。董事會將本集團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集團整體策略方針、財務及股東的事項。行政管理層須就本集團之所有經營業務向董事會承擔全部負責。本集團制定正式清單，以確認應由董事會負責及轉授予管理層負責之具體事項。董事會已就須交由董事會考慮及批准之若干事項向管理層作出清晰指引。董事會為本公司之最終決策單位，惟根據本公司之組織章程細則、上市規則及其他適用法例及規例須由股東批准之事宜則除外。

會議常規及守則

於截至2012年12月31日止16個月期間(「本期間」)，本公司曾舉行8次董事會會議及大約每季舉行定期董事會會議。董事積極親身、透過電話或視頻會議參與各會議。董事在董事會會議會以投票方式取得共識。

本公司在2011年內已定下2012年董事會定期會議的舉行日期，所有日期改動均在最少14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。

公司秘書定期更新董事會的管治及規管事宜，全體董事均可聯絡公司秘書。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。其他3個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。

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，而該董事須就彼或其任何聯繫人士具有重大權益之相關董事會決議案放棄投票，且不會計入出席該董事會會議之法定人數內。有關事項須經董事會會議考慮，而該會議需有於交易中不存在重大利益的獨立非執行董事出席。

CORPORATE GOVERNANCE REPORT 企業管治報告

Directors' Attendance at Board Meetings, Board Committee Meetings and General Meetings

Details of the attendance of the Directors at the Board meetings, the Audit Committee meetings, the Remuneration Committee meetings, the Nomination Committee meetings and the general meetings are set out in the following table:

董事於董事會會議、董事委員會會議及股東大會之出席情況

董事於董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會的出席詳情列載於下表：

Name of Directors 董事姓名	Meetings Attended/Eligible to attend for the 16 months ended 31 December 2012 於截至2012年12月31日止16個月之出席次數/合資格出席之會議					
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual	Extraordinary
					General Meeting 股東週年大會	General Meeting 股東特別大會

Executive Directors

執行董事

Madam LI Lan (Note 5) (appointed on 6 June 2012)	李蘭女士 (附註5) (於2012年6月6日獲委任)	4/4	-	-	1/1	-	1/1
Mr. HA Chung Fong (Notes 1 & 5) (resigned on 27 November 2012)	夏松芳先生 (附註1及5) (於2012年11月27日辭任)	7/7	-	-	-	1/1	2/2
Mr. HA Kam On, Victor	夏錦安先生	8/8	-	-	-	1/1	3/3
Dr. YEN Gordon	嚴震銘博士	8/8	-	-	-	1/1	3/3
Mr. GONG Zhengyi (Note 4) (appointed on 6 June 2012)	宮征誼先生 (附註4) (於2012年6月6日獲委任)	4/4	-	2/3	-	-	1/1
Mr. ZHAO Yao (appointed on 27 November 2012)	趙耀先生 (於2012年11月27日獲委任)	1/1	-	-	-	-	1/1
Mr. HA Hon Kuen (resigned on 6 June 2012)	夏漢權先生 (於2012年6月6日辭任)	4/4	-	-	-	1/1	2/2
Mr. CHEN Rong (resigned on 27 November 2012)	陳榕先生 (於2012年11月27日辭任)	3/3	-	-	-	-	-

(Note 7)(附註7)

Non-Executive Directors:

非執行董事:

Mr. ZHANG Chong (Note 2) (appointed on 6 June 2012)	張湧先生 (附註2) (於2012年6月6日獲委任)	4/4	1/2	-	-	-	1/1
Mr. CHAN Yuk Yin (retired on 12 January 2012)	陳旭賢先生 (於2012年1月12日退任)	0/2	-	-	-	0/1	0/1
Mr. CHEN Minghong (resigned on 27 November 2012)	陳鳴洪先生 (於2012年11月27日辭任)	3/3	-	-	-	-	-

CORPORATE GOVERNANCE REPORT 企業管治報告

Name of Directors 董事姓名	Meetings Attended/Eligible to attend for the 16 months ended 31 December 2012 於截至2012年12月31日止16個月之出席次數/合資格出席之會議						
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會	Extraordinary General Meeting 股東特別大會	
<i>Independent Non-Executive Directors: 獨立非執行董事:</i>							
Mr. NG Kwok Tung (Note 6)	伍國棟先生 (附註6)	7/8	7/7	4/4	-	1/1	3/3
Mr. WONG Kwong Chi (Notes 2, 3 & 6) (resigned on 6 June 2012)	王幹芝先生 (附註2、3及6) (於2012年6月6日辭任)	3/4	5/5	1/1	-	1/1	1/2
Mr. CHOW Wing Kin, Anthony, SBS, JP (Note 4)	周永健先生, 銀紫荊星章, 太平紳士 (附註4)	8/8	7/7	1/1	1/1	1/1	3/3
Mrs. FUNG YEH Yi Hao, Yvette (Notes 4 & 6) (resigned on 6 June 2012)	馮葉儀皓女士 (附註4及6) (於2012年6月6日辭任)	4/4	-	1/1	-	1/1	2/2
Mr. YANG Shibin (Notes 3 & 6) (appointed on 6 June 2012)	楊世濱先生 (附註3及6) (於2012年6月6日獲委任)	4/4	-	3/3	1/1	-	1/1
Date of the meetings	會議日期	25/11/2011 12/1/2012 13/4/2012 10/5/2012 6/7/2012 15/8/2012 26/10/2012 18/12/2012	12/9/2011 28/10/2011 21/11/2011 19/3/2012 13/4/2012 14/8/2012 22/10/2012	21/11/2011 6/7/2012 15/8/2012 18/12/2012	20/11/2012	12/1/2012	12/1/2012 10/5/2012 18/12/2012

Notes:

- Mr. HA Chung Fong resigned as Chairman and appointed as the Honorary Chairman of the Company on 6 June 2012. He resigned as Executive Director and remains as Honorary Chairman and senior consultant of the Company with effect from 27 November 2012.
- With effect from 6 June 2012, Mr. WONG Kwong Chi ceased to be a member of the Audit Committee whilst Mr. ZHANG Chong was appointed as a member of the Audit Committee in his stead.
- With effect from 6 June 2012, Mr. WONG Kwong Chi ceased to be the Chairman of the Remuneration Committee whilst Mr. YANG Shibin was appointed as the Chairman of the Remuneration Committee in his stead.
- With effect from 6 June 2012, each of Mrs. FUNG YEH Yi Hao, Yvette and Mr. CHOW Wing Kin, Anthony, SBS, JP ceased to be a member of the Remuneration Committee. Mr. GONG Zhengyi was appointed as a member of the Remuneration Committee on the same date.
- With effect from 6 June 2012, Mr. HA Chung Fong ceased to be the Chairman of the Nomination Committee whilst Madam LI Lan was appointed as the Chairman of the Nomination Committee in his stead.
- With effect from 6 June 2012, each of Mr. WONG Kwong Chi, Mrs. FUNG YEH Yi Hao, Yvette and Mr. NG Kwok Tung ceased to be a member of the Nomination Committee. Mr. YANG Shibin was appointed as a member of the Nomination Committee on the same date.
- Since Mr. GONG Zhengyi had interest in respect of the matters considered in one of the meetings, he was required to abstain from voting in that meeting and therefore he did not attend that meeting.

附註:

- 夏松芳先生於2012年6月6日辭任本公司主席, 並獲委任為名譽主席。彼已辭任執行董事職務, 並留任為本公司名譽主席及高級顧問, 由2012年11月27日起生效。
- 由2012年6月6日起, 王幹芝先生不再為審核委員會成員, 而張湧先生則獲委任為審核委員會成員以接替王幹芝先生。
- 由2012年6月6日起, 王幹芝先生不再為薪酬委員會主席, 而楊世濱先生則獲委任為薪酬委員會主席以接替王幹芝先生。
- 由2012年6月6日起, 馮葉儀皓女士及周永健先生, 銀紫荊星章, 太平紳士均不再為薪酬委員會成員。宮征誼先生於同日獲委任為薪酬委員會成員。
- 由2012年6月6日起, 夏松芳先生不再為提名委員會主席, 而李蘭女士則獲委任為提名委員會主席以接替夏松芳先生。
- 由2012年6月6日起, 王幹芝先生、馮葉儀皓女士及伍國棟先生均不再為提名委員會成員。楊世濱先生於同日獲委任為提名委員會成員。
- 由於宮征誼先生於其中一次會議所審議事項中擁有權益而須於會上放棄投票, 故他沒有出席該次會議。

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Training of Directors

All Directors have been given relevant guideline materials regarding the duties and responsibilities as a Director, the relevant laws, rules and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors.

All Directors have been updated from time to time on the latest developments and changes in the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

The Directors confirmed that they have complied with the Code Provision A.6.5 of the Code effective on 1 April 2012 on Directors' training. Since the effective date of the Code up to 31 December 2012, all Directors have participated in continuous professional development by attending seminars/in-house briefing/reading materials on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company:

Name of Directors	Topics of Training Covered (Note)
<i>Executive Directors</i>	
Madam LI Lan	(a), (b), (d)
Mr. HA Kam On, Victor	(a), (b), (d)
Dr. YEN Gordon	(a), (b), (d)
Mr. GONG Zhengyi	(a), (b), (d)
Mr. ZHAO Yao	(a), (b)
<i>Non-Executive Director</i>	
Mr. ZHANG Chong	(a), (b), (d)
<i>Independent Non-Executive Directors</i>	
Mr. NG Kwok Tung	(a), (b), (c)
Mr. CHOW Wing Kin, Anthony, SBS, JP	(a), (b)
Mr. YANG Shibin	(a), (b), (d)

Note:

- (a) corporate governance
- (b) regulatory
- (c) finance
- (d) business operation/management

Directors' Insurance

The Company has arranged appropriate insurance coverage in respect of the legal action against the Directors.

董事培訓

所有董事均已獲提供有關擔任董事之職責及責任、適用於董事之相關法例、規則及規例、權益披露責任及本集團業務之有關指引資料，而於新任董事獲委任為本公司董事後，亦會於短期內向其提供該等介紹資料。

全體董事已不時就上市規則及其他適用監管要求之發展及變動獲得最新資料，從而確保遵例，同時加強彼等對良好企業管治常規之意識。

董事確認，彼等已遵守於2012年4月1日生效有關董事培訓之守則之守則條文第A.6.5條。由守則生效日期起至2012年12月31日止，全體董事已透過出席有關以下主題之座談會／內部簡介／閱讀材料參與持續專業發展，以發展及更新彼等之知識及技能，並已向本公司提供培訓紀錄：

董事姓名	所涵蓋之培訓主題 (附註)
<i>執行董事</i>	
李蘭女士	(a), (b), (d)
夏錦安先生	(a), (b), (d)
嚴震銘博士	(a), (b), (d)
宮征誼先生	(a), (b), (d)
趙耀先生	(a), (b)
<i>非執行董事</i>	
張湧先生	(a), (b), (d)
<i>獨立非執行董事</i>	
伍國棟先生	(a), (b), (c)
周永健先生， 銀紫荊星章，太平紳士	(a), (b)
楊世濱先生	(a), (b), (d)

附註：

- (a) 企業管治
- (b) 監管
- (c) 財務
- (d) 業務營運／管理

董事之保險

本公司已就董事可能面對之法律行動作出適當之投保安排。

CORPORATE GOVERNANCE REPORT 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE DIRECTOR (“CEO”)

Pursuant to the Code Provision A.2.1 of the Code, the roles of Chairman and CEO should be separate and should not be performed by the same individual. Mr. HA Chung Fong was the Chairman and Managing Director of the Company for the period from 1 September 2010 to 30 April 2011. On 1 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 24 May 2011. On 6 June 2012, Madam LI Lan was appointed as Chairman in place of Mr. HA Chung Fong and Mr. HA Kam On, Victor was appointed as Vice-Chairman and CEO, details of which were set out in the announcement dated 6 June 2012. After such change, the positions of the Chairman and CEO are held by Madam LI Lan and Mr. HA Kam On, Victor respectively so as to maintain an effective segregation of duties, they have segregated and clearly defined roles. The Chairman provides leadership for the Board whereas the CEO is responsible for the Group’s business development and daily management generally. The Board considered 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 DIRECTOR

All the existing Non-Executive Director and Independent Non-Executive Directors, were appointed for a specific term. Each of the Non-Executive Directors and Independent Non-Executive Directors has entered into a letter of appointment with the Company for a term of one year, subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the articles of association of the Company.

CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considered that all the Independent Non-Executive Directors are independent and have appropriate professional qualifications or accounting or related financial management expertise in accordance with Rule 3.13 of the Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”) as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standards set out in the Model Code throughout the Period.

主席及行政總裁（「行政總裁」）

根據守則條文A.2.1的規定，主席與行政總裁的角色應有區分，不應由1人同時兼任。由2010年9月1日至2011年4月30日期間，夏松芳先生為本公司之主席兼董事總經理。於2011年5月1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，有關詳情載於日期為2011年5月24日之公告。於2012年6月6日，李蘭女士獲委任為主席以接替夏松芳先生，而夏錦安先生獲委任為副主席兼行政總裁，詳情載於日期為2012年6月6日之公告。於有關變動後，主席及行政總裁之職位分別由李蘭女士及夏錦安先生擔任，以維持有效之分工。彼等之職能已明確界定及劃分。主席負責領導董事會，而行政總裁負責本集團業務發展及一般日常管理。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

所有現有非執行董事及獨立非執行董事均有特定委任年期。非執行董事及獨立非執行董事已各自與本公司訂立委任函件，任期為1年，並須根據本公司之組織章程細則於本公司股東大會上輪席告退及膺選連任。

獨立性確認書

本公司已根據上市規則第3.13條接獲各獨立非執行董事的年度獨立確認書。根據上市規則第3.13條，董事會認為全體獨立非執行董事均為獨立人士，並具備合適專業資格或會計或相關財務管理知識。

董事進行證券交易

本公司已採納上市規則附錄10所載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本期間均已遵守標準守則所要求的標準。

CORPORATE GOVERNANCE REPORT 企業管治報告

CORPORATE GOVERNANCE

Corporate Governance Duties

The Board is responsible for performing the corporate governance duties for the Group, including (a) developing and reviewing the policies and practices on (i) corporate governance and (ii) compliance with legal and regulations requirements of the Company; (b) reviewing and monitoring the training and continuous professional development of Directors and management; and (c) reviewing the Company's compliance with Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report).

Corporate Governance Code

Throughout the period from 1 September 2011 to 31 March 2012, the Company has applied the principles of, and complied with all the applicable code provisions of Old Code and throughout the period from 1 April 2012 to 31 December 2012, the Company has applied the principles of, and complied with all the applicable code provisions of the Code, except for the deviation on Code Provision A.6.7 of the Code.

According to the Code Provision A.6.7 of the Code, Independent Non-Executive Directors and other Non-Executive Directors should attend general meetings in order to develop a balanced understanding of the views of shareholders.

Due to other business engagements, an Independent Non-Executive Director who has resigned on 6 June 2012 could not attend the extraordinary general meeting of the Company held on 10 May 2012 (the "EGM"). Except for the above Independent Non-Executive Director, all the other Directors were present at the EGM to enable the Board to develop a balanced understanding of the views of the Shareholders.

Save for the above deviation, none of the Directors of the Company is aware of any information which would reasonably indicate that the Company is not, or, was not during the Period in compliance with any code provisions of the Old Code or the Code.

企業管治

企業管治職責

董事會須負責履行本集團之企業管治職責，包括(a)制定及檢討有關(i)企業管治及(ii)本公司在遵守法例及監管規定方面之政策及慣例；(b)檢討及監察董事及管理人員之培訓及持續專業發展；及(c)檢討本公司有否遵守上市規則附錄14(企業管治守則及企業管治報告)之規定。

企業管治守則

於2011年9月1日至2012年3月31日止期間，本公司已應用及一直遵守舊守則之原則及所有適用守則條文，而於2012年4月1日至2012年12月31日止期間，本公司已應用及一直遵守守則之原則及所有適用守則條文，惟於守則之守則條文A.6.7有所偏離除外。

根據守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事均須出席股東大會，以均衡了解股東意見。

本公司之其中1名獨立非執行董事(已於2012年6月6日辭任)由於另有其他公務，因此未能出席本公司於2012年5月10日舉行之股東特別大會(「股東特別大會」)。除上述獨立非執行董事外，所有其他董事均有出席股東特別大會，董事會從而得以均衡了解股東意見。

除以上偏離外，本公司董事概不知悉任何資料，足以合理地顯示本公司於本期間未有或未曾遵守舊守則或守則之任何守則條文。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES

The Board currently has established three committees, namely the Remuneration Committee, the Nomination Committee and the Audit Committee, each with a specific terms of reference. Their terms of reference have been approved and reviewed by the Board and were updated with reference to the new amendments in the Code effective from 1 April 2012. The terms of reference of each of the Remuneration Committee, the Nomination Committee and the Audit Committee have been posted on the websites of the Stock Exchange and the Company.

During the Period, these committees adhered to their principles, procedures and arrangements set out in their respective terms of reference. 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.

Remuneration Committee

The Company has established a Remuneration Committee and its principal duties are 1) to make recommendations to the Board on the remuneration policy for all Directors, 2) to review and approve the Company's remuneration policy and 3) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives recommend for the Directors of the Board for approval. The Company's remuneration policy is to provide a competitive level of remuneration in accordance with current market conditions to attract and motivate the Directors and staff for their contribution.

The Remuneration Committee presently comprises one Executive Director and two Independent Non-Executive Directors, namely Mr. GONG Zhengyi, Mr. YANG Shibin and Mr. NG Kwok Tung, and is chaired by Mr. YANG Shibin.

The Remuneration Committee held four meetings during the Period and details of attendance are shown in the table on pages 29 to 30. A summary of the work of the Remuneration Committee during the Period is set out as follows:

- made recommendations to the Board on the remuneration packages of individual Executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and assessed their performance;

董事會會議

董事會現已成立3個委員會，分別為薪酬委員會、提名委員會及審核委員會，各自有特定職權範圍書。彼等之職權範圍書已獲董事會批准及審閱，並已參考於2012年4月1日生效之守則新修訂本更新。薪酬委員會、提名委員會及審核委員會各自之職權範圍書已刊載於聯交所及本公司網站。

於期內，該等委員會均已遵守彼等各自之職權範圍書所載之原則、程序及安排。委員會相關秘書負責為該等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。

薪酬委員會

本公司已成立薪酬委員會，其主要職務為1)制訂全體董事之薪酬政策向董事會提出建議、2)審批公司的薪酬政策及3)為因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議，並向董事會提出建議供董事會審批。本公司的薪酬政策旨在根據目前市況提供具競爭力的薪酬，以吸引及激勵董事及員工作出貢獻。

薪酬委員會現由1名執行董事及2名獨立非執行董事組成，分別為宮征誼先生、楊世濱先生及伍國棟先生，委員會主席為楊世濱先生。

薪酬委員會於期內舉行了4次會議，出席詳情列於第29頁至第30頁之表內。薪酬委員會於期內的工作概要包括以下事項：

- 就個別執行董事之酬金待遇向董事會提供建議，包括金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)，及評審彼等之表現；

CORPORATE GOVERNANCE REPORT 企業管治報告

- reviewed and approved the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- ensured that no director or any of respective associates is involved in deciding their respective remuneration.

Nomination Committee

The Company has established a Nomination Committee and its principal duties are 1) to review the structure, size and composition of the Board and the Executive Committee at least annually, 2) to identify and recommend suitably qualified candidates as new director(s) or to fill Board vacancies as they arise and to assess candidates as new member(s) of the Executive Committee or to fill Committee vacancies as they arises, for the approval of the Board.

The Nomination Committee presently comprises one Executive Director and two Independent Non-Executive Directors, namely Madam LI Lan, Mr. CHOW Wing Kin, Anthony, *SBS, JP* and Mr. YANG Shibin and is chaired by Madam LI Lan.

The Nomination Committee held one meeting during the Period and details of attendance are shown in the table on pages 29 to 30. A summary of the work of the Nomination Committee during the Period is to make recommendation to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and assess independence of Independent Non-Executive Directors.

The Company follows a formal, fair and transparent procedure for the appointment of new directors to the Board. The Committee will first consider necessary changes in respect of the structure, size and composition of the Board, identify suitably qualified candidates by considering their professional knowledge and industry experience, personal ethics, integrity and personal skills and time commitments, and makes recommendation to the Board for decision. The nomination criteria also include the nominee's skills and experience appropriate for the requirements of the Group's business.

- 因應董事會所訂企業方針及目標而檢討及批准管理層薪酬建議；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。

提名委員會

本公司已成立提名委員會，其主要職責包括1)至少每年檢討董事會及行政議會的架構、人數及組成、2)物色及提名合資格人士成為董事會新成員或填補董事會空缺的人選，以及評審行政議會新成員及填補行政議會空缺的人選，供董事會批准。

提名委員會現由1名執行董事及2名獨立非執行董事組成，分別為李蘭女士、周永健先生，*銀紫荊星章*，*太平紳士*及楊世濱先生，委員會主席為李蘭女士。

提名委員會於期內舉行了1次會議，出席詳情列於第29頁至第30頁之表內。提名委員會於期內之工作概要為就挑選提名出任董事之人士、委任或重新委任董事向董事會提供建議，以及評核獨立非執行董事之獨立性。

本公司依照正規、公平、透明之程序委任新董事加入董事會。委員會將首先考慮董事會架構、規模及組成之必要變動，然後考慮專業知識及行業經驗、個人操守、誠信及個人技能及所付出時間物色適當之合資格人選，並向董事會提供建議。提名標準亦包括提名人之技能及經驗是否符合本集團業務之要求。

CORPORATE GOVERNANCE REPORT 企業管治報告

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 principal duties of the Audit Committee is to consider the appointment and remuneration of the external auditors, to monitor the integrity of the Group's financial statements with focus on the changes in accounting policies and practices, major judgmental areas, significant audit adjustments, going concern assumptions, and compliance with accounting standards, the Listing Rules and other applicable legal requirements, and to review the Group's financial reporting system and internal control procedures.

The Audit Committee presently comprises one Non-Executive Director and two Independent Non-Executive Directors, namely Mr. ZHANG Chong, Mr. NG Kwok Tung and Mr. CHOW Wing Kin, Anthony, SBS, JP and is chaired by Mr. NG Kwok Tung.

The Audit Committee held seven meetings during the Period and details of attendance are shown in the table on pages 29 to 30. A summary of the work of the Audit Committee during the Period is set out as follows:

- provided recommendation to the Board on the appointment and reappointment of external auditors, and approved the audit fee and terms of engagement of the external auditors;
- reviewed and monitored external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and discussed with external auditors before audit commenced, the nature and scope of the audit and reporting obligations;
- reviewed the financial statements, interim report and annual report, and reviewed significant financial reporting judgments contained in them;
- reviewed financial controls, internal controls and risk management systems;

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。審核委員會的主要職務為考慮外聘核數師的委任及酬金、監督本集團財務報表是否完整(尤其著重會計政策及實務的更改、重要判斷範圍、重大核數調整、持續經營假設以及是否符合會計準則、上市規則及其他適用之法律要求)，同時檢討本集團的財務申報制度及內部監控程序。

審核委員會現由1名非執行董事及2名獨立非執行董事組成，分別為張湧先生、伍國棟先生及周永健先生，銀紫荊星章，太平紳士，委員會主席為伍國棟先生。

審核委員會於期內舉行了7次會議，出席詳情列於第29頁至第30頁之表內。審核委員會於期內的工作概要包括以下事項：

- 就外聘核數師的委任及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；
- 審閱財務報表、中期報告及年度報告，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；

CORPORATE GOVERNANCE REPORT 企業管治報告

- discussed the internal control system with management ensured that the management had performed its duty to achieve an effective internal control system. Such discussion included the adequacy of resources, staff qualifications and experience, training programmes and budget of accounting and financial reporting function;
 - ensured co-ordination between internal and external auditors, and ensured that internal audit function was adequately resourced and had appropriate standing within the Company, and reviewed and monitored its effectiveness;
 - reviewed financial and accounting policies and practices; and
 - reviewed external auditors' management letter, any material queries raised by auditors to management regarding the accounting records, financial accounts or systems of control and management's response.
- 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。有關討論包括財務匯報職能方面資源、員工之資歷及經驗、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、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。

AUDITORS' REMUNERATION

With effect from 5 November 2012, BDO Limited has been appointed as the new auditor to fill the vacancy left by the resignation of Deloitte Touche Tohmatsu. Details of the above-mentioned change are set out in the Company's announcement dated 5 November 2012.

During the period of 16 months ended 31 December 2012, the fees paid/payable to BDO Limited and Deloitte Touche Tohmatsu, in respect of audit and non-audit services are as follows:

核數師酬金

由2012年11月5日起，香港立信德豪會計師事務所有限公司獲委任為新核數師以填補因德勤·關黃陳方會計師行辭任所留下之空缺。上述變動之詳情載於本公司日期為2012年11月5日之公告內。

截至2012年12月31日止16個月期間，就審計及非審計服務已付／應付予香港立信德豪會計師事務所有限公司及德勤·關黃陳方會計師行之費用載列如下：

Nature of services 服務性質		BDO Limited 香港立信德豪 會計師事務 有限公司	
		Deloitte Touche Tohmatsu 德勤·關黃陳方會計師行	
Audit services	審計服務	HK\$209,455	HK\$3,131,020
Non-audit services	非審計服務	HK\$2,210,809	HK\$408,059

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledge the responsibilities for preparing the financial statements of the Company. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. The external auditors' statement about their reporting responsibilities is set out on pages 56 and 57.

INTERNAL CONTROLS

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness and convening meetings regularly to discuss financial, operational and risk management control.

SHAREHOLDERS' RIGHTS

The Board and the management of the Company endeavour to maintain a continuing communication with the Shareholders and investors through various channels, including the Company's general meetings. Set out below is a summary of how the Shareholders can convene an extraordinary general meeting (the "EGM") and putting forward proposals at general meetings.

Convening an EGM

Pursuant to Section 113 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), shareholder(s) holding not less than one-twentieth (5%) of the capital of the Company carrying voting right at general meetings of the Company, can submit a written requisition to convene an EGM.

The written requisition (i) must state the object(s) of the meeting, and (ii) must be signed by the requisitionists and deposited at the registered office of the Company for attention of the Company Secretary, and may consist of several documents in like form, each signed by one or more requisitionists.

Such requisitions will be verified with the Company's share registrar and upon its confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice to all Shareholders.

On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the EGM will not be convened as requested.

董事及核數師對財務報表的責任

董事知悉其有編製本公司財務報表的責任。董事並不知悉任何有關可能對本集團按持續基準繼續經營之能力構成重大疑問之事件或情況之任何重大不明朗因素。外聘核數師發表有關其申報責任的聲明載列於第56及57頁。

內部監控

董事會須負責本集團之內部監控制度，檢討其成效及定期召開會議，討論財務、營運及風險管理監控事宜。

股東之權利

董事會及本公司管理層致力通過不同渠道與股東及投資者保持持續溝通，包括本公司之股東大會。以下概述股東可如何召開股東特別大會(「股東特別大會」)及於股東大會上提呈建議。

召開股東特別大會

根據公司條例(香港法例第32章)第113條，1名或多名股東持有於本公司股東大會上投票權之本公司股本不少於二十分之一(5%)之股東，可遞交書面請求以召開股東特別大會。

書面請求(i)須列明大會的目的，及(ii)須由呈請人簽署並送交本公司之註冊辦事處(註明收件人為本公司之公司秘書)，書面請求可包含數份同樣格式的文件，每份由1名或多於1名呈請人簽署的文件組成。

有關請求將由本公司之股份過戶登記處核實，倘書面請求獲確認屬妥善及適宜，公司秘書將請求董事會，給予全體股東足夠通知期，以召開股東特別大會。

反之，若有關請求經核實為不符合程序，則呈請人將獲通知有關結果，而股東特別大會將不會應要求召開。

CORPORATE GOVERNANCE REPORT 企業管治報告

If Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene an EGM for a day not more than 28 days after the date on which the notice convening the EGM is given, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, but any EGM so convened shall not be held after the expiration of 3 months from the said date of deposit of the requisition. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

Putting Forward Proposals at General Meetings

Pursuant to Section 115A of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), (i) Shareholder(s) holding not less than 2.5% of the total voting rights of all Shareholders having the right to vote at the meeting; or (ii) not less than 50 Shareholders holding the shares of the Company on which there has been paid up an average sum, per shareholder, of not less than HK\$2,000, can put forward proposals at general meetings by a requisition in writing.

The written requisition must (i) state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting; (ii) contain the signatures of all the requisitionists (which may be contained in one document or in several documents in like form); (iii) be deposited at the Company's registered office for the attention of the Company Secretary not less than 6 weeks before the general meeting in the case of a requisition requiring notice of a resolution and not less than 1 week before the general meeting in the case of any other requisition; and (iv) be accompanied by a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all Shareholders in accordance with the requirements under the applicable laws and rules.

Enquires from Shareholders

Shareholders should direct their enquiries in respect of their shareholdings to the Company's share registrar, Tricor Secretaries Limited. Other Shareholders' enquiries can be directed to the Investor Relations Representative of the Company whose contact details are shown under "Shareholder Information" of this annual report.

CONSTITUTIONAL DOCUMENTS

There are no significant change in the Company's constitutional documents during the Period.

如董事在請求書遞呈日期起計21日內，未有在召開股東特別大會通告發出日期後28日內安排召開股東特別大會，則該等呈請人或佔全體呈請人總投票權一半以上之呈請人，可自行召開股東特別大會，但任何如此召開之股東特別大會不得在上述請求書遞呈日期起計3個月屆滿後舉行。由呈請人召開之大會，須盡可能以接近董事會召開大會之方式召開。呈請人因董事會沒有妥為召開大會而招致之任何合理費用，須由本公司償還呈請人。

於股東大會上提呈議案

根據公司條例(香港法例第32章)第115A條，倘若(i)股東佔有權於大會上投票之全體股東之總投票權不少於2.5%；或(ii)為不少於50名持有本公司股份的股東，而每名股東已就其所持股份繳足的平均股款不少於2,000港元，則可透過書面請求股東大會上提呈決議案。

書面請求須(i)列明有關決議案及就任何建議決議案提述的事宜或須在股東大會上處理的事務作出之不多於1,000字之陳述；(ii)載有全體呈請人之簽署(簽署可載於1份或數份同樣格式的文件內)；(iii)送交本公司註冊辦事處，註明公司秘書收啟。如屬須發出決議案通知之請求，該請求書須在股東大會舉行前不少於6個星期送達；如屬任何其他請求，則請求書須在股東大會舉行前不少於1個星期送達；及(iv)連同合理及足夠款項，用以支付本公司根據適用的法律及規則要求而向所有股東發出決議案通知及傳閱呈請人提交之陳述書所作出之開支。

股東查詢

股東可向本公司之股份過戶登記處卓佳秘書商務有限公司查詢彼等之持股情況。股東之其他查詢可向本公司投資者關係代表作出，其聯絡資料已列載於本年報「股東資料」內。

組織章程文件

於期內，本公司之組織章程文件並無任何重大變動。

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

Executive Director

Madam LI Lan

Chairman and Executive Director

Chairman of Nomination Committee

Aged 58, was appointed as the Chairman of the Board, an Executive Director and the Chairman of the Nomination Committee on 6 June 2012. Madam LI is currently the Deputy General Manager of Chinatex Corporation* (中國中紡集團公司) ("Chinatex"). Madam LI has almost 30 years of experience in the textile industry. She joined the predecessor of Chinatex, China National Textiles Import and Export Corporation* (中國紡織品進出口總公司) ("General Corporation") in 1983 and previously held positions as Deputy General Manager of General Corporation, General Manager of Chinatex Knitwear and Manufactured Goods Import and Export Corporation* (中紡針棉毛織品進出口公司), and Deputy General Manager of Chinatex Cotton and Yarn Import and Export Corporation* (中紡紗布進出口公司). Madam LI graduated with a Bachelor degree in Economics, major in French from the Faculty of French Literature, Beijing Foreign Trade College (currently known as University of International Business and Economics), China in 1983. Madam LI is currently a council member of the 2nd annual China's Association of Economy and Trade Across Taiwan Straits.

Mr. HA Kam On, Victor

Executive Director

Vice-Chairman and Chief Executive Officer

Directors of various subsidiaries of the Group

Aged 47, 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. Mr. HA has been appointed as the Vice-Chairman of the Board and Chief Executive Officer of the Company in June 2012. He serves as 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 11 years of operations and management experience in the garment trading and manufacturing industry. Mr. HA is the son of Mr. HA Chung Fong, the Honorary Chairman of the Company and brother-in-law of Dr. YEN Gordon.

* For identification purpose only

* 僅供識別

執行董事

李蘭女士

主席兼執行董事

提名委員會主席

現年58歲，於2012年6月6日獲委任為董事會主席、執行董事及提名委員會主席。李女士現任中國中紡集團公司(「中紡」)的副總經理。李女士擁有近30年從事紡織行業之經驗。彼於1983年加入中紡的前身中國紡織品進出口總公司(「總公司」)，並先後擔任總公司副總經理、中紡針棉毛織品進出口公司總經理及中紡紗布進出口公司副總經理。李女士在1983年畢業於中國北京對外貿易學院(現稱為對外經濟貿易大學)法語系法語專業，取得經濟學學士學位。李女士現時還擔任海峽兩岸經貿交流協會第2屆理事會理事。

夏錦安先生

執行董事

副主席兼行政總裁

集團數間附屬公司之董事

現年47歲，於2002年加入集團為製衣業務的總經理，並於2004年晉升為執行董事。夏先生於2009年晉升至執行董事兼集團總經理，及於2011年5月獲委任為集團董事總經理。夏先生於2012年6月獲委任為本公司董事會副主席兼行政總裁。彼為香港無錫商會董事、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2010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11年以上的營運及管理經驗。夏先生為本公司名譽主席夏松芳先生之兒子，並為嚴震銘博士之二舅。

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

Dr. YEN Gordon

Executive Director

Chief Financial Officer

Director of various subsidiaries of the Group

Aged 43, joined the Group in 1999 as the Assistant to Chairman and was promoted to an Executive Director in 2004, then assumed the additional role of Chief Financial Officer on 6 July 2012. Dr. YEN will be re-designated from an Executive Director to a Non-Executive Director, subject to the shareholder's approval for his re-election as a director at the annual general meeting of the Company to be held on 31 May 2013 and will resign from his current daily operational duties on 31 May 2013, details of which were set out in the announcement of the Company dated 26 March 2013. Dr. YEN has been responsible for managing the Group's finance and accounting functions since 2009 and is currently also responsible for managing the Group's various joint-venture operations including the fabric business in Sri Lanka. Besides his responsibilities within the Group, Dr. YEN also serves as a Member of the Henan Province Committee of the Chinese People's Political Consultative Conference of the People's Republic of China; 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 GS1 HK Limited; a Director of the Hong Kong Chiu Chow Chamber of Commerce; a member of the Textile Advisory Board to the Trade & Industry Department and a Vice President of Jiangsu Hong Kong-Invested Company Service Association. Dr. YEN also serves as an Independent Non-Executive Director and a Chairman of the Remuneration Committee of Hopewell Holdings Limited. He holds a Bachelor degree in Manufacturing Engineering from Boston University, USA; a Master degree in Business Administration from McGill University, Canada and a Doctorate degree in Business Administration from The Hong Kong Polytechnic University. Prior to joining the Group, Dr. YEN has extensive experience in the infrastructure sector. Dr. YEN is the son-in-law of Mr. HA Chung Fong, the Honorary Chairman and senior consultant of the Company and brother-in-law of Mr. HA Kam On, Victor.

嚴震銘博士

執行董事

首席財務官

集團數間附屬公司之董事

現年43歲，於1999年加入集團為主席助理，於2004年晉升為執行董事，及於2012年7月6日兼任為首席財務官。嚴博士將會由執行董事調任為非執行董事，惟須待股東於本公司計劃於2013年5月31日所舉行之股東週年大會上批准其重選為本公司董事，並將於2013年5月31日辭任其現時之營運職務。詳情載於本公司日期為2013年3月26日之公告內。嚴博士自2009年以來負責管理集團財務和會計職能，並且目前還負責管理集團各合資公司的經營，包括斯里蘭卡的面料業務。除了集團的職務外，嚴博士亦為中國河南省政協委員，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、香港貨品編碼協會董事、香港潮州商會會董、工業貿易署紡織業諮詢委員會委員及江蘇省港商投資企業服務協會副會長。嚴博士亦為合和實業有限公司之獨立非執行董事及薪酬委員會主席。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。嚴博士為本公司名譽主席及高級顧問夏松芳先生之女婿及夏錦安先生之妹夫。

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

Mr. GONG Zhengyi

Executive Director

Member of Remuneration Committee

Aged 58, was appointed as an Executive Director and the member of the Remuneration Committee on 6 June 2012. Mr. GONG is currently the General Manager of Chinatex (H.K.) Holding Limited (中紡(香港)控股有限公司), a subsidiary of Chinatex. Mr. GONG has almost 28 years of experience in the textile industry. He joined the predecessor of Chinatex, the General Corporation, in 1984 and served as General Manager of Chinatex Raw Materials International Trading Corporation, a subsidiary of Chinatex. He also held position as General Manager of Chinatex (Australia) Wool Company Proprietary Limited (中紡駐澳大利亞羊毛公司*), a subsidiary of Chinatex. Mr. GONG graduated from Hebei University, China, Faculty of Chinese Studies with a major in Chinese Literature in 1979. He obtained a Certificate of Marketing and Management in Macquarie Graduate School of Management, Australia in 1997. Mr. GONG also has obtained the qualification of Foreign Trade Management Economist.

Mr. ZHAO Yao

Executive Director

Aged 49, was appointed as Executive Director on 27 November 2012. Mr. ZHAO is currently the Assistant President of Chinatex and the General Manager of Asset Management Department of Chinatex, Chairman and General Manager of Chinatex Xinyuan Assets Management Co., Ltd.* (中紡信遠資產管理有限公司), General Manager of Chinatex Tianyuan Property Management Co., Ltd.* (廊坊中紡天元投資有限公司), General Manager of Chinatex Real Estate Administration Co., Ltd.* (中紡物業管理有限公司), Chairman of Chinatex (H.K.) Holding Limited, Chairman of Huasheng Fujitec Elevator Co., Ltd.* (華升富士達電梯有限公司), Chairman of Shanghai Huasheng Fujitec Escalator Co., Ltd.* (上海華升富士達扶梯有限公司), Chairman of Shanghai Huade Photoelectron Science & Technology Co., Ltd.* (上海華德光電科技有限公司). Mr. ZHAO has almost 25 years of experience in the textile industry. He joined Chinatex's predecessor, China National Textiles Import and Export Corporation* (中國紡織品進出口總公司) in 1987 and held positions as Financial Manager of Wah Gar Knitwear Factory Company Limited (香港華嘉企業集團*), General Manager of Suzhou Zhongfa Property Management Co., Ltd.* (蘇州中發物業有限公司), Deputy General Manager of Chinatex Property Management Co., Ltd.* (中紡物業公司), Vice President of Chudai Trading Co., Ltd.* (日本中大株式會社), a subsidiary of Chinatex. Mr. ZHAO graduated with a diploma in industrial accounting from Renmin University of China in 1987.

宮征誼先生

執行董事

薪酬委員會成員

現年58歲，於2012年6月6日獲委任為執行董事及薪酬委員會之成員。宮先生現任中紡所屬子公司中紡(香港)控股有限公司的總經理。宮先生擁有近28年從事紡織行業之經驗。宮先生於1984年加入中紡的前身—總公司，及並曾擔任所屬子公司中紡原料國際貿易公司總經理。彼亦曾擔任中紡所屬子公司，中紡駐澳大利亞羊毛公司總經理。宮先生在1979年畢業於中國河北大學中文系中國文學專業(專科)及在1997年取得澳洲麥考瑞大學管理學院頒發的市場及管理深造證書。宮先生亦擁有外貿企業管理經濟師的職稱。

趙耀先生

執行董事

現年49歲，於2012年11月27日獲委任為執行董事。趙先生現任中紡總裁助理兼資產管理部總經理、中紡信遠資產管理有限公司董事長、總經理、廊坊中紡天元投資有限公司總經理、中紡物業管理有限公司總經理、中紡(香港)控股有限公司董事長、華升富士達電梯有限公司董事長、上海華升富士達扶梯有限公司董事長、上海華德光電科技有限公司董事長。趙先生擁有近25年從事紡織行業之經驗，趙先生於1987年加入中紡的前身中國紡織品進出口總公司，並先後擔任香港華嘉企業集團*(Wah Gar Knitwear Factory Company Limited)財務經理、蘇州中發物業有限公司總經理、中紡物業公司副總經理、中紡所屬日本中大株式會社副社長。趙先生1987年畢業於中國人民大學一分校工業會計專業。

* For identification purpose only

* 僅供識別

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

Non-Executive Director

Mr. ZHANG Chong

Non-Executive Director

Member of Audit Committee

Aged 42, was appointed as a Non-Executive Director and the member of the Audit Committee on 6 June 2012. Mr. ZHANG is currently the General Manager of Strategy Department of Chinatex. Mr. ZHANG has over 17 years of experience in the textiles industry. He joined the predecessor of Chinatex, the General Corporation in 1995 and held positions as the Deputy General Manager of Strategy Department and General Manager of Investment Department of Chinatex, Deputy General Manager of Enterprise Management Department of Chinatex, officer of Policy Research Office and assistant of Manager Office of General Corporation. Mr. ZHANG graduated with a Master degree in Business Management from the Faculty of Business Administration, University of International Business and Economics, China in 1995.

Independent Non-Executive Director

Mr. NG Kwok Tung

Independent Non-Executive Director

Chairman of Audit Committee

Member of Remuneration Committee

Aged 62, 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 Professional 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.

非執行董事

張湧先生

非執行董事

審核委員會成員

現年42歲，於2012年6月6日獲委任為非執行董事及審核委員會之成員。張先生現任中紡戰略發展部的總經理。張先生擁有超過17年從事紡織行業之經驗。張先生在1995年加入中紡的前身—總公司，先後擔任中紡戰略發展部副總經理、投行業務部總經理及企管部副總經理，以及總公司政策研究室科員及經理辦公室助理。張先生在1995年畢業於中國對外經濟貿易大學企業管理系，取得管理學碩士學位。

獨立非執行董事

伍國棟先生

獨立非執行董事

審核委員會主席

薪酬委員會成員

現年62歲，於1993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

CHOW Wing Kin, Anthony, SBS, JP
Independent Non-Executive Director
Member of Audit Committee
Member of Nomination Committee

Aged 62, 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 33 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. Until 31 October 2012, Mr. CHOW was 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.

Mr. YANG Shibin
Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Nomination Committee

Aged 43, was appointed as an Independent Non-Executive Director, the chairman of the Remuneration Committee and the member of the Nomination Committee on 6 June 2012. Mr. YANG has over 21 years of experience in the textiles industry. He is currently the Deputy Secretary-General of China National Textile and Apparel Council and chairman of China Knitting Industry Association ("CKIA"). Mr. YANG joined the CKIA in 2005. Between 2002 and 2005, Mr. YANG held positions as the Deputy General Manager, General Manager of Changshu Ecoya-Soy Fiber Company Limited* (常熟市江河天絨絲纖維有限公司) of Changshu. Between 1997 and 2002, he served as the secretary-general of China Textile Industry Enterprise Management Association and Deputy Consultant of State Bureau of Textile Industry. Mr. YANG has been serving as an Independent Director of Shanghai Dragon Corporation (上海龍頭股份有限公司), a company listed in the Shanghai Stock Exchange, since 2007. Mr. YANG has been serving as an Independent Director of Shenzhen Textile (Holdings) Co., Ltd., a company listed in the Shenzhen Stock Exchange, since 2010. Mr. YANG has been serving as a Director of Huafu Top Dyed Yarn Melange Co., Ltd., a company listed in the Shenzhen Stock Exchange, since 2011. Mr. YANG graduated with a Master degree in Engineering from the Faculty of Engineering, Donghua University, China in 2004. He graduated with a Master degree of Executive Master of Business Administration from China Europe International Business School, China in 2009.

* For identification purpose only

* 僅供識別

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
 提名委員會成員

現年62歲，於2004年加入集團董事會為獨立非執行董事。周先生在過去33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2005年6月至2011年7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式覆檢委員會主席至2012年10月31日、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。

楊世濱先生
 獨立非執行董事
 薪酬委員會主席
 提名委員會成員

現年43歲，於2012年6月6日獲委任為獨立非執行董事、薪酬委員會之主席及提名委員會之成員。楊先生擁有超過21年從事紡織行業之經驗。楊先生現任中國紡織工業協會的副秘書長及中國針織工業協會的理事長。楊先生於2005年加入中國針織工業協會。在2002年至2005年期間，楊先生工作於常熟市江河天絨絲纖維有限公司，擔任副總經理及總經理。在1997年至2002年，他曾擔任中國紡織企業管理協會的秘書長及國家紡織工業局辦公室助理調研員。楊先生於2007年起於上海證券交易所上市之上海龍頭股份有限公司出任獨立董事。楊先生於2010年起於深圳證券交易所上市之深圳市紡織(集團)股份有限公司出任獨立董事。楊先生於2011年起於深圳證券交易所上市之華孚色紡股份有限公司出任董事。楊先生在2004年畢業於中國東華大學工程系，取得工程碩士學位，及在2009年畢業於中國中歐國際工商管理學院，取得高層管理人員工商管理碩士學位。

DIRECTORS' REPORT 董事會報告

The directors present the annual report and the audited consolidated financial statements of the Company for the period of 16 months ended 31 December 2012 (the "Period").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in the textile and garment businesses including the production and sale of knitted fabric, garments and the sale of dyed yarns and sewing threads. The principal activities of its principal subsidiaries are set out in note 17 to the consolidated financial statements.

RESULTS AND FINAL DIVIDEND

The results of the Group for the Period are set out in the consolidated income statement on page 58. No interim dividend was declared for the periods ended 29 February 2012 and 31 August 2012. The Board do not recommend the payment of final dividend.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the Period are set out in note 14 to the consolidated financial statements. Particulars of the Group's investment properties are set out in page 55.

PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group had additions of HK\$99,396,000 to property, plant and equipment which were mainly used to expand and upgrade the Group's manufacturing facilities.

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

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Period are set out in note 32 to the consolidated financial statements.

董事提呈本公司截至2012年12月31日止16個月期間(「本期間」)之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團主要從事紡織及成衣業務，包括生產及銷售針織布料、成衣以及出售色紗及縫紉線。其主要附屬公司之主要業務載列於綜合財務報表附註17內。

業績及末期股息

本期間之本集團業績載列於第58頁之綜合收益表內。截至2012年2月29日及2012年8月31日止期間並無派發中期股息，董事會不建議派發末期股息。

投資物業

本期間本集團之投資物業變動詳情載列於綜合財務報表附註14內。本集團之投資物業詳情載列於第55頁。

物業、機器及設備

本期間本集團添置物業、機器及設備99,396,000港元，主要用於擴大及增強本集團之生產設備。

本期間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15內。

股本

本期間之本公司股本變動詳情載列於綜合財務報表附註32內。

DIRECTORS' REPORT 董事會報告

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2012 amounted to HK\$616,584,000. (31 August 2011: HK\$628,518,000).

DIRECTORS

The Directors of the Company during the Period and up to the date of this annual report were as follows:

Executive Directors:

Madam LI Lan (*Chairman*) (appointed on 6 June 2012)
 Mr. HA Chung Fong (resigned on 27 November 2012) (*Note*)
 Mr. HA Kam On, Victor (*Vice-Chairman and Chief Executive Officer*)
 Dr. YEN Gordon (*Chief Financial Officer*)
 Mr. GONG Zhengyi (appointed on 6 June 2012)
 Mr. ZHAO Yao (appointed on 27 November 2012)
 Mr. HA Hon Kuen (resigned on 6 June 2012)
 Mr. CHEN Rong (appointed on 6 June 2012
 and resigned on 27 November 2012)

Non-Executive Directors:

Mr. ZHANG Chong (appointed on 6 June 2012)
 Mr. CHAN Yuk Yin (retired on 12 January 2012)
 Mr. CHEN Minghong (appointed on 6 June 2012
 and resigned on 27 November 2012)

Independent Non-Executive Directors:

Mr. NG Kwok Tung
 Mr. CHOW Wing Kin, Anthony, *SBS, JP*
 Mr. YANG Shibin (appointed on 6 June 2012)
 Mr. WONG Kwong Chi (resigned on 6 June 2012)
 Mrs. FUNG YEH Yi Hao, Yvette (resigned on 6 June 2012)

Note: Mr. HA Chung Fong resigned as Chairman and was appointed as the Honorary Chairman of the Company on 6 June 2012. He has resigned as an Executive Director and remains as the Honorary Chairman and senior consultant of the Company with effect from 27 November 2012.

本公司之可供分派儲備

於2012年12月31日，本公司可供分派予股東之儲備為616,584,000港元(2011年8月31日：628,518,000港元)。

董事

於本期間及截至本年報日期，本公司董事名單如下：

執行董事：

李蘭女士(主席)(於2012年6月6日獲委任)
 夏松芳先生(於2012年11月27日辭任)(附註)
 夏錦安先生(副主席兼行政總裁)
 嚴震銘博士(首席財務官)
 宮征誼先生(於2012年6月6日獲委任)
 趙耀先生(於2012年11月27日獲委任)
 夏漢權先生(於2012年6月6日辭任)
 陳榕先生(於2012年6月6日獲委任，
 並於2012年11月27日辭任)

非執行董事：

張湧先生(於2012年6月6日獲委任)
 陳旭賢先生(於2012年1月12日退任)
 陳鳴洪先生(於2012年6月6日獲委任，
 並於2012年11月27日辭任)

獨立非執行董事：

伍國棟先生
 周永健先生，銀紫荊星章，太平紳士
 楊世濱先生(於2012年6月6日獲委任)
 王幹芝先生(於2012年6月6日辭任)
 馮葉儀皓女士(於2012年6月6日辭任)

附註： 夏松芳先生於2012年6月6日辭任本公司主席，並獲委任為本公司名譽主席。彼已辭任執行董事，並繼續留任為本公司之名譽主席及高級顧問，由2012年11月27日起生效。

DIRECTORS' REPORT 董事會報告

Pursuant to Article 102(A) of the Company's articles of association, Mr. HA Kam On, Victor, Dr. YEN Gordon, Mr. NG Kwok Tung and Mr. CHOW Wing Kin, Anthony, SBS, JP will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting ("AGM").

Mr. HA Kam On, Victor had entered into a service agreement with the Company on 1 April 2009 in relation to his appointment which term has commenced on 1 April 2009. The service agreement is terminable by either the Company or Mr. HA Kam On, Victor by giving not less than 12 month's advance notice in writing.

Save as disclosed above, as of 31 December 2012, no director proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The biographical details of the Directors of the Company are set out on pages 40 to 44 of this annual report.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2012, the interests or short positions of the Directors and chief executive and their respective associates in the shares of the Company (the "Share"), underlying Shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), (a) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (b) 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 Listing Rules (the "Model Code"), were as follows:

Long positions in Shares:

根據本公司組織章程細則第102(A)條，夏錦安先生、嚴震銘博士、伍國棟先生及周永健先生，銀紫荊星章，太平紳士將輪值告退，並符合資格及願意於即將舉行之股東週年大會(「股東週年大會」)上膺選連任。

夏錦安先生與本公司於2009年4月1日就其委任訂立服務合約，任期由2009年4月1日開始。服務合約可由本公司或夏錦安先生提前給予對方不少於12個月書面通知予以終止。

除上文所披露者外，於2012年12月31日，並無擬在即將舉行之股東週年大會上重選連任之董事，與本公司或其任何附屬公司訂立本集團在1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。

有關本公司董事履歷之詳情載於本年報第40頁至第44頁。

董事之證券權益

於2012年12月31日，根據本公司(a)按證券及期貨條例第352條須予設置之名冊所記錄；或(b)按上市規則所載上市公司董事進行證券交易之標準守則(「標準守則」)須通知本公司及香港聯合交易所有限公司(「聯交所」)之資料，本公司董事及行政總裁及彼等各自之聯繫人士於本公司及其相聯法團(具有證券及期貨條例第XV部所賦予之涵義)之股份(「股份」)、相關股份及債權證中擁有之權益或淡倉如下：

於股份的好倉情況：

Name of director 董事姓名	Number of Shares held as 持有股份數目		Total 總數	Approximate % of the Company's issued share capital 約佔本公司已發行 股本百分比
	Beneficial owner 實益擁有人	Other interests 其他權益		
Mr. HA Kam On, Victor 夏錦安先生	90,841,096	-	90,841,096	7.55
Dr. YEN Gordon 嚴震銘博士	6,400,000	-	6,400,000	0.53

DIRECTORS' REPORT 董事會報告

Long positions in underlying Shares – Share options:

於相關股份的好倉情況：–購股權：

Name of director 董事姓名	Date of grant 授出日期	Exercise period 行使期	Number of share options 購股權數目
Mr. HA Kam On, Victor 夏錦安先生	17.09.2010	17.03.2014 – 17.03.2017 (Note 1) (附註1)	4,600,000
	18.08.2011	19.08.2012– 18.08.2017 (Note 2) (附註2)	3,300,000
Dr. YEN Gordon 嚴震銘博士	17.09.2010	17.03.2014– 17.03.2017 (Notes 1, 3 and 5) (附註1、3及5)	6,600,000
	18.08.2011	19.08.2012– 18.08.2017 (Notes 2 and 4) (附註2及4)	6,300,000

Notes:

- 30% of the share options are exercisable from 17 March 2014 to 17 March 2017, up to 60% of the share options are exercisable from 17 March 2015 to 17 March 2017 and all share options are exercisable from 17 March 2016 to 17 March 2017.
- 20% of the share options are exercisable from 19 August 2012 to 18 August 2017, up to 40% of the share options are exercisable from 19 August 2013 to 18 August 2017, up to 60% of the share options are exercisable from 19 August 2014 to 18 August 2017, up to 80% of the share options are exercisable from 19 August 2015 to 18 August 2017 and all share options are exercisable from 19 August 2016 to 18 August 2017.
- Dr. YEN Gordon, being the spouse of Ms. HA Kam Yee, was also deemed to be interested in 2,000,000 share options granted to Ms. HA Kam Yee by the Company on 17 September 2010.
- Dr. YEN Gordon, being the spouse of Ms. HA Kam Yee, was also deemed to be interested in 3,000,000 share options granted to Ms. HA Kam Yee by the Company on 18 August 2011.
- 4,600,000 share options, which were granted to Dr. YEN Gordon by the Company on 17 September 2010 under the share option scheme adopted by the Company on 25 January 2002, will be lapsed on 31 May 2013 as a result of his re-designation as set out in the announcement of the Company dated 26 March 2013.

附註：

- 購股權之30%由2014年3月17日至2017年3月17日可予行使，購股權之最多60%由2015年3月17日至2017年3月17日可予行使；及全部購股權由2016年3月17日至2017年3月17日可予行使。
- 購股權之20%由2012年8月19日至2017年8月18日可予行使；購股權之最多40%由2013年8月19日至2017年8月18日可予行使；購股權之最多60%由2014年8月19日至2017年8月18日可予行使；購股權之最多80%由2015年8月19日至2017年8月18日可予行使；及全部購股權由2016年8月19日至2017年8月18日可予行使。
- 嚴震銘博士為夏錦兒小姐之配偶，亦被視為於本公司在2010年9月17日授予夏錦兒小姐之2,000,000份購股權中擁有權益。
- 嚴震銘博士為夏錦兒小姐之配偶，亦被視為於本公司在2011年8月18日授予夏錦兒小姐之3,000,000份購股權中擁有權益。
- 於本公司日期為2013年3月26日之公告內所載有關嚴震銘博士之調任，故根據本公司於2002年1月25日採納之購股權計劃而於2010年9月17日授予嚴震銘博士之4,600,000份購股權將於2013年5月31日失效。

DIRECTORS' REPORT 董事會報告

Save as disclosed above, none of the Directors, the chief executive nor their respective associates had any interests or short positions in any Shares, underlying Shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (a) which were recorded in the register required to be kept by the Company under Section 352 of the SFO or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

The Company has adopted share option scheme on 25 January 2002 (the "2002 Scheme") and 20 January 2011 (the "2011 Scheme"). Particulars and movements of the Company's share option schemes including the 2002 Scheme and the 2011 Scheme during the Period, are set out in note 33 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 31 December 2012, 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 or chief executive, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions in Shares and underlying Shares:

除上述披露者外，概無董事、行政總裁或彼等各自之聯繫人士於本公司或其任何相聯法團(具有證券及期貨條例第XV部所賦予之涵義)之股份、相關股份及債權證中擁有根據本公司(a)按證券及期貨條例第352條須設置之名冊所記錄；或(b)按標準守則須通知本公司及聯交所之權益或淡倉。

購股權計劃

本公司於2002年1月25日及2011年1月20日採納購股權計劃(分別為「2002年計劃」及「2011年計劃」)。有關本公司購股權計劃，包括2002年計劃及2011年計劃之詳情及於本期間之變動，載於綜合財務報表附註33。

主要股東及其他股東權益

於2012年12月31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，除上述部份董事或行政總裁已披露之權益外，以下股東已通知本公司其擁有本公司已發行股本的有關權益。

於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 % of the Company's issued share capital 約佔本公司已發行股本百分比
Chinatex Yieldfull Investment Co., Ltd. ("Yieldfull")	409,036,000 (Note 1) (附註1)	Beneficial owner 實益擁有人	34.00
Chinatex Jinhui Investment Management Co., Ltd. ("Jinhui")	409,036,000 (Note1) (附註1)	Interest of corporation controlled 控制法團的權益	34.00

DIRECTORS' REPORT 董事會報告

Name of substantial shareholder	Number of Shares	Capacity	Approximate % of the Company's issued share capital
主要股東名稱	股份數目	身份	約佔本公司已發行 股本百分比
Chinatex Corporation 中國中紡集團公司	409,036,000 (Note 1) (附註1)	Interest of corporation controlled 控制法團的權益	34.00
Mr. HA Chung Fong 夏松芳先生	34,830,000 132,108,948 (Notes 2 and 4) (附註2及4)	Beneficial owner 實益擁有人 Other interests 其他權益	13.88
Ms. TANG Kuen Mui 鄧娟妹女士	166,938,948 (Note 2) (附註2)	Spouse interest 配偶權益	13.88
Super Brilliance Company Limited ("Super Brilliance")	132,108,948 (Notes 3 and 4) (附註3及4)	Beneficial owner 實益擁有人	10.98
Island Treasure Investments Limited ("Island Treasure")	132,108,948 (Notes 3 and 4) (附註3及4)	Interest of corporation controlled 控制法團的權益	10.98
Onwide (H.K.) Limited ("Onwide") 安和(香港)有限公司(「安和」)	132,108,948 (Notes 3 and 4) (附註3及4)	Trustee 受託人	10.98
Mr. WONG Tak Leung, Charles 王德良先生	132,108,948 (Notes 3 and 4) (附註3及4)	Interest of corporation controlled 控制法團的權益	10.98

DIRECTORS' REPORT 董事會報告

Notes:

1. Yieldfull is a wholly-owned subsidiary of Jinhui and Jinhui is a wholly-owned subsidiary of Chinatex. Therefore, each of Jinhui and Chinatex is deemed to be interested in the Shares held by Yieldfull.
2. Ms. TANG Kuen Mui, spouse of Mr. HA Chung Fong, was deemed to be interested in the Shares held by Mr. HA Chung Fong.
3. Super Brilliance is a wholly-owned subsidiary of Island Treasure, Island Treasure is a wholly-owned subsidiary by Onwide and Onwide is owned as to 100% by Mr. WONG Tak Leung, Charles. Therefore, each of Island Treasure, Onwide and Mr. WONG Tak Leung, Charles is deemed to be interested in the Shares held by Super Brilliance.
4. Onwide became the trustee of the HA Trust, a discretionary trust set up by Mr. HA Chung Fong for the benefit of his family with effect from 13 August 2012. Trustcorp ceased to be the trustee of the HA Trust on the same date.

Save as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at 31 December 2012.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Period was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors 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 annual report and note 42 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 had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

附註:

1. Yieldfull為Jinhui之全資附屬公司，而Jinhui為中紡之全資附屬公司。因此，Jinhui及中紡各自被視作擁有Yieldfull所持股份之權益。
2. 鄧娟妹女士為夏松芳先生之配偶，因而被當作擁有夏松芳先生所持股份之權益。
3. Super Brilliance為Island Treasure之全資附屬公司，Island Treasure為安和之全資附屬公司，安和由王德良先生持有100%權益。因此，Island Treasure、安和及王德良先生各自被視作擁有Super Brilliance所持股份之權益。
4. 安和於2012年年8月13日起成為the HA Trust之信託人，the HA Trust為夏松芳先生為其家族利益而成立的一項酌情信託。於同日Trustcorp不再為the HA Trust之信託人。

除上述披露者外，於2012年12月31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。

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期間內任何時間均無任何安排，使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

除本年報「關連交易」一段及綜合財務報表附註42一段所披露者外，於本期間終結時或在本期間任何時間，本公司或其任何附屬公司並無訂立任何與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 letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in note 42 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 information in relation to the continuing connected transactions entered into during the Period are set out in note 42 to the consolidated financial statements.

As the Company has not set any maximum aggregate annual value ("cap") in respect of the continuing connected transaction as disclosed in item (b)(vii) of note 42 to the consolidated financial statement, the Company's auditor cannot determine whether the aggregate amount of such continuing connected transaction has exceeded any cap. Detail of such continuing connected transaction is set out in the announcement of the Company dated 24 December 2012. Except for the above, the Company's auditor have confirmed that all of the continuing connected transactions set out under note 42 to the consolidated financial statements (a) have been approved by the Board; (b) are in accordance with the pricing policies of the Group, where applicable; (c) have been entered into in accordance with the terms of the agreements governing the transactions; and (d) have not exceeded the respective cap amounts as set out above in respect of each of the continuing connected transactions as adjusted according to the change of the financial year end of the Company from 31 August to 31 December.

The Independent Non-Executive Directors have also reviewed the above continuing connected transactions and confirmed that the above continuing connected transactions have been entered into by the Group:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on 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.

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條發出函件，當中載有核數師對本集團於綜合財務報表附註42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。於本期間訂立之持續關連交易之資料已載於綜合財務報表附註42。

由於本公司並無就綜合財務報表附註42第(b)(vii)項之持續關連交易制定任何最高年度總值（「上限」），本公司核數師未能釐定有關持續關連交易之總額有否超出任何上限。有關持續關連交易之詳情載於本公司日期為2012年12月24日之公告內。除上述者外，本公司核數師已確認，綜合財務報表附註42所載之所有持續關連交易(a)已獲董事會批准；(b)根據本集團之定價政策釐定(如適用)；(c)根據監管該等交易之協議條款訂立；及(d)經按照本公司之財政年度年結日由8月31日改為12月31日調整後各項持續關連交易並無超過上文所述各自之上限金額。

獨立非執行董事亦已審閱上述持續關連交易，並確認上述持續關連交易乃由本集團按下列基準訂立：

- (i) 於本集團日常及正常業務過程中訂立；
- (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。

DIRECTORS' REPORT 董事會報告

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

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

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considered that all Independent Non-Executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

REMUNERATION POLICY

The remuneration policy of the employees (including key management) of the Group was established by the management of the Group on the basis of their merit, qualifications and competence. Remuneration Committee will review and approve remuneration policy for the Directors of the Board for approval.

The remuneration of the Directors of the Company are reviewed and recommended by the Remuneration Committee for the Directors of the Board for approval, having regard to the Company's operating results, individual performance and comparable market statistics. No Director, or any of his associates, and executive, is involved in dealing his own remuneration.

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 33 to the consolidated financial statements and under heading "Share Option Schemes" in this annual report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Period and up to the date of this annual report, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in any business competes or is likely to compete, either directly or indirectly with the business of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

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

購買、出售及贖回本公司之上市證券

於本期間內，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。

獨立非執行董事之確認

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上市規則第3.13條的獨立性。本公司認為全體獨立非執行董事均符合上市規則第3.13條所載獨立指引，並根據有關指引屬獨立。

薪酬政策

有關本集團僱員(包括主要管理人員)之薪酬政策由本集團管理層制定，以彼等之表現、資歷及工作能力為基準，並由薪酬委員會審議，並向董事會提出建議供董事會審批。

本公司董事之酬金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及建議供董事會審批。概無董事或其任何聯繫人士及執行人員參與討論其本身之薪酬事宜。

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33及本年報之「購股權計劃」。

董事於競爭業務之權益

於本期間及截至本年報日期，董事或彼等各自之聯繫人士(定義見上市規則)概無在與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

主要客戶及供應商

於本期間，本集團之5大客戶共佔營業總額少於30%。

DIRECTORS' REPORT 董事會報告

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

At no time during the Period 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.

DONATIONS

During the Period, the Group made charitable and other donations totaling HK\$1,240,000 (2011: HK\$627,000)

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 27 to 39.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of not less than 25% of the Company's issued shares throughout the period of 16 months ended 31 December 2012.

AUDITOR

On 5 November 2012, the Board announced that Deloitte Touche Tohmatsu resigned as auditor of the Company with effect from 5 November 2012. The Board has resolved to appoint BDO Limited as new auditor of the Company to fill the casual vacancy occasioned by the resignation of Deloitte Touche Tohmatsu and to hold office until the conclusion of the forthcoming annual general meeting of the Company. A resolution will be submitted to the forthcoming AGM to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

LI Lan

Chairman

Hong Kong

26 March 2013

於本期間，本集團之5大供應商佔採購總額少於30%。

本期間本公司之董事及彼等之聯繫人士或股東，並無在本集團之5大客戶或供應商中擁有任何權益。

捐款

本期間本集團作出之慈善及其他捐款共1,240,000港元(2011年：627,000港元)。

企業管治

本公司採納之主要企業管治常規載於第27至39頁之企業管治報告內。

足夠公眾持股量

從本公司可獲得之公開資料顯示及就董事所知，本公司於截至2012年12月31日止16個月期間一直維持不少於本公司已發行股份25%之足夠公眾持股量。

核數師

於2012年11月5日，董事會宣佈德勤·關黃陳方會計師行已辭任本公司之核數師，由2012年11月5日起生效。董事會已議決委任香港立信德豪會計師事務所有限公司為本公司新任核數師，以填補因德勤·關黃陳方會計師行辭任所產生之臨時空缺，香港立信德豪會計師事務所有限公司之任期將直至本公司應屆股東週年大會結束為止。於應屆股東週年大會上將提呈決議案以續聘香港立信德豪會計師事務所有限公司為本公司核數師。

代表董事會

主席

李蘭

香港

2013年3月26日

PARTICULARS OF INVESTMENT PROPERTIES 投資物業詳情

Particulars of investment properties held by the Group at 31 December 2012 are as follows:

於2012年12月31日，本集團投資物業的詳情如下：

Location 地點	Lease 租賃年期	Use 用途	The Group's effective interest 本集團有效權益
Unit A2 on 5/F., & unit A1 on 7/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 5樓A2室及7樓A1室	Medium-term leases 中期租賃	Warehouse and office 貨倉及辦公室	100%

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



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 (together "the Group") set out on pages 58 to 176, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 16 months period from 1 September 2011 to 31 December 2012, 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. This report is made 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58頁至第176頁內的福田實業(集團)有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，此等財務報表包括於2012年12月31日的綜合及公司財務狀況表，與由2011年9月1日至2012年12月31日止16個月期間的綜合收益表、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。本報告乃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 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 31 December 2012 and of the Group's loss and cash flows for the 16 months period from 1 September 2011 to 31 December 2012 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

BDO Limited

Certified Public Accountants

Chow Tak Sing, Peter

Practising Certificate Number P04659

Hong Kong, 26 March 2013

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2012年12月31日的財務狀況及 貴集團由2011年9月1日至2012年12月31日止16個月期間的虧損及現金流量，並已按照香港公司條例而妥善編製。

香港立信德豪會計師事務所有限公司

執業會計師

周德陞

執業證書編號P04659

香港，2013年3月26日

CONSOLIDATED INCOME STATEMENT 綜合收益表

For the 16 months period ended 31 December 2012 截至2012年12月31日止16個月期間

			For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月
			HK\$'000 千港元	HK\$'000 千港元
			NOTES 附註	
Revenue	營業額	6	9,167,089	7,593,889
Cost of sales	銷售成本		(8,379,813)	(6,429,052)
Gross profit	毛利		787,276	1,164,837
Other income	其他收入		117,980	54,967
Distribution and selling expenses	分銷及銷售費用		(294,682)	(189,496)
Administrative expenses	行政費用		(895,285)	(613,459)
Other expenses	其他費用		(4,313)	(22,281)
Finance costs	融資成本	7	(87,288)	(71,589)
Net gain on disposal of subsidiaries	出售附屬公司之所得收益淨額	40	42,855	20,212
(Loss)/profit before taxation	除稅前(虧損)/盈利		(333,457)	343,191
Income tax expense	所得稅支出	8	(4,304)	(103,473)
(Loss)/profit for the period/year	是期間/年度(虧損)/盈利	9	(337,761)	239,718
(Loss)/profit for the period/year attributable to:	應佔是期間/年度(虧損)/盈利：			
Owners of the Company	本公司擁有人		(324,167)	210,886
Non-controlling interests	非控股權益		(13,594)	28,832
			(337,761)	239,718
			HK cents港仙	HK cents港仙
(Loss)/earnings per share	每股(虧損)/盈利			
Basic and diluted	基本及攤薄	12	(33.5)	26.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

For the 16 months period ended 31 December 2012 截至2012年12月31日止16個月期間

			For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
	NOTES 附註			
(Loss)/profit for the period/year	是期間/年度(虧損)/盈利	9	(337,761)	239,718
Other comprehensive (expense)/income:	其他全面(開支)/收益:			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		2,159	7,835
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	40	(13,537)	(5,166)
Other comprehensive (expense)/income for the period/year	是期間/年度其他全面(開支)/收益		(11,378)	2,669
Total comprehensive (expense)/income for the period/year	是期間/年度全面(開支)/收益總值		(349,139)	242,387
Total comprehensive (expense)/income for the period/year attributable to:	應佔是期間/年度全面(開支)/收益總值:			
Owners of the Company	本公司擁有人		(336,707)	209,246
Non-controlling interests	非控股權益		(12,432)	33,141
			(349,139)	242,387

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 December 2012 於2012年12月31日

			At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
	NOTES 附註			
Non-current assets	非流動資產			
Investment properties	投資物業	14	2,548	–
Property, plant and equipment	物業、機器及設備	15	1,827,010	2,155,311
Prepaid lease payments – non-current portion	預付租賃款項 – 非流動部份	16	110,273	119,207
Deposits paid for acquisition of property, plant and equipment	購買物業、機器及設備 之已付按金		18,371	–
Investment in life insurance policies	人壽保險保單之投資	19	36,742	–
Deferred tax assets	遞延稅項資產	18	28,517	25,689
			2,023,461	2,300,207
Current assets	流動資產			
Inventories	存貨	20	1,340,553	1,683,454
Trade and bills receivables	營業及票據應收款項	21	1,259,918	1,275,741
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	22	166,404	214,193
Prepaid lease payments – current portion	預付租賃款項 – 流動部份	16	2,607	2,732
Derivative financial instruments	衍生金融工具	23	2,044	4,984
Tax recoverable	可收回稅項		7,065	3,039
Short-term bank deposits	短期銀行存款	24	302,577	106,075
Bank balances and cash	銀行結存及現金	24	915,466	1,018,477
			3,996,634	4,308,695
Current liabilities	流動負債			
Trade and bills payables	營業及票據應付款項	25	783,712	698,433
Other payables and accruals	其他應付款項及應計費用	26	342,160	320,661
Amounts due to non-controlling shareholders	欠非控股股東款項	27	80,100	80,100
Consideration payable	應付代價	28	–	23,501
Deferred income – current portion	遞延收入 – 流動部份	29	1,458	1,458
Derivative financial instruments	衍生金融工具	23	15,037	108
Tax payable	應付稅項		67,261	131,311
Bank and other borrowings – due within one year	銀行及其他借貸 – 一年內到期	31	1,234,735	1,443,532
Bank overdrafts	銀行透支	31	7,751	–
			2,532,214	2,699,104
Net current assets	流動資產淨值		1,464,420	1,609,591
Total assets less current liabilities	資產總值減流動負債		3,487,881	3,909,798

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 December 2012 於2012年12月31日

			At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
			NOTES 附註	
Non-current liabilities	非流動負債			
Deferred income – non-current portion	遞延收入 – 非流動部份	29	65,134	67,080
Derivative financial instruments	衍生金融工具	23	–	45,583
Bank and other borrowings – due after one year	銀行及其他借貸 – 一年後到期	31	240,587	755,854
Deferred tax liabilities	遞延稅項負債	18	2,380	3,055
			308,101	871,572
Net assets	資產淨值		3,179,780	3,038,226
Capital and reserves	資本及儲備			
Share capital	股本	32	240,609	158,802
Reserves	儲備		2,769,113	2,679,224
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,009,722	2,838,026
Non-controlling interests	非控股權益		170,058	200,200
Total equity	權益總值		3,179,780	3,038,226

The consolidated financial statements on pages 58 to 176 were approved and authorized for issue by the Board of Directors on 26 March 2013 and are signed on its behalf by:

第58至176頁的綜合財務報表已於2013年3月26日由董事會通過及核准發放，並由下列董事代表簽署：

LI Lan
李蘭
DIRECTOR
董事

HA Kam On
夏錦安
DIRECTOR
董事

STATEMENT OF FINANCIAL POSITION 財務狀況表

As at 31 December 2012 於2012年12月31日

			At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	
	NOTES 附註				
Non-current assets		非流動資產			
Property, plant and equipment		物業、機器及設備	15	7,445	5,441
Deposits paid for acquisition of property, plant and equipment		購買物業、機器及設備 之已付按金		18,371	-
Investment in life insurance policies		人壽保險保單之投資	19	36,742	-
Investments in subsidiaries		附屬公司投資	17	32,216	32,539
				<u>94,774</u>	<u>37,980</u>
Current assets		流動資產			
Prepayments, deposits and other receivables		預付款項、按金及其他 應收款項	22	9,497	6,666
Amounts due from subsidiaries		附屬公司所欠款項	17	3,216,698	3,457,621
Derivative financial instruments		衍生金融工具	23	1,901	-
Tax recoverable		可收回稅項		371	314
Short-term bank deposits		短期銀行存款	24	81,591	-
Bank balances and cash		銀行結存及現金	24	234,668	85,585
				<u>3,544,726</u>	<u>3,550,186</u>
Current liabilities		流動負債			
Other payables and accruals		其他應付款項及應計費用	26	25,046	18,742
Amounts due to subsidiaries		欠附屬公司款項	17	1,462,462	1,031,238
Derivative financial instruments		衍生金融工具	23	15,037	-
Tax payable		應付稅項		41,000	41,000
Bank and other borrowings – due within one year		銀行及其他借貸 — 一年內到期	31	362,910	761,916
				<u>1,906,455</u>	<u>1,852,896</u>
Net current assets		流動資產淨值		<u>1,638,271</u>	<u>1,697,290</u>
Total assets less current liabilities		資產總值減流動負債		<u>1,733,045</u>	<u>1,735,270</u>

STATEMENT OF FINANCIAL POSITION 財務狀況表

As at 31 December 2012 於2012年12月31日

			At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
			NOTES 附註	
Non-current liabilities	非流動負債			
Derivative financial instruments	衍生金融工具	23	-	45,583
Bank and other borrowings – due after one year	銀行及其他借貸 – 一年後到期	31	240,587	701,638
Total non-current liabilities	非流動負債總額		240,587	747,221
Net assets	資產淨值		1,492,458	988,049
Capital and reserves	資本及儲備			
Share capital	股本	32	240,609	158,802
Reserves	儲備	34	1,251,849	829,247
Total equity	權益總值		1,492,458	988,049

LI Lan
李蘭
DIRECTOR
董事

HA Kam On
夏錦安
DIRECTOR
董事

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

For the 16 months period ended 31 December 2012 截至2012年12月31日止16個月期間

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests 非控股權益	Total equity 權益總值	
		Share capital 股本	Share premium 股份溢價	Capital redemption reserve 贖回儲備 資本	Translation reserve 匯兌儲備	Share options reserve 購股權儲備	Statutory reserves 法定儲備	Retained profits 滾存盈利			Total 總值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 September 2010	於2010年9月1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
Reclassification adjustment of translation reserve upon disposal of subsidiaries (note 40)	出售附屬公司時匯兌儲備之重新分類調整(附註40)	-	-	-	(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 recognized 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 31 August 2011	於2011年8月31日	158,802	197,124	210	(36,778)	3,395	42,193	2,473,080	2,838,026	200,200	3,038,226
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	997	-	-	-	997	1,162	2,159
Reclassification adjustment of translation reserve upon disposal of subsidiaries (note 40)	出售附屬公司時匯兌儲備之重新分類調整(附註40)	-	-	-	(13,537)	-	-	-	(13,537)	-	(13,537)
Loss for the period	是期間虧損	-	-	-	-	-	-	(324,167)	(324,167)	(13,594)	(337,761)
Total comprehensive expense for the period	是期間全面開支總值	-	-	-	(12,540)	-	-	(324,167)	(336,707)	(12,432)	(349,139)
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	-	-	-	10,268	-	-	10,268	-	10,268
Dividend recognized as distribution	已確認分派之股息	-	-	-	-	-	-	(7,940)	(7,940)	-	(7,940)
Transfers	調撥	-	-	-	-	-	1,109	(1,109)	-	-	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	-	(17,710)	(17,710)
Issue of shares (note b)	發行股份(附註b)	81,807	429,488	-	-	-	-	-	511,295	-	511,295
Share issuance expense	發行股份開支	-	(5,220)	-	-	-	-	-	(5,220)	-	(5,220)
At 31 December 2012	於2012年12月31日	240,609	621,392	210	(49,318)	13,663	43,302	2,139,864	3,009,722	170,058	3,179,780

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

For the 16 months period ended 31 December 2012 截至2012年12月31日止16個月期間

Note a: 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, capitalization into share capital, expansion of the relevant subsidiary's operation and for the welfare of the subsidiary's staff and workers.

Note b: On 6 June 2012, the Company allotted and issued a total of 409,036,000 shares of HK\$0.2 each at the price of HK\$1.25 per share to Chinatex Yieldfull Investment Co., Ltd. ("Yieldfull"), a company incorporated in the British Virgin Islands and wholly-owned by Chinatex Corporation ("Chinatex"), a state-owned enterprise under the direct supervision and administration of, and is beneficially owned by, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. Immediately after the issue of shares, there were 1,203,046,960 shares in issue and Chinatex effectively held approximately 34% of the issued share capital of the Company and became the single largest shareholder of the Company.

附註a: 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。

附註b: 於2012年6月6日，本公司按每股1.25港元之價格配發及發行合共409,036,000股每股面值0.2港元之股份予Chinatex Yieldfull Investment Co., Ltd. (「Yieldfull」)，一家於英屬處女群島註冊成立之公司，由中國中紡集團公司(「中紡」)全資擁有，而中紡乃一家由中國國務院國有資產監督管理委員會直接監督及管理以及實益擁有之國有企業。緊隨發行股份後，本公司有已發行股份1,203,046,960股，而中紡實際持有本公司已發行股本約34%，並成為本公司之單一最大股東。

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the 16 months period ended 31 December 2012 截至2012年12月31日止16個月期間

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
OPERATING ACTIVITIES	營運項目		
(Loss)/profit before taxation	除稅前(虧損)/盈利	(333,457)	343,191
Adjustments for:	調整:		
Government grants	政府補貼	(47,907)	-
Amortization of deferred income	遞延收入的攤銷	(1,946)	(1,458)
Depreciation of investment properties	投資物業之折舊	59	-
Depreciation of property, plant and equipment	物業、機器及設備之折舊	343,883	256,808
Equity-settled share-based payments	以權益結算以股份為基礎之付款	10,268	3,395
Finance costs	融資成本	87,288	71,589
Interest income	利息收入	(15,221)	(9,779)
Loss on disposal/written-off of property, plant and equipment	出售/註銷物業、機器及設備之虧損	2,955	5,169
Net gain on disposal of subsidiaries	出售附屬公司之所得收益淨額	(42,855)	(20,212)
Impairment loss recognized/(reversed) on trade receivables, net	營業應收款項之減值損失確認/(撥回)淨值	12,690	(8,245)
Release of prepaid lease payments	預付租賃款項轉出	3,478	2,791
Operating cash flows before movements in working capital	流動資金變動前的營運現金流量	19,235	643,249
Decrease in inventories	存貨的減少	344,255	261,532
(Increase)/decrease in trade and bills receivables	營業及票據應收款項的(增加)/減少	(4,740)	100,961
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之減少/(增加)	59,366	(14,516)
Increase/(decrease) in trade and bills payables	營業及票據應付款項的增加/(減少)	76,564	(199,779)
Increase in other payables and accruals	其他應付款項及應計費用的增加	24,203	2,943
Decrease in restructuring provisions	重組撥備減少	-	(730)
Net cash generated from operations	營運所得的現金淨值	518,883	793,660
Hong Kong profits tax (paid)/refunded	(已付)/退回香港利得稅	(60,440)	21,689
Overseas tax paid	已付海外稅項	(15,443)	(5,196)
NET CASH FROM OPERATING ACTIVITIES	營運項目所得的現金淨值	443,000	810,153

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the 16 months period ended 31 December 2012 截至2012年12月31日止16個月期間

	NOTES 附註	For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
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
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	117,371	46,600
Interest received	已收利息	13,691	3,270
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	4,702	2,412
Purchase of property, plant and equipment	購買物業、機器及設備	(99,396)	(110,334)
Payment for prepaid lease payments	支付預付租賃款項	(3,600)	-
Upfront payments under life insurance policies	人壽保險保單之預付款項	(36,178)	-
Deposits paid for acquisition of property, plant and equipment	購買物業、機器及設備之已付按金	(18,371)	-
Net movement in derivative financial instruments	衍生金融工具的變動淨值	(27,714)	(11,941)
Government grants received	已收政府補貼	47,907	-
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	投資項目(所用)/所得的現金淨值	(1,588)	122,557
FINANCING ACTIVITIES			
Repayment of bank and other borrowings	融資項目 償還銀行及其他借貸	(4,517,524)	(3,904,647)
Interest paid	已付利息	(81,886)	(62,496)
Payments for consideration payable	支付應付代價	(23,501)	(35,630)
Payment for share issuance expenses	支付發行股份開支	(5,220)	-
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	(17,710)	(11,900)
Dividends paid	已付股息	(7,940)	(7,940)
Proceeds from issue of shares	發行股份所得款項	511,295	-
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 and other borrowings raised	新籌集之銀行及其他借貸	3,785,749	3,556,825
Capital contribution from a non-controlling shareholder	非控股股東注資	-	4
NET CASH USED IN FINANCING ACTIVITIES	融資項目所用的現金淨值	(356,737)	(480,320)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目的增加淨值	84,675	452,390
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	於是期間/年度開始時的現金及等同現金項目	1,124,552	666,990
EFFECT ON CASH AND CASH EQUIVALENTS EXCHANGE RATE CHANGES	匯率變動對現金及等同現金項目的影響	1,065	5,172
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	於是期間/年度終結時的現金及等同現金項目	1,210,292	1,124,552
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS:			
Short-term bank deposits	短期銀行存款	302,577	106,075
Bank balances and cash	銀行結存及現金	915,466	1,018,477
Bank overdrafts	銀行透支	(7,751)	-
		1,210,292	1,124,552

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

31 December 2012 2012年12月31日

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 17.

The directors consider its immediate parent is Yieldfull and ultimate parent is Chinatex, a state-owned enterprise under the direct supervision and administration of, and is beneficially owned by, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

Since 6 June 2012, Chinatex has held approximately 34% of the issued share capital of the Company. In view of the fact that the principal operating subsidiaries of the Company established in the PRC are statutorily required to have their financial year end date set at 31 December, pursuant to a resolution of the board of directors dated 10 August 2012, the financial year of the Company (together with its subsidiaries collectively referred to as the "Group") has been changed from 31 August to 31 December. Accordingly, these consolidated financial statements now presented cover a period of 16 months from 1 September 2011 to 31 December 2012. The comparative figures presented for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover a period of 12-month, and therefore they are not entirely comparable.

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17內。

董事認為，其直接母公司為Yieldfull，而其最終母公司為中紡，一家由中國國務院國有資產監督管理委員會直接監督及管理以及實益擁有之國有企業。

自2012年6月6日起，中紡已持有本公司已發行股本約34%。由於本公司在中國成立之主要營業附屬公司的法定財政年度結算日均為12月31日，根據日期為2012年8月10日之董事會決議案，本公司(連同其附屬公司，統稱為「本集團」)之財政年度已由8月31日更改為12月31日。因此，現時所呈列之該等綜合財務報表涵蓋由2011年9月1日起至2012年12月31日止16個月。而綜合收益表、綜合全面收益表、綜合權益變動表、綜合現金流量表所呈列之比較數字以及相關附註涵蓋12個期間，因此未能全面比較。

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

31 December 2012 2012年12月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of amendments to HKFRSs - first effective on 1 January 2012

Amendments to HKFRS 1	Severe Hyper Inflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures - Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax - Recovery of Underlying Assets

Except as explained below, the adoption of these amendments has no material impact on the Group’s financial statements.

Amendments to HKFRS 7 - Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 expand the disclosure requirements for transfer transactions of financial assets, in particular where the reporting entity has continuing involvement in financial assets that it has derecognized. The newly required disclosures allow users of financial statements to better understand the risks to which the reporting entity remains exposed. And such information is relevant in assessing the amount, timing and uncertainty of the entity’s future cash flows.

The Group has discounted certain of its trade debts with recourse (note 21). As the Group retained the significant risks and rewards of ownership of the discounted trade debts, the transfer transactions did not meet the requirements of HKAS 39 for de-recognition. The trade debts remained as the Group’s financial assets with the cash received being recognized as asset-backed borrowings (note 31). The financial statements for the current period include additional disclosures describing the nature of the relationship between the discounted trade debts and the associated financial liabilities, including restrictions on the Group’s use of the debts arising from the discounting arrangements. In accordance with the transition requirements of the amendments, the disclosures for the comparative period have not been amended.

2. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納香港財務報告準則之修訂本—於2012年1月1日首次生效

香港財務報告準則第1號 之修訂本	嚴重高通脹及剔除首次 採用者的固定日期
香港財務報告準則第7號 之修訂本	披露—金融資產之轉撥
香港會計準則第12號 之修訂本	遞延稅項—收回相關 資產

除下文闡述者外，採納該等修訂本對本集團的財務報表並無重大影響。

香港財務報告準則第7號之修訂本—披露— 金融資產之轉撥

香港財務報告準則第7號的修訂本擴大了有關金融資產轉移交易的披露規定，尤其是當申報實體繼續參與已取消確認的金融資產。新披露規定允許財務報表使用者更好地了解有關申報實體仍面對的風險。有關資料乃於評估實體未來現金流量的金額、時間及不確定性時相關。

本集團已貼現若干具有追索權之營業債務（附註21）。由於本集團保留了貼現營業債務擁有權的重大風險及回報，轉讓交易並不符合香港會計準則第39號有關不再確認的規定。營業債務仍屬於本集團的金融資產，所收取之現金乃確認為資產擔保借貸（附註31）。是期間的財務報表包括描述貼現營業債務與相關金融負債之間關係性質的額外披露，包括對本集團使用貼現安排所產生債務的限制。根據修訂本的過渡規定，比較期間的披露資料並無修訂。

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

31 December 2012 2012年12月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of amendments to HKFRSs - first effective on 1 January 2012 (continued)

Amendments to HKAS 12 - Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property which is stated at fair value under HKAS 40 “Investment Property” is recovered entirely through sale. The measurement of the deferred tax liability or deferred tax asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If this presumption is rebutted, the amount of deferred tax is measured based on the expected manner in which the carrying amount of the investment property would be recovered, using the appropriate tax rates enacted or substantially enacted at the reporting date.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle ²
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income ¹
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ³
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities ²

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納香港財務報告準則之修訂本－於2012年1月1日首次生效（續）

香港會計準則第12號之修訂本－遞延稅項－收回相關資產

香港會計準則第12號修訂本引入按香港會計準則第40號「投資物業」以公平價值列值的投資物業可透過銷售全部收回的反駁推定。遞延稅項負債或遞延稅項資產的計量，應當反映透過出售該投資物業收回其賬面值的稅務影響。倘投資物業折舊及業務模式的目的並非是透過出售而是隨時間流逝實現該物業所包含的絕大部分經濟利益，則本推定被反駁。倘本推定被反駁，則按預期方式計量的遞延稅項金額（其中投資物業的賬面值可收回）乃使用於報告日期生效或大致生效的適當稅率。

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

下列可能與本集團財務報表有關之新訂／經修訂香港財務報告準則已經頒佈，惟尚未生效亦未經本集團提早採納。

香港財務報告準則（修訂本）	2009年至2011年週期的年度改進 ²
香港會計準則第1號之修訂本（經修訂）	其他全面收益項目的呈列 ¹
香港會計準則第32號之修訂本	抵銷金融資產及金融負債 ³
香港財務報告準則第7號之修訂本	抵銷金融資產及金融負債 ²

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

31 December 2012 2012年12月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HKAS 19 (2011)	Employee Benefits ²
HK(IFRIC) - Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ²
Amendments to HKFRS 1	Government Loans ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities ³

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

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	聯合安排 ²
香港財務報告準則第12號	於其他實體的權益披露 ²
香港財務報告準則第13號	公平價值計量 ²
香港會計準則第27號(2011)	獨立財務報表 ²
香港會計準則第28號(2011)	於聯營公司及合營公司之投資 ²
香港會計準則第19號(2011)	僱員福利 ²
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 ²
香港財務報告準則第1號之修訂本	政府貸款 ²
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂本(2011)	投資實體 ³

- ¹ 於2012年7月1日或之後開始之年度期間生效
- ² 於2013年1月1日或之後開始之年度期間生效
- ³ 於2014年1月1日或之後開始之年度期間生效
- ⁴ 於2015年1月1日或之後開始之年度期間生效

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

31 December 2012 2012年12月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRSs (Amendments) - Annual Improvements 2009-2011 Cycle

The improvements made amendments to the following standards:

(i) HKAS 1 Presentation of Financial Statements

The amendments clarify that the requirement to present a third statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements is limited to circumstances where there is a material effect on the information in that statement of financial position. The date of the opening statement of financial position is the beginning of the preceding period and not, as at present, the beginning of the earliest comparative period. The amendments also clarify that, except for disclosures required by HKAS 1.41-44 and HKAS 8, the related notes to the third statement of financial position are not required to be presented. An entity may present additional voluntary comparative information as long as that information is prepared in accordance with HKFRS. This may include one or more statements and not a complete set of financial statements. Related notes are required for each additional statement presented.

(ii) HKAS 16 Property, Plant and Equipment

The amendments clarify that items such as spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

(iii) HKAS 32 Financial Instruments: Presentation

The amendments clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. Depending on the circumstances these items of income tax might be recognized in equity, other comprehensive income or in profit or loss.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則（修訂本）－2009年至2011年週期的年度改進

該等改進已對下列準則作出修訂：

(i) 香港會計準則第1號財務報表的呈列

有關修訂對於當實體追溯應用會計政策或在其財務報表將項目追溯重列或重新分類而呈列第3份財務狀況表的規定作出澄清，表示此規定僅適用於對該財務狀況表內的資料構成重要影響的情況。期初財務狀況表的日期是指前一段期間開始之時，而非（截至目前為止）最早可比較期間開始之時。有關修訂亦澄清了，除香港會計準則第1.41-44號及香港會計準則第8號規定的披露外，毋須為第3份財務報表呈列附註。實體可呈列額外的自願比較資料，惟有關資料必須根據香港財務報告準則編製。此可能包括一份或多份報表，而不是一套完整財務報表。所呈列的各個額外報表均須呈列相關附註。

(ii) 香港會計準則第16號物業、機器及設備

有關修訂釐清為，當備件、備用設備和維修設備等項目符合物業、機器及設備的定義時，有關項目亦會確認為物業、機器及設備。否則，有關項目分類為存貨。

(iii) 香港會計準則第32號金融工具：呈列

有關修訂釐清為，向權益工具持有人作出分派及股權交易的交易成本之相關所得稅，應根據香港會計準則第12號所得稅入賬。根據不同情況，此等所得稅項目可能於權益、其他全面收益或損益中確認。

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRSs (Amendments) - Annual Improvements 2009-2011 Cycle (continued)

(iv) HKAS 34 Interim Financial Reporting

The amendments clarifies that in interim financial statements, a measure of total assets and liabilities for a particular reportable segment need to be disclosed when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements.

Amendments to HKAS 1 (Revised) - Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

Amendments to HKAS 32 - Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement.

Amendments to HKFRS 7 - Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognized financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則(修訂本)－2009年至2011年週期的年度改進(續)

(iv) 香港會計準則第34號中期財務報告

有關修訂釐清為，在中期財務報表中，當就一個特定可申報分類而計量之總資產及負債金額是定期向主要經營決策者匯報，而該分類之總資產及負債較上一份年度財務報表所匯報者有重大變動時，則須披露有關總資產及負債之計量。

香港會計準則第1號之修訂本(經修訂)－其他全面收益項目之呈列

香港會計準則第1號之修訂本(經修訂)規定本集團將呈列於其他全面收益的項目，分為該等可能於日後重新分類至損益的項目(例如可供出售金融資產之重估)及該等未必會重新分類至損益的項目(例如物業、廠房及設備之重估)。其他全面收益項目所繳納的稅項會按相同基準進行分配及披露。有關修訂將追溯應用。

香港會計準則第32號之修訂本－抵銷金融資產及金融負債

有關修訂通過對香港會計準則第32號加設應用指引而澄清了有關抵銷的規定，該指引釐清對實體「目前擁有法律上可強制執行權利以抵銷」及總額結算機制被視作為等同於淨額結算。

香港財務報告準則第7號之修訂本－抵銷金融資產及金融負債

香港財務報告準則第7號已作修訂，對根據香港會計準則第32號抵銷的所有已確認金融工具以及受限於可強制執行總對銷協議或類似安排者(而不論是否根據香港會計準則第32號抵銷)引入披露規定。

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) - Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity's business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organizations, venture capital organizations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

HKFRS 9 - Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortized cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognized in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognize the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognized in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂本(2011)－投資實體

有關修訂適用於符合投資實體資格的特定類別業務。投資實體之經營宗旨是僅為資本增值之回報、投資收入或同時取得兩者而投資資金。其按公平價值基準評估旗下投資項目的表現。投資實體可包括私募股權機構、風險投資機構、退休基金及投資基金。

有關修訂對香港財務報告準則第10號綜合財務報表的綜合入賬規定提供了一個例外情況，並規定投資實體按公平價值在損益計量特定附屬公司而不可將該等附屬公司綜合入賬。有關修訂亦載列適用於投資實體的披露規定。有關修訂已追溯應用，惟須受限於若干過渡條文。

香港財務報告準則第9號－金融工具

根據香港財務報告準則第9號，金融資產分類為按公平價值或按攤銷成本計量的金融資產，視乎實體管理金融資產的業務模式及金融資產的合約現金流量特點而定。公平價值收益或虧損將於損益中確認，惟對於若干非買賣股本投資，實體可選擇於其他全面收益中確認收益及虧損。香港財務報告準則第9號貫徹香港會計準則第39號有關金融負債的確認、分類及計量規定，惟就指定為按公平價值計入損益賬的金融負債而言，因該負債的信貨風險變動而引致之公平價值變動金額乃於其他全面收益中確認，除非此舉將產生或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號有關不再確認金融資產及金融負債的規定。

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 10 - Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implantation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 - Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity’s interests in other entities and the effects of those interests on the reporting entity’s financial statements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第10號－綜合財務報表

香港財務報告準則第10號就綜合計算所有被投資實體引入單一控股模式。當投資者有權控制被投資方(不論實際上有否行使該權力)、對來自被投資方的浮動回報享有之承擔或權利以及能運用對被投資方的權力以影響該等回報時,投資者即擁有控制權。香港財務報告準則第10號載有評估控制權的詳細指引。例如,該準則引入「實際」控制權的概念,據此,倘相對其他個人股東的表決權益的數量及分散情況,投資者的表決權益數量足夠佔優,使其獲得對被投資方的權力,即使持有被投資方表決權少於50%的投資者仍可控制被投資方。在分析控制時,潛在表決權僅在實質存在(即持有人有實際能力可行使該等表決權)時方需予考慮。該準則明確要求評估具有決策權的投資者是以委託人或代理人身份行事,以及具有決策權的其他各方是否以投資者的代理人身份行事。代理人獲委聘以代表另一方及為另一方的利益行事,故在其行使其決策權限時並不對被投資方具有控制。實施香港財務報告準則第10號可能導致該等被視為受本集團控制並因此在財務報表中綜合入賬的實體出現變動。現有香港會計準則第27號有關其他綜合計算相關事項的會計規定貫徹不變。香港財務報告準則第10號已追溯應用,惟須受限於若干過渡性條文。

香港財務報告準則第12號－披露於其他實體的權益

香港財務報告準則第12號整合有關於附屬公司、聯營公司及合營安排之權益的披露規定,並使有關規定貫徹一致。該準則亦引入新披露規定,包括有關非綜合計算結構實體的披露規定。該準則的一般目標是令財務報表使用者可評估呈報實體於其他實體的權益的性質及風險及該等權益對呈報實體的財務報表的影響。

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

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 13 - Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 “Financial Instruments: Disclosures”. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

Amendments to HKFRS 1 – Government Loans

The amendments add an exception to the retrospective application of HKFRSs to require that first-time adopters apply the requirements in HKFRS 9 Financial Instruments and HKAS 20 Accounting for Government Grants and Disclosure of Governance Assistance prospectively to government loans existing at the date of transition to HKFRSs.

This means that first time adopters will not recognize the corresponding benefit of the government loan at a below market rate of interest as a government grant. However, entities may choose to apply the requirements of HKFRS 9 and HKAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan.

The Group is in the process of making an assessment of the potential impact of these pronouncements. The directors so far concluded that the applications of these new pronouncements will have no material impact on the Group's financial statements.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則第13號－公平價值計量

香港財務報告準則第13號提供有關如何在其他準則要求或准許時計量公平價值的單一指引來源。該準則適用於按公平價值計量的金融項目及非金融項目，並引入公平價值計量等級。此計量等級中3個層級的定義一般與香港財務報告準則第7號「金融工具：披露」一致。香港財務報告準則第13號將公平價值界定為在市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付的價格（即平倉價）。該準則撤銷以買入價及賣出價釐定於交投活躍市場掛牌之金融資產及負債之規定，而應採用買賣差價中在該等情況下最能代表公平價值之價格。該準則亦載有詳細之披露規定，讓財務報表使用者可評估計量公平價值所採用之方法及數據以及公平價值計量對財務報表之影響。香港財務報告準則第13號可提早採用且於未來應用。

香港財務報告準則第1號的修訂本－政府貸款

有關修訂本就追溯應用香港財務報告準則增加一項例外情形，即要求首次採納者日後將香港財務報告準則第9號金融工具及香港會計準則第20號政府補貼的會計處理及政府資助的披露的相關規定應用於過渡至香港財務報告準則日期存在的政府貸款中。

這表示首次採納者將不能以低於市場利率確認政府貸款的相應收益為政府補貼。然而，倘於該政府貸款於首次入賬時已取得規定所需的資料，則實體可追溯應用香港財務報告準則第9號及香港會計準則第20號於該政府貸款。

本集團正在評估此等公告之潛在影響。直至目前為止，董事認為應用此等新公告則將不會對本集團之財務報表造成重大影響。

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

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3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values.

(c) Functional and presentation currency

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

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“the Group”). Inter-company transactions and balances between group companies together with unrealized profits are eliminated in full in preparing the consolidated financial statements. Unrealized losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognized in profit or loss.

The results of subsidiaries acquired or disposed of during the period/year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates 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.

3. 編製基準

(a) 遵例聲明

財務報表乃按照所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(統稱「香港財務報告準則」)以及香港公司條例之規定而編製。此外，財務報表包括香港聯合交易所有限公司證券上市規則之適用披露資料。

(b) 計量基準

財務報表乃按歷史成本基準編製，惟若干金融工具乃按公平價值列賬除外。

(c) 功能及呈列貨幣

綜合財務報表以港元呈列，亦為本公司之功能貨幣。

4. 主要會計政策

(a) 業務合併及綜合基準

綜合財務報表載納本公司及其附屬公司(「本集團」)的財務報表。集團公司之間內部公司交易及結餘以及於編制綜合財務報表中未實現之溢利已於編製綜合賬目時完全對銷。未實現虧損亦做對銷，除非是項交易提供資產轉移減值證據，則在損益表中確認虧損。

是期間／年度收購或出售的附屬公司的業績已根據其收購或出售日期(如適用)包括在綜合全面收益表內。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。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and basis of consolidation (continued)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognized in profit or loss.

The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognized at acquisition-date fair value. Subsequent adjustments to consideration are recognized against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognized in profit or loss.

Contingent consideration balances arising from business combinations whose acquisition dates preceded 1 January 2010 (i.e. the date the Group first applied HKFRS 3 (2008)) have been accounted for in accordance with the transition requirements in the standard. Such balances are not adjusted upon first application of the standard. Subsequent revisions to estimates of such consideration are treated as adjustments to the cost of these business combinations and are recognized as part of goodwill.

4. 主要會計政策(續)

(a) 業務合併及綜合基準(續)

收購附屬公司或業務採用收購法入賬。收購成本按本集團(作為收購方)於收購日期所轉移資產、所產生的負債及發行的股權的公平價值總額計算。所收購之可識別資產及所產生的負債主要按收購日期公平價值計算。本集團先前於被收購方所持有的股權將按收購日期公平價值重新計算，所產生的收益或虧損於損益賬確認。

本集團可就每宗交易選擇按公平價值或按應佔被收購方可識別資產淨值的比例計量代表於附屬公司的目前擁有權權益之非控股權益。所有其他非控股權益按公平價值計量，除非香港財務報告準則規定另一項計量基準，則作別論。因收購所產生之相關成本一概列作開支，除非有關成本是於發行股本工具時產生，則有關成本會於權益中扣除。

收購方將予轉移之任何或然代價按收購日期公平價值確認。其後對或然代價之調整，則僅於調整是源自有關於收購日期之公平價值之新資料，且新資料是於計量期間(最長為收購日期起12個月)內取得時，方以商譽確認。所有其他對分類為資產或負債的或然代價作出之其後調整於損益賬確認。

因業務合併而產生而收購日期在2010年1月1日(即本集團首次採用香港財務報告準則第3號(2008年))前的或然代價結餘，已根據該準則之過渡規定入賬。有關結餘並無於首次採用該準則後調整。其後對有關代價的估計所作修訂，乃視作對此等業務合併的成本作出調整，並且確認為商譽的一部份。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and basis of consolidation (continued)

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an entity over which the Company is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

Investments in subsidiaries are included in the Company's statement of financial position at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4. 主要會計政策(續)

(a) 業務合併及綜合基準(續)

本集團於不會導致失去控制權之附屬公司之權益變動計入股權交易。本集團權益及非控股權益之賬面值已經調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平價值兩者間之任何差額直接於權益及本公司持有人應佔確認。

當本集團失去該附屬公司之控制權，出售溢利或虧損為以下兩者之差額：(i)已收代價公平價值與任何保留權益公平價值之總額及(ii)附屬公司過往之資產(包括商譽)及負債之賬面值及非控股股東權益。如相關資產或負債已經出售，以往於其他全面收益確認與該附屬公司有關之金額亦以相同方式入賬。

於收購後，代表於附屬公司的現有擁有權權益的非控股權益的賬面值指該等權益初步確認的金額加上該非控股權益應佔權益之其後變動。即使導致該非控股權益結餘出現虧絀，全面收益總額亦有歸屬於該等非控股權益應佔款項。

(b) 附屬公司

附屬公司為本公司可以對其行使控制權的實體。控制權通過本公司(直接或間接)有權控制其財務及營運政策，藉以從其業務取得利益的企業。於評估本公司是否控制另一家企業時，將會考慮當時可行使的潛在投票權。

附屬公司的投資乃按成本扣除減值虧損(如有)於本公司的財務狀況表入賬。附屬公司的業績按本公司已收及應收的股息入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) 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 recognized 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 realizable 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 realizable.

(d) 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 recognized 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. The useful lives are as follows:

4. 主要會計政策(續)

(c) 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，則可予變現。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)會在該項目可予變現的期間包括在損益內。

(d) 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。可使用年期載列如下：

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

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

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

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalized during the periods of construction and installation. Capitalization of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An item of property, plant and equipment is derecognized 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 recognized in profit or loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortization 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).

4. 主要會計政策(續)

(d) 物業、機器及設備(續)

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

永久持有的土地乃按成本減任何已確認減值損失列賬。

在建工程以成本減減值虧損列賬。成本指建築的直接成本，以及於建築及裝修期間列作資本的借貸成本。當大部分準備該資產以用作擬定用途所須的活動已完成時，則停止資本化成本，並將在在建工程轉移至相關類別的物業、機器及設備。在建工程於完成及可按擬定用途使用前不作折舊撥備。

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。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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 recognized 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 recognized as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognized 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 recognized as a liability. The aggregate benefit of incentives is recognized 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.

(f) 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.

4. 主要會計政策(續)

(e) 租賃

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

本集團作為出租人

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

本集團作為承租人

營運租賃付款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。

(f) 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。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leasehold land and building (continued)

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 amortized over the lease term on a straight-line basis.

(g) Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(h) Financial instruments

Financial assets and financial liabilities are recognized 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 recognized immediately in profit or loss.

(i) Financial assets

The Group's financial assets are classified as loans and receivables, available-for-sale financial assets and derivative financial instruments.

4. 主要會計政策(續)

(f) 租賃土地及樓宇(續)

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期內攤銷。

(g) 存貨

存貨初始按成本確認，其後按成本及可變現淨值的較低者確認。成本包括所有採購成本、轉移成本及將存貨達致其目前地點及狀況所產生的其他成本。成本以先進先出基準計算。可變現淨值指一般業務過程中的估計售價減去作出銷售所需的估計成本。

(h) 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。

(i) 金融資產

本集團的金融資產分類為貸款及應收款項、可供出售金融資產以及衍生金融工具。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(i) Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortized 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 recognized 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 trade and bills receivables, other receivables, amounts due from subsidiaries, bank deposits and bank balances) are carried at amortized cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of loans and receivables below).

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets (including investment in life insurance policies) are carried at fair value with changes in fair value recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognized in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

4. 主要會計政策 (續)

(h) 金融工具 (續)

(i) 金融資產 (續)

實際利率方法

實際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。實際利率是將估計未來現金收入(包括所有構成實際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實際利率方法確認。

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)均按實際利率方法，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)。

可供出售金融資產

該等資產為指定為可供出售或不計入其他金融資產類別的非衍生金融資產。於初始確認後，該等資產(包括人壽保險保單之投資)乃按公平價值列賬，而公平價值的變動於其他全面收益內確認，惟於損益確認的貨幣工具減值虧損及匯兌損益除外。

於活躍市場並無市場報價且公平價值不能可靠計算的可供出售投資及與該等股本工具掛鈎及必須透過交付該等工具進行交收的衍生工具，均按成本減任何已識別減值虧損列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(i) 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-organization; 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 recognized 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.

4. 主要會計政策(續)

(h) 金融工具(續)

(i) 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實際利率貼現的估計未來現金流量現值的差額計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(i) 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 recognized 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 recognized, the previously recognized 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 amortized cost would have been had the impairment not been recognized.

Impairment of available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

4. 主要會計政策 (續)

(h) 金融工具 (續)

(i) 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。

可供出售金融資產減值

倘公平價值減少構成減值的客觀證據，則虧損金額自權益扣除及於損益內確認。

可供出售股本權益投資於減值虧損後的任何公平價值增加乃於其他全面收益內確認。

按成本列賬可供出售股本權益投資的減值損失金額乃以資產賬面值及按類似金融資產的現時市場回報率折現其估計未來現金流量兩者的差額計算。有關減值損失不得撥回。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(ii) 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.

Effective interest method

The effective interest method is a method of calculating the amortized 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 recognized 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 and other borrowings and bank overdrafts are subsequently measured at amortized 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.

(iii) Derivative financial instruments

Derivatives are initially recognized 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 recognized 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.

4. 主要會計政策(續)

(h) 金融工具(續)

(ii) 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。

實際利率方法

實際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。實際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。

利息費用按實際利率方法確認。

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、銀行及其他借貸及銀行透支，其後乃按實際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。

(iii) 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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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(iv) 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 recognized 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 recognized less, when appropriate, cumulative amortization recognized in accordance with HKAS 18 "Revenue".

(v) Derecognition

Financial assets are derecognized 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 recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

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

4. 主要會計政策 (續)

(h) 金融工具 (續)

(iv) 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。

(v) 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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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Government grants

Government grants are not recognized 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 recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

(j) Provisions

Provisions are recognized 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 recognized 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.

(k) 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 recognized as an expense immediately.

4. 主要會計政策(續)

(i) 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內撥入損益。

(j) 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。

(k) 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。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment losses on tangible assets (continued)

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

(l) 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 recognized 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 recognized 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 recognized when the shareholders' rights to receive payment have been established.

(m) 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.

4. 主要會計政策(續)

(k) 有形資產的減值損失(續)

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

(l) 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。

(m) 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。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Capitalization of 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 capitalization.

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

(o) 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 period/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 periods/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 recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognized assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realized or settled and that have been enacted or substantively enacted at the end of reporting period.

4. 主要會計政策(續)

(n) 借貸成本撥作資本

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。

(o) 稅項

所得稅開支乃指是期間應付稅項及遞延稅項的總和。

是年度應付稅項是以是期間/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期間/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。本集團是期間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。

遞延稅項乃就用於財務報告目的之資產及負債的賬面值與用於稅務目的之相應金額之間的暫時差額確認。除商譽以及不影響會計或應課稅溢利的已確認資產及負債外,會就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產於有可能動用應課稅溢利抵銷可抵扣暫時差額的情況確認。遞延稅項乃按適用於預期變現資產或清償負債賬面值的方式以及於報告期終已頒佈或實質上已頒佈的稅率計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Taxation (continued)

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognized 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 recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 realized, 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 recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

4. 主要會計政策 (續)

(o) 稅項 (續)

對於計量遞延稅項金額時用於釐定適合稅率的一般規定而言，有一個例外情況，即投資物業是根據香港會計準則第40號「投資物業」而按公平價值列賬。除非該假定被推翻，否則此等投資物業的遞延稅項金額是以出售此等投資物業時所適用的稅率以及按其於報告日期的賬面值而計量。若投資物業是可計提折舊並根據一個商業模式而持有，而該商業模式的目的是隨著時間推移而消耗該物業所體現的絕大部份經濟利益（而不是通過出售）時，該假定即被推翻。

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。

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

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

遞延稅項負債及資產的計量，反映於報告期終本集團預計收回或償付其資產及負債賬面值時產生的稅務後果。遞延稅項於損益內確認，惟倘遞延稅項與在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。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Taxation (continued)

Income taxes are recognized in profit or loss except when they relate to items recognized in other comprehensive income in which case the taxes are also recognized in other comprehensive income.

(p) 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 recognized in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the 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 period/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 recognized in other comprehensive income and accumulated in equity (the translation reserve).

On disposal of a foreign operation, the cumulative exchange differences recognized in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

4. 主要會計政策(續)

(o) 稅項(續)

所得稅乃於損益賬內確認，除非該等稅項與於其他全面收益確認的項目有關，在此情況下，該等稅項亦於其他全面益確認。

(p) 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。

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／年度的平均匯率換算，除非匯率於該期間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)。

出售海外業務時，外匯儲備內確認該業務截至出售日期止的累積匯兌差額將重新分類至損益賬，作為出售溢利或虧損的一部份。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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 recognized in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognized 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 recognized in the share options reserve will be transferred to retained profits.

(r) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

4. 主要會計政策(續)

(q) 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。

(r) 關連人士

(a) 倘出現下列情況則該名人士被視為本集團有關連人士：

- (i) 對本集團有控制權或共同控制權；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團或本公司母公司高級管理層職員的成員。

(b) 倘出現下列情況則該實體被視為本集團有關連人士：

- (i) 該實體及本集團屬同一集團(即各母公司、附屬公司及同系附屬公司為互相關連)。
- (ii) 一個實體是另一實體的聯繫人或合營企業(或集團之成員之聯繫人或合營企業，而該集團當中的另一實體為成員)。
- (iii) 兩個實體皆為相同第三方的合營企業。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Related parties (continued)

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. 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.

4. 主要會計政策(續)

(r) 關連人士(續)

- (iv) 一個實體為第三實體之合營企業及另一實體為第三實體的聯繫人士。
- (v) 該實體為本集團或作為本集團關連人士的僱員福利而設的離職後福利計劃。
- (vi) 該實體受(a)部所識別的人士控制或共同控制。
- (vii) 於(a)(i)所識別對實體有重大影響的人士，或是實體(或實體之母公司)高級管理層職員的成員。

該名人士的近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響的該等家族成員並包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的家屬。

5. 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實際利率(即初步確認時計算的實際利率)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。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Allowance for inventories

Inventories are valued at the lower of cost and net realizable 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.

Estimated provision for the tax audit

As detailed in note 8, the Inland Revenue Department (“IRD”) had initiated tax inquiries and issued protective profits tax assessment notice (“Protective Assessments”) for additional taxes against the Group. If the final tax required for the settlement of the tax audit is significantly varied from the provision which has been made, such differences may impact the income tax provisions.

6. 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 (loss)/profit from the production and sales of dyed fabrics, sewing threads, yarns and garments and results by reportable segment for the period/year.

5. 不確定性估計的主要來源(續)

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。

稅務審查的估計撥備

誠如附註8所詳述，香港稅務局(「稅務局」)就本集團的補加稅項進行稅務審查，並發出保障性評稅(「保障性評稅」)通知。倘若償付稅務審查所需之最終稅項遠高於所作的撥備，有關差額可能影響所得稅撥備。

6. 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(虧損)/盈利於是期間/年度按可申報分類所作之分析。

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6. REVENUE AND SEGMENT INFORMATION (continued)

6. 營業額及分類資料(續)

For the 12 months ended 31 August 2011

截至2011年8月31日止12個月

		Hong		Taiwan	Korea	Sri		Europe	Others	Segment		Consolidated
		Kong	The PRC			Lanka	America			total	Eliminations	
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	營業額											
External sales	對外銷售	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
Depreciation and amortization	折舊及攤銷											(259,599)
Other unallocated expenses	其他未分配支出											(333,882)
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

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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6. REVENUE AND SEGMENT INFORMATION (continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of central administration costs and other expenses (including non-production related employee benefits expenses, directors' emoluments, bank charges, etc.), depreciation and amortization, interest income, loss on disposal/written-off of property, plant and equipment, net gain 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:

6. 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4所述之會計政策相同。分類盈利乃指各分類所賺取的盈利，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開支、董事酬金、銀行費用等)，折舊及攤銷、利息收入、出售／註銷物業、機器及設備之虧損、衍生金融工具之收益淨值、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

For the 16 months ended 截至2012年12月31日

31 December 2012 止16個月

Impairment loss (reversed)/ 營業應收款項之減值
recognized on 損失(撥回)/確認
trade receivables, net 淨值

	(288)	3,412	9,051	297	248	(2)	1	(29)	12,690
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For the 12 months ended 截至2011年8月31日

31 August 2011 止12個月

Impairment loss (reversed)/ 營業應收款項之減值
recognized on 損失(撥回)/確認
trade receivables, net 淨值

	(4,499)	1,224	581	17	(567)	(48)	(46)	(4,907)	(8,245)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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6. 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:

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 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)	7,977,076	6,643,889
Production and sales of garments	製造及銷售成衣	1,190,013	950,000
		<u>9,167,089</u>	<u>7,593,889</u>

Note: The balance substantially represents revenue from sales of dyed fabrics for the period/year.

6. 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：

附註：是期間／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:

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 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
The PRC	中國	1,749,854	2,081,324
Hong Kong	香港	77,599	21,556
America	美洲	173	201
Sri Lanka	斯里蘭卡	166,550	170,198
Others	其他地區	768	1,239
		<u>1,994,944</u>	<u>2,274,518</u>

Note: Non-current assets excluded deferred tax assets.

附註：非流動資產不包括遞延稅項資產。

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6. 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 the year ended 31 August 2011 and the 16 months period ended 31 December 2012.

6. 營業額及分類資料(續)

有關主要客戶之資料

於截至2011年8月31日止年度及截至2012年12月31日止16個月期間，均無來自個別客戶之營業額佔本集團營業總額超過10%。

7. FINANCE COSTS

7. 融資成本

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
Finance costs on:	融資成本：		
Bank and other borrowings wholly repayable within five years	須於5年內全部償還之銀行及其他借貸	87,288	70,904
Imputed interest expense on consideration payable (note 28)	應付代價之推算利息開支(附註28)	-	685
Total finance costs	融資成本總值	<u>87,288</u>	<u>71,589</u>

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8. INCOME TAX EXPENSE

8. 所得稅支出

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
Current tax:	是期間稅項：		
Hong Kong	香港	625	52,164
The PRC	中國	8,849	9,396
Other jurisdictions	其他司法地區	146	3,318
		<u>9,620</u>	<u>64,878</u>
Under/(over) provision in prior years:	過往年度撥備不足／(超額撥備)：		
Hong Kong	香港	562	9
The PRC	中國	(2,086)	(1,865)
Other jurisdictions	其他司法地區	(289)	497
		<u>(1,813)</u>	<u>(1,359)</u>
Provision for the tax audit	稅務審查撥備	-	41,000
		<u>7,807</u>	<u>104,519</u>
Deferred tax (note 18):	遞延稅項(附註18)：		
Hong Kong	香港	(64)	78
The PRC	中國	(3,543)	(729)
Other jurisdictions	其他司法地區	104	(395)
		<u>(3,503)</u>	<u>(1,046)</u>
		<u>4,304</u>	<u>103,473</u>

Hong Kong Profits Tax is calculated at 16.5% (31 August 2011: 16.5%) of the estimated assessable profit for the period/year.

香港利得稅乃按是期間／年度之估計應課稅盈利以16.5% (2011年8月31日：16.5%) 計算。

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8. INCOME TAX EXPENSE (continued)

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT law, the tax rate of the PRC subsidiaries is 25% starting from 1 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 periods. The Tax Holiday expired on 31 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 31 August 2015. Accordingly, no provision for the income tax was made on the profit for both periods.

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

In February 2008, the Hong Kong Inland Revenue Department (the "IRD") initiated a tax audit on the Company and its subsidiaries for the years of assessment from 2001/02 onwards. In March 2008, 2009 and 2010, February 2011, January 2012 and February 2012, notices of estimate additional assessment (the "Protective Assessments") for the years of assessment 2001/02, 2002/03, 2003/04, 2004/05, 2005/06 and 2005/06 in an aggregate amount of HK\$14,352,000, HK\$19,844,000, HK\$18,390,000, HK\$62,834,000, HK\$35,019,000 and HK\$12,343,000, respectively, were issued to the Company and certain subsidiaries of the Company by the IRD.

8. 所得稅支出(續)

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例,從2008年1月1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2個曆年獲豁免繳納中國企業所得稅及於其後3個曆年獲減免50%的中國企業所得稅(「免稅期」)。於兩個期間免稅期的經調低稅率為12.5%。免稅期已於2012年12月31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2015年8月31日為止。據此,於兩個期間並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2008年2月,香港稅務局(「稅務局」)就本公司及其附屬公司由2001/02及其後之課稅年度進行一項稅務審查。於2008年3月、2009年3月及2010年3月、2011年2月、2012年1月以及2012年2月,稅務局就2001/02、2002/03、2003/04、2004/05、2005/06及2005/06課稅年度分別發出合共14,352,000港元、19,844,000港元、18,390,000港元、62,834,000港元、35,019,000港元及12,343,000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。

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8. INCOME TAX EXPENSE (continued)

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 the above overseas subsidiary. Regarding the Protective Assessments for the year of assessment 2005/06, out of the aggregate amount of HK\$47,362,000, two Protective Assessments of HK\$1,687,000 and HK\$15,985,000 issued to the Company and a Hong Kong subsidiary, respectively, were also in effect alternative assessments to that of the above 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, 2004/05 and 2005/06, amounts were held over on the condition that Tax Reserve Certificates in the amount of HK\$1,600,000, HK\$23,000,000 and HK\$10,000,000 were purchased in May 2010, April 2011 and March 2012, respectively.

During the year ended 31 August 2011, having taken the advices from the Group's tax advisor, the directors of the Company made a provision for additional tax of HK\$41,000,000, which was charged to the consolidated income statement, in relation to the tax audit. Further to that, the Group has submitted a settlement proposal, on a complete without prejudice basis, to the IRD on 21 January 2013 in order to finalize the tax audit and tax position of the Group for the years of assessment 2001/02 to 2011/12. The directors believe that other than the aforesaid provision, no significant amount of additional profits tax will be payable for the tax audit.

8. 所得稅支出(續)

就2003/04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2004/05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上述海外附屬公司的保障性評稅之交替式的估計評稅。就2005/06課稅年度之保障性評稅合共47,362,000港元之金額，當中兩張保障性評稅金額1,687,000港元及15,985,000港元分別發出給本公司及一間香港附屬公司實為發出給上述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，2001/02及2002/03課稅年度之全數金額已獲無條件緩繳，而2003/04、2004/05及2005/06課稅年度之金額已分別於2010年5月、2011年4月及2012年3月購買1,600,000港元、23,000,000港元及10,000,000港元之儲稅券時獲緩繳。

截至2011年8月31日止年度期間，經考慮本集團稅務顧問的意見後，本公司董事已就稅務審查補加稅項撥備41,000,000港元，有關撥備已從綜合收益表扣除。此外，本集團已於2013年1月21日向稅務局提交全面無損權利的和解建議書，以達致完成本集團2001/02至2011/12課稅年度的稅務審查及稅務狀況。董事相信，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。

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8. INCOME TAX EXPENSE (continued)

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

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

8. 所得稅支出(續)

有關遞延稅項之詳情載於附註18。

是期間/年度於綜合收益表的稅項支出與除稅前(虧損)/盈利的對賬如下:

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
(Loss)/profit before taxation	除稅前(虧損)/盈利	(333,457)	343,191
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	(83,798)	35,142
Tax effect of expenses not deductible for tax purpose	費用不獲扣稅的稅務影響	34,866	4,755
Tax effect of income not taxable for tax purpose	收入毋須課稅的稅務影響	(13,220)	(12,521)
Overprovision in prior years	過往年度超額撥備	(1,813)	(1,359)
Provision for the tax audit	稅務審查撥備	-	41,000
Tax effect of tax losses not recognized	稅項虧損未被確認的稅務影響	88,497	45,689
Tax effect of other deferred tax not recognized	其他遞延稅項未被確認的稅務影響	4,546	20,737
Income tax at concessionary rate	按優惠稅率計算的所得稅	1,738	(623)
Utilization of tax losses previously not recognized	運用過往未被確認的稅項虧損	(4,194)	(18,215)
Utilization of other deferred tax previously not recognized	運用過往未被確認的其他遞延稅項	(21,719)	(10,482)
Deferred tax provided on withholding tax on PRC and overseas subsidiaries	中國及海外附屬公司預扣稅的遞延稅項計提	(605)	(736)
Others	其他	6	86
Tax charge for the period/year	是期間/年度稅項支出	4,304	103,473

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9. (LOSS)/PROFIT FOR THE PERIOD/YEAR

9. 是期間／年度（虧損）／盈利

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
(Loss)/profit for the period/year has been arrived at after charging:	是期間／年度（虧損）／盈利已扣減下列：		
Auditors' remuneration	核數師之薪酬	4,214	4,600
Cost of inventories recognized as expenses	確認為費用之存貨成本	8,379,813	6,429,052
Depreciation of investment properties (note 14)	投資物業之折舊（附註14）	59	-
Depreciation of property, plant and equipment (note 15)	物業、機器及設備之折舊（附註15）	343,883	256,808
Employee benefits expense (including directors' emoluments set out in note 10)	僱員福利支出（包括載於附註10之董事酬金）	1,218,138	876,284
Impairment loss recognized on trade receivables, net	確認為營業應收款項之減值損失淨值	12,690	-
Loss on disposal/written-off of property, plant and equipment (included in other expenses)	出售／註銷物業、機器及設備之虧損（包括在其他費用內）	2,955	5,169
Net exchange losses (included in other expenses)	匯兌虧損淨值（包括在其他費用內）	1,358	17,112
Release of prepaid lease payments included in	包括在以下項目內的預付租賃款項轉出		
–cost of sales	–銷售成本	3,455	2,711
–administrative expenses	–行政費用	23	80
and after crediting:	及已計入：		
Amortization of deferred income*	遞延收入的攤銷*	1,946	1,458
Imputed interest income on consideration receivable*	應收代價之推算利息收入*	-	6,469
Interest income*	利息收入*	15,221	3,310
Rental income from investment properties*	投資物業的租金收入*	413	-
Net gain from derivative financial instruments*	衍生金融工具之收益淨值*	2,771	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
Government grants* (note)	政府補貼*（附註）	47,907	-

* Included in other income

* 包括在其他收入內

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9. (LOSS)/PROFIT FOR THE PERIOD/YEAR (continued)

Note: Government grants for the 16 months ended 31 December 2012 mainly represent a grant of HK\$37,145,000 received from the PRC local government authority as a compensation to the Group for relocating and disposing of certain property, plant and equipment. There were no restrictions with the use of such government grants.

10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the sixteen (31 August 2011: ten) directors during the period/year were as follows:

9. 是期間／年度(虧損)／盈利(續)

附註：截至2012年12月31日止16個月之政府補貼主要指收取自中國地方政府之37,145,000港元補貼，以補償本集團重置及出售若干物業、機器及設備。該政府補貼並無限制使用用途。

10. 董事及僱員酬金資料

(a) 董事酬金

是期間／年度已付或應付給16位(2011年8月31日：10位)中每一位董事的酬金如下：

For the 16 months ended 31 December 2012		截至2012年12月31日止16個月																				
		HA Kam				YEN GONG				ZHAO NG Kwok				WONG		CHOW			FUNG			
		HA Chung	On,	HA Hon	YEN	GONG	ZHAO	NG Kwok	WONG	CHEN	CHEN	Wing Kin,	YANG	YEH Yi	ZHANG	CHAN	Total					
		LI Lan	Fong	Victor	Kuen	Gordon	Zhengyi	Yao	Tung	Chi	Rong	Minghong	Anthony	Shibin	Hao, Yvette	Chong	Yuk Yin	Total				
		李蘭	夏松芳	夏錦安	夏漢權	嚴震鎔	宮征強	趙耀	伍國棟	王幹芝	陳榕	陳鳴洪	周永健	楊世濱	馮葉儀皓	張湧	陳旭賢	總值				
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元	千港元	千港元	千港元				
		(note i)	(note ii)	(note iii)	(note i)	(note i)	(note iv)	(note v)	(note vi)	(note vii)	(note viii)	(note ix)	(note v)	(note vi)	(note vii)	(note viii)	(note x)	(note x)				
		(附註i)	(附註ii)	(附註iii)	(附註i)	(附註i)	(附註iv)	(附註v)	(附註vi)	(附註vii)	(附註viii)	(附註ix)	(附註v)	(附註vi)	(附註vii)	(附註viii)	(附註ix)	(附註x)				
Fees	袍金	-	-	-	-	-	100	-	333	153	-	-	267	114	153	-	55	1,175				
Other emoluments	其他酬金	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Salaries and other benefits	薪金及其他福利	-	15,682	5,089	1,020	4,446	-	-	-	-	-	-	-	-	-	-	-	26,237				
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	-	1,973	-	1,973	-	-	-	-	-	-	-	-	-	-	-	3,946				
Retirement benefits scheme contribution	退休福利計劃供款	-	-	382	69	296	-	-	-	-	-	-	-	-	-	-	-	747				
		-	15,682	7,444	1,089	6,715	100	-	333	153	-	-	267	114	153	-	55	32,105				

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

(a) Directors' emoluments (continued)

Notes:

- (i) Madam LI Lan, Mr. GONG Zhengyi and Mr. CHEN Rong were appointed as Executive Directors of the Company on 6 June 2012.
- (ii) Mr. HA Chung Fong has resigned as Chairman and appointed as Honorary Chairman of the Company on 6 June 2012. He has resigned as Executive Director and has continued to act as Honorary Chairman and senior consultant of the Company with effect from 27 November 2012.
- (iii) Mr. HA Hon Kuen has resigned as Executive Director on 6 June 2012.
- (iv) Mr. ZHAO Yao was appointed as Executive Director on 27 November 2012.
- (v) Mrs FUNG YEH Yi Hao, Yvette and Mr. WONG Kwong Chi have resigned as Independent Non-Executive Directors on 6 June 2012.
- (vi) Mr. CHEN Rong has resigned as Executive Director on 27 November 2012.
- (vii) Mr. ZHANG Chong and Mr. CHEN Minghong were appointed as Non-Executive Director on 6 June 2012.
- (viii) Mr. CHEN Minghong has resigned as Non-Executive Director on 27 November 2012.
- (ix) Mr. YANG Shibin was appointed as Independent Non-Executive Director on 6 June 2012.
- (x) Mr. CHAN Yuk Yin has retired as Non-Executive Director on 12 January 2012.

During the period, 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 period.

For the 12 months ended 31 August 2011

10. 董事及僱員酬金資料(續)

(a) 董事酬金(續)

附註：

- (i) 李蘭女士、宮征誼先生及陳榕先生於2012年6月6日獲委任為本公司執行董事。
- (ii) 夏松芳先生於2012年6月6日辭任主席職務，並獲委任為本公司名譽主席。彼於2012年11月27日辭任執行董事職務，並繼續留任為本公司名譽主席及高級顧問。
- (iii) 夏漢權先生於2012年6月6日辭任執行董事職務。
- (iv) 趙耀先生於2012年11月27日獲委任為執行董事。
- (v) 馮葉儀皓女士及王幹芝先生於2012年6月6日辭任獨立非執行董事職務。
- (vi) 陳榕先生於2012年11月27日辭任執行董事職務。
- (vii) 張湧先生及陳鳴洪先生於2012年6月6日獲委任為非執行董事。
- (viii) 陳鳴洪先生於2012年11月27日辭任非執行董事職務。
- (ix) 楊世濱先生於2012年6月6日獲委任為獨立非執行董事。
- (x) 陳旭賢先生於2012年1月12日退任非執行董事職務。

於是期間，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。是期間概無董事放棄任何酬金。

截至2011年8月31日止12個月

	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 夏漢權 HK\$'000 千港元	LAU YEN Gordon 嚴震銘 HK\$'000 千港元	LAU Hong Yon 柳康遠 HK\$'000 千港元 (note i) (附註i)	CHAN Yuk Yin 陳旭賢 HK\$'000 千港元 (note ii) (附註ii)	NG Kwok Tung 伍國棟 HK\$'000 千港元	WONG Kwong Chi 王幹芝 HK\$'000 千港元	CHOW Wing Kin, Anthony 周永健 HK\$'000 千港元	FUNG YEH Yvette 馮葉儀皓 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Fees	-	-	-	-	-	75	250	200	200	200	925
Other emoluments	袍金 其他酬金										
Salaries and other benefits	12,849	3,185	1,357	2,826	1,732	-	-	-	-	-	21,949
Equity-settled share-based payments	-	726	331	726	-	-	-	-	-	-	1,783
Retirement benefits scheme contributions	-	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>

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

31 December 2012 2012年12月31日

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

(a) Directors' emoluments (continued)

Notes:

- (i) Mr. LAU Hong Yon retired on 1 March 2011.
- (ii) Mr. CHAN Yuk Yin was appointed as a Non-Executive Director of the Company on 1 March 2011

During the period, 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 period.

(b) Employees' emoluments

The five highest paid employees included three (31 August 2011: three) directors, whose emoluments are set out in note (a) above. Emoluments of the remaining two (31 August 2011: two) employees are as follows:

10. 董事及僱員酬金資料(續)

(a) 董事酬金(續)

附註:

- (i) 柳康遠先生於2011年3月1日退任。
- (ii) 陳旭賢先生於2011年3月1日獲委任為本公司非執行董事。

於期內，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。是期間概無董事放棄任何酬金。

(b) 僱員酬金

最高酬金的5名僱員包括3位(2011年8月31日: 3位)董事，其酬金詳情載於上述附註(a)。餘下2位(2011年8月31日: 2位)僱員的酬金如下:

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	6,418	5,080
Retirement benefits scheme contributions	退休福利計劃供款	422	186
Equity-settled share-based payments	以權益結算以股份為基礎之付款	3,306	754
		10,146	6,020

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

31 December 2012 2012年12月31日

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

(b) Employees' emoluments (continued)

Their emoluments were within the following bands:

10. 董事及僱員酬金資料(續)

(b) 僱員酬金(續)

彼等之酬金介乎以下組別：

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月
HK\$2,000,000 to HK\$2,500,000	2,000,000港元至2,500,000港元	-	1
HK\$3,500,000 to HK\$4,000,000	3,500,000港元至4,000,000港元	1	1
HK\$6,000,000 to HK\$6,500,000	6,000,000港元至6,500,000港元	1	-
		<u>1</u>	<u>1</u>

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

31 December 2012 2012年12月31日

11. DIVIDENDS

11. 股息

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
Dividend recognized as distribution during the period/year:	是期間/年度已確認分派之股息：		
2011 final dividend of HK 1 cent (2010: HK 1 cent) per share	2011年末期股息每股1港仙 (2010年：1港仙)	7,940	7,940

No interim dividend was paid or proposed for both periods.

於兩個期間並無已付或擬派中期股息。

No final dividend in respect of the 16 months period ended 31 December 2012 has been proposed by the directors of the Company (31 August 2011: HK 1 cent per share, amounting to HK\$7,940,000 in total).

本公司董事並無建議派付截至2012年12月31日止16個月期間之末期股息(2011年8月31日：每股1港仙，合共為7,940,000港元)。

12. (LOSS)/EARNINGS PER SHARE

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

12. 每股(虧損)/盈利

本公司擁有人應佔每股基本(虧損)/盈利及攤薄盈利乃根據下列數據計算：

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
(Loss)/earnings	(虧損)/盈利		
(Loss)/profit for the period/year attributable to owners of the Company for the purposes of basic (loss)/earnings and diluted earnings per share	就計算每股基本(虧損)/盈利及攤薄盈利所用之本公司擁有人應佔是期間/年度(虧損)/盈利	(324,167)	210,886

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

31 December 2012 2012年12月31日

12. (LOSS)/EARNINGS PER SHARE (continued)

12. 每股(虧損)/盈利(續)

		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月
Number of shares	股份數目		
Number of ordinary shares for the purposes of basic (loss)/earnings and diluted earnings per share	就計算每股基本(虧損)/盈利及 攤薄盈利所用之普通股數目	969,192,362	794,010,960

No adjustment has been made to the basic loss per share amounts presented for the 16 months period ended 31 December 2012 in respect of a dilution as the impact of share options outstanding had no anti-dilutive effect on the basic loss per share amounts presented.

由於尚未行使購股權並無對所呈列的每股基本虧損金額產生反攤薄影響，因此並無就截至2012年12月31日止16個月期間所呈列的每股基本虧損金額作出攤薄調整。

The computation of diluted earnings per share for the year ended 31 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 year.

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是年度之平均市價，因此計算截至2011年8月31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。

13. (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Loss attributable to shareholders includes an amount of HK\$3,994,000 (2011: profit HK\$16,897,000) which has been dealt with in the financial statement of the Company.

13. 股東應佔(虧損)/溢利

股東應佔虧損包括3,994,000港元(2011年：溢利16,897,000港元)，已於本公司財務報表內列賬。

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

31 December 2012 2012年12月31日

14. INVESTMENT PROPERTIES

14. 投資物業

		HK\$'000 千港元
COST	成本	
At 1 September 2010 and 31 August 2011	於2010年9月1日及2011年8月31日	-
Reclassification from land and buildings	從土地及樓宇調撥	2,607
		<hr/>
At 31 December 2012	於2012年12月31日	2,607
		<hr/>
DEPRECIATION	折舊	
At 1 September 2010 and 31 August 2011	於2010年9月1日及2011年8月31日	-
Provided for the period	是期間撥備	59
		<hr/>
At 31 December 2012	於2012年12月31日	59
		<hr/>
CARRYING VALUES	賬面值	
At 31 December 2012	於2012年12月31日	2,548
		<hr/> <hr/>
At 31 August 2011	於2011年8月31日	-
		<hr/> <hr/>

The fair value of the Group's investment properties at 31 December 2012 was HK\$60,200,000. The fair value has been arrived at based on a valuation carried out by Ascent Partners Valuation Service Limited, an independent property valuer. The valuation was determined using vacant possession and the direct comparison approach with reference to comparable transaction available in the relevant market.

本集團投資物業於2012年12月31日的公平價值為60,200,000港元。有關公平價值乃由獨立物業估值師艾升評值諮詢有限公司進行的估值計算得出。有關估值乃按交吉基準以直接比較法經參考相關市場上可供比較之交易而釐定。

The above investment properties are 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 are situated in Hong Kong and are held under medium-term leases to earn rentals and/or for capital appreciation.

本集團的所有投資物業乃位於香港並根據中期租約持有作賺取租金及/或資本增值。

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

31 December 2012 2012年12月31日

15. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

15. 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 1 September 2010	於2010年9月1日	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 40)	出售附屬公司(附註40)	-	(39,255)	(56)	(200)	(411)	-	(39,922)
At 31 August 2011	於2011年8月31日	23,498	1,015,514	835,134	2,133,878	31,140	21,307	4,060,471
Currency realignment	外幣換算差額	(13)	1,632	797	27,022	3	420	29,861
Additions	增加	-	-	17,233	52,283	4,166	25,714	99,396
Reclassifications to:	調撥至:							
- investment properties	- 投資物業	(1,936)	(3,144)	-	-	-	-	(5,080)
- others	- 其他	-	-	4,500	-	-	(4,500)	-
Disposals/written-off	出售/註銷	-	-	(24,644)	(31,793)	(7,027)	-	(63,464)
Disposal of subsidiaries (note 40)	出售附屬公司(附註40)	-	(46,933)	(16,297)	(38,131)	-	(3,166)	(104,527)
At 31 December 2012	於2012年12月31日	21,549	967,069	816,723	2,143,259	28,282	39,775	4,016,657

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

31 December 2012 2012年12月31日

15. PROPERTY, PLANT AND EQUIPMENT (continued) THE GROUP (continued)

15. 物業、機器及設備(續) 本集團(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 1 September 2010	於2010年9月1日	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 40)	出售附屬公司時撇銷 (附註40)	-	(11,827)	(45)	(67)	(355)	-	(12,294)
At 31 August 2011	於2011年8月31日	12,376	204,443	511,065	1,154,966	22,310	-	1,905,160
Currency realignment	外幣換算差額	-	188	203	26,814	(24)	-	27,181
Provided for the period	是期間撥備	310	55,889	76,760	207,457	3,467	-	343,883
Eliminated on reclassification to investment properties	調撥至投資物業時撇銷	(885)	(1,588)	-	-	-	-	(2,473)
Eliminated on disposals/ written-off	出售/註銷時撇銷	-	-	(22,785)	(16,195)	(6,284)	-	(45,264)
Eliminated on disposal of subsidiaries (note 40)	出售附屬公司時撇銷 (附註40)	-	(6,829)	(5,837)	(26,174)	-	-	(38,840)
At 31 December 2012	於2012年12月31日	11,801	252,103	559,406	1,346,868	19,469	-	2,189,647
Carrying values	賬面值							
At 31 December 2012	於2012年12月31日	9,748	714,966	257,317	796,391	8,813	39,775	1,827,010
At 31 August 2011	於2011年8月31日	11,122	811,071	324,069	978,912	8,830	21,307	2,155,311

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

31 December 2012 2012年12月31日

15. PROPERTY, PLANT AND EQUIPMENT (continued)

THE COMPANY

15. 物業、機器及設備(續)

本公司

		Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Cost	成本			
At 1 September 2010	於2010年9月1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 31 August 2011	於2011年8月31日	40,100	4,420	44,520
Additions	增加	3,444	1,269	4,713
Disposals/written-off	出售/註銷	(5,390)	(877)	(6,267)
		<hr/>	<hr/>	<hr/>
At 31 December 2012	於2012年12月31日	38,154	4,812	42,966
		<hr/>	<hr/>	<hr/>
Depreciation	折舊			
At 1 September 2010	於2010年9月1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 31 August 2011	於2011年8月31日	36,365	2,714	39,079
Provided for the period	是期間撥備	1,876	830	2,706
Eliminated on disposals/written-off	出售/註銷時撇銷	(5,387)	(877)	(6,264)
		<hr/>	<hr/>	<hr/>
At 31 December 2012	於2012年12月31日	32,854	2,667	35,521
		<hr/>	<hr/>	<hr/>
Carrying values	賬面值			
At 31 December 2012	於2012年12月31日	5,300	2,145	7,445
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2011	於2011年8月31日	3,735	1,706	5,441
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

31 December 2012 2012年12月31日

15. 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.

THE GROUP

The carrying value of properties shown above comprises:

15. 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折舊。

本集團

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 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Leasehold land in Hong Kong under medium-term leases	7,415	8,776	-	-
Freehold land outside Hong Kong	2,333	2,346	-	-
Buildings erected on land in Hong Kong held under medium-term leases	3,379	5,173	-	-
Buildings erected on land in the PRC held under medium-term land use rights	638,690	730,181	39,460	20,990
Buildings erected on freehold and land held under medium-term leases outside Hong Kong (note)	72,897	75,717	315	317
	724,714	822,193	39,775	21,307

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

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16. PREPAID LEASE PAYMENTS

16. 預付租賃款項

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團的預付租賃款項包括：		
Leasehold land situated 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	112,880	121,939
Analysed for reporting purposes as:	就呈報而言的分析：		
Current assets	流動資產	2,607	2,732
Non-current assets	非流動資產	110,273	119,207
		112,880	121,939

17. INTERESTS IN SUBSIDIARIES

17. 應佔附屬公司權益

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，以成本列出	28,156	31,435
Deemed contribution (note)	被視為注資(附註)	4,060	1,104
		32,216	32,539
Amounts due from subsidiaries	附屬公司所欠款項	3,762,721	4,003,646
Less: Impairment loss recognized	減：減值損失確認	(546,023)	(546,025)
		3,216,698	3,457,621
Amounts due to subsidiaries	欠附屬公司款項	1,462,462	1,031,238

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17. INTERESTS IN SUBSIDIARIES (continued)

Movements in the impairment loss recognized are as follows:

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Balance at beginning of the period/year	期／年初結餘	546,025	555,983
Impairment loss reversed	已撥回減值損失	(2)	(9,958)
Balance at end of the period/year	期／年終結餘	<u>546,023</u>	<u>546,025</u>

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

The amounts due from subsidiaries are unsecured and repayable on demand. Except for an aggregate amount of HK\$1,003,316,000 (31 August 2011: HK\$1,006,550,000) which bears interest rate with reference to the average effective interest rate of the bank borrowings of the Group plus a spread, 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 realized 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 recognized) of HK\$3,216,698,000 (31 August 2011: HK\$3,457,621,000) 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 recognized if after the same assessment, the amount was considered not recoverable. At the end of the reporting period, the impairment loss recognized 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.

17. 應佔附屬公司權益(續)

已確認減值損失之變動如下：

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。

附屬公司所欠款項為無抵押並應要求償還，惟當中之金額1,003,316,000港元則除外（2011年8月31日：1,006,550,000港元），此等金額參考本集團銀行借貸的平均實際利率加上息差計息，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）3,216,698,000港元（2011年8月31日：3,457,621,000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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17. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries of the Company at 31 August 2011 and 31 December 2012 are as follows:

17. 應佔附屬公司權益(續)

於2011年8月31日及2012年12月31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") 3,500,000 3,500,000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 14,000,000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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17. INTERESTS IN SUBSIDIARIES (continued)

17. 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	(2012: 100)	(2011: 100)	Trading of yarns 胚紗貿易
Hiway Textiles Limited 海匯紡織有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Trading of garments 成衣貿易
Jiangyin Fuhui Textiles Limited (note a) 江陰福匯紡織有限公司(附註a)	The PRC 中國	USD107,000,000 (2011: USD104,000,000) 107,000,000美元 (2011年: 104,000,000美元)	-	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售 色布及色紗
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 holdings 投資控股
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	USD24,000,000 (2011: USD22,000,000) 24,000,000美元 (2011年: 22,000,000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

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17. INTERESTS IN SUBSIDIARIES (continued)

17. 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 %	
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 胚紗及顏化料貿易
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	RMB35,000,000 人民幣35,000,000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 40,500,000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 enterprise in the PRC.
- b. Companies are established as cooperative joint ventures in the PRC

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 period 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 period, are set out in note 40.

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

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。

以上本公司的附屬公司乃基於本公司董事認為其對是期間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。有關於是期間已出售或取消註冊附屬公司之詳情載於附註40。

於是期間/年度終結時或在是期間/年度任何時間，附屬公司並無任何債權證結餘。

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18. DEFERRED TAX

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

18. 遞延稅項

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

THE GROUP

本集團

		Accelerated tax depreciation	Tax losses	Others	Total
		提前稅項折舊	稅項虧損	其他	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
				(note)	
				(附註)	
At 1 September 2010	於2010年9月1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 31 August 2011	於2011年8月31日	862	(671)	(22,825)	(22,634)
Credited to profit or loss	於損益內計入	(199)	(32)	(3,272)	(3,503)
At 31 December 2012	於2012年12月31日	663	(703)	(26,097)	(26,137)

Note: The amount represents mainly deferred tax assets arising from deferred income as disclosed in note 29, unrealized profit on inventories and unrealized gain on transfer of plant and equipment between subsidiaries and deferred tax liabilities arising from withholding tax charged on certain PRC and an overseas subsidiary at the amounts of HK\$16,648,000 (31 August 2011: HK\$17,134,000), HK\$2,458,000 (31 August 2011: HK\$2,411,000), HK\$3,314,000 (31 August 2011: HK\$1,986,000) and HK\$2,380,000 (31 August 2011: HK\$2,985,000), respectively.

附註: 有關款額主要為附註29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, 以及若干中國附屬公司及一間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16,648,000港元(2011年8月31日: 17,134,000港元)、2,458,000港元(2011年8月31日: 2,411,000港元)、3,314,000港元(2011年8月31日: 1,986,000港元)及2,380,000港元(2011年8月31日: 2,985,000港元)。

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18. DEFERRED TAX (continued)

As at 31 December 2012, the Group had unused tax losses of approximately HK\$837 million (31 August 2011: HK\$552 million) available for offset against future profits. A deferred tax asset has been recognized in respect of approximately HK\$4 million (31 August 2011: HK\$4 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 utilized. No deferred tax asset has been recognized in respect of the remaining HK\$833 million (31 August 2011: HK\$548 million) tax losses due to the unpredictability of future profit streams. As at 31 December 2012, of the above tax losses, an aggregate amount of approximately HK\$475 million (31 August 2011: HK\$432 million) can be carried forward for five years following the period/year when the losses were incurred. Other tax losses may be carried forward indefinitely.

In addition, at 31 December 2012, the Group had other deductible temporary differences of approximately HK\$23 million (31 August 2011: HK\$90 million) in respect of unrealized gain on transfer of plant and equipment between subsidiaries, unrealized profit on inventories, allowance for doubtful debts and inventories and interest capitalization. No deferred tax asset has been recognized 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 utilized.

18. 遞延稅項(續)

於2012年12月31日，本集團可用作抵銷未來盈利的未運用稅項虧損約為837,000,000港元（2011年8月31日：552,000,000港元）。而此項虧損中約4,000,000港元（2011年8月31日：4,000,000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833,000,000港元（2011年8月31日：548,000,000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2012年12月31日，上述稅項虧損中，總金額約475,000,000港元（2011年8月31日：432,000,000港元）可於產生虧損期間／年度後轉存5年。其他稅項虧損可能無限期地轉存。

此外，於2012年12月31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23,000,000港元（2011年8月31日：90,000,000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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18. DEFERRED TAX (continued)

According to the EIT Law, starting from 1 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\$11,200,000 (31 August 2011: HK\$25,200,000). Deferred tax 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\$89,907,000 (31 August 2011: HK\$67,817,000) 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 an overseas subsidiary, the Group provided the deferred tax in full in respect of the withholding tax attributable to the undistributed profits of HK\$13,780,000 (31 August 2011: HK\$12,818,000). 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:

18. 遞延稅項(續)

根據企業所得稅法，由2008年1月1日起，於中國成立的公司向境外投資者派發與於2008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11,200,000港元(2011年8月31日：25,200,000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89,907,000港元(2011年8月31日：67,817,000港元)在綜合財務報表內作出遞延稅項撥備。

就一間海外附屬公司而言，本集團已就未分派溢利13,780,000港元(2011年8月31日：12,818,000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：

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(28,517)	(25,689)
Deferred tax liabilities	遞延稅項負債	2,380	3,055
		<u>(26,137)</u>	<u>(22,634)</u>

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18. DEFERRED TAX (continued)

THE COMPANY

18. 遞延稅項 (續)

本公司

		Accelerated tax depreciation	Tax losses	Total
		提前稅項折舊	稅項虧損	總值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 September 2010	於2010年9月1日	106	(106)	-
Charged/(credited) to profit or loss	於損益內扣除/(計入)	162	(162)	-
At 31 August 2011	於2011年8月31日	268	(268)	-
Charged/(credited) to profit or loss	於損益內扣除/(計入)	157	(157)	-
At 31 December 2012	於2012年12月31日	425	(425)	-

As at 31 December 2012, the Company had unused tax losses of HK\$4,288,000 (31 August 2011: HK\$2,538,000) available for offset against future profits. A deferred tax has been recognized in respect of HK\$2,578,000 (31 August 2011: HK\$1,630,000) of such losses. No deferred tax asset has been recognized in respect of the remaining HK\$1,710,000 (31 August 2011: HK\$908,000) tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

於2012年12月31日，本公司可用作抵銷未來盈利的未運用稅項虧損為4,288,000港元（2011年8月31日：2,538,000港元）。就此項虧損中的2,578,000港元（2011年8月31日：1,630,000港元）已確認為一項遞延稅項。餘下的稅項虧損1,710,000港元（2011年8月31日：908,000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。稅項虧損可能無限期地轉存。

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19. INVESTMENT IN LIFE INSURANCE POLICIES

During the 16 months period ended 31 December 2012, the Group entered into contracts with two insurance companies of which contain life insurance policies to insure against the death of certain key members of management of the Group, with an aggregate insured sum of approximately US\$18.8 million (equivalent to approximately HK\$145.8 million). Under these contracts, the beneficiary and policy holder is the Company. The Company has made upfront payments of HK\$36,178,000 during the current period. The monthly insurance costs and administrative charges determined by the insurance companies will be deducted from the account value. The insurers will declare interest (including the guaranteed interest) to the Company on a monthly basis, based on the amount of account value, at a rate to be determined at their own discretion. One of the key members left the Group on 7 December 2012 and the Group is in the process of changing the life insured person to the other key member(s).

19. 人壽保險保單之投資

截至2012年12月31日止16個月期間，本集團與兩間保險公司訂立合約，當中包含人壽保險保單，為本集團若干名主要管理層成員之身故事宜投保，投保金額合共約為18,800,000美元（相等於約145,800,000港元）。根據該等合約，受益人及保單持有人為本公司。本公司於本期間已支付預付按金36,178,000港元。每月支付的保費及保險公司釐定的行政費用將從賬戶價值中扣除。保險公司每月可根據賬戶價值按其酌情決定之利率向本公司宣派利息（包括保證利息）。本集團1名主要成員於2012年12月7日辭任，本集團正在將受保人更改為其他主要成員。

20. INVENTORIES

20. 存貨

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Spare parts	備件	92,263	98,941
Raw materials	原料	577,267	787,348
Work-in-progress	半製品	300,907	397,242
Finished goods	製成品	370,116	399,923
		1,340,553	1,683,454

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21. TRADE AND BILLS RECEIVABLES

21. 營業及票據應收款項

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Trade receivables	營業應收款項	1,045,456	1,116,780
Bills receivables	票據應收款項	255,364	187,184
Less: allowance for doubtful debts	減：呆賬撥備	(40,902)	(28,223)
		<u>1,259,918</u>	<u>1,275,741</u>

The Group allows a credit period ranging from 30 days to 90 days to its trade customers. The following is an ageing 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：

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Not yet due	未到期	764,880	919,114
Overdue 1-30 days	逾期1-30天	265,530	179,692
Overdue 31-60 days	逾期31-60天	108,753	109,931
Overdue >60 days	逾期超過60天	120,755	67,004
		<u>1,259,918</u>	<u>1,275,741</u>

In last year, the Group discounted part of its bills receivables with full recourse to a bank. In the event of default by the debtors, the Group is obliged to pay the bank the amount in default. Interest is charged at 6.06% on the proceeds received from the bank until the date the debtors pay.

於去年，本集團將部份應收票據貼現予一間銀行乃具有全面追索權的。倘債務人違約，本集團須向銀行支付違約金額，並須根據自取得銀行的所得款項起至債務人償還款項日期止按6.06%計息。

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21. TRADE AND BILLS RECEIVABLES (continued)

The discounting transactions do not meet the requirements in HKAS 39 for de-recognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted trade debts. At 31 August 2011, bills receivables of HK\$8,735,000 continued to be recognized in the Group's financial statements even though they have been legally transferred to the bank. The proceeds of the discounting transactions were included in borrowings as asset-backed financing (note 31) until the bills receivables are collected or the Group settles any losses suffered by the bank. At 31 August 2011, the asset-backed financing liability amounted to HK\$8,735,000.

As at 31 December 2012, the Group did not discount any of its trade and bills receivables to any banks.

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\$374,283,000 (31 August 2011: HK\$289,623,000) 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.

21. 營業及票據應收款項(續)

由於本集團保留了貼現營業債務擁有權的絕大部份風險及回報，因此貼現交易並不符合香港會計準則第39條有關不再確認金融資產的規定。於2011年8月31日，即使應收票據8,735,000港元已合法轉讓予銀行，惟將繼續於本集團的財務報表確認有關款項。貼現交易的所得款項乃計入借貸列作資產擔保融資(附註31)，直至收回應收票據或本集團清償銀行所蒙受的損失為止。於2011年8月31日，資產擔保融資負債為8,735,000港元。

於2012年12月31日，本集團並無向任何銀行貼現營業及票據應收款項。

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374,283,000港元(2011年8月31日：289,623,000港元)，其於報告期終已逾期，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。

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21. TRADE AND BILLS RECEIVABLES (continued)

Trade receivables that were past due but not impaired are as follows:

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Overdue 1-30 days	逾期1-30天	265,530	179,692
Overdue 31-60 days	逾期31-60天	108,753	109,931
		374,283	289,623

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:

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Balance at beginning of the period/year	期／年初結餘	28,223	47,845
Currency realignment	外幣換算差額	(1)	323
Impairment loss recognized/(reversed) on trade receivables, net	營業應收款項之減值損失 確認／(撥回)淨額	12,690	(8,245)
Amounts written-off as uncollectible	撇銷的不可收回金額	(10)	(11,700)
Balance at end of the period/year	期／年終結餘	40,902	28,223

21. 營業及票據應收款項(續)

已逾期但未減值的營業應收賬款如下：

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逾期超過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：

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21. TRADE AND BILLS RECEIVABLES (continued)

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$40,902,000 (31 August 2011: HK\$28,223,000) 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 the period/year.

21. 營業及票據應收款項(續)

呆賬撥備包括合共結餘40,902,000港元(2011年8月31日:28,223,000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。

應收票據於是期間/年度並無計提或撥回任何呆賬撥備。

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

22. 預付款項、按金及其他應收款項

		THE GROUP 本集團		THE COMPANY 本公司	
		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Value-added tax recoverable	可退回增值稅	21,672	65,967	-	-
Tax Reserve Certificates	儲稅券	34,600	24,600	3,000	2,000
Deposits, prepayments and other receivables	按金、預付款項及 其他應收款項	110,132	123,626	6,497	4,666
		166,404	214,193	9,497	6,666

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23. DERIVATIVE FINANCIAL INSTRUMENTS

23. 衍生金融工具

		THE GROUP 本集團				THE COMPANY 本公司			
		Current 流動		Non-current 非流動		Current 流動		Non-current 非流動	
		At 31 December 2012 於2012年 12月31日 HK\$' 000 千港元	At 31 August 2011 於2011年 8月31日 HK\$' 000 千港元	At 31 December 2012 於2012年 12月31日 HK\$' 000 千港元	At 31 August 2011 於2011年 8月31日 HK\$' 000 千港元	At 31 December 2012 於2012年 12月31日 HK\$' 000 千港元	At 31 August 2011 於2011年 8月31日 HK\$' 000 千港元	At 31 December 2012 於2012年 12月31日 HK\$' 000 千港元	At 31 August 2011 於2011年 8月31日 HK\$' 000 千港元
Derivative financial assets	衍生金融資產								
Foreign currency forward contracts	遠期外匯合約	2,044	4,984	-	-	1,901	-	-	-
Derivative financial liabilities	衍生金融負債								
Foreign currency forward contracts	遠期外匯合約	515	108	-	-	515	-	-	-
Interest rate swaps	利率掉期	14,522	-	-	45,583	14,522	-	-	45,583
		15,037	108	-	45,583	15,037	-	-	45,583

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，本集團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 31 December 2012:		於2012年12月31日：	
33 contracts to sell USD59,450,000 in total*	USD1:RMB6.2336 to 6.4470	33份賣出合共 59,450,000 美元的合約*	1美元兌6.2336至 6.4470人民幣
4 contracts to sell USD1,680,000 in total	USD1:RMB6.3125 to 6.3500	4份賣出合共 1,680,000 美元的合約	1美元兌6.3125至 6.3500人民幣
At 31 August 2011:		於2011年8月31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

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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23. 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 31 December 2012:	
2 contracts with HK\$910,000,000 in total*	From Hong Kong Interbank Offered Rate ("HIBOR") to fixed rates ranging from 3.65% to 3.95%
At 31 August 2011:	
2 contracts with HK\$960,000,000 in total*	From HIBOR to fixed rates ranging from 2.63% to 3.95%

* These contracts are entered into by the Company.

The above interest rate swap contracts will mature within one year (31 August 2011: two 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.

24. SHORT-TERM BANK DEPOSITS AND BANK BALANCES AND CASH

Short-term bank deposits and bank balances carry market interest rates ranging from 0.01% to 4.40% (31 August 2011: 0.01% to 5.50%) per annum.

23. 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2012年12月31日：	
2份合共910,000,000 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3.65% 至3.95%
於2011年8月31日：	
2份合共960,000,000 港元 的合約*	由香港銀行同業 拆息轉至定息介 乎2.63%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1年(2011年8月31日：2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。

24. 短期銀行存款以及銀行結餘及現金

短期銀行存款及銀行結餘乃按市場年利率介乎0.01%至4.40%(2011年8月31日：0.01%至5.50%)計息。

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25. TRADE AND BILLS PAYABLES

25. 營業及票據應付款項

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Trade payables	營業應付款項	488,414	418,672
Bills payables	票據應付款項	295,298	279,761
		783,712	698,433

The following is an ageing 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：

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Not yet due	未到期	405,062	363,886
Overdue 1-30 days	逾期1-30天	62,641	26,801
Overdue 31-60 days	逾期31-60天	10,440	6,550
Overdue >60 days	逾期超過60天	10,271	21,435
		488,414	418,672

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。

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26. OTHER PAYABLES AND ACCRUALS

26. 其他應付款項及應計費用

		THE GROUP		THE COMPANY	
		本集團		本公司	
		At	At	At	At
		31 December	31 August	31 December	31 August
		2012	2011	2012	2011
		於2012年	於2011年	於2012年	於2011年
		12月31日	8月31日	12月31日	8月31日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Other payables	其他應付款項	118,928	149,248	334	290
Accruals	應計費用	223,232	171,413	24,712	18,452
		<u>342,160</u>	<u>320,661</u>	<u>25,046</u>	<u>18,742</u>

27. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

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

27. 欠非控股股東款項

該等款項並無抵押、免息及應要求償還。

28. CONSIDERATION PAYABLE

On 27 April 2009, Folktune, a wholly-owned subsidiary of the Company, entered into an agreement with certain non-controlling shareholders of Dongguan Fuan Textiles Limited ("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 in 2009, Dongguan Fuan became a 90% owned subsidiary of the Company.

28. 應付代價

於2009年4月27日，本公司之一間全資附屬公司福津與東莞福安紡織印染有限公司(「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2009年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。

Pursuant to the Share Transfer Agreement, the consideration was payable by five installments, 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. In last year, an amount of HK\$35,630,000 was settled by the Group. During the current period, the remaining balance of HK\$23,501,000 was fully settled.

根據股權轉讓協議，代價分5期支付、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。於去年，本集團已支付35,630,000港元。於本期間，餘額23,501,000港元已悉數償還。

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

有關上述交易之詳情已載於本公司日期為2009年7月30日之通函內。

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29. 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 recognize as income over the useful lives of the relevant assets upon the fulfillment of the relevant conditions. An amount of HK\$1,946,000 (31 August 2011: HK\$1,458,000) was amortized as income during the period, with a corresponding adjustment to deferred tax assets previously recognized.

29. 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。期內，已將1,946,000港元（2011年8月31日：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。

30. RESTRUCTURING PROVISIONS

30. 重組撥備

		HK\$'000 千港元
At 1 September 2010	於2010年9月1日	730
Utilization of provision	運用撥備	(730)
		<hr/>
At 31 August 2011 and 31 December 2012	於2011年8月31日及2012年12月31日	-
		<hr/> <hr/>

Restructuring provision was made in relation to the closure plan of Dongguan Fuan in prior years. The provision was fully utilized in last year.

重組撥備乃就過往年度東莞福安之關閉計劃而作出。有關撥備已於去年獲悉數動用。

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31. BANK AND OTHER BORROWINGS/BANK OVERDRAFTS

31. 銀行及其他借貸／銀行透支

		THE GROUP 本集團		THE COMPANY 本公司	
		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Secured borrowings:	有抵押借貸：				
Bank loans (note (a))	銀行貸款(附註(a))	34,207	–	14,551	–
Import bills loans (note (a))	進口貸款(附註(a))	226,136	–	–	–
Discounted bills with recourse (note (a))	具追索權之貼現票據(附註(a))	–	8,735	–	–
Unsecured borrowings:	無抵押借貸：				
Bank loans	銀行貸款	841,594	1,945,663	581,817	1,463,554
Import bills loans	進口貸款	366,256	244,988	–	–
Bank overdrafts	銀行透支	7,751	–	–	–
Other loan (note (b))	其他貸款(附註(b))	7,129	–	7,129	–
		1,483,073	2,199,386	603,497	1,463,554
Repayable as follows:	須於下列期間償還：				
On demand or within one year	應要求償還或1年內	1,242,486	1,443,532	362,910	761,916
More than one year, but not exceeding two years	1年以上但不超過2年	240,587	481,446	240,587	427,230
More than two years, but not exceeding five years	2年以上但不超過5年	–	274,408	–	274,408
		1,483,073	2,199,386	603,497	1,463,554
Less: Amounts repayable on demand or due within one year shown under current liabilities	減：應要求償還或1年內到期金額轉入流動負債項目				
– bank borrowings due within one year	– 銀行借貸1年內到期	(1,229,423)	(1,443,532)	(357,598)	(761,916)
– other loan due within one year (note (b))	– 其他貸款1年內到期(附註(b))	(5,312)	–	(5,312)	–
– bank overdrafts	– 銀行透支	(7,751)	–	–	–
Amounts due after one year	1年後到期金額	240,587	755,854	240,587	701,638

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31. BANK AND OTHER BORROWINGS/BANK OVERDRAFTS (continued)

Notes:

- (a) Bank loans of HK\$34,207,000 and import bills loans of HK\$226,316,000 (31 August 2011: Nil) are secured by certain life insurance policies as detailed in note 19. The discounted bills of HK\$ Nil (31 August 2011: HK\$8,735,000) are secured by the corresponding bills receivables as disclosed in note 21.
- (b) During the reporting period, the Group obtained an unsecured other loan from an independent third party, charged at 3.99% per annum.

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 3.35% (31 August 2011: 0.4% to 2.3%) or London Interbank Offered Rate plus a spread, ranging from 1.30% to 3.0% (31 August 2011: 1.0% to 2.1%) per annum in Hong Kong or 100% to 110% (31 August 2011: 100%) of the People's Bank of China Base Lending Rate in the PRC. The average effective interest rates of the bank borrowings of the Group and the Company are 3.03% and 2.94% (31 August 2011: 2.58% and 2.04%) per annum, respectively. Some other bank borrowings of the Group carry interest at fixed-rates ranging from 1.35% to 7.26% (31 August 2011: 2.3% to 6.7%) per annum.

Discounted bills as at 31 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 2.47% per annum for the period ended 31 December 2012.

Pursuant to the Group's banking facilities letter, the Group was required to maintain sufficient solvency ratio. As at 31 December 2012, the Group was in breach of the bank loans covenant. The Group obtained waiver letters in relation to the breach of covenant for the bank loans from relevant banks and the lenders have agreed not to demand payment as a consequence of the breach as at 31 December 2012.

31. 銀行及其他借貸／銀行透支(續)

附註：

- (a) 銀行貸款34,207,000港元及進口貸款226,316,000港元(2011年8月31日：無)乃以若干人壽保險保單作為抵押，詳情載於附註19。貼現票據零港元(2011年8月31日：8,735,000港元)乃以相關應收票據作為抵押，已於附註21披露。
- (b) 於報告期間，本集團獲1名獨立第三方提供無抵押其他貸款，年利率為3.99%。

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3.35% (2011年8月31日：0.4%至2.3%) 或倫敦銀行同業拆息加上息差介乎年利率1.30%至3.0% (2011年8月31日：1.0%至2.1%) 計息，或於中國為中國人民銀行基準貸款利率100%至110% (2011年8月31日：100%) 計息。本集團及本公司銀行借貸之平均實際年利率分別為3.03%及2.94% (2011年8月31日：2.58%及2.04%)。本集團部份其他銀行借貸乃按固定年利率介乎1.35%至7.26% (2011年8月31日：2.3%至6.7%) 計息。

於2011年8月31日之貼現票據乃指給予銀行具追索權之貼現票據。所採用之固定年利率為6.06%。

此外，截至2012年12月31日止期間，本集團銀行透支的平均實際年利率為2.47%。

根據本集團的銀行融資函件，本集團須維持足夠的償付能力比率。於2012年12月31日，本集團違反銀行貸款契約。於2012年12月31日，本集團就有關銀行貸款違反契約事宜取得相關銀行的豁免函件，而貸款人同意毋須就有關違反即時還款。

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32. SHARE CAPITAL

32. 股本

		Number of ordinary shares of HK\$0.20 each 每股面值0.20港元之普通股份數目		Amount 金額	
		At 31 December 2012 於2012年 12月31日	At 31 August 2011 於2011年 8月31日	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Authorized:	法定股本：				
At beginning and end of the period/year	於是期間／年度開始及終結時	1,400,000,000	1,400,000,000	280,000	280,000
Issued and fully paid:	已發行及繳足股本：				
At beginning of the period/year	於是期間／年度開始時	794,010,960	794,010,960	158,802	158,802
Issue of shares	發行股份	409,036,000	-	81,807	-
At the end of the period/year	於是期間／年度終結時	1,203,046,960	794,010,960	240,609	158,802

On 6 June 2012, the Company allotted and issued a total of 409,036,000 shares of HK\$0.2 each at the price of HK\$1.25 per share to Yieldfull, a company incorporated in the British Virgin Islands and wholly-owned by Chinatex, a stated-owned enterprise under the direct supervision and administration of, and is beneficially owned by, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. These shares rank pari passu in all respects with other shares in issue. Immediately after the issue of shares, there were 1,203,046,960 shares in issue and Chinatex held approximately 34% of the issued share capital of the Company and became the single largest shareholder of the Company.

於2012年6月6日，本公司按每股1.25港元之價格配發及發行合共409,036,000股每股面值0.2港元之股份予Yieldfull，一家於英屬處女群島註冊成立之公司，由中紡全資擁有，而中紡乃一家由中國國務院國有資產監督管理委員會直接監督及管理以及實益擁有之國有企業。該等股份於所有方面均與其他已發行股份享有同等權益。緊隨發行股份後，本公司有已發行股份1,203,046,960股，而中紡持有本公司已發行股本約34%，並成為本公司之單一最大股東。

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33. 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 25 January 2002. The 2002 Scheme was expired on 24 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 ("Holdup period"). An option period, at the absolute discretion of the board of directors of the Company, shall commence on the expiry of the Holdup 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:

33. 以股份為基礎之付款交易

2002年計劃

本公司擁有一項購股權計劃（「2002年計劃」），乃由本公司於2002年1月25日舉行之股東特別大會上採納。2002年計劃已於2012年1月24日屆滿。2002年計劃的主要目的為讓本公司可向僱員給予鼓勵、獎償、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2002年計劃，本公司董事會可按2002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2002年計劃所授出的購股權而發行的股份總數，最多不得超過2002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2002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1位僱員於任何12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1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10週年屆滿。行使價由本公司董事會議定，但必須為以下3者中的最高者：

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33. 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 17 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 20 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 10 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 Holdup 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 20 January 2021.

Under the 2011 Scheme, share options of 3,352,000 and 23,045,000 were granted on 18 May 2011 and 18 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.

33. 以股份為基礎之付款交易(續)

2002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5個營業日的平均收市價；及
- (c) 股份的每股面值。

根據2002年計劃，已於2010年9月17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。

2011年計劃

於2011年1月20日，2002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（「2011年計劃」）。有關詳情載於本公司日期為2010年12月10日之公告內。

2011年計劃之條款及條文基本上與2002年計劃相同，惟2011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2002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）。

2011年計劃將於2021年1月20日屆滿。

根據2011年計劃，已分別於2011年5月18日及2011年8月18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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33. 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.

33. 以股份為基礎之付款交易(續)

下表披露本公司根據2002年計劃及2011年計劃已授出購股權之變動情況。

	Scheme	Date of grant	Exercise price	Outstanding at 1 September 2011 於2011年9月1日 尚未行使	Transferred during the period 期內已調撥	Forfeited during the period 期內已沒收	Outstanding at 31 December 2012 於2012年12月31日 尚未行使
	計劃	授出日期	行使價				
Category 1: Directors							
第1類：董事							
Mr. HA Kam On, Victor	2002	17 September 2010	HK\$1.29	4,600,000	-	-	4,600,000
夏錦安先生	2002年	2010年9月17日	1.29港元				
	2011	18 August 2011	HK\$1.21	3,300,000	-	-	3,300,000
	2011年	2011年8月18日	1.21港元				
Mr. HA Hon Kuen	2002	17 September 2010	HK\$1.29	2,000,000	(2,000,000)	-	-
夏漢權先生	2002年	2010年9月17日	1.29港元				
	2011	18 August 2011	HK\$1.21	3,000,000	(3,000,000)	-	-
	2011年	2011年8月18日	1.21港元				
Dr. YEN Gordon	2002	17 September 2010	HK\$1.29	4,600,000	-	-	4,600,000
嚴震銘博士	2002年	2010年9月17日	1.29港元				
	2011	18 August 2011	HK\$1.21	3,300,000	-	-	3,300,000
	2011年	2011年8月18日	1.21港元				
Total Directors 董事合共				20,800,000	(5,000,000)	-	15,800,000
Category 2: Employees							
第2類：僱員							
	2002	17 September 2010	HK\$1.29	6,600,000	2,000,000	(2,000,000)	6,600,000
	2002年	2010年9月17日	1.29港元				
	2011	18 May 2011	HK\$1.91	3,352,000	-	(718,000)	2,634,000
	2011年	2011年5月18日	1.91港元				
	2011	18 August 2011	HK\$1.21	13,445,000	3,000,000	(4,245,000)	12,200,000
	2011年	2011年8月18日	1.21港元				
Total Employees 僱員合共				23,397,000	5,000,000	(6,963,000)	21,434,000
Two categories 兩類別合共				44,197,000	-	(6,963,000)	37,234,000
Exercisable at the end of the period							
於期結時可予行使							
				-			5,380,000

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33. SHARE-BASED PAYMENT TRANSACTIONS (continued)

33. 以股份為基礎之付款交易(續)

	Scheme	Date of grant	Exercise price	Outstanding at 1 September 2010 於2010年9月1日 尚未行使	Granted during the year 年內已授出	Forfeited during the year 年內已沒收	Outstanding at 31 August 2011 於2011年8月31日 尚未行使
	計劃	授出日期	行使價				
Category 1: Directors							
第1類：董事							
Mr. HA Kam On, Victor	2002	17 September 2010	HK\$1.29	-	4,600,000	-	4,600,000
夏錦安先生	2002年	2010年9月17日	1.29港元				
	2011	18 August 2011	HK\$1.21	-	3,300,000	-	3,300,000
	2011年	2011年8月18日	1.21港元				
Mr. HA Hon Kuen	2002	17 September 2010	HK\$1.29	-	2,000,000	-	2,000,000
夏漢權先生	2002年	2010年9月17日	1.29港元				
	2011	18 August 2011	HK\$1.21	-	3,000,000	-	3,000,000
	2011年	2011年8月18日	1.21港元				
Dr. YEN Gordon	2002	17 September 2010	HK\$1.29	-	4,600,000	-	4,600,000
嚴震銘博士	2002年	2010年9月17日	1.29港元				
	2011	18 August 2011	HK\$1.21	-	3,300,000	-	3,300,000
	2011年	2011年8月18日	1.21港元				
Total Directors 董事合共				-	20,800,000	-	20,800,000
Category 2: Employees							
第2類：僱員							
	2002	17 September 2010	HK\$1.29	-	11,200,000	(4,600,000)	6,600,000
	2002年	2010年9月17日	1.29港元				
	2011	18 May 2011	HK\$1.91	-	3,352,000	-	3,352,000
	2011年	2011年5月18日	1.91港元				
	2011	18 August 2011	HK\$1.21	-	13,445,000	-	13,445,000
	2011年	2011年8月18日	1.21港元				
Total Employees 僱員合共				-	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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33. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

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

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

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

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

33. 以股份為基礎之付款交易(續)

於2010年9月17日根據2002年計劃授出之購股權可於2014年3月17日至2017年3月17日期間分3個階段予以行使，即

- 2014年3月17日至2017年3月17日(最多佔已授出購股權之30.00%可予行使)
- 2015年3月17日至2017年3月17日(最多佔已授出購股權之60.00%可予行使)
- 2016年3月17日至2017年3月17日(所有已授出之購股權可予行使)

於2011年5月18日根據2011年計劃授出之購股權可於2012年5月18日至2015年5月17日期間分3個階段予以行使，即

- 2012年5月18日至2015年5月17日(最多佔已授出購股權之32.52%可予行使)
- 2013年5月18日至2015年5月17日(最多佔已授出購股權之65.04%可予行使)
- 2014年5月18日至2015年5月17日(所有已授出之購股權可予行使)

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33. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted on 18 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 19 August 2012 to 18 August 2017 in five tranches, being

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

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

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

33. 以股份為基礎之付款交易(續)

於2011年8月18日根據2011年計劃授出之購股權可分2批予以行使，載列如下：

第一批：15,900,000份購股權可於2012年8月19日至2017年8月18日期間分5個階段予以行使，即

- 2012年8月19日至2017年8月18日(最多佔已授出購股權之20.00%可予行使)
- 2013年8月19日至2017年8月18日(最多佔已授出購股權之40.00%可予行使)
- 2014年8月19日至2017年8月18日(最多佔已授出購股權之60.00%可予行使)
- 2015年8月19日至2017年8月18日(最多佔已授出購股權之80.00%可予行使)
- 2016年8月19日至2017年8月18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2012年8月19日至2015年8月18日期間分3個階段予以行使，即

- 2012年8月19日至2015年8月18日(最多佔已授出購股權之34.15%可予行使)
- 2013年8月19日至2015年8月18日(最多佔已授出購股權之68.31%可予行使)
- 2014年8月19日至2015年8月18日(所有已授出之購股權可予行使)

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33. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

33. 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 Share options granted on 17 September 2010 根據2002年計劃 於2010年9月17日 已授出購股權	Under the 2011 Scheme Share options granted on 18 May 2011 根據2011年計劃 於2011年5月18日 已授出購股權	Under the 2011 Scheme Share options granted on 18 August 2011 根據2011年計劃 於2011年8月18日 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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33. 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 17 September 2010 and the yield of Hong Kong Exchange Fund Note for the share options granted on 18 May 2011 and 18 August 2011.

The Group recognized the total expense of HK\$10,268,000 (31 August 2011: 3,395,000) for the current period in relation to share options granted by the Company. Out of the amount, HK\$3,616,000 (31 August 2011: HK\$1,783,000) 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 recognized 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.

33. 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。模式中所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2010年9月17日已授出之購股權)及香港外匯基金債券回報率(就2011年5月18日及2011年8月18日已授出之購股權)釐定。

本集團於本期間已就本公司授出之購股權確認總開支10,268,000港元(2011年8月31日: 3,395,000港元), 當中之3,616,000港元(2011年8月31日: 1,783,000港元)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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34. RESERVES

THE COMPANY

34. 儲備

本公司

		Share premium	Capital redemption reserve	Share options reserve	Retained earnings	Total
		股份溢價	資本贖回儲備	購股權儲備	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 1 September 2010	於2010年9月1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 recognized as distribution	已確認分派之股息	-	-	-	(7,940)	(7,940)
At 31 August 2011	於2011年8月31日	197,124	210	3,395	628,518	829,247
Loss and total comprehensive expenses for the period	是期間虧損及全面開支總額	-	-	-	(3,994)	(3,994)
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	-	10,268	-	10,268
Dividend recognized as distribution	已確認分派之股息	-	-	-	(7,940)	(7,940)
Issue of shares	發行股份	429,488	-	-	-	429,488
Share issue expenses	股份發行開支	(5,220)	-	-	-	(5,220)
At 31 December 2012	於2012年12月31日	621,392	210	13,663	616,584	1,251,849

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35. 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 maximizing the return to stakeholders through the optimization 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 31, 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.

35. 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31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以平衡整體資本架構。

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

36. 金融工具

(a) 金融工具類別

		THE GROUP 本集團		THE COMPANY 本公司	
		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Financial assets	金融資產				
Available-for-sale financial assets (Investment in life insurance policies)	可供出售金融資產 (人壽保險保單之投資)	36,742	-	36,742	-
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)	2,502,818	2,467,782	3,672,463	3,543,842
Derivative financial instruments	衍生金融工具	2,044	4,984	1,901	-
Financial liabilities	金融負債				
Amortized cost	攤銷成本	2,393,212	3,056,424	2,171,498	2,494,808
Derivative financial instruments	衍生金融工具	15,037	45,691	15,037	45,583

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36. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The major financial instruments of the Group and the Company include investment in life insurance policies, 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, bank and other 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:

36. 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人壽保險保單之投資、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、銀行及其他借貸及銀行透支。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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36. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(i) Currency risk (continued)

Monetary assets and monetary liabilities:

36. 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	
		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
USD	美元	1,078,904	668,163	934,505	550,990
RMB	人民幣	612,685	717,179	378,059	442,381
CAD	加元	2,480	12,730	-	-
LKR	盧比	112	5,017	1,651	10,035
HK\$	港元	35,848	4,216	3,497	14,873
British Pound ("GBP")	英鎊	3,224	3,313	-	-

		THE COMPANY 本公司			
		Assets 資產		Liabilities 負債	
		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
USD	美元	153,575	15,599	-	-
RMB	人民幣	89,715	61	-	-
CAD	加元	1,632	4,522	-	-
GBP	英鎊	3,178	3,240	-	-

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36. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(i) Currency risk (continued)

Derivative financial instruments:

36. 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 本集團		THE COMPANY 本公司	
		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Derivative financial assets	衍生金融資產				
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	2,044	4,984	1,901	-
		2,044	4,984	1,901	-
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	515	-	515	-
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	-	-
		515	108	515	-

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36. 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 period end for a 5% change in foreign currency rates. On this basis, there will be a decrease/(an increase) in pre-tax loss for the period where USD, RMB, CAD, LKR and GBP strengthen against the functional currency of the corresponding group entity by 5%, and vice versa. The analysis is performed on the same basis for 2011.

36. 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，並於期終按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%，是期間稅前虧損將會減少／(增加)，反之亦然。有關分析乃按2011年的相同基準進行。

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36. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

Monetary assets and monetary liabilities:

36. 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 本集團		THE COMPANY 本公司	
	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Decrease/(increase) in pre-tax loss for the period (2011: Increase/(decrease) in pre-tax profit for the year)		是期間稅前虧損 減少/(增加) (2011年：是年度稅前 溢利增加/(減少))		
HKD against RMB	1,579	-	-	-
USD against RMB	1	415	-	-
USD against CAD	1,328	1,471	-	-
RMB against HK\$	11,537	13,740	4,486	3
CAD against USD	2	321	-	-
CAD against HK\$	122	315	82	226
LKR against USD	(77)	(251)	-	-
GBP against HK\$	161	166	159	162
	14,653	16,177	4,727	391

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36. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

Derivative financial instruments:

36. 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 本集團		THE COMPANY 本公司	
		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元	At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Increase in pre-tax loss for the period	是期間稅前虧損增加				
(2011: Increase/(decrease) in pre-tax profit for the year)	(2011年：是年度稅前溢利增加／(減少))				
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	-	-
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	(23,747)	(23,862)	(23,097)	-

(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 minimize 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 minimize 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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36. 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 31 August 2011 and 31 December 2012. 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 (31 August 2011: 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 loss for the period would increase/decrease by HK\$6,238,000 and HK\$3,001,000 (31 August 2011: decrease/increase in pre-tax profits by HK\$8,949,000 and HK\$7,318,000), 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 loss for the period would decrease by the same amount of HK\$2,235,000 (31 August 2011: increase in pre-tax profits by HK\$8,192,000), and vice versa.

36. 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2011年8月31日及2012年12月31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(2011年8月31日: 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期間稅前虧損將分別增加/減少6,238,000港元及3,001,000港元(2011年8月31日: 稅前盈利減少/增加8,949,000港元及7,318,000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期間稅前虧損將減少相同金額2,235,000港元(2011年8月31日: 稅前盈利增加8,192,000港元), 反之亦然。

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36. FINANCIAL INSTRUMENTS (continued)

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

Credit risk

As at 31 December 2012, 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 recognized 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 39.

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 period ended 31 December 2012, a net impairment loss of HK\$12,690,000 in respect of the trade receivables was recognized.

Furthermore, the Company only provides financial guarantees to its subsidiaries after a careful consideration of its subsidiaries' financial conditions. In this regard, the directors of the Company consider that the Group's and the Company's credit risk are significantly reduced.

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

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group and the Company has no significant concentration of credit risk with exposure spread over a number of counterparties.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險

於2012年12月31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39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。截至2012年12月31日止期間，本集團已就營業應收款項確認減值損失淨值12,690,000港元。

此外，本公司僅於審慎考慮其附屬公司的財務狀況後方向其附屬公司提供財務擔保。就此而言，本公司董事認為本集團及本公司的信貸風險已大幅減低。

本集團及本公司的流動資金信貸風險有限，因對手方均為國際信貸評級機構給予高信貸評級的銀行。

除存放於若干高信貸評級銀行的流動資金外，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。

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31 December 2012 2012年12月31日

36. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilization 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 31 December 2012, the available unutilized banking facilities of the Group and the Company are approximately HK\$1,765 million and HK\$123 million (31 August 2011: HK\$2,315 million and HK\$113 million), respectively.

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial liabilities and derivatives financial liabilities (including foreign currency forward contracts and interest rate swaps contracts) based on the agreed repayment terms. For non-derivative financial liabilities, the tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

For derivative instruments settled on a net basis, undiscounted net cash flows are presented. Whereas they require gross settlement, the undiscounted gross outflow/(inflow) on these derivatives are shown on the tables.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險

於管理流動資金風險時，本集團與本公司會監察及維持管理層視為足夠水平的現金及等同現金項目，以撥付本集團及本公司營運所需及減低現金流量波動的影響。管理層會監察銀行借貸的運用情況，並確保遵守相關貸款契諾。

除權益外，本集團及本公司倚賴銀行借貸作為主要流動資金來源。於2012年12月31日，本集團及本公司的可動用但未運用的銀行信貸額分別約為1,765,000,000港元及123,000,000港元（2011年8月31日：2,315,000,000港元及113,000,000港元）。

下表詳列根據議定償還條款本集團及本公司非衍生金融負債及衍生金融負債（包括遠期外匯合約及利率掉期合約）的餘下合同到期情況。就非衍生金融負債，該表乃按照本集團及本公司可能被要求付款的最早日期根據金融負債的未貼現現金流量編製。該表包括利息及本金現金流量。在利息流採用浮動利率之限度內，未貼現金額乃由報告期終之利率得出。

淨額結算的衍生工具，以未貼現現金流量淨值呈列。如需以總額結算，該等衍生工具的未貼現流出／（流入）總額載列於下表。

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36. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

THE GROUP

36. 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 31 December 2012 於2012年 12月31日 的賬面值
	加權平均 實際利率 %	少於1個月 或應要求 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月 至1年 HK\$'000 千港元	超過1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
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	-	675,159	371,092	79,085	-	1,125,336	1,125,336
Amounts due to non-controlling shareholders 欠非控股股東款項	-	80,100	-	-	-	80,100	80,100
Bank and other borrowings 銀行及其他借貸							
- fixed rate 一定息	2.52	492	41,108	197,259	1,832	240,691	239,129
- variable rate 一浮息	3.02	428,091	281,097	311,306	241,995	1,262,489	1,243,944
		<u>1,183,842</u>	<u>693,297</u>	<u>587,650</u>	<u>243,827</u>	<u>2,708,616</u>	<u>2,688,509</u>
Derivatives - net settlement 衍生工具-以淨額結算							
Interest rate swaps 利率掉期	0.04	7,383	7,146	-	-	14,529	14,522
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	-	15,502	31,004	139,518	-	186,024	N/A
- inflow 一流入	-	(15,479)	(30,957)	(139,073)	-	(185,509)	N/A
		<u>23</u>	<u>47</u>	<u>445</u>	<u>-</u>	<u>515</u>	<u>515</u>

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

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36. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

THE COMPANY

36. 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 31 December 2012 於2012年 12月31日 的賬面值
		加權平均 實際利率 %	少於1個月 或應要求 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月 至1年 HK\$'000 千港元	超過1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
Non-derivative financial liabilities	非衍生金融負債							
Amounts due to subsidiaries	欠附屬公司款項	-	1,462,462	-	-	-	1,462,462	1,462,462
Bank and other borrowings	銀行及其他借貸							
- fixed rate	- 定息	3.99	458	916	4,121	1,832	7,327	7,129
- variable rate	- 浮息	3.11	214,133	1,953	155,104	241,995	613,185	596,368
Financial guarantee contracts	財務擔保合約	-	3,284,000	-	-	-	3,284,000	-
			<u>4,961,053</u>	<u>2,869</u>	<u>159,225</u>	<u>243,827</u>	<u>5,366,974</u>	<u>2,065,959</u>
Derivatives - net settlement	衍生工具 - 以淨額結算							
Interest rate swaps	利率掉期	0.04	7,383	7,146	-	-	14,529	14,522
Derivatives - gross settlement	衍生工具 - 以總額結算							
Foreign currency forward contracts	遠期外匯合約							
- outflow	- 流出	-	15,502	31,004	139,518	-	186,024	N/A
- inflow	- 流入	-	(15,479)	(30,957)	(139,073)	-	(185,509)	N/A
			<u>23</u>	<u>47</u>	<u>445</u>	<u>-</u>	<u>515</u>	<u>515</u>

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36. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

THE COMPANY

36. 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
							31 August 2011 於2011年 8月31日
	加權平均 實際利率 %	少於1個月 或應要求 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月 至1年 HK\$'000 千港元	超過1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
Non-derivative financial liabilities	非衍生金融負債						
Other payables	其他應付款項	-	16	-	-	-	16
Amounts due to subsidiaries	欠附屬公司款項	-	1,031,238	-	-	-	1,031,238
Bank borrowings – variable rate	銀行借貸 – 浮息	2.08	100,057	174,842	517,661	724,120	1,516,680
Financial guarantee contracts	財務擔保合約	-	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	衍生工具 – 以淨額結算						
Interest rate swaps	利率掉期	0.02	-	5,606	18,339	21,650	45,595
			<u>-</u>	<u>5,606</u>	<u>18,339</u>	<u>21,650</u>	<u>45,583</u>

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

上述財務擔保合約金額包括倘擔保對手方就全數擔保金額提出申索，則本公司根據有關安排可被要求償付之最高金額。根據於報告期終之預期，本公司認為較可能毋須根據有關安排支付任何金額。然而，此預期可能改變，視乎對手方根據擔保提出申索之可能性，而此可能性則須視乎對手方持有並受擔保之財務應收款項承受信貸虧損之可能性而定。

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

31 December 2012 2012年12月31日

36. 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 amortized cost in the statements of financial position approximate their fair values.

Fair value measurement recognized 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.
- 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).

36. 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1至3級。

- 第1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。
- 第2級公平價值計量乃除第1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)可觀察之輸入參數得出。
- 第3級公平價值計量乃以使用計入並非根據可觀察市場參數之資產或負債之輸入參數(無法觀察輸入參數)之估值方法得出。

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

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36. FINANCIAL INSTRUMENTS (continued)

(c) Fair value (continued)

Fair value measurement recognized in the statements of financial position (continued)

At the end of the reporting period, all of the Group's and the Company's investment in life insurance policies and derivative financial instruments are grouped into Level 2 category.

There were no transfers between the three Levels during the period and prior year.

36. 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)

於報告期終，本集團及本公司所有人壽保險保單之投資及衍生金融工具均歸類為第2級類別。

是期間及去年並無於3個級別之間作出轉撥。

37. CAPITAL COMMITMENTS

THE GROUP

37. 資本承擔

本集團

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已簽約但於綜合財務報表未有作出撥備之資本開支：		
– acquisition of property, plant and equipment	– 購置物業、機器及設備	31,917	7,432
– additions to intangible assets	– 添置無形資產	64,455	1,386
		<u>96,372</u>	<u>8,818</u>
Capital expenditure authorized but not contracted for in respect of:	已批准但未簽約的資本開支：		
– acquisition of property, plant and equipment	– 購置物業、機器及設備	8,141	7,540
– additions to intangible assets	– 添置無形資產	306	–
		<u>8,447</u>	<u>7,540</u>

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37. CAPITAL COMMITMENTS (continued)

THE COMPANY

37. 資本承擔(續)

本公司

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Capital expenditure contracted for but not provided in the financial statements in respect of:	已簽約但於財務報表未有作出撥備之資本開支：		
– acquisition of property, plant and equipment	– 購買物業、機器及設備	11,687	493

38. OPERATING LEASES

The Group as lessee

38. 營運租賃

本集團作為承租人

THE GROUP

本集團

		At 31 December 2012 於2012年 12月31日 HK\$'000 千港元	At 31 August 2011 於2011年 8月31日 HK\$'000 千港元
Minimum lease payments paid under operating lease during the period/year:	是期間/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	66,893	52,745
Plant and machinery	廠房機器	13,970	10,996
		80,863	63,741

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38. OPERATING LEASES (continued)

The Group as lessee (continued)

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:

38. 營運租賃(續)

本集團作為承租人(續)

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

		At 31 December 2012 於2012年12月31日		At 31 August 2011 於2011年8月31日	
		Land and buildings 土地及樓宇 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Plant and machinery 廠房機器 HK\$'000 千港元
Within one year	1年內	49,028	1,651	54,756	6,360
In the second to fifth year inclusive	第2年至第5年內 (首尾兩年包括在內)	105,936	2,014	134,605	22,419
Over five years	5年以上	56,110	–	74,340	5,494
		211,074	3,665	263,701	34,273

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 one to five years for plant and machinery. There is no contingent rental arrangement.

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1至25年之間，就廠房機器則介乎1至5年之間。並未有或然租金安排。

The Group as lessor

Gross rental income earned from investment properties of the Group during the period was approximately HK\$ 413,000 (2011: Nil). No related outgoings for the period/year.

本集團作為出租人

於是期間，本集團就投資物業所賺得的租金收入總值約為413,000港元(2011年：無)。是期間／年度並無有關的支出。

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38. OPERATING LEASES (continued)

The Group as lessor (continued)

At the end of the reporting period, the Group had contracted with tenants, in respect of rented premises, for the following future minimum lease receipts.

38. 營運租賃(續)

本集團作為出租人(續)

於報告期終，本集團與租戶就租賃物業已訂約的未來最低租賃收入如下：

		THE GROUP	
		本集團	
		At	At
		31 December	31 August
		2012	2011
		於2012年	於2011年
		12月31日	8月31日
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	1年內	2,354	-
In the second to fifth year inclusive	第2年至第5年內(首尾兩年包括在內)	1,758	-
		<u>4,112</u>	<u>-</u>

The Company had no significant operating lease commitments or arrangements at the end of the reporting period.

於報告期終，本公司並無重大營運租賃承擔或安排。

39. 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\$3,284,000,000 (31 August 2011: HK\$3,145,341,000). As at 31 December 2012, the aggregate amounts utilized by these subsidiaries amounted to HK\$1,167,124,000 (31 August 2011: HK\$1,006,838,000).

39. 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3,284,000,000港元(2011年8月31日:3,145,341,000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2012年12月31日，該等附屬公司已運用的總額為1,167,124,000港元(2011年8月31日:1,006,838,000港元)。

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40. DISPOSAL OF SUBSIDIARIES

During the 16 months period ended 31 December 2012, the group deregistered its wholly-owned subsidiaries, Beijing Megawood Fashion Limited (“Beijing Megawood”), Megawood Fashion Group Limited and Megawood International Limited (collectively referred to as “Megawood Fashion Group”), P.T. Higon International (“P.T. Higon”), Winner Win Limited and 恩平滙華紡織有限公司. In addition, the Group sold its 100% equity interests in New Achieve Investments Limited and its wholly-owned subsidiaries, namely Able Jubilee Limited and Jiangyin Jintian Machinery Limited (collectively referred to as “New Achieve Group”) to an independent third party, at an aggregate consideration of RMB90,000,000 (equivalent to HK\$109,756,000). The Group also sold its 100% equity interests in Bio Venture Investments Limited and its wholly-owned subsidiaries, namely Tower Knitters Limited, 江門市滙聯紡織有限公司, 開平滙華紡織有限公司 and 新疆滙華棉業有限公司 (collectively referred to as “Bio Venture Group”) to an independent third party, at an aggregate consideration of RMB6,116,000 (equivalent to HK\$7,643,000).

Beijing Megawood, Megawood Fashion Group, Winner Win Limited, 恩平滙華紡織有限公司 were inactive before their deregistration. P.T. Higon was previously engaged in trading of garment products while New Achieve Group was engaged in manufacturing of machineries and Bio Venture Group was engaged in production and sales of yarns.

During the year ended 31 August 2011, the Group deregistered its 80% owned subsidiary, Fountain Set Textiles (B.C.) Limited, and disposed of its entire 100% interests in wholly-owned subsidiaries, namely Futian Properties Limited (Formerly known as Fountain Set Properties Limited), Futian Development Limited (Formerly known as Fountain Set Development Limited), Intracord Company Limited and 韶關市滙業紡織有限公司 to certain independent third parties.

40. 出售附屬公司

截至2012年12月31日止16個月期間，本集團取消註冊其全資附屬公司北京市萬家林服裝有限公司（「北京市萬家林」）、萬家林服裝集團有限公司及萬匯國際有限公司（統稱「萬家林服裝集團」）、P.T. Higon International（「P.T. Higon」）及慶利發展有限公司及恩平滙華紡織有限公司。此外，本集團出售其於New Achieve Investments Limited及其全資附屬公司聚堡有限公司及江陰金田機械有限公司（統稱「New Achieve集團」）之100%股權予1名獨立第三方，總代價為人民幣90,000,000元（相等於109,756,000港元）。本集團亦出售其於Bio Venture Investments Limited及其全資附屬公司泰力織造廠有限公司、江門市滙聯紡織有限公司、開平滙華紡織有限公司及新疆滙華棉業有限公司（統稱「Bio Venture集團」）之100%股權予1名獨立第三方，總代價為人民幣6,116,000元（相等於7,643,000港元）。

北京市萬家林、萬家林服裝集團、慶利發展有限公司及恩平滙華紡織有限公司於取消註冊前已無業務。P.T. Higon過往從事買賣成衣產品業務、New Achieve集團從事製造機器業務及Bio Venture集團從事生產及銷售棉紗業務。

截至2011年8月31日止年度期間，本集團取消註冊其擁有80%之附屬公司Fountain Set Textiles (B.C.) Limited及出售其全資附屬公司福田地產有限公司（英文名稱已更改）、福田發展有限公司（英文名稱已更改）、Intracord Company Limited及韶關市滙業紡織有限公司之全部權益予多名獨立第三方。

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40. DISPOSAL OF SUBSIDIARIES (continued)

The net assets of these disposed subsidiaries at the respective dates of disposal were as follows:

40. 出售附屬公司(續)

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：

								For the 16 months ended 31 December 2012	For the 12 months ended 31 August 2011
		Megawood Fashion Beijing Megawood 北京市 萬家林 HK\$'000 千港元	P.T. Higon P.T. Higon 慶利發展 有限公司 HK\$'000 千港元	Winner Win Limited 慶利發展 有限公司 HK\$'000 千港元	New Achieve Group New Achieve 集團 HK\$'000 千港元	恩平 匯華紡織 有限公司 恩平 匯華紡織 有限公司 HK\$'000 千港元	Bio Venture Bio Venture 集團 HK\$'000 千港元	截至2012年 12月31日 止16個月 Total 合計 HK\$'000 千港元	截至2011年 8月31日 止12個月 Total 合計 HK\$'000 千港元
Cash consideration received	已收現金代價	-	-	-	109,756	-	7,644	117,400	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	-	-	-	57,319	-	8,368	65,687	27,628
Prepaid lease payments	預付租賃款項	-	-	-	9,292	-	-	9,292	3,647
Bank balances and cash	銀行結餘及現金	-	-	-	4	-	25	29	-
Trade and other receivables	營業及其他應收款項	-	-	-	-	-	13,468	13,468	2,227
Trade and other payables	營業及其他應付款項	-	-	-	-	-	(394)	(394)	(1,948)
Net assets disposed of	所出售之資產淨值	-	-	-	66,615	-	21,467	88,082	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	-	-	-	109,756	-	7,644	117,400	46,600
Net assets disposed of	所出售之資產淨值	-	-	-	(66,615)	-	(21,467)	(88,082)	(31,554)
Translation reserve released	撥回匯兌儲備	15	-	(48)	3	8,016	5,551	13,537	5,166
		15	-	(48)	43,144	8,016	(8,272)	42,855	20,212
Net cash inflow arising on disposal:	出售時所產生的現金 流入淨額：								
Cash consideration	現金代價	-	-	-	109,756	-	7,644	117,400	46,600
Less: bank balances and cash disposed of	減：所出售的銀行 結餘及現金	-	-	-	(4)	-	(25)	(29)	-
		-	-	-	109,752	-	7,619	117,371	46,600

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41. 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 periods, 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\$790,000 (31 August 2011: HK\$415,000), amounting to HK\$61,217,000 (31 August 2011: HK\$36,724,000) have been charged to profit or loss for the period/year and included in employee benefits expense as set out in note 9.

41. 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。

兩個期間，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。

已於是期間／年度在損益內扣除的退休福利計劃供款金額淨值為61,217,000港元（2011年8月31日：36,724,000港元），當中已扣減沒收的供款790,000港元（2011年8月31日：415,000港元），並已計入附註9所載之僱員福利開支內。

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42. 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 27.

Details of the Company's outstanding balances with related parties are set out in the statement of financial position and in note 17.

42. 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27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17內。

(b) Connected party transactions

(b) 關連人士交易

Name of connected party 關連人士名稱	Nature of transactions 交易性質	For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 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	186,200	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	80,774	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	71,763	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	38,903	25,860
Chinatex Group (note vii) 中紡集團(附註vii)	Purchase of yarns 採購紗	9,562	-
		=====	=====

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42. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)

(b) Connected party transactions (continued)

Notes:

- (i) On 10 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 contemplated 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 20 January 2011 to 31 August 2013.

The extent of these connected transactions did not exceed the revised annual cap of HK\$220,000,000 and HK\$230,000,000 for the years ended 31 August 2012 and 2013 respectively as set out in an announcement of the Company dated 30 November 2011.

- (ii) On 10 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 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 AH Group are associates of Mr. Hirdaramani. The transactions contemplated under the AH Master Sales Agreement constitute continuing connected transactions of the Company under the Listing Rules.

The AH Master Sales Agreement is for a term commencing from 20 January 2011 to 31 August 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$150,000,000 and HK\$225,000,000 for the years ended 31 August 2012 and 2013 respectively as set out in an announcement of the Company dated 10 December 2010.

42. 相關及關連人士的披露(續)

(b) 關連人士交易(續)

附註：

- (i) 於2010年12月10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。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總銷售協議項下進行之交易構成本公司之持續關連交易。

FM總銷售協議之期限由2011年1月20日起至2013年8月31日止。

該等關連交易並無超過本公司日期為2011年11月30日之公告所載截至2012年及2013年8月31日止年度之經修訂年度上限分別為220,000,000港元及230,000,000港元。

- (ii) 於2010年12月10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總銷售協議項下進行之交易構成本公司之持續關連交易。

AH總銷售協議之期限由2011年1月20日起至2013年8月31日止。

該等關連交易並無超過本公司日期為2010年12月10日之公告所載截至2012年及2013年8月31日止年度之年度上限分別為150,000,000港元及225,000,000港元。

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42. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)

(b) Connected party transactions (continued)

Notes: (continued)

- (iii) On 10 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 contemplated 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 20 January 2011 to 31 August 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$248,000,000 and HK\$372,000,000 for the years ended 31 August 2012 and 2013 respectively as set out in an announcement of the Company dated 10 December 2010.

- (iv) On 10 December 2010, the Company and 江陰匯堅針織有限公司 (“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 contemplated 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 20 January 2011 to 31 August 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$49,000,000 and HK\$61,000,000 for the years ended 31 August 2011 and 2012 respectively as set out in an announcement of the Company dated 10 December 2010.

42. 相關及關連人士的披露(續)

(b) 關連人士交易(續)

附註:(續)

- (iii) 於2010年12月10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總銷售協議項下進行之交易構成本公司之持續關連交易。

LFK總銷售協議之期限由2011年1月20日起至2013年8月31日止。

該等關連交易並無超過本公司日期為2010年12月10日之公告所載截至2012年及2013年8月31日止年度之年度上限分別為248,000,000港元及372,000,000港元。

- (iv) 於2010年12月10日,本公司與江陰匯堅針織有限公司(「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1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,總服務協議項下進行之交易構成本公司之持續關連交易。

總服務協議之期限由2011年1月20日起至2013年8月31日止。

該等關連交易並無超過本公司日期為2010年12月10日之公告所載截至2011年及2012年8月31日止年度之年度上限分別為49,000,000港元及61,000,000港元。

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

31 December 2012 2012年12月31日

42. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)

(b) Connected party transactions (continued)

Notes: (continued)

- (v) On 19 December 2012, the Company entered into a material purchase framework agreement (the "Material Purchase Framework Agreement") with Chinatex Corporation ("Chinatex") in relation to the purchase of yarn, cotton, other materials for the manufacture of fabric, garments and cooking oil and foodstuffs by the Group from the Chinatex Group (i.e. Chinatex and its subsidiaries) commencing from 25 January 2013 to 31 December 2015.

The annual caps amount for the Material Purchase Framework Agreement for the three financial years ending 31 December 2015 are HK\$310,000,000, HK\$411,000,000 and HK\$512,000,000 as set out in the announcement of the Company dated 19 December 2012.

Chinatex is the controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules.

The transaction under the Material Purchase Framework Agreement has not yet commenced during the period.

- (vi) On 19 December 2012, the Company entered into a product and service supply framework agreement (the "Product and Service Supply Framework Agreement") with Chinatex in relation to the supply of textiles products such as fabric and garments and dyeing service by the Group to the Chinatex Group (i.e. Chinatex and its subsidiaries) commencing from 25 January 2013 to 31 December 2015.

The annual caps amount for the Product and Service Supply Framework Agreement for the three financial years ending 31 December 2015 are HK\$150,000,000, HK\$170,000,000 and HK\$190,000,000 as set out in the announcement of the Company dated 19 December 2012.

Chinatex is the controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules.

The transaction under the Product and Service Supply Framework Agreement has not yet commenced during the period.

42. 相關及關連人士的披露(續)

(b) 關連人士交易(續)

附註：(續)

- (v) 於2012年12月19日，本公司與中國中紡集團公司（「中紡」）訂立物資採購框架協議（「物資採購框架協議」），內容有關本集團向中紡集團（即中紡及其附屬公司）採購棉紗、棉花、其他生產布料相關的原材料、成衣及糧油食品，由2013年1月25日起至2015年12月31日止。

於本公司日期為2012年12月19日之公告所載，截至2015年12月31日止3個財政年度，物資採購框架協議之年度上限金額分別為310,000,000港元、411,000,000港元及512,000,000港元。

中紡為本公司之控股股東，因此，根據上市規則，中紡為本公司之關連人士。

於期內，物資採購框架協議項下之交易尚未開始進行。

- (vi) 於2012年12月19日，本公司與中紡訂立貨物及服務供應框架協議（「貨物及服務供應框架協議」），內容有關本集團向中紡集團（即中紡及其附屬公司）供應布料及成衣等紡織產品及印染加工服務，由2013年1月25日起至2015年12月31日止。

於本公司日期為2012年12月19日之公告所載，截至2015年12月31日止3個財政年度，貨物及服務供應框架協議之年度上限金額分別為150,000,000港元、170,000,000港元及190,000,000港元。

中紡為本公司之控股股東，因此，根據上市規則，中紡為本公司之關連人士。

於期內，貨物及服務供應框架協議項下之交易尚未開始進行。

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

31 December 2012 2012年12月31日

42. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)

(b) Connected party transactions (continued)

Notes: (continued)

- (vii) During the period from September 2012 to December 2012, each of Highscene Limited, Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd, Jiangyin Fuhui Textiles Limited and Prosperlink (Macao Commercial Offshore) Limited (collectively, the "FS Group"), all being subsidiaries of the Company, entered into various material purchase contracts ("Material Purchase Contracts") with Bao Ding Chinatex Yimian Textiles Co., Ltd and Zhu Cheng Chinatex G-way Textiles Co., Ltd (collectively, the "Chinatex Group") respectively, both being subsidiaries of Chinatex, in relation to the sale of yarn by the Chinatex Group to the FS Group.

As each of members of the Chinatex Group are subsidiaries of Chinatex, the controlling shareholder of the Company, they are therefore connected persons of the Company under the Listing Rules and the transactions contemplated under the Material Purchase Contracts constitute continuing connected transactions of the Company under Listing Rules.

As set out in the announcement of the Company dated 24 December 2012, the total transaction amount under the Material Purchase Contracts was approximately HK\$11,000,000 as at December 2012 and no further transaction was made pursuant to the Material Purchase Contracts thereafter.

42. 相關及關連人士的披露(續)

(b) 關連人士交易(續)

附註:(續)

- (vii) 於2012年9月至2012年12月期間，本公司之附屬公司漢盛有限公司、東莞沙田麗海紡織印染有限公司、江陰福匯紡織有限公司及匯漢(澳門離岸商業服務)有限公司(統稱「FS集團」)各自與保定中紡依棉紡織有限公司及諸城市中紡金維紡織有限公司(統稱「中紡集團」)分別訂立多項物資採購合同(「物資採購合同」)，內容有關中紡集團向FS集團出售棉紗。

由於中紡集團各成員公司均為本公司控股股東中紡之附屬公司，因此，根據上市規則，彼等均為本公司之關連人士，而根據上市規則，物資採購合同項下進行之交易構成本公司之持續關連交易。

於本公司日期為2012年12月24日之公告所載，於2012年12月，物資採購合同項下之交易總額約為11,000,000港元，其後，並無根據物資採購合同進行任何交易。

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

31 December 2012 2012年12月31日

42. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)

(c) Compensation of key management personnel

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

42. 相關及關連人士的披露(續)

(c) 主要管理人員的補償

是期間董事及其他主要管理人員的薪酬如下：

		THE GROUP	
		本集團	
		For the 16 months ended 31 December 2012 截至2012年 12月31日 止16個月 HK\$'000 千港元	For the 12 months ended 31 August 2011 截至2011年 8月31日 止12個月 HK\$'000 千港元
Short-term benefits	短期福利	26,337	28,731
Post-employment benefits	離職後福利	747	920
Equity-settled share-based payments	以權益結算以股份為基礎之付款	3,946	2,840
		<u>31,030</u>	<u>32,491</u>

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.

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 20 April 1988

Stock Code : 420

Board Lot : 2,000

Par Value : HK\$0.20

Shares Issued : 1,203,046,960

上市 : 自1988年4月20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

已發行股份 : 1,203,046,960

Financial Calendar 2012/2013

Financial year ended	31 December 2012
1st Interim results announced	13 April 2012
2nd Interim results announced	26 October 2012
Annual result announced	26 March 2013
Annual general meeting	31 May 2013
Register of members closed	N/A
Distribution of dividend	N/A
2013 interim results to be announced	End of August 2013

Shareholder Services

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

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2012/2013年財務日誌

財政年度結算	2012年12月31日
第1次中期業績公佈	2012年4月13日
第2次中期業績公佈	2012年10月26日
2012年年度業績公佈	2013年3月26日
股東週年大會	2013年5月31日
股份暫停登記	不適用
股息派發	不適用
2013中期業績公佈	2013年8月下旬

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：

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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

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