

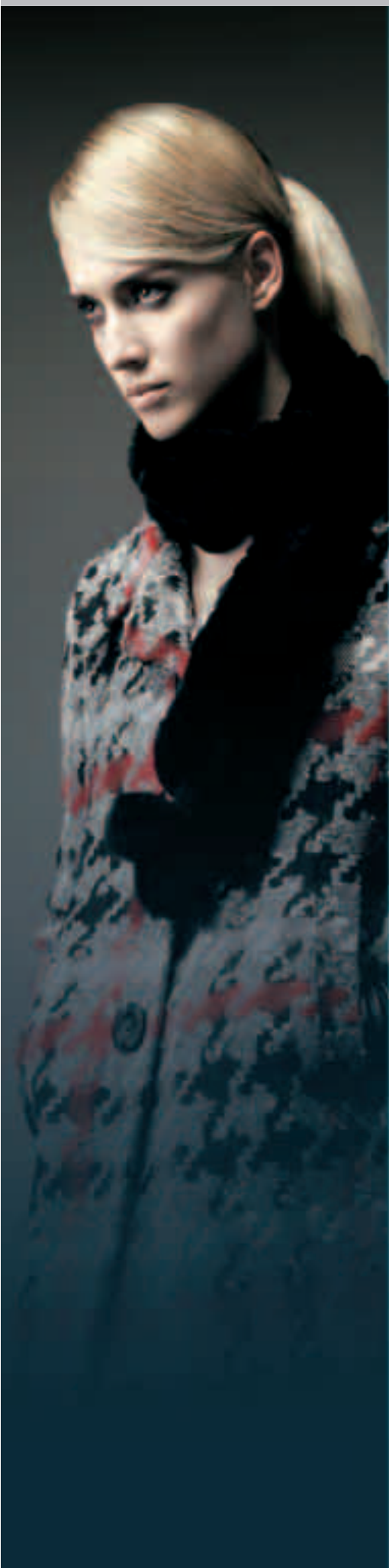
CHINA TING GROUP

華鼎集團

Stock Code 股份代號 : 3398

Annual Report 2008 年報





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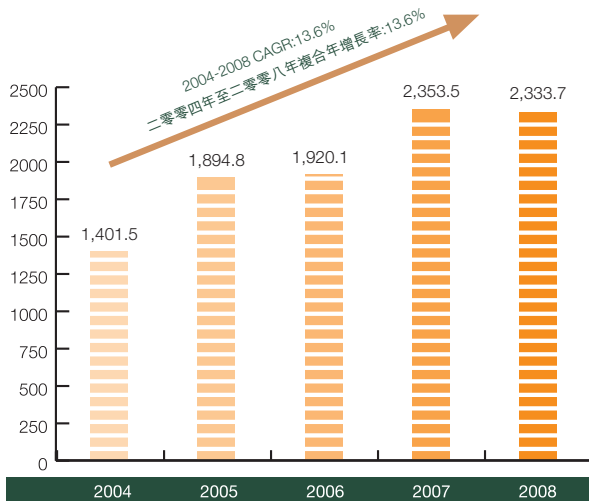


Financial Highlights
財務摘要

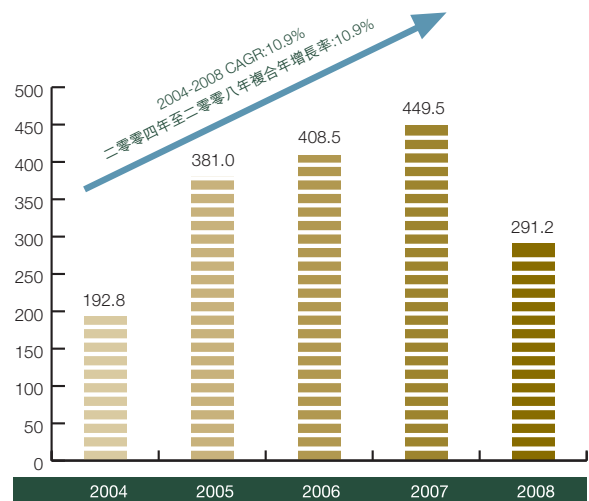
Financial Highlights

財務摘要

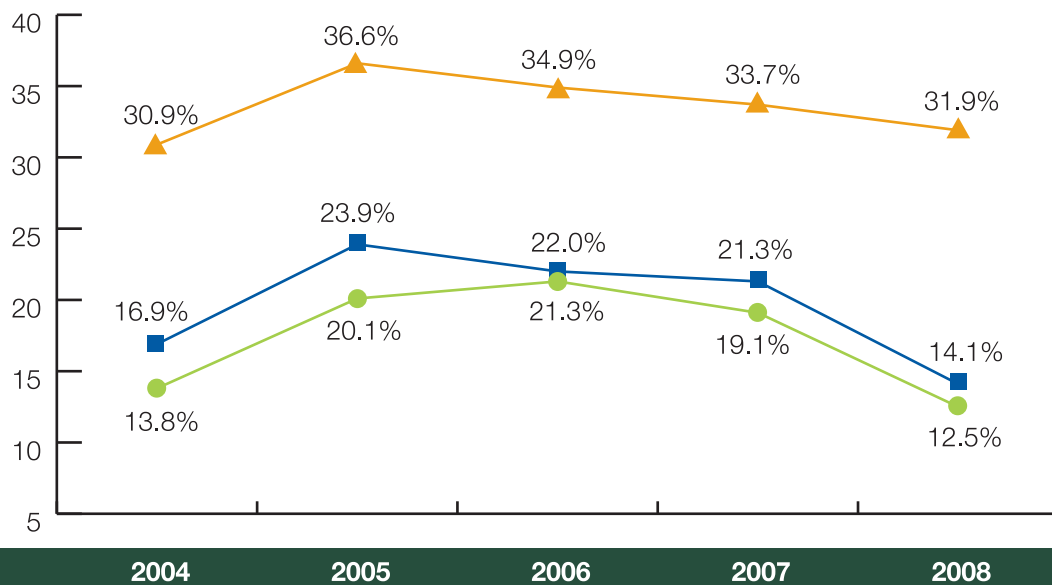
Revenue (HK\$'million)
營業額 (百萬港元)



Profit attributable to equity holders of the Company (HK\$'million)
本公司股權持有人應佔溢利 (百萬港元)



Margins
溢利率



▲ Gross Profit Margin 毛利率
■ Operating Profit Margin 經營溢利率
● Net Profit Margin 純利率

Financial Highlights (continued)

財務摘要 (續)

Financial Performance

財務表現

		2008 二零零八年 (HK\$ million) (百萬港元)	2007 二零零七年 (HK\$ million) (百萬港元)	Change 增減 (%)
Revenue	營業額	2,333.7	2,353.5	(0.8)
Gross profit	毛利	744.5	793.0	(6.1)
Gross profit margin (%)	毛利率(%)	31.9	33.7	(5.3)
Operating profit	經營溢利	328.9	501.3	(34.4)
Operating profit margin (%)	經營溢利率(%)	14.1	21.3	(33.8)
Net profit	純利	291.2	449.5	(35.2)
Net profit margin (%)	純利率(%)	12.5	19.1	(34.6)
EPS (HK cents)	每股盈利(港仙)			
— Basic	— 基本	13.85	21.75	(36.3)
— Diluted	— 攤薄	13.85	21.67	(36.1)
Dividend per share	每股股息			
— Final (HK cents)	— 終期(港仙)	4.46	7.82	
— Full year (HK cents)	— 全年(港仙)	9.70	14.72	
Dividend payout ratio	股息派付比率	70.0%	67.7%	

Financial Position

財務狀況

		2008 二零零八年 (HK\$ million) (百萬港元)	2007 二零零七年 (HK\$ million) (百萬港元)
Non-current assets	非流動資產	1,110.7	807.8
Net current assets	流動資產淨值	1,188.2	1,322.2
Cash and bank balances	現金及銀行結餘	766.6	747.6
Total liabilities	負債總額	411.8	362.6
Bank borrowings	銀行借貸	30.2	13.2
Net assets	資產淨值	2,278.2	2,110.4





Corporate Information
公司資料

Corporate Information

公司資料

Executive Directors

Mr. TING Man Yi (Chairman)
Mr. TING Hung Yi (Chief Executive Officer)^{3, 4, 5, 6}
Mr. DING Jianer
Mr. CHEUNG Ting Yin, Peter

Independent Non-executive Directors

Dr. CHENG Chi Pang^{1, 3, 5}
Mr. WONG Chi Keung^{1, 2, 5}
Mr. LEUNG Man Kit^{1, 3}

Notes:

1. Member of Audit Committee
2. Chairman of Audit Committee
3. Member of Nomination Committee
4. Chairman of Nomination Committee
5. Member of Remuneration Committee
6. Chairman of Remuneration Committee

Company Secretary and Qualified Accountant

Mr. CHENG Ho Lung, Raymond
CPA, ACCA

Head Office and Principal Place of Business in Hong Kong

28th Floor, Futura Plaza
111-113 How Ming Street
Kwun Tong
Kowloon
Hong Kong

Registered Office

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

Company Website

www.chinating.com.hk

Principal Banker

Nanyang Commercial Bank Limited

Legal Advisers

Squire, Sanders & Dempsey

Auditor

PricewaterhouseCoopers

執行董事

丁敏兒先生(主席)
丁雄尔先生(行政總裁)^{3, 4, 5, 6}
丁建兒先生
張定賢先生

獨立非執行董事

鄭志鵬博士^{1, 3, 5}
黃之強先生^{1, 2, 5}
梁民傑先生^{1, 3}

附註:

1. 審核委員會成員
2. 審核委員會主席
3. 提名委員會成員
4. 提名委員會主席
5. 薪酬委員會成員
6. 薪酬委員會主席

公司秘書及 合資格會計師

鄭浩龍先生
CPA, ACCA

香港總辦事處暨主要營業地點

香港
九龍
觀塘
巧明街111-113號
富利廣場28樓

註冊辦事處

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

公司網站

www.chinating.com.hk

主要往來銀行

南洋商業銀行有限公司

法律顧問

翰宇國際律師事務所

核數師

羅兵咸永道會計師事務所

Corporate Information (continued)

公司資料 (續)

Principal Share Registrar

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
George Town
Grand Cayman
KY1-1107
Cayman Islands

Hong Kong Branch Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

2009 Annual General Meeting

22 May 2009

Closure of Register of Members

From 19 May 2009 to
22 May 2009 (both days inclusive)

股份過戶登記總處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
George Town
Grand Cayman
KY1-1107
Cayman Islands

股份過戶登記處 香港分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-16號舖

二零零九年股東週年大會

二零零九年五月二十二日

暫停辦理股份過戶登記

二零零九年五月十九日起至
二零零九年五月二十二日止期間
(包括首尾兩日)





Chairman's Statement
主席報告

Chairman's Statement

主席報告



On behalf of the board (the “**Board**”) of Directors (the “**Directors**”) of China Ting Group Holdings Limited (the “**Company**”), I am pleased to present you the 2008 annual report of the Company and its subsidiaries (collectively, the “**Group**”).

The present financial tsunami has affected everyone and it is a stressful reality that has to be faced and dealt with. No one would deny that the financial system is in crisis and that things need to change.

Given the current economic situation, only those with flexibility, solid financial foundations, real business strategies and strong management will survive, and the companies which can overcome this unprecedented crisis will have proven their mettle as real players on the international field.

I consider this moment a challenging one but which offers a great opportunity to us to remain a serious player in our industry. As the present difficulties cause financially weaker and badly managed companies to crumble and collapse, our expertise, coupled with our strong financial standing, place us in a unique position to overtake our competitors and create more value.

In the retail sector, we are accelerating reforms to achieve our expansion strategy of an additional 1,000 new stores to our existing network within the next 3 to 5 years. For our high-end brands, the focus will be on enhancing the brands' visibility and providing specific training for sales staff. For our two junior brands, we will invest in enhancing the network of stores across a wider range of cities in China, emphasising on lower costs, more affordable prices and a more prolific choice of products.

I see the challenges to be a silver lining that will eventually enable us to be a significant player in OEM, ODM and retail businesses globally.

I wish to take this opportunity to express our appreciation to the management and staff of the Group for their commitment, dedication and perseverance.

I also wish to express my sincere gratitude to our shareholders, investors, business associates and our customers for their continued support of the Group.

TING Man Yi
Chairman

27 March 2009

Chairman's Statement (continued) 主席報告(續)



本人謹代表華鼎集團控股有限公司(「本公司」)董事(「董事」)會(「董事會」)，向閣下欣然提呈本公司及其附屬公司(統稱「本集團」)之二零零八年年報。

目前的金融海嘯影響所及可謂無一倖免，全球必須面對及應付這個窘迫的現實。無可否認金融體系正陷於危機之中，作出改變已成勢在必行。

以目前經濟環境而言，只有那些具靈活性、穩固財務基礎、實際業務策略及穩健管理架構的公司方可渡過難關，而能夠抗衡此次史無前例的危機的公司，足以證明其於國際市場上屹立不倒的能力。

本人認為當前的困境為極具挑戰性的良機，使我們繼續保持業界翹楚地位。基於目前的困境令財政狀況未如理想及管理未盡完善的公司結業倒閉，而我們的專業知識，加上穩健的財務狀況，讓我們擁有超然的地位，超越我們的競爭對手，創造更高的價值。

在零售業務方面，我們現正加快改革步伐落實我們的擴充策略，以期於未來三至五年在現有的網絡上增設1,000間新店舖。至於高檔次品牌方面，我們將會專注於提高品牌的知名度及加強售貨員的具體培訓。在兩個歷史較短的品牌方面，我們將會投資擴展店舖網絡，遍及中國更多城市，著重更低的成本、更易負擔的價格及更豐富的产品選擇。

本人將此次挑戰視為華鼎的一線曙光，最終必定能讓我們在全球原設備製造、原設計製造及零售業務方面扮演更重要的角色。

本人藉此機會向本集團管理層及員工的專心一意、熱忱工作及努力不懈表示謝意。

本人亦衷心感謝股東、投資者、業務夥伴及客戶對本集團的鼎力支持。

主席
丁敏兒

二零零九年三月二十七日



A photograph of a person sitting on a boat deck. The person is wearing a light-colored dress with a dark, intricate paisley pattern. They are sitting on a wooden slatted deck. The background is a bright blue sky or water. The image is framed by a dark blue border.

Management's Discussion and Analysis

管理層討論及分析

Management's Discussion and Analysis

管理層討論及分析

(1) Business Review

The Company has been listed on the Hong Kong Stock Exchange since 15 December 2005. The Group is a vertically integrated large-scale garment manufacturer, exporter and retailer with headquarters and corporate management in Hong Kong. The Group's sales offices in Hangzhou, Shanghai and New York are providing support to its sourcing, manufacturing and distribution activities.

The Group's production facilities are situated in an industrial complex in Hangzhou, Zhejiang Province, China with a manufacturing area of approximately 3.2 million square feet. The industrial complex is a real comprehensive production base serving customers from fabric weaving, dyeing and printing to finished garment and apparel items under one roof, which enables the Group to respond to customers' needs promptly and efficiently. The location of the Group's industrial complex also allows it to keep abreast of the latest market developments and international fashion trends.

Original Equipment Manufacturing ("OEM") Business

The Group's core business during the year ended 31 December 2008 continued to be OEM. During the year, the Group continued its strategy to become a diversified garment manufacturer covering designs and brand building services, both in fabrics and finished garments. With the efforts made during the last couple of years, the Group is now able to offer Original Design Manufacture ("ODM") solutions in a wide range of garments and apparel items to its working partners.

The OEM and ODM businesses contributed, in 2008, to the Group's revenue of approximately HK\$2,047.8 million, representing approximately 87.7% of its total revenue. The year of 2008 was challenging for the manufacturing and exporting businesses in China because of various macro-economic and political factors. No one was well prepared for the unprecedented and unheralded catastrophic financial downturn that devastated the global economy starting from the third-quarter of 2008 that is still having staggering consequences worldwide.

The Group could not avoid all adverse effects resulting from the recession, but the Directors believe that the Group was positioned well and responded in appropriate ways as compared with its competitors. Since the listing on the Hong Kong Stock Exchange, the Group focused on its own business without experiencing any significant fluctuations in performance. During the year, the gross profit margin of OEM/ODM business declined by approximately 2.7% because of the continuous decreases in the average selling prices of garment and apparel items and our planned diversification strategy into the non-silk products to capture the increasing market demands.

Most of the Group's customers are long-term business partners, several of which have been cooperating with the Group for over 10 years. Because of this enduring relationship, a kind of our mutual supports have been created particularly in weathering the present

(1) 業務回顧

本公司於二零零五年十二月十五日在香港聯交所上市。本集團乃縱向整合大型成衣製造商、出口商及零售商，其總部及企業管理部門設於香港。本集團的銷售辦事處設於杭州、上海及紐約，為其採購、製造及分銷業務提供支援。

本集團的生產設施設於中國浙江省杭州的工業園，生產面積約三百二十萬平方呎。工業園為真正的綜合生產基地，客戶只需於工業園內即可完成自面料織造、印染，以至縫製成衣及服裝製成品的所有工序，讓本集團可迅速而有效率地回應客戶的需要。本集團工業園的所在地亦讓本集團得以緊貼最新的市場動態及國際時裝潮流。

原設備製造（「原設備製造」）業務

本集團於截至二零零八年十二月三十一日止年度繼續以原設備製造業務為核心業務。年內，本集團繼續以成為多元化成衣製造商的策略，涵蓋布料及成衣製成品方面的設計及品牌建立服務。憑藉過往多年的努力，本集團現時能通過更多樣化的成衣及服裝為業務夥伴提供原設計製造（「原設計製造」）解決方案。

原設備製造及原設計製造業務於二零零八年為本集團貢獻收入約2,047.8百萬港元，佔總收入約87.7%。由於眾多宏觀經濟及政治因素影響，二零零八年對於中國的製造和出口業務來說是充滿挑戰的一年。使全球各國無法抵禦的，是二零零年第三季出現史無前例且毫無先兆的金融危機，嚴重破壞全球經濟，全球各地至今仍然深受影響。

本集團無法避免經濟衰退帶來的所有不利影響，然而董事相信本集團已較競爭對手更加準備就緒，並已作出適當的回應。於香港聯交所上市後，本集團專注於其業務，其表現並無經歷任何重大波動。年內，原設備製造／原設計製造業務的毛利率下降約2.7%，此乃由於成衣及服裝的平均售價持續下跌及我們開拓非絲綢產品以切合日益殷切的市場需求的已規劃多元化策略所致。

本集團的大部分客戶均為長期業務夥伴，其中部分與我們已合作逾十年之久。基於該等長期關係，我們建立了互相支持的關係，尤其是針對抗衡是次經濟衰退。本集

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

economic contraction. The strong financial standing of the Group is appealing to new customers looking for reliable and quality suppliers. Whilst developing the business of the Group, the Directors are mindful on risk control and management in attracting new customers with assurance for payments. The Group has also implemented cost-cutting measures and encourages improvement in productivity to mitigate the impact on the decreasing trend of the average selling prices of garment and apparel items.

In line with the Group's strategy of geographical diversification, counter-balancing the reliance on exports to the United States (the "US"), the Group is developing other markets, notably Europe and Asia.

Brand Retail Business

The Group's retail network today comprises a total of four wholly-owned brands: "FINITY", "DBNI", "ELANIE", and "RIVERSTONE", as well as the licensed brand of "MAXSTUDIO". As at 31 December 2008, the Group has a sales network of approximately 450 retail outlets comprising concessions, shop-in-shops, and freestanding stores operated either directly by the Group or by nominated franchisees across China.

In November 2008, the Group strengthened its owned brand "FINITY" by acquiring the ownership in the trademark in the US, Canada, France and Japan.

In response to the unanticipated economic contraction, the Group did not open as many stores as planned in 2008. The Group continued to intensify the expansion of our retail network in China by opening 42 stores in 2008, where the current market is soft but not as badly hit as other overseas markets. Despite all the difficulties, the Group completed the year of 2008 with an increase in revenue to approximately HK\$285.9 million, approximately 12.3% of its total revenue with a gross profit margin of 65.5%. The Group continued to follow its strategy of strengthening the retail sector with the target of establishing more than one thousand stores within the next couple of years.

(2) Financial Review

Results Performance

During the year ended 31 December 2008, the Group's revenue amounted to HK\$2,333.7 million, representing a decrease of 0.8% as compared with HK\$2,353.5 million in 2007. The gross profit margin decreased from 33.7% in 2007 to 31.9% in 2008. This situation was principally due to the appreciation of RMB, the increases in the labour costs and the raw material prices, and overall deterioration of the US economy. The net profit attributable to equity holders was approximately HK\$291.2 million, representing a decrease of 35.2% as compared with approximately HK\$449.5 million in 2007. Earnings per share was HK13.85 cents, representing HK7.9 cents lower as compared to HK21.75 cents for the same period last year.

團穩健的財務狀況吸引了有意物色可靠及優質供應商的新客戶。在發展本集團業務的同時，董事亦注意風險控制及管理，以吸引具付款能力的新客戶。本集團亦實施節流措施及鼓勵提高生產力，以緩和成衣及服裝平均售價跌勢的影響。

為配合本集團地區多元化發展，平衡偏重美國出口情況的策略，本集團正致力開拓其他市場，尤其是歐洲及亞洲市場。

品牌零售業務

本集團的零售網絡目前共有四個全資擁有的品牌：「FINITY(菲妮迪)」、「DBNI(迪妮)」、「ELANIE(依蘭)」及「RIVERSTONE(瑞弗史東)」，以及代理品牌「MAXSTUDIO」。於二零零八年十二月三十一日，本集團的銷售網絡約有四百五十間零售店，包括專櫃、店中店，以及本集團直接經營或由分佈中國各省市的指定專營代理商經營的專賣店。

於二零零八年十一月，本集團收購FINITY(菲妮迪)於美國、加拿大、法國及日本的商標擁有權，務求強化其自有品牌FINITY(菲妮迪)。

因應無法預料的經濟收縮，本集團於二零零八年並無按計劃如數開設店舖。儘管目前中國市場疲弱，但承受的衝擊卻輕於其他海外市場，因此本集團繼續積極在中國擴展零售網絡，於二零零八年開設四十二間店舖。縱然面對困難重重，本集團於二零零八年度收入上升至約285.9百萬港元，佔總收入約12.3%，毛利率為65.5%。本集團繼續採取加強其零售業務的策略，務求於未來數年實現店舖數目增加逾1,000間的目標。

(2) 財務回顧

業績

於截至二零零八年十二月三十一日止年度，本集團收入達2,333.7百萬港元，較二零零七年2,353.5百萬港元減少0.8%。毛利率由二零零七年的33.7%下跌至二零零八年的31.9%，主要由於人民幣升值、勞動成本及原材料價格上漲和美國經濟整體衰退所致。股權持有人應佔純利約為291.2百萬港元，較二零零七年約449.5百萬港元減少35.2%。每股盈利為13.85港仙，比去年同期的21.75港仙下跌7.9港仙。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

OEM and ODM Business

During the year ended 31 December 2008, the OEM revenue recorded a decrease from approximately HK\$2,092.2 million in 2007 to approximately HK\$2,047.8 million. Silk and silk-blended apparel items continued to contribute a significant part of the OEM revenue. The OEM revenue analysis by product type is as follows:

原設備製造及原設計製造業務

於截至二零零八年十二月三十一日止年度，原設備製造收入由二零零七年約2,092.2百萬港元減少至約2,047.8百萬港元。絲綢及絲混紡服裝繼續成為貢獻原設備製造收入的重要部分。按產品分類的原設備製造收入分析如下：

		2008 二零零八年		2007 二零零七年		% Change 變動%
		HK\$ million 百萬港元	% %	HK\$ million 百萬港元	% %	
Silk and silk-blended apparel	絲綢及絲混紡服裝	798.9	39.0	915.8	43.8	(12.8)
Linen and linen blended apparel	麻及麻混紡服裝	179.2	8.8	264.0	12.6	(32.1)
Cotton and cotton-blended apparel	棉及棉混紡服裝	386.3	18.9	395.5	18.9	(2.3)
Apparel in synthetic fabrics	合成纖維服裝	355.0	17.3	300.3	14.4	18.2
Wool and wool-blended apparel	羊毛及羊毛混紡服裝	54.5	2.6	42.9	2.0	27.0
Printing and dyeing	印染	55.2	2.7	—	—	—
Home textile fabric and accessories	家紡面料及成品	84.0	4.1	87.9	4.2	(4.4)
Others	其他	134.7	6.6	85.8	4.1	57.0
Total	總計	2,047.8	100.0	2,092.2	100.0	(2.1)

In terms of markets, sales to the US amounted to approximately HK\$1,514.3 million (2007: 1,780.7 million), which accounted for approximately 74.0% (2007: 85.1%) of the OEM revenue. Sales to European and other markets were approximately HK\$117.7 million (2007: HK\$111.3 million) and HK\$415.8 million (2007: HK\$200.2 million), respectively.

按地區市場分析，銷售往美國的金額約為1,514.3百萬港元（二零零七年：1,780.7百萬港元），佔原設備製造收入約74.0%（二零零七年：85.1%）。歐洲及其他市場所佔的銷售額分別約為117.7百萬港元（二零零七年：111.3百萬港元）及415.8百萬港元（二零零七年：200.2百萬港元）。



A Nationwide Retail Network 全國性的零售網絡



No. of retail outlets:

In-house brands

FINITY

Dbni

Licensed brands

MAXSTUDIO.COM

零售店數目：

自家品牌

ELANIS

RIVER STONE

代理品牌

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

Brand Retail Business

During the year ended 31 December 2008, the retail sales increased by approximately 9.4% from approximately HK\$261.3 million to HK\$285.9 million, which was mainly driven by the expansion of the Group's retail network and the improvement in store sales performance. Sales under the brand name, "FINITY", grew by approximately 6.5% to HK\$131.6 million (2007: HK\$123.6 million), accounting for 46.0% of the Group's retail sales. The retail sales analysis by brand name is as follows:

品牌零售業務

於截至二零零八年十二月三十一日止年度，零售銷售額由約261.3百萬港元增長至285.9百萬港元，增長約9.4%，該增長主要是由本集團之零售網絡擴展所推動，並受惠於店舖銷售表現改善。FINITY(菲妮迪)品牌的銷售額增加約6.5%至131.6百萬港元(二零零七年：123.6百萬港元)，佔本集團零售銷售額約46.0%。按品牌分類的零售銷售額分析如下：

		2008 二零零八年		2007 二零零七年		
		HK\$ million	%	HK\$ million	%	% Change
		百萬港元	%	百萬港元	%	變動%
In-house brands	自家品牌					
Finity	Finity(菲妮迪)	131.6	46.0	123.6	47.3	6.5
Dbni	Dbni(迪妮)	27.5	9.6	29.3	11.2	(6.1)
Elanie	Elanie(依蘭)	44.6	15.6	38.0	14.5	17.4
Riverstone	Riverstone(瑞弗史東)	31.2	10.9	18.5	7.1	68.7
Licensed brands	代理品牌					
Maxstudio	Maxstudio	50.8	17.8	51.2	19.6	(0.8)
Burlington House	Burlington House	0.2	0.1	0.7	0.3	(71.0)
Total retail sales	總零售銷售額	285.9	100.0	261.3	100.0	9.4

In terms of retail revenue analysis by sales channel, sales from concessions amounted to approximately HK\$188.8 million (2007: HK\$175.5 million), accounting for approximately 66.0% of total retail turnover. Sales from freestanding stores and franchisees amounted to HK\$10.4 million (2007: HK\$11.4 million) and HK\$86.7 million (2007: HK\$74.7 million) respectively.

按銷售管道對零售收入作出分析，專櫃銷售額約為188.8百萬港元(二零零七年：175.5百萬港元)，約佔總零售營業額66.0%。專賣店及專營代理的銷售額分別達到10.4百萬港元(二零零七年：11.4百萬港元)及86.7百萬港元(二零零七年：74.7百萬港元)。

The Group's gross profit decreased to approximately HK\$744.5 million (2007: HK\$793.0 million), with the gross profit margin declined from approximately 33.7% to 31.9%. The decline in the Group's gross profit margin was mainly due to the RMB appreciation, higher energy costs resulting from the general high inflation during the first nine months of 2008, the introduction of the new labour laws and the increase in the labour costs in China.

本集團的毛利下跌至約744.5百萬港元(二零零七年：793.0百萬港元)，毛利率由約33.7%下跌至31.9%。本集團毛利率下跌主要由於人民幣升值、於二零零八年首九個月全面通脹升溫導致能源成本上漲、中國推出新勞動法及勞動成本上漲所致。

Management's Discussion and Analysis (continued)

管理層討論及分析 (續)

Operating Profit

The Group's operating profit for the year ended 31 December 2008 decreased from approximately HK\$501.3 million to approximately HK\$328.9 million, with the net profit margin dropped to approximately 12.5% (2007: 19.2%). The decrease in profitability was principally attributable to (i) the economic contraction as a result of the financial crisis; (ii) the Group's planned strategy to diversify its product mix including non-silk garments and apparel items; (iii) the continuous appreciation of RMB against other leading currencies of the target markets of the Group and (iv) increases in the wages and salaries as a result of the new labour law in China.

The short-term investment portfolio of the Group, which has no material changes since the middle of 2008, also recorded fair value losses of approximately HK\$66.8 million (2007: net fair value gains: HK\$29.0 million). Excluding the fair value adjustments, the operating profit of the Group decreased from approximately HK\$472.3 million in 2007 to HK\$395.7 million in 2008, representing a decrease of approximately 16.2% in operating profit.

The Group's performance in 2008 was undoubtedly adversely affected by the lower gross profit margin as mentioned above, the higher selling, marketing and distribution costs, and the higher administrative expenses as a result of, mainly, the continuous appreciation of RMB and the increases in labour cost. As all of the Group's factories are located in China and most of the expenses were incurred in RMB, any appreciation of RMB will have a direct impact on the profitability of the Group. As the average exchange rate of RMB against HK dollars has appreciated by approximately 8.4% in the year 2008, the expenses of the Group increased by approximately HK\$146.5 million in the course of translation from RMB into Hong Kong dollars. At the same time, the implementation of the new labour law increased the labour cost in China by approximately RMB22.4 million (approximately HK\$25.1 million).

Liquidity and Financial Resources

The Group continues to retain a good and solid financial position. During the year, the Group satisfied their working capital needs principally from its normal operations. As at 31 December 2008, the cash and cash equivalents were approximately HK\$645.0 million, representing a decrease of approximately 12.2% from approximately HK\$734.4 million as at 31 December 2007. Net cash generated from operating activities increased from HK\$317.8 million to HK\$436.7 million in 2008. The cash used in investing activities and financing activities was approximately HK\$279.6 million and HK\$279.4 million, respectively. During the year ended 31 December 2008, the Group's major cash expenditures used during the year included the acquisition of property, plant and equipment amounting to HK\$190.0 million, the acquisition of intangible assets amounting to HK\$16.8 million, the cash placed in

經營溢利

本集團截至二零零八年十二月三十一日止年度的經營溢利由約501.3百萬港元減少至約328.9百萬港元，純利率下跌至約12.5%（二零零七年：19.2%）。盈利能力下跌的主要原因為：(i)金融危機導致經濟收縮；(ii)本集團計劃多元化發展產品組合的策略，包括開拓非絲綢成衣及服裝產品組合；(iii)人民幣兌本集團目標市場的其他主要貨幣持續升值及(iv)中國的新勞動法導致工資及薪金上漲。

本集團自二零零八年起並無重大變動的短期投資組合，亦錄得公平值虧損約66.8百萬港元（二零零七年：公平值收益淨額：29.0百萬港元）。撇除公平值調整，本集團的經營溢利由二零零七年約472.3百萬港元減少至二零零八年的395.7百萬港元，相當於經營溢利下跌約16.2%。

本集團於二零零八年的表現無疑受到上述毛利率下跌、銷售、營銷及分銷成本以及行政開支上漲的不利影響，此乃主要由於人民幣持續升值及勞動成本上漲所致。由於本集團所有工廠均位於中國，而大部分開支均以人民幣計算，人民幣的任何升值皆會對本集團的盈利能力有直接影響。由於二零零八年人民幣兌港元的平均匯率升值約8.4%，將人民幣換算成港元的過程令本集團開支增加約146.5百萬港元。同時，推行新勞動法進一步增加中國的勞動成本約人民幣22.4百萬元（約25.1百萬港元）。

流動資金及財務資源

本集團繼續維持良好穩健的財務狀況，本集團年內主要以其日常營運所得應付營運資金需求。於二零零八年十二月三十一日，現金及現金等值項目約為645.0百萬港元，較二零零七年十二月三十一日約734.4百萬港元減少約12.2%。營運活動所得現金淨額自317.8百萬港元增至二零零八年的436.7百萬港元。投資活動及融資活動所用現金分別為約279.6百萬港元及約279.4百萬港元。截至二零零八年十二月三十一日止年度，本集團年內已動用主要現金開支包括收購物業、廠房及設備達190.0百萬港元，收購無形資產達16.8百萬港元，以初步為期三個月定期存款存置的

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

term deposits with a fixed three-month initial term, by approximately HK\$97.7 million, and the payment of 2007 final dividends and 2008 interim dividends to equity holders during the year.

As at 31 December 2008, the Group had bank borrowings of HK\$30.2 million (2007: HK\$13.2 million), repayable within one year. The debt to equity ratio was 1.3% (2007: 0.6%). The management is confident that the Group has adequate financial resources to support its working capital requirement and future expansion.

The sales of the Group are mainly denominated in US dollars and RMB and the purchase of raw materials are mainly made in RMB, US dollars and Hong Kong dollars. As at 31 December 2008, all cash and cash equivalents, and bank borrowings were mainly denominated in US dollars, RMB and Hong Kong dollars. Hence, the Group has no significant exposure to foreign exchange risk.

(3) Outlook

Since 2003, revenue of the Group has had a compound annual growth rate of approximately 24.5%. In 2008, the Group experienced a mild negative growth for the first time. Like all other businesses engaged in garment manufacturing business, the Group was under pressure during the fourth quarter of 2008 with unexpected business slowdown in overseas markets, particularly in the US. US is currently the principal market of the Group.

The economic contraction affects customers and businesses alike, but the Group continues to strengthen its liens with its working partners by offering them full and strong support, more designs and greater creativity through our ODM services, better prices and shorter delivery times. Despite the stressful market conditions, the Directors believe a silver lining exists in that the Group is actively exploring new markets and new customers searching for a reliable and stable partnership for the purpose of expanding the businesses. These efforts are important because a number of their previous collaborators are succumbing to their own financial problems.

Given that the Group does not incur significant amount of debts, but enjoys a liquidity of maintaining more than HK\$700 million cash and bank balances, the Directors are carefully scrutinising all potential investment opportunities, including merger and acquisition projects, as the current financial tsunami is providing ample opportunities for future growth, especially in the retail market. On the other hand, the Directors are constantly monitoring the level of risks and the stability of the Group's business partners which, at this moment, are as crucial as orders received.

現金約97.7百萬港元以及年內向股權持有人派付二零零七年終期股息以及二零零八年中期股息。

於二零零八年十二月三十一日，本集團銀行借貸為30.2百萬港元（二零零七年：13.2百萬港元），須於一年內償還。負債對權益比率為1.3%（二零零七年：0.6%）。管理層有信心本集團具備充裕財政資源，足以應付營運資金需求及未來擴展所需。

本集團銷售主要以美元及人民幣計值，而採購原材料則主要以人民幣、美元及港元進行。於二零零八年十二月三十一日，所有現金及現金等值項目以及銀行借貸主要以美元、人民幣及港元計值。因此，本集團並無重大外匯風險。

(3) 展望

自二零零三年起，本集團的複合年均增長率約為24.5%，但二零零八年卻首次出現輕微負增長。與所有其他成衣製造業同業一樣，本集團業務自二零零八年第四季起因海外市場（尤其是美國）出現無法預料的經濟衰退而承受壓力。美國乃本集團目前的主要市場。

經濟收縮對客戶及業務同樣構成影響，但本集團透過提供全面及大力的支持、加強原設計製造服務的設計及創意、更加合理的價格及縮短付貨時間，繼續鞏固與其業務夥伴的聯繫。儘管市場情況嚴峻，但董事認為我們尚有一線曙光，此乃由於本集團積極拓展新市場及吸納有意物色可靠及穩定夥伴的新客戶，藉以擴充其業務。由於該等新客戶先前的若干合作夥伴備受財政問題困擾，因此該等工作極為重要。

鑑於本集團並無重大債務，而且有超過700百萬港元的現金及銀行結餘的流動資金，董事正謹慎審視併購項目等所有潛在投資機會，此乃由於目前的金融海嘯提供不少未來增長機遇，尤其是在零售市場方面。另一方面，董事持續監察其業務夥伴的風險水平及穩定性，在現今環境下，其重要性實不下於接受訂單。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

The Group is in the process of reviewing and improving its existing structure and work process and strategy. The Directors are confident that, through new developments, constant innovation and close monitoring of the administrative costs and overheads, strengthened and made possible by the solidarity and full support of its current workforce in close collaboration with the management, it will be possible to control the level of operating costs and hence, improve the productivity.

The Group's proposed wool mill investment, which has been one of the focuses of the Group, is in final negotiation stage. The Directors expect that the project may start around the middle of 2009. The Directors also expect that this venture will bridge the seasonal gap caused, hitherto, by the Group's strength in producing lighter garments production and the lack of comprehensive winter apparel items to make balanced utilisation of the production facilities of the Group throughout a year.

On the retail business, despite the impact of the recent economic contraction, the Group experienced a mild growth in turnover as compared to 2007 while maintaining the satisfactory gross profit margin of approximately 65.5%. For 2009, the Group will continue the same strategy of innovation, development and cost-consciousness. The Group will continue to open new stores, to enhance and diversify the fashion design and collections, to promote strong recognition of the Group's brands, both in China and selected overseas markets.

Despite the Directors' belief that the shares of the Company are grossly undervalued with low trading prices, the Directors will continue to adopt a consistent dividend policy as a sign of acknowledgement of the unwavering support of the shareholders.

(4) Human Resources

As at 31 December 2008, the Group had approximately 12,000 full-time employees. The staff costs for 2008 was HK\$417.4 million, representing an increase of approximately 11.9% over 2007.

The Group has established an incentive bonus scheme for its employees, in which the benefits are determined based on the performance of the Group and individual employees. The management believes that a competitive remuneration scheme, a safe and comfortable workplace, and career development opportunities are incentives for employees to excel in their areas of responsibilities.

本集團繼續進行檢討及改善其現有架構及工作流程及方針。董事有信心憑藉現有公司全寅團結一致、鼎力支持，並與管理層緊密合作，以加強及實現新發展項目、持續創新及密切監察行政成本及其他間接成本，本集團將能夠控制經營成本的水平，從而提升生產力。

本集團計劃的毛紡廠投資是本集團的重點項目之一，現正處於最後磋商階段。董事預期該項目將於二零零九年中投產。董事亦預期該企業能彌補本集團於輕成衣生產方面佔有優勢而冬季適用的時裝不足至今造成的季節性缺口，充份平衡本集團全年生產設施的使用量。

在零售業務方面，儘管受到近期的經濟收縮影響，本集團的營業額相對二零零七年仍然錄得輕微增長，並維持理想的毛利率約65.5%。於二零零九年，本集團將會沿用同一創新、發展及成本控制策略。本集團將會繼續支持開設新店、提升及多元化發展時裝設計及產品系列、提高本集團品牌在中國及嚴選的海外市場的廣泛認受性。

儘管董事相信本公司的股價目前被大幅低估，導致成交價處於低位，但董事將會繼續採納貫徹始終的股息政策，以回饋股東堅定不移的支持。

(4) 人力資源

於二零零八年十二月三十一日，本集團僱有約12,000名全職僱員。二零零八年的僱員成本為417.4百萬港元，較二零零七年增加約11.9%。

本集團已為其僱員成立獎勵花紅計劃，按本集團和個別僱員表現作為釐定福利的依據。管理層深信具競爭力的薪酬計劃、安全及舒適的工作環境，以及適當的事業發展機會將激勵僱員在彼等的工作崗位爭取最佳表現。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

(5) Use of Proceeds from the Initial Public Offering

During the period from 15 December 2005 (date of listing) to 31 December 2008, the Group has already used part of the net proceeds from the initial public offering to invest in the following projects for business expansion:

- (a) approximately HK\$77.3 million to complete the construction of a new apparel plant and the design, development and exhibition centre;
- (b) approximately HK\$97.0 million for the expansion of retail shops and engaging in advertising and marketing campaigns;
- (c) approximately HK\$416.5 million on the acquisition of plant and machinery to enhance production capacity;
- (d) approximately HK\$16.8 million on the acquisition of a retail trademark;
- (e) approximately HK\$116.3 million to repay the bank borrowings; and
- (f) approximately HK\$203.0 million as additional general working capital of the Group.

The net proceeds raised by the Group in its initial public offering in 2005 amounted to approximately HK\$1,099.9 million. As at 31 December 2008, approximately HK\$173.0 million of the net proceeds has not been used by the Group and were deposited with licensed banks in Hong Kong and China as short-term deposits. The Directors intend to apply such amount for expansion of the Group's retail business.

(5) 首次公開發售所得款項用途

由二零零五年十二月十五日起(上市日期)至二零零八年十二月三十一日止期間,本集團已動用部分首次公開發售所得款項淨額投資於以下項目以擴大業務:

- (a) 約77.3百萬港元用於完成建設新服裝生產廠房及設計開發及展覽中心;
- (b) 約97.0百萬港元用於擴充零售店舖及進行廣告及營銷工作;
- (c) 約416.5百萬港元用於收購廠房及機器以提升產能;
- (d) 約16.8百萬港元用於收購一項零售商標;
- (e) 約116.3百萬港元用於償還銀行借貸;及
- (f) 約203.0百萬港元作為本集團的額外一般營運資金。

本集團在二零零五年首次公開發售籌得所得款項淨額約1,099.9百萬港元。於二零零八年十二月三十一日,本集團尚未動用上述所得款項淨額中約173.0百萬港元,並已存入香港及中國的持牌銀行作為短期存款。董事擬運用該等款項作本集團零售業務擴展之用。

Directors and Senior Management

董事及高層管理人員

Executive Directors

Mr. TING Man Yi, aged 52, is the Chairman of the Group and an executive Director. Mr. TING started the business of the Group in December 1992 and has considerable experience in the silk fabric and silk garment manufacturing and trading business. Prior to establishing the initial company of the Group, Mr. TING worked for Hangzhou Silk Industrial Company (杭州市絲綢工業公司) from 1981 to 1986. Mr. TING is currently responsible for the overall strategic planning of the Group, especially in overseeing the expansive manufacturing industrial complex in Hangzhou, as well as the planning and implementation of major new investments and projects of the Group. Mr. TING is the elder brother of Mr. TING Hung Yi and Mr. DING Jianer.

Mr. TING Hung Yi, aged 48, is the Chief Executive Officer of the Group and an executive Director. Mr. TING joined the Group in May 2002 and is principally responsible for the strategic development of the Group's OEM, ODM, and retail businesses. Prior to joining the Group, Mr. TING was the general manager of a trading company in Hong Kong between 1991 and 2002. Mr. TING graduated from Zhejiang Sci-Tech University (浙江理工大學), formerly known as Zhejiang Institute of Silk Textiles (浙江絲綢工學院), in 1987 and has over 19 years of experience in the operations of garment export. Mr. TING is the younger brother of Mr. TING Man Yi, Mr. DING Jianer and Ms. DING Yinger, as well as the brother-in-law of Mr. CHEN Jun.

Mr. DING Jianer, aged 49, is an executive Director of the Group. Mr. DING joined the Group in October 1996 when he was first involved in the management and business operations of Shenzhen Fuhowe Fashion Company Limited. He has considerable experience in the silk garment manufacturing business, with focus on various specific areas ranging from the operations of weaving plants, sales and marketing to printing and dyeing and is responsible for the Group's fabric research and development along with innovative techniques. Mr. DING is the younger brother of Mr. TING Man Yi and Ms. DING Yinger and the elder brother of Mr. TING Hung Yi.

Mr. CHEUNG Ting Yin, Peter, aged 45, is an executive Director of the Company and the managing director of Concept Creator Fashion Limited. Mr. CHEUNG has extensive experience in the garment and textile industry joining the Group in January 2000, and oversees the Group's sales and marketing teams. Mr. CHEUNG obtained a Bachelor of Arts (cum laude) Degree from the University of Washington in 1987, and a Master's Degree in Business Administration from Simon Fraser University in 1990. Mr. CHEUNG was made a member of the Golden Key National Honor Society and Phi Beta Kappa in 1986 and 1988, respectively.

執行董事

丁敏兒先生，52歲，本集團主席兼執行董事。丁先生於一九九二年十二月開展本集團業務，並在絲綢面料貿易業務及絲綢成衣製造業務擁有豐富經驗。彼成立本集團的初始公司前，曾於一九八一年至一九八六年間在杭州市絲綢工業公司任職，現時負責本集團的整體策略規劃，尤其是監督本集團的位於杭州的龐大工業園，以及規劃及實行本集團的主要全新投資及項目。丁先生為丁雄尔先生和丁建兒先生的胞兄。

丁雄尔先生，48歲，本集團行政總裁兼執行董事。丁先生於二零零二年五月加盟本集團，主要負責本集團原設備製造、原設計製造及零售業務的策略發展。丁先生加盟本集團前，曾於一九九一年至二零零二年間出任香港一家貿易公司的總經理。彼於一九八七年畢業於浙江理工大學(前稱浙江絲綢工學院)，經營成衣出口業務逾十九年。丁先生為丁敏兒先生、丁建兒先生及丁英兒女士的胞弟，亦為陳俊先生的襟兄。

丁建兒先生，49歲，本集團執行董事。丁先生於一九九六年十月加盟本集團，起初參與深圳富豪時裝有限公司的管理工作及業務營運。彼在絲綢成衣製造業務經驗豐富，專注於織造廠營運、銷售及營銷以至印染等不同範疇，並負責本集團利用創新技術的布料研究及發展。丁先生為丁敏兒先生和丁英兒女士的胞弟，並為丁雄尔先生的胞兄。

張定賢先生，45歲，本公司執行董事兼創越時裝有限公司的董事總經理。張先生在成衣及紡織業積累豐富經驗，於二零零零年一月加盟本集團，負責監督本集團的銷售及營銷團隊。張先生於一九八七年獲取華盛頓大學文學士(優等)學位，後於一九九零年獲西門弗雷澤大學(Simon Fraser University)頒授工商管理碩士學位。張先生於一九八六年及一九八八年先後成為Golden Key National Honor Society及Phi Beta Kappa會員。

Directors and Senior Management (continued)

董事及高層管理人員 (續)

Independent Non-executive Directors

Dr. CHENG Chi Pang, aged 51, was appointed as an independent non-executive Director in November 2005. Dr. CHENG obtained a Bachelor's Degree in Business in 1992, a Master's Degree in Business Administration in 1997 and an Honorary Doctorate Degree of Philosophy in Business Management in 2003. Dr. CHENG is an associate member of the Hong Kong Institute of Certified Public Accountants, CPA Australia, the Taxation Institute of Hong Kong and a member of the Institute of Chartered Accountants in England and Wales.

Dr. CHENG is a Certified Public Accountant practicing in Hong Kong with over 25 years of experience in auditing and business advisory as well as financial management. Dr. CHENG was chief executive officer and group financial controller of NWS Holdings Limited ("NWSH"), the shares of which are listed on the Stock Exchange. Prior to joining the New World Group, he was a senior manager of an international accounting firm. Dr. Cheng is now Senior Partner of Leslie Cheng & Co. as well as an independent non-executive director and chairman of audit committee of Nine Dragons Paper (Holdings) Limited, Tianjin Port Development Holdings Limited and Fortune Sun (China) Holdings Limited all being companies listed on the Stock Exchange of Hong Kong Limited and Chief Executive Officer of L&E Consultants Limited. Dr. CHENG is currently a non-executive director of Wai Kee Holdings Limited and Build King Holdings Limited, companies listed on The Stock Exchange of Hong Kong Limited.

Mr. WONG Chi Keung, aged 54, was appointed as an independent non-executive Director in November 2005. Mr. WONG holds a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and CPA Australia, an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. Wong is also the Responsible Officer of Legend Capital Partners, Inc, and is licensed to carry out certain regulated activities under the Securities and Futures Ordinance namely asset management, advising on securities and advising on corporate finance.

Mr. WONG has over 30 years of experience in finance, accounting and management, and was, for over 10 years, an executive director, deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited, a company listed on the Stock Exchange. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited, Asia Standard International Group Limited, Century City International Holdings Limited, China Nickel Resources Holdings Company Limited, FU JI Food and Catering Services Holdings Limited, Golden Eagle Retail Group Limited, Great Wall Motor Company Limited, PacMOS Technologies Holdings Limited, Paliburg Holdings Limited, Regal Hotels International Holdings Limited and TPV Technology Limited, which are all listed on the

獨立非執行董事

鄭志鵬博士，51歲，於二零零五年十一月獲委任為獨立非執行董事。鄭博士於一九九二年取得商學士學位、於一九九七年取得工商管理碩士學位，並於二零零三年取得工商管理榮譽哲學博士學位。鄭博士是香港會計師公會、澳洲會計師公會及香港稅務學會的會員，並為英格蘭與威爾士特許會計師公會的會員。

鄭博士是香港執業會計師，在審核及商業諮詢以及財務管理方面積逾二十五年經驗。鄭博士曾出任於聯交所上市的新創建集團有限公司（「新創建」）的主要行政人員及集團財務總監，在加入新世界集團前，彼曾於一家國際會計師事務所擔任高級經理。鄭博士現任鄭志鵬會計師事務所高級合夥人。鄭博士現時亦擔任玖龍紙業（控股）有限公司、天津港發展控股有限公司及富陽（中國）控股有限公司（全部均為於香港聯合交易所有限公司上市的公司）之獨立非執行董事暨審核委員會主席，以及L&E Consultants Limited行政總裁。鄭博士現為兩家於香港聯合交易所有限公司上市的公司惠記集團有限公司及利基控股有限公司的非執行董事。

黃之強先生，54歲，於二零零五年十一月獲委任為獨立非執行董事。黃先生獲澳洲阿得雷德大學頒發工商管理碩士學位，並為香港會計師公會、英國特許公認會計師公會及澳洲會計師公會之資深會員，及英國特許秘書及行政人員公會及英國特許管理會計師公會之會員；亦為安里俊投資有限公司之註冊負責人員，持牌進行香港證券及期貨條例下若干受規管活動，即資產管理、證券顧問及企業融資顧問。

黃先生於財務、會計及管理方面積累了逾三十年之經驗，並曾出任越秀投資有限公司之執行董事、副總經理、集團財務總監及公司秘書超過十年，該公司於聯交所上市。黃先生亦為匯漢控股有限公司、泛海國際集團有限公司、世紀城市國際控股有限公司、中國鎳資源控股有限公司、福記食品服務控股有限公司、金鷹商貿集團有限公司、長城汽車股份有限公司、弘茂科技控股有限公司、百利保控股有限公司、富豪酒店國際控股有限公司及冠捷科技有限公司之獨立非執行董事兼審核委員會成員，上述公司均在香港聯合交易所有限公司上市。黃先生亦為第一天

Directors and Senior Management (continued)

董事及高層管理人員 (續)

Stock Exchange of Hong Kong Limited. Mr. Wong is also an independent non-executive director of First Natural Foods Holdings Limited (Provisional liquidators appointed). Provisional liquidators were appointed by the High Court of Hong Kong on 7 January 2009, and First Natural Foods Holdings Limited is in the first stage of delisting procedures.

Mr. LEUNG Man Kit, aged 55, was appointed as an independent non-executive Director in November 2005. Mr. LEUNG obtained a Bachelor's Degree in Social Science from the University of Hong Kong in 1977. Mr. LEUNG has over 23 years of experience in project finance and corporate finance and has held senior positions with Peregrine Capital (China) Limited, Crosby Securities (HK) Limited and Swiss Bank Corporation, Hong Kong Branch. Mr. LEUNG was also a director of Emerging Markets Partnership (Hong Kong) Limited which was the principal adviser to the AIG Infrastructure Fund L.P.

Mr. LEUNG is an independent non-executive director and audit committee member of NetEase, a NASDAQ listed company. Mr. LEUNG is also an independent non-executive director and audit committee member of Junefield Department Store Group Limited and Golden Harvest Entertainment (Holdings) Limited, and an independent non-executive director of Auhui Expressway Company Limited, which are all companies listed on the Stock Exchange of Hong Kong Limited.

Corporate Management Team

Export, OEM and ODM Business

Ms. LI Yuet Mui, Xera, aged 49, is a vice president of the Group and the managing director of China Ting Garment Mfg (Group) Limited. Ms. LI joined China Ting Garment in May 2002 and is responsible for the strategic development of the Company, focusing on its sales, marketing and overall management. Ms. LI has over 25 years of experience in the garment industry and, prior to joining the Group, Ms. LI worked in a couple of well-established companies in the garment industry.

Ms. LO Man Yi, Cyan, aged 51, is a director of China Ting Garment Mfg (Group) Limited, responsible for its business development, sales and marketing. Ms. LO joined the Group in August 2004 and holds a Higher Diploma in Fashion and Clothing Technology from Hong Kong Polytechnic University obtained in 1981. Ms. LO has over 25 years of experience in the apparel industry.

Mr. LEUNG Che Hung, Archie, aged 43, is a director of Hangzhou China Ting Fashion Company Limited and the general manager of its Shanghai office. Mr. LEUNG joined the Group in May 2000, and has since been responsible for the sales, marketing and overall management of the office. Mr. LEUNG has considerable experience in the garment and textile industry.

然食品有限公司(已委任臨時清盤人)之獨立非執行董事。香港高等法院已於二零零九年一月七日委任臨時清盤人，而第一天然食品有限公司正處於除牌程序的第一階段。

梁民傑先生，55歲，於二零零五年十一月獲委任為獨立非執行董事。梁先生於一九七七年取得香港大學社會科學學士學位，在項目融資及企業融資方面擁有逾二十三年經驗，並曾出任百富勤融資(中國)有限公司、香港高誠證券有限公司及瑞士銀行香港分行的高層成員，亦曾任 Emerging Markets Partnership (Hong Kong) Limited 董事，該公司曾是美國友邦集團亞洲基礎設施投資基金總顧問。

此外，梁先生為美國納斯達克上市公司網易的獨立非執行董事兼審核委員會成員。梁先生亦為莊勝百貨集團有限公司及嘉禾娛樂事業(集團)有限公司的獨立非執行董事兼審核委員會成員，以及安徽皖通高速公路股份有限公司之獨立非執行董事，上述公司均於香港聯合交易所有限公司上市。

企業管理團隊

出口、原設備製造及原設計製造業務

李月妹女士，49歲，本集團副總裁兼華鼎製衣(集團)有限公司董事總經理。李女士於二零零二年五月加盟華鼎製衣，負責公司策略發展，專注於銷售、營銷及整體管理，在成衣業有逾二十五年經驗。李女士加盟本集團前，曾在成衣業內多家大公司工作。

盧敏兒女士，51歲，華鼎製衣(集團)有限公司董事，負責業務發展、銷售及營銷。盧女士於二零零四年八月加盟本集團，並於一九八一年獲香港理工大學頒授時裝及製衣科技高級文憑，在服裝業積逾二十五年經驗。

梁誌鴻先生，43歲，杭州華鼎時裝有限公司董事及其上海辦事處總經理。梁先生於二零零零年五月加盟本集團，自此一直負責上海辦事處的銷售、營銷及整體管理工作。彼於成衣及紡織業積累了豐富經驗。

Directors and Senior Management (continued)

董事及高層管理人員 (續)

Mr. COHEN, Paul Alan, aged 63, is a senior vice president for business development of China Ting Fashion Group (USA) LLC. Mr. COHEN has considerable experience in the garment trading and fabric industry. Mr. COHEN joined the Group in May 2002 with responsibilities for the day-to-day operations of China Ting Fashion Group (USA) LLC.

Mr. SHEN Ren, Tony, aged 33, is the president of China Ting Fashion Group (USA) LLC and JV/China Ting LLC. Mr. SHEN joined the Group in 2005 and has assumed the management post since late 2008. Mr. SHEN holds an LLB from Zhejiang University Law School, an LLM from University of Glasgow, Scotland (International Law) and an LLM from University of Warwick, UK (Law in Development). Prior to joining the group, Mr. SHEN worked as assistant manager within the Department of Government Procurement of China and as consultant in the international legal firm Horwath & Partners, Shanghai.

Weaving and Apparel Production Management

Mr. YE Ai Min, aged 48, is a vice president of the Group and is responsible for overseeing the Group's production management. Mr. YE joined the Group in August 1993 and has served in various posts since, including being the general manager of Shenzhen Fuhowe Fashion Company Limited and Hangzhou China Ting Fashion Company Limited. Mr. YE graduated from Zhejiang Medical University (浙江醫科大學) in 1983 with a bachelor's degree in medicine. Mr. YE has more than ten years of experience in apparel production management and product quality control.

Mr. FU Xiao Bo, aged 46, is a vice president of the Group overseeing its export business and product development in Shanghai and Hangzhou. Mr. FU joined the Group in May 1997. Mr. FU has considerable experience in business expansion notably in fabric and product innovation, fabrication and production techniques. In 1984, Mr. FU graduated with bachelor's degree from Zhejiang Sci-Tech University (浙江理工大學), formerly known as Zhejiang Institute of Silk Textiles (浙江絲綢工學院). He also received extensive fabric technical training in Germany before he joined the Group.

Ms. JIN Xiao Ying, aged 54, joined the Group in May 1999 and is a vice president of the Group and general manager of Zhejiang Huali Fashion Company Limited, in charge of the Group's product quality control operations. Ms. JIN completed her tertiary education in 1988 and has considerable experience in the management of apparel manufacturing, production management and product quality control.

Mr. CHENG Si Min, aged 55 is a vice president of the Group and general manager of Zhejiang China Ting Jincheng Silk Company Limited, with responsibility for the Group's weaving operations, innovative product development and technical expertise. Mr. CHENG joined the Group in October 2003 and has substantial experience in silk weaving, printing and dyeing. Mr. CHENG has assumed various management positions

Paul Alan COHEN先生，63歲，China Ting Fashion Group (USA) LLC業務發展部高級副總裁。COHEN先生在成衣貿易及面料行業經驗豐富，於二零零二年五月加盟本集團，負責China Ting Fashion Group (USA) LLC的日常營運。

SHEN Ren, Tony先生，33歲，China Ting Fashion Group (USA) LLC及JV/China Ting LLC總裁。SHEN先生於二零零五年加盟本集團，自二零零八年年底起負責管理職務。SHEN先生持有浙江大學法學院的法律學士、蘇格蘭University of Glasgow的法律碩士(國際法律)及英國University of Warwick的法律碩士(法律發展)。Shen先生加盟本集團前，曾先後出任中國政府採購部門助理經理及國際律師行Horwath & Partners上海辦事處顧問。

織造及服裝生產管理

葉愛民先生，48歲，本集團副總裁，負責監督本集團的生產管理工作。彼於一九九三年八月加盟本集團，先後擔任深圳富豪時裝有限公司及杭州華鼎時裝有限公司的總經理等多個職務。葉先生於一九八三年獲浙江醫科大學頒授醫學學士學位，具有超過十年服裝生產管理及產品質量監控的經驗。

傅小波先生，46歲，本集團副總裁，負責監督本集團於上海及杭州的出口業務及產品發展工作。傅先生自一九九七年五月加入本集團，尤其在布料及產品創新、面料及生產工藝方面之業務拓展具有非常豐富的經驗。傅先生於一九八四年獲浙江理工大學(前稱浙江絲綢工學院)頒授學士學位。彼亦於加盟本集團前於德國接受廣泛的面料技術培訓。

金曉英女士，54歲，於一九九九年五月加入本集團，為本集團副總裁兼浙江華勵時裝有限公司總經理，負責本集團的產品質量監控運營。金女士於一九八八年修畢大專課程，具有豐富的服裝製造管理、生產管理以及產品質量監控經驗。

成思民先生，55歲，本集團副總裁兼浙江華鼎金誠絲綢有限公司總經理，負責監督本集團織造業務、新產品開發及技術開發。成先生於二零零三年十月加入本集團，在絲綢織造和印染方面經驗豐富。成先生曾出任多個管理職位，尤其具有織造面料開發、織造企業、生產工藝規劃及產

Directors and Senior Management (continued)

董事及高層管理人員 (續)

especially in woven fabric development, weaving enterprises, production technique and product quality control. Mr. CHENG was formerly the managing director and general manager of Hangzhou Jincheng, and graduated from the Department of Electrical and Mechanical Engineering of Zhejiang University (浙江大學) in 1980, specializing in automation of industrial electrical equipment.

Retail and Brand Management

Mr. LIU Gang, aged 47, is the managing director of Zhejiang China Ting Brand Management Company Limited and the director for art and design for the Group. Mr. LIU joined the Group in August 1998 and is responsible for the design, promotion and management and exploitation of the Group's various in-house brand names in the China market, including the Group's own brands of FINITY, DBNI, ELANIE, RIVERSTONE and the licensed brand of MAX STUDIO. Mr. LIU graduated from Zhejiang Sci-Tech University (浙江理工大學) formerly known as Zhejiang Institute of Silk Textiles (浙江絲綢工學院) in 1987.

Mr. CHEN Jun, aged 47, is the general manager of Finity International Fashion Company Limited and DBNI (Hangzhou) Fashion Company Limited, joining the Group in 1999. Since 2001, as general manager of the above-mentioned fashion companies, he has been responsible for the manufacturing, sales, promotion and marketing of the brands' apparel retail business in China. Mr. CHEN is very experienced in market promotion and branded apparel development in the PRC. He graduated from the Zhejiang Radio and Television University (浙江廣播電視大學) in 1983 and he is also the brother-in-law of Mr. TING Hung Yi, an executive director.

Mr. HE Yi Min, aged 42, is the general manager of Finity Fashion (Shenzhen) Company Limited. Mr. HE joined the group in April 1998 assuming the said post of general manager in 2003. With more than 10 years of experience in garment manufacturing and fashion retail sales behind him, Mr. HE is currently in charge of the retail operations of the ELANIE brand. Mr. HE obtained a bachelor's degree in education from the Zhejiang Normal University (浙江師範大學) in 1990.

Investor Relations and Global Business Development

Ms. WOOD Sharon, aged 60, originally director of Concept Creator Limited, France, with responsibilities for the Group's overall European operations, is now the vice president of the Group responsible for investor relations and global business development while maintaining her role as director of sales for Europe. Ms. WOOD holds a Master's degree in Business Consultation and Professional Coaching for Change Management from joint faculties HEC, France and Oxford University, UK. Ms. WOOD has over 25 years of management experience with 10 years in the service industry (Air France HK Regional office) and over 15 years in the textile sector, specializing in market development, sales and corporate management. Ms. WOOD joined the Group in June 2002.

品質量監控的管理經驗。成先生曾擔任杭州金誠的董事總經理及總經理。成先生一九八零年畢業於浙江大學機電系，攻讀工業電器自動化專業。

零售及品牌管理

劉剛先生，47歲，浙江華鼎品牌管理有限公司董事總經理及本集團藝術設計總監。劉先生於一九九八年八月加盟本集團，負責設計、宣傳及管理本集團於中國市場的多個自有品牌，包括 FINITY(菲妮迪)、DBNI(迪妮)、ELANIE(依蘭)、RIVERSTONE(瑞弗史東)以及代理品牌 MAX STUDIO。劉先生於一九八七年畢業於浙江理工大學(前稱浙江絲綢工學院)。

陳俊先生，47歲，菲妮迪國際時裝有限公司及迪妮(杭州)時裝有限公司總經理，於一九九九年加入本集團，自二零零一年起出任上述時裝公司總經理，負責就本集團品牌服裝的中國零售業務進行製造、銷售、宣傳及營銷工作。陳先生在中國的市場宣傳及品牌服裝發展方面擁有豐富經驗。陳先生在一九八三年畢業於浙江廣播電視大學，為執行董事丁雄尔先生的襟弟。

何一民先生，42歲，菲妮迪時裝(深圳)有限公司總經理。何先生於一九九八年四月加盟本集團，於二零零三年起擔任上述公司總經理，何先生在製衣及時裝零售業積逾十年經驗，現時負責 ELANIE(依蘭)品牌的零售業務。何先生於一九九零年獲浙江師範大學頒授教育學士學位。

投資者關係及全球業務發展

吳雪玲女士，60歲，原任法國創越時裝有限公司的董事，負責本集團的整體歐洲業務，現為本集團副總裁，負責投資者關係及全球業務發展，同時兼任歐洲的銷售董事。吳女士持有法國HEC大學及英國牛津大學合辦的業務諮詢及轉變管理專業指導(Business Consultation and Professional Coaching for Change Management)碩士學位。吳女士擁有逾二十五年管理經驗，其中十年累積自服務業(法國航空公司香港地區辦事處)及十五年累積自紡織業，擅長市場開發、銷售及企業管理。吳女士於二零零二年六月加盟本集團。

Directors and Senior Management (continued)

董事及高層管理人員 (續)

Accounting, Finance and Administration

Mr. FANG Long, aged 53, is a vice president of the Group, responsible for the Group's administration and public relations in China. Mr. FANG joined the Group in August 2000 and was, formerly, deputy general manager of Finity Fashion (Shenzhen) Company Limited until late March 2003. Mr. FANG is currently in charge of administration and corporate management, including offices, production facilities and properties, of the China Ting Industrial Complex in Hangzhou. Effective from 2008, Mr. FANG also assumes responsibilities as General Manager of the Group's latest wool mill joint venture with Italian partners due to commence in middle of 2009. Mr. FANG completed undergraduate studies at Jiangxi University (江西大學) in 1989.

Mr. MAO Jian Hua, aged 55, is the Financial Controller and Chief Accountant of the Group. Mr. MAO joined the Group in December 2003 and is responsible for the overall accounting and budget control for the Group's OEM production in China. Mr. MAO is a holder of the Certificate of Certified Public Valuer of the PRC (中華人民共和國註冊資產評估師證書) as well as a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). Mr. MAO has over 19 years of work experience in financial management and accounting in China.

Ms. DING Yinger, aged 59, is the General Manager (Finance) of the Group in China. Ms. DING joined the group in March 2002 and is responsible for the management of funds for the Group and overall financial management and control of the Group's retail business in China. Ms. DING has considerable experience in financial management and is the elder sister of Mr. TING Man Yi, Mr. TING Hung Yi, and Mr. DING Jianer.

Mr. CHENG Ho Lung, Raymond, aged 31, is the finance and accounting manager of the Group. Mr. CHENG is also the Company Secretary of the Group. Mr. CHENG joined the Group in May 2005, and is responsible for the Group's overall matters related to financial and treasury management, financial accounting and reporting, budgetary control, taxation and statutory audit. Mr. CHENG graduated from the Hong Kong University of Science and Technology in 1999 with a Bachelor's Degree in Business Administration (Accounting), and is an associate member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Prior to joining the Group, Mr. CHENG worked as audit manager for an international accounting firm in Hong Kong.

會計、財務及行政管理

方隆先生，53歲，本集團副總裁，負責本集團的行政管理及公共關係。方先生於二零零零年八月加入本集團，曾擔任菲妮迪時裝(深圳)有限公司副總經理，直至二零零三年三月底為止。方先生現時負責的行政管理和企業管理工作，包括管理座落於杭州華鼎工業園內的辦事處、生產設施及物業。由二零零八年起，方先生亦擔任本集團與意大利業務夥伴合營、於二零零九年中投產的最新羊毛紡織合營企業的總經理。方先生於一九八九九年修畢江西大學本科課程。

茅建華先生，55歲，本集團財務總監兼總會計師。茅先生於二零零三年十二月加盟本集團，負責本集團的中國原設備製造生產的整體會計及財政預算監控。茅先生持有中華人民共和國註冊資產評估師證書，並為中國註冊會計師協會會員。茅先生於中國從事財務管理及會計工作逾十九年。

丁英兒女士，59歲，本集團的中國總經理(財務)。丁女士於二零零二年三月加盟本集團，負責為本集團管理基金以及本集團中國零售業務的整體財務管理及監控。丁女士在財務管理方面經驗豐富。丁女士為丁敏兒先生、丁雄尔先生及丁建兒先生的胞姐。

鄭浩龍先生，31歲，本集團財務及會計經理，亦為本集團公司秘書，於二零零五年五月加入本集團，現負責本集團財務及財資管理、財務會計及申報、財政預算監控、稅務及法定審核方面之整體事務。鄭先生於一九九九年畢業於香港科技大學，持工商管理(會計)學士學位。鄭先生為香港會計師公會及英國特許公認會計師公會會員。鄭先生加盟本集團前，曾在香港一家國際會計師事務所擔任核數經理。

Corporate Governance Report

企業管治報告

The Directors recognise the importance and are committed in maintaining high-standards of corporate governance in the management structure of the Group and the internal control procedures of the Group, so as to make sure that all business activities of the Group and the decision-making process are properly regulated to safeguard Shareholders' interests as well as the Company's assets to lead and manage the Company to success. During the financial year ended 31 December 2008, the Company complied with the applicable code provisions set forth in The Code on Corporate Governance Practices (the "Code") as set out in appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Board of Directors

The Board is responsible for preventing frauds and irregularities, safeguarding the assets of the Group and formulating business strategies for the Group. The Board currently comprises four executive Directors and three independent non-executive Directors. Details of the Directors are set forth on pages 25 to 27 of this report.

The four executive Directors include three brothers, namely Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer, and Mr. CHEUNG Ting Yin, Peter. Mr. CHEUNG Ting Yin, Peter has no family relationship with any of the other executive and independent non-executive Directors.

The roles of the Chairman and the Chief Executive Officer are separate and held by Mr. TING Man Yi and Mr. TING Hung Yi, respectively, who are siblings. The Chairman is responsible for the overall strategic planning of the Group, overseeing the manufacturing business of the Group in Hangzhou and the planning and implementation of major new investments and projects of the Group. The Chairman will ensure that the Group maintains good measures and effective corporate governance practices and procedures. The Chief Executive Officer is responsible for the day-to-day management of the business of the Group and the strategic development of the Group's OEM and retail business. With the assistance of other members of the Board and other senior management, the Chief Executive Officer closely monitors the operating and financial results of the Group, identifies weakness of the operation and takes all necessary and appropriate remedial steps.

All three independent non-executive Directors have been appointed for a term of three years, commencing from 18 November 2008. All of them have satisfied the independence criteria, and each of them has made such confirmation pursuant to rule 3.13 of the Listing Rules. The Directors are of the view that all independent non-executive Directors meet the independence guidelines set forth in rule 3.13 of the Listing Rules.

董事認為企業管治對本集團管理架構及內部監控程序而言至為重要，並致力維持高水平的企業管治，以確保本集團一切業務活動及決策過程得以妥善規管，保障股東利益及本公司的資產以領導及管理本公司邁向成功。截至二零零八年十二月三十一日止財政年度，本公司一直遵守聯交所證券上市規則（「上市規則」）附錄14所載的企業管治常規守則（「守則」）的適用守則條文。

董事會

董事會負責防止欺詐及不當行為、保障本集團的資產以及制定本集團的業務策略。董事會目前由四位執行董事及三位獨立非執行董事組成。各董事的詳情載於本報告第25至27頁。

四位執行董事包括丁敏兒先生、丁雄尔先生和丁建兒先生三兄弟，以及張定賢先生。張定賢先生與任何其他執行董事及獨立非執行董事並無任何親屬關係。

本集團主席與行政總裁的角色分立，並分別由丁敏兒先生及丁雄尔先生（彼等為胞兄弟）擔任。主席負責本集團的整體策略籌劃、監督本集團在杭州的製造業務，以及策劃和施行本集團主要的新投資及項目，確保本集團保持良好措施及企業管治常規及程序有效。行政總裁負責本集團業務的日常管理以及原設備製造與零售業務的策略發展工作，並在董事會其他成員和其他高層管理人員協助下，密切監察本集團的營運及財務業績，識別業務營運中的弱項，並採取一切必要的適當修正措施。

三位獨立非執行董事的任期全部由二零零八年十一月十八日開始，為期三年。彼等全部符合獨立準則，並已根據上市規則第3.13條各自發出每年獨立確認。董事認為全體獨立非執行董事均符合上市規則第3.13條指引所載的獨立指引。

Corporate Governance Report (continued)

企業管治報告 (續)

During 2008, the Board held five meetings and individual attendance of each Director at the Board meetings is set out below:

於二零零八年，董事會舉行五次會議，各董事於董事會會議之個別出席記錄載列如下：

Director 董事	Attendance 出席次數
Executive Director	
執行董事	
Mr. TING Man Yi 丁敏兒先生	4/5
Mr. TING Hung Yi 丁雄尔先生	4/5
Mr. DING Jianer 丁建兒先生	4/5
Mr. CHEUNG Ting Yin, Peter 張定賢先生	4/5
Mr. WONG Sin Yung* 黃善榕先生*	1/5
Independent Non-Executive Director	
獨立非執行董事	
Dr. CHENG Chi Pang 鄭志鵬博士	4/5
Mr. WONG Chi Keung 黃之強先生	5/5
Mr. LEUNG Man Kit 梁民傑先生	5/5

* Mr. WONG Sin Yung resigned as an executive Director on 12 April 2008.

* 黃善榕先生於二零零八年四月十二日辭任執行董事。

The Board is responsible for the formulation of the overall business strategies and objectives, the monitoring and evaluation of the operating and financial performance, the review of the corporate governance standard and the supervision of the management of the Group. The management of the Group is responsible for the implementation of the business strategies and the day-to-day operations of the Group under the supervision of the Chief Executive Officer. The Directors have full access to information on the Group. All senior management of the Group also provide the Directors from time to time with information on the business of the Group.

董事會負責制定整體業務策略及目標、監察及評估營運和財務表現、檢討企業管治標準以及監督本集團管理層。本集團管理層在行政總裁監督下，負責施行本集團的業務策略及日常運作。董事有權查閱本集團所有資料，而本集團全體高層管理人員亦會不時向董事提供有關本集團業務的資料。

Model Code for Securities Transactions

The Company has adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set forth in appendix 10 to the Listing Rules. The Company has made specific enquiries with the Directors, and all Directors have confirmed that they complied with the requirements under the Model Code throughout the year ended 31 December 2008.

進行證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」）。據本公司向董事作出特定查詢後所悉，所有董事確認於截至二零零八年十二月三十一日止年度全年已遵守標準守則下的規定。

Corporate Governance Report (continued)

企業管治報告 (續)

Remuneration Committee

The remuneration committee of the Board has three members, namely Mr. TING Hung Yi, Dr. CHENG Chi Pang and Mr. WONG Chi Keung. The chairman of the remuneration committee is Mr. TING Hung Yi. The primary duties of the remuneration committee include reviewing the terms of remuneration packages and determining the award of bonuses. Its terms of reference are available on request, and are also posted on the website of the Company. The remuneration committee was established on 18 November 2005. Two remuneration committee meetings were held in 2008 and all the committee members attended the meeting.

Nomination Committee

The nomination committee of the Board consists of Mr. TING Hung Yi, Dr. CHENG Chi Pang and Mr. LEUNG Man Kit. The chairman of the nomination committee is Mr. TING Hung Yi. The nomination committee selects and recommends appropriate candidates, based on his or her prior experience and qualifications, to the Board on the appointment of Directors and the senior management of the Group. Its terms of reference are available on request and are also posted on the website of the Company. The nomination committee was established on 18 November 2005. Two nomination committee meetings, discussing the nomination procedures, were held in 2008 and all the committee members attended these meetings.

Audit Committee

The audit committee of the Board comprises three independent non-executive Directors, Mr. WONG Chi Keung, Dr. CHENG Chi Pang and Mr. LEUNG Man Kit. Mr. WONG Chi Keung is the chairman of the audit committee. The audit committee assists the Board to review the financial reporting process, evaluate the effectiveness of the internal control systems of the Group and oversee the auditing processes. Its terms of reference are available on request and are also posted on the website of the Company. The audit committee was established on 18 November 2005. Three audit committee meetings were held in 2008, together with senior management and the external auditor. All the committee members attended these meetings.

During 2008, the audit committee considered the external auditor's projected audit fees; discussed with the external auditor their independence and the nature and scope of the audit; reviewed the interim and annual financial statements, particularly judgemental areas, before submission to the Board; reviewed the Group's adherence to the Code Provisions in the Code. The audit committee recommended the Board to adopt the interim and annual report for 2008.

薪酬委員會

董事會轄下的薪酬委員會由丁雄尔先生、鄭志鵬博士及黃之強先生三位成員組成，主席為丁雄尔先生。薪酬委員會的主要職責包括審閱薪酬方案條款及釐定花紅發放。本公司會在有人要求時提供薪酬委員會的職權範圍，並在本公司網站登載。薪酬委員會於二零零五年十一月十八日成立，並於二零零八年舉行過兩次會議，全體委員會成員均有出席。

提名委員會

董事會轄下的提名委員會由丁雄尔先生、鄭志鵬博士及梁民傑先生三位成員組成，主席為丁雄尔先生。提名委員會負責根據各人的過往經驗及資歷，就委任本集團董事及高層管理人員之事宜，向董事會選舉和推薦合適的人才。本公司會在有人要求時提供提名委員會的職權範圍，並在本公司網站登載。提名委員會於二零零五年十一月十八日成立，並於二零零八年舉行過兩次會議，全體委員會成員均有出席，會上討論各項提名程序。

審核委員會

董事會轄下的審核委員會由黃之強先生、鄭志鵬博士及梁民傑先生三位獨立非執行董事組成，並由黃之強先生擔任主席。審核委員會負責協助董事會檢討財務申報程序、評估本集團內部監控制度的效能及監督審核過程。本公司會在有人要求時提供審核委員會的職權範圍，並在本公司網站登載。審核委員會於二零零五年十一月十八日成立，並於二零零八年與高層管理人員及外聘核數師舉行過三次會議，全體委員會成員均有出席。

於二零零八年，審核委員會已審議外聘核數師之預計審核費用；與外聘核數師討論彼等之獨立性以及審核之性質及範圍；審閱中期及年度財務報表（尤其是有關判斷之範圍）後方提交董事會；審閱本集團是否遵守守則的守則條文。審核委員會建議董事會採納二零零八年年中期及年度報告。

Corporate Governance Report (continued)

企業管治報告 (續)

Director's Responsibilities for the Financial Statements

The Directors acknowledge that it is their responsibility for overseeing the preparation of the financial statements of the Group with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group, selecting suitable accounting policies, applying the selected accounting policies consistently, and making prudent and reasonable judgements and estimates for the preparation of the financial statements of the Group.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements of the Group is set forth in the auditor's report on page 53.

Auditor's Remuneration

The professional fee charged by the Company's auditor in respect of the auditing services is disclosed in note 25 to the financial statements. The remuneration of the auditor of the Company, PricewaterhouseCoopers, for audit and non-audit services (namely taxation services and interim review) rendered during 2008 was HK\$4.2 million and HK\$0.5 million, respectively.

Internal Control

The Board and the management of the Group maintain a sound and effective system of internal control of the Group so as to ensure the effectiveness and efficiency of operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations.

The Board is also responsible for making appropriate assertions on the adequacy of internal controls over financial reporting and the effectiveness of disclosure controls and procedures. Through the audit committee of the Board, the Board reviews the effectiveness of these systems on a regular basis.

董事對財務報表的責任

董事承認彼等有責任監督本集團編製財務報表，以確保該等財務報表真實而公平地反映本集團的業務狀況，選取合適會計政策並貫徹運用所選的會計政策，以及對本集團財務報表之編製作出審慎合理的判斷及估計。

本公司核數師已就其對本集團財務報表的申報責任作出聲明，有關聲明載於第53頁的核數師報告。

核數師酬金

本公司核數師就核數服務所收取的專業費用，於財務報表附註25中披露。於二零零八年內，本公司就核數師羅兵咸永道會計師事務所提供的核數及非核數服務（稅務服務及中期審閱），分別支付酬金4.2百萬港元及0.5百萬港元。

內部監控

本集團董事會與管理層負責維持本集團的內部監控制度穩健妥善而且有效，以確保本集團有效地以高效率營運，藉以達成企業目標、保障本集團資產、作出可靠的財務申報以及遵守適用的法律及規例。

董事會亦負責對財務申報的內部監控是否充足以及披露監控和程序是否有效，作出適當的聲明，並透過轄下的審核委員會定期檢討該等制度是否有效。

Report of the Directors

董事會報告

The Directors are pleased to present their report together with the audited financial statements for the financial year ended 31 December 2008.

Principal Business Activities

The principal business activity of the Company is investment holding. Details of the principal business activities of the subsidiaries of the Company are set forth in note 9 to the financial statements.

The Group's principal business activities during the financial year ended 31 December 2008 were garment manufacturing for export and retailing branded fashion apparel in Mainland China.

An analysis of the Group's performance for the financial year ended 31 December 2008 by business and geographical segments is set out in note 5 to the financial statements.

Results and Appropriations

The Group's consolidated results for the financial year ended 31 December 2008 are set forth in the consolidated income statement on page 58 of this annual report.

An interim dividend of 4.56 HK cents per Share and a special dividend of 0.68 HK cents per Share were paid to the shareholders during the year. At a meeting held on 27 March 2009, the Directors proposed a special dividend of HK2.09 cents per Share in addition to a final dividend of HK2.37 cents per Share. Upon the approval to be obtained from the forthcoming Annual General Meeting to be held on 22 May 2009, the final dividend and the special dividend will be payable on or about 27 May 2009 to the shareholders whose name appear on the register of members of the Company at close of business on Friday, 22 May 2009.

The register of members of the Company will be closed from Tuesday, 19 May 2009 to Friday, 22 May 2009, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for the final dividend and special dividend to be considered at the forthcoming Annual General Meeting, all transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 18 May 2009.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 151 and 152 of this report.

董事欣然呈列董事會報告，連同截至二零零八年十二月三十一日止財政年度的經審核財務報表。

主要業務

本公司的主要業務是投資控股，本公司附屬公司主要業務的詳情載於財務報表附註9。

本集團於二零零八年十二月三十一日止財政年度的主要業務是在中國製造成衣以供出口，以及零售品牌時裝。

本集團於截至二零零八年十二月三十一日止財政年度按業務及地區分部分類的業績載於財務報表附註5。

業績及分配

本集團截至二零零八年十二月三十一日止財政年度的綜合業績，載於本年報第58頁之綜合收益表內。

年內已向股東派付中期股息每股份4.56港仙及特別股息每股份0.68港仙。於二零零九年三月二十七日舉行的會議上，董事建議除派付終期股息每股份2.37港仙外，亦派付特別股息每股份2.09港仙。經將於二零零九年五月二十二日舉行的應屆股東週年大會批准後，終期股息及特別股息將於二零零九年五月二十七日或前後向於二零零九年五月二十二日(星期五)營業時間結束時名列本公司股東名冊的股東派付。

本公司將於二零零九年五月十九日(星期二)至二零零九年五月二十二日(星期五)(包括首尾兩日)暫停辦理股份過戶登記，期間將不會進行任何股份過戶。為符合資格獲得將於應屆股東週年大會上審議的終期股息及特別股息，所有過戶文件連同有關股票，最遲於二零零九年五月十八日(星期一)下午四時三十分前交回本公司股份過戶登記處香港分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-16號舖。

財務概要

本集團過去五個財政年度的業績、資產及負債概要載於本年報第151至第152頁。

Report of the Directors (continued)

董事會報告 (續)

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 6 to the financial statements.

Donations

During the financial year ended 31 December 2008, the Group made charitable donations of approximately HK\$1.4 million.

Share Capital and Share Options

Details of the movements in the share capital of the Company and the share options granted by the Company are set forth in note 16 to the financial statements.

Reserves

Details of movements in the reserves of the Company and the Group during the financial year ended 31 December 2008 are set forth in note 17 to the financial statements.

Distributable Reserves

As at 31 December 2008, the Company's reserves available for distributions amounted to HK\$1,615.8 million.

Major Customers and Suppliers

During the financial year ended 31 December 2008, sales made to the Group's top five customers and the largest customer accounted for approximately 47.4% and 13.0% of the total sales. The Group purchased less than 30% of its goods and services from its five largest suppliers.

None of the Directors, their associates or Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued Shares) had any beneficial interest in the Group's five largest customers or five largest suppliers.

Directors

The Directors of the Company during the financial year ended 31 December 2008 and up to the date of this report were:

Executive Directors:

Mr. TING Man Yi (*Chairman*)
Mr. TING Hung Yi (*Chief Executive Officer*)
Mr. DING Jianer
Mr. CHEUNG Ting Yin, Peter
Mr. WONG Sin Yung (resigned on 12 April 2008)

Independent non-executive Directors:

Dr. CHENG Chi Pang
Mr. WONG Chi Keung
Mr. LEUNG Man Kit

物業、廠房及設備

有關本集團物業、廠房及設備的變動，詳情載於財務報表附註6。

捐款

本集團於截至二零零八年十二月三十一日止財政年度作出慈善捐款約1.4百萬港元。

股本及購股權

有關本公司股本及本公司已授出購股權的變動，詳情載於財務報表附註16。

儲備

有關本公司及本集團於截至二零零八年十二月三十一日止財政年度的儲備變動，詳情載於財務報表附註17。

可供分派儲備

於二零零八年十二月三十一日，本公司的可供分派儲備為1,615.8百萬港元。

主要客戶及供應商

截至二零零八年十二月三十一日止財政年度，本集團向五大客戶及最大客戶銷售所得的銷售額分別佔總銷售額約47.4%及13.0%。本集團向五大供應商採購的貨物及服務低於其採購額的30%。

董事、彼等的聯繫人或據董事所知擁有本公司已發行股份超過5%的股東概無擁有本集團五大客戶或五大供應商的任何實益權益。

董事

於截至二零零八年十二月三十一日止財政年度及直至本年報刊發日期止的本公司在任董事如下：

執行董事：

丁敏兒先生 (*主席*)
丁雄尔先生 (*行政總裁*)
丁建兒先生
張定賢先生
黃善榕先生 (於二零零八年四月十二日辭任)

獨立非執行董事：

鄭志鵬博士
黃之強先生
梁民傑先生

Report of the Directors (continued)

董事會報告 (續)

In accordance with article 86 of the Company's articles of association (the "Articles"), Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer will retire and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

The Company received from each of Dr. CHENG Chi Pang, Mr. WONG Chi Keung and Mr. LEUNG Man Kit a confirmation of his independence pursuant to rule 3.13 of the Listing Rules and the Company still consider all of them to be independent.

Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set forth on pages 25 to 30 of this report.

Directors' Service Contracts

The annual salary and bonus of each of Mr. TING Man Yi, Mr. TING Hung Yi, Mr. DING Jianer and Mr. CHEUNG Ting Yin, Peter for the financial year ended 31 December 2008 was HK\$5.3 million, HK\$5.3 million, HK\$3.1 million, and HK\$3.2 million, respectively. The annual salary and bonus of each executive Director shall be determined by the Board and subject to the annual review by the remuneration committee of the Company, provided that any increment shall not be more than 15% of the annual salary received by each executive Director for the immediate preceding year.

Each of the executive Directors is also entitled to a management bonus, the amount of which is determined with reference to the audited consolidated net profits of the Group after taxation and minority interests but before extraordinary items (the "Net Profits") as the Board may, in its absolute discretion, approve, provided that the aggregate amount of the management bonus payable to all executive Directors in respect of any financial year shall not exceed 4% of the Net Profits for the relevant financial year.

Each of the independent non-executive Directors has signed a letter of appointment dated 18 November 2008 with the Company under which each of them has agreed to act as an independent non-executive Director for a period of three years, commencing from 18 November 2008, unless terminated in accordance with the terms and conditions specified therein. The initial annual fee payable to Mr. WONG Chi Keung, Dr. CHENG Chi Pang and Mr. LEUNG Man Kit is HK\$360,000, HK\$240,000 and HK\$240,000, respectively, and each was granted a special bonus upon the signing of the letter of appointment.

根據本公司章程細則(「章程細則」)第86條細則，丁敏兒先生、丁雄尔先生及丁建兒先生將會退任，並符合資格可在應屆股東週年大會上膺選連任。

本公司已接獲鄭志鵬博士、黃之強先生及梁民傑先生分別根據上市規則第3.13條發出的獨立確認書，本公司認為彼等全部仍屬獨立人士。

董事及高層管理人員之履歷

有關董事及本集團高層管理人員的履歷，詳情載於本年報第25至第30頁。

董事服務合約

於截至二零零八年十二月三十一日止財政年度，丁敏兒先生、丁雄尔先生、丁建兒先生及張定賢先生各自可獲得年薪及花紅分別5.3百萬港元、5.3百萬港元、3.1百萬港元及3.2百萬港元。各執行董事的年薪及花紅須由董事會釐定並由本公司薪酬委員會每年檢討，惟任何加薪幅度不得多於各執行董事於緊接上一年度所獲年薪的15%。

各執行董事亦有權獲得管理花紅，管理花紅乃參考本集團除稅及少數股東權益後但未計非經常項目前的經審核綜合純利(「純利」)釐定，再由董事會全權酌情批准，惟於任何財政年度支付予全體執行董事的管理花紅總額，不得超過有關財政年度所得純利的4%。

各獨立非執行董事已於二零零八年十一月十八日與本公司簽署委任書，據此，彼等各自同意由二零零八年十一月十八日起出任獨立非執行董事三年，惟根據委任書訂明的條款及條件終止則除外。初步應向黃之強先生、鄭志鵬博士及梁民傑先生支付的年度袍金分別為360,000港元、240,000港元及240,000港元，彼等各自於簽訂委任書時獲授特殊花紅。

Report of the Directors (continued)

董事會報告（續）

In recognition of the services of the independent non-executive Directors, each of them has also been granted 1,000,000 options pursuant to the Company's share option scheme adopted on 18 November 2005.

Save as mentioned above, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director. Save as disclosed above, there is no service contract, which is not determinable by the Company or its subsidiaries within one year without payment of compensation (other than statutory compensation), entered into with any of the executive Director proposed for re-election at the forthcoming Annual General Meeting.

Directors' Interests in Contracts

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the financial year.

Emolument Policy of the Group

The Company's policies concerning remuneration of the Directors are as follows:

- (i) the amount of remuneration is determined by the remuneration committee of the Board on the basis of the relevant executive Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided to the executive Directors under their remuneration package; and
- (iii) the Directors may be granted, at the discretion of the Board with the endorsement of the remuneration committee of the Board, options pursuant to the share option scheme adopted by the Company, as part of their remuneration package.

The emolument policy of the Group is aimed at attracting, retaining and motivating talented individuals. The principle is to have performance based remuneration which reflects market standards. The employee's remuneration packages are generally determined based on their job nature and position with reference to market standards. Employees also receive certain welfare benefits. The Group's emolument policy will be adjusted depending on a number of factors, including changes to the market practice and stages of the Group's business development, so as to achieve the Group's operational targets.

為表彰獨立非執行董事的服務，彼等各自亦已根據本公司於二零零五年十一月十八日採納的購股權計劃獲授1,000,000份購股權。

除上文所述者外，預期獨立非執行董事概不會為彼等擔任獨立非執行董事職務而收取任何其他薪酬。除上文所披露者外，任何建議在應屆股東週年大會上重選的執行董事，概無訂立任何不可由本公司或其附屬公司於一年內毋須支付賠償（法定賠償除外）而終止的服務合約。

董事之合約權益

本財政年度內，董事概無於任何就本集團業務而言乃屬重大，而本公司、其控股公司或其任何附屬公司亦屬訂約方之一的合約中直接或間接擁有重大權益。

本集團之酬金政策

本公司有關董事薪酬的政策如下：

- (i) 薪酬金額乃由董事會轄下的薪酬委員會根據有關執行董事的經驗、職責、工作量及服務本集團的時間長短而釐定；
- (ii) 執行董事或會根據彼等的薪酬方案而獲得非現金福利；及
- (iii) 董事會可在其轄下的薪酬委員會同意下酌情決定，根據本公司採納的購股權計劃向董事授出購股權，作為彼等薪酬方案的一部分。

本集團的酬金政策旨在吸引、挽留和策勵有才幹的人員，其原則是設定以績效為準則並反映市場標準的薪酬水平。僱員的薪酬方案一般根據個別人員的工作性質和職位並參考市場標準而釐定。僱員亦會收取若干福利利益。本集團的酬金政策將會按照市場慣例變動及本集團業務發展的階段等多個因素作出調整，藉此達致本集團的營運目標。

Report of the Directors (continued)

董事會報告 (續)

Interests and/or Short Positions of Directors and Chief Executive in the Shares, Underlying Shares or Debentures of the Company and its Associated Corporations

As at 31 December 2008, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions), or were required, pursuant to section 352 of the Securities and Futures Ordinance (“SFO”), to be entered in the register required to be maintained, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

董事及最高行政人員於本公司及其相聯法團的股份、相關股份或債權證中擁有的權益及／或淡倉

於二零零八年十二月三十一日，本公司董事及最高行政人員於本公司及其相聯法團（按證券及期貨條例第XV部的涵義）的股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部的規定已知會本公司及聯交所的權益及淡倉（包括根據該等條文規定被當作或被視作擁有的權益及淡倉），或根據證券及期貨條例（「證券及期貨條例」）第352條規定須登記於需存置的登記冊內的權益及淡倉，或根據標準守則規定須知會本公司及聯交所的權益及淡倉如下：

(a) Beneficial Interests in the Shares

(a) 於股份的實益權益

Name of Directors 董事姓名	Capacity 身份	Number of Shares 股份數目 (Note 1) (附註1)	Approximate percentage of interest in the Company# 佔本公司權益概約百分比#
Mr. TING Man Yi 丁敏兒先生	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 2) (附註2)	71.22%
Mr. TING Hung Yi 丁雄尔先生	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 3) (附註3)	71.22%
Mr. DING Jianer 丁建兒先生	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 4) (附註4)	71.22%
Dr. CHENG Chi Pang 鄭志鵬博士	Directly beneficially owned 直接實益擁有	200,000 (L)	0.01%
	Directly beneficially owned 直接實益擁有	1,000,000 (L) (Note 5) (附註5)	0.05%
Mr. WONG Chi Keung 黃之強先生	Directly beneficially owned 直接實益擁有	1,000,000 (L) (Note 5) (附註5)	0.05%
Mr. LEUNG Man Kit 梁民傑先生	Directly beneficially owned 直接實益擁有	1,000,000 (L) (Note 5) (附註5)	0.05%

The approximate percentage of interest in the Company is based on the issued share capital of the Company as at 31 December 2008.

佔本公司權益概約百分比乃按本公司於二零零八年十二月三十一日的已發行股本計算。

Report of the Directors (continued)

董事會報告 (續)

Notes:

1. The letter "L" stands for the Director's long position in the Shares.
2. Longerview Investments Limited ("Longerview") is owned as to 41.5% by Firmsuccess Limited ("Firmsuccess") which is wholly-owned by Mr. TING Man Yi. Longerview is a controlled corporation (within the meaning of the SFO) of Mr. TING Man Yi. As such, under the SFO, Mr. TING Man Yi is deemed to be interested in the 1,490,000,000 Shares held by Longerview.
3. Longerview is owned as to 40.5% by In Holdings Limited ("In Holdings") which is wholly-owned by Mr. TING Hung Yi. Longerview is a controlled corporation (within the meaning of the SFO) of Mr. TING Hung Yi. As such, under the SFO, Mr. TING Hung Yi is deemed to be interested in the 1,490,000,000 Shares held by Longerview.
4. Pursuant to a shareholders' agreement dated 18 November 2005 and entered into between Mr. TING Man Yi, Firmsuccess, Mr. TING Hung Yi, In Holdings, Mr. DING Jianer, Willport Investments Limited ("Willport") and Longerview (collectively the "Controlling Shareholders"), each of the Controlling Shareholders (other than Longerview) has agreed to enter into pre-emptive arrangements in respect of their shareholding in Longerview. For the purpose of Part XV of the SFO, each of Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer is therefore deemed to have effective voting power in respect of the 1,490,000,000 Shares held by Longerview. As such, under the SFO, Mr. DING Jianer is also deemed to be interested in the 1,490,000,000 Shares held by Longerview.
5. The interest in the underlying shares of the options granted by the Company is pursuant to the share option scheme adopted on 18 November 2005.

附註：

1. 字母「L」指董事於股份中的好倉。
2. Firmsuccess Limited (「Firmsuccess」) 擁有 Longerview Investments Limited (「Longerview」) 的41.5%，而丁敏兒先生則全資擁有Firmsuccess。Longerview為丁敏兒先生的受控制法團(按證券及期貨條例的涵義)。因此，根據證券及期貨條例，丁敏兒先生被視作擁有Longerview持有的1,490,000,000股股份的權益。
3. In Holdings Limited (「In Holdings」) 擁有 Longerview的40.5%，而丁雄尔先生則全資擁有In Holdings。Longerview為丁雄尔先生的受控制法團(按證券及期貨條例的涵義)。因此，根據證券及期貨條例，丁雄尔先生被視作擁有Longerview持有的1,490,000,000股股份的權益。
4. 根據丁敏兒先生、Firmsuccess、丁雄尔先生、In Holdings、丁建兒先生、Willport Investments Limited (「Willport」) 及 Longerview (統稱為「控股股東」) 於二零零五年十一月十八日訂立的股東協議，各控股股東 (Longerview除外) 已同意就彼等於Longerview之股權訂立優先購買安排。就證券及期貨條例第XV部而言，丁敏兒先生、丁雄尔先生及丁建兒先生各自因此被視作擁有Longerview所持1,490,000,000股股份的實際投票權。因此，根據證券及期貨條例，丁建兒先生亦被視作擁有Longerview持有的1,490,000,000股股份的權益。
5. 於本公司根據二零零五年十一月十八日採納的購股權計劃授出的購股權的相關股份中的權益。

Report of the Directors (continued)

董事會報告 (續)

(b) Beneficial Interests in the Shares of Associated Corporations **(b) 於相聯法團股份的實益權益**

Name of Directors 董事姓名	Name of associated corporation 相聯法團名稱	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage of interest in the associated corporation 佔相聯法團權益概約百分比
Mr. TING Man Yi 丁敏兒先生	Firmsuccess	Personal interest 個人權益	1	100%
	Longerview	Corporate interest 法團權益	415 (Note 1) (附註1)	41.5%
Mr. TING Hung Yi 丁雄尔先生	In Holdings	Personal interest 個人權益	1	100%
	Longerview	Corporate interest 法團權益	405 (Note 2) (附註2)	40.5%
Mr. DING Jianer 丁建兒先生	Willport	Personal interest 個人權益	1	100%
	Longerview	Corporate interest 法團權益	180 (Note 3) (附註3)	18.0%

Notes:

- The 415 shares in Longerview are held by Firmsuccess, which is wholly-owned by Mr. TING Man Yi.
- The 405 shares in Longerview are held by In Holdings, which is wholly-owned by Mr. TING Hung Yi.
- The 180 shares in Longerview are held by Willport, which is wholly-owned by Mr. DING Jianer.

附註：

- Firmsuccess 持有 Longerview 的 415 股股份，丁敏兒先生則全資擁有 Firmsuccess。
- In Holdings 持有 Longerview 的 405 股股份，丁雄尔先生則全資擁有 In Holdings。
- Willport 持有 Longerview 的 180 股股份，丁建兒先生則全資擁有 Willport。

Report of the Directors (continued)

董事會報告 (續)

Substantial Shareholders' Interests and/or Short Positions in the Shares, Underlying Shares or Debentures of the Company

So far as the Directors are aware, as at 31 December 2008, the persons, other than Directors and chief executive of the Company, having interests or short positions in the Shares or underlying shares or debentures of the Company, which were required to be entered into the register kept by the Company pursuant to section 336 of the SFO, were as follows:

主要股東於本公司股份、相關股份或債權證中擁有的權益及／或淡倉

據董事所知，於二零零八年十二月三十一日，於本公司股份、相關股份或債權證中擁有權益或淡倉，而根據證券及期貨條例第336條須登記於需存置的登記冊內的人士（並非董事或本公司最高行政人員）如下：

Name of substantial Shareholders 主要股東名稱	Capacity 身份	Number of Shares 股份數目 (Note 1) (附註1)	Approximate percentage of interest in the Company 佔本公司權益概約百分比
Longerview	Beneficial owner 實益擁有人	1,490,000,000 (L) (Note 2) (附註2)	71.22%
Firmsuccess	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 2) (附註2)	71.22%
In Holdings	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 3) (附註3)	71.22%
Willport	Interest of controlled corporation 受控制法團權益	1,490,000,000 (L) (Note 4) (附註4)	71.22%

Notes:

附註：

- The letter "L" stands for the substantial Shareholders' long position in the Shares.
 - Longerview is owned as to 41.5% by Firmsuccess. As such, Longerview is a controlled corporation (within the meaning of the SFO) of Firmsuccess. Firmsuccess is therefore deemed to be interested in the 1,490,000,000 Shares held by Longerview.
 - Longerview is owned as to 40.5% by In Holdings. As such, Longerview is a controlled corporation (within the meaning of the SFO) of In Holdings. In Holdings is therefore deemed to be interested in the 1,490,000,000 Shares held by Longerview.
 - Pursuant to a shareholders' agreement dated 18 November 2005 and entered into between the Controlling Shareholders, each of the Controlling Shareholders (other than Longerview) has agreed to enter into pre-emptive arrangements in respect of their shareholding in Longerview. For the purpose of Part XV of the SFO, each of Firmsuccess, In Holdings and Willport is therefore deemed to have effective voting power in respect of the 1,490,000,000 Shares held by Longerview. As such, Willport is also deemed to be interested in the 1,490,000,000 Shares held by Longerview.
- 字母「L」指主要股東於股份中的好倉。
 - Firmsuccess擁有Longerview的41.5%。因此，Longerview為Firmsuccess的受控制法團（按證券及期貨條例的涵義）。故此，Firmsuccess被視作擁有Longerview持有的1,490,000,000股股份的權益。
 - In Holdings擁有Longerview的40.5%。因此，Longerview為In Holdings的受控制法團（按證券及期貨條例的涵義）。故此，In Holdings被視作擁有Longerview持有的1,490,000,000股股份的權益。
 - 根據各控股股東於二零零五年十一月十八日訂立的股東協議，各控股股東（Longerview除外）已同意就彼等於Longerview之股權訂立優先購買安排。就證券及期貨條例第XV部而言，Firmsuccess、In Holdings及Willport各自因此被視作擁有Longerview所持1,490,000,000股股份的實際投票權。因此，Willport亦被視作擁有Longerview持有的1,490,000,000股股份的權益。

Report of the Directors (continued)

董事會報告(續)

Share Option Scheme and Pre-IPO Share Option Deed

(a) Share Option Scheme

Pursuant to the written resolutions of the sole Shareholder passed on 18 November 2005, a share option scheme (the “**Share Option Scheme**”) was approved and adopted by the Company.

The purpose of the Share Option Scheme is to allow the Company to grant options to subscribe for Shares (the “**Options**”) to Participants (as defined below) as incentives or rewards for their contribution to the Group.

For the purpose of the Share Option Scheme, Participants include (i) employees of the Company (whether full-time or part-time) or any of its subsidiaries; and (ii) Directors (whether executive Directors or non-executive Directors or independent non-executive Directors) or any director of its subsidiaries (together, the “**Participants**” and each a “**Participant**”).

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 199,000,000 Shares (the “**Scheme Mandate Limit**”), unless the Company obtains an approval from the Shareholders as set out below. Options lapsed shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The Company may seek approval of the shareholders in general meeting to refresh the Scheme Mandate Limit such that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 10% (the “**Refreshed Limit**”) of the issued share capital of the Company as at the date of approval to refresh such limit. Options previously granted under the Share Option Scheme and any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes or exercised Options) shall not be counted for the purpose of calculating the Refreshed Limit.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time. No option may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in the aforesaid 30% limit being exceeded.

購股權計劃及首次公開發售前購股權契據

(a) 購股權計劃

根據唯一股東於二零零五年十一月十八日通過的書面決議案，本公司批准並採納購股權計劃（「**購股權計劃**」）。

購股權計劃的目的乃容許本公司向參與者（定義見下文）授出可認購股份的購股權（「**購股權**」），作為鼓勵或獎勵彼等對本集團所作出的貢獻。

就購股權計劃而言，參與者包括(i)本公司或其任何附屬公司的僱員（不論全職或兼職）；及(ii)本公司或其附屬公司的任何董事（不論為執行董事或非執行董事或獨立非執行董事）（統稱及個別稱為「**參與者**」）。

因行使根據購股權計劃及本公司任何其他購股權計劃授出的所有購股權而可能發行的股份總數，不得超過199,000,000股股份（「**計劃授權上限**」），除非本公司按下述方式獲得股東批准。就計算計劃授權上限而言，已失效的購股權不得計算在內。

本公司可於股東大會上尋求股東批准更新計劃授權上限，惟根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的已發行股份總數不得超過批准更新計劃授權上限當日本公司已發行股本的10%（「**更新限額**」）。就計算更新限額而言，先前根據購股權計劃及任何其他購股權計劃授出的購股權（包括該等尚未行使、已註銷、根據購股權計劃或任何其他購股權計劃失效或已行使的購股權）將不得計算在內。

儘管有上文所述者，因行使根據購股權計劃及本公司任何其他購股權計劃已授出而尚未行使的全部購股權而可能發行的股份最高數目，不得超過不時已發行股份總數的30%。倘授出購股權將導致超過上述30%限額，則不可根據購股權計劃及本公司任何其他購股權計劃授出購股權。

Report of the Directors (continued)

董事會報告 (續)

The maximum number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant of the options shall not exceed 1% of the total number of Shares in issue. Any further grant of Options to a Participant which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue shall be subject to the shareholders' approval in general meeting with such Participant and his associates (as defined in the Listing Rules) abstaining from voting.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period of not more than 10 years to be notified by the Board to each grantee. Such period shall commence on the date on which an offer of the grant of an Option is accepted or deemed to be accepted in accordance with the terms of the Share Option Scheme and expire on the last day of such period as determined by the Board.

An amount of HK\$1.00 is payable by the Participant to the Company on acceptance of the option offer as consideration for the grant. Unless otherwise determined by the Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option, there is neither any performance target that needs to be achieved by the grantee before an Option can be exercised nor any minimum period for which an Option must be held before it can be exercised.

The subscription price in respect of each Share issued under the Share Option Scheme will be a price determined by the Board and notified to a Participant and will be no less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer to the Participant, which must be a day on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities (a "Trading Day"); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five consecutive Trading Days immediately preceding the date of offer to the Participant; and (iii) the nominal value of a Share.

因行使已向各參與者授出的購股權(包括已行使及尚未行使的購股權)而發行及將予發行的股份最高數目,在任何十二個月期間內直至授出購股權日期(包括當日)不得超過已發行股份總數的1%。截至進一步授出購股權日期為止(包括當日)之十二個月期間內,凡向參與者進一步授出購股權會導致因行使根據購股權計劃及本公司任何其他購股權計劃已授予或將授予該參與者的所有購股權(包括已行使、已註銷及尚未行使的購股權)而已發行及將予發行之股份總數,如超過本公司已發行股份之1%者,則須另行於股東大會上經股東批准,而有關參與者及其聯繫人(定義見上市規則)須就此放棄投票。

購股權可於董事會通知各承授人當日起計不超過十年的期間內,隨時根據購股權計劃的條款行使。行使期須自根據購股權計劃條款接納或被視為接納獲授予購股權的要約當日起計,直至董事會決定有關期間的最後日期為止屆滿。

參與者接納購股權要約須向本公司支付1.00港元以作為獲授購股權的代價。除非董事會另行規定,以及向參與者提呈購股權要約時發出的要約函件內另有指明者,否則承授人毋須在行使購股權前達成任何表現目標,且行使購股權前亦概無最低購股權持有期限。

根據購股權計劃發行的每股股份認購價將由董事會釐定,由董事會通知參與者且不得低於以下三者之最高者:(i)向參與者提呈購股權當日聯交所每日報價表所列股份的收市價,該日須為香港持牌銀行的營業日及聯交所進行證券買賣之日(「交易日」);(ii)緊接向參與者提呈購股權當日前連續五個交易日聯交所每日報價表所列股份的平均收市價;及(iii)股份面值。

Report of the Directors (continued)

董事會報告 (續)

The Share Option Scheme will remain valid for a period of 10 years commencing on the date on which the Share Option Scheme is conditionally adopted by the written resolutions of the sole Shareholder, after which period no further Options will be granted but in respect of all Options which remain exercisable at the end of such period, the provisions of the Share Option Scheme shall remain in full force and effect.

Details of the share options outstanding as at 31 December 2008 were as follows:

購股權計劃將於唯一股東通過書面決議案有條件採納購股權計劃當日起計十年內有效，其後將不再授出其他購股權，惟有關所有購股權於該期限終結時仍可予以行使，購股權計劃的所有條文將仍具十足效力及作用。

於二零零八年十二月三十一日尚未行使的購股權詳情如下：

	Date of grant 授出日期	Exercise price 行使價 HK\$ 港元	Number of options 購股權數量				
			At 1 January 2008 於二零零八年 一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	At 31 December 2008 於二零零八年 十二月三十一日
Directors 董事							
Dr. CHENG Chi Pang 鄭志鵬博士	13 November 2008 二零零八年 十一月十三日	0.59	—	1,000,000	—	—	1,000,000
Mr. WONG Chi Keung 黃之強先生	13 November 2008 二零零八年 十一月十三日	0.59	—	1,000,000	—	—	1,000,000
Mr. LEUNG Man Kit 梁民傑先生	13 November 2008 二零零八年 十一月十三日	0.59	—	1,000,000	—	—	1,000,000

(b) Pre-IPO Share Option Deed

A share option deed was entered into between the Company and Ms. LI Yuet Mui, Xera (“**Ms. LI**”), a senior management staff of the Group, on 18 November 2005 (the “**Pre-IPO Share Option Deed**”), whereby the Company has granted Ms. LI an option to subscribe for certain number of Shares upon and subject to the terms and conditions set forth in the Pre-IPO Share Option Deed.

The purpose of the Pre-IPO Share Option Deed is to provide incentive and reward to Ms. LI for her contribution to the management and business growth of the Group.

(b) 首次公開發售前購股權契據

本公司與本集團高層管理人員李月妹女士（「**李女士**」）於二零零五年十一月十八日訂立購股權契據（「**首次公開發售前購股權契據**」），據此，本公司已向李女士授出購股權，以按首次公開發售前購股權契據內所載的條款及條件以及在其規限下認購若干數目股份。

首次公開發售前購股權契據的目的在於提供鼓勵及獎勵，以回報李女士對本集團管理工作及業務增長的貢獻。

Report of the Directors (continued)

董事會報告 (續)

The principal terms of the Pre-IPO Share Option Deed, as approved by the written resolutions of the sole Shareholder passed on 18 November 2005, are substantially the same as the terms of the Share Option Scheme except that:

- (i) the subscription price for each Share subject to the option granted under the Pre-IPO Share Option Deed shall be the par value of each Share;
- (ii) the period within which Ms. LI may exercise the option under the Pre-IPO Share Option Deed is eight years from the Listing Date. During the exercise period, Ms. LI can exercise the option in each year no more than one-eighth of the total number of the Option Shares (as defined below) granted, provided that Ms. LI cannot exercise any option granted under the Pre-IPO Share Option Deed during the period of six months immediately after the Listing Date;
- (iii) the total number of the Shares subject to the Pre-IPO Share Option Deed shall be up to 10,000,000 Shares upon full exercise of the option under the Pre-IPO Share Option Deed; and
- (iv) save for the options which has been granted, no further options will be granted under the Pre-IPO Share Option Deed.

Details of the share options outstanding as at 31 December 2008 were as follows:

	Options held at 1 January 2008 於二零零八年 一月一日 持有的購股權	Granted during the year 年內授出	Options exercised during the year 年內行使的 購股權	Options lapsed during the year 年內失效的 購股權	Options held as at 31 December 2008 於二零零八年 十二月三十一日 持有的購股權
Ms. LI Yuet Mei, Xera 李月妹女士	7,500,000	—	1,250,000	—	6,250,000

誠如二零零五年十一月十八日唯一股東通過的書面決議案所批准，首次公開發售前購股權契據的主要條款與購股權計劃的條款大致相同，惟下列條款除外：

- (i) 首次公開發售前購股權契據項下授出購股權所涉及的每股股份認購價，須為每股股份面值；
- (ii) 李女士可於上市日期起計八年內行使首次公開發售前購股權契據項下的購股權。於行使期間，李女士每年可行使的購股權數目不超過購股權股份（定義見下文）總數的八分之一，惟李女士不得於緊隨上市日期後六個月內行使根據首次公開發售前購股權契據已授出的任何購股權；
- (iii) 待悉數行使首次公開發售前購股權契據項下的購股權後，所涉及的股份總數不得超過10,000,000股股份；及
- (iv) 除已授出的購股權外，不會再根據首次公開發售前購股權契據另行授出購股權。

於二零零八年十二月三十一日尚未行使的購股權詳情如下：

Report of the Directors (continued)

董事會報告(續)

Directors' and Controlling Shareholders' Interest in Competing Business

As at 31 December 2008, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders of the Company (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, Sale or Redemption of Shares

During the year ended 31 December 2008, the Company repurchased a total of 20,166,000 (2007: 2,246,000) shares on the Stock Exchange as follows:

Month 月份	Number of shares 股份數量	Price per share 每股價格		Total paid 支付總額 HK\$ 港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2008 二零零八年一月	3,660,000	1.70	1.48	5,966,600
February 2008 二零零八年二月	1,450,000	1.31	1.27	1,876,000
June 2008 二零零八年六月	4,544,000	1.30	1.25	5,859,500
July 2008 二零零八年七月	2,190,000	1.26	1.16	2,685,100
October 2008 二零零八年十月	5,198,000	0.61	0.50	2,890,360
November 2008 二零零八年十一月	3,124,000	0.48	0.38	1,365,120
	<hr/>			
	20,166,000			<hr/> 20,642,680

The above repurchased shares have been cancelled. The premium paid on the repurchase of shares of HK\$18,626,080 (2007: HK\$4,220,460) has been charged to the share premium. An amount equivalent to the par value of the shares cancelled has been transferred from the share capital of the Company to the capital redemption reserve.

董事及控股股東於競爭業務的權益

於二零零八年十二月三十一日，董事及其各自的聯繫人(定義見上市規則)或本公司控股股東(定義見上市規則)概無在與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

優先購買權

本公司細則或開曼群島法律項下概無任何優先購買權條文，規定本公司須按比例向現有股東提呈發售新股。

購買、出售或贖回股份

截至二零零八年十二月三十一日止年度內，本公司於聯交所購回合共20,166,000股(二零零七年：2,246,000股)股份如下：

以上已購回股份已經註銷。18,626,080港元(二零零七年：4,220,460港元)之已付購回股份溢價已於股份溢價賬中扣除。相當於每股註銷股份面值之金額已從本公司股本轉撥至資本贖回儲備。

Report of the Directors (continued)

董事會報告 (續)

The repurchase of the shares during the year was effected by the Directors, pursuant to the mandate from shareholders (the “Shareholders”) of the Company, with a view to benefiting Shareholders as a whole by enhancing the net asset value per share and earnings per share.

Save as disclosed herein, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

Continuing Connected Transactions

Particulars of Transactions

During the year ended 31 December 2008, as disclosed in the announcement of the Company dated 24 July 2008, the Group entered into the following non-exempt continuing connected transactions:

- (a) A lease agreement dated 22 July 2008 was entered into between Hangzhou Yuhang Huaming Garment Manufacturing Company Limited (“**Yuhang Huaming**”) and Zhejiang Huali Fashion Company Limited (“**Zhejiang Huali**”), a member of the Group. Yuhang Huaming agreed to lease to Zhejiang Huali a portion of a factory building and staff quarters for a period from 1 January 2008 to 31 December 2010. The annual rental for the leased property is fixed at RMB846,610 (approximately HK\$948,476) during the term of the lease agreement. For the year ended 31 December 2008, the aggregate amount payable by Zhejiang Huali to Yuhang Huaming under the lease was HK\$948,476 (2007: HK\$868,407).
- (b) A lease agreement dated 22 July 2008 was entered into between Yuhang Huaming and Hangzhou Fuding Fashion Company Limited (“**Hangzhou Fuding**”), a member of the Group. Yuhang Huaming agreed to lease to Hangzhou Fuding a portion of a factory building and staff quarters for a period from 1 January 2008 to 31 December 2010. The annual rental for the leased property is fixed at RMB613,020 (approximately HK\$686,780) during the term of the lease agreement. For the year ended 31 December 2008, the aggregate amount payable by Hangzhou Fuding to Yuhang Huaming under the lease was HK\$686,780 (2007: HK\$628,803).

年內，購回股份乃由董事根據本公司股東（「股東」）之授權而進行，旨在透過提高每股資產淨值及每股盈利而使整體股東獲益。

除以上所披露者外，本公司及其任何附屬公司概無於年內購買、出售或贖回任何本公司之上市證券。

持續關連交易

交易詳情

於截至二零零八年十二月三十一日止年度，誠如本公司日期為二零零八年七月二十四日的公佈所披露，本集團曾進行的不獲豁免持續關連交易如下：

- (a) 杭州余杭華明製衣有限公司（「**余杭華明**」）與本集團成員公司浙江華勵時裝有限公司（「**浙江華勵**」）於二零零八年七月二十二日訂立租賃協議，余杭華明同意於二零零八年一月一日至二零一零年十二月三十一日期間，向浙江華勵出租一幢廠房大樓及員工宿舍的部分。於租賃協議期間，該租賃物業的年租固定為人民幣846,610元（約948,476港元）。截至二零零八年十二月三十一日止年度，浙江華勵須就此項租賃向余杭華明應支付總額948,476港元（二零零七年：868,407港元）。
- (b) 余杭華明與杭州富鼎時裝有限公司（「**杭州富鼎**」）（本集團成員公司）於二零零八年七月二十二日訂立租賃協議，余杭華明同意於二零零八年一月一日至二零一零年十二月三十一日期間，向杭州富鼎出租另一幢廠房大樓及員工宿舍的部分。於租賃協議期間，該租賃物業的年租固定為人民幣613,020元（約686,780港元）。截至二零零八年十二月三十一日止年度，杭州富鼎須就此項租賃向余杭華明應支付總額686,780港元（二零零七年：628,803港元）。

Report of the Directors (continued)

董事會報告 (續)

- (c) A supply contract dated 24 July 2008 was entered into between Hangzhou Fuze Textile Technology Company Limited (“**Hangzhou Fuze**”) and various members of the Group for a period from 1 January 2008 to 31 December 2010, whereby Hangzhou Fuze has undertaken to supply to members of the Group the required silk fabric at such prices which are not higher than the prices offered to independent third parties after taking into consideration the prevailing market rates for providing similar products from time to time. For the year ended 31 December 2008, the Group did not purchase silk fabric from Hangzhou Fuze (2007: HK\$0.1 million) which was below the annual cap of HK\$2.3 million (2007: HK\$6.6 million).
- (d) A supply contract dated 24 July 2008 was entered into between Hangzhou Huaze Textile Company Limited (“**Hangzhou Huaze**”) and various members of the Group for a period from 1 January 2008 to 31 December 2010, whereby Hangzhou Huaze has undertaken to supply to members of the Group the required velour at such prices which are not higher than the prices offered to independent third parties after taking into consideration the prevailing market rates for providing similar products from time to time. For the year ended 31 December 2008, the Group did not purchase velour from Hangzhou Huaze (2007: HK\$2.3 million) which was below the annual cap of HK\$6.8 million (2007: HK\$8.5 million).
- (e) A supply contract dated 24 July 2008 was entered into between Hangzhou Huasheng Accessories Company Limited (“**Huasheng Accessories**”) and various members of the Group for a period from 1 January 2008 to 31 December 2010, whereby Huasheng Accessories has undertaken to supply to members of the Group the required plastic bags and hangers at such prices which are not higher than the prices offered to independent third parties after taking into consideration the prevailing market rates for providing similar products from time to time. For the year ended 31 December 2008, the aggregate purchase of plastic bags and hangers by the Group from Huasheng Accessories amounted to HK\$9.7 million (2007: HK\$10.8 million) which was below the annual cap of HK\$15.9 million (2007: HK\$12.1 million).
- (c) 杭州富澤紡織科技有限公司(「**杭州富澤**」)與多間本集團成員公司於二零零八年七月二十四日訂立供應合約，年期由二零零八年一月一日起至二零零一年十二月三十一日止，據此，杭州富澤承諾以不高於提供予獨立第三方的價格(經計及不時提供同類產品的當時市價)，向本集團成員公司供應所需的絲綢面料。截至二零零八年十二月三十一日止年度，本集團並無向杭州富澤採購絲綢面料(二零零七年：0.1百萬港元)，低於2.3百萬港元的年度上限(二零零七年：6.6百萬港元)。
- (d) 杭州華澤絲綢織造有限公司(「**杭州華澤**」)與多間本集團成員公司於二零零八年七月二十四日訂立供應合約，年期由二零零八年一月一日起至二零零一年十二月三十一日止，據此，杭州華澤承諾以不高於提供予獨立第三方的價格(經計及不時提供同類產品的當時市價)，向本集團成員公司供應所需的絲絨。截至二零零八年十二月三十一日止年度，本集團並無向杭州華澤採購絲絨(二零零七年：2.3百萬港元)，低於6.8百萬港元的年度上限(二零零七年：8.5百萬港元)。
- (e) 杭州華盛輔料有限公司(「**華盛輔料**」)與多間本集團成員公司於二零零八年七月二十四日訂立供應合約，年期由二零零八年一月一日起至二零零一年十二月三十一日止，據此，華盛輔料承諾以不高於提供予獨立第三方的價格(經計及不時提供同類產品的當時市價)，向本集團成員公司供應所需的塑料袋及衣架。截至二零零八年十二月三十一日止年度，本集團成員公司向華盛輔料採購塑料袋及衣架的總額為9.7百萬港元(二零零七年：10.8百萬港元)，低於15.9百萬港元的年度上限(二零零七年：12.1百萬港元)。

Report of the Directors (continued)

董事會報告 (續)

(f) A sub-contracting agreement dated 24 July 2008 was entered into between Zhejiang Huaxide Fashion Apparel Company Limited (“**Zhejiang Huaxide**”) and various members of the Group for a period from 1 January 2008 to 31 December 2010, whereby Zhejiang Huaxide has undertaken to provide subcontracting service to members of the Group upon the same terms and conditions as those provided to independent third parties. For the year ended 31 December 2008, the aggregate subcontracting service provided to the Group by Zhejiang Huaxide amounted to HK\$1.0 million (2007: Nil) which was below the annual cap of HK\$5.7 million (2007: Nil).

Information on Connected Persons

Yuhang Huaming

Yuhang Huaming is owned by Mr. DING Minger as to 58%. Mr. DING Minger is the eldest brother of Mr. TING Man Yi, Mr. DING Jianer and Mr. TING Hung Yi, all being executive Directors. Mr. DING Minger is also a director of one of the subsidiaries of the Company. As such, Mr. DING Minger is a connected person of the Company as defined under the Listing Rules. Yuhang Huaming is therefore an associate of a connected person of the Company as defined under Rule 1.01 of the Listing Rules.

Hangzhou Fuze and Hangzhou Huaze

Jiangsu Fuze Textile Company Limited (“**Jiangsu Fuze**”), being a non-wholly owned subsidiary of the Company, is owned as to 52% by Hong Kong Fuhowe Fashion Company Limited (“**Hong Kong Fuhowe**”) (a wholly-owned subsidiary of the Company), 26.2% by Hangzhou Fuze and 21.8% by Hangzhou Huaze. As each of Hangzhou Fuze and Hangzhou Huaze is a substantial shareholder of Jiangsu Fuze, each of Hangzhou Fuze and Hangzhou Huaze is a connected person of the Company as defined under Rule 14A.11 (1) of the Listing Rules.

Huasheng Accessories

Huasheng Accessories is a company established in the PRC with limited liability. Huasheng Accessories is owned as to 25% by Hong Kong Fuhowe and as to 75% by Ms. ZHOU Shi Min, the spouse of Mr. DING Jianer (an executive Director). Ms. ZHOU Shi Min is a connected person as defined under rule 14A.11 (4) of the Listing Rules. Therefore, Huasheng Accessories is an associate of a connected person of the Company pursuant to rule 1.01 of the Listing Rules.

(f) 浙江華詩迪服飾有限公司(「**浙江華詩迪**」)與多間本集團成員公司於二零零八年七月二十四日訂立分包合約，年期由二零零八年一月一日起至二零一零年十二月三十一日止，據此，浙江華詩迪承諾按提供予獨立第三方的同等條款及條件，向本集團成員公司分包服務。截至二零零八年十二月三十一日止年度，浙江華詩迪向本集團提供分包服務的總額為1.0百萬港元(二零零七年：無)，低於5.7百萬港元的年度上限(二零零七年：無)。

有關關連人士的資料

余杭華明

余杭華明由丁明兒先生擁有58%權益。丁明兒先生為三位執行董事丁敏兒先生、丁建兒先生及丁雄尔先生的長兄。丁明兒先生亦擔任本公司其中一家附屬公司的董事。因此，根據上市規則的定義，丁明兒先生為本公司關連人士。按上市規則第1.01條所界定，余杭華明因此屬於本公司關連人士的聯繫人。

杭州富澤及杭州華澤

江蘇富澤紡織有限公司(「**江蘇富澤**」)為本公司的非全資附屬公司，由香港富豪時裝有限公司(「**香港富豪**」)(本公司的全資附屬公司)、杭州富澤及杭州華澤分別擁有52%、26.2%及21.8%權益。由於杭州富澤及杭州華澤分別為江蘇富澤的主要股東，按上市規則第14A.11(1)條所界定，杭州富澤及杭州華澤各自為本公司的關連人士。

華盛輔料

華盛輔料是在中國成立的有限責任公司。華盛輔料由香港富豪及周施敏女士分別擁有25%及75%權益，而周施敏女士是執行董事丁建兒先生的配偶，故此為關連人士(定義見上市規則第14A.11(4)條)。因此，根據上市規則第1.01條，華盛輔料為本公司關連人士的聯繫人。

Report of the Directors (continued)

董事會報告(續)

Zhejiang Huaxide

Zhejiang Huaxide is owned by China Ting Garment Mfg (Group) Limited (a wholly-owned subsidiary of the Company) and Haiyan Feilong Silk Product Company Limited (“**Haiyan Feilong**”) as to 51% and 49%, respectively. As Haiyan Feilong is a substantial shareholder of Zhejiang Huaxide which is a non wholly-owned subsidiary of the Company, Haiyan Feilong is a connected person of the Company. Haiyan Feilong is owned by two individuals, namely Mr. CHEN Suiming and Mr. LIU Qianfa as to 81.1% and 18.9%, respectively. Mr. CHEN Suiming is a director of Zhejiang Huaxide and therefore a connected person of the Company. In such capacity and because of the equity interest held by Mr. CHEN Suiming in Haiyan Feilong, Zhejiang Huaxide is an associate of Mr. CHEN Suiming and hence, a connected person of the Company pursuant to rule 14A.11 (4) of the Listing Rules.

Confirmations

The independent non-executive Directors have reviewed the above non-exempt continuing connected transactions of the Group and have confirmed that these transactions have been entered into:

- (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;
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) have not exceeded the respective cap amounts set out in the relevant agreements referred to above.

In accordance with paragraph 14A.38 of the Listing Rules, the Board of Directors engaged the auditors of the Company to perform certain factual finding procedures on the above continuing connected transaction on a sample basis in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. The auditors have reported their factual findings on the selected samples based on the agreed procedures to the Board of Directors.

浙江華詩迪

浙江華詩迪由華鼎製衣(集團)有限公司(本公司的全資附屬公司)及海鹽飛龍絲綢製品有限公司(「**海鹽飛龍**」)分別擁有51%及49%權益。由於海鹽飛龍為本公司的非全資附屬公司浙江華詩迪的主要股東，故海鹽飛龍為本公司的關連人士。海鹽飛龍由兩名個別人士陳水明先生及劉錢法先生分別擁有81.1%及18.9%權益。陳水明先生是浙江華詩迪的董事，因此，陳水明先生為本公司的關連人士。基於此身份，以及由於陳水明先生持有的海鹽飛龍的股本權益，浙江華詩迪為陳水明先生的聯繫人，因此根據上市規則第14A.11(4)條為本公司的關連人士。

確認事項

獨立非執行董事已審閱本集團的上述不獲豁免持續關連交易，並確認該等交易均：

- (i) 在本集團正常及日常業務過程中進行；
- (ii) 按一般商業條款或不遜於本集團獲／向獨立第三方提供的條款進行；
- (iii) 按對本公司股東整體屬公平合理且符合其利益的條款，根據規管各項交易的相關協議進行；及
- (iv) 並未超出上述相關協議所載的各個年度上限。

根據上市規則第14A.38段，董事會聘請本公司核數師根據香港會計師公會頒佈的香港相關服務準則第4400號「接受委聘進行有關財務資料之協定程序」按抽樣基礎就上述持續關連交易進行若干事實調查程序。核數師已根據董事會同意的程序就經揀選的樣本滙報彼等的事實調查結果。

Report of the Directors (continued)

董事會報告 (續)

The purchases of accessories from Huasheng Accessories and silk fabric from Hangzhou Fuze and Hangzhou Huaze as set out in Note 33(a) to the financial statements, being the significant related party transactions of the Group, constitute continuing connected transactions of the Group. The disclosure requirements in respect of these continuing connected transactions have been complied with in accordance with the Listing Rules.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, at least 25% of the Company's total issued share capital was held by the public.

Audit Committee

The Company has established an audit committee, comprising three independent non-executive Directors and has adopted terms of reference which are in compliance with the Listing Rules. The primary duties of the audit committee are to review financial information of the Group, make recommendation to the external auditor and supervise the financial reporting process and internal control system of the Group and to provide comments and advice to the Board. The audit committee has reviewed the audited financial statements of the Company and audited consolidated financial statements of the Group for the financial year ended 31 December 2008.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who will retire at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment.

On Behalf of the Board

TING Man Yi

Chairman

Hong Kong, 27 March 2009

按財務報表附註33(a)所載列，本集團向華盛輔料以及杭州富澤及杭州華澤分別採購輔料和絲綢面料，為本集團重大有關連人士交易，並構成本集團的持續關連交易。本集團已遵守上市規則項下有關持續關連交易的披露規定。

公眾持股量充足

根據本公司可獲得的公開資料及據董事所悉，於本年報刊發日期，公眾人士持有本公司已發行股本總額最少25%。

審核委員會

本公司已成立審核委員會，由三位獨立非執行董事組成，並已採納符合上市規則的職權範圍。審核委員會的主要職責為審閱本集團財務資料，向外聘核數師作出推薦建議及監管本集團財務申報程序以及內部監控制度，並向董事會提供意見及建議。審核委員會已審閱分別本公司及本集團截至二零零八年十二月三十一日止財政年度的經審核財務報表及經審核綜合財務報表。

核數師

羅兵咸永道會計師事務所已審核財務報表。羅兵咸永道會計師事務所將於應屆股東週年大會上退任，惟符合資格可應聘連任。

代表董事會

主席

丁敏兒

香港，二零零九年三月二十七日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF CHINA TING GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Ting Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 55 to 150, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致華鼎集團控股有限公司列位股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第55至第150頁華鼎集團控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表。此綜合財務報表包括於二零零八年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合權益變動報表和綜合現金流量報表，以及主要會計政策概要及其他附註解釋。

董事就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按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report (continued)

獨立核數師報告(續)

Auditor's responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the 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 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 27 March 2009

核數師的責任(續)

審核涉及執行程序以獲取有關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，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。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，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零八年十二月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，二零零九年三月二十七日

Consolidated Balance Sheet

綜合資產負債表

As At 31 December 2008

於二零零八年十二月三十一日

		Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	6	833,607	617,299
Investment properties	投資物業	7	7,000	7,000
Leasehold land and land use rights	批租土地及土地使用權	8	100,040	84,012
Interests in associates	於聯營公司的權益	10	4,811	39,170
Intangible assets	無形資產	11	143,061	51,729
Deferred income tax assets	遞延所得稅資產	19	22,139	8,596
			1,110,658	807,806
Current assets	流動資產			
Inventories	存貨	12	403,411	393,496
Trade and other receivables	應收貿易賬款及 其他應收款項	13	378,781	448,166
Tax recoverable	可退稅款		795	24,187
Financial assets at fair value through profit or loss	按公平值列賬在損益表中 處理的金融資產	14	29,733	51,819
Cash and bank balances	現金及銀行結餘	15	766,592	747,601
			1,579,312	1,665,269
Total assets	資產總值		2,689,970	2,473,075
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司股權持有人應佔 股本及儲備			
Share capital	股本	16	209,224	206,525
Reserves	儲備	17	1,925,202	1,691,103
Proposed dividends	擬派股息	17	93,314	164,790
			2,227,740	2,062,418
Minority interests	少數股東權益		50,448	48,020
Total equity	權益總值		2,278,188	2,110,438

Consolidated Balance Sheet (continued)

綜合資產負債表(續)

	Note	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	附註		
LIABILITIES			
Non-current liabilities			
Licence fees payable	18	—	5,260
Deferred income tax liabilities	19	20,714	14,287
		20,714	19,547
Current liabilities			
Trade and other payables			
Bank borrowings	20	341,128	301,079
Derivative financial instruments	21	30,176	13,154
Current income tax liabilities	14	—	5,447
		19,764	23,410
		391,068	343,090
Total liabilities		411,782	362,637
Total equity and liabilities		2,689,970	2,473,075
Net current assets		1,188,244	1,322,179
Total assets less current liabilities		2,298,902	2,129,985

Ting Man Yi
丁敏兒
Director
董事

Ting Hung Yi
丁雄尔
Director
董事

The notes on pages 63 to 150 are an integral part of these financial statements.

第63至第150頁的附註為該等財務報表的組成部份。

Balance Sheet

資產負債表

As at 31 December 2008

於二零零八年十二月三十一日

	Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
ASSETS			
資產			
Non-current assets			
非流動資產			
Investments in subsidiaries	9	1,091,370	1,228,987
於附屬公司的投資			
Current assets			
流動資產			
Amounts due from subsidiaries	33(c)	736,569	497,573
應收附屬公司款項			
Other receivables, deposits and prepayments	13	—	92
其他應收款項、按金及預付款項			
Tax recoverable		2,206	635
可收回稅項			
Cash and bank balances	15	2,396	34,948
現金及銀行結餘			
		741,171	533,248
Total assets		1,832,541	1,762,235
資產總值			
EQUITY			
權益			
Capital and reserves attributable to the Company's equity holders			
本公司股權持有人應佔股本及儲備			
Share capital	16	209,224	206,525
股本			
Reserves	17	1,526,798	1,383,802
儲備			
Proposed dividends	17	93,314	164,790
擬派股息			
Total equity		1,829,336	1,755,117
權益總值			
LIABILITIES			
負債			
Current liabilities			
流動負債			
Other payables and accruals	20	3,205	2,597
其他應付款項及應計費用			
Derivative financial instruments	14	—	4,521
衍生金融工具			
		3,205	7,118
Total equity and liabilities		1,832,541	1,762,235
權益及負債總值			
Net current assets		737,966	526,130
流動資產淨值			
Total assets less current liabilities		1,829,336	1,755,117
資產總值減流動負債			

Ting Man Yi
丁敏兒
Director
董事

Ting Hung Yi
丁雄尔
Director
董事

The notes on pages 63 to 150 are an integral part of these financial statements.

第63至第150頁的附註為該等財務報表的組成部份。

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Note	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		附註		
Revenue	收入	5	2,333,734	2,353,507
Cost of sales	銷售成本	25	(1,589,267)	(1,560,468)
Gross profit	毛利		744,467	793,039
Other (losses)/gains, net	其他(虧損)/收益淨額	22	(8,608)	50,455
Selling, marketing and distribution costs	銷售、營銷及分銷成本	25	(180,390)	(152,736)
Administrative expenses	行政開支	25	(226,589)	(189,482)
Operating profit	經營溢利		328,880	501,276
Finance income, net	融資收入淨值	23	6,680	15,817
Share of (losses)/profits of associates	分佔聯營公司(虧損)/溢利	10	(1,840)	11,776
Profit before income tax	除所得稅前溢利		333,720	528,869
Income tax expense	所得稅開支	24	(43,021)	(76,732)
Profit for the year	年度溢利		290,699	452,137
Attributable to:	由以下分佔：			
Equity holders of the Company	本公司股權持有人	27	291,184	449,517
Minority interests	少數股東權益		(485)	2,620
			290,699	452,137
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents per share)	年內本公司股權持有人應佔溢利的每股盈利(以每股股份港仙呈列)			
— basic	— 基本	28	13.85 cents 仙	21.75 cents 仙
— diluted	— 攤薄	28	13.85 cents 仙	21.67 cents 仙
Dividends	股息	29	203,498	307,418

The notes on pages 63 to 150 are an integral part of these financial statements.

第63至第150頁的附註為該等財務報表的組成部份。

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Note 附註	Attributable to the equity holders of the Company 本公司股權持有人應佔					Minority interests 少數 股東權益	Total equity 權益總值
			Share capital	Share premium	Other reserves	Retained earnings	Total		
			股本	股份溢價	其他儲備	保留盈利	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		
At 1 January 2008	二零零八年一月一日		206,525	902,608	217,646	735,639	2,062,418	48,020	2,110,438
Deregistration of a subsidiary	一間附屬公司取消註冊		—	—	(23,653)	—	(23,653)	—	(23,653)
Currency translation differences	貨幣換算差額	17	—	—	91,939	—	91,939	2,913	94,852
Profit/(loss) for the year	年度溢利/(虧損)		—	—	—	291,184	291,184	(485)	290,699
Total recognised income for 2008	二零零八年已確認收入總額		—	—	68,286	291,184	359,470	2,428	361,898
Issue of shares	發行股份		4,590	83,997	—	—	88,587	—	88,587
Repurchase of shares	購回股份	16, 17	(2,016)	(20,643)	2,016	—	(20,643)	—	(20,643)
Revaluation reserve, net of tax, arising from the acquisition of controlling interest in an associate	因收購聯營公司 控股股東權益產生的 除稅後重估儲備		—	—	10,572	—	10,572	—	10,572
Employee share option scheme:	僱員購股權計劃：								
— proceeds from share issues	— 發行股份所得款項	16	125	1,902	(1,902)	—	125	—	125
— value of employee services	— 僱員服務價值	17	—	—	2,071	—	2,071	—	2,071
2007 final dividend paid	二零零七年已付終期股息	29	—	—	—	(164,790)	(164,790)	—	(164,790)
2008 interim dividend paid	二零零八年已付中期股息	29	—	—	—	(110,070)	(110,070)	—	(110,070)
Profit appropriation	溢利分配	17	—	—	29,507	(29,507)	—	—	—
			2,699	65,256	42,264	(304,367)	(194,148)	—	(194,148)
At 31 December 2008	二零零八年十二月三十一日		209,224	967,864	328,196	722,456	2,227,740	50,448	2,278,188

Consolidated Statement of Changes in Equity (continued)

綜合權益變動報表(續)

		Attributable to the equity holders of the Company 本公司股權持有人應佔						Minority interests 少數 股東權益	Total equity 權益總值
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總值 HK\$'000 千港元			
	Note 附註								
At 1 January 2007		二零零七年一月一日	206,625	905,152	97,987	597,470	1,807,234	35,550	1,842,784
Currency translation differences	17	貨幣換算差額	—	—	95,352	—	95,352	3,523	98,875
Profit for the year		年度溢利	—	—	—	449,517	449,517	2,620	452,137
Total recognised income for 2007		二零零七年已確認收入總額	—	—	95,352	449,517	544,869	6,143	551,012
Contribution from a minority shareholder of a subsidiary		附屬公司少數股東出資	—	—	—	—	—	9,495	9,495
Repurchase of shares	16, 17	購回股份	(225)	(4,446)	225	—	(4,446)	—	(4,446)
Employee share option scheme:		僱員購股權計劃:							
— proceeds from share issues	16	— 發行股份所得款項	125	1,902	(1,902)	—	125	—	125
— value of employee services	17	— 僱員服務價值	—	—	1,902	—	1,902	—	1,902
Dividend/distribution to minority shareholders of subsidiaries		向附屬公司少數股東支付股息/作出分派	—	—	—	—	—	(3,168)	(3,168)
2006 final dividend paid	29	二零零六年已付終期股息	—	—	—	(144,638)	(144,638)	—	(144,638)
2007 interim dividend paid	29	二零零七年已付中期股息	—	—	—	(142,628)	(142,628)	—	(142,628)
Profit appropriation	17	溢利分配	—	—	24,082	(24,082)	—	—	—
			(100)	(2,544)	24,307	(311,348)	(289,685)	6,327	(283,358)
At 31 December 2007		二零零七年十二月三十一日	206,525	902,608	217,646	735,639	2,062,418	48,020	2,110,438

The notes on pages 63 to 150 are an integral part of these financial statements.

第63至第150頁的附註為該等財務報表的組成部份。

Consolidated Cash Flow Statement

綜合現金流量報表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

	Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cash flows from operating activities 營運活動現金流量			
Cash generated from operations	30	490,715	415,939
Interest paid		(3,849)	(1,420)
Income tax paid		(50,169)	(96,766)
Net cash generated from operating activities		436,697	317,753
Cash flows from investing activities 投資活動現金流量			
Acquisition of the controlling interest in an associate, net of cash acquired	32	14,202	—
Dividend received from an associate		—	1,138
Proceeds on disposal of an associate		—	2,565
Purchase of property, plant and equipment		(189,981)	(167,474)
Purchase of intangible assets		(16,770)	—
Proceeds on disposal of property, plant and equipment and leasehold land and land use rights	30	11,258	542
Purchase of leasehold land and land use rights		(379)	(5,682)
(Increase)/decrease in term deposits with initial term of over three months		(97,746)	327,829
Increase in pledged deposits		(10,705)	(868)
Interest received		10,529	17,237
Net cash (used in)/generated from investing activities		(279,592)	175,287
Cash flows from financing activities 融資活動現金流量			
Proceeds from issuance of ordinary shares		125	125
Repurchase of shares		(20,643)	(4,446)
Proceeds from bank borrowings		63,314	32,693
Repayment of bank borrowings		(47,302)	(22,352)
Dividend paid to equity holders of the Company		(274,860)	(287,266)
Capital contribution by a minority shareholder of a subsidiary		—	9,495
Dividend/distribution to minority shareholders of subsidiaries		—	(3,168)
Net cash used in financing activities		(279,366)	(274,919)

Consolidated Cash Flow Statement (continued)

綜合現金流量報表(續)

	Note	2008	2007
	附註	二零零八年 HK\$'000 千港元	二零零七年 HK\$'000 千港元
Net (decrease)/increase in cash and cash equivalents			
現金及現金等值項目 (減少)/增加淨額		(122,261)	218,121
Cash and cash equivalents at 1 January		734,423	497,429
Exchange gains on cash and cash equivalents		32,801	18,873
Cash and cash equivalents at 31 December		644,963	734,423

The notes on pages 63 to 150 are an integral part of these financial statements.

第63至第150頁的附註為該等財務報表的組成部份。

Notes to the Financial Statements

財務報表附註

1 General information

China Ting Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 31 May 2005 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the “Group”) are engaged in the manufacturing and sale of garments.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 December 2005 (the “Listing”).

These consolidated financial statements are presented in thousand of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2009.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). They have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and investment properties, which are carried at fair value, as explained below.

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

1 一般資料

華鼎集團控股有限公司(「本公司」)於二零零五年五月三十一日根據開曼群島公司法(第22章,一九六一年第三號法案,經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司及其附屬公司(統稱為「本集團」)的主要業務是製造及銷售成衣。

本公司股份已於二零零五年十二月十五日在香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

除另有說明外,該等綜合財務報表乃以千港元為單位呈列。董事會已於二零零九年三月二十七日批准刊發該等綜合財務報表。

2 重大會計政策概要

編製該等綜合財務報表所用的主要會計政策載列如下。除另有說明外,該等政策已於所有呈列年度貫徹應用。

2.1 編製基準

本公司按照香港財務報告準則(「香港財務報告準則」)編製綜合財務報表。綜合財務報表乃按歷史成本法編製,並按透過損益以公平值重估金融資產及金融負債與重估以公平值列賬的投資物業作出修訂,詳見下文所闡述。

依據香港財務報告準則編製綜合財務報表須使用若干重要會計估計。管理層於應用本集團會計政策時亦需作出判斷。涉及大量判斷或複雜程度較高的範疇,或假設及估計對綜合財務報表具重大影響的範疇於財務報表附註4中披露。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) The following amendment and interpretations are mandatory for accounting periods beginning on or after 1 January 2008 but are not currently relevant for the Group:

HKAS 39 (Amendment)	Financial instruments: Recognition and measurement
HK(IFRIC) – Int 11	HKFRS 2 – Group and treasury share transactions
HK(IFRIC) – Int 12	Service concession arrangements
HK(IFRIC) – Int 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

2 重大會計政策概要(續)

2.1 編製基準(續)

(a) 下列修訂及詮釋必須於二零零八年一月一日或以後開始之會計期間採納，惟目前與本集團無關：

香港會計準則第39號 (修訂本)	金融工具：確認及估量
香港(國際財務報告詮釋委員會)一詮釋第11號	香港財務報告準則第2號—集團及庫存股份交易
香港(國際財務報告詮釋委員會)一詮釋第12號	服務特許權安排
香港(國際財務報告詮釋委員會)一詮釋第14號	香港會計準則第19號—界定福利資產限額、最低資金規定及其相互關係

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) The following new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group to apply for the accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them:

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 23 (Revised)	Borrowing costs ¹
HKAS 27 (Revised)	Consolidated and separate financial statements ²
HKAS 32 (Amendment) and HKAS 1 (Amendment)	“Financial instruments: Presentation” and “Presentation of financial statements” “Puttable financial instruments and obligations arising on liquidation” ¹
HKFRS 1 (Amendment) and HKAS 27 (Amendment)	“First time adoption of HKFRS” and “Consolidated and separate financial statements” ¹
HKFRS 2 (Amendment)	Share-based payment ¹
HKFRS 3 (Revised)	Business combinations ²
HKFRS 8	Operating segments ¹

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 下列已公布的新準則、現行準則修訂本及詮釋乃強制本集團於二零零九年一月一日或之後開始的會計期間或較後期間應用，但本集團並未提早採納：

香港會計準則第1號(經修訂)	財務報表的呈報 ¹
香港會計準則第23號(經修訂)	借貸成本 ¹
香港會計準則第27號(經修訂)	綜合及個別財務報表 ²
香港會計準則第32號(修訂本)及香港會計準則第1號(修訂本)	「金融工具：呈報」及「財務報表呈報」、 「可沽售金融工具及清盤時產生的責任」 ¹
香港財務報告準則第1號(修訂本)及香港會計準則第27號(修訂本)	「首次採納香港財務報告準則」及「綜合及個別財務報表」 ¹
香港財務報告準則第2號(修訂本)	以股份為基礎之付款 ¹
香港財務報告準則第3號(經修訂)	業務合併 ²
香港財務報告準則第8號	營運分部 ¹

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) *The following new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group to apply for the accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them: (continued)*

HK(IFRIC) — Int 13	Customer loyalty programmes ⁴
HK(IFRIC) — Int 15	Agreements for construction of real estate ¹
HK(IFRIC) — Int 16	Hedges of a net investment in a foreign operation ³
HK(IFRIC) — Int 17	Distributions of non-cash assets to owners ²
HK(IFRIC) — Int 18	Transfer of assets from customers ⁵

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) *下列已公布的新準則、現行準則修訂本及詮釋乃強制本集團於二零零九年一月一日或之後開始的會計期間或較後期間應用，但本集團並未提早採納：(續)*

香港(國際 財務報告 詮釋委員 會)一詮 釋第13號	客戶忠誠計劃 ⁴
香港(國際 財務報告 詮釋委員 會)一詮 釋第15號	有關興建房地 產建設的協 議 ¹
香港(國際 財務報告 詮釋委員 會)一詮 釋第16號	對外國業務投 資淨值的對 沖 ³
香港(國際 財務報告 詮釋委員 會)一詮 釋第17號	向擁有人分派 非現金資產 ²
香港(國際 財務報告 詮釋委員 會)一詮 釋第18號	從客戶轉讓資 產 ⁵

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) *The following new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group to apply for the accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them: (continued)*

The following are improvements to HKFRSs published by The Hong Kong Institute of Certified Public Accountants in October 2008:

HKAS 1 (Amendment)	Presentation of financial statements ¹
HKAS 16 (Amendment)	Property, plant and equipment (and consequential amendment to HKAS 7, "Statement of cash flows") ¹
HKAS 19 (Amendment)	Employee benefits ¹
HKAS 20 (Amendment)	Accounting for government grants and disclosure of government assistance ¹
HKAS 23 (Amendment)	Borrowing costs ¹
HKAS 27 (Amendment)	Consolidated and separate financial statements ¹
HKAS 28 (Amendment) and HKFRS 7 (Amendment)	"Investments in associates" (and consequential amendments to HKAS 32, "Financial instruments: Presentation" and HKFRS 7, "Financial instruments: Disclosures") ¹

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 下列已公布的新準則、現行準則修訂本及詮釋乃強制本集團於二零零九年一月一日或之後開始的會計期間或較後期間應用，但本集團並未提早採納：(續)

香港會計師公會於二零零八年十月公布對香港財務報告準則的改進如下：

香港會計準則第1號(修訂本)	財務報表的呈報 ¹
香港會計準則第16號(修訂本)	物業、廠房及設備(及香港會計準則第7號「現金流量報表」的相應修訂) ¹
香港會計準則第19號(修訂本)	僱員福利 ¹
香港會計準則第20號(修訂本)	政府補貼的會計處理和政府資助的披露 ¹
香港會計準則第23號(修訂本)	借貸成本 ¹
香港會計準則第27號(修訂本)	綜合及個別財務報表 ¹
香港會計準則第28號(修訂本)及香港財務報告準則第7號(修訂本)	聯營公司投資(及香港會計準則第32號「金融工具：呈報」以及香港財務報告準則第7號「金融工具：披露」的相應修訂) ¹

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) The following new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group to apply for the accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them: (continued)

HKAS 29 (Amendment)	Financial Reporting in hyperinflationary economies ¹
HKAS 31 (Amendment)	Interests in joint ventures (and consequential amendments to HKAS 32 and HKFRS 7) ¹
HKAS 36 (Amendment)	Impairment of assets ¹
HKAS 38 (Amendment)	Intangible assets ¹
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement ¹
HKAS 40 (Amendment)	Investment property (and consequential amendments to HKAS 16) ¹
HKAS 41 (Amendment)	Agriculture ¹
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations (and consequential amendment to HKFRS 1, "First-time adoption") ²

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 下列已公布的新準則、現行準則修訂本及詮釋乃強制本集團於二零零九年一月一日或之後開始的會計期間或較後期間應用，但本集團並未提早採納：(續)

香港會計準則第29號(修訂本)	嚴重通脹經濟中的財務報告 ¹
香港會計準則第31號(修訂本)	合營企業權益(及香港會計準則第32號以及香港財務報告準則第7號的相應修訂) ¹
香港會計準則第36號(修訂本)	資產減值 ¹
香港會計準則第38號(修訂本)	無形資產 ¹
香港會計準則第39號(修訂本)	金融工具：確認及估量 ¹
香港會計準則第40號(修訂本)	投資物業(及香港會計準則第16號的相應修訂) ¹
香港會計準則第41號(修訂本)	農業 ¹
香港財務報告準則第5號(修訂本)	持作出售的非流動資產及終止經營(及香港財務報告準則第1號「首次採納」的相應修訂) ²

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

- (c) *The Group will apply the above new standards, amendments and interpretations to existing standards where applicable. It is not expected to have a significant impact on the Group's financial statements.*
- There are a number of minor amendments to HKFRS 7, "Financial instruments: Disclosures", HKAS 8, "Accounting policies, Changes in accounting estimates and errors", HKAS 10, "Events after the balance sheet date", HKAS 18, "Revenue" and HKAS 34, "Interim financial reporting" which are not addressed above. These amendments are unlikely to have an impact on the Group's financial statements, and therefore they have not been analysed in detail.

Notes:

- 1 Effective for annual periods beginning on or after 1 January 2009.
- 2 Effective for annual periods beginning on or after 1 July 2009.
- 3 Effective for annual periods beginning on or after 1 October 2008.
- 4 Effective for annual periods beginning on or after 1 July 2008.
- 5 Effective for transfer on or after 1 July 2009.

2 重大會計政策概要(續)

2.1 編製基準(續)

- (c) 本集團將會採用以上新訂準則、現行準則修訂本及詮釋(如適用)。預期將不會對本集團的財務報表構成重大影響。以上並無提及香港財務報告準則第7號「金融工具：披露」、香港會計準則第8號「會計政策、會計估計之變動及錯誤」、香港會計準則第10號「結算日後事項」、香港會計準則第18號「收入」及香港會計準則第34號「中期財務報告」的其他輕微修訂。該等修訂不大可能對本集團的財務報表造成影響，故此未有作詳細分析。

附註：

- 1 於二零零九年一月一日或其後開始之年度期間生效。
- 2 於二零零九年七月一日或其後開始之年度期間生效。
- 3 於二零零八年十月一日或其後開始之年度期間生效。
- 4 於二零零八年七月一日或其後開始之年度期間生效。
- 5 於二零零九年七月一日或以後之轉讓開始生效。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.2 Consolidation

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

(a) Subsidiaries

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

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

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

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

2 重大會計政策概要(續)

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司以十二月三十一日為結算日的財務報表。

(a) 附屬公司

附屬公司指所有本集團有權管理其財務及經營政策，且一般而言擁有其過半數投票權的實體(包括特別用途實體)。在評估本集團是否控制另一實體時，將考慮目前可行使或可轉換的潛在投票權是否存在及其影響。

附屬公司由控制權轉讓予本集團當日起全面綜合賬目，並於控制權終止當日停止綜合賬目。

本集團採用會計購入法把附屬公司的收購入賬。收購成本按交易日所獲資產、發行的股本工具及招致或承擔的負債的公平值，加與收購直接相關的成本計量。不論所佔任何少數股東權益，業務合併時所收購的可資識別資產及所承擔的負債及或然負債均初步以收購日期的公平值計量。收購成本超出本集團所佔所收購可資識別的資產淨值之公平值部分乃記錄為商譽。倘收購成本低於所購入附屬公司資產淨值的公平值，則差額直接於收益表中確認。

集團內各實體間的交易、結餘及交易的未變現收益均予以對銷。除非有證據證明交易所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司的會計政策已在需要時作出改動，以確保與本集團所採用的政策貫徹一致。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

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

(b) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) Associates

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

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

2 重大會計政策概要(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

於附屬公司的投資乃按成本減去減值虧損撥備，在本公司的資產負債表中列賬。本公司以已收及應收股息為基準為附屬公司的業績入賬。

(b) 交易及少數股東權益

本集團的政策是將其與少數股東權益之間的交易，當作本集團與外間人士之間的交易處理。向少數股東權益出售而為本集團帶來的損益乃記入綜合收益表。向少數股東權益採購產生商譽，有關商譽即任何已付代價與有關應佔所收購附屬公司資產淨值的賬面值兩者之差額。

(c) 聯營公司

聯營公司是指本集團對其有重大影響，但並不擁有控制權，且一般擁有其20%至50%投票權的所有實體。於聯營公司的投資乃以權益會計法處理，並初步按成本確認。本集團於聯營公司的投資包括收購時所認定的商譽(扣除任何累計減值虧損)。

本集團分佔其聯營公司收購後溢利或虧損於收益表中確認，而其分佔收購後儲備的變動則在儲備中確認。收購後累積變動乃按投資的賬面值作調整。當本集團應佔聯營公司虧損等於或大於其聯營公司的權益時(包括任何其他無抵押應收款項)，本集團不再確認進一步虧損，惟本集團代表聯營公司產生責任或代墊款項則除外。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(c) *Associates (continued)*

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

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

2 重大會計政策概要(續)

2.2 綜合賬目(續)

(c) *聯營公司(續)*

本集團與其聯營公司之間交易而產生之未變現收益按本集團於聯營公司的權益比例對銷。除非有證據證明該交易所轉讓資產出現減值，否則未變現虧損亦予以對銷。聯營公司的會計政策已在需要時作出改動，以確保與本集團所採納的政策貫徹一致。

2.3 分部報告

業務分部指從事提供產品或服務的一組資產及業務，而該組資產及業務的風險及回報有別於其他業務分部。地區分部乃在某一特定經濟環境從事提供產品或服務，而該分部的風險及回報有別於在其他經濟環境經營的分部。

2.4 外幣換算

(a) *功能及呈報貨幣*

集團各實體的財務報表所包括項目，乃按該實體經營所在的主要經濟環境所用的貨幣(「功能貨幣」)計量。本公司的呈報貨幣為港元，綜合財務報表以港元呈列。本公司的功能貨幣為美元(「美元」)。

(b) *交易及結餘*

外幣交易均按交易日期之當時匯率換算為功能貨幣。因該等交易結算及按結算日之匯率換算外幣計值之貨幣資產及負債而產生之滙兌損益，均於收益表中確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.4 Foreign currency translation (continued)

(c) Group's entities

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

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

2 重大會計政策概要(續)

2.4 外幣換算(續)

(c) 集團各實體

本集團所有實體(全部均非採用高通脹經濟體系的貨幣)的功能貨幣倘有別於呈報貨幣,其業績及財務狀況須按以下方式換算為呈報貨幣:

- (i) 各資產負債表所列的資產及負債按其結算日的收市匯率換算;
- (ii) 各收益表所列的收支按平均匯率換算,除非此平均匯率不足以合理地概括反映交易日期當時匯率的累積影響,在此情況下,收支則按交易日期的匯率換算;及
- (iii) 一切因此而產生的滙兌差額均確認為權益的一個獨立組成部分。

當綜合賬目時,換算海外實體投資淨值及借貸所產生的滙兌差額,將於股東權益中處理。部分出售或出售海外業務時,該等滙兌差額於權益入賬,以作為銷售收益或虧損部分於收益表中確認。

收購海外實體所產生的商譽及公平值調整列作有關海外實體的資產及負債,並按收市匯率換算。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment

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

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

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

Buildings	20–40 years
Leasehold improvements	5 years
Plant and machinery	5–10 years
Vehicles	3–10 years
Furniture, fittings and equipment	5–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

2 重大會計政策概要(續)

2.5 物業、廠房及設備

物業、廠房及設備(在建工程除外)按歷史成本減累計折舊及累計減值虧損後列賬。歷史成本包括收購該等項目所佔直接開支。

只有在項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時,其後成本才會加入資產賬面值或確認為另外一項資產(如適用)。替代部分的賬面值取消確認。所有其他維修及維護則於產生的財政期間內在收益表扣除。

物業、廠房及設備折舊以直線法計算,按估計可使用年期內將其成本分配至其剩餘價值,估計可使用年期如下:

樓宇	20–40年
租賃物業裝修	5年
廠房及機械	5–10年
汽車	3–10年
傢俬、裝置及設備	5–10年

資產剩餘價值及可使用年期將於每個結算日審閱及調整(如適用)。倘資產賬面值大於其估計可收回金額,則該資產賬面值將即時撇減至其可收回金額。

出售所得損益乃按所得款項及賬面值的差額釐定,並包括在收益表內。

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

Construction in progress represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses. Cost includes the costs of construction of buildings, costs of plant and machinery, and borrowing costs arising from borrowings used to finance these assets during the year of construction or installation and testing. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to respective property, plant and equipment and depreciated in accordance with the policy as stated above.

2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group's entities, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

2 重大會計政策概要(續)

2.5 物業、廠房及設備(續)

在建工程指在建或有待裝置的樓宇、廠房及機械，並按成本減去累計減值虧損後入賬。成本包括樓宇建築成本、廠房及機械成本以及就作為該等資產於興建或安裝及測試期內的融資的借貸產生的借貸成本開支。在建工程直至有關資產完成及可作擬定用途前不計提折舊撥備。當有關資產投入運作時，將成本轉撥至相關物業、廠房及設備，並按上文所述的政策計提折舊。

2.6 投資物業

為長期租金收益或資本升值或上述兩者持有的物業，而並非由本集團內各實體佔用的物業，均列作投資物業。

投資物業包括以經營租賃持有的土地及以融資租賃持有的樓宇。根據經營租賃持有的土地如能符合投資物業所有餘下定義，均列作並入賬為投資物業。經營租賃會當作融資租賃入賬。

投資物業初步以成本(包括相關交易成本)計量。經初步確認後，投資物業按公平值列賬。公平值乃以活躍市價為基礎，於必要時就特定資產之性質、地點或狀況之任何差異作出調整。倘無法獲得此等資料，本集團可採用其他估值方法，例如活躍度較低市場的近期價格或折算預測現金流量。

投資物業的公平值應反映(其中包括)當前租賃所得租金收入及根據當前市場環境對未來租賃所得租金收入的假設。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.6 Investment properties (continued)

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement, as part of the other (losses)/gains, net.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in interests in associates and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

2 重大會計政策概要(續)

2.6 投資物業(續)

在類似基準下，公平值也反映關於該物業預計的任何現金流出額。部分現金流出額確認為負債，包括有關列作投資物業的土地的融資租賃負債。其他現金流出額(包括或然租金付款)則不會於財務報表中確認。

只有在投資物業有關之未來經濟利益有可能流入本集團及該項目成本能可靠地計量時，其後開支才會於該項資產的賬面值中扣除。所有其他維修及維護成本則於產生的財政期間內在收益表列作開支。

公平值變動於收益表中確認為其他(虧損)/收益淨額的部分。

2.7 無形資產

(a) 商譽

商譽指收購成本超出本集團於收購日期應佔已收購附屬公司/聯營公司可資識別資產淨值的公平值的差額。收購附屬公司所產生的商譽計入於無形資產中。收購聯營公司的商譽則計入於聯營公司的權益中，並為整體結餘的一部份測試減值。獨立確認的商譽會作出減值測試及以成本減累計減值虧損列賬。商譽的減值虧損並不會撥回。出售實體損益包括與已售實體有關的商譽賬面值。

為測試減值，商譽被分配到現金產生單位。有關商譽會分配到預期會從產生有關商譽的業務合併中受惠的該等現金產生單位或現金產生單位組別。

2 Summary of significant accounting policies (continued)

2.7 Intangible assets (continued)

(b) Trademarks

Trademarks are shown at historical cost. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

(c) Licence rights

Licence rights are stated at historical cost less accumulated amortisation and accumulated impairment losses, if any. They are initially measured at the fair value of the consideration given to acquire the licence at the time of the acquisition, which represents the present values of expected fixed payments at the time of the acquisition.

Licence rights are amortised over the licence periods on a straight-line basis over 3 years.

2.8 Impairment of investments in subsidiaries and non-financial assets

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

2 重大會計政策概要(續)

2.7 無形資產(續)

(b) 商標

商標以歷史成本列示。商標具指定可使用年期，並按成本減累計攤銷列賬。攤銷以直線法計算，將商標成本於其預計可使用年期10年內攤銷。

(c) 專營權

專營權乃以歷史成本減累計攤銷及累計減值虧損(如有)列賬。其初步以於收購時就取得專營權支付的代價的公平值計量，即於收購時的預期固定付款的現值。

專營權乃於三年期內以直線法攤銷。

2.8 於附屬公司及非金融資產的投資減值

無既定可使用年期或尚未可供使用的資產毋須計提攤銷，並每年進行一次減值測試。當出現事件或情況改變顯示未必能收回資產的賬面值時，則會檢討該等資產的減值。減值虧損按資產賬面值超過可收回數額(即資產公平值減出售成本後金額與使用價值兩者之較高者)的差額確認。就評估減值而言，資產按可獨立分辨現金流量之最低水平分類。除商譽以外而出現減值的非金融資產可於各報告日期就可能撥回減值進行審閱。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.9 Financial assets at fair value through profit or loss

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

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

2.10 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The Group's derivative financial instruments do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments are recognised immediately in the income statement within "other (losses)/gains, net".

2.11 Inventories

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

2 重大會計政策概要(續)

2.9 按公平值列賬在損益表中處理的金融資產

按公平值列賬在損益表中處理的金融資產為持作買賣的金融資產。倘一項金融資產乃主要因於短期出售而購入，則會分類至本類別。除非衍生工具乃指定作對沖，否則會分類為持作買賣。於本類別的資產分類為流動資產。

有價投資的公平值乃根據當前的叫價釐定。倘金融資產所屬的市場並不活躍(及就非上市證券而言)，本集團使用估值技巧釐定公平值。有關技巧包括使用近期進行的公平交易、參考其他大體上相同的工具、折算現金流量分析及期權定價模式、盡量使用市場數據及盡可能不依靠特定實體的數據。

2.10 衍生金融工具及對沖活動

衍生工具初步以訂立衍生工具合約當日的公平值確認，其後則以其公平值重新計量。

本集團的衍生金融工具不符資格採用對沖會計法，並以公平值列賬在損益表內處理。該等衍生工具的公平值變動即時於收益表內確認的「其他(虧損)/收益淨額」中確認。

2.11 存貨

存貨按成本與可變現淨值兩者的較低者列賬。成本以加權平均法計算。製成品及在製品的成本包括原材料、直接工資、其他直接成本及相關生產間接開支(按一般營運產能計算)，惟不包括借貸成本。可變現淨值指在日常業務過程中的估計售價，減適用的變動銷售開支。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.12 Trade and other receivables

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

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.14 Share capital

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

2.15 Trade payables

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

2 重大會計政策概要(續)

2.12 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項初步按公平值確認，其後使用實際利率法按攤銷成本計量，並減去減值撥備。當有客觀證據顯示本集團未能根據應收款項之原訂條款收回所有到期款項，則會就應收貿易賬款及其他應收款項計提減值撥備。債務人遇上重大財政困難、債務人極可能破產或債務重組、欠繳或拖欠還款，均視作應收貿易賬款的減值指標。撥備金額為資產賬面值與按原本實際利率折現之預期未來現金流量現值兩者的差額。資產賬面值通過撥備賬目作減值，其虧損數額被確認於損益表內。當一項應收貿易賬款為不可收回時，則於應收貿易賬款的撥備賬目撇銷。其後收回先前已撇銷的金額則計入收益表。

2.13 現金及現金等值項目

現金及現金等值項目包括手頭現金、隨時可提取的銀行存款及原期限不超過三個月的高流動性短期投資。

2.14 股本

普通股歸類為權益。與發行新股或購股權直接有關的增量成本，在權益中列為所得款項的減項(扣除稅項)。

2.15 應付貿易賬款

應付貿易賬款初步以公平值確認及其後使用實際利率法以攤銷成本計量。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.16 Licence fees payable

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

Interest is accrued on licence fees payable and charged to interest expense.

2.17 Borrowings

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

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

2.18 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要(續)

2.16 應付專營權費

就取得專營權應付的專營權費初步以收購時就取得專營權所支付的代價的公平值確認，即預期可於收購時可靠地計算的浮動付款。預期浮動付款乃根據就參考預算就未來收益預先釐定的基準，以及根據專營權相關業務的過往表現所作的預測，加上行業狀況及走勢，於考慮到不確定因素及不同結果的出現機會後釐定。應付專營權費於其後則使用實際利息法以攤銷成本列賬。

利息乃就應付專營權費累計，並計入利息開支中。

2.17 借貸

借貸初步以公平值確認(扣除所產生的交易成本)。借貸其後以攤銷成本列賬。所得款項(扣除交易成本)及贖回價值之任何差額，以實際利率法於借貸期間在收益表予以確認。

除非本集團有無條件權利將償還負債的期限延至結算日起計最少12個月後，否則借貸均列作流動負債。

2.18 即期及遞延所得稅

即期所得稅開支乃根據本公司及其附屬公司及聯營公司營運及產生應課稅收入的國家於結算日已頒行或大體上已頒行的稅法計算。管理層定期就有待詮釋的適用稅務條例評估退稅狀況，以及於適當時就預期將支付予稅務機關的款項釐定撥備金額。

2 Summary of significant accounting policies (continued)

2.18 Current and deferred income tax (continued)

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

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

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

2.19 Employee benefits

(a) Pension obligations

The Group participates in a number of defined contribution plans in Hong Kong and the People's Republic of China ("PRC"), the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and the relevant Group's entities. The Group pays contributions to the pension plans on a mandatory, contractual or voluntary basis which are calculated as a percentage of the employees' salaries.

The Group has no legal or constructive obligations to make further payments once the required contributions have been paid, even if the plans do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

2 重大會計政策概要(續)

2.18 即期及遞延所得稅(續)

遞延所得稅以負債法就資產及負債之稅基與在綜合財務報表所列賬面值間之暫時差額作出全數撥備。然而，如遞延所得稅乃源自業務合併以外的交易中初步確認之資產或負債，而在交易時並不影響會計或應課稅溢利或虧損，則不會入賬處理。遞延所得稅以結算日已頒行或大體上已頒行之稅率(及稅法)計算，並預期在相關遞延所得稅項資產實現時或遞延所得稅項負債償還時動用。

倘日後應課稅溢利可能抵銷暫時差額，則會確認遞延所得稅項資產。

遞延所得稅按於附屬公司及聯營公司的投資所產生的暫時差額計提撥備，惟除了暫時差額的撥回時間由本集團控制及暫時差額未必會於可見的將來撥回外。

2.19 僱員福利

(a) 退休金責任

本集團於香港及中華人民共和國(「中國」)參與多個定額供款計劃，其資產一般由信託管理基金分開持有。退休金計劃所需資金一般由僱員及相關的集團實體作出供款。本集團以強制、合約或自願基準向退休金計劃作出供款，款項按僱員薪金的百分比計算。

在作出規定供款後，即使計劃並無足夠資產向所有僱員支付僱員於當年度及過往年度所作服務有關的福利，本集團亦無任何法律或推定責任再支付其他款項。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.19 Employee benefits (continued)

(a) *Pension obligations (continued)*

The contributions are recognised as employee benefit expense when they are due and are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick and maternity leave are not recognised until the time of leave.

(c) *Profit sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 重大會計政策概要(續)

2.19 僱員福利(續)

(a) *退休金責任(續)*

該等供款於到期時確認為僱員福利開支，且不會以僱員在取得全數供款前退出計劃而被沒收之供款作扣減。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

(b) *僱員應有假期*

僱員應有年假乃於累計予僱員時確認。本集團已就截至結算日僱員提供服務所產生年假的估計負債作出撥備。僱員應有病假及產假在僱員放假時方予確認。

(c) *分享溢利及花紅計劃*

本集團根據一條公式(考慮本公司股東應佔溢利並經若干調整後)，就花紅及分享溢利確認負債及開支。本集團於合約規定或過往慣例產生推定責任時確認撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.19 Employee benefits (continued)

(d) Share-based compensation

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

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

2.20 Contingent liabilities

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

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

2 重大會計政策概要(續)

2.19 僱員福利(續)

(d) 以股份支付的報酬

本集團推行一項按股本結算、以股份支付報酬的計劃。為換取授出購股權而獲得的僱員服務公平值乃確認為開支。將於歸屬期內支銷的總金額乃參照已授出購股權的公平值釐定，不包括任何非市場歸屬條件的影響(例如盈利能力及銷售量增長目標)。有關預期歸屬的購股權數目的假設，已包括非市場歸屬條件。於各結算日，有關實體會修訂其估計預期歸屬的購股權數目，並在收益表內確認修訂原來估計數字(如有)的影響，以及對股本作出相應調整。

在購股權行使時，已收取並經扣除任何直接應佔交易成本的所得款項均計入股本(面值)及股份溢價中。

2.20 或然負債

或然負債乃因過去事件而可能出現的責任，而須視乎日後會否出現一項或多項本集團不可完全控制的不確定事件方可確實。或然負債亦包括基於過去事件而產生的現有責任，但由於未必需要經濟資源流出或不能就該責任數額作可靠計量而未有確認。

或然負債不會確認入賬但會於財務報表附註中披露。倘流出之可能性出現變化，而相當可能出現流出，則會確認為撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.21 Provisions

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

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

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

2.22 Revenue recognition

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

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

2 重大會計政策概要(續)

2.21 撥備

本集團若因過往事件而有法定或推定責任，並可能需要資源流出以清償有關責任，而能就相關金額作出可靠計量，則會確認撥備。本集團不會就日後經營虧損確認撥備。

倘出現多項類似責任，會考慮責任之整體類別後釐定清償責任會否導致資源流出。即使同類別責任中任何一項可能流出資源的機會不大，仍會確認撥備。

撥備乃按照清償責任預計所需開支的現值，利用反映當前市場對貨幣時間值及有關責任的特有風險所作之評估的除稅前比率計量。因時間流逝而增加的撥備須確認為利息開支。

2.22 收入確認

收入乃本集團業務活動的正常過程銷售貨物及服務的已收或應收代價之公平值。收入乃扣除增值稅、退貨及折扣和集團內銷售後列示。

本集團於收入數額能可靠地計量、未來經濟收入可能流入實體及符合下文所述的本集團各項業務活動的特定條件時，確認收入。待有關銷售的所有或然情況解決後，收入的數額方會被視為能可靠地計量。本集團以過往業績為估計基準，並計入顧客種類、交易類型及各項安排的特定情況。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.22 Revenue recognition (continued)

(a) *Sales of goods — OEM garment sales*

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

(b) *Sales of goods — retailing of branded fashion apparel*

Sales of goods are recognised when a Group's entity sells a product to the customer. Retail sales are in cash or by credit cards or collected by department stores on behalf of the Group. The recorded revenue includes credit card fees payable for the transaction. Such credit card fees are included in selling, marketing and distribution costs. It is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

(c) *Interest income*

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

(d) *Dividend income*

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

(e) *Rental income*

Rental income on assets leased out under operating leases is recognised on a straight-line basis over the lease term.

2 重大會計政策概要(續)

2.22 收入確認(續)

(a) *銷售貨物 — 銷售原設備製造成衣*

當集團屬下實體向客戶交付產品、客戶接收該等產品以及合理確保可收取相關應收款項時，將確認銷售貨物。

(b) *銷售貨物 — 品牌時裝零售*

銷售貨物於本集團屬下實體向客戶出售產品時確認。零售銷售乃以現金或信用卡支付，或由百貨公司代本集團收取。所記錄收入包括交易的應付信用卡費用。該等信用卡費用將列入銷售、營銷及分銷成本中。向最終客戶銷售產品附退貨權利乃本集團的政策。銷售時，乃依靠累積經驗就退貨作出估計及撥備。

(c) *利息收入*

利息收入利用實際利率法按時間比例基準確認。

(d) *股息收入*

股息收入於收款權利獲確立時確認。

(e) *租金收入*

根據經營租賃租出資產的租金收入，於租賃期內以直線法確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 Summary of significant accounting policies (continued)

2.23 Government grants

Government grants are subsidies on export of textile and clothing and assistance on certain projects approved by local government. Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants are recognised when the right to receive payment is established.

2.24 Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of (i) the amount initially recognised less, where appropriate, cumulative amortisation recognised in the income statement over the period of the relevant liabilities and (ii) the amount of which the Group is obliged to reimburse the recipient under the financial guarantee contracts.

2.25 Leases (as the lessee for operating leases)

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

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

2 重大會計政策概要(續)

2.23 政府補助金

政府補助金為地方政府批准對紡織品及衣物出口的補貼及若干項目的資助。當有合理保證會收到補助金，而本集團將遵照所有附帶的條件，政府補助金會以其公平值確認。

政府補助金乃於收款權利獲確立時確認。

2.24 財務擔保合同負債

財務擔保合同負債初步以其公平價值計量，其後以(i)初步確認金額扣除相關負債期間於收益表內確認的累計攤銷(如適用)及(ii)根據財務擔保合同本集團須向被擔保方支付的金額兩者的較高者計量。

2.25 租賃(作為經營租賃的承租人)

凡資產擁有權的絕大部分風險及回報仍歸出租人所有的租賃，均歸類為經營租賃。根據經營租賃的付款(扣除出租人給予的任何優惠)在租期內以直線法在收益表中扣除。

2.26 股息分派

向本公司股東的股息分派在本公司股東或董事(如適用)批准股息的期間於本集團財務報表中確認為負債。

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group mainly operates in Hong Kong and Mainland China. Sales are made to overseas customers as well as customers in the PRC while purchases are mainly from suppliers in Hong Kong and the PRC. The functional currencies of the Group's entities in Hong Kong and Mainland China are US\$ and RMB respectively.

Foreign exchange risks arise on monetary assets and liabilities being denominated in a currency that is not the functional currency. The Group's entities in Mainland China have monetary assets and liabilities denominated in US\$, which is not their functional currencies. The management of the Group monitors the related foreign exchange risk exposure closely and has used forward contracts to reduce US\$ exchange exposure of the Group's entities in Mainland China.

At 31 December 2008, if RMB had strengthened/weakened by 10% (2007: 10%) against the US\$ with all other variables held constant, profit for the year and equity holders' equity would have been approximately HK\$10,935,000 (2007: HK\$6,018,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of US\$ denominated cash and bank balances held by the Group's entities in Mainland China. Profit is more sensitive to movement in US\$/RMB exchange rates in 2008 than 2007 because of the increased amount of US\$ denominated cash and bank balances held by the Group's entities in Mainland China.

3 財務風險管理

3.1 財務風險因素

本集團業務面對多種財務風險：市場風險(包括貨幣風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。本集團的整體風險管理程序專注於金融市場的不可預測性，並尋求將對本集團財務表現的潛在不利影響降至最低。

(a) 外匯風險

本集團主要於香港及中國內地經營業務，並向海外及中國的客戶銷售，及主要向香港及中國的供應商進行採購。本集團位於香港及中國內地的實體之功能貨幣分別為美元及人民幣。

以非功能貨幣計值之貨幣資產及負債引致外匯風險。本集團位於中國內地的實體擁有以美元計值的貨幣資產及負債，而美元並非彼等的功能貨幣。本集團管理層會密切監察相關外匯風險，並會使用遠期合約減低本集團於中國內地的實體所承受的美元滙兌風險。

於二零零八年十二月三十一日，倘人民幣兌美元升值／貶值10%(二零零七年：10%)，而其他變數維持不變，年度溢利及股權持有人的權益將減少／增加約10,935,000港元(二零零七年：6,018,000港元)，主要因換算本集團於中國內地的實體所持有以美元計值的現金及銀行結餘所產生的滙兌虧損／收益。與二零零七年比較，二零零八年溢利對美元／人民幣滙率變動的敏感程度上升，原因為本集團於中國內地的實體所持有以美元計值的現金及銀行結餘金額上升所致。

Notes to the Financial Statements (continued)

財務報表附註(續)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) *Cash flow and fair value interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets except for bank deposits. The Group's exposure to changes in interest rates is mainly attributable to its bank deposits and borrowings. Bank deposits and borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The interest rates of the Group's bank deposits and the rates and terms of the Group's borrowings are disclosed in Notes 15 and 21 to the financial statements respectively.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

(c) *Credit risk*

The carrying amounts of cash and bank balances, derivative financial instruments, trade and other receivables, except for prepayments, represent the Group's maximum exposure to credit risk in relation to financial assets.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) *現金流量及公平值利率風險*

除銀行存款外，本集團並無重大付息資產，因此，本集團的收入及經營現金流量大致不受市場利率波動影響。本集團所面對的利率波動風險主要來自其銀行存款及借貸。按浮動利率計息的銀行存款及借貸令本集團面對現金流量利率風險。按固定利率計息的借貸令本集團面對公平值利率風險。本集團的銀行存款利率及本集團借貸的利率及條款分別於財務報表附註15及21中披露。

本集團並無使用任何利率掉期對沖其利率風險。

(c) *信貸風險*

現金及銀行結餘、衍生金融工具、應收貿易賬款及其他應收款項(預付款項除外)的賬面值，乃本集團就金融資產所面對的最大信貸風險。

Notes to the Financial Statements (continued)

財務報表附註(續)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) *Credit risk (continued)*

The Group also has policies in place to ensure that sales of products are made to customers with an appropriate credit history. OEM garment sales to large or long-established customers with good repayment history comprise a significant proportion of the total Group's OEM garment sales. The Group also has policies on granting different settlement methods to different customers to monitor the credit exposure. Letters of credit are normally required from new customers and existing customers with short trading history for settlement purposes. Sales to retail customers are made in cash or via credit cards or collected by department stores on behalf of the Group. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances. At 31 December 2008, trade and bills receivables amounted to HK\$319,529,000 (2007: HK\$341,860,000) were due from multi-national companies operating under international well-known brand retailers.

The Group has policies to place its cash and cash equivalents only with major financial institutions and does not expect any losses from non-performance by these financial institutions.

(d) *Concentration risk*

During the year ended 31 December 2008, the Group's sales to top 5 customers who are international well-known brand retailers accounted for approximately 47.4% (2007: 53.6%) of the total revenue. The Group aims to maintain long-term relationship with reputable customers in the expansion of its business.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) *信貸風險(續)*

本集團亦具政策以確保向具備合適信貸記錄的客戶銷售產品。向具備良好還款記錄的大型或長期客戶銷售原設備製造成衣佔本集團全部原設備製造成衣銷售額的重要部分。本集團的另一政策乃向不同客戶授出不同清償方式，以監管信貸風險。新客戶及交易記錄較短的現有客戶一般須以信用證付款。零售客戶的銷售乃以現金或信用卡進行，或由百貨公司代表本集團收取款項。本集團過往未收回之應收貿易賬款及其他應收款項並無超出有關撥備。於二零零八年十二月三十一日，應收貿易款項及應收票據319,529,000港元(二零零七年：341,860,000港元)為應收國際知名品牌零售商所經營的跨國公司的款項。

本集團亦有政策，將其現金及現金等值項目僅存放於主要金融機構，且本集團並不預期會因該等金融機構違約而產生任何損失。

(d) *集中風險*

截至二零零八年十二月三十一日止年度，本集團向五大客戶(均為國際知名品牌零售商)的銷售額分別約佔總收入的47.4%(二零零七年：53.6%)。本集團為擴張業務，致力維持與著名客戶的長遠關係。

Notes to the Financial Statements (continued)

財務報表附註(續)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(e) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group's primary cash requirements have been for purchases of materials, machinery and equipment and payments of employee benefit expenses. The Group finances its working capital requirements through a combination of funds generated from operations and bank loans. The Group generally operates with a working capital surplus.

As at 31 December 2007 and 2008, the Group's and the Company's contractual obligations mature within 1 year except for non-current portion of licence fees payable which matures between 1 and 2 years.

The table below analyses the Group's derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3 財務風險管理(續)

3.1 財務風險因素(續)

(e) *流動資金風險*

審慎的流動資金風險管理令本集團可維持足夠現金及透過充足已承諾信貸額取得資金。本集團的目標乃通過保持取得已承諾信貸額，維持資金的靈活性。

本集團主要現金需求乃用於採購材料、機械及設備以及支付僱員福利開支。本集團以經營業務及銀行借貸所得資金應付其營運資金需求。本集團營運資金一般具備盈餘。

於二零零七年及二零零八年十二月三十一日，本集團及本公司的已訂約責任於一年內到期，惟應付專營權費的非即期部分除外，其介乎於一至二年間到期。

下表為根據結算日至合約到期日間的餘下期間，以相關到期組別劃分將以總額結算的本集團衍生金融工具分析。表內所披露的金額為已訂約的未折算現金流量。由於折算影響並不重大，於十二個月內到期的結餘相當於賬面結餘。

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Foreign exchange forward contracts, expired less than 1 year	遠期外匯合約， 於一年內屆滿		
— outflow	— 流出	—	167,864
— inflow	— 流入	—	176,062

3 Financial risk management (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or increase debt.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as bank borrowings of HK\$30,176,000 (2007: HK\$13,154,000) divided by total equity of HK\$2,278,188,000 (2007: HK\$2,110,438,000). The ratio as at 31 December 2008 and 2007 were 1.3% and 0.6% respectively.

3.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying amounts of the Group's financial assets including amounts due from associates, trade and other receivables, cash and bank balances, and financial liabilities including trade and other payables and bank borrowings are assumed to approximate their fair values due to their short maturities.

The fair value of foreign exchange forward contracts is determined using quoted forward exchange rates at the balance sheet date.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments. The fair values of non-current licence fees payable are disclosed in Note 18 to the financial statements.

3 財務風險管理(續)

3.2 資本風險管理

本集團管理資本的目標為保障本集團繼續以持續基準經營能力，藉以為股東帶來回報及其他有關人士帶來利益，以及維持最合適的資本架構，從而降低資本成本。

為維持或調整資本架構，本集團可對支付予股東的股息作出調整、向股東退回資本、發行新股或增加債務。

本集團以負債對權益比率監察資本。是項比率乃以銀行借貸30,176,000港元(二零零七年：13,154,000港元)除以權益總額2,278,188,000港元(二零零七年：2,110,438,000港元)計算。於二零零八年及二零零七年十二月三十一日之比率分別為1.3%及0.6%。

3.3 公平值估計

於活躍市場買賣的金融工具的公平值乃根據於結算日所報的市價釐定。本集團所持金融資產的所報市價為當前的買入價。

本集團的金融資產(包括應收聯營公司款項、應收貿易賬款及其他應收款項、現金及銀行結餘)及金融負債(包括應付貿易賬款及其他應付款項及銀行借貸)的賬面值由於到期日較短，故假設與其各自的公平值相若。

遠期外匯合約的公平值乃使用於結算日所報的遠期匯率釐定。

為作出披露，金融負債的公平值乃按本集團類似金融工具當時可得之市場利率折現日後合約現金流量而估計。非即期應付專利權費的公平值於財務報表附註18披露。

Notes to the Financial Statements (continued)

財務報表附註(續)

4 Critical accounting estimates and judgements

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

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

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

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Net realisable value of inventories

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

(c) Trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables. This estimate is based on the credit history of its customers and the current market condition. Management reassesses the provision by each balance sheet date.

4 重要會計估計及判斷

本集團持續評審估計及判斷，且該等估計及判斷乃基於過往經驗及其他因素，包括按情況而言相信屬合理而對未來事項的預測。

本集團就未來事項作出估計及假設。該等因而產生的會計估計按定義甚少與相關實際結果相同。有很大機會對下一財政年度資產及負債的賬面值構成重大調整的估計及假設詳列如下。

(a) 物業、廠房及設備可使用年期及剩餘價值

本集團管理層就其物業、廠房及設備釐定估計可使用年期、剩餘價值及相關折舊開支。此項估計乃基於具類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗，但可能會因為技術創新及競爭對手為回應嚴峻行業週期而採取的行動而出現重大改變。倘可使用年期少於先前估計的可使用年期，管理層將增加折舊開支，或將撇銷或撇減已棄用或出售的技術過時或非策略性資產。

(b) 存貨可變現淨值

存貨的可變現淨值乃基於日常業務過程中的估計售價，減估計完成的成本及銷售開支。該等估計乃基於目前市況及製造及銷售具類似性質產品的過往經驗，但可能會因為客戶喜好改變及競爭對手為回應嚴峻行業週期而採取的行動而出現重大改變。管理層將於結算日或之前重新評估該等估計。

(c) 應收貿易賬款及其他應收款項

本集團管理層按客戶信貸往績及當前市況釐定應收貿易賬款及其他應收款項的減值撥備。管理層將於每個結算日或之前重新評估撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

4 Critical accounting estimates and judgements (continued)

(d) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 11).

(e) Income taxes

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

5 Revenue and segment information

(a) Turnover and revenue

The Group is principally engaged in the manufacturing and sale of garments. Revenue represents sales of goods.

(b) Primary reporting segment – business segments

The business segment reporting includes the following segments: (1) manufacturing and sale of garments on an OEM basis (“OEM”); and (2) manufacturing and retailing of branded fashion apparel (“Retail”).

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, intangible assets, inventories, receivables and operating cash. They exclude items such as corporate assets, deferred income tax assets and tax recoverable.

4 重要會計估計及判斷(續)

(d) 商譽減值估計

根據附註2.7所述的會計政策，本集團每年測試商譽有否減值。現金產生單位的可收回金額按照使用價值計算，計算時須利用估計(附註11)。

(e) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重大判斷。日常業務過程中有大量無法確定最終稅款的交易及計算。本集團根據對是否需要繳付額外稅款的估計，就預期稅務審計項目確認負債。倘該等事項最終稅款結果有別於最初記錄的金額，有關差額將影響作出有關決定的期間的所得稅及遞延稅項撥備。

5 收入及分部資料

(a) 營業額及收入

本集團的主要業務是製造及銷售成衣。收入乃指貨品銷售。

(b) 主要呈報分部 – 業務分部

業務分部報告包括以下分部：(1)按原設備製造基準製造及銷售成衣(「原設備製造」)；及(2)製造及零售品牌時裝(「零售」)。

分部轉讓或交易乃按可由無關連第三方提供的正常商業條款及條件訂立。

分部資產主要包括物業、廠房及設備、批租土地及土地使用權、無形資產、存貨、應收款項及經營現金，但不包括企業資產、遞延所得稅資產及可收回稅項等項目。

Notes to the Financial Statements (continued)

財務報表附註(續)

5 Revenue and segment information (continued)

(b) Primary reporting segment – business segments (continued)

Segment liabilities comprise operating liabilities. They exclude items such as current income tax liabilities and deferred income tax liabilities.

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

The segment revenue and results for the year ended 31 December 2008 are as follows:

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Gross segment sales	分部銷售總值	2,051,513	287,611	2,339,124
Elimination of inter-segment sales	分部間銷售額對銷	(3,668)	(1,722)	(5,390)
Turnover and segment revenue	營業額及分部收入	2,047,845	285,889	2,333,734
Segment results	分部業績	355,068	56,373	411,441
Unallocated losses	未分配虧損			(82,561)
Operating profit	經營溢利			328,880
Share of losses of associates	分佔聯營公司虧損	(1,460)	(380)	(1,840)

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

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	67,949	2,649	70,598
Amortisation of leasehold land and land use rights	批租土地及土地使用權攤銷	1,182	24	1,206
Amortisation of intangible assets	無形資產攤銷	1,470	7,955	9,425

5 收入及分部資料(續)

(b) 主要呈報分部 — 業務分部(續)

分部負債包括經營負債，但不包括即期所得稅負債及遞延所得稅負債等項目。

資本開支包括添置物業、廠房及設備、批租土地及土地使用權及無形資產的添置，包括業務合併中所作收購產生的添置。

截至二零零八年十二月三十一日止年度的分部收入及業績如下：

包括在收益表內的其他分部項目如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

5 Revenue and segment information (continued)

(b) Primary reporting segment – business segments (continued)

The segment assets and liabilities as at 31 December 2008 and capital expenditure for the year then ended are as follows:

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Corporate and others 企業及其他 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Segment assets	分部資產	2,217,404	405,692	62,063	2,685,159
Interests in associates	於聯營公司之權益	1,927	2,884	—	4,811
Total assets	資產總值	2,219,331	408,576	62,063	2,689,970
Segment liabilities	分部負債	200,577	167,524	43,681	411,782
Capital expenditure	資本開支	354,700	22,161	—	376,861

The segment revenue and results for the year ended 31 December 2007 are as follows:

截至二零零七年十二月三十一日止年度的分部收入及業績如下：

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Gross segment sales	分部銷售總值	2,093,719	263,928	2,357,647
Elimination of inter-segment sales	分部間銷售對銷	(1,561)	(2,579)	(4,140)
Turnover and segment revenue	營業額及分部收入	2,092,158	261,349	2,353,507
Segment results	分部業績	433,715	53,333	487,048
Unallocated gains	未分配收益			14,228
Operating profit	經營溢利			501,276
Share of profits less losses of associates	分佔聯營公司溢利 減虧損	12,156	(380)	11,776

5 收入及分部資料(續)

(b) 主要呈報分部 — 業務分部 (續)

於二零零八年十二月三十一日的分部資產及負債及截至該日止年度的資本開支如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

5 Revenue and segment information (continued)

(b) Primary reporting segment – business segments (continued)

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

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	37,455	2,561	40,016
Amortisation of leasehold land and land use rights	批租土地及土地使用權攤銷	1,640	42	1,682
Amortisation of intangible assets	無形資產攤銷	—	7,845	7,845

The segment assets and liabilities as at 31 December 2007 and capital expenditure for the year then ended are as follows:

		OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Corporate and others 企業及其他 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Segment assets	分部資產	1,959,906	355,555	118,444	2,433,905
Interests in associates	於聯營公司之權益	34,505	4,665	—	39,170
Total assets	資產總值	1,994,411	360,220	118,444	2,473,075
Segment liabilities	分部負債	179,360	142,983	40,294	362,637
Capital expenditure	資本開支	171,830	15,495	—	187,325

(c) Secondary reporting segment – geographical segments

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

5 收入及分部資料(續)

(b) 主要呈報分部 — 業務分部 (續)

包括在收益表內的其他分部項目如下：

	OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Depreciation of property, plant and equipment	37,455	2,561	40,016
Amortisation of leasehold land and land use rights	1,640	42	1,682
Amortisation of intangible assets	—	7,845	7,845

於二零零七年十二月三十一日的分部資產及負債及截至該日止年度的資本開支如下：

	OEM 原設備製造 HK\$'000 千港元	Retail 零售 HK\$'000 千港元	Corporate and others 企業及其他 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Segment assets	1,959,906	355,555	118,444	2,433,905
Interests in associates	34,505	4,665	—	39,170
Total assets	1,994,411	360,220	118,444	2,473,075
Segment liabilities	179,360	142,983	40,294	362,637
Capital expenditure	171,830	15,495	—	187,325

(c) 次要呈報分部 — 地區分部

本集團主要於香港及中國內地經營業務，並向海外客戶及香港與中國內地客戶進行銷售。

Notes to the Financial Statements (continued)

財務報表附註(續)

5 Revenue and segment information (continued)

(c) Secondary reporting segment – geographical segments (continued)

The Group's sales are mainly made to the customers located in the following geographical areas:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
North America	北美洲	1,514,283	1,780,656
European Union	歐盟	117,708	111,280
Mainland China	中國內地	639,874	411,042
Hong Kong	香港	48,723	14,021
Other countries	其他國家	13,146	36,508
		2,333,734	2,353,507

The Group's total assets are located in the following geographical areas:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Mainland China	中國內地	2,000,373	1,856,815
Hong Kong	香港	682,614	600,805
North America	北美洲	6,983	15,455
		2,689,970	2,473,075

The Group's capital expenditure, based on where the assets are located, are located in the following geographical areas:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Mainland China	中國內地	374,861	186,617
Hong Kong	香港	2,000	595
North America	北美洲	—	113
		376,861	187,325

5 收入及分部資料(續)

(c) 次要呈報分部—地區分部(續)

本集團主要向位於以下地區的客戶進行銷售：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
North America	北美洲	1,514,283	1,780,656
European Union	歐盟	117,708	111,280
Mainland China	中國內地	639,874	411,042
Hong Kong	香港	48,723	14,021
Other countries	其他國家	13,146	36,508
		2,333,734	2,353,507

本集團總資產位於以下地區：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Mainland China	中國內地	2,000,373	1,856,815
Hong Kong	香港	682,614	600,805
North America	北美洲	6,983	15,455
		2,689,970	2,473,075

本集團資本開支以資產所在地為基準，位於以下地區：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Mainland China	中國內地	374,861	186,617
Hong Kong	香港	2,000	595
North America	北美洲	—	113
		376,861	187,325

Notes to the Financial Statements (continued)

財務報表附註(續)

6 Property, plant and equipment – Group

6 物業、廠房及設備—本集團

		Buildings	Leasehold improve- ments	Plant and machinery	Vehicles	Furniture, fittings and equipment	Construction in progress	Total
		樓宇	租賃 物業裝修	廠房 及機械	汽車	傢俬、裝置 及設備	在建工程	合計
		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
At 1 January 2007	於二零零七年一月一日							
Cost	成本	239,383	8,175	168,577	23,598	44,209	55,615	539,557
Accumulated depreciation	累計折舊	(21,566)	(5,238)	(32,071)	(13,168)	(15,005)	—	(87,048)
Net book amount	賬面淨值	217,817	2,937	136,506	10,430	29,204	55,615	452,509
Year ended 31 December 2007	截至二零零七年 十二月三十一日止年度							
Opening net book amount	年初賬面淨值	217,817	2,937	136,506	10,430	29,204	55,615	452,509
Exchange differences	滙兌差額	17,052	270	10,132	782	1,966	7,721	37,923
Additions	添置	—	5,403	19,670	5,253	7,715	129,433	167,474
Transfers	轉撥	38,631	—	2,788	—	13	(41,432)	—
Disposals	出售	—	—	(206)	(101)	(284)	—	(591)
Depreciation	折舊	(8,922)	(2,282)	(16,256)	(4,172)	(8,384)	—	(40,016)
Closing net book amount	年末賬面淨值	264,578	6,328	152,634	12,192	30,230	151,337	617,299
At 31 December 2007	於二零零七年十二月三十一日							
Cost	成本	296,574	13,010	203,961	28,951	54,485	151,337	748,318
Accumulated depreciation	累計折舊	(31,996)	(6,682)	(51,327)	(16,759)	(24,255)	—	(131,019)
Net book amount	賬面淨值	264,578	6,328	152,634	12,192	30,230	151,337	617,299
Year ended 31 December 2008	截至二零零八年 十二月三十一日止年度							
Opening net book amount	年初賬面淨值	264,578	6,328	152,634	12,192	30,230	151,337	617,299
Exchange differences	滙兌差額	12,300	399	9,396	726	1,718	8,936	33,475
Additions	添置	5,974	7,133	20,159	7,962	8,437	140,316	189,981
Additions through the acquisition of controlling interest in an associate	通過收購聯營公司 控股股東權益添置	19,924	—	43,033	474	1,009	6,381	70,821
Transfers	轉撥	117,801	2,360	19,193	—	509	(139,863)	—
Disposals	出售	(4,441)	—	(435)	(1,740)	(755)	—	(7,371)
Depreciation	折舊	(17,139)	(4,465)	(30,603)	(5,077)	(13,314)	—	(70,598)
Closing net book amount	年末賬面淨值	398,997	11,755	213,377	14,537	27,834	167,107	833,607
At 31 December 2008	於二零零八年十二月三十一日							
Cost	成本	451,088	23,159	298,767	37,274	66,807	167,107	1,044,202
Accumulated depreciation	累計折舊	(52,091)	(11,404)	(85,390)	(22,737)	(38,973)	—	(210,595)
Net book amount	賬面淨值	398,997	11,755	213,377	14,537	27,834	167,107	833,607

Notes to the Financial Statements (continued)

財務報表附註(續)

6 Property, plant and equipment – Group (continued)

Depreciation expenses of HK\$51,703,000 (2007: HK\$26,061,000) and HK\$18,895,000 (2007: HK\$13,955,000) have been charged in cost of sales and administrative expenses respectively.

As at 31 December 2008, buildings with net book amount of HK\$26,473,000 (2007: HK\$9,696,000) were pledged as securities for the Group's bank borrowings (Note 21).

7 Investment properties – Group

The investment properties were revalued at 31 December 2008 by the directors. Valuations were determined with reference to current prices in an active market of similar properties.

The Group's interest in investment properties are held in Hong Kong with lease periods between 10 to 50 years.

6 物業、廠房及設備 — 本集團(續)

折舊開支51,703,000港元(二零零七年: 26,061,000港元)及18,895,000港元(二零零七年: 13,955,000港元)已分別計入銷售成本及行政開支。

於二零零八年十二月三十一日,本集團若干銀行借貸乃以賬面淨值26,473,000港元(二零零七年: 9,696,000港元)的樓宇作為抵押(附註21)。

7 投資物業 — 本集團

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日	7,000	4,940
Increase in fair value (Note 22)	公平值增加(附註22)	—	2,060
At 31 December	於十二月三十一日	7,000	7,000

投資物業已於二零零八年十二月三十一日由董事重估。估值乃參考類似物業之活躍市場當前價格。

本集團於香港持有的投資物業權益,租賃期由10至50年不等。

Notes to the Financial Statements (continued)

財務報表附註(續)

8 Leasehold land and land use rights — Group

8 批租土地及土地使用權 — 本集團

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日	84,012	74,339
Exchange differences	滙兌差額	3,815	5,673
Additions	添置	379	5,682
Additions through the acquisition of controlling interest in an associate	通過收購聯營公司控股股東權益添置	16,289	—
Disposals	出售	(3,249)	—
Amortisation	攤銷	(1,206)	(1,682)
At 31 December	於十二月三十一日	100,040	84,012

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

本集團於批租土地及土地使用權的權益指預付經營租賃款項，其賬面淨值分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
In Hong Kong, held on:	於香港持有：		
— Leases of between 10 to 50 years	— 介乎10至50年之租賃	2,054	2,127
Mainland China, held on:	於中國內地持有：		
— Leases of between 10 to 50 years	— 介乎10年至50年之租賃	97,986	81,885
		100,040	84,012

As at 31 December 2008, leasehold land and land use rights with net book amount of HK\$5,905,000 (2007: HK\$347,000) were pledged as securities for the Group's bank borrowings (Note 21).

於二零零八年十二月三十一日，本集團若干銀行借貸乃以賬面值5,905,000港元(二零零七年：347,000港元)的批租土地及土地使用權作為抵押(附註21)。

Notes to the Financial Statements (continued)

財務報表附註(續)

9 Investments in subsidiaries — Company

9 於附屬公司的投資 — 本公司

		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	478,054	478,054
Amounts due from subsidiaries	應收附屬公司款項	613,316	750,933
		1,091,370	1,228,987

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2008.

於截至二零零八年十二月三十一日止年度內任何時間，概無任何附屬公司有任何已發行貸款資本。

Amounts due from subsidiaries, under investments in subsidiaries, are unsecured, interest free and have no pre-determined repayment terms.

於附屬公司的投資項下，應收附屬公司款項為無抵押、免息及無預定還款期。

The amounts due from subsidiaries were denominated in the following currencies.

應收附屬公司款項以下列貨幣計值。

		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
HK\$	港元	595,070	750,933
US\$	美元	18,246	—
		613,316	750,933

Notes to the Financial Statements (continued)

財務報表附註(續)

9 Investments in subsidiaries — Company (continued)

The particulars of the Group's principal subsidiaries as at 31 December 2008 are set out as follows:

9 於附屬公司的投資 — 本公司(續)

於二零零八年十二月三十一日，本集團主要附屬公司的詳情如下：

Name 公司名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立／成立國家／地點及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行／實收股本詳情	Equity interest attributable to the Group 本集團應佔股權
Directly held: 直接持有：				
Joyocean Investments Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in the British Virgin Islands 於英屬處女群島進行投資控股	1,000 shares of US\$1 each 1,000股每股面值1美元之股份	100%
Manfame Investments Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in the British Virgin Islands 於英屬處女群島進行投資控股	1,000 shares of US\$1 each 1,000股每股面值1美元之股份	100%
Oceanroc Investments Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in the British Virgin Islands 於英屬處女群島進行投資控股	1,000 shares of US\$1 each 1,000股每股面值1美元之股份	100%
Skyyear Holdings Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in the British Virgin Islands 於英屬處女群島進行投資控股	1,000 shares of US\$1 each 1,000股每股面值1美元之股份	100%
Witpower Investments Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in the British Virgin Islands 於英屬處女群島進行投資控股	1,000 shares of US\$1 each 1,000股每股面值1美元之股份	100%

Notes to the Financial Statements (continued)

財務報表附註(續)

9 Investments in subsidiaries — Company (continued)

9 於附屬公司的投資 — 本公司(續)

Name 公司名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/實收股本詳情	Equity interest attributable to the Group 本集團應佔股權
Indirectly held: 間接持有：				
China Ting Garment Mfg (Group) Limited 華鼎製衣(集團)有限公司	Hong Kong, limited liability company 香港·有限公司	Garment trading in Hong Kong 成衣貿易(香港)	5,000,000 shares of HK\$1 each 5,000,000股每股面值1港元之股份	100%
Concept Creator Fashion Limited 創越時裝有限公司	Hong Kong, limited liability company 香港·有限公司	Garment trading in Hong Kong 成衣貿易(香港)	200,000 shares of HK\$1 each 200,000股每股面值1港元之股份	100%
Diny (Hangzhou) Fashion Company Limited 迪妮(杭州)時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing and retailing and trademark holding in the PRC 成衣製造及零售及持有商標(中國)	US\$3,130,000 3,130,000美元	100%
Finity Fashion (Shenzhen) Company Limited 菲妮迪時裝(深圳)有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing and retailing and trademark holding in the PRC 成衣製造及零售及持有商標(中國)	HK\$10,000,000 10,000,000港元	100%
Finity International Fashion Company Limited 菲妮迪國際時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing and retailing and trademark holding in the PRC 成衣製造及零售及持有商標(中國)	US\$10,900,000 10,900,000美元	100%
Hangzhou China Ting Fashion Company Limited 杭州華鼎時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$4,180,000 4,180,000美元	100%
Hangzhou China Ting Tailored Fashion Company Limited 杭州華鼎西服時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$8,000,000 8,000,000美元	100%
Hangzhou Ding Jia Textile Company Limited 杭州鼎嘉紡織有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Home textile and garment manufacturing in the PRC 家紡產品織造及成衣製造(中國)	US\$7,010,000 7,010,000美元	100%

Notes to the Financial Statements (continued)

財務報表附註(續)

9 Investments in subsidiaries — Company (continued)

9 於附屬公司的投資 — 本公司(續)

Name 公司名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/實收股本詳情	Equity interest attributable to the Group 本集團應佔股權
Indirectly held: (continued) 間接持有:(續)				
Hangzhou Fucheng Fashion Company Limited 杭州富成時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	RMB13,000,000 人民幣13,000,000元	100%
Hangzhou Fuding Fashion Company Limited 杭州富鼎時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$2,000,000 2,000,000美元	100%
Hangzhou Fuxi Fashion Company Limited 杭州富茜時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment retailing in the PRC 成衣零售(中國)	US\$200,000 200,000美元	100%
Hangzhou Huaxing Silk Printing Company Limited 杭州華星絲綢印染有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Printing and dyeing of silk and other high quality fabrics in the PRC 絲綢及其他優質面料印染(中國)	US\$5,000,000 5,000,000美元	100%
He Shan Tri-Star Silk Dyeing and Printing Work Limited 鶴山三星絲綢印染企業有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Printing and dyeing of silk and other high quality fabrics in the PRC 絲綢及其他優質面料印染(中國)	US\$3,500,000 3,500,000美元	100%
Interfield Industrial Limited 中都實業有限公司	Hong Kong, limited liability company 香港·有限公司	Fabric printing and dyeing 面料印染	23,400,000 shares of HK\$1 each 23,400,000股每股面值1港元之股份	100%
Jiangsu Fuze Textile Company Limited 江蘇富澤紡織有限公司	The PRC, sino-foreign joint venture 中國·中外合資企業	Jacquard and velvet fabric weaving in the PRC 提花布及絲絨面料織造(中國)	US\$2,625,000 2,625,000美元	52%
Shenzhen Fuhowe Fashion Company Limited 深圳富豪時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$560,000 560,000美元	100%

Notes to the Financial Statements (continued)

財務報表附註(續)

9 Investments in subsidiaries — Company (continued)

9 於附屬公司的投資 — 本公司(續)

Name 公司名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/實收股本詳情	Equity interest attributable to the Group 本集團應佔股權
Indirectly held: (continued) 間接持有：(續)				
Skylite Fashion (Hong Kong) Limited 天宏時裝(香港)有限公司	Hong Kong, limited liability company 香港·有限公司	Garment trading in Hong Kong 成衣貿易(香港)	10,000 shares of HK\$1 each 10,000股每股面值1港元之股份	100%
Zhejiang China Ting Brand Management Company Limited 浙江華鼎品牌管理有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing and retailing and trademark holding in the PRC 成衣製造及零售及持有商標(中國)	US\$2,200,000 2,200,000美元	100%
Zhejiang China Ting Jincheng Silk Company Limited 浙江華鼎金誠絲綢有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Silk fabric weaving in the PRC 絲綢面料織造(中國)	US\$2,520,000 2,520,000美元	100%
Zhejiang China Ting Knitwear Company Limited 浙江華鼎針織品有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Knitwear manufacturing in the PRC 針織品製造(中國)	US\$3,500,000 3,500,000美元	100%
Zhejiang China Ting Textile Fashion Company Limited 浙江華鼎紡織時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Textile fashion manufacturing and trading in the PRC 紡織時裝製造及貿易(中國)	US\$20,000,000 20,000,000美元	100%
Zhejiang China Ting Textile Technology Company Limited 浙江華鼎紡織科技有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Home textile weaving in the PRC 家紡產品織造(中國)	US\$11,200,000 11,200,000美元	100%
Zhejiang Concept Creator Fashion Company Limited 浙江創越時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$5,000,000 5,000,000美元	100%
Zhejiang Fucheng Fashion Company Limited 浙江富成時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$4,000,000 4,000,000美元	100%
Zhejiang Fuhowe Fashion Company Limited 浙江富豪時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$4,200,000 4,200,000美元	100%

Notes to the Financial Statements (continued)

財務報表附註(續)

9 Investments in subsidiaries — Company (continued)

9 於附屬公司的投資 — 本公司(續)

Name 公司名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點及法定實體類別	Principal activities and place of operations 主要業務及經營地點	Particulars of issued/paid-in capital 已發行/實收股本詳情	Equity interest attributable to the Group 本集團應佔股權
Indirectly held: (continued) 間接持有:(續)				
Zhejiang China Ting Group Company Limited 浙江華鼎集團有限責任公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Properties holding and garment trading 持有物業及成衣貿易(中國)	RMB50,000,000 人民幣 50,000,000元	92%
Zhejiang Huali Fashion Company Limited 浙江華勵時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$2,150,000 2,150,000美元	100%
Zhejiang Huayue Silk Products Company Limited 浙江華越絲綢製品有限公司	The PRC, sino-foreign joint venture 中國·中外合營企業	Spun silk fabric weaving in the PRC 絹絲面料織造(中國)	US\$2,500,000 2,500,000美元	55%
Zhejiang Xinan Fashion Company Limited 浙江信安時裝有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	Garment manufacturing in the PRC 成衣製造(中國)	US\$3,580,000 3,580,000美元	100%

The English names of certain subsidiaries referred herein represent management's best effort in translating the Chinese names of these subsidiaries as no English names have been registered.

The above table includes the subsidiaries of the Group which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. Giving details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

由於上述若干附屬公司並無登記英文名稱，故該等英文名稱乃管理層盡力翻譯其中文名稱所得。

上表包括董事認為主要影響年內業績或組成本集團大部份資產淨值之本集團附屬公司。董事認為，刊登其他附屬公司之資料會使篇幅過長。

Notes to the Financial Statements (continued)

財務報表附註(續)

10 Interests in associates — Group

10 於聯營公司的權益—本集團

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Share of net assets	分佔資產淨值	1,486	18,166
Loan to an associate (Note (a))	借予一間聯營公司的貸款(附註(a))	3,325	3,325
Goodwill	商譽	—	17,679
		4,811	39,170

Notes:

(a) The loan to an associate is unsecured, interest-free and not repayable within one year from the balance sheet date.

(b) Movements of interests in associates are as follows:

附註:

(a) 借予一間聯營公司的貸款為無抵押、免息及毋須自結算日起於一年內償還。

(b) 於聯營公司的權益之變動分析如下:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日	39,170	72,250
Exchange differences	滙兌差額	427	1,971
Share of (losses)/profits	分佔(虧損)/溢利	(1,840)	11,776
Reduction as a result of the acquisition of controlling interest in an associate	因收購聯營公司控股股東權益減少	(32,946)	—
Dividend received	已收股息	—	(1,138)
Dividend receivable	應收股息	—	(43,040)
Disposal of an associate	出售一間聯營公司	—	(2,649)
At 31 December	於十二月三十一日	4,811	39,170

Notes to the Financial Statements (continued)

財務報表附註(續)

10 Interests in associates — Group (continued)

Notes: (continued)

- (c) The summary of the financial information of the Group's associates in aggregate is as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Total assets	資產總值	18,240	129,138
Total liabilities	負債總值	11,415	80,509
Revenue	收入	18,439	106,846
(Loss)/profit for the year	年內(虧損)/溢利	(3,629)	23,516

- (d) The particulars of the Group's associates as at 31 December 2008 are set out as follows:

Name 公司名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點 及法定實體類別	Particular of issued/ paid-in capital 已發行/實收股本詳情	Equity interest attributable Principal to the Group activities 本集團應佔股權 主要業務	
Hangzhou Huasheng Accessories Company Limited 杭州華盛輔料有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	US\$250,000 250,000美元	25%	Accessories and plastic bags manufacturing 製造輔料及塑膠袋
Lee Cooper China (Hong Kong) Limited	Hong Kong, limited liability company 香港·有限公司	300,000 shares of Euro 1 each 300,000股每股面值 1歐元之股份	50%	Retailing 零售

10 於聯營公司的權益 — 本集團(續)

附註:(續)

- (c) 本集團聯營公司的財務資料合計概要如下:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Total assets	資產總值	18,240	129,138
Total liabilities	負債總值	11,415	80,509
Revenue	收入	18,439	106,846
(Loss)/profit for the year	年內(虧損)/溢利	(3,629)	23,516

- (d) 本集團於二零零八年十二月三十一日之聯營公司之詳情如下:

Name 公司名稱	Country/place of incorporation/establishment and type of legal entity 註冊成立/成立國家/地點 及法定實體類別	Particular of issued/ paid-in capital 已發行/實收股本詳情	Equity interest attributable Principal to the Group activities 本集團應佔股權 主要業務	
Hangzhou Huasheng Accessories Company Limited 杭州華盛輔料有限公司	The PRC, wholly foreign owned enterprise 中國·外商獨資企業	US\$250,000 250,000美元	25%	Accessories and plastic bags manufacturing 製造輔料及塑膠袋
Lee Cooper China (Hong Kong) Limited	Hong Kong, limited liability company 香港·有限公司	300,000 shares of Euro 1 each 300,000股每股面值 1歐元之股份	50%	Retailing 零售

Notes to the Financial Statements (continued)

財務報表附註(續)

11 Intangible assets – Group

11 無形資產 — 本集團

		Goodwill 商譽 HK\$'000 千港元 Note (a) 附註(a)	Trademark 商標 HK\$'000 千港元 Note (b) 附註(b)	Licence right 專營權 HK\$'000 千港元 Note (c) 附註(c)	Customer relationship 客戶關係 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日					
Cost	成本	20,751	31,216	—	—	51,967
Accumulated amortisation	累計攤銷	—	(8,064)	—	—	(8,064)
Net book amount	賬面淨值	20,751	23,152	—	—	43,903
Year ended 31 December 2007	截至二零零七年 十二月三十一日止年度					
Opening net book amount	期初賬面淨值	20,751	23,152	—	—	43,903
Exchange differences	滙兌差額	1,502	—	—	—	1,502
Additions	添置	—	—	14,169	—	14,169
Amortisation	攤銷	—	(3,122)	(4,723)	—	(7,845)
Closing net book amount	期末賬面淨值	22,253	20,030	9,446	—	51,729
At 31 December 2007	於二零零七年 十二月三十一日					
Cost	成本	22,253	31,216	14,169	—	67,638
Accumulated amortisation	累計攤銷	—	(11,186)	(4,723)	—	(15,909)
Net book amount	賬面淨值	22,253	20,030	9,446	—	51,729

Notes to the Financial Statements (continued)

財務報表附註(續)

11 Intangible assets – Group (continued)

11 無形資產 — 本集團(續)

		Goodwill 商譽 HK\$'000 千港元 Note (a) 附註(a)	Trademark 商標 HK\$'000 千港元 Note (b) 附註(b)	Licence right 專營權 HK\$'000 千港元 Note (c) 附註(c)	Customer relationship 客戶關係 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Year ended	截至二零零八年					
31 December 2008	十二月三十一日止年度					
Opening net book amount	期初賬面淨值	22,253	20,030	9,446	—	51,729
Exchange differences	滙兌差額	1,366	—	—	—	1,366
Additions	添置	—	16,770	—	—	16,770
Additions through the acquisition of controlling interest in an associate	通過收購聯營公司 控股股東 權益添置	67,930	—	—	14,691	82,621
Amortisation	攤銷	—	(3,232)	(4,723)	(1,470)	(9,425)
Closing net book amount	期末賬面淨值	91,549	33,568	4,723	13,221	143,061
At 31 December 2008	於二零零八年					
	十二月三十一日					
Cost	成本	91,549	47,986	14,169	14,691	168,395
Accumulated amortisation	累計攤銷	—	(14,418)	(9,446)	(1,470)	(25,334)
Net book amount	賬面淨值	91,549	33,568	4,723	13,221	143,061

Notes:

(a) Impairment tests for goodwill

Goodwill is allocated to the CGU identified for OEM garment business and fabric printing and dyeing businesses, the identified groups of CGUs that are expected to benefit from the synergies of the combinations.

A summary of the goodwill allocation is presented below:

		HK\$'000 千港元
OEM garment business	原設備製造成衣業務	23,619
Fabric printing and dyeing business	面料印染業務	67,930
		91,549

附註:

(a) 商譽減值測試

商譽分配予原設備製造成衣業務及面料印染業務之已識別之現金產生單位，為可於合併獲協同效益之可識別現金產生單位組別。

商譽分配概要呈列如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

11 Intangible assets – Group (continued)

(a) Impairment tests for goodwill (continued)

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations

		OEM garment business 原設備製 造成衣業務	Fabric printing and dyeing business 面料 印染業務
Budgeted gross margin	預算毛利率	30%	31%
Pre-tax discount rate	除稅前折現率	9.1%	11.1%
Weighted average rate use to extrapolate cash flows beyond the budgeted periods	用以推斷預算期後之現金流量之 加權平均利率	0%	0%

Management determined budgeted gross margin based on past performance and its expectations for the market development. The discount rate used is pre-tax and reflects specific risks relating to the CGU. The weighted average growth rate beyond the budget period is estimated based on current capacity of the CGU.

(b) The trademark represents the right to use the brand FINITY.

(c) In January 2007, the Group entered into a licence agreement to acquire an exclusive right to retail and appoint franchisees to retail products bearing the Maxstudio trademark in the PRC and a non-exclusive right to produce such products in the PRC. The licence right represents capitalisation of the expected licence fees payable through 2009 (Note 18), based on a discount rate equal to the Group's weighted average borrowing rate of approximately 5.88% per annum at the date of the acquisition.

12 Inventories – Group

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Raw materials	原材料	133,822	128,396
Work in progress	在製品	74,132	86,593
Finished goods	製成品	195,457	178,507
		403,411	393,496

11 無形資產 — 本集團(續)

(a) 商譽減值測試(續)

現金產生單位的可收回金額乃根據使用價值計算方法釐定。該等計算乃根據經管理層批准覆蓋五年期間的財務預算，以除稅前現金流量預計作出。五年期限之後的現金流量乃按下文所述的估計增長率推斷。增長率並未超越現金產生單位經營的業務的長期平均增長率。

使用價值計算法採用的主要假設

		OEM garment business 原設備製 造成衣業務	Fabric printing and dyeing business 面料 印染業務
Budgeted gross margin	預算毛利率	30%	31%
Pre-tax discount rate	除稅前折現率	9.1%	11.1%
Weighted average rate use to extrapolate cash flows beyond the budgeted periods	用以推斷預算期後之現金流量之 加權平均利率	0%	0%

管理層按過往表現及預期市場發展決定預算毛利率。所使用折現率為除稅前，並反映有關現金產生單位之特定風險。於預算期後之加權平均增長利率乃根據現金產生單位之當時能力決定。

(b) 商標代表使用FINITY(菲妮迪)品牌的權利。

(c) 於二零零七年一月，本集團訂立專營權協議以取得獨家權利以零售及委任特許商以零售附有中國Maxstudio商標的產品，及取得非獨家權利以於中國生產該產品。專營權指根據相當於在收購日期本集團之加權平均借貸利率約每年5.88厘的折現率將二零零九年預期應付專營權費撥充資本(附註18)。

12 存貨 — 本集團

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Raw materials	原材料	133,822	128,396
Work in progress	在製品	74,132	86,593
Finished goods	製成品	195,457	178,507
		403,411	393,496

Notes to the Financial Statements (continued)

財務報表附註(續)

12 Inventories – Group (continued)

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$1,589,267,000 (2007: HK\$1,560,468,000).

12 存貨 — 本集團(續)

確認為開支並計入銷售成本的存貨成本約為1,589,267,000港元(二零零七年: 1,560,468,000港元)。

13 Trade and other receivables

13 應收貿易賬款及其他應收款項

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade and bills receivables	應收貿易賬款及 應收票據	319,529	341,860	—	—
Less: Provision for impairment	減: 減值撥備	(3,840)	(3,188)	—	—
Trade and bills receivables, net	應收貿易賬款及 應收票據淨值	315,689	338,672	—	—
Amounts due from associates (Note 33(c))	應收聯營公司款項 (附註33(c))	3,989	63,509	—	—
Other receivables, deposits and prepayments	其他應收款項、按金及 預付款項	59,103	45,985	—	92
		378,781	448,166	—	92

The ageing analysis of gross trade and bills receivables is as follows:

應收貿易賬款及應收票據的賬齡分析如下:

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 to 30 days	0至30日	207,434	201,721
31 to 60 days	31至60日	78,975	102,425
61 to 90 days	61至90日	12,035	17,125
Over 90 days	超過90日	21,085	20,589
		319,529	341,860

Notes to the Financial Statements (continued)

財務報表附註(續)

13 Trade and other receivables (continued)

As of 31 December 2008, trade and bills receivables of approximately HK\$11,066,000 (2007: HK\$18,285,000) were past due but not considered impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade and bills receivables is as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 to 30 days	0至30日	6,728	10,494
31 to 60 days	31至60日	785	2,300
Over 60 days	超過60日	3,553	5,491
		11,066	18,285

The carrying amounts of the Group's net trade and other receivables are denominated in the following currencies:

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
HK\$	港元	16,725	112,715
RMB	人民幣	142,740	62,776
US\$	美元	216,758	259,702
Other currencies	其他貨幣	2,558	12,973
		378,781	448,166

For OEM garment sales, the Group's trade receivables from its customers are generally settled by way of letters of credit or telegraphic transfer with credit periods of not more than 90 days. The grant of open account terms without security coverage is generally restricted to large or long-established customers with good repayment history. Sales to these customers comprise a significant proportion of the Group's OEM garment sales. On the other hand, for new and existing customers with short trading history, letters of credit issued by these customers are normally demanded for settlement purposes.

13 應收貿易賬款及其他應收款項(續)

於二零零八年十二月三十一日，應收貿易賬款及應收票據約11,066,000港元(二零零七年：18,285,000港元)已逾期但不視為減值。此乃與若干近期並無拖欠記錄的獨立客戶相關。應收貿易賬款及應收票據的賬齡分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 to 30 days	0至30日	6,728	10,494
31 to 60 days	31至60日	785	2,300
Over 60 days	超過60日	3,553	5,491
		11,066	18,285

本集團應收貿易賬款及應收票據淨值之賬面值以下列貨幣計值：

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
HK\$	港元	16,725	112,715
RMB	人民幣	142,740	62,776
US\$	美元	216,758	259,702
Other currencies	其他貨幣	2,558	12,973
		378,781	448,166

就原設備製造成衣銷售而言，本集團來自客戶的應收貿易賬款一般以信用證或電滙方式清償，信貸期不超過90日。毋須提供任何保證的記賬交易條款一般只會授予還款紀錄良好的大型或長期客戶。本集團向此等客戶進行的銷售，佔原設備製造成衣銷售額的重要部分。另外，本集團一般要求業務新客戶或交易紀錄較短現有客戶提供信用證以作清償用途。

Notes to the Financial Statements (continued)

財務報表附註(續)

13 Trade and other receivables (continued)

For sales of branded fashion apparel to franchisees, the Group normally requests payments in advance or deposits from such customers, with the remaining balances settled immediately upon delivery of goods. The Group also grants open account terms of 30 credit days to long-established customers with good repayment history.

Retail sales are settled in cash or by credit cards or collected by department stores on behalf of the Group. The department stores are normally required to settle the proceeds to the Group within 2 months from the date of sale.

Bills receivables are with average maturity dates of within 2 months.

The carrying amounts of trade and other receivables approximate their fair values.

Movements on the provision for impairment of receivables are as follows:

13 應收貿易賬款及其他應收款項(續)

就對專營代理商進行的品牌時裝銷售而言，本集團一般要求該等客戶預付款項或按金，餘額則於貨品付運後即時清償。本集團亦會向還款紀錄良好的長期客戶授出長達30日的記賬交易條款。

零售乃以現金或信用卡進行，或由百貨公司代表本集團收取。本集團一般要求百貨公司於銷售日起計兩個月內向本集團清償所得款項。

應收票據的平均到期日為兩個月內。

應收貿易賬款及其他應收款項的賬面值與其公平值相若。

應收款項減值撥備變動如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日	3,188	2,527
Exchange differences	滙兌差額	57	89
Additions through the acquisition of controlling interest in an associate	通過收購聯營公司 控股股東權益添置	625	—
Addition	添置	823	572
Write-off	撤銷	(853)	—
At 31 December	於十二月三十一日	3,840	3,188

Notes to the Financial Statements (continued)

財務報表附註(續)

14 Financial assets at fair value through profit or loss

14. 按公平值列賬在損益表中處理的金融資產

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Assets					
Market value of listed securities in the PRC (Note (a))	資產 於中國之上市證券之 市值(附註(a))	29,733	43,621	—	—
Foreign exchange forward contracts, carried at fair value (Note (b))	遠期外匯合約· 按公平值(附註(b))	—	8,198	—	—
		29,733	51,819	—	—
Liabilities					
Foreign exchange forward contracts, carried at fair value (Note (b))	負債 遠期外匯合約· 按公平值(附註(b))	—	5,447	—	4,521

Notes:

- (a) Financial assets at fair value through profit or loss are presented within "operating activities" as part of changes in working capital in the cash flow statement (Note 30).

Changes in fair values of financial assets at fair value through profit or loss are recorded in "other (losses)/gains, net", in the income statement (Note 22).

The fair value of all equity securities is based on their current bid prices in an active market.

- (b) The notional principal amount of the outstanding foreign exchange forward contracts as at 31 December 2007 was approximately HK\$368,948,000.

附註:

- (a) 按公平值列賬在損益表中處理的金融資產乃於「營運活動」中呈列，作為現金流量報表中營運資金之部份變動(附註30)。

按公平值列賬在損益表中處理的金融資產之公平值變動乃記錄於收益表中「其他(虧損)/收益淨額」(附註22)。

所有股本證券之公平值均按於活躍市場中之當前買入價釐定。

- (b) 於二零零七年十二月三十一日，未到期外匯遠期合約之名義本金額約為368,948,000港元。

Notes to the Financial Statements (continued)

財務報表附註(續)

15 Cash and bank balances

15 現金及銀行結餘

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cash at bank and in hand	銀行結餘及手頭現金	503,614	673,292	2,396	4,948
Short-term bank deposits (Note (a))	短期銀行存款 (附註(a))	141,349	61,131	—	30,000
Cash and cash equivalents	現金及現金等值項目	644,963	734,423	2,396	34,948
Term deposits with initial term over three months (Note (a))	原期限超過三個月 的定期存款 (附註(a))	97,746	—	—	—
Pledged bank deposits (Note (b))	已抵押銀行存款 (附註(b))	23,883	13,178	—	—
		766,592	747,601	2,396	34,948

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Denominated in:	以下列貨幣計值:				
HK\$	港元	15,589	37,873	2,075	34,946
RMB (Note (c))	人民幣(附註(c))	366,395	534,450	1	—
US\$	美元	384,528	172,989	298	—
Other currencies	其他貨幣	80	2,289	22	2
		766,592	747,601	2,396	34,948

Notes:

(a) The effective interest rate on short-term bank deposits and term deposits was 1.54% (2007: 3.75%) per annum; these deposits have a maturity ranging from 7 to 180 days.

附註:

(a) 短期銀行存款及定期存款的實際年利率為1.54%(二零零七年: 3.75%); 該等存款的到期日由7至180日不等。

Notes to the Financial Statements (continued)

財務報表附註(續)

15 Cash and bank balances (continued)

Notes: (continued)

- (b) Bank deposits of HK\$23,883,000 (2007: HK\$13,178,000) have been pledged for trade finance facilities made available to the Group.

The effective interest rate on pledged bank deposits was 1.51% (2007: 3.23%) per annum.

- (c) The Group's cash and bank balances denominated in RMB are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

16 Share capital and share options

(a) Share capital

		Number of shares 股份數目 (in '000) (千股)	Total 合計 HK\$'000 千港元
	Note 附註		
Ordinary shares of HK\$0.10 each Authorised:	每股面值0.10港元 之普通股 法定：		
At 1 January 2007, 31 December 2007 and 31 December 2008	於二零零七年一月一日、 二零零七年十二月三十一日 及二零零八年 十二月三十一日	10,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2007	於二零零七年一月一日	2,066,250	206,625
Repurchase of shares	購回股份	(2,246)	(225)
Exercise of share options	行使購股權	1,250	125
At 31 December 2007	於二零零七年十二月三十一日	2,065,254	206,525
Issue of shares	發行股份 (i)	45,900	4,590
Repurchase of shares	購回股份 (ii)	(20,166)	(2,016)
Exercise of share options	行使購股權	1,250	125
At 31 December 2008	於二零零八年十二月三十一日	2,092,238	209,224

15 現金及銀行結餘(續)

附註：(續)

- (b) 23,883,000港元(二零零七年：13,178,000港元)之銀行存款已予抵押，以為本集團取得貿易融資信貸額。

已抵押銀行存款之實際年利率為1.51%(二零零七年：3.23%)。

- (c) 本集團以人民幣計值的現金及銀行結餘均存放於中國的銀行。該等以人民幣計值的結餘兌換外幣及將資金匯出中國，須受中國政府頒佈的外匯管制規則及法規所限制。

16 股本及購股權

(a) 股本

Notes to the Financial Statements (continued)

財務報表附註(續)

16 Share capital and share options (continued)

16 股本及購股權(續)

(a) Share capital (continued)

Notes:

- (i) The Group issued 45,900,000 shares on 18 January 2008 (2.2% of the total ordinary share capital issued) to a shareholder of Interfield Industrial Limited ("Interfield") as part of the purchase consideration for the acquisition of additional 60% equity interest of Interfield. The fair value of the shares issued amounted to HK\$88,587,000 (HK\$1.93 per share) based on the share price of the Company on 3 January 2008, the date on which the control of Interfield was passed to the Group. (Note 32).
- (ii) During the year, the Company repurchased a total of 20,166,000 of its own shares on the Stock Exchange at a price ranging from HK\$0.38 to HK\$1.70 per share, for a total consideration, before expenses, of approximately HK\$20,643,000. The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares of approximately HK\$2,016,000 was transferred from share capital to the capital redemption reserve. The premium paid on the repurchased shares was charged against the share premium.

(a) 股本(續)

附註：

- (i) 本集團於二零零八年一月十八日向中都實業有限公司(「中都」)一名股東發行45,900,000股股份(已發行普通股本總額2.2%)，作為收購中都額外60%股權的部分收購代價。按本公司於二零零八年一月三日(中都控制權轉讓予本集團當日)的股價計算，已發行股份公平值為88,587,000港元(每股1.93港元)(附註32)。
- (ii) 年內，本公司於聯交所按介乎0.38港元至1.70港元之價格購回其股份總數20,166,000股，總代價(於扣除開支前)約20,643,000港元。購回之股份已註銷，且相當於該等股份之面值之金額約2,016,000港元已由股本轉撥至資本贖回儲備。於購回股份時已付溢價已計入股份溢價。

Month of repurchase	購回月份	Number of ordinary shares of HK\$0.10 each 每股面值0.10港元之普通股數目	Price per share 每股價格		Aggregate consideration paid 已付代價總額 HK\$'000 千港元
			Highest 最高價 HK\$ 港元	Lowest 最低價 HK\$ 港元	
January 2008	二零零八年一月	3,660,000	1.70	1.48	5,967
February 2008	二零零八年二月	1,450,000	1.31	1.27	1,876
June 2008	二零零八年六月	4,544,000	1.30	1.25	5,860
July 2008	二零零八年七月	2,190,000	1.26	1.16	2,685
October 2008	二零零八年十月	5,198,000	0.61	0.50	2,890
November 2008	二零零八年十一月	3,124,000	0.48	0.38	1,365
		20,166,000			20,643

Notes to the Financial Statements (continued)

財務報表附註(續)

16 Share capital and share options (continued)

(b) Share options

Pursuant to the Pre-IPO Share Option Deed (the "Pre-IPO Share Option Scheme") dated 18 November 2005, an employee has been conditionally granted options prior to 15 December 2005 to subscribe for up to 10,000,000 shares of HK\$0.10 each in the share capital of the Company. The options granted under the Pre-IPO Share Option Scheme may be exercised by the employee in part, during a period of eight years from 15 December 2005, representing no more than one-eighth of the total number of the option shares in each calendar year. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

In accordance with the Share Option Scheme approved on 18 November 2005, three directors have been granted options to subscribe for up to 3,000,000 shares of HK\$0.59 each in the share capital of the Company on 13 November 2008. The options granted may be exercised by the directors in part, during a period of three years from 11 December 2008, representing no more than one-third of the total number of the option shares in each calendar year. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

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

		2008 二零零八年		2007 二零零七年	
		Average exercise price in HK\$ per share 每股股份 平均行使價 (港元)	Options (thousands) 購股權 (千份)	Average exercise price in HK\$ per share 每股股份 平均行使價 (港元)	Options (thousands) 購股權 (千份)
At 1 January	於一月一日	0.10	7,500	0.10	8,750
Granted	已授出	0.59	3,000	—	—
Exercised	已行使	0.10	(1,250)	0.10	(1,250)
At 31 December	於十二月三十一日	0.26	9,250	0.10	7,500

16 股本及購股權(續)

(b) 購股權

根據於二零零五年十一月十八日的首次公開發售前購股權契據(「首次公開發售前購股權計劃」)，該僱員在二零零五年十二月十五日前有條件獲授予購股權，最多可以認購本公司股本中每股面值0.10港元之10,000,000股股份。該僱員可於二零零五年十二月十五日起計八年內，行使根據首次公開發售前購股權計劃授出的部分購股權，而每個曆年相當於不超過購股權股份總數八分之一。本集團概無法律或推定責任以現金購回或清償購股權。

根據於二零零五年十一月十八日通過的購股權計劃，三名董事於二零零八年十一月十三日獲授購股權，可認購本公司股本中最多3,000,000股股份(每股0.59港元)。董事可於二零零八年十二月十一日起計三年期間行使已授出的部份購股權，而每曆年相當於不超過購股權股份總數三分之一。本集團概無法律或推定責任以現金購回或清償購股權。

尚未行使購股權的數目及其相關加權平均行使價的變動如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

16 Share capital and share options (continued)

(b) Share options (continued)

6,250,000 outstanding options at 31 December 2008 (2007: 7,500,000) were not exercisable as at that date and will be exercisable at an exercise price of HK\$0.10 per share over the period up to 15 December 2013. They will be expired on 15 December 2013 at an exercise price of HK\$0.10 per share.

3,000,000 outstanding options at 31 December 2008 (2007: Nil) were not exercisable as at that date and will be exercisable at an exercise price of HK\$0.59 per share price over the period up to 11 November 2011. They will be expired on 11 November 2011 at an exercise price of HK\$0.59 per share.

Options exercised in 2007 resulted in 1,250,000 shares being issued at HK\$0.10 each. The related weighted average share price at the time of exercise was HK\$1.29 per share.

16 股本及購股權(續)

(b) 購股權(續)

於二零零八年十二月三十一日尚未行使的6,250,000份購股權(二零零七年: 7,500,000份)於該日不可行使,並將可於截至二零一三年十二月十五日止期間以行使價每股0.10港元行使。該等購股權將於二零一三年十二月十五日屆滿,行使價為每股0.10港元。

於二零零八年十二月三十一日尚未行使的3,000,000份購股權(二零零七年: 無)於該日不可行使,並將可於截至二零一一年十一月十一日止期間以行使價每股0.59港元行使。該等購股權將於二零一一年十一月十一日屆滿,行使價為每股0.59港元。

於二零零七年獲行使之購股權導致以每股0.10港元發行1,250,000股股份。於行使時之相關加權平均股價為每股1.29港元。

Notes to the Financial Statements (continued)

財務報表附註(續)

17 Reserves

(a) Group

17 儲備

(a) 本集團

		Share premium	Capital reserve	Contributed surplus	Statutory reserves	Share based compensation reserve	Capital redemption reserve	Revaluation reserve	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備	繳入盈餘	法定儲備	以股份支付 報酬儲備	資本贖回儲備	重估儲備	外匯儲備	保留盈利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note (i)) (附註(i))	(Note (ii)) (附註(ii))	(Note (iii)) (附註(iii))	(Note (iv)) (附註(iv))	(Note (v)) (附註(v))				
At 1 January 2008	二零零八年一月一日	902,608	7,746	(4,624)	66,777	1,902	225	—	145,620	735,639	1,855,893
Deregistration of a subsidiary	一間附屬公司										
	取消註冊	—	—	—	—	—	—	—	(23,653)	—	(23,653)
Currency translation differences	貨幣換算										
	差額	—	—	—	—	—	—	—	91,939	—	91,939
Profit for the year	年度溢利	—	—	—	—	—	—	—	—	291,184	291,184
Issue of shares	發行股份	83,997	—	—	—	—	—	—	—	—	83,997
Repurchase of shares	購回股份	(20,643)	—	—	—	—	2,016	—	—	—	(18,627)
Revaluation reserve, net of tax, arising from the acquisition of controlling interest in an associate	因收購聯營公司控股股東權益產生的除稅後重估儲備	—	—	—	—	—	—	10,572	—	—	10,572
Employee share option scheme:	僱員購股權計劃:										
— proceeds from share issues	— 發行股份所得款項	1,902	—	—	—	(1,902)	—	—	—	—	—
— value of employee services	— 僱員服務價值	—	—	—	—	2,071	—	—	—	—	2,071
2007 final dividend paid	二零零七年已付終期股息	—	—	—	—	—	—	—	—	(164,790)	(164,790)
2008 interim dividend paid	二零零八年已付中期股息	—	—	—	—	—	—	—	—	(110,070)	(110,070)
Profit appropriation	溢利分配	—	—	—	29,507	—	—	—	—	(29,507)	—
At 31 December 2008	二零零八年十二月三十一日	967,864	7,746	(4,624)	96,284	2,071	2,241	10,572	213,906	722,456	2,018,516
Representing:	組成如下:										
2008 final dividend proposed	二零零八年擬派終期股息									49,586	
2008 special dividend proposed	二零零八年擬派特別股息									43,728	
Others	其他									629,142	
										722,456	

Notes to the Financial Statements (continued)

財務報表附註(續)

17 Reserves (continued)

(a) Group (continued)

17 儲備(續)

(a) 本集團(續)

		Share premium	Capital reserve	Contributed surplus	Statutory reserves	Share based compensation reserve	Capital redemption reserve	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備	繳入盈餘	法定儲備	以股份支付 報酬儲備	資本贖回儲備	外匯儲備	保留盈利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note (i))	(Note (ii))	(Note (iii))	(Note (iv))	(Note (v))			
			(附註(i))	(附註(ii))	(附註(iii))	(附註(iv))	(附註(v))			
At 1 January 2007	二零零七年一月一日	905,152	7,746	(4,624)	42,695	1,902	—	50,268	597,470	1,600,609
Currency translation differences	貨幣換算差額	—	—	—	—	—	—	95,352	—	95,352
Profit for the year	年度溢利	—	—	—	—	—	—	—	449,517	449,517
Repurchase of shares	購回股份	(4,446)	—	—	—	—	225	—	—	(4,221)
Employee share option scheme:	僱員購股權計劃:									
— proceeds from share issues	— 發行股份所得款項	1,902	—	—	—	(1,902)	—	—	—	—
— value of employee services	— 僱員服務價值	—	—	—	—	1,902	—	—	—	1,902
2006 final dividend paid	二零零六年已付終期股息	—	—	—	—	—	—	—	(144,638)	(144,638)
2007 interim dividend paid	二零零七年已付中期股息	—	—	—	—	—	—	—	(142,628)	(142,628)
Profit appropriation	溢利分配	—	—	—	24,082	—	—	—	(24,082)	—
At 31 December 2007	二零零七年十二月三十一日	902,608	7,746	(4,624)	66,777	1,902	225	145,620	735,639	1,855,893
Representing:	組成如下:									
2007 final dividend proposed	二零零七年擬派終期股息								104,943	
2007 special dividend proposed	二零零七年擬派特別股息								59,847	
Others	其他								570,849	
									735,639	

Notes to the Financial Statements (continued)

財務報表附註(續)

17 Reserves (continued)

(b) Company

17 儲備(續)

(b) 本公司

		Share premium	Contributed surplus	Share based compensation reserve	Capital redemption reserve	Retained earnings	Total
		股份溢價	繳入盈餘	以股份支付 報酬儲備	資本贖回 儲備	保留盈利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
			(Note (ii)) (附註(ii))	(Note (iv)) (附註(iv))	(Note (v)) (附註(v))		
At 1 January 2008	二零零八年一月一日	902,608	468,054	1,902	225	175,803	1,548,592
Profit for the year	年度溢利	—	—	—	—	278,939	278,939
Issue of shares	發行股份	83,997	—	—	—	—	83,997
Repurchase of shares	購回股份	(20,643)	—	—	2,016	—	(18,627)
Employee share option scheme:	僱員購股權計劃:						
— proceeds from share issues	— 發行股份所得款項	1,902	—	(1,902)	—	—	—
— value of employee services	— 僱員服務價值	—	—	2,071	—	—	2,071
2007 final dividend paid	二零零七年已付終期股息	—	—	—	—	(164,790)	(164,790)
2008 interim dividend paid	二零零八年已付中期股息	—	—	—	—	(110,070)	(110,070)
At 31 December 2008	二零零八年 十二月三十一日	967,864	468,054	2,071	2,241	179,882	1,620,112
Representing:	組成如下:						
2008 final dividend proposed	二零零八年擬派終期股息					49,586	
2008 special dividend proposed	二零零八年擬派特別股息					43,728	
Others	其他					86,568	
						179,882	

Notes to the Financial Statements (continued)

財務報表附註(續)

17 Reserves (continued)

17 儲備(續)

(b) Company (continued)

(b) 本公司(續)

		Share premium	Contributed surplus	Share based compensation reserve	Capital redemption reserve	Retained earnings	Total
		股份溢價	繳入盈餘	以股份支付報酬儲備	資本贖回儲備	保留盈利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
			(Note (ii))	(Note (iv))	(Note (v))		
			(附註(ii))	(附註(iv))	(附註(v))		
At 1 January 2007	二零零七年一月一日	905,152	468,054	1,902	—	170,349	1,545,457
Profit for the year	年度溢利	—	—	—	—	292,720	292,720
Repurchase of shares	購回股份	(4,446)	—	—	225	—	(4,221)
Employee share option scheme:	僱員購股權計劃:						
— proceeds from share issues	— 發行股份所得款項	1,902	—	(1,902)	—	—	—
— value of employee services	— 僱員服務價值	—	—	1,902	—	—	1,902
2006 final dividend paid	二零零六年已付終期股息	—	—	—	—	(144,638)	(144,638)
2007 interim dividend paid	二零零七年已付中期股息	—	—	—	—	(142,628)	(142,628)
At 31 December 2007	二零零七年十二月三十一日	902,608	468,054	1,902	225	175,803	1,548,592
Representing:	組成如下:						
2007 final dividend proposed	二零零七年擬派終期股息					104,943	
2007 special dividend proposed	二零零七年擬派特別股息					59,847	
Others	其他					11,013	
						175,803	

Note:

(i) **Capital reserve**

Capital reserve represents capital contributions other than the paid up share capital of the subsidiaries now comprising the Group.

附註:

(i) **資本儲備**

資本儲備為股東出資，但不包括本集團現時旗下各附屬公司的實收股本。

Notes to the Financial Statements (continued)

財務報表附註(續)

17 Reserves (continued)

(b) Company (continued)

(ii) Contributed surplus

Contributed surplus of the Group represents the difference between the nominal value of the shares of subsidiaries acquired pursuant to the reorganisation of the Group took place in 2005 over the nominal value of the share capital of the Company issued in exchange.

Contributed surplus of the Company represents the difference between the costs of investments in subsidiaries acquired pursuant to the reorganisation of the Group took place in 2005 over the fair value of the subsidiaries in exchange.

(iii) Statutory reserves

Statutory reserves include statutory reserve fund and enterprise expansion fund. In accordance with relevant rules and regulations on foreign investment enterprises established in the PRC, the Company's PRC subsidiaries are required to transfer an amount of their profit for the year to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to make good of previous years' losses or to increase the capital of these subsidiaries.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the subsidiaries in the PRC. The enterprise expansion fund can only be used to increase capital of group companies or to expand their production operations upon approval by the relevant authority.

(iv) Share based compensation reserve

Share based compensation reserve represents value of employee services under the Group's Pre-IPO Share Option Scheme and Share Option Scheme.

(v) Capital redemption reserve

Capital redemption reserve represents the nominal amount of the shares repurchased.

17 儲備(續)

(b) 本公司(續)

(ii) 繳入盈餘

本集團的繳入盈餘為根據二零零五年本集團進行重組所收購附屬公司的股份面值與本公司為作交換而已發行的股本面值的差額。

本公司的繳入盈餘是在根據二零零五年本集團重組所收購附屬公司的投資成本與作為交換之附屬公司公平值之間的差額。

(iii) 法定儲備

法定儲備包括法定公積金及企業發展基金。根據於中國設立外商投資企業的相關規則及規例，本公司的中國附屬公司須將其一部分年度溢利轉撥至法定公積金，直至累計公積金總額達其註冊資本50%。經相關機構批准後，法定公積金僅可用以彌補以往年度的虧損或增加該等附屬公司的資本。

企業發展基金的分配純粹由中國各附屬公司的董事會決定。企業發展基金經相關機構批准後只可用作增加集團屬下公司的資本，或用作擴充生產業務。

(iv) 以股份支付報酬儲備

僱員購股權儲備為本集團首次公開發售前購股權計劃及購股權計劃的僱員服務價值。

(v) 資本贖回儲備

資本贖回儲備指購回股份之面值。

Notes to the Financial Statements (continued)

財務報表附註(續)

18 Licence fees payable – Group

18. 應付專營權費 — 本集團

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	於一年內	5,569	5,039
In the second year	於第二年	—	5,260
		5,569	10,299
Less: Current portion (Note 20)	減：即期部份(附註20)	(5,569)	(5,039)
Non-current portion	非即期部份	—	5,260
Estimated fair value of:	以下各項之估計公平值：		
Current portion	即期部份	5,544	4,969
Non-current portion	非即期部份	—	5,115
		5,544	10,084

Details of licence fees payable are set out in Note 11(c) to the financial statements. Licence fees payable are denominated in US dollar.

Estimated fair values at the balance sheet date were calculated based on a discount rate of 6.37% per annum, which approximates the external borrowing rate available to the Group as at 31 December 2008.

應付專營權費之詳情已載於財務報表附註11(c)。應付專營權費乃以美元計值。

於結算日之估計公平值乃按年折現率6.37%計算，其與本集團於二零零八年十二月三十一日之對外借貸率相若。

Notes to the Financial Statements (continued)

財務報表附註(續)

19 Deferred income tax — Group

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	(22,139)	(8,596)
Deferred income tax liabilities	遞延所得稅負債	20,714	14,287
		(1,425)	5,691

Deferred income tax assets and deferred income tax liabilities are expected to be settled after more than 12 months.

The movements in net deferred income tax (assets)/liabilities are as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日	5,691	15,599
Exchange differences	滙兌差額	—	1,373
Additions through the acquisition of controlling interest in an associate	通過收購聯營公司 控股股東權益添置	7,540	—
Credited to the income statement (Note 24)	計入收益表 (附註24)	(14,656)	(11,281)
At 31 December	於十二月三十一日	(1,425)	5,691

19 遞延所得稅 — 本集團

當出現可依法執行的權利以將現有稅項資產與現有稅項負債抵銷，而遞延所得稅與同一政府財務機關相關，即會抵銷遞延所得稅資產及負債。抵銷數額如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
遞延所得稅資產	(22,139)	(8,596)
遞延所得稅負債	20,714	14,287
	(1,425)	5,691

遞延所得稅資產及遞延所得稅負債預期於超過12個月後清償。

遞延所得稅(資產)/負債淨額的變動數額如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日	5,691	15,599
Exchange differences	滙兌差額	—	1,373
Additions through the acquisition of controlling interest in an associate	通過收購聯營公司 控股股東權益添置	7,540	—
Credited to the income statement (Note 24)	計入收益表 (附註24)	(14,656)	(11,281)
At 31 December	於十二月三十一日	(1,425)	5,691

Notes to the Financial Statements (continued)

財務報表附註(續)

19 Deferred income tax — Group (continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

19 遞延所得稅 — 本集團(續)

遞延所得稅資產及負債於年內的變動(不計及於同一稅務司法權區抵銷之結餘)如下:

		Accelerated tax depreciation	Provisions	Net fair value losses	Pre- operating expenses	Total
		加速 稅項折舊	撥備	公平值 虧損淨額	經營前開支	合計
		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
Deferred income tax assets	遞延所得稅資產					
At 1 January 2007	於二零零七年 一月一日	94	3,926	—	133	4,153
Exchange differences	滙兌差額	—	91	—	12	103
Credited to the income statement	計入收益表	—	4,284	—	56	4,340
At 31 December 2007	於二零零七年 十二月三十一日	94	8,301	—	201	8,596
Credited to the income statement	計入收益表	2,725	2,499	8,319	—	13,543
At 31 December 2008	於二零零八年 十二月三十一日	2,819	10,800	8,319	201	22,139

Notes to the Financial Statements (continued)

財務報表附註(續)

19 Deferred income tax — Group (continued)

19 遞延所得稅 — 本集團(續)

Deferred income tax liabilities	遞延所得稅負債	Revaluation of buildings and land use rights and Customer relationship			Total
		Accelerated depreciation	use rights	relationship	
		加速 稅項折舊	重估樓宇及 土地使用權	客戶關係	合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	779	18,973	—	19,752
Exchange differences	滙兌差額	—	1,476	—	1,476
Charged/(credited) to the income statement	扣除/(計入)收益表	340	(7,281)	—	(6,941)
At 31 December 2007	於二零零七年十二月三十一日	1,119	13,168	—	14,287
Additions through the acquisition of controlling interest in an associate	通過收購聯營公司 控股股東權益添置	395	4,721	2,424	7,540
Credited to the income statement	計入收益表	(85)	(1,028)	—	(1,113)
At 31 December 2008	於二零零八年十二月三十一日	1,429	16,861	2,424	20,714

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$3,918,000 (2007: HK\$5,387,000) in respect of losses amounting to HK\$15,671,000 (2007: HK\$20,445,000), that can be carried forward against future taxable income. The tax losses expire from 2010 to 2014 (2007: 2009 to 2013).

遞延所得稅資產乃就結轉稅務虧損確認，以相關稅務利益可透過未來應課稅溢利變現為限。本集團並無就可結轉以抵銷未來應課稅收入之虧損15,671,000港元(二零零七年：20,445,000港元)而確認遞延所得稅資產3,918,000港元(二零零七年：5,387,000港元)。稅務虧損由二零一零年至二零一四年屆滿(二零零七年：二零零九年至二零一三年)。

Notes to the Financial Statements (continued)

財務報表附註(續)

20 Trade and other payables

20 應付貿易賬款及其他應付款項

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade and bills payables	應付貿易賬款及應付票據	202,331	195,555	—	—
Other payables and accruals	其他應付款項及應計費用	131,746	98,218	3,205	2,597
Amounts due to associates (Note 33(c))	應付聯營公司款項(附註33(c))	1,482	2,267	—	—
Licence fees payable (Note 18)	應付專營權費(附註18)	5,569	5,039	—	—
		341,128	301,079	3,205	2,597

The ageing analysis of trade and bills payables is as follows:

應付貿易賬款及應付票據的賬齡分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 to 30 days	0至30日	128,460	135,655
31 to 60 days	31至60日	32,921	38,029
61 to 90 days	61至90日	13,554	8,813
Over 90 days	超過90日	27,396	13,058
		202,331	195,555

Bills payables are with average maturity dates of within 2 months.

應付票據的平均到期日為兩個月內。

Notes to the Financial Statements (continued)

財務報表附註(續)

20 Trade and other payables (continued)

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
HK\$	港元	43,147	44,832	3,205	2,597
RMB	人民幣	282,928	237,573	—	—
Other currencies	其他貨幣	15,053	18,674	—	—
		341,128	301,079	3,205	2,597

The carrying amounts of trade and other payables approximate their fair values.

21 Bank borrowings — Group

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Bank borrowings	銀行借貸		
— secured	— 有抵押	20,533	8,879
— unsecured	— 無抵押	9,643	4,275
		30,176	13,154

At 31 December 2008, the Group's bank borrowings were wholly repayable within one year.

At 31 December 2008, the secured bank borrowings were secured by certain buildings (Note 6) and leasehold land and land use rights (Note 8) with aggregated net book value of HK\$32,378,000 (2007: HK\$10,043,000).

20 應付貿易賬款及其他應付款項(續)

本集團的應付貿易賬款及其他應付款項的賬面值以下列貨幣計值：

應付貿易賬款及其他應付款項的賬面值與其公平值相若。

21 銀行借貸 — 本集團

於二零零八年十二月三十一日，本集團之銀行借貸須於一年內全數償還。

於二零零八年十二月三十一日，有抵押銀行借貸以總賬面淨值為32,378,000港元(二零零七年：10,043,000港元)之若干樓宇(附註6)、批租土地及土地使用權(附註8)抵押。

Notes to the Financial Statements (continued)

財務報表附註(續)

21 Bank borrowings – Group (continued)

An analysis of the carrying amounts of the Group's bank borrowings by type and currency is as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
US\$ at floating rates	美元·浮動利率	2,836	8,879
RMB at fixed rates	人民幣·固定利率	27,340	4,275
		30,176	13,154

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

		2008 二零零八年	2007 二零零七年
US\$	美元	6.37%	5.57%
RMB	人民幣	6.55%	7.37%

The carrying amounts of bank borrowings approximate their fair values.

The Group has the following undrawn borrowing facilities:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Floating rate	浮動利率		
– expiring within one year	— 一年內屆滿	33,569	46,411
– expiring beyond one year	— 一年後屆滿	1,929	—
Fixed rate	固定利率		
– expiring beyond one year	— 一年後屆滿	3,630	—
		39,128	46,411

The facilities expiring within one year are annual facilities subject to review at various dates during 2009.

21 銀行借貸 — 本集團(續)

本集團銀行借貸賬面值按種類及貨幣的分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
US\$ at floating rates	美元·浮動利率	2,836	8,879
RMB at fixed rates	人民幣·固定利率	27,340	4,275
		30,176	13,154

於結算日的實際年利率如下：

		2008 二零零八年	2007 二零零七年
US\$	美元	6.37%	5.57%
RMB	人民幣	6.55%	7.37%

銀行借貸的賬面值與其公平值相若。

本集團未動用借貸信貸額如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Floating rate	浮動利率		
– expiring within one year	— 一年內屆滿	33,569	46,411
– expiring beyond one year	— 一年後屆滿	1,929	—
Fixed rate	固定利率		
– expiring beyond one year	— 一年後屆滿	3,630	—
		39,128	46,411

一年內屆滿的信貸額為年度信貸額，須於二零零九年內不同日期予以審閱。

Notes to the Financial Statements (continued)

財務報表附註(續)

22 Other (losses)/gains, net

22 其他(虧損)/收益淨額

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Gain/(loss) on disposal of property, plant and equipment and leasehold land and land use rights	出售物業、廠房及設備、批租土地及土地使用權收益/(虧損)	638	(49)
Loss on disposal of an associate	出售一間聯營公司虧損	—	(84)
Increase in fair value of investment properties (Note 7)	投資物業公平值增加(附註7)	—	2,060
Government grants	政府補助金	6,748	11,341
Net exchange gains/(losses)	滙兌收益/(虧損)淨額	13,262	(748)
Gain on deregistration of a subsidiary	取消一間附屬公司註冊之收益	23,653	—
Net fair value (losses)/gains of financial assets at fair value through profit or loss	按公平值列賬在損益表中處理的金融資產公平值(虧損)/收益淨額	(66,780)	29,030
Net fair value (losses)/gains of foreign exchange forward contracts	遠期外匯合約之公平值(虧損)/收益淨額	(926)	2,751
Rental income	租賃收入	1,023	4,212
Investment tax credits (Note)	投資稅項抵免(附註)	7,695	—
Others	其他	6,079	1,942
		(8,608)	50,455

Note:

Investment tax credits represent incentives received as a result of the reinvestment of the dividend incomes from subsidiaries in the People's Republic of China ("PRC").

附註:

投資稅項抵免指將從中華人民共和國(「中國」)附屬公司取得之股息收入再次投資而獲得之稅務優惠。

Notes to the Financial Statements (continued)

財務報表附註(續)

23 Finance income, net

23 融資收入淨值

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Finance income — interest income on	融資收入 — 利息收益來自		
— bank deposits	— 銀行存款	10,243	17,002
— amount due from an associate	— 應收一間聯營公司款項	286	235
Finance costs — interest expense on	融資成本 — 利息開支來自		
— bank loans	— 銀行借款	(3,244)	(587)
— licence fees payable	— 應付專營權費	(605)	(833)
		6,680	15,817

24 Income tax expense

24 所得稅開支

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current income tax	本期所得稅		
— Hong Kong profits tax (Note (a))	— 香港利得稅(附註(a))	26,781	34,799
— PRC enterprise income tax (Note (b))	— 中國企業所得稅(附註(b))	39,158	52,788
— (Over)/under-provision in prior years	— 過往年度之(過度撥備)/撥備不足	(8,262)	426
Deferred income tax (Note 19)	遞延所得稅(附註19)	(14,656)	(11,281)
		43,021	76,732

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the year.

附註:

(a) 香港利得稅

香港利得稅乃按年內之估計應課稅溢利以稅率16.5%(二零零七年: 17.5%)作出撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

24 Income tax expense (continued)

Notes: (continued)

(b) PRC enterprise income tax

PRC enterprise income tax is provided on the basis of the profits of the PRC established and operating subsidiaries for statutory financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes. The applicable enterprise income tax rate for these subsidiaries of the Group is 25%.

The new Corporate Income Tax Law increases the corporate income tax rate for foreign investment enterprises from previous preferential rates to 25% with effect from 1 January 2008. Companies established in the PRC before 16 March 2007 and previously taxed at the rate lower than 25% may be offered a gradual increase of tax rate to 25% within 5 years. Certain subsidiaries of the Group established in the PRC will enjoy preferential income tax rate from 2008 to 2011 and be taxed at the rate of 25% from 2012 or when the preferential treatment expires. Certain subsidiaries established in the PRC are entitled to exemption and concessions from income tax under tax holidays. Income tax was calculated at rates given under the concessions.

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

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	333,720	528,869
Tax calculated at domestic tax rates applicable to profits in the respective places/countries	按各地區／國家溢利適用之本地稅率計算之稅項	61,485	128,849
Effects of tax concession	豁免課稅之影響	(8,772)	(37,360)
Income not subject to tax	毋須課稅的收入	(4,042)	(11,216)
Expenses not deductible for tax purposes	不可扣稅的開支	2,211	2,489
(Over)/under-provision in prior years	過往年度(過度撥備)／撥備不足	(8,262)	426
Tax losses not recognised	未確認之稅務虧損	933	85
Effect of change in tax rate	稅率變動之影響	(64)	(6,422)
Others	其他	(468)	(119)
Income tax expense	所得稅開支	43,021	76,732

24 所得稅開支(續)

附註：(續)

(b) 中國企業所得稅

中國企業所得稅乃按於中國設立及經營的附屬公司於法定財政報告呈列的溢利作出撥備，並就毋須課稅或不獲扣減所得稅的收入及開支項目作出調整。本集團該等附屬公司的適用企業所得稅稅率為25%。

根據新企業所得稅法，外國投資企業的企業所得稅率由二零零八年一月一日起從過往的優惠稅率上調至25%。於二零零七年三月十六日前於中國成立，及過往稅率低於25%的公司稅率將於五年內遞增至25%。因此，本集團於中國成立的若干附屬公司將由二零零八年至二零一一年期間享有所得稅率優惠，並於二零一二年或優惠待遇屆滿後按稅率25%繳納稅項。若干於中國成立的附屬公司按有關豁免及優惠於減稅期內均可享有稅務寬減。所得稅按稅項優惠的稅率計算。

本集團就除所得稅前溢利的稅項與應用綜合實體之溢利適用之加權平均稅率計算的理論稅款差異如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

24 Income tax expense (continued)

Notes: (continued)

(b) PRC enterprise income tax (continued)

The weighted average applicable tax rate was 18% (2007: 24%). The decrease is caused by a change in the profitability of the Group's subsidiaries in the respective places/countries.

25 Expenses by nature

24 所得稅開支(續)

附註:(續)

(b) 中國企業所得稅(續)

適用之加權平均稅率為18%(二零零七年:24%)。下降乃由於各地區/國家之本集團附屬公司之溢利變動所致。

25 按性質分類的開支

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	4,200	4,500
Amortisation of leasehold land and land use rights (Note 8)	批租土地及土地使用權攤銷(附註8)	1,206	1,682
Amortisation of intangible assets (Note 11)	無形資產攤銷(附註11)	9,425	7,845
Depreciation of property, plant and equipment (Note 6)	物業、廠房及設備折舊(附註6)	70,598	40,016
Employee benefit expenses (including directors' emolument) (Note 26)	僱員福利開支(包括董事酬金)(附註26)	417,367	373,105
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	(14,489)	(30,061)
Raw materials and consumables used	已耗用原材料及消耗品	995,037	1,067,618
Direct operating expenses arising from investment properties that generate rental income	產生租金收入的投資物業所招致的直接經營開支	72	79
Operating lease rental in respect of property, plant and equipment	物業、廠房及設備的經營租賃租金	22,177	18,348
Processing and subcontracting charges	加工及分包費用	186,455	181,835
Duties and other taxes	稅務及其他稅項	66,013	64,566
Provision for impairment of receivables (Note 13)	應收款項減值撥備(附註13)	823	572
Others	其他開支	237,362	172,581
Total cost of sales, selling, marketing and distribution costs and administrative expenses	銷售成本、銷售、營銷及分銷成本及行政開支總額	1,996,246	1,902,686

Notes to the Financial Statements (continued)

財務報表附註(續)

26 Employee benefit expenses (including directors' emoluments)

26 僱員福利開支(包括董事酬金)

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Salaries, wages and bonuses	薪金、工資及花紅	363,272	335,883
Pension costs —	退休金成本 —		
defined contribution plans (Note)	定額供款計劃(附註)	20,092	16,061
Share-based payments	股份報酬	2,071	1,902
Staff welfare	員工福利	31,932	19,259
		417,367	373,105

Note:

Employees in the Group's PRC subsidiaries are required to participate in defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute 15% of employees' basic salary to the scheme to fund the retirement benefits of the employees.

The Group has also established a mandatory provident fund scheme ("MPF scheme") in Hong Kong. The assets of the MPF scheme are held in separate trustee-administered funds. Both the Group and the employees are required to contribute 5% of the employee's relevant income up to a maximum of HK\$1,000 per employee per month.

附註：

本集團中國附屬公司的僱員須參與由當地市政府管理及營辦的定額供款退休計劃。本集團中國附屬公司按僱員基本薪金之15%向該計劃供款，為僱員的退休福利撥資。

本集團亦於香港設立強制性公積金計劃(「強積金計劃」)。強積金計劃之資產由獨立信託人監管。本集團及僱員均須每月按有關僱員之收入之5%作出供款，上限為1,000港元。

Notes to the Financial Statements (continued)

財務報表附註(續)

26 Employee benefit expenses (including directors' emoluments) (continued)

(a) Directors' and senior management's emoluments

The remuneration of each director of the Company for the year ended 31 December 2008 is set out below:

Name	姓名	Basic salaries, housing allowances, other allowances and benefits in kind		Contributions to pension plans	Discretionary bonus	Total
		Fees				
		袍金	基本薪金、 房屋津貼、 其他津貼及 實物利益	退休金 計劃之供款	酌情花紅	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Ting Man Yi	丁敏兒	—	3,000	12	2,250	5,262
Ding Jianer	丁建兒	—	2,130	12	1,000	3,142
Ting Hung Yi	丁雄尔	—	3,000	12	2,250	5,262
Wong Sin Yung (Note)	黃善榕(附註)	—	253	4	—	257#
Cheung Ting Yin, Peter	張定賢	—	1,235	12	2,000	3,247
Cheng Chi Pang	鄭志鵬	230	—	—	75	305
Wong Chi Keung	黃之強	283	—	—	50	333
Leung Man Kit	梁民傑	205	—	—	50	255
		718	9,618	52	7,675	18,063

Note: Resigned on 12 April 2008.

The remuneration excluded the payment in lieu of notice of HK\$279,000 received from Mr. Wong Sin Yung.

26 僱員福利開支(包括董事酬金)(續)

(a) 董事及高層管理人員的酬金

本公司截至二零零八年十二月三十一日止年度各董事的薪酬載列如下：

附註：於二零零八年四月十二日辭任。

薪酬不包括黃善榕先生支付的279,000港元代通知金。

Notes to the Financial Statements (continued)

財務報表附註(續)

26 Employee benefit expenses (including directors' emoluments) (continued)

(a) Directors' and senior management's emoluments (continued)

The remuneration of each director of the Company for the year ended 31 December 2007 is set out below:

Name	姓名	Fees	Basic salaries, housing allowances, other allowances and benefits in kind	Contributions to pension plans	Discretionary bonus	Total
		袍金	基本薪金、房屋津貼、其他津貼及實物利益	退休金計劃之供款	酌情花紅	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Ting Man Yi	丁敏兒	—	3,000	12	4,500	7,512
Ding Jianer	丁建兒	—	2,130	12	2,000	4,142
Ting Hung Yi	丁雄尔	—	3,000	12	4,500	7,512
Wong Sin Yung	黃善榕	—	824	12	450	1,286
Cheung Ting Yin	張定賢	—	1,235	12	1,900	3,147
Cheng Chi Pang	鄭志鵬	300	—	—	—	300
Wong Chi Keung	黃之強	200	—	—	—	200
Leung Man Kit	梁民傑	200	—	—	—	200
		700	10,189	60	13,350	24,299

No directors of the Company waived any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

26 僱員福利開支(包括董事酬金)(續)

(a) 董事及高層管理人員的酬金(續)

本公司截至二零零七年十二月三十一日止年度各董事的薪酬載列如下：

本公司董事並無放棄任何酬金，而本集團亦無向本公司任何董事支付酬金作為誘使加入本集團或加入本集團，或作為失去職位的補償。

Notes to the Financial Statements (continued)

財務報表附註(續)

26 Employee benefit expenses (including directors' emoluments (continued))

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2007: four) directors of the Company whose emoluments are reflected in the analysis presented in Note (a) above. The emoluments payable to the remaining one (2007: one) individual during the year are as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits in kind (Note)	基本薪金、房屋津貼、其他津貼及實物利益(附註)	3,137	3,129
Contributions to pension plans	退休金計劃的供款	12	12
Discretionary bonuses	酌情花紅	1,200	1,500
		4,349	4,641

Note: Other benefits in kind include share option value.

附註：其他實物利益包括購股權價值。

The emoluments fell within the following bands:

屬下列酬金範圍之人數如下：

		2008 二零零八年	2007 二零零七年
HK\$4,000,001–HK\$4,500,000	4,000,001港元至4,500,000港元	1	—
HK\$4,500,001–HK\$5,000,000	4,500,001港元至5,000,000港元	—	1

None of the highest paid individuals of the Group waived any emoluments and no emoluments were paid by the Group to the individual as an inducement to join or upon joining the Group or as compensation for loss of office.

本集團最高薪酬人士概無放棄任何酬金，而本集團亦無向任何該等人士支付酬金作為誘使加入本集團或加入本集團，或作為失去職位的補償。

26 僱員福利開支(包括董事酬金)(續)

(b) 五名最高薪酬人士

本集團年內最高薪酬的五名人士包括本公司四名董事(二零零七年：四名)，其薪酬於上文附註(a)所呈列的分析內反映。年內，應付其餘一名人士(二零零七年：一名)的薪酬如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

27 Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$278,939,000 (2007: HK\$292,720,000).

28 Earnings per share

(a) The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$291,184,000 (2007: HK\$449,517,000) and weighted average number of ordinary shares in issue during the year of 2,102,223,712 (2007: 2,066,311,096).

(b) As there was no potential dilutive share for the year ended 31 December 2008, diluted earnings per share equal to the basic earnings per share. Diluted earnings per share for the year ended 31 December 2007 was calculated based on the profit attributable to equity holders of the Company of HK\$449,517,000, and the weighted average number of ordinary shares of 2,074,141,213 which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of dilutive potential ordinary shares of 7,830,117 deemed to be issued at no consideration if all outstanding share options granted under the Pre-IPO Share Option Scheme had been exercised.

27 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利在本公司的財務報表入賬為278,939,000港元(二零零七年: 292,720,000港元)。

28 每股盈利

(a) 計算每股基本盈利,乃根據本集團之本公司股權持有人應佔溢利291,184,000港元(二零零七年: 449,517,000港元)及年內已發行普通股之加權平均數2,102,223,712股(二零零七年: 2,066,311,096股)計算。

(b) 由於截至二零零八年十二月三十一日止年度並無潛在攤薄股份,每股攤薄盈利與每股基本盈利相等。計算截至二零零七年十二月三十一日止年度之每股攤薄盈利,乃根據本公司股權持有人應佔之溢利449,517,000港元及普通股加權平均數2,074,141,213股計算。該普通股加權平均數乃年內已發行普通股加權平均數加上倘行使首次公開發售前購股權計劃下授出之所有尚未行使購股權,則視為無償發行之攤薄潛在普通股加權平均數7,830,117股計算。

Notes to the Financial Statements (continued)

財務報表附註(續)

29 Dividends

29 股息

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interim	中期		
Interim dividend, paid, of HK4.56 cents (2007: HK5.90 cents) per ordinary share	已付中期股息·每股普通股4.56港仙(二零零七年: 5.90港仙)	95,885	121,957
Special dividend, paid, of HK0.68 cent (2007: HK1.00 cent) per ordinary share	已付特別股息·每股普通股0.68港仙(二零零七年: 1.00港仙)	14,299	20,671
Final (Note)	終期(附註)		
Proposed final dividend of HK2.37 cents (2007: HK4.98 cents) per ordinary share	擬派終期股息每股普通股2.37港仙(二零零七年: 4.98港仙)	49,586	104,943
Proposed special dividend of HK2.09 cents (2007: HK2.84 cents) per ordinary share	擬派特別股息每股普通股2.09港仙(二零零七年: 2.84港仙)	43,728	59,847
		203,498	307,418

Note:

The amount of 2008 proposed final and special dividends is based on 2,092,238,000 shares in issue as at 27 March 2009 (2007: 2,107,294,000 shares in issue as at 2 April 2008).

At a meeting held on 27 March 2009, the directors proposed a special dividend of HK2.09 cents per ordinary share in addition to a final dividend of HK2.37 cents per ordinary share. The proposed dividends are not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2009.

附註:

二零零八年擬派終期及特別股息之金額乃按二零零九年三月二十七日已發行股份 2,092,238,000 股(二零零七年: 於二零零八年四月二日已發行股份 2,107,294,000 股)釐定。

於二零零九年三月二十七日舉行的會議上,董事建議除終期股息每股普通股 2.37 港仙外,亦派付特別股息每股普通股 2.09 港仙。擬派股息並未於財務報表中列作應付股息,但將於截至二零零九年十二月三十一日止年度列作保留盈利分派。

Notes to the Financial Statements (continued)

財務報表附註(續)

30 Cash generated from operations

(a) Reconciliation of operating profit to cash generated from operations is as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Operating profit	經營溢利	328,880	501,276
Adjustments for:	調整：		
— Depreciation of property, plant and equipment	— 物業、廠房及設備折舊	70,598	40,016
— Amortisation of leasehold land and land use rights	— 批租土地及土地使用權攤銷	1,206	1,682
— Amortisation of intangible assets	— 無形資產攤銷	9,425	7,845
— (Gain)/loss on disposal of property, plant and equipment and leasehold land and land use rights (see below)	— 出售物業、廠房及設備以及批租土地及土地使用權(收益)/虧損(如下)	(638)	49
— Net fair value losses/(gains) of financial assets at fair value through profit or loss	— 按公平值列賬在損益表中處理的金融資產公平淨值虧損/(收益)	66,780	(29,030)
— Net fair value losses/(gains) of foreign exchange forward contracts	— 外匯遠期合約之公平淨值虧損/(收益)	926	(2,751)
— Fair value gain on investment properties	— 投資物業的公平值收益	—	(2,060)
— Amortisation of share option scheme	— 購股權計劃攤銷	2,071	1,902
— Loss on disposal of an associate	— 出售聯營公司虧損	—	84
Changes in working capital:	營運資金的變動：		
— Inventories	— 存貨	(779)	(10,405)
— Trade and other receivables	— 應收貿易賬款及其他應收款項	37,924	(26,523)
— Change in financial assets at fair value through profit or loss	— 按公平值列賬在損益表中處理的金融資產變動	(51,067)	(14,591)
— Trade and other payables	— 應付貿易賬款及其他應付款項	25,389	(51,555)
Cash generated from operations	經營所得現金	490,715	415,939

30 經營所得現金

(a) 經營溢利與經營所得現金的對賬如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

30 Cash generated from operations (continued)

- (b) In the cash flow statement, proceeds from disposal of property, plant and equipment and leasehold land and land use rights comprise:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Net book amount of:	以下各項賬面淨值：		
Property, plant and equipment (Note 6)	物業、廠房及設備(附註6)	7,371	591
Leasehold land and land use rights (Note 8)	批租土地及土地使用權(附註8)	3,249	—
		10,620	591
Gain/(loss) on disposal of property, plant and equipment and leasehold land and land use rights (Note 22)	出售物業、廠房及設備以及批租土地及土地使用權收益/(虧損)(附註22)	638	(49)
Proceeds from disposal of property, plant and equipment and leasehold land and land use rights	出售物業、廠房及設備以及批租土地及土地使用權所得款項	11,258	542

30 經營所得現金(續)

- (b) 於現金流量報表內，出售物業、廠房及設備以及批租土地及土地使用權的所得款項包括：

31 Commitments

(a) Capital commitments

As at 31 December 2008, the Group had capital commitment contracted but not provided for in respect of property, plant and equipment amounting to HK\$3,802,000 (2007: HK\$56,334,000).

Pursuant to the agreements dated 14 September 2006 and 20 July 2007, the Group has commitments to invest Euro1,000,000 in Lee Cooper China (Hong Kong) Limited, an associate, and US\$4,000,000 in China Ting Pietraluna Limited, a jointly controlled entity.

31 承擔

(a) 資本承擔

於二零零八年十二月三十一日，本集團就擁有物業、廠房及設備已訂約但未作出撥備的資本承擔為3,802,000港元(二零零七年：56,334,000港元)。

根據日期為二零零六年九月十四日及二零零七年七月二十日之協議，本集團擁有於聯營公司Lee Cooper China (Hong Kong) Limited投資1,000,000歐元，以及於共同控制實體China Ting Pietraluna Limited投資4,000,000美元之承擔。

Notes to the Financial Statements (continued)

財務報表附註(續)

31 Commitments (continued)

(b) Operating lease commitments

The Group leases various retail outlets, offices, warehouses and plant and equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation claims and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Land and buildings	土地及樓宇		
– Not later than 1 year	– 不超過一年	11,530	11,908
– Later than 1 year and not later than 5 years	– 超過一年但不超過五年	7,589	8,509
		19,119	20,417
<hr style="border-top: 1px dashed black;"/>			
Plant and equipment	廠房及設備		
– Not later than 1 year	– 不超過一年	169	169
– Later than 1 year and not later than 5 years	– 超過一年但不超過五年	42	212
		211	381
		19,330	20,798

31 承擔(續)

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租用多個零售店、辦公室、貨倉以及廠房及設備。該等租賃的年期、加租權及續約權各有不同。

本集團根據不可撤銷經營租賃日後支付的最低租金款項總額如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

32 Business combinations

On 3 January 2008, the Group acquired 60% of the share capital of Interfield. Interfield and its subsidiaries are engaged in fabric printing and dyeing. The acquired business contributed revenue of approximately HK\$55,230,000 and profit for the year of approximately HK\$10,698,000 to the Group for the year ended 31 December 2008.

Details of net assets acquired and goodwill are as follows:

		HK\$'000 千港元
Purchase consideration	購買代價	
— Fair value of shares issued on 18 January 2008 (Note 16(a)(i))	— 於二零零八年一月十八日發行股份 之公平值(附註16(a)(i))	88,587
— Direct cost relating to the acquisition	— 有關收購之直接成本	421
Share of fair value of net assets acquired — shown as below	分佔已收購淨資產之公平值 — 如下所示	(38,757)
Goodwill	商譽	50,251

The goodwill is attributable to the synergies expected to arise after the Group's acquisition of Interfield.

32. 業務合併

於二零零八年一月三日，本集團收購中都60%股本。中都及其附屬公司從事面料印染業務。收購業務於截至二零零八年十二月三十一日止年度為本集團貢獻收入約55,230,000港元及年度溢利約10,698,000港元。

已收購淨資產及商譽詳情載列如下：

	HK\$'000 千港元
購買代價	
— 於二零零八年一月十八日發行股份 之公平值(附註16(a)(i))	88,587
— 有關收購之直接成本	421
分佔已收購淨資產之公平值 — 如下所示	(38,757)
商譽	50,251

商譽來自本集團收購中都後預期產生的協同效益。

Notes to the Financial Statements (continued)

財務報表附註(續)

32 Business combinations (continued)

The separately identifiable assets and liabilities as of 3 January 2008 arising from the acquisition are as follows:

		Fair value	Acquiree's carrying amount
		公平值	被收購公司賬面值
		HK\$'000	HK\$'000
		千港元	千港元
Property, plant and equipment	物業、廠房及設備	70,821	63,110
Customer relationship	客戶關係	14,691	—
Leasehold land and land use rights	批租土地及土地使用權	16,289	5,117
Inventories	存貨	9,135	9,135
Trade and other receivables	應收貿易賬款及其他應收款項	16,014	16,014
Cash and cash equivalents	現金及現金等值項目	14,623	14,623
Trade and other payables	應付貿易賬款及其他應付款項	(9,725)	(9,725)
Dividend payable	應付股息	(47,475)	(47,475)
Current income tax liabilities	即期所得稅負債	(12,238)	(12,238)
Deferred income tax liabilities	遞延所得稅負債	(7,540)	(395)
Net assets	資產淨值	64,595	
Less: 40% share of fair value of net assets	減：分佔資產淨值公平值40%	(25,838)	
Share of fair value of net assets acquired	分佔已收購淨資產之公平值	38,757	
			HK\$'000
			千港元
Direct cost relating to the acquisition	有關收購之直接成本		(421)
Cash and cash equivalents acquired	已收購現金及現金等值項目		14,623
Cash inflow on the acquisition	收購事項的現金流入		14,202

32. 業務合併(續)

於二零零八年一月三日，因收購產生的獨立可識別資產及負債載列如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

33 Significant related party transactions

The Group is controlled by Longerview Investments Limited (incorporated in the British Virgin Islands), which owns 71% of the Company's shares. The remaining 29% of the shares are widely held.

The directors are of the view that the following companies are related parties of the Group:

Name 名稱	Relationship with the Group 與本集團的關係
Hangzhou Huasheng Accessories Company Limited ("Huasheng Accessories") 杭州華盛輔料有限公司(「華盛輔料」)	An associate 聯營公司
Interfield Industrial Limited ("Interfield") 中都實業有限公司(「中都」)	An associate before 3 January 2008 on which Interfield became a subsidiary of the Group 於二零零八年一月三日前的聯營公司，其後成為本集團的附屬公司

The name of Huasheng Accessories referred to in the above represents management's best efforts at translating the Chinese name of this company as no English name has been registered or available.

(a) Transactions with related parties

In the opinion of the directors, the transactions below were conducted in the ordinary and usual course of business and the pricing of these transactions was determined based on mutual negotiation and agreement between the Group and the related parties.

33 重大有關連人士交易

本集團為Longerview Investments Limited (於英屬處女群島註冊成立)所控制，其持有本公司71%的股份。餘下的29%股份由公眾持有。

董事認為下列公司為本集團的有關連人士：

由於華盛輔料並無登記英文名稱，故該等英文名稱乃管理層盡力翻譯其中文名稱所得。

(a) 與有關連人士進行的交易

董事認為，下文之交易乃於日常及正常業務過程中進行，而該等交易的定價則根據本集團與有關連人士互相磋商及協議而釐定。

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest income from Huasheng Accessories	來自華盛輔料之利息收入	286	235
Purchases of accessories from Huasheng Accessories	向華盛輔料購置輔料	9,679	10,812
Subcontracting charges paid to Interfield	向中都支付分包費用	—	45,225

Notes to the Financial Statements (continued)

財務報表附註(續)

33 Significant related party transactions (continued)

(b) Key management compensation

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	22,534	28,499
Post-employment benefits	退休福利	93	96
Share-based payments	股份報酬	1,902	1,902
		24,529	30,497

(c) Year-end balances with related parties

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Receivables from related parties	應收有關連人士款項				
— associates	— 聯營公司	3,989	63,509	—	—
— subsidiaries	— 附屬公司	—	—	736,569	497,573
Payables to related parties	應付有關連人士款項				
— associates	— 聯營公司	1,482	2,267	—	—

All amounts are unsecured, interest-free and repayable on demand, except for the amount due from an associate of HK\$3,971,000 (2007: HK\$4,275,000) which bears interest at 4.8% (2007: 4.8%) per annum.

The carrying amounts of these balances approximate their fair values.

33 重大有關連人士交易(續)

(b) 主要管理層的報酬

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	22,534	28,499
Post-employment benefits	退休福利	93	96
Share-based payments	股份報酬	1,902	1,902
		24,529	30,497

(c) 與有關連人士之年度結算結餘

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Receivables from related parties	應收有關連人士款項				
— associates	— 聯營公司	3,989	63,509	—	—
— subsidiaries	— 附屬公司	—	—	736,569	497,573
Payables to related parties	應付有關連人士款項				
— associates	— 聯營公司	1,482	2,267	—	—

所有款額均為無抵押、免息及須按
要求償還，惟應收一間聯營公司之
款項3,971,000港元(二零零七年：
4,275,000港元)除外，該款項按年
利率4.8厘(二零零七年：4.8厘)計
息。

該等項之賬面值與其公平值相若。

Notes to the Financial Statements (continued)

財務報表附註(續)

33 Significant related party transactions (continued)

(c) Year-end balances with related parties (continued)

The amounts due from related parties were denominated in the following currencies.

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Denominated in:	以下列貨幣計值：				
HK\$	港元	3,971	4,275	699,966	497,573
RMB	人民幣	18	59,234	—	—
US\$	美元	—	—	36,603	—
		3,989	63,509	736,569	497,573

The amounts due to related parties were denominated in the following currencies.

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Denominated in:	以下列貨幣計值：				
HK\$	港元	567	804	—	—
RMB	人民幣	915	1,463	—	—
		1,482	2,267	—	—

33 重大有關連人士交易(續)

(c) 與有關連人士之年度結算結餘(續)

應收有關連人士款項以下列貨幣計值。

應付有關連人士款項以下列貨幣計值。

Five-year Financial Summary

五年財務概要

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years is set out below.

本集團過去五個財政年度經登載的業績及資產、負債及少數股東權益概要列載如下。

		For the financial years ended 31 December 截至十二月三十一日止財政年度 (Amounts expressed in HK\$'000, unless specified) (除另有指明外，全以千港元呈列)				
		2004 二零零四年	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年
Turnover	營業額	1,401,465	1,894,835	1,920,068	2,353,507	2,333,734
Cost of sales	銷售成本	(967,807)	(1,202,126)	(1,249,738)	(1,560,468)	(1,589,267)
Gross profit	毛利	433,658	692,709	670,330	793,039	744,467
Other gains, net	其他收益淨值	27,300	22,546	23,797	50,455	(8,608)
Selling, marketing and distribution costs	銷售、營銷及分銷成本	(108,716)	(102,667)	(117,960)	(152,736)	(180,390)
Administrative expenses	行政開支	(114,930)	(160,089)	(152,985)	(189,482)	(266,589)
Operating profit	經營溢利	237,312	452,499	423,182	501,276	328,880
Finance (costs)/ income, net	融資(成本)/收入淨額	(4,349)	1,298	35,486	15,817	6,680
Share of profit of associates	分佔聯營公司溢利	10,391	9,023	6,823	11,776	(1,840)
Profit before income tax	除所得稅前溢利	243,354	462,820	465,491	528,869	333,720
Income tax expense	所得稅開支	(30,186)	(72,715)	(54,690)	(76,732)	(43,821)
Profit before minority interests	除少數股東權益前溢利	213,168	390,105	410,801	452,137	290,699
Minority interests	少數股東權益	(20,365)	(9,108)	(2,262)	(2,620)	485
Profit attributable to shareholders	股東應佔溢利	192,803	380,997	408,539	449,517	291,184

Five-year Financial Summary (continued)

五年財務概要(續)

As at 31 December
於十二月三十一日
(Amounts expressed in HK\$'000, unless specified)
(除另有指明外，全以千港元呈列)

		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
Non-current Assets	非流動資產	398,591	370,400	652,094	807,806	1,110,658
Current Assets	流動資產	780,258	1,485,578	1,569,656	1,665,269	1,579,312
Total Assets	資產總值	1,178,849	1,855,978	2,221,750	2,473,075	2,689,970
Non-current Liabilities	非流動負債	13,339	5,147	19,752	19,547	20,714
Current Liabilities	流動負債	629,347	396,491	359,214	343,090	391,068
Total Liabilities	負債總值	642,686	401,638	378,966	362,637	411,782
Total Equity	權益總值	536,163	1,454,340	1,842,784	2,110,438	2,278,188
Net Current Assets	流動資產淨值	150,911	1,089,087	1,210,442	1,322,179	1,188,244
Total Assets Less Current Liabilities	資產總值減流動負債	549,502	1,459,487	1,862,536	2,129,985	2,298,902

Note: The results of the Group for the financial year ended 31 December 2004 and its assets and liabilities were extracted from the Prospectus, which also set forth the details of the basis of presentation of the combined accounts. The result of the Group for the financial year ended 31 December 2007 and 2008 and its assets and liabilities as at 31 December 2007 and 2008 are set forth on pages 58 and 55 to 57, respectively, and are presented on the basis set out in note 2.1 to the financial statements.

附註：本集團截至二零零四年十二月三十一日止財政年度的業績及其資產及負債，乃摘錄自售股章程，售股章程亦載有合併賬目呈列基準詳情。本集團截至二零零七年及二零零八年十二月三十一日止財政年度的業績及於二零零七年及二零零八年十二月三十一日的資產及負債分別載列於第58頁及第55至第57頁，並按財務報表附註2.1所載基準呈列。



CHINA TING GROUP HOLDINGS LIMITED
華鼎集團控股有限公司

Annual Report 2008 年報