



**Eagle Nice (International) Holdings Limited**

**鷹美(國際)控股有限公司\***

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 2368)



# Moving On

新轉變 新里程  
Annual Report 年報  
2008

# Our Goal

Our goals are to become a top-tier business partner of international sportswear brands and to maintain our position as one of the prominent players in the sportswear manufacturing industry. To achieve such goals, the Group needs to establish multi-national production bases in order to minimise production risks of changes in economic condition and government regulation. To sharpen our competitive edge, we continue to put effort on improving our product mix and enhancing customer satisfaction to establish a solid foundation for our continuous and healthy development in the future.





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# Corporate Information

## Executive Directors

Chung Yuk Sing (*Chairman*)  
Chen Hsiao Ying (*Chief Executive Officer*)  
Ku Yu Sun, Edward  
Chen Li Ying  
Kuo Tai Yu  
Chang Wen Hsiang  
(*appointed on 25 April 2008*)  
Tsang Sau Fan  
Chen Zhen Hao  
Tsai Nai Kun  
Chung Tung Sau  
(*resigned on 30 June 2007*)  
Lin Pin Huang, Otto  
(*resigned on 25 April 2008*)

## Independent Non-executive Directors

Chan Cheuk Ho  
Li Chi Chung  
Cheng Yung Hui, Tony

## Company Secretary

Woo Man Chi

## Registered Office

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

## Head Office and Principal Place of Business in Hong Kong

Units 0902-0903 and 0905-0906  
9th Floor, Tower B  
Regent Centre  
70 Ta Chuen Ping Street  
Kwai Chung  
New Territories  
Hong Kong

## Legal Advisers

Vincent T.K. Cheung, Yap & Co.  
11th Floor  
Central Building  
1-3 Pedder Street  
Central  
Hong Kong

## Auditors

Ernst & Young  
Certified Public Accountants  
18th Floor  
Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

## Audit Committee Members

Chan Cheuk Ho (*Chairman*)  
Li Chi Chung  
Cheng Yung Hui, Tony

## Remuneration Committee Members

Chung Yuk Sing (*Chairman*)  
Chan Cheuk Ho  
Li Chi Chung

## Principal Bankers

The Hongkong and Shanghai  
Banking Corporation Limited  
673 Nathan Road  
Kowloon  
Hong Kong

Citibank, N.A.  
Citibank Tower  
Citibank Plaza  
3 Garden Road  
Central  
Hong Kong

Bank of China, Guangdong Branch  
Composite Building  
Dabeshan Road  
Longhu District  
Shantou  
Guangdong Province  
The People's Republic of China

## Principal Share Registrar and Transfer Office

Bank of Bermuda (Cayman) Limited  
P.O. Box 513  
Strathvale House  
North Church Street  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited  
26th Floor  
Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

## Website

<http://www.eaglenice.com.hk>

## Stock Code

2368

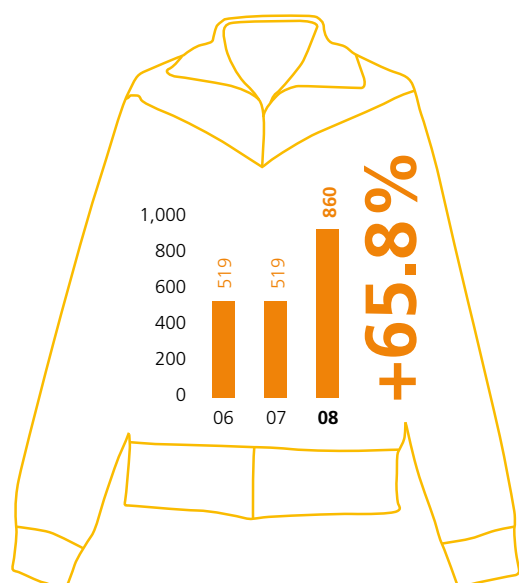
# Financial Highlights

Results	2008 HK\$ Million	2007 HK\$ Million
Revenue	860	519
Profit before depreciation, amortisation, interest and tax	174	114
Profit for the year attributable to equity holders of the Company	125	78
Basic earnings per share	HK\$0.27	HK\$0.18
Dividend per share		
– Interim	HK7.0 cents	HK6.0 cents
– Final	HK10.0 cents	HK6.0 cents

Financial Position	2008 HK\$ Million	2007 HK\$ Million
Total assets	927	644
Net debts	Nil	Nil
Shareholders' equity	780	574
Net assets per share	HK\$1.56	HK\$1.34
Net debts to total assets (excluding cash)	Nil	Nil
Net debts to shareholders' equity	Nil	Nil

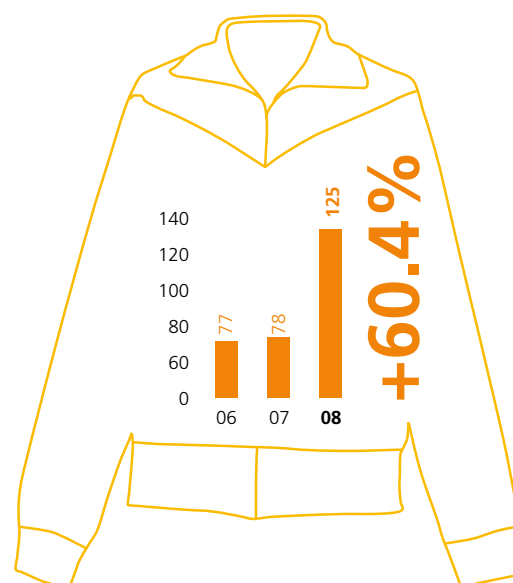
## Revenue

HK\$ Million



## Profit Attributable to Shareholders

HK\$ Million



# Chairman's Statement

For the year ended 31 March 2008, the Group broke its record in relation to revenue, gross profit and net profit. After years of transformation and consolidation, we have established a very solid foundation in terms of strong financial status, advanced production technique and experienced management team for the Group to achieve continuous growth. PRC market continues to be a golden market in sportswear industry and we expect our growth will derive mainly from the PRC market in the coming years.

## Dear Shareholders,

I am pleased to report that the Group achieved record high revenue of HK\$860.5 million and net profit of HK\$124.7 million in 2008, representing 65.8% and 60.4% growth as compared to 2007 respectively. Our management's vision on the development strategy for the Group together with our staff's united effort and devotion are the main contributors to the Group's outstanding performance in 2008 and also explain the reason our Group can outperform among our competitors in the competitive business environment.

## Industry Review – Opportunities and Challenges

The People's Republic of China (the "PRC") has played a vital part in our business since the PRC not only is our major production base but also the most important market of our Group. Starting from 2005, the PRC has become the largest market of the Group. The proportion of the Group's sales to the PRC market has risen from 26.1% in 2004 to over 50% in 2007. During the year under review, the proportion was 55.1%.

In the PRC, rising health awareness, growing affluence, rising popularity of sports and impact of the 2008 Beijing Olympics have been boosting demands for sportswear. According to ZOU Marketing, it is expected that the sportswear market of the PRC can achieve an annual growth of 23% for the years of 2005-2008 and 20% for the years of 2009-2012. This means the PRC continues to be a golden market in sportswear industry.

To capture the business opportunities, the Group has focused and will concentrate on the expansion of the PRC market. Apart from the benefit of strong demand and growth provided by the PRC market, the PRC market also provides revenue in Renminbi ("RMB"), which is a strongly-growing currency. According to the report conducted by Industrial and Commercial Bank of China Limited, RMB is expected to appreciate approximately 4–5% annually from 2008 to 2011. To mitigate the adverse effect of rising production costs partly brought about by appreciation of RMB, we believe increase in revenue in RMB may mitigate the situation by maintaining the balance of our sales and expenditure in the same currency. Furthermore, by increasing the purchase of raw materials not settled in RMB, we could further mitigate the adverse effect brought by appreciation of RMB to the Group.





## Chairman's Statement (continued)

A series of new policies and regulations launched by the PRC Government such as the corporate tax law and labour contract law create a more competitive business environment. However, the tough operating environment of the PRC also means only the well-prepared players can survive at the end. After years of transformation and consolidation, we have established a very solid foundation in terms of strong financial status, advanced production technique and experienced management team for the Group to achieve continuous growth.

### Business Review

In order to provide wider range of services to our customers, the Group, with the advancement of production technology, has been capable to engage in the production of high-valued products such as seam-seal and expand our product range by putting more resources on development of knitted products which at present only constitutes a small proportion of our sales.

With expertise in garment manufacturing and financial management, we have put effort on optimising and consolidating the operational procedure, raising productivity, shortening production cycles and minimising the production costs. During the year, the Group continued implementing lean manufacturing (which is a way of production management aiming at reducing wastage, shortening the production process and minimising errors so as to raise the efficiency and achieve lower inputs with higher returns). As a result, our production management has been greatly improved. We has also upgraded our information technology system by establishing the ERP III (Enterprise Resources Planning) System with which the internal information can be transmitted on a more timely and accurate manner, and a more convenient and faster interaction with the customers and the suppliers can be created.

Our management is modest and willing to learn so that they keep actively acquiring updated knowledge and know-how in management through regularly participating in training courses. The Group also keeps offering training to our staff to ensure our management are well-equipped with extensive knowledge and experience, and adequate experienced managerial staff are available to cope with the future expansion.



## Chairman's Statement (continued)

### Review on Results Performance

During the year under review, the Group broke its record in relation to revenue, gross profit and net profit. Revenue of the Group for the year ended 31 March 2008 increased by 65.8% to HK\$860.5 million when compared to HK\$519.1 million for the previous year. The Group's gross profit for 2008 was HK\$202.4 million as compared to HK\$132.1 million in 2007, representing an increase of 53.2%. The net profit for 2008 rose by 60.4% to HK\$124.7 million against HK\$77.7 million for 2007. The increase was mainly attributable to the strong growth in demand for sportswear products from existing and new customers. Diversification of products also played a role in contributing to the strong growth in revenue.

The gross profit margin in 2008 dropped by 1.9% to 23.5% from 25.4% in 2007. During the year, the Group gained HK\$12.2 million from disposal of a residential property. Excluding the aforesaid non-operating gain, the Group's operating profit for 2008 increased by 48.4% to HK\$128.4 million as compared to HK\$86.5 million in 2007. The operating profit margin was 14.9% for 2008 as compared to 16.7% for 2007, representing a decrease of 1.8%. The drop in both gross profit margin and net profit margin was due to an increase in production and operating costs which were attributable to continuous appreciation of RMB, general inflation and increasing materials costs due to rising oil price.

Earnings per share of the Group for the year ended 31 March 2008 was HK26.6 cents compared to HK18.2 cents last year. The board of directors recommended payment of a final dividend of HK10 cents per share for the year ended 31 March 2008. Together with the interim dividend of HK7 cents per share already paid, the total dividend for the year was HK17 cents per share. The dividend payout ratio is 68.1% for 2008 against 71.5% (after the adjustment for additional 2007 final dividend) for 2007. The Group aims at maintaining a stable dividend payout policy in order to express our gratitude to the shareholders for their continuous support to the Group.

### Future Plan and Prospects

Our goal is to be one of the major business partners of the international sportswear brands. The Group needs to establish multi-national production bases in order to minimise production risk of changes in economic condition and government regulation. To achieve this purpose, the Group is looking for investment opportunities in the territories other than the PRC.

In the meantime, the gross domestic product ("GDP") of the PRC has achieved over 10% growth in the last five consecutive years. In the PRC, the ratios of rural and cities population have been getting closer and closer. The United Nations forecasts that more than 60% of the PRC's population would be living in the urban areas, which provides a solid ground for the PRC to be one of the major consumption markets in the world. Being one of the major consumption countries in the world, the PRC is the most promising of the emerging markets for the international sportswear brands. The PRC's sportswear market has experienced significant growth in recent years that the annual growth rate from 2003 to 2007 is approximately 27% while the Group has been experiencing double-digit growth in sales to the PRC market since 2004. This means the Group has been capable of capturing the growth to develop the PRC market and becoming one of the prominent players in the PRC sportswear market. As the Group has been operating in the PRC for years and familiarises with the rules and regulations in the PRC, we possess the advantages of continuing to be a prominent player in the PRC sportswear market. Therefore, it is expected that the proportion of the Group's sales to the PRC market will continue to grow in the coming years.





## Chairman's Statement (continued)

Besides, over HK\$200 million cash and unutilised banking facilities of HK\$106 million in reserve provide the Group with adequate financial support to continuously invest by (i) expanding its productivity by establishing new factories or acquiring existing factories, (ii) establishing multi-national production bases by setting up production bases in overseas countries with supply of skilled labour at competitive costs and production facilities in order to lower the production costs, and (iii) equipping with advanced production machinery to improve production efficiency and shorten the production time.

We do believe that we can lead the Group to develop in right direction and reach new heights in the coming years so as to generate fruitful returns to our supportive shareholders.

### Social Responsibility

Apart from achieving the business goals, the Group also aims at fulfilling its social responsibilities. The Group's donations for snow storm and earthquake victims amounted to over RMB2 million in the year of 2008. The Group also encouraged employees to initiate donation activities for the disaster areas. Furthermore, creating a harmonious working environment for our employees is one of the top priorities in the Group's agenda. By regularly organizing activities like dinner gatherings, table tennis competition, tour etc, the Group expresses our concern to our employees in order to enhance our employees' sense of belongings and motivate them to closely work together to achieve continuous growth for the Group.

### Appreciation

On behalf of the Group, I would like to express my sincere gratitude to the directors and the management for their valuable advice. I would also like to thank our shareholders, suppliers, business partners and customers for their continued support to the Group as well as our dedicated staff for their hard work and commitment.

### Chung Yuk Sing

Chairman

Hong Kong, 18 July 2008



# Financial and Operation Review

## Liquidity and Financial Resources

During the year under review, the Group continued to maintain a healthy liquidity position. The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at 31 March 2008, the Group had cash and cash equivalents amounted to HK\$274.6 million mainly denominated in Hong Kong dollars, RMB and US dollars (31 March 2007: HK\$252.6 million). As at 31 March 2008, the Group had no outstanding borrowings (31 March 2007: nil). As at 31 March 2008, the Group had aggregate banking facilities of HK\$106.0 million (31 March 2007: HK\$137.2 million) which were secured by (i) corporate guarantees executed by the Company; and (ii) unlimited corporate guarantees executed by three subsidiaries of the Company. No banking facilities were utilised by the Group as at 31 March 2008 and 31 March 2007.

The management believes that the existing financial resources will be sufficient to meet future expansion plans and, if necessary, the Group will be able to obtain additional financing with favourable terms. There is no material effect of seasonality on the Group's borrowing requirements.

As at 31 March 2008, the Group's gearing ratios represented by the Group's total liabilities as a percentage of the Group's total assets amounted to 15.8% (31 March 2007: 11.0%).

## Foreign Exchange Risk Management

The Group has transactional currency exposures. Such exposures arise from substantial portion of sales or purchases by operating units in US dollars and RMB. The Group is exposed to foreign exchange risk arising from the exposure of RMB and US dollars. As the foreign currency risks generated from the sales and purchases can be set off with each other, the Group believes its exposure to exchange rate risk is minimal. It is the policy of the Group to continue maintaining the balance of its sales and purchases in the same currency.

The Group currently does not have a foreign currency hedging policy. However, the management monitors the foreign exchange exposures and will consider hedging the significant foreign currency exposures should the need arise.

## Significant Investments

As at 31 March 2008, there was no significant investment held by the Group (31 March 2007: nil).

## Material Acquisitions and Disposals

During the year, there was no material disposal of subsidiaries and associated companies. Details of the acquisition of subsidiaries during the year are set out in note 28 to the financial statements.

## Contingent Liabilities and Capital Commitments

As at 31 March 2008, the Group did not have any significant contingent liabilities (31 March 2007: nil).

The Group had the following capital commitments at the balance sheet date:

	As at 31 March 2008 HK\$'000	As at 31 March 2007 HK\$'000
Contracted, but not provided for:		
Construction of a factory	9,403	–
Purchases of computer equipment	1,496	570
	10,899	570

As at 31 March 2008, the Company has given corporate guarantees to banks to the extent of HK\$106.0 million (31 March 2007: HK\$137.2 million) for banking facilities granted to certain subsidiaries of the Company.

## Employees and Remuneration Policies

As at 31 March 2008, the Group employed a total of approximately 6,900 employees including directors (31 March 2007: approximately 5,400). Total employee benefits expenses including directors' emoluments were HK\$160.3 million for the year under review (31 March 2007: HK\$105.0 million).

The employees are remunerated based on their work performance, professional experiences and the prevailing industry practice. The Group also makes contributions to the statutory mandatory provident fund scheme and defined contribution retirement benefits scheme for the employees of the Group in Hong Kong and to the central pension scheme for the employees of the Group in the PRC.

# Directors' and Senior Management's Biographies

## Executive Directors

**Chung Yuk Sing**, aged 47, has been the Chairman and Executive Director of the Company since October 2002. He is also the co-founder of the Group. Mr. Chung is responsible for the overall strategic planning, marketing and management functions of the Group. Mr. Chung has over 20 years of manufacturing and management experience in the garment industry. He is the nephew of Mr. Chung Tung Sau.

**Chen Hsiao Ying**, aged 44, has joined the Group as Executive Director and Chief Executive Officer of the Company since October 2007. He had worked as Factory Manager in a sportswear manufacturing and trading company in Taiwan since 1981 prior to founding Actex Garment Co., Limited, a company specializing in the manufacturing and trading of sportswear, in 1997. Mr. Chen has over 20 years of manufacturing and management experience in the garment industry. He is a brother of Ms. Chen Li Ying.

**Ku Yu Sun, Edward**, aged 66, has joined the Group as Executive Director of the Company since April 2004. Mr. Ku was the senior partner of the law firm, Ku & Fong, in Los Angeles and is licensed to practise law in California and Taiwan. He also served as an executive director and the secretary of First Public Bank in Los Angeles. Mr. Ku holds a bachelor-in-law degree from National Taiwan University and received his J.D. degree from Washington University in St. Louis, United States of America ("US"). Mr. Ku concurrently serves as the executive director and general counsel of Yue Yuen Industrial (Holdings) Limited (stock code: 551) ("Yue Yuen"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1997, responsible for legal affairs, organisational management and control, merger and acquisition and supervision of group labour practice of Yue Yuen Group. Mr. Ku has also been the executive director of Symphony Holdings Limited, a company listed on the Main Board of the Stock Exchange.

**Chen Li Ying**, aged 53, has joined the Group as Executive Director of the Company since October 2007. She graduated from Ming Chuan University in Taiwan and had worked as an auditor in an accounting firm in Taiwan for around 5 years after graduation. She worked in the sales and marketing department of a sportswear manufacturing and trading company in Taiwan from 1981 to 1996 before she joined Actex Garment Co., Limited, a company founded by Mr. Chen Hsiao Ying, in 2001. She has over 25 years of manufacturing and management experience in the garment industry. She is a sister of Mr. Chen Hsiao Ying.

**Kuo Tai Yu**, aged 58, has joined the Group as Executive Director of the Company since April 2004. Mr. Kuo has over 30 years of experience in management of footwear business in Taiwan. He received a bachelor's degree from Chung Hsing

University in Taiwan. Mr. Kuo has been the director of certain companies within the Yue Yuen Group and the director of Pou Chen Corporation, a company listed on the Stock Exchange of Taiwan. He is currently the executive director of Yue Yuen and general manager in charge of one of Yue Yuen's three shoe manufacturing groups since 1996.

**Tsang Sau Fan**, aged 41, has joined the Group since March 1996 and was appointed as Executive Director of the Company and General Manager of the Group in October 2002. Ms. Tsang is responsible for the sales and marketing of the Group. She has over 10 years of experience in sales of garment products. Prior to joining the Group, she worked as a merchandiser in a garment manufacturing company in Hong Kong.

**Chen Zhen Hao**, aged 43, has joined the Group since March 1987 and was appointed as Executive Director of the Company in October 2005. He is also Chief Production Officer of the Group in Mainland China. Mr. Chen is responsible for the production and management of the Group in Mainland China and is also a director of Yumei (Shantou) Garments Co. Ltd., a wholly-owned subsidiary of the Company, since August 2004. He has over 20 years of experience in garment manufacturing industry.

**Tsai Nai Kun**, aged 54, has joined the Group as Executive Director of the Company since October 2005. He is a college graduate and has over 28 years of experience in footwear business. Currently, he is the Vice President of Yue Yuen in charge of certain research and development programs.

**Chang Wen Hsiang**, aged 57, joined the Group as Chief Financial Officer in February 2008 and was appointed as Executive Director of the Company in April 2008. He holds bachelor's and master's degrees in accounting from the National Chen Chi University in Taiwan and was accredited Certified Public Accountant from the US. Mr. Chang was the financial controller and general manager of a US-based multinational corporation in US's headquarter and Taiwan's subsidiary before he joined Yue Yuen in 1993. Mr. Chang was responsible for certain PRC, Taiwan and Vietnam business development projects in Yue Yuen before he left as Senior Executive Manager after 10 years of service there. Mr. Chang has over 30 years of experience in the manufacturing of shoes, apparel, optical and luggage and was an independent financial and operational consultant to pre-listing companies before he joined the Group.

**Chung Tung Sau**, aged 55, joined the Group as Executive Director of the Company in October 2002 and resigned in June 2007. Mr. Chung was responsible for the strategic planning and management functions of the Group. Mr. Chung has over 20 years of managerial experience in the manufacturing industry in particular, in the areas of production and sales. He was previously a director of Quam Limited (previously known as



## Directors' and Senior Management's Biographies (continued)

Wah Fu International Holdings Limited), a company listed on the Main Board of the Stock Exchange. Prior to joining the Group, he worked as Sales Director in a securities company. Mr. Chung was an independent non-executive director of IA International Holdings Limited, a company listed on the Growth Enterprise Market ("GEM") of the Stock Exchange, until October 2003. He is the uncle of Mr. Chung Yuk Sing.

**Lin Pin Huang, Otto** aged 51, joined the Group as Executive Director of the Company in October 2005 and resigned in April 2008. Mr. Lin is responsible for the sales and marketing of the Group. He is a graduate of Tung Hai University and has over 20 years of experience in the footwear business. Currently, he is the Vice President of Yue Yuen in charge of the business of certain branded customers.

### Independent Non-Executive Directors

**Chan Cheuk Ho**, aged 41, obtained a master's degree in Business Administration from the University of Manchester in 2003. He is a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has more than 10 years of experience in accounting and finance. He has been Independent Non-Executive Director of the Company since November 2002.

**Mr. Li Chi Chung**, aged 39, is currently a solicitor practising in Hong Kong. Mr. Li obtained a bachelor's degree in laws from The University of Sheffield in England in 1990. He was admitted as a solicitor of the High Court of Hong Kong in 1993 and his practice has been focused on commercial related matters. Mr. Li is a non-executive director of Richfield Group Holdings Limited, a company listed on the GEM of the Stock Exchange. Mr. Li is an independent non-executive director of Kenford Group Holdings Limited and Anhui Tianda Oil Pipe Company Limited, all of which are companies listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of PINE Technology Holdings Limited which is a company listed on GEM of the Stock Exchange. He is the company secretary of Prime Investments Holdings Limited and Mandarin Entertainment (Holdings) Limited which are companies listed on the Main Board of the Stock Exchange, and Sungreen International Holdings Limited which is a company listed on GEM of the Stock Exchange. He has been Independent Non-Executive Director of the Company since November 2002.

**Cheng Yung Hui Tony**, aged 66, is the chairman and chief executive officer of World Friendship Company Limited. Mr. Cheng has over 30 years of experience in operating his own company. He has extensive experience in international business. He has been Independent Non-Executive Director of the Company since September 2004.

### Senior Management

**Woo Man Chi**, aged 36, has joined the Group as Financial Controller since May 2005 and was appointed as Company Secretary of the Group in September 2005. She is responsible for the accounting, finance and compliance related functions of the Group. She previously worked in a reputable international accounting firm, Deloitte Touche Tohmatsu, in Hong Kong for five years. Prior to joining the Group, she worked in a manufacturing company listed on the Main Board of the Stock Exchange as Assistant Financial Controller. She has more than 10 years of experience in accounting and financial management. Ms Woo holds a bachelor's degree in accounting from the Hong Kong University of Science and Technology. She is a practising member of the Hong Kong Institute of Certified Public Accountants.

**Yung Ching Yuen**, aged 30, has joined the Group since August 2005. She was previously Assistant Chief Financial Officer and is currently Investor Relations Director of the Group. Miss Yung had previously worked in one of the international accounting firms and an international accounting alliance company. She had taken part in initial public offering projects and auditing works in relation to the listing of various PRC, Hong Kong and Taiwan based companies on the Stock Exchange. Prior to joining the Group, she worked in a group engaged in manufacturing and retail of ladies shoes which is now listed on the Main Board of the Stock Exchange. She has around 10 years of experiences in accounting and financial investment. Miss Yung holds a bachelor's degree in accounting from the Hong Kong Polytechnic University. She is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

**Li Tsan Leung**, aged 50, has joined the Group since August 2006 as Manager of Design & Quality Control Department of the Group. He is responsible for the product design, technology and quality control of the Group. He had previously worked in various famous sportswear companies as garment engineer and has more than 20 years of experience in garment manufacturing technology and quality control.

**Kong Ying Shan**, aged 31, has joined the Group since January 2007 and is currently Assistant to the Chairman (Business Development). Miss Kong is responsible for assisting the Chairman in formulating the Group's medium and long term development strategy as well as expanding the Group's business. Prior to joining the Group, she had over 7 years of experience in international trade and garment and textile industry. Miss Kong obtained a master's degree in Social Science in Counseling and a bachelor's degree in China Business Studies Management from the University of South Australia and the Hong Kong Baptist University respectively. She also has management qualification of Six Sigma Black Belt.

# Report of the Directors

The directors of the Company (the “Directors”) present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2008.

## Principal activities

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries of the Company are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group’s principal activities during the year.

## Results and dividends

The profit of the Group for the year ended 31 March 2008 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 47 to 108.

An interim dividend of HK7 cents per ordinary share was paid on 28 December 2007. The Directors recommend the payment of a final dividend of HK10 cents per ordinary share in respect of the year, to shareholders on the register of members on 26 August 2008. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

## Use of proceeds from the issue of new shares and a convertible note of the Company

The proceeds from the issue of new shares and a convertible note by the Company in April 2004, after deduction of related expenses, amounted to approximately HK\$343 million. As at 31 March 2008, the Group had utilised all the proceeds of approximately HK\$343 million, which was in line with the proposed applications set out in the circular of the Company dated 24 March 2004 (the “Circular”), as follows:

	HK\$ Million
Acquisition of an additional factory building in Shantou, the People’s Republic of China	50
Acquisition of new machinery and fixtures and fittings	40
Marketing and promotional activities	20
General working capital	233
	343

## Report of the Directors (continued)

### Summary financial information

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years prepared on the basis set out in the notes below.

#### Results

	2008 HK\$'000	Year ended 31 March			
		2007 HK\$'000	2006 HK\$'000	2005 HK\$'000 (Restated)	2004 HK\$'000 (Restated)
Revenue	<b>860,487</b>	519,103	519,310	451,446	325,411
Profit before tax	<b>140,659</b>	86,482	92,081	104,103	35,922
Tax	<b>(16,001)</b>	(8,763)	(14,670)	(9,200)	(3,511)
Profit for the year	<b>124,658</b>	77,719	77,411	94,903	32,411

#### Assets and liabilities

	2008 HK\$'000	As at 31 March			
		2007 HK\$'000	2006 HK\$'000	2005 HK\$'000 (Restated)	2004 HK\$'000 (Restated)
Non-current assets	<b>373,673</b>	269,805	267,244	130,618	51,395
Current assets	<b>553,144</b>	374,647	311,805	420,808	118,535
Current liabilities	<b>(133,745)</b>	(69,382)	(46,909)	(53,226)	(77,136)
Net current assets	<b>419,399</b>	305,265	264,896	367,582	41,399
Non-current liabilities	<b>(12,903)</b>	(1,252)	(1,802)	(898)	(6,460)
	<b>780,169</b>	573,818	530,338	497,302	86,334

#### Notes:

- (i) The summary of the consolidated results of the Group for the year ended 31 March 2004 and of the assets and liabilities of the Group as at 31 March 2004, which were extracted from the Company's annual report dated 23 July 2004, restated as appropriate, has been prepared as if the current structure of the Group had been in existence throughout that year.
- (ii) The summary of the consolidated results of the Group for the year ended 31 March 2005 and of the assets and liabilities of the Group as at 31 March 2005 were extracted from the Company's annual report dated 8 July 2005, restated as appropriate.
- (iii) The summary of the consolidated results of the Group for the year ended 31 March 2006 and of the assets and liabilities of the Group as at 31 March 2006 were extracted from the Company's annual report dated 18 July 2006.
- (iv) The consolidated results of the Group for each of the two years ended 31 March 2008 and the consolidated assets and liabilities of the Group as at 31 March 2007 and 2008 are those set out on pages 47 to 48 of the annual report.



## Report of the Directors (continued)

### Property, plant and equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

### Share capital

Details of movements in the share capital of the Company during the year, together with the reasons therefor, are set out in note 25 to the financial statements.

### Pre-emptive rights

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

### Purchase, redemption or sale of listed securities of the Company

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

### Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 27 to the financial statements and in the consolidated statement of changes in equity, respectively.

### Distributable reserves

At 31 March 2008, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$524,626,000, of which HK\$49,968,000 has been proposed as a final dividend for the year. The amount of HK\$524,626,000 includes the Company's share premium account and capital reserve of HK\$515,674,000 in aggregate at 31 March 2008, which may be distributed provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

### Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for approximately 94.4% of the Group's total sales for the year and sales to the largest customer included therein accounted for approximately 64.7%.

Purchases from the Group's five largest suppliers accounted for approximately 47.4% of the Group's total purchases for the year and purchases from the largest supplier included therein accounted for approximately 18.5%.

Saved as disclosed in note 32(a)(ii) to the financial statements, none of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

## Report of the Directors (continued)

### Directors

The Directors during the year were:

#### Executive Directors:

Mr. Chung Yuk Sing	(Chairman)
Mr. Chen Hsiao Ying	(Chief Executive Officer, appointed on 2 October 2007)
Mr. Ku Yu Sun, Edward	
Ms. Chen Li Ying	(appointed on 2 October 2007)
Mr. Kuo Tai Yu	
Ms. Tsang Sau Fan	
Mr. Chen Zhen Hao	
Mr. Tsai Nai Kun	
Mr. Chung Tung Sau	(resigned on 30 June 2007)
Mr. Lin Pin Huang, Otto	(resigned on 25 April 2008)

#### Independent Non-Executive Directors:

Mr. Chan Cheuk Ho  
Mr. Li Chi Chung  
Mr. Cheng Yung Hui, Tony

Subsequent to the balance sheet date, Mr. Chang Wen Hsiang was appointed as a director of the Company and Mr. Lin Pin Huang, Otto resigned as a director, both with effect from 25 April 2008.

In accordance with article 87 of the Company's articles of association, Mr. Chen Hsiao Ying, Ms. Chen Li Ying, Ms. Tsang Sau Fan, Mr. Tsai Nai Kun, Mr. Chan Cheuk Ho and Mr. Li Chi Chung will retire by rotation and they, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Chan Cheuk Ho, Mr. Li Chi Chung and Mr. Cheng Yung Hui, Tony, and as at the date of this report still considers them to be independent.

### Directors' and senior management's biographies

Biographical details of the Directors and senior management of the Group are set out on pages 9 to 10 of the annual report.

### Directors' service contracts

Other than Mr. Chen Hsiao Ying and Ms. Chen Li Ying who have entered into service contracts with the Group, the principal terms of which are set out in the circular to the shareholders of the Company accompanying the annual report. No director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

The Independent Non-Executive Directors have no fixed terms of office, but are subject to the provisions governing the retirement and the rotation of Directors in the articles of association of the Company.

### Directors' remuneration

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the board of Directors (the "Board") with reference to Directors' duties, responsibilities and performance and the results of the Group.

## Report of the Directors (continued)

### Directors' interests in contracts

On 16 April 2007, Mr. Chen Hsiao Ying and Ms. Chen Li Ying, both executive directors appointed with effect from 2 October 2007, and Mr. Chen Hsin Yin, the brother of Mr. Chen Hsiao Ying and Ms. Chen Li Ying (collectively, the "Vendors") entered into a sale and purchase agreement with Jespar Age Limited ("Jespar Age"), a wholly-owned subsidiary of the Company, whereby Jespar Age acquired all the Vendors' equity interest in the holding company of the Maitex (EAG) Limited, a company incorporated in Hong Kong with limited liability, Maitex Co., Ltd., a wholly foreign-owned enterprise established in the PRC and Actex Garment Co. Limited, a company incorporated in Taiwan, in consideration and in exchange for which, Jespar Age procured the Company to issue an aggregate of 72,680,000 shares to the Vendors, credited as fully paid at HK\$1.56 per share, particulars of which have been disclosed in the Company's circular dated 7 May 2007. The aforesaid sale and purchase agreement was completed in September 2007.

Save as disclosed above, no director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

### Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 31 March 2008, the interests and short positions of the Directors and chief executive in the share capital, underlying shares and debentures of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which have been notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors or chief executive were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

#### The Company

Name of Director	Capacity/Nature of interest	Number of shares held		Percentage of the Company's share capital
		Long position	Short position	
Chung Yuk Sing	Interest of a controlled corporation/Corporate	72,650,000 (Note)	–	14.54
Chen Hsiao Ying	Beneficial owner/Personal	26,164,800	–	5.24
Chen Li Ying	Beneficial owner/Personal	23,257,600	–	4.65
Tsang Sau Fan	Beneficial owner/Personal	4,500,000	–	0.90
Kuo Tai Yu	Beneficial owner/Personal	1,680,000	–	0.34
Chen Zhen Hao	Beneficial owner/Personal	1,350,000	–	0.27
Lin Pin Huang, Otto	Beneficial owner/Personal	1,043,000	–	0.21
Tsai Nai Kun	Beneficial owner/Personal	777,000	–	0.16

Note: These shares are held by Time Easy Investment Holdings Limited ("Time Easy"). The entire issued share capital of Time Easy is held by Mr. Chung Yuk Sing.

Save as disclosed above, as at 31 March 2008, none of the Directors or chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## Report of the Directors (continued)

### Directors' rights to acquire shares or debentures

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### Share option scheme

On 6 August 2003, the Company has conditionally adopted a share option scheme whereby eligible participants of the share option scheme, including any employee (whether full-time or part-time) and any director of the Company and/or any of its subsidiaries whom the Board may think fit with reference to their respective contributions to the Group, may be granted options which entitle them to subscribe for the shares of the Company. Details of the share option scheme are set out in note 26 to the financial statements.

As at 31 March 2008, no share options have been granted under the share option scheme.

### Substantial shareholders' interests and short positions in shares and underlying shares

As at 31 March 2008, the interests and short positions of the following persons, other than the Directors and the chief executive of the Company, in the shares and underlying shares of the Company which have been disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and which have been recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature of interest	Number of ordinary shares held		Percentage of the Company's share capital
		Long position	Short position	
Time Easy	Beneficial owner/ Personal	72,650,000 (Note 1)	–	14.54
Pou Chen Corporation ("PCC")	Interest in a controlled corporation/Corporate	192,000,000 (Note 2)	–	38.42
Wealthplus Holdings Limited ("Wealthplus")	Interest in a controlled corporation/Corporate	192,000,000 (Note 2)	–	38.42
Yue Yuen Industrial (Holdings) Limited ("Yue Yuen")	Interest in a controlled corporation/Corporate	192,000,000 (Note 2)	–	38.42
Pou Hing Industrial Co. Ltd. ("Pou Hing")	Interest in a controlled corporation/Corporate	192,000,000 (Note 2)	–	38.42
Great Pacific Investments Limited ("Great Pacific")	Beneficial owner/ Personal	192,000,000 (Note 2)	–	38.42

Notes:

1. The entire issued share capital of Time Easy is held by Mr. Chung Yuk Sing.
2. PCC owns the entire interest in Wealthplus, which in turn owns an interest of approximately 46.15% in Yue Yuen. Yue Yuen owns the entire interest in Pou Hing, which in turn owns the entire interest in Great Pacific.

## Report of the Directors (continued)

### Substantial shareholders' interests and short positions in shares and underlying shares (continued)

Save as disclosed above, as at 31 March 2008, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### Sufficiency of public float

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

### Director's interest in a competing business

Interest of a director in a competing business required to be disclosed pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") is as follows:

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. Ku Yu Sun, Edward ("Mr. Ku")	Yuen Thai Industrial Company Limited ("Yuen Thai") (Note)	Garment manufacturing	As a director

Note: Yuen Thai is a company incorporated in Hong Kong on 24 September 2003 and is held as to 50% by Yue Yuen and its subsidiaries (the "Yue Yuen Group") and 50% by a subsidiary of Luen Thai Holdings Limited, a company listed on the Stock Exchange since 2004. Mr. Ku has been nominated to the board of directors of Yuen Thai to represent the interest of the Yue Yuen Group.

Having considered (i) the nature, geographical market, scope and size of Yuen Thai as compared to those of the Group; and (ii) the nature and extent of Mr. Ku's interest in Yuen Thai, the Directors believe that there is unlikely to be any significant competition caused to the business of the Group.

Save as disclosed above, none of the Directors or their respective associates was interested in, apart from the Group's businesses, any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

### Continuing connected transactions

During the year, the Group had the following continuing connected transactions, details of which have been disclosed in the announcement of the Company dated 12 June 2008 and the circular of the Company dated 2 July 2008 in compliance with the requirements of Chapter 14A of the Listing Rules.

During the year, the Group had entered into contracts regarding sales of various sportswear to related companies, purchases of raw materials from a related company and engagement of related parties for the provision of subcontracting services to the Group. Details of these transactions are set out in note 32(a) to the financial statements.

Pursuant to Rule 14A.37 of the Listing Rules, the Independent Non-Executive Directors have reviewed these continuing connected transactions and confirmed that these continuing connected transactions have been entered into:

- (1) in the ordinary course and usual course of business of the Group;
- (2) on normal commercial terms or terms no less favourable to the Group than terms available to or from independent third parties; and
- (3) in accordance with the relevant agreement governing them on the terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## Report of the Directors (continued)

### Corporate Governance

In the opinion of the Directors, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the accounting period covered by the annual report, except for one deviation. For further information on the Company's corporate governance practices and details of the deviation, please refer to the Corporate Governance Report of the annual report.

### Model Code for Securities Transactions

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of the Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code, throughout the accounting period covered by the annual report.

### Audit committee

The Company has an audit committee which was established on 6 August 2003 and in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three Independent Non-Executive Directors.

### Auditors

Ernst & Young retire and a resolution of their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

**Chung Yuk Sing**

*Chairman*

Hong Kong

18 July 2008



# Corporate Governance Report

The Group is committed to maintaining a high level of corporate governance with an emphasis on the principles of transparency, accountability and independence.

The Company has, throughout the year ended 31 March 2008, complied with most of the applicable code provisions and principles under the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the deviation specified with considered reasons for such deviation as explained in this corporate governance report.

## 1. Directors

### a. Composition & Board Meetings

During the year ended 31 March 2008, the board of Directors (the "Board") held eleven meetings including four regular meetings which were required to be held at approximately quarterly intervals according to the CG Code. The composition of the Board and the individual attendance of each director at board meetings during the year are set out as follows:

Name of Director	Number of meetings attended/held
<b>Executive Directors</b>	
Chung Yuk Sing ( <i>Chairman</i> )	11/11
Chen Hsiao Ying ( <i>Chief Executive Officer</i> ) (Appointed on 2 October 2007)	5/6
Ku Yu Sun, Edward	6/11
Chen Li Ying (Appointed on 2 October 2007)	5/6
Kuo Tai Yu	8/11
Tsang Sau Fan	9/11
Chen Zhen Hao	9/11
Tsai Nai Kun	6/11
Chung Tung Sau (Resigned on 30 June 2007)	0/2
Lin Pin Huang, Otto (Resigned on 25 April 2008)	6/11
<b>Independent Non-Executive Directors</b>	
Chan Cheuk Ho	8/11
Li Chi Chung	6/11
Cheng Yung Hui, Tony	6/11

At least one of the independent non-executive directors of the Company ("INEDs") has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Group has received, from each of the INEDs, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Group considered all of the INEDs to be independent within the definition of the Listing Rules.

**1. Directors (continued)**

**b. Delegation by the Board**

The Board has the collective responsibility for leadership and control of, and for promoting the success of, the Group by directing and supervising the Group's affairs. The Board is responsible for determining the overall strategy and corporate development and ensuring the business operations are properly monitored. The Board reserves the right to decide all policy matters of the Group and material transactions.

The Board delegates the day-to-day operations to general managers and department heads who are responsible for different aspects of the operations of the Group.

**c. Chairman and Chief Executive Officer**

The Group segregates the role of the Chairman from the Chief Executive Officer. Mr. Chung Yuk Sing is the Chairman of the Company and Mr. Chen Hsiao Ying is the Chief Executive Officer of the Company. Prior to the appointment of Mr. Chen Hsiao Ying as the Chief Executive Officer in October 2007, Mr. Tsai Nai Kun, a director, was the Chief Executive Officer of the Company until October 2007. There is no relationship other than business relationship between them. The Chairman provides leadership to the Board and is responsible for the overall strategic planning and corporate development, whereas the Chief Executive Officer is responsible for the day-to-day management, policy making and corporate management functions as well as formulating strategies for the Group.

**d. Appointment, re-election and removal**

The Company has complied with the CG Code except for A.4.1 of the CG Code which stipulates that non-executive directors should be appointed for a specific term and subject to re-election. All INEDs are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the CG Code.

**e. Directors' Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, all directors confirmed that they had complied with the Model Code throughout the year.

**f. Supply of and access to information**

In respect of regular board meetings, an agenda and accompanying board papers of the meeting are sent in full to all directors at least 14 days before the intended date of the meeting. For all other board meetings, at least 3 days' notice are given before the intended date of the meeting.

The management has an obligation to supply the Board and the various Committees with adequate information in a timely manner to enable the members to make informed decisions. Each director has separate and independent access to the Group's management to acquire more information and to make further enquiries if necessary.

## 2. Board committees

### a. Remuneration Committee

The Remuneration Committee set up in October 2005 consists of one executive director, namely, Mr. Chung Yuk Sing and two INEDs, namely, Mr. Chan Cheuk Ho and Mr. Li Chi Chung. Mr. Chung Yuk Sing is the Chairman of the Remuneration Committee.

The terms of references of the Remuneration Committee follow with the CG Code. The Remuneration Committee is responsible for considering and approving the remuneration plans and policies for all the directors of the Company and the management of the Group by reference to the Company's operation results, individual performance and prevailing market rate. The committee meets at least once a year. During the year under review, one committee meeting was held with an attendance rate of 100% to review the remuneration packages of all directors of the Company.

### b. Audit Committee

The Audit Committee established in August 2003 currently comprises all three INEDs and is chaired by Mr. Chan Cheuk Ho who possesses recognised professional qualifications in accounting and has rich experience in audit and finance. The terms of reference of the Audit Committee follow with the CG Code.

The Audit Committee's principal duties include reviewing the nature and scope of the statutory audits, interim and annual accounts of the Group, and the adequacy and effectiveness of the accounting and financial controls of the Group. The committee meets at least twice every year and additional meetings may be convened by the chairman of the committee as and when necessary.

During the year ended 31 March 2008, the Audit Committee met twice with an attendance rate of 100% to review the accounting principles and practices adopted by the Group and to discuss internal controls and financial reporting matters including the review of 2007 final results and 2008 interim results of the Group. Each member of the Audit Committee has unrestricted access to the Group's auditors and the management.

### c. Nomination Committee

The Company has not established a nomination committee as the duties and functions of the Nomination Committee recommended in the CG Code are performed by the Board collectively with no director being involved in fixing his own terms of appointment and no INED being involved in assessing his own independence.

**3. Accountability and audit**

**a. Financial Reporting**

The directors acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern, so that the Board has prepared the accounts on a going concern basis.

The reporting responsibilities of the Company's auditors, Messrs. Ernst & Young, are set out in the Auditors' Report on page 23 of the annual report.

**b. Internal Controls**

The Board is responsible for the Group's internal control system and for reviewing its effectiveness. Through the Audit Committee, the Board has reviewed the effectiveness of the system.

**c. Auditors' Remuneration**

For the year ended 31 March 2008, the fee payable to the Group's auditors, Messrs. Ernst & Young, is set out as follows:

<b>Services rendered</b>	<b>Amount of fee payable HK\$'000</b>
Audit services	1,450
Non-audit services	140
	<b>1,590</b>

On behalf of the Board

**Chung Yuk Sing**  
*Chairman*

Hong Kong, 18 July 2008



# Independent Auditors' Report



To the shareholders of  
**Eagle Nice (International) Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

We have audited the financial statements of Eagle Nice (International) Holdings Limited set out on pages 47 to 108, which comprise the consolidated and company balance sheets as at 31 March 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 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.

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider 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 financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 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.

**Ernst & Young**  
*Certified Public Accountants*  
18/F, Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

18 July 2008

# Consolidated Income Statement

## 綜合收益表

(Year ended 31 March 2008)

(截至二零零八年三月三十一日止年度)

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
REVENUE	營業收入	5	860,487	519,103
Cost of sales	銷售成本		(658,131)	(387,006)
Gross profit	毛利		202,356	132,097
Other income and gains	其他收入及收益	5	18,678	8,085
Selling and distribution costs	銷售及分銷成本		(15,231)	(5,117)
Administrative expenses	行政開支		(65,144)	(48,583)
PROFIT BEFORE TAX	除稅前溢利	6	140,659	86,482
Tax	稅項	9	(16,001)	(8,763)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司股權持有人 應佔年度溢利	10	124,658	77,719
DIVIDENDS	股息	11	89,307	51,240
			HK cents 港仙	HK cents 港仙
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股股權持有人 應佔每股盈利	12		
Basic	基本		26.6	18.2
Diluted	攤薄		N/A 不適用	N/A 不適用

# Consolidated Balance Sheet

## 綜合資產負債表

(31 March 2008)

(二零零八年三月三十一日)

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	268,353	202,895
Prepaid land lease payments	預付土地租賃款項	14	72,971	66,056
Prepayments and deposits for property, plant and equipment	物業、廠房及設備之 預付款項及按金	15	6,237	854
Goodwill	商譽	16	26,112	–
<b>Total non-current assets</b>	<b>非流動資產總值</b>		<b>373,673</b>	269,805
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	123,508	52,002
Accounts and bills receivable	應收賬款及票據	19	146,582	58,593
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		8,469	5,886
Pledged deposits	質押存款	20	–	5,518
Cash and cash equivalents	現金及現金等值項目	20	274,585	252,648
<b>Total current assets</b>	<b>流動資產總值</b>		<b>553,144</b>	374,647
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Accounts and bills payable	應付賬款及票據	21	55,599	29,662
Accrued liabilities and other payables	應計負債及其他應付款項	23	61,295	25,798
Tax payable	應付稅項		16,851	13,922
<b>Total current liabilities</b>	<b>流動負債總值</b>		<b>133,745</b>	69,382
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>419,399</b>	305,265
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值扣除流動負債</b>		<b>793,072</b>	575,070
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	24	12,903	1,252
<b>Net assets</b>	<b>資產淨值</b>		<b>780,169</b>	573,818
<b>EQUITY</b>	<b>資本</b>			
Issued capital	已發行股本	25	4,997	4,270
Reserves	儲備	27	725,204	543,928
Proposed final dividend	擬派末期股息	11	49,968	25,620
<b>Total equity</b>	<b>資本總值</b>		<b>780,169</b>	573,818

**Chung Yuk Sing**  
鍾育升  
Director  
董事

**Chang Wen Hsiang**  
張文祥  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

(Year ended 31 March 2008)

(截至二零零八年三月三十一日止年度)

		Notes	Issued capital	Share premium account	Capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Asset revaluation reserve	Retained profits	Proposed final dividend	Total
		附註	已發行股本	溢價賬	資本儲備	盈餘儲備	波動儲備	重估儲備	留存溢利	末期股息	總計
			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 27)	(Note 27)					
					(附註27)	(附註27)					
At 1 April 2006	於二零零六年四月一日		4,270	359,932	(229)	5,731	1,737	3,469	129,808	25,620	530,338
Surplus on revaluation	重估盈餘	13	-	-	-	-	-	4,672	-	-	4,672
Deferred tax charged	已扣除之遞延稅項	24	-	-	-	-	-	(297)	-	-	(297)
Exchange realignment	匯兌調整		-	-	-	-	12,626	-	-	-	12,626
Total income and expenses recognised directly in equity	直接於權益中確認的收支總額		-	-	-	-	12,626	4,375	-	-	17,001
Profit for the year	年內溢利		-	-	-	-	-	-	77,719	-	77,719
Total income and expenses for the year	年內收支總額		-	-	-	-	12,626	4,375	77,719	-	94,720
Transfer to reserve	轉撥至儲備		-	-	-	5,214	-	-	(5,214)	-	-
Final 2006 dividend declared	已宣派二零零六年末期股息		-	-	-	-	-	-	-	(25,620)	(25,620)
Interim 2007 dividend	二零零七年中期股息	11	-	-	-	-	-	-	(25,620)	-	(25,620)
Proposed final 2007 dividend	擬派二零零七年末期股息	11	-	-	-	-	-	-	(25,620)	25,620	-
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及二零零七年四月一日		4,270	359,932*	(229)*	10,945*	14,363*	7,844*	151,073*	25,620	573,818
Issue of shares	股份發行	25	727	112,654	-	-	-	-	-	-	113,381
Surplus on revaluation	重估盈餘	13	-	-	-	-	-	5,634	-	-	5,634
Deferred tax charged	已扣除之遞延稅項	24	-	-	-	-	-	(1,093)	-	-	(1,093)
Exchange realignment	匯兌調整		-	-	-	-	28,730	-	-	-	28,730
Release of reserve upon the disposal of a revalued property	出售一項重估物業後儲備解除	13	-	-	-	-	-	(370)	370	-	-
Total income and expenses recognised directly in equity	直接於權益中確認的收支總額		-	-	-	-	28,730	4,171	370	-	33,271
Profit for the year	年內溢利		-	-	-	-	-	-	124,658	-	124,658
Total income and expenses for the year	年內收支總額		-	-	-	-	28,730	4,171	125,028	-	157,929
Transfer to reserve	轉撥至儲備		-	-	-	2,500	-	-	(2,500)	-	-
Final 2007 dividend declared	已宣派二零零七年末期股息		-	-	-	-	-	-	-	(25,620)	(25,620)
Additional final 2007 dividend paid	已派付二零零七年額外末期股息	11	-	-	-	-	-	-	(4,361)	-	(4,361)
Interim 2008 dividend	二零零八年中期股息	11	-	-	-	-	-	-	(34,978)	-	(34,978)
Proposed final 2008 dividend	擬派二零零八年末期股息	11	-	-	-	-	-	-	(49,968)	49,968	-
At 31 March 2008	於二零零八年三月三十一日		4,997	472,586*	(229)*	13,445*	43,093*	12,015*	184,294*	49,968	780,169

\* These reserve accounts comprise the consolidated reserves of HK\$725,204,000 (2007: HK\$543,928,000) in the consolidated balance sheet of the Group.

\* 該等儲備賬項包括載於本集團綜合資產負債表內之綜合儲備725,204,000港元(二零零七年: 543,928,000港元)。



# Consolidated Cash Flow Statement

## 綜合現金流量表

(Year ended 31 March 2008)

(截至二零零八年三月三十一日止年度)

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營業務產生之現金流量</b>		
Profit before tax		140,659	86,482
Adjustments for:	按以下項目調整：		
Bank interest income	銀行利息收入	(5,933)	(7,764)
Gain on disposal of items of property, plant and equipment and prepaid land lease payments	出售物業、廠房及設備項目及預付土地租賃付款之收益	(12,244)	–
Write-off of items of property, plant and equipment	撤銷物業、廠房及設備項目	–	819
Depreciation	折舊	31,316	26,310
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	2,015	1,698
Increase in inventories	存貨增加	155,813	107,545
Increase in accounts and bills receivable	應收賬款及票據增加	(66,362)	(20,557)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	1,728	(2,270)
Increase in accounts and bills payable	應付賬款及票據增加	21,945	16,377
Increase in accrued liabilities and other payables	應計負債及其他應付款項增加	8,058	9,376
Cash generated from operations	營運產生之現金	60,401	103,723
Dividends paid	已付股息	(64,959)	(51,240)
Hong Kong profits tax paid	已付香港利得稅	(11,379)	(13,867)
Overseas tax refunded/(paid)	退還/(已付)海外稅項	(3,044)	977
Net cash inflow/(outflow) from operating activities	經營業務產生之現金流入/(流出)淨值	(18,981)	39,593
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動產生之現金流量</b>		
Proceeds from disposal of items of property, plant and equipment and prepaid land lease payments, net	出售物業、廠房及設備項目及預付土地租賃款項所得款項淨值	25,743	–
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(14,803)	(15,506)
Purchase of prepaid land lease payments	購買預付土地租賃付款	(1,503)	(3,014)
Acquisition of subsidiaries	收購附屬公司	17,828	–
Prepayments and deposits for property, plant and equipment	購買物業、廠房及設備之預付款項及按金	(6,237)	(854)
Decrease/(increase) in non-pledged deposits with original maturity of over three months when acquired	購入原定到期日超過三個月之非質押定期存款減少/(增加)	72,192	(106,731)
Decrease in pledged deposits	質押存款減少	5,518	4,587
Interest received	已收利息	5,933	7,764
Net cash inflow/(outflow) from investing activities	投資活動產生之現金流入/(流出)淨值	104,671	(113,754)

## Consolidated Cash Flow Statement (continued)

### 綜合現金流量表(續)

(Year ended 31 March 2008)

(截至二零零八年三月三十一日止年度)

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
現金及現金等值項目 增加/(減少)淨值		<b>85,690</b>	(74,161)
Cash and cash equivalents at beginning of year		<b>145,917</b>	215,117
Effect of foreign exchange rate changes, net		<b>8,439</b>	4,961
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>240,046</b>	145,917
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
現金及現金等值項目之 結餘分析			
Cash and bank balances	20	<b>125,846</b>	82,302
Non-pledged time deposits with original maturity of less than three months when acquired	20	<b>114,200</b>	63,615
		<b>240,046</b>	145,917

# Balance Sheet

## 資產負債表

(31 March 2008)

(二零零八年三月三十一日)

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	17	<b>43,368</b>	43,368
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Due from subsidiaries	應收附屬公司款項	17	<b>487,395</b>	236,865
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		<b>170</b>	1,728
Cash and cash equivalents	現金及現金等值項目	20	<b>280</b>	106,883
Total current assets	流動資產總值		<b>487,845</b>	345,476
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Accrued liabilities	應計負債	23	<b>100</b>	140
Due to subsidiaries	應付附屬公司款項	17	<b>1,490</b>	–
			<b>1,590</b>	140
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>486,255</b>	345,336
Net assets	資產淨值		<b>529,623</b>	388,704
<b>EQUITY</b>	<b>資本</b>			
Issued capital	已發行股本	25	<b>4,997</b>	4,270
Reserves	儲備	27	<b>474,658</b>	358,814
Proposed final dividend	擬派末期股息	11	<b>49,968</b>	25,620
Total equity	資本總值		<b>529,623</b>	388,704

**Chung Yuk Sing**  
鍾育升  
Director  
董事

**Chang Wen Hsiang**  
張文祥  
Director  
董事

# Notes to Financial Statements

## 財務報表附註

(31 March 2008)  
(二零零八年三月三十一日)

### 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Units 0902-0903 and 0905-0906, 9/F, Tower B, Regent Centre, 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong.

The Group's principal activities are the manufacture and trading of sportswear and garments.

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for buildings, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand, except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2008. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

#### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. The adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

### 1. 公司資料

本公司為於開曼群島註冊成立之有限公司。本公司之主要營業地點位於香港新界葵涌打磚坪街70號麗晶中心B座九樓0902-0903室及0905-0906室。

本集團之主要業務為生產及買賣運動服及成衣。

#### 2.1 編制基準

此等財務報表乃根據由香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)(其中包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之披露規定編制。除樓宇以公平值計量外,此等財務報表根據歷史成本常規編制。除另有註明外,財務報表均以港元(「港元」)呈列,而所有價值均四捨五入至最接近之千位。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零零八年三月三十一日止年度之財務報表。附屬公司之業績以自收購日期,即本集團取得控制權之日起綜合計算,並在有關控制權終止前繼續綜合計入。本集團旗下各公司之間所有重大交易及結餘於綜合賬目時對銷。

#### 2.2 新訂及經修訂香港財務報告準則之影響

本集團編制本年度財務報表時首次採用以下新訂和經修訂的香港財務報告準則。採用這些新訂和經修訂的準則及詮釋對這些財務報表並無重大影響。

香港財務報告準則第7號	金融工具:披露
香港會計準則第1號(經修訂)	資本披露
香港(國際財務報告詮釋委員會)一詮釋第8號	香港財務報告準則第2號之適用範圍
香港(國際財務報告詮釋委員會)一詮釋第9號	重估嵌入式衍生工具
香港(國際財務報告詮釋委員會)一詮釋第10號	中期財務報告及減值
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號一集團及庫存股份交易

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

### (a) HKFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

### (b) Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 33 to the financial statements.

### (c) HK(IFRIC)-Int 8 Scope of HKFRS 2

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to the Group's employees for their services provided in accordance with the Company's share option scheme, the interpretation has had no effect on these financial statements.

## 2.2 新訂及經修訂香港財務報告準則之影響(續)

採用該等新訂及經修訂之香港財務報告準則之主要影響如下：

### (a) 香港財務報告準則第7號金融工具：披露

該準則要求披露能使財務報表使用者能夠評估本集團之金融工具之重要性以及該等金融工具所產生風險之性質和程度。該等新增披露資料已載入財務報表中。儘管該披露對本集團之財務狀況或經營業績並無影響，比較資料(如適用)已載入／經修訂列示。

### (b) 香港會計準則第1號(經修訂)財務報表呈列資本披露

該修訂要求本集團作出披露以允許財務報表之使用者能夠評估本集團管理資本之目標、政策及過程。此等新披露事項載列於財務報表附註33。

### (c) 香港(國際財務報告詮釋委員會)－詮釋第8號香港財務報告準則第2號之適用範圍

該詮釋要求，香港財務報告準則第2號須適用於本集團無法明確識別部分或所有已收到貨物或服務之任何安排，而本集團就該等安排授出權益工具或產生負債(以本集團權益工具之價值為基準)作為交易代價，而該等安排所收到貨物或服務之價值少於所授出權益工具或所產生負債之公平價值。由於本公司乃根據本公司之購股權計劃就僱員提供之服務向本集團僱員僅發行權益工具，故該詮釋對財務報表並無影響。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### (d) HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

### (e) HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment

The Group has adopted this interpretation as of 1 April 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

### (f) HK(IFRIC)-Int 11 HKFRS 2 – Group and Treasury Share Transactions

This interpretation requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. This interpretation also addresses the accounting for share-based payment transactions involving two or more entities within the Group. The interpretation has had no material effect on these financial statements.

## 2.2 新訂及經修訂香港財務報告準則之影響(續)

### (d) 香港(國際財務報告詮釋委員會) – 詮釋第9號重估嵌入式衍生工具

該詮釋要求，本集團首次成為合約訂約方之日，即為評估嵌入式衍生工具是否須要與主合約分開而作為衍生工具列賬之日期，並僅當合約之修改大幅改變現金流量時需要進行重估。由於本集團並無需與主合約分開之嵌入式衍生工具，故該詮釋對財務報表並無影響。

### (e) 香港(國際財務報告詮釋委員會) – 詮釋第10號中期財務報告及減值

本集團已於二零零七年四月一日起採用該詮釋，而該詮釋要求於前一個中期報告期間就商譽確認之減值虧損或分類為可供出售權益工具或按成本列賬之金融資產所確認之減值虧損，不得其後撥回。由於本集團過往並無就該等資產撥回減值虧損，故該詮釋不會對本集團之財務狀況或經營業績產生影響。

### (f) 香港(國際財務報告詮釋委員會) – 詮釋第11號香港財務報告準則第2號 – 集團及庫存股份交易

該項詮釋要求僱員所獲授予認購本集團權益工具的權利的安排，須入賬列為權益結算計劃，即使該等工具乃由本集團向另一方購買或由股東提供所需權益工具。該項詮釋亦註明涉及本集團內兩個或以上實體的以股份付款交易的會計處理。該項詮釋並無對財務報表造成任何重大影響。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 2 Amendments	Share-based Payment – Vesting Conditions and Cancellations <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations <sup>3</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>3</sup>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i> <sup>1</sup>
HK(IFRIC)-Int 12	Service Concession Arrangements <sup>2</sup>
HK(IFRIC)-Int 13	Customer Loyalty Programmes <sup>1</sup>
HK(IFRIC)-Int 14	HKAS 19 – <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i> <sup>2</sup>

<sup>1</sup> Effective for accounting period beginning on 1 April 2009

<sup>2</sup> Effective for accounting period beginning on 1 April 2008

<sup>3</sup> Effective for accounting period beginning on 1 April 2010

### 2.3 已頒佈但未生效之香港財務報告準則之影響

本集團並無於此財務報表採用下述已頒佈但仍未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第2號修訂	股份支付—歸屬條件及註銷 <sup>1</sup>
香港財務報告準則第3號(經修訂)	企業合併 <sup>3</sup>
香港財務報告準則第8號	經營分部 <sup>1</sup>
香港會計準則第1號(經修訂)	財務報表呈列方式 <sup>1</sup>
香港會計準則第23號(經修訂)	借貸成本 <sup>1</sup>
香港會計準則第27號(經修訂)	綜合及獨立財務報告 <sup>3</sup>
香港會計準則第32號及香港會計準則第1號修訂	香港會計準則第32號金融工具：呈列及香港會計準則第1號財務報表呈列方式—可售回金融工具及清盤引致的責任之修訂 <sup>1</sup>
香港(國際財務報告詮釋委員會)—詮釋第12號	服務經營權安排 <sup>2</sup>
香港(國際財務報告詮釋委員會)—詮釋第13號	客戶忠誠計劃 <sup>1</sup>
香港(國際財務報告詮釋委員會)—詮釋第14號	香港會計準則第19號—界定利益資產的限制、最低資金要求及兩者之相互關係 <sup>2</sup>

<sup>1</sup> 於二零零九年四月一日開始之會計期間生效

<sup>2</sup> 於二零零八年四月一日開始之會計期間生效

<sup>3</sup> 於二零一零年四月一日開始之會計期間生效

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 and HKAS 1 may result in new or amended disclosures, these new and revised HKFRSs should not have any significant impact on the Group's results of operations and financial position.

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

### Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

## 2.3 已頒佈但未生效之香港財務報告準則之影響(續)

本集團正評估初次應用此等新訂及經修訂香港財務報告準則之影響。截至目前為止，本集團認為因採用香港財務報告準則第8號及香港會計準則第1號可能引致需要披露新資料或修訂已披露資料，惟應不會對本集團之營運業績及財務狀況產生重大影響。

## 2.4 主要會計政策概要

### 附屬公司

附屬公司指本公司直接或間接控制其財務及經營政策而從其業務獲益之公司。

附屬公司業績按已收及應收股息計入本公司收益表，本公司於附屬公司之權益按成本值減任何減值虧損列賬。

### 商譽

收購附屬公司產生的商譽，乃指業務合併成本超逾本集團於收購當日所購入被收購者可辨別資產及負債及所承擔負債與或然負債之公平淨值之餘額。

收購所產生之商譽於綜合資產負債表內確認為資產，最初按成本計算，而其後則按成本減任何累計減值虧損計算。

商譽之賬面值每年均會檢討是否有所減值，而當事件或情況改變顯示賬面值可能減少時，則檢討會更為頻密。本集團於三月三十一日進行年度商譽減值測試。就檢討測試而言，業務合併所產生之商譽由收購當日起分配至預期可從合併的協同效益中受惠之本集團每個或每組現金產生單位，而不論本集團其他資產或負債是否分配至該等單位或單位組別。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

### Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

## 2.4 主要會計政策概要(續)

### 商譽(續)

本公司評估商譽所屬現金產生單位(或現金產生單位組別)之可收回金額而釐定減值。當現金產生單位(或現金產生單位組別)之可收回金額低於賬面值，則會確認減值虧損。就商譽確認之減值虧損不會在往後期間撥回。

倘商譽是現金產生單位(或現金產生單位組別)的組成部分，而出售該單位之部分業務，則計算出售業務之盈虧時，將有關該出售業務之商譽計入業務的賬面值。在此情況下出售的商譽根據出售業務的有關價值及保留的現金產生單位部分而計算。

### 商譽以外之非金融資產減值

倘出現減值跡象或有需要就資產進行年度減值測檢(存貨及金融資產除外)，則會估計該資產的可收回金額。資產的可收回金額乃資產或現金產生單位的使用價值及其公平值兩者中之較高者減銷售成本，並釐定為個別資產，除非該項資產所產生現金流量不能大致獨立於其他資產或資產組別的現金流入，於此情況下，可收回金額則按資產所屬現金產生單位釐定。

減值虧損只會於資產賬面值超出其可收回金額時確認。於評估使用價值時，會使用可反映目前市場對貨幣時間價值及特定資產風險的評估之稅前貼現率，估計其日後現金流量折讓至現值。減值虧損於產生期間在收益表扣除，除非該資產按重估價值列賬，於此情況下，減值虧損將按該項重估資產之有關會計政策列賬。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of non-financial assets other than goodwill (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

### Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

## 2.4 主要會計政策概要(續)

### 商譽以外之非金融資產減值(續)

於各報告日期評估有否跡象顯示以往確認減值虧損不再存在或可能已減少。倘出現上述跡象，則會估計可收回金額。當用以釐定資產可收回金額的估計有變動時，先前確認的資產減值虧損(商譽除外)方可回撥，惟回撥後的金額不可超過過往年度並無就該項資產確認減值虧損而釐定的賬面值(扣除任何折舊／攤銷後)。回撥的減值虧損於產生期間計入收益表，除非該資產按重估值列賬，於此情況下，減值虧損回撥將按該項重估資產之有關會計政策列賬。

### 關連人士

在下列情況下，有關人士將視為與本集團有關連：

- (a) 有關人士直接或透過一名或多名中介人間接：(i)控制本集團，或被本集團控制或受到與本集團共同控制；(ii)擁有本集團權益，並可對本集團發揮重大影響力；或(iii)與他人共同擁有本集團控制權；
- (b) 有關人士為聯繫人士；
- (c) 有關人士為共同控制實體；
- (d) 有關人士為本集團主要管理人員；
- (e) 有關人士為(a)或(d)項所述人士的直系親屬；
- (f) 有關人士受直接或間接歸屬於(d)或(e)項所述人士的實體所控制，與他人共同控制或對其發揮重大影響力，或擁有重大投票權；或
- (g) 有關人士為本集團或屬其有關連人士任何實體的僱員利益而設立之終止受僱後福利計劃的受益人。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2% to 15%
Leasehold improvements	Over the lease terms or 20%, whichever is shorter
Plant and machinery	10% to 20%
Furniture, fixtures, equipment and motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備及折舊

除在建工程外，物業、廠房及設備乃按成本或估值減累積折舊及任何減值虧損列賬。物業、廠房及設備成本包括其購入價及任何使其達到運作狀況及地點作擬定用途之直接相關成本。物業、廠房及設備運作後所產生開支，例如維修及保養費用，一般於有關費用產生期間自收益表扣除。倘能明確顯示該項開支令預期來自使用該項物業、廠房及設備獲得之未來經濟利益增加及倘該項目之成本能夠可靠估計時，則該項開支將予以資本化，作為該項資產之額外成本或作為置換。

估值會經常進行，以確保重估資產之公平值不會與其賬面值有任何重大差異。物業、廠房及設備價值變動於資產重估儲備內列作變動處理。倘儲備總額不足以抵償虧絀，超出之虧絀按個別資產基準於收益表扣除。倘其後出現重估盈餘，則以先前扣除之虧絀為上限計入收益表。出售重估資產時，因以往估值而變現之資產重估儲備有關部分，將視作儲備變動轉撥至留存溢利。

折舊按各項物業、廠房及設備之估計可用年期以直線法攤銷其成本去估計其剩餘價值。就此目的所採用之主要年率如下：

樓宇	2%至15%
租賃物業裝修	按租賃期或20% (以較短者為準)
機器設備	10%至20%
傢具、裝置、設備 及汽車	20%

倘部份物業、廠房及設備之可使用年期不同，該項目之成本或估值於有關部分按合理基準分配，而各部分將分別折舊。

剩餘價值、可使用年期及折舊方法將於各資產負債表日審閱及作出調整(如適用)。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, plant and equipment and depreciation

(continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

### Investments and other financial assets

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備及折舊(續)

物業、廠房及設備項目於出售或預期使用該項目不會產生未來經濟利益時剔除確認。於剔除確認資產年度在收益表確認之出售或報廢資產之損益，按有關資產出售所得款項淨額與賬面值兩者間之差額於年內收益表確認。

### 租賃

凡將資產絕大部分回報及風險擁有權(法定業權除外)轉歸本集團之租賃，均列為融資租賃。於融資租賃生效時，租賃資產成本按最低租金付款現值撥充資本化，並連同有關承擔(不包括利息部分)入賬，以反映有關購買及融資。經撥充資本融資化租賃持有之資產計入物業、廠房及設備，按該項資產之租期與估計可使用年期之較短者折舊。此等租賃之財務開支自收益表扣除，以在租期內達致穩定的定期支銷率。

資產絕大部分回報及風險擁有權仍歸出租人所有之租賃列為經營租賃。倘本集團為出租人，本集團根據經營租賃出租的資產計入非流動資產，而根據經營租賃應收之租金乃按租期以直線法計入收益表。倘本集團為承租人，根據經營租賃應付之租金按租期以直線法自收益表扣除。

經營租賃之預付租金初始按成本列賬，其後則按租期以直線法確認。

### 投資及其他金融資產

初始確認時，金融資產按公平值加(倘投資並非按公平值計入損益)直接應佔交易成本計算。本集團會於初始確認後將金融資產分類，並於許可及適當情況下，於資產負債表日重新評估該分類。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date.

### Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

#### Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

## 2.4 主要會計政策概要(續)

### 投資及其他金融資產(續)

正常情況下買入及出售之金融資產於交易日(即本集團承諾購買或出售資產之日)確認。正常情況下買入或出售指於規例或市場慣例一般設定之期間內交付之買入或出售之金融資產。

#### 貸款及應收款項

貸款及應收款項為非衍生工具而設有固定或可確定付款金額之金融資產，以及並不在活躍市場報價。該等資產採用實際利率法按攤銷成本減任何減值撥備列賬。攤銷成本計及任何收購折扣或溢價，且包括為實際利率及交易成本的組成部分的費用。於貸款及應收款項刪除確認或減值時及進行攤銷時於收益表確認損益。

#### 公平值

於有秩序的金融市場活躍買賣之投資公平值乃參考資產負債表日營業時間結束時市場買入價釐定。

### 金融資產減值

本集團於各資產負債表日評估有否客觀證據顯示一項或一組金融資產出現減值。

#### 按攤銷成本入賬之資產

倘有客觀證據顯示按攤銷成本入賬之貸款及應收款項出現減值虧損，則虧損數額按資產之賬面值與估計未來現金流量貼現值(不包括尚未產生之未來信貸虧損)之差額計量，並以金融資產之初始實際利率，即初始確認時計算之實際利率折算。資產之賬面值直接或透過動用撥備減少。減值虧損金額在收益表確認。貸款及應收款項連同任何相關撥備於實際上不可能在未來收回而所有抵押品均已變現或轉移至本集團時撇銷。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (continued)

#### Assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to accounts and bills receivable, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## 2.4 主要會計政策概要(續)

### 金融資產減值(續)

#### 按攤銷成本入賬之資產(續)

倘其後減值虧損金額減少，而該減少可以客觀地與確認減值後發生之事件相關，則會調整撥備賬回撥早前確認之減值虧損。其後回撥之減值虧損於收益表確認，惟以並無超逾其於回撥日期攤銷成本之資產賬面值為限。

當有客觀跡象(例如債務人可能無力償債或面臨重大經濟困難及科技、市場經濟或法律環境有重大變化並對債務人有不利影響)顯示本集團將無法根據發票原有條款收回所有到期款項時，即就應收賬款及票據作出減值撥備。應收款項之賬面值可通過備抵賬目扣減。減值債務於被評估為不可收回時終止確認。

### 剔除確認金融資產

金融資產(或(如適用)部份金融資產或部份相若金融資產組)，於下列情況下將被剔除確認：

- 從資產收取現金流量的權利已屆滿；
- 本集團保留從資產收取現金流量的權利，但有假設的責任根據「經手」安排盡快向第三方支付有關現金流量；或
- 本集團已轉讓其從資產收取現金流量的權利，且(a)已轉讓有關資產絕大部分風險及回報；或(b)並無轉讓或保留有關資產絕大部分風險及回報，但已轉讓有關資產的控制權。

倘本集團已轉讓其從資產收取現金流量的權利，但並無轉讓或保留有關資產絕大部分風險及回報，亦無轉讓有關資產的控制權，則按本集團持續參與有關資產的程度確認該項資產。若持續參與構成對該已轉讓的資產的擔保，則以該資產的初始賬面值及本集團最高付款代價之較低者計算。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial liabilities at amortised cost

Financial liabilities including trade payables and other payables are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "finance cost" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

## 2.4 主要會計政策概要(續)

### 按攤銷成本入賬的金融負債

金融負債包括貿易應付款及其他應付款初始按公平值減直接交易成本列賬，隨後以實際利息法按攤銷成本計量，倘貼現的影響不重大，則按成本列賬。相關利息開支於收益表中確認為「財務成本」。

倘負債被取消確認，則盈虧於收益表按攤銷進度確認。

### 剔除確認金融負債

倘負債項下之責任已履行或取消或屆滿，將會剔除確認金融負債。

倘現有金融負債由同一貸款人以含有重大不同條款的另一項金融負債取代，或現有負債條款經大幅修訂，則有關轉換或修訂視作剔除確認原有負債及確認新的負債，而有關賬面值間之差額則於收益表確認。

### 存貨

存貨乃按成本值及可變現淨值之較低者列賬。成本按先進先出基準釐定，在製品及製成品則包含直接材料、直接勞工及適當比例之間接成本。可變現淨值按估計售價減完工及出售時所產生任何估計成本計算。

### 現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括現存現金及活期存款以及可隨時轉換為已知數額現金的短期高度流通性投資，有關投資承受低價值風險，一般於購入後三個月內到期，另扣除須按要求償還及構成本集團現金管理其中部分之銀行透支。

就資產負債表而言，現金及現金等值項目包括現存及銀行現金，當中包括無使用限制用途之定期存款。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

### Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## 2.4 主要會計政策概要(續)

### 撥備

因過往發生事件而產生現時承擔責任(法定或推定)及有機會造成未來資源的流出以償還承擔責任，則於能夠可靠估計該承擔數額時確認撥備。

若貼現之影響重大，則撥備所確認的數額是為預期償還該責任所需未來開支於資產負債表日之現值。隨時間推移而產生之貼現現值增加計入收益表的財務開支內。

### 所得稅

所得稅包括即期及遞延稅項。所得稅於收益表確認，或倘有關稅項是與於相同或不同期間直接於資本確認的項目相關，則於資本確認。

於目前或過往期間的即期稅項資產及負債，按預期自稅務機關退回或付予稅務機關的金額計算。

遞延稅項須按負債法，就資產及負債之計稅基準與財務申報賬面值於資產負債表日之所有暫時性差額作出撥備。

遞延稅項負債就所有應課稅暫時性差額確認，除下列情況外：

- 產生自首次確認的一項非商業合併中的資產或負債，以及於進行交易時並無影響會計溢利或應課稅溢利或虧損的遞延稅項負債；及
- 於附屬公司之投資相關之應課稅暫時性差額，倘可控制暫時差額之回撥時間，並有可能在可預見未來不會回撥暫時差額除外。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 2.4 主要會計政策概要(續)

### 所得稅(續)

所有可予扣減暫時性差額、未動用稅項抵免結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷，以動用該等可予扣減暫時性差額、未動用稅項抵免結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產，除以下情況：

- 惟產生自首次確認的一項非商業合併中的資產或負債，以及於進行交易時並無影響會計溢利或應課稅溢利或虧損之可扣減暫時性差額相關之遞延稅項資產；及
- 於附屬公司之投資相關之可扣減暫時性差額，遞延稅項資產僅會於暫時性差額可能在可預見未來撥及有應課稅溢利以抵銷暫時性差額情況下予確認。

遞延稅項資產賬面值於每個資產負債表日審閱，並於不再可能有足夠應課稅溢利抵銷所有或部分遞延稅項資產情況下調減。相反，早前未確認之遞延稅項資產於各資產負債表日重估，並於有足夠應課稅溢利抵銷所有或部分遞延稅項資產情況下確認。

遞延稅項資產及負債乃根據於資產負債表日頒佈或實質頒佈之稅率(及稅法)，按預期於變現資產或清償債務期間適用之稅率計算。

倘存在容許將即期稅項資產抵銷即期稅項負債的合法可執行權利，且遞延稅項與同一應課稅實體及同一稅務機關有關，則遞延稅項資產可與遞延稅項負債抵銷。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) from the sale of goods and samples, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and
- (ii) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

### Employee benefits

#### Staff retirement schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

In addition, the Group also operates a defined contribution retirement benefits scheme (the "Retirement Scheme") for those employees who are eligible to participate in the Retirement Scheme. Contributions to the Retirement Scheme are charged to the income statement as incurred. The Retirement Scheme operates in a similar way to the MPF Scheme, except that when an employee leaves the Retirement Scheme before his/her interest in the Group's employer contributions vests fully, the ongoing contributions payable by the Group are reduced by the relevant amount of the forfeited employer contributions.

The employees of the subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to make contributions for its employees who are registered as permanent residents in Mainland China. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

## 2.4 主要會計政策概要(續)

### 收入確認

收入乃於本集團有可能獲得經濟利益及該收益能可靠計算時，按以下基準確認：

- (i) 貨物及樣辦之銷售：當絕大部分風險及回報的擁有權轉讓予買方，本集團不再參與一般與擁有權有關之管理，亦不再對已售出貨物有實際控制權；及
- (ii) 利息收入按應計基準，採用實際利率法，將於金融工具預計年期所收取估計未來現金折算至該金融資產賬面淨值的利率計算。

### 僱員福利

#### 退休福利計劃

本集團根據強制性公積金計劃條例，為合資格參加定額供款強制性公積金退休福利計劃(「強積金計劃」)之僱員推行強積金計劃。本集團須按僱員基本薪酬的一定百分比作出供款，並在按照強積金計劃之規定應付時自收益表扣除。強積金計劃資產與本集團資產分開持有，並由獨立管理基金保管。本集團的僱主供款在向強積金計劃作出供款時全數撥歸僱員所有。

此外，本集團亦為合資格參加退休福利計劃(「退休計劃」)之僱員推行定額供款退休計劃。向退休計劃作出之供款在產生時自收益表扣除。退休計劃之運作方式與強積金計劃類似，惟當僱員在本集團僱主供款全數撥歸其所有前退出退休計劃，所沒收僱主供款可用作扣減本集團持續應付之供款。

本集團在中國大陸所經營附屬公司之僱員須參加由當地市政府推行的中央退休金計劃。有關附屬公司須為登記為中國大陸永久居民之僱員作出供款。有關供款在根據中央退休金計劃之規定應付時自收益表扣除。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

## 2.4 主要會計政策概要(續)

### 股息

董事建議派付之末期股息在資產負債表中歸入資本部分保留溢利之獨立分配，直至股東在股東大會批准為止。有關股息於獲股東批准及宣派時確認為負債。

由於本公司的組織章程大綱及組織章程細則授權董事宣派中期股息，故可同時建議派付及宣派中期股息。因此，中期股息在建議派付及宣派時即時確認為負債。

### 外幣

此財務報表以港元呈報，港元乃本公司之功能及呈報貨幣。本集團各實體釐定其本身功能貨幣，而各實體於財務報表計入之項目乃按該功能貨幣計算。外幣交易初步按交易日期之功能貨幣匯率記錄。以外幣結算的貨幣資產及負債按資產負債表日的功能貨幣匯率重新換算。所有差額計入收益表。按貨幣過往成本計算的非貨幣項目乃按初步交易日期匯率換算。以外幣按公平值計算的非貨幣項目則按公平值釐定之日期匯率換算作計算。

若干海外附屬公司並非以港元為功能貨幣。於資產負債表日，該等實體之資產及負債按資產負債表日的匯率換算為本公司呈報貨幣，其收益表則按年內加權平均匯率換算為港元。最終匯兌差額會計入匯兌波動儲備。出售海外實體時，於資本所確認為有關該項特定海外業務的遞延累計金額於收益表確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之適用匯率換算為港元。年內海外附屬公司之經常現金流量按年內加權平均匯率換算為港元。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### *Impairment of assets*

In determining whether an asset is impaired or whether the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value, or such an event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could have a material effect on the net present value used in the impairment test.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, 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.

##### *Estimation of fair value of its building*

As described in note 13, the buildings were revalued at the balance sheet date on a market value existing state basis by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgments, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date.

### 3. 重要會計判斷及估計

編製本集團的財務報表時，管理層須於報告當日作出會影響報告日所呈報收入、開支、資產及負債的報告金額及或然負債披露的判斷、估設及假設。然而，由於有關假設和估計的不確定因素，可導致須就未來受影響的資產或負債賬面值作出重大調整。

#### 判斷

於應用本集團會計政策時，除該等涉及估計者外，管理層曾作出下列對財務報表已確認金額影響最大之判斷：

##### *資產減值*

釐定資產是否減值或過往導致減值事件是否不再存在時，本集團須就資產減值作出判斷，尤其需要評估：(1)有否發生可影響資產價值之事件，或影響資產價值之事件是否仍然存在；(2)資產之賬面值能否以根據持續使用資產估計之未來現金流量現值淨額支持；及(3)預測未來現金流量時所採用適合的重要假設，包括該等現金流量預測是否以適用比率貼現。倘改變管理層用以確定減值程度之假設(包括現金流量預測中採用之貼現率或增長率假設)，或會對減值測試中使用的淨現值產生重大影響。

#### 估計之不確定性

下文討論於資產負債表日極可能導致本集團之資產與負債賬面值在下一財政年度需要作出重大調整之未來相關重要假設及導致估計不可靠之其他重要因素。

##### *其樓宇公平值估計*

如附註13所述，該樓宇已由獨立專業估價師於資產負債表日按現況以市值基準重新估值。有關估值乃根據若干假設進行，故當中仍有不明確因素且或會與實際結果有重大差異。於作出判斷時，本集團已考慮活躍市場中類似物業之當前市價，並運用主要根據於各資產負債表日之市況作出之假設。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

##### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2008 was HK\$26,112,000 (2007: Nil). More details are set out in note 16.

### 4. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by geographical segment. No further business segment information is presented as the Group is solely engaged in the manufacture and trading of sportswear and garments.

Each of the Group's geographical segments, based on the location of customers (the destination of sales), represents a strategic business unit that offers products to customers located in different geographical areas which are subject to risks and returns that are different from those of the other geographical segments. The Group's customer-based geographical segments are as follows:

- (a) Mainland China
- (b) Japan
- (c) South Korea
- (d) Hong Kong
- (e) Others

In addition, segment assets and capital expenditure are further analysed by the geographical location of the assets (the origin of sales), where the Group's assets are located in different geographical areas from its customers and segment revenue from external customers or segment assets are 10% or more of the Group's total amount. There are two asset-based geographical segments, namely, Mainland China and Hong Kong.

### 3. 重要會計判斷及估計(續)

#### 估計之不確定性(續)

##### 商譽減值

本集團最少每年釐定商譽是否有所減值。釐定時須估計所獲分配之現金產生單位之使用價值。估計使用價值時，本集團須估計現金產生單位所產生之預期日後現金流量，亦須選擇合適之折現率，以計算該等現金流量之現值。商譽於二零零八年三月三十一日之賬面值為26,112,000港元(二零零七年：無)，更多資料載於附註16。

### 4. 分類資料

本集團以地區分類為主要分類報告基準呈列分類資料。由於本集團只從事運動服及成衣生產及買賣之業務，故並無進一步呈列業務分類資料。

本集團各地區分類以客戶所在地(銷售目的地)為基礎，代表向不同地區的客戶提供產品的策略業務單位，所承擔風險及回報會因地區不同而有所差別。本集團以客戶為基礎的地區分類如下：

- (a) 中國大陸
- (b) 日本
- (c) 南韓
- (d) 香港
- (e) 其他地區

此外，倘本集團的資產地區分佈與客戶分佈不同以及源自外界客戶之分類收入或分類資產佔本集團總額10%或以上，則分類資產及資本開支會按資產所在地區(以銷售源頭為基礎)作進一步分析。本集團以資產為基礎的地區分類有兩個，分別為中國大陸及香港。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 4. SEGMENT INFORMATION (continued)

##### (i) Geographical segments based on the location of customers

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's geographical segments for the years ended 31 March 2008 and 2007.

##### Group – 2008

		Mainland China 中國大陸 HK\$'000 千港元	Japan 日本 HK\$'000 千港元	South Korea 南韓 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue:	分類營業收入：						
Sales to external customers	銷售予外界客戶	474,553	147,331	58,891	25,380	154,332	860,487
Segment results	分類業績	105,589	33,425	14,812	6,779	41,751	202,356
Interest and other unallocated income	利息及其他未分配收入						18,678
Unallocated expenses	未分配費用						(80,375)
Profit before tax	除稅前溢利						140,659
Tax	稅項						(16,001)
Profit for the year attributable to equity holders of the Company	本公司股權持有人應佔年度溢利						124,658
Segment assets	分類資產	326,458	61,811	24,421	10,850	147,286	570,826
Unallocated assets	未分配資產						355,991
							926,817
Segment liabilities	分類負債	23,046	2,589	904	538	28,522	55,599
Unallocated liabilities	未分配負債						91,049
							146,648
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	14,262	4,428	1,770	763	4,638	25,861
Unallocated amounts	未分配金額						7,470
							33,331
Capital expenditure	資本開支	5,819	1,806	722	311	1,892	10,550
Unallocated amounts	未分配金額						6,610
							17,160

#### 4. 分類資料(續)

##### (i) 按客戶所在地區分類

下表呈列截至二零零八年及二零零七年三月三十一日止年度按客戶所在地區分類之營業收入、溢利及若干資產、負債及開支之資料。

##### 本集團—二零零八年

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 4. SEGMENT INFORMATION (continued)

##### (i) Geographical segments based on the location of customers (continued)

Group – 2007

		Mainland China 中國大陸	Japan 日本	South Korea 南韓	Hong Kong 香港	Others 其他地區	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue:	分類營業收入：						
Sales to external customers	銷售予外界客戶	297,097	115,353	33,079	14,621	58,953	519,103
Segment results	分類業績	77,008	28,930	7,427	3,858	14,874	132,097
Interest and other unallocated income	利息及其他未分配收入						8,085
Unallocated expenses	未分配費用						(53,700)
Profit before tax	除稅前溢利						86,482
Tax	稅項						(8,763)
Profit for the year attributable to equity holders of the Company	本公司股權持有人應佔年度溢利						77,719
Segment assets	分類資產	220,437	71,534	18,737	9,922	41,838	362,468
Unallocated assets	未分配資產						281,984
							644,452
Segment liabilities	分類負債	10,729	10,249	2,106	1,531	10,047	34,662
Unallocated liabilities	未分配負債						35,972
							70,634
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	11,541	4,481	1,285	568	2,290	20,165
Unallocated amounts	未分配金額						7,843
							28,008
Capital expenditure	資本開支	17,077	6,630	1,901	840	3,389	29,837
Unallocated amounts	未分配金額						824
							30,661

#### 4. 分類資料(續)

##### (i) 按客戶所在地區分類(續)

本集團—二零零七年

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 4. SEGMENT INFORMATION (continued)

##### (ii) Geographical segments based on the location of assets

#### 4. 分類資料(續)

##### (ii) 按資產所在地區分類

		Mainland China 中國大陸 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>Group – 2008</b>	<b>本集團 – 二零零八年</b>			
Segment assets as at 31 March 2008	於二零零八年三月 三十一日之分類資產	461,340	109,486	570,826
Unallocated assets	未分配資產			355,991
				926,817
Capital expenditure	資本開支	10,550	–	10,550
Unallocated amounts	未分配金額			6,610
				17,160
<b>Group – 2007</b>	<b>本集團 – 二零零七年</b>			
Segment assets as at 31 March 2007	於二零零七年三月 三十一日之分類資產	312,099	50,369	362,468
Unallocated assets	未分配資產			281,984
				644,452
Capital expenditure	資本開支	27,441	2,396	29,837
Unallocated amounts	未分配金額			824
				30,661

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's revenue, other income and gains is as follows:

#### 5. 營業收入、其他收入及收益

營業收入即本集團之營業額，乃指扣除退貨及折扣後已售貨品之發票淨值。本集團公司間所有重大交易已於綜合賬目時對銷。

本集團營業收入、其他收入及收益之分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Revenue</b>	<b>營業收入</b>		
Sale of goods	貨品銷售	860,487	519,103
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	5,933	7,764
Others	其他	501	321
		6,434	8,085
<b>Gain</b>	<b>收益</b>		
Gain on disposal of items of property, plant and equipment and prepaid land lease payments	出售物業、廠房及設備及預付土地租賃款項之收益	12,244	–
Other income and gains	其他收入及收益	18,678	8,085

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

#### 6. 除稅前溢利

本集團除稅前溢利扣除/(計入)下列各項：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	658,131	387,006
Auditors' remuneration	核數師酬金	1,450	1,100
Depreciation (Note 13)*	折舊 (附註13)*	31,316	26,310
Amortisation of prepaid land lease payments (Note 14)*	預付土地租賃款項攤銷 (附註14)*	2,015	1,698
Employee benefits expenses (excluding directors' remuneration – Note 7):	僱員福利支出 (不包括董事酬金 – 附註7) :		
Wages and salaries	工資及薪金	146,643	97,237
Pension scheme contributions (defined contribution schemes)	退休金計劃供款 (定額供款計劃)	7,200	3,717
Less: Forfeited contributions	減: 已沒收供款	(128)	(85)
Net pension scheme contributions	退休金計劃供款淨額	7,072	3,632
Total employee benefits expenses*	總僱員福利支出*	153,715	100,869
Minimum lease payments under operating leases in respect of land and buildings*	土地及樓宇經營租賃之最低租金付款*	3,585	2,250
Write-off of items of property, plant and equipment	撇銷物業、廠房及設備項目	–	819
Gain on disposal of items of property, plant and equipment and prepaid land lease payments	出售物業、廠房及設備項目及預付土地租賃款項之收益	(12,244)	–
Foreign exchange differences, net	匯兌差額淨額	1,325	4,022

\* Included in the respective balances are the following amounts which are also included in cost of inventories sold disclosed above:

\* 各項結餘中包括以下計入上文所披露已售存貨成本之金額：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Depreciation	折舊	17,052	14,957
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	1,128	920
Employee benefits expenses	僱員福利開支	128,903	83,474
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃之最低租金付款	2,378	2,028

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 7. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, 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
Fees	袍金	360	360
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,671	3,120
Discretionary bonus	酌情花紅	1,344	620
Pension scheme contributions	退休金計劃供款	236	180
		<b>6,251</b>	3,920
		<b>6,611</b>	4,280

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2008 二零零八年 HK\$'000 千港元	
Mr. Chan Cheuk Ho	陳卓豪先生	120	120
Mr. Li Chi Chung	李智聰先生	120	120
Mr. Cheng Yung Hui, Tony	鄭榮輝先生	120	120
		<b>360</b>	360

There were no other emoluments payable to the independent non-executive directors during the year (2007: Nil).

#### 7. 董事酬金

本年度董事酬金根據香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例第161條披露如下：

		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
Fees	袍金	360	360
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,671	3,120
Discretionary bonus	酌情花紅	1,344	620
Pension scheme contributions	退休金計劃供款	236	180
		<b>6,251</b>	3,920
		<b>6,611</b>	4,280

#### (a) 獨立非執行董事

年內付予獨立非執行董事之袍金如下：

		2008 二零零八年 HK\$'000 千港元	
Mr. Chan Cheuk Ho	陳卓豪先生	120	120
Mr. Li Chi Chung	李智聰先生	120	120
Mr. Cheng Yung Hui, Tony	鄭榮輝先生	120	120
		<b>360</b>	360

年內並無其他應付獨立非執行董事之酬金(二零零七年：無)。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 7. DIRECTORS' REMUNERATION (continued)

### (b) Executive directors

## 7. 董事酬金(續)

### (b) 執行董事

		Salaries, allowances and benefits in kind 薪金、津貼及 實物福利	Discretionary bonuses 酌情花紅	Pension scheme contributions 退休金 計劃供款	Total remuneration 酬金總額	
	Fees 袍金	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
<b>2008</b>	<b>二零零八年</b>					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing	鍾育升先生	–	1,651	384	71	2,106
Ms. Tsang Sau Fan	曾秀芬女士	–	1,300	300	72	1,672
Mr. Chen Hsiao Ying	陳小影先生	–	720	360	42	1,122
Ms. Chen Li Ying	陳麗影女士	–	600	300	36	936
Mr. Chung Tung Sau	鍾桐琇先生	–	400	–	15	415
		–	4,671	1,344	236	6,251
<b>2007</b>	<b>二零零七年</b>					
Executive directors:	執行董事：					
Ms. Tsang Sau Fan	曾秀芬女士	–	1,300	200	72	1,572
Mr. Chung Yuk Sing	鍾育升先生	–	1,040	240	60	1,340
Mr. Chung Tung Sau	鍾桐琇先生	–	780	180	48	1,008
		–	3,120	620	180	3,920

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

The directors' remuneration shown above does not include the estimated monetary value of the Group's owned premises provided rent-free to an executive director, Mr. Chung Yuk Sing ("Mr. Chung"), during the year. The estimated rental value of such accommodation was HK\$378,000 (2007: HK\$654,000) for the year ended 31 March 2008.

本年度內並無任何董事放棄或同意放棄任何酬金之安排。

上述所示董事酬金並未包括於年內向執行董事鍾育升先生(「鍾先生」)提供免租之本集團自置物業之估計幣值。截至二零零八年三月三十一日止年度，該住宿之估計租值為378,000港元(二零零七年：654,000港元)。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2007: three) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining one (2007: two) non-director, highest paid employee for the year are set out below:

		<b>Group</b> 本集團	
		<b>2008</b> 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	825	1,132
Discretionary bonus	酌情花紅	130	153
Pension scheme contributions	退休金計劃供款	50	76
		<b>1,005</b>	1,361

The number of non-director, highest paid employees whose remuneration fell within the designated bands is as follows:

		<b>Number of employees</b> 僱員數目	
		<b>2008</b> 二零零八年	2007 二零零七年
Nil to HK\$1,000,000	零至1,000,000港元	–	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	–
		<b>1</b>	2

#### 8. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括四名(二零零七年：三名)董事，有關彼等薪酬的詳情已在上文附註7披露。於年內，餘下一名(二零零七年：兩名)最高酬金的非董事僱員的酬金詳情如下：

酬金介乎指定範圍的最高薪酬非董事僱員數目如下：

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 9. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

汕頭市鷹美製衣有限公司 (“EN (Shantou)”), Shantou SEZ Far East (International) Garments Factory Co., Ltd. (“FE (Shantou)”), 裕美 (汕頭) 製衣有限公司 (“YM (Shantou)”) and 裕鷹 (汕頭) 製衣有限公司 (“YY (Shantou)”) are entitled to be exempted from corporate income tax in the People’s Republic of China (the “PRC”) for the first two profit-making years and a 50% reduction in corporate income tax for the succeeding three years. Moreover, under the relevant tax laws and regulations in Mainland China, EN (Shantou), FE (Shantou), YM (Shantou) and YY (Shantou) may set off losses incurred by them in a financial year against profits made by them in the succeeding financial year or years, subject to a maximum of five financial years.

According to the confirmation obtained by the Group from the PRC tax bureau, the first profit-making year of both EN (Shantou) and FE (Shantou) was the year ended 31 December 2002, and the first profit-making year of YY (Shantou) was the year ended 31 December 2005.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People’s Congress passed the Corporate Income Tax Law of the PRC (the “New PRC Tax Law”) which took effect on 1 January 2008. The PRC income tax rate is unified to 25% for all enterprises. The State Council of the PRC passed an implementation guidance note (the “Implementation Guidance”) on 26 December 2007, which sets out details of how existing preferential income tax rates will be adjusted to the standard rate of 25%.

## 9. 稅項

香港利得稅以年內在香港產生的估計應課稅溢利按17.5% (二零零七年: 17.5%) 稅率撥備。其他地方應課稅溢利的稅項, 則根據本集團業務所在國家的現存法規、法例詮釋及慣例以當地稅率計算。

汕頭市鷹美製衣有限公司 (「鷹美 (汕頭)」、「汕頭經濟特區遠東 (國際) 製衣廠有限公司 (「遠東 (汕頭)」、「裕美 (汕頭) 製衣有限公司 (「裕美 (汕頭) 及裕鷹 (汕頭) 製衣有限公司 (「裕鷹 (汕頭) 可獲豁免首兩個盈利年度的中華人民共和國 (「中國」) 企業所得稅, 以及在其後三年獲豁免繳交百分之五十企業所得稅。此外, 根據有關的中國大陸稅務法及規則, 鷹美 (汕頭)、遠東 (汕頭)、裕美 (汕頭) 及裕鷹 (汕頭) 可將其於一個財政年度產生之虧損, 抵銷其於其後一個或多個財政年度之溢利, 但最多不得超過五個財政年度。

根據本集團獲中國稅務機關之確認, 鷹美 (汕頭) 及遠東 (汕頭) 的首個盈利年度均為截至二零零二年十二月三十一日止年度, 而裕鷹 (汕頭) 的首個盈利年度為截至二零零五年十二月三十一日止年度。

於二零零七年三月十六日, 第十屆全國人民代表大會第五次全會通過中國企業所得稅法 (「新稅法」), 新稅法於二零零八年一月一日生效。所有企業之中國所得稅率統一為25%。於二零零七年十二月二十六日, 中國國務院通過一份實施指引 (「實施指引」), 詳細列出令現有的稅務優惠稅率調整至標準稅率25%的方法。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 9. TAX (continued)

For enterprises which were established before the publication of the New PRC Tax Law and were entitled to preferential treatments of a reduced corporate income tax rate ("CIT rate") granted by relevant tax authorities, the new CIT rate might be gradually increased from the preferential rate to 25% within 5 years after the effective date of the New PRC Tax Law on 1 January 2008. For the regions that enjoy a reduced CIT rate at 15%, the rate would gradually increase to 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% for 2012 according to the grandfathering rules stipulated in the Implementation Guidance and related circular. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

#### 9. 稅項(續)

就於新企業所得稅法頒佈前成立，並享有相關稅務機關授予減免企業所得稅優惠稅率的企業而言，新企業所得稅率可能自新企業所得稅法生效之日(即二零零八年一月一日)起計5年內逐漸增至25%。就享有15%的減免所得稅率的地區而言，根據載於條例實施細則及相關通函的過渡守則，企業所得稅率將分別於二零零八年、二零零九年、二零一零年、二零一一年及二零一二年逐漸增加至18%、20%、22%、24%及25%。目前享有於一段固定期間獲得標準所得稅率豁免或減免的企業，可繼續享有該項待遇，直至該段固定期限屆滿為止。

		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
Current tax charge for the year:	本年度稅項支出：		
Hong Kong	香港	6,348	5,229
Elsewhere	其他地方	7,796	782
Underprovision of current tax in respect of prior years	過往年度稅項撥備不足	-	3,599
Deferred (Note 24)	遞延(附註24)	1,857	(847)
<b>Total tax charge for the year</b>	<b>本年度稅項支出總額</b>	<b>16,001</b>	<b>8,763</b>

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 9. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the tax jurisdictions in which the Company and majority of its subsidiaries are domiciled to the tax charge at the effective tax rates 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
Profit before tax	除稅前溢利	140,659	86,482
Tax at the applicable rate to profit in the tax jurisdictions concerned	按有關稅務司法權區之適用所得稅率計算之稅項	25,160	15,330
Lower tax rate due to tax holiday	稅務優惠期之較低稅率	(7,872)	(10,458)
Lower tax rate for specific provinces	個別省份之較低稅率	-	(1,601)
Income not subject to tax	毋須課稅收入	(3,078)	(820)
Expenses not deductible for tax	不可扣減課稅費用	687	324
Adjustments in respect of current tax of previous years	就過往年度稅項作出之調整	-	3,599
Tax losses not recognised	未確認稅項虧損	223	2,024
Others	其他	881	365
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	16,001	8,763

#### 10. PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the Company for the year ended 31 March 2008 includes a profit of HK\$92,497,000 (2007: HK\$3,098,000) which has been dealt with in the financial statements of the Company (Note 27).

#### 9. 稅項(續)

適用於以本公司及其大部分附屬公司位處的稅務司法權區法定稅率計算之除稅前溢利之稅項支出與按有效稅率計算之稅項開支之調節如下：

#### 10. 本公司股權持有人應佔年度溢利

截止二零零八年三月三十一日止年度本公司股權持有人應佔綜合溢利包括溢利92,497,000港元(二零零七年：3,098,000港元)，已於本公司財務報表內反映(附註27)。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 11. DIVIDENDS

## 11. 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 – HK7 cents (2007: HK6 cents) per ordinary share based on 499,680,000 (2007: 427,000,000) shares in issue	中期股息—每股普通股 7 港仙 (二零零七年：6 港仙) 按已發行 499,680,000 股 (二零零七年：427,000,000 股) 股份計算	34,978	25,620
Proposed final – HK10 cents (2007: HK6 cents) per ordinary share based on 499,680,000 (2007: 427,000,000) shares in issue	擬派末期股息—按每股普通股 10 港仙 (二零零七年：6 港仙) 按已發行 499,680,000 股 (二零零七年：427,000,000 股) 股份計算	49,968	25,620
Additional 2007 final dividend	二零零七年額外末期股息	4,361	—
		89,307	51,240

The proposed final dividend for the year is based on the number of shares in issue as at the reporting date, and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度之擬派末期股息乃於申報當日已發行股份數目計算，並須待本公司股東於應屆股東週年大會批准後，方可作實。

The additional 2007 final dividend represents final dividend payable to shares issued subsequent to the approval of the consolidated financial statements for the year ended 31 March 2007 by the directors.

二零零七年額外末期股息指董事批准截至二零零七年三月三十一日止年度綜合財務報表後應付已發行股份之末期股息。

## 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company for the year of HK\$124,658,000 (2007: HK\$77,719,000), and the weighted average number of 469,297,000 (2007: 427,000,000) ordinary shares in issue during the year.

## 12. 本公司普通股股權持有人應佔每股盈利

每股基本盈利乃根據年內本公司普通股股權持有人應佔溢利 124,658,000 港元 (二零零七年：77,719,000 港元)，以及年內已發行 469,297,000 股 (二零零七年：427,000,000 股) 普通股之加權平均數計算。

No diluted earnings per share is presented for both current and last years as there were no dilutive potential ordinary shares in existence during these years.

本年度及去年度內均無潛在攤薄影響之普通股，因此概無於該等年度呈列每股攤薄盈利。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 13. PROPERTY, PLANT AND EQUIPMENT

Group

31 March 2008

### 13. 物業、廠房及設備

本集團

二零零八年三月三十一日

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures, equipment and motor vehicles	Total
		樓宇	租賃物業裝修	機器及設備	傢具、裝置、設備及汽車	總計
		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
Cost or valuation:	成本或估值：					
At beginning of year	年初	100,032	39,178	101,531	31,314	272,055
Additions	添置	3,021	2,761	6,246	3,629	15,657
Acquisition of subsidiaries (Note 28)	收購附屬公司 (附註28)	54,000	3,377	4,150	–	61,527
Disposals	出售	(2,700)	(1,049)	–	(444)	(4,193)
Surplus on revaluation	重估盈餘	1,863	–	–	–	1,863
Exchange realignment	匯兌調整	10,970	2,650	5,463	1,415	20,498
At 31 March 2008	於二零零八年三月三十一日	167,186	46,917	117,390	35,914	367,407
Analysis of cost or valuation:	成本或估值分析：					
At cost	按成本值	–	46,917	117,390	35,914	200,221
At 31 March 2008 valuation	按於二零零八年三月三十一日之估值	167,186	–	–	–	167,186
		167,186	46,917	117,390	35,914	367,407
Accumulated depreciation:	累積折舊：					
At beginning of year	年初	–	14,305	42,433	12,422	69,160
Provided during the year	年內撥備	3,819	7,682	13,889	5,926	31,316
Disposals	出售	(48)	(944)	–	(414)	(1,406)
Write-back of revaluation	重估回撥	(3,771)	–	–	–	(3,771)
Exchange realignment	匯兌調整	–	845	2,348	562	3,755
At 31 March 2008	於二零零八年三月三十一日	–	21,888	58,670	18,496	99,054
Net book value:	賬面淨值：					
At 31 March 2008	於二零零八年三月三十一日	167,186	25,029	58,720	17,418	268,353

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

#### Group

31 March 2007

### 13. 物業、廠房及設備(續)

#### 本集團

二零零七年三月三十一日

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures, equipment and motor vehicles	Total
		樓宇	租賃物業裝修	機器及設備	傢具、裝置、設備及汽車	總計
		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
Cost or valuation:	成本或估值：					
At beginning of year	年初	86,502	36,972	99,230	26,219	248,923
Additions	添置	8,567	7,250	1,798	4,479	22,094
Surplus on revaluation	重估盈餘	1,889	–	–	–	1,889
Write-off	撇銷	–	(6,076)	(1,557)	–	(7,633)
Exchange realignment	匯兌調整	3,074	1,032	2,060	616	6,782
At 31 March 2007	於二零零七年三月三十一日	100,032	39,178	101,531	31,314	272,055
Analysis of cost or valuation:	成本或估值分析：					
At cost	按成本值	–	39,178	101,531	31,314	172,023
At 31 March 2007 valuation	按於二零零七年三月三十一日之估值	100,032	–	–	–	100,032
		100,032	39,178	101,531	31,314	272,055
Accumulated depreciation:	累積折舊：					
At beginning of year	年初	–	13,513	30,331	8,069	51,913
Provided during the year	年內撥備	2,783	5,920	13,330	4,277	26,310
Write-off	撇銷	–	(5,257)	(1,557)	–	(6,814)
Write-back of revaluation	重估回撥	(2,783)	–	–	–	(2,783)
Exchange realignment	匯兌調整	–	129	329	76	534
At 31 March 2007	於二零零七年三月三十一日	–	14,305	42,433	12,422	69,160
Net book value:	賬面淨值：					
At 31 March 2007	於二零零七年三月三十一日	100,032	24,873	59,098	18,892	202,895

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings were revalued individually at 31 March 2008 by Greater China Appraisal Limited, independent professionally qualified valuers, at an aggregate open market value of HK\$167,186,000, based on their existing use. A revaluation surplus of HK\$5,634,000 (2007: HK\$4,672,000) resulting therefrom has been credited to the asset revaluation reserve.

Had these buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been HK\$153,944,000 (2007: HK\$92,676,000).

As at 31 March 2008, one (2007: two) of the Group's properties with a net book value of HK\$132,000 (2007: HK\$2,526,000) has been provided as rent-free accommodation to an executive director of the Company during the year. In addition, a disposed property had been provided to the same director as a rent-free accommodation until its disposal in January 2008. Asset revaluation reserve of HK\$370,000 was transferred to the retained profits upon its disposal.

### 14. PREPAID LAND LEASE PAYMENTS

		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
Carrying amount at beginning of year	年初賬面值	67,870	59,584
Additions	添置	1,503	8,567
Acquisition of subsidiaries (Note 28)	收購附屬公司 (附註 28)	14,000	–
Amortisation recognised during the year	於年內確認攤銷	(2,015)	(1,698)
Disposals	出售	(10,712)	–
Exchange realignment	匯兌調整	4,388	1,417
Carrying amount at 31 March	於三月三十一日之賬面值	75,034	67,870
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款之即期部分	(2,063)	(1,814)
Non-current portion	非即期部分	72,971	66,056

### 13. 物業、廠房及設備(續)

本集團之樓宇由獨立專業合資格估值師漢華評值有限公司於二零零八年三月三十一日按其當時用途以公開市值作個別評估，合共值167,186,000港元。重估所產生盈餘5,634,000港元(二零零七年：4,672,000港元)已分別計入資產重估儲備。

倘有關土地及樓宇按歷史成本減累積折舊列賬，其賬面值原應為153,944,000港元(二零零七年：92,676,000港元)。

於二零零八年三月三十一日，本集團其中一項(二零零七年：二項)賬面淨值132,000港元(二零零七年：2,526,000港元)之物業於年內提供予本公司一名執行董事作免租住宿。此外，一項已出售物業提供予同一名董事作免租住宿，直至該物業於二零零八年一月出售為止。在該物業出售後，370,000港元之資產重估儲備被轉到留存溢利內。

### 14. 預付土地租賃款項

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 14. PREPAID LAND LEASE PAYMENTS (continued)

An analysis of carrying amounts of prepaid land lease payments of the Group at the balance sheet date 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
Long term leases outside Hong Kong	香港境外之長期租約	3,282	1,554
Medium term leases in Hong Kong	香港境內之中期租約	12,352	23,578
Medium term leases outside Hong Kong	香港境外之中期租約	59,400	42,738
		75,034	67,870

Certain of the Group's prepaid land lease payments with a net book value of HK\$1,536,000 (2007: HK\$12,250,000) in aggregate have been provided as rent-free accommodation to an executive director of the Company during the year.

In addition, a disposed prepaid land lease payments had been provided to the same directors as a rent-free accommodation until its disposal in January 2008.

#### 15. PREPAYMENTS AND DEPOSITS FOR PROPERTY, PLANT AND EQUIPMENT

During the year, a subsidiary of the Company has entered into a contract with an independent third party for the construction of a new factory at a consideration of HK\$15,640,000. As at the balance sheet date, HK\$6,237,000 had been paid by the Group and was classified as "Prepayments and deposits for property, plant and equipment" and the remaining balance of HK\$9,403,000 had been included as commitment as detailed in note 31 to the financial statements.

As at 31 March 2007, prepayments and deposits for property, plant and equipment included a deposit of HK\$854,000 for the acquisition of a computer system from a related company. A final amount of HK\$115,000 was paid by the Group and the computer system had been accepted by and delivered to the Group during the year. Accordingly, the total amount of HK\$969,000 has been transferred to "Property, plant and equipment" during the year (Note 32(b)).

#### 14. 預付土地租賃款項(續)

於資產負債表日，本集團預付土地租賃款項之賬面值分析如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Long term leases outside Hong Kong	3,282	1,554
Medium term leases in Hong Kong	12,352	23,578
Medium term leases outside Hong Kong	59,400	42,738
	75,034	67,870

年內，本集團若干賬面淨值合共1,536,000港元(二零零七年：12,250,000港元)之預付土地租賃款項於年內提供作為本公司一名執行董事之免租住宿。

此外，一項已出售預付土地租賃款項提供予同一名董事作免租住宿，直至該物業於二零零八年一月出售為止。

#### 15. 物業、廠房及設備之預付款項及按金

年內，本公司附屬公司與一名獨立第三方訂立一份合約，以代價15,640,000港元興建一間新廠房。於資產負債表日，本集團已支付6,237,000港元，而有關款項已分類為「物業、廠房及設備之預付款項及按金」，而餘款9,403,000港元則計入作為承擔，詳情見財務報表附註31。

於二零零七年三月三十一日，物業、廠房及設備之預付款項及按金包括就向一間關連公司收購電腦系統之按金854,000港元。本集團已支付最終款項115,000港元，而電腦系統已於年內獲本集團接納及交付予本集團。因此，總額969,000港元已於年內轉撥至「物業、廠房及設備」(附註32(b))。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 16. GOODWILL

		Group 本集團 HK\$'000 千港元
Cost at 1 April 2007	於二零零七年四月一日之成本值	–
Acquisition of subsidiaries (Note 28)	收購附屬公司(附註28)	26,112
Cost and carrying amount at 31 March 2008	於二零零八年三月三十一日之成本值及賬面值	26,112

The Group's goodwill was wholly allocated to a cash-generating unit engaged in the manufacture and trading of sportswear and garments (the "Unit"). The recoverable amount of the Unit has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budgets approved by senior management. The financial budgets are prepared reflecting actual and prior year performance and development expectations. The key assumptions for the cash flow projections are the budgeted gross margins which is the average gross profit margin achieved in the year immediately before budgeted years and the discount rate of 5%, which is before tax and reflects specific risks relating to the Unit. The growth rate used to extrapolate the cash flows of the Unit is 30% for the first two years and 10% for the succeeding three years. The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the Unit to exceed the aggregate recoverable amount. Since the recoverable amount of the Unit is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the balance sheet date.

## 16. 商譽

本集團之商譽全部撥歸從事運動服及成衣生產及買賣之現金產生單位(「該單位」)。該單位之可收回金額乃根據使用價值釐定，而使用價值則根據由高級管理人員審批之五年財政預算所預測之現金流量計算。財政預算之編算乃反映實際、過往表現及預期發展。現金流量預測之主要假設為所預算之毛利率(即緊接預算年度前該年度所達致之平均毛利率)及貼現率5%(乃除稅前及反映與該單位有關之特定風險)。用於推斷五年期後該單位之現金流量之首兩年增長率為30%，而繼後三年則為10%。董事相信，任何該等假設可能合理地出現之變動，將不會導致該單位之總賬面值超出總可收回金額。由於該單位之可收回數額高於其賬面值，董事認為於資產負債表日商譽並無出現減值。

## 17. INVESTMENTS IN SUBSIDIARIES

Unlisted investments, at cost

非上市投資，按成本值

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
----------------------------------	----------------------------------

43,368

43,368

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 17. INVESTMENTS IN SUBSIDIARIES (continued)

The balances with subsidiaries approximate to their fair values and are unsecured, interest-free and repayable on demand.

The table below lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries, would, in the opinion of the directors, result in particulars of excessive length.

Particulars of subsidiaries of the Company are as follows:

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued share/paid-up registered capital 已發行股本 面值/繳足 註冊資本	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Jespar Age Limited	British Virgin Islands ("BVI") 英屬處女島 (「英屬處女島」)	US\$1,000 1,000美元	100	–	Investment holding 投資控股
Eagle Nice (EAG) Limited 鷹美(鷹美集團)有限公司 (formerly known as Eagle Nice Development Limited) (前稱鷹美發展有限公司)	Hong Kong 香港	Ordinary HK\$2; Non-voting deferred HK\$10,000 (Note (a)) 普通股2港元; 無投票權遞延股 10,000港元 (附註(a))	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Far East (EAG) Limited 遠東(鷹美集團)有限公司 (formerly known as Far East (International) Garment Limited) (前稱遠東(國際)製衣 有限公司)	Hong Kong 香港	Ordinary HK\$2; Non-voting deferred HK\$10,000 (Note (a)) 普通股2港元; 無投票權遞延股 10,000港元 (附註(a))	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
EN (Shantou) (Note (b)) 鷹美(汕頭)(附註(b))	PRC/Mainland China 中國/中國大陸	HK\$9,500,000 9,500,000港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣

#### 17. 於附屬公司之投資(續)

與附屬公司之結餘為無抵押、免息及須應要求償還。

下表列出本集團附屬公司，按董事意見認為，該等公司對本集團年內業績有重大影響或構成本集團資產淨值之主要部分。按董事意見認為，詳列其他附屬公司資料將會使篇幅過於冗長。

本公司之附屬公司詳情如下：



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 17. INVESTMENTS IN SUBSIDIARIES (continued)

## 17. 於附屬公司之投資(續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued share/paid-up registered capital 已發行股本 面值/繳足 註冊資本	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
FE (Shantou) (Notes (b) and (c)) 遠東(汕頭)(附註(b)及(c))	PRC/Mainland China 中國/中國大陸	HK\$15,000,000 15,000,000港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
YM (Shantou) (Note (b)) 裕美(汕頭)(附註(b))	PRC/Mainland China 中國/中國大陸	US\$23,399,906 23,399,906美元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
YY (Shantou) (Note (b)) 裕鷹(汕頭)(附註(b))	PRC/Mainland China 中國/中國大陸	HK\$15,000,000 (Note (d)) 15,000,000港元 (附註(d))	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Everall Developments Limited 永全發展有限公司	BVI 英屬處女島	US\$1,000 1,000美元	–	100	Investment holding 投資控股
Yue Mei (EAG) Limited 裕美(鷹美集團)有限公司 (formerly known as Yue Mei (HK) Garment Limited) (前稱裕美(香港)製衣 有限公司)	Hong Kong 香港	HK\$1,000 1,000港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Eagle Nice Development Limited 鷹美發展有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 17. INVESTMENTS IN SUBSIDIARIES (continued)

#### 17. 於附屬公司之投資(續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued share/paid-up registered capital 已發行股本 面值/繳足 註冊資本	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Far East (International) Garment Limited 遠東(國際)製衣有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Yue Mei (HK) Garment Limited 裕美(香港)製衣有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Wayable International Inc. ("Wayable") (Note (e))(附註(e))	BVI 英屬處女島	US\$100 100美元	–	100	Investment holding 投資控股
Maitex (EAG) Limited 源瀚(鷹美集團)有限公司 ("Maitex HK") (Note (e))(附註(e))	Hong Kong 香港	HK\$1,000 1,000港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Actex Garment Co., Limited 源瀚有限公司 ("Actex") (Note (e))(附註(e))	Taiwan 台灣	NTD5,000,000 新台幣 5,000,000元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
惠來縣源瀚製衣有限公司 ("Maitex PRC") (Notes (b) and (e)) (附註(b)及(e))	PRC/Mainland China 中國/中國大陸	HK\$31,226,548 31,226,548港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 17. INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

- (a) The non-voting deferred shares carry no rights to dividends, no rights to attend or vote at general meetings and no rights to receive any surplus assets in a return of capital in a winding-up (other than the nominal amount paid up or credited as paid-up on such shares, after the sum of HK\$100,000,000,000 per ordinary share has been distributed to the holders of the ordinary shares of the company in such winding-up).
- (b) EN (Shantou), FE (Shantou), YM (Shantou), YY (Shantou) and Maitex PRC are registered as wholly-foreign-owned enterprises under the PRC law.
- (c) FE (Shantou) is under the liquidation process.
- (d) During the year, the registered and paid-up capital of YY (Shantou) was increased from HK\$10,000,000 to HK\$15,000,000 and the increase in paid-up capital was made by way of transferring HK\$5,000,000 from its retained profits to its paid-up capital account.
- (e) The Group acquired the entire equity interest of Wayable and its subsidiaries, namely, Maitex HK, Actex and Maitex PRC (collectively known as the "Wayable Group") from Chen Hsin-Yin, Chen Li-Ying and Chen Hsiao-Ying, the then shareholders of Wayable during the year (the "Acquisition"). Chen Li-Ying and Chen Hsiao-Ying become the shareholders of the Company and were appointed as the directors of the Company after the Acquisition. Details of the Acquisition are disclosed in Note 28.

## 18. INVENTORIES

		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
Raw materials	原材料	37,941	17,072
Work in progress	在製品	59,349	18,015
Finished goods	製成品	26,218	16,915
		<b>123,508</b>	52,002

## 17. 於附屬公司之投資(續)

附註：

- (a) 無投票權遞延股並無權利獲派股息、出席股東大會或在會上投票，以及在清盤退還資本時獲得任何剩餘資產(清盤時每股普通股總數100,000,000,000港元分派予公司普通股權益持有人後，有關股份之繳足或入賬列作繳足的面值除外)。
- (b) 鷹美(汕頭)、遠東(汕頭)、裕美(汕頭)、裕鷹(汕頭)及Maitex PRC為根據中國法例註冊之外商獨資企業。
- (c) 遠東(汕頭)正進行清盤。
- (d) 年內，裕鷹(汕頭)之註冊及繳足股本由10,000,000港元增加至15,000,000港元，而增加繳足股本乃透過從保留溢利轉撥5,000,000港元至繳足股本賬中作出。
- (e) 本集團已於年內向陳心影、陳麗影及陳小影(Wayable當時之股東)收購Wayable及其附屬公司(即Maitex HK、Actex及Maitex PRC)(統稱「Wayable Group」)之全部股本權益(「收購事項」)。陳麗影及陳小影於收購後成為本公司之股東，並獲委任為本公司之董事。有關詳情於附註28披露。

## 18. 存貨

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 19. ACCOUNTS AND BILLS RECEIVABLE

The Group's accounts receivable mainly relate to a few recognised and creditworthy customers. The credit period is generally for a period of 30 to 45 days. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are regularly reviewed by the management of the Group. The accounts and bills receivable are non-interest-bearing and their carrying amounts approximate to their fair values.

An aged analysis of the accounts and bills receivable as at the balance sheet date, based on the invoice date, is as follows:

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 千港元	HK\$'000 千港元
Within 30 days	30 天內	102,361	57,845
31 to 60 days	31 天至 60 天	29,351	608
61 to 90 days	61 天至 90 天	8,412	102
Over 90 days	90 天以上	6,458	38
		<b>146,582</b>	<b>58,593</b>

The above balance is neither past due nor impaired. The financial assets included in the above balance relate to receivable for which there was no recent history of default.

Included in the Group's accounts and bills receivable is the amount due from 裕程(昆山)體育用品有限公司("Yucheng (Kunshan)"), a subsidiary of Yue Yuen Industrial (Holdings) Limited ("Yue Yuen"), a substantial shareholder of the Company, of HK\$2,907,000 (2007: HK\$2,818,000), which is repayable on similar credit terms to those offered to the major non-related customers of the Group.

#### 19. 應收賬款及票據

本集團之應收賬款主要與若干認可及信譽良好的客戶相關。信貸期一般為30天至45天。本集團致力對應收賬款餘額保持嚴密監控，將信貸風險控制至最低水平。逾期未付之結餘由本集團管理層定期審閱。應收賬款及票據為免息賬款，其賬面值與公平值相若。

本集團於資產負債表日之應收賬款及票據根據發票日期的賬齡分析如下：

以上結餘並無逾期及減值。包括在以上應收賬款內的財務資產，近期並無欠款記錄。

包括在本集團之應收賬款及票據有應收裕程(昆山)體育用品有限公司(「裕程(昆山)」)2,907,000港元(二零零七年：2,818,000港元)，該公司為裕元工業(集團)有限公司(「裕元」)之附屬公司，裕元為本公司之主要股東。該款項須按與提供予本集團主要非關連客戶之相若信貸條款償還。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 20. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

## 20. 現金及現金等值項目與質押存款

		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 and bank balances	現金及銀行結存	125,846	82,302	280	152
Time deposits with original maturity of over three months	原定到期日超過三個月之定期存款	34,539	106,731	–	106,731
Time deposits with original maturity of less than three months	原定到期日少於三個月之定期存款	114,200	69,133	–	–
		274,585	258,166	280	106,883
Less: Time deposits pledged for bank overdrafts and trade financing facilities	減：就銀行透支及貿易融資備用額質押之定期存款	–	(5,518)	–	–
Cash and cash equivalents	現金及現金等值項目	274,585	252,648	280	106,883

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$115,715,000 (2007: HK\$58,697,000). The RMB is not freely convertible into other currencies; however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.

於資產負債表日，本集團以人民幣（「人民幣」）計值的現金及銀行結存為115,715,000港元（二零零七年：58,697,000港元）。人民幣不得自由兌換為其他貨幣，根據中國大陸的外匯管理條例以及結匯、售匯及付匯管理規定，本集團獲批准透過獲授權辦理外匯業務之銀行將人民幣兌換為其他貨幣。

存於銀行的現金按每日銀行存款利率之浮動息率賺取利息。本集團按即時現金需要作出一日至三個月的短期定期存款，並分別按短期定期存款利率賺取利息。銀行結餘及已質押存款乃存放於具信譽且近期沒欠款記錄之銀行。現金及現金等值項目及已抵押定期存款之賬面值與其公平值相若。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 21. ACCOUNTS AND BILLS PAYABLE

An aged analysis of the accounts and bills payable as at the balance sheet date, based on the invoice date, 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
Within 90 days	90天內	52,577	28,788
91 to 180 days	91天至180天	1,331	302
181 to 365 days	181天至365天	1,312	553
Over 365 days	365天以上	379	19
		55,599	29,662

Included in the accounts and bills payable is accounts payable of HK\$1,282,000 (2007: HK\$645,000) due to 汕頭市先達服裝輔料廠有限公司 ("Shantou Xianda"), a related company controlled by a relative of Mr. Chung, a director of the Company, which is repayable on similar credit terms to those offered by other major non-related suppliers of the Group.

The accounts and bills payable are non-interest-bearing and are normally settled on 45-day terms. The carrying amount of accounts and bills payable approximate to their fair values.

#### 22. BANKING FACILITIES

As at 31 March 2008, the Group's banking facilities were secured by the following:

- (i) corporate guarantees executed by the Company to the extent of HK\$106 million; and
- (ii) unlimited corporate guarantees executed by three subsidiaries of the Company.

Time deposits pledged for bank overdrafts and trade financing facilities were released during the year.

#### 21. 應付賬款及票據

於資產負債表日之應付賬款及票據根據發票日期的賬齡分析如下：

		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
Within 90 days	90天內	52,577	28,788
91 to 180 days	91天至180天	1,331	302
181 to 365 days	181天至365天	1,312	553
Over 365 days	365天以上	379	19
		55,599	29,662

包括在應付賬款及票據有應付汕頭市先達服裝輔料廠有限公司(「汕頭先達」)1,282,000港元(二零零七年：645,000港元)。該公司由本公司董事鍾先生之親戚所控制之關連公司。該款項與本集團其他主要非關連供應商所訂之相若信貸條款償還。

應付賬款及票據為免息賬款，信貸期一般為45天。應付賬款及票據之賬面值與其公平值相若。

#### 22. 銀行備用信貸

於二零零八年三月三十一日，本集團之銀行備用信貸以下列各項作為抵押：

- (i) 本公司簽立以106,000,000港元為限之公司擔保；及
- (ii) 本公司三家附屬公司簽立的無限額公司擔保。

就銀行透支及貿易備用信貸質押之定期存款已於年內解徐。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 23. ACCRUED LIABILITIES AND OTHER PAYABLES

## 23. 應計負債及其他應付款項

		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
Deferred income	遞延收入	4,218	3,924	-	-
Other payables	其他應付款項	40,487	12,081	-	-
Accruals	應計費用	16,590	9,793	100	140
		61,295	25,798	100	140

As at 31 March 2008, included in other payables amounting to HK\$2,636,000 (2007: HK\$1,744,000) was trade deposits received from Yucheng (Kunshan).

於二零零八年三月三十一日，計入其他應付款項之2,636,000港元(二零零七年：1,744,000港元)乃收裕程(昆山)之貨款按金。

The carrying amount of the other payables approximate to their fair values.

其他應付款項之賬面值與其公平值相約。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 24. DEFERRED TAX LIABILITIES Group

## 24. 遞延稅項負債 本集團

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Asset revaluation 資產重估 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2006	於二零零六年四月一日	1,625	177	1,802
Deferred tax credited to the consolidated income statement during the year (Note 9)	年內於綜合收益表扣除之遞延稅項(附註9)	(847)	–	(847)
Deferred tax debited to equity during the year	年內於資本扣除之遞延稅項	–	297	297
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及二零零七年四月一日	778	474	1,252
Deferred tax debited to the consolidated income statement during the year (Note 9)	年內計入綜合收益表之遞延稅項(附註9)	1,857	–	1,857
Acquisition of subsidiaries (Note 28)	收購附屬公司(附註28)	–	7,861	7,861
Deferred tax debited to equity during the year	年內於資本扣除之遞延稅項	–	1,093	1,093
Exchange realignment	匯兌調整	–	840	840
At 31 March 2008	於二零零八年三月三十一日	2,635	10,268	12,903

As at 31 March 2008, there was no significant unrecognised deferred tax liability (2007: Nil) for taxes that would be payable on the unremitted earnings of certain of the subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

The Group has tax losses arising in Hong Kong of HK\$3,947,000 (2007: HK\$2,672,000) that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. Deferred tax assets have not been recognised in respect of those losses as the aforesaid company has had no taxable profits for some time.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

於二零零八年三月三十一日，並無任何因本集團若干附屬公司之未匯出盈利所產生應付稅項而出現之重大未確認遞延稅項負債(二零零七年：無)，原因為即使該等款額匯出，本集團亦毋須承擔額外稅項責任。

本集團於香港產生之稅項虧損3,947,000港元(二零零七年：2,672,000港元)可無限期用作抵銷公司日後應課稅溢利。由於前述公司已有一段時間無應課稅溢利，因而並無就該等虧損確認遞延稅項資產。

本公司向其股東派發股息概無附帶所得稅後果。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 25. ISSUED CAPITAL

## 25. 已發行股本

		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
Authorised: 10,000,000,000 ordinary shares of HK\$0.01 each	法定股本： 10,000,000,000股每股面值 0.01港元之普通股	100,000	100,000
Issued and fully paid: 499,680,000 (2007: 427,000,000) ordinary shares of HK\$0.01 each	已發行及繳足： 499,680,000股（二零零七年： 427,000,000股）每股面值 0.01港元之普通股	4,997	4,270

A summary of the movements in the Company's issued capital during the current and last years is as follows:

本公司已發行股本於本年度及過往年度之變動概要如下：

		Number of shares in issue 已發行 股份數目 '000 千股	Issued capital 已發行 股本 HK\$'000 千港元	Share premium account 股份 溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2007	於二零零七年四月一日	427,000	4,270	359,932	364,202
Issue of shares (Note)	發行股份（附註）	72,680	727	112,654	113,381
At 31 March 2008	於二零零八年 三月三十一日	499,680	4,997	472,586	477,583

Note:

During the year, 72,680,000 ordinary shares of HK\$0.01 each were allotted and issued, credited as fully paid at an issue price of HK\$1.56 per share, in consideration of and in exchange for the acquisition of Wayable Group (Note 28).

附註：

年內，已按發行價每股1.56港元配發及發行72,680,000股每股面值0.01港元入賬列作繳足之普通股，以作為收購Wayable Group之代價及交換條件(附註28)。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 26. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group and customers of the Group. The Scheme became effective on 6 August 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to independent non-executive directors' approval in advance. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer of the share options; (ii) the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

## 26. 購股權計劃

本公司設有一項購股權計劃(「該計劃」)，旨在向對本集團成功經營有所貢獻的合資格參與人士提供獎勵及獎賞。該計劃的合資格參與人士包括本公司董事(包括獨立非執行董事)、本集團其他僱員、本集團貨品或服務供應商及本集團客戶。該計劃自二零零三年八月六日起生效，除非經另行取消或修訂，否則，該計劃將自該日期起計10年內有效。

現時根據該計劃獲准授出的未行使購股權數目獲行使時，最多不得超過相當於本公司於任何時間已發行股份10%。於任何十二個月期間內，根據購股權可向該計劃每名合資格參與人士發行的股份數目，最多不得超過本公司於任何時候已發行股份1%。進一步授出任何超過該限額的購股權均須於股東大會取得股東批准。

向本公司董事、行政總裁或主要股東或彼等任何聯繫人士授出購股權，均須事先取得獨立非執行董事批准。此外，於任何十二個月期間內，倘向本公司主要股東或獨立非執行董事或彼等任何聯繫人士授出的購股權，超過本公司於任何時候已發行股份0.1%或按授出當日本公司股價計算總值超過5,000,000港元，則須事先於股東大會取得股東批准。

授出購股權之建議須於建議日期起計21日內，由承授人以支付共1港元象徵式代價之方式接納。授出之購股權之行使期限由董事釐定，於若干歸屬期後開始，並於自購股權建議日期起不多於五年之內或購股權計劃屆滿日期結束(以較早者為準)。

購股權的行使價由董事釐定，但不得低於以下三者之最高者：(i)授出購股權當日本公司股份在香港聯合交易所有限公司(「聯交所」)的收市價；(ii)授出日期前五個交易日本公司股份在聯交所平均收市價；及(iii)本公司股份面值。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 26. SHARE OPTION SCHEME (continued)

No share options have been granted under the Scheme as at 31 March 2008 or up to the date of approval of these financial statements.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

#### 27. RESERVES

##### Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the Consolidated Statement of Changes in Equity of the financial statements.

The capital reserve of the Group represents the difference between the aggregate of the nominal value of the share capitals of the subsidiaries acquired by the Company pursuant to a group reorganisation in August 2003, over the nominal value of the share capital of the Company issued in exchange therefor and the existing 1,000,000 shares of HK\$0.01 each credited as fully paid, at par.

In accordance with the relevant PRC regulations, subsidiaries registered in the PRC are required to transfer 10% of their profits after tax, as determined under the PRC accounting regulations, to the statutory surplus reserve, until the balance of the reserve reaches 50% of their respective registered capitals. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory surplus reserve may be used to offset against accumulated losses.

#### 26. 購股權計劃(續)

於二零零八年三月三十一日或截至財務報表獲批准日期為止，概無根據該計劃授出任何購股權。

購股權並無賦予持有人獲取股息或於股東大會投票的權利。

#### 27. 儲備

##### 本集團

本集團於本年度及過往年度之儲備金額及其變動詳情於財務報表中之綜合權益變動表呈列。

本集團資本儲備指本公司根據二零零三年八月之集團重組所收購附屬公司的股本面值總額，超出本公司就交換而發行之股本面值及現有1,000,000股每股面值0.01港元按面值入賬列作繳足股份間之差額。

根據有關中國規例，本集團在中國註冊的附屬公司目前須將除稅後溢利10%（按中國會計規例釐定）轉撥至法定盈餘儲備，直至該儲備的結餘達到其各自註冊資本50%。在有關中國規例所載若干限制規限下，法定盈餘儲備可用作抵銷累積虧損。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 27. RESERVES (continued) Company

	Notes 附註	Share premium account 股份 溢價賬 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (Note) (附註)	Retained profits/ (accumulated losses) 留存溢利/ (累計虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2006	於二零零六年四月一日	359,932	43,088	3,936	406,956
Profit for the year	年內溢利	10	-	3,098	3,098
Interim 2007 dividend	二零零七年中期股息	11	-	(25,620)	(25,620)
Proposed final 2007 dividend	擬派二零零七年末期股息	11	-	(25,620)	(25,620)
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日 及二零零七年四月一日	359,932	43,088	(44,206)	358,814
Issue of shares	發行股份	25	112,654	-	112,654
Profit for the year	年內溢利	10	-	92,497	92,497
Additional final 2007 dividend	二零零七年額外末期股息	11	-	(4,361)	(4,361)
Interim 2008 dividend	二零零八年中期股息	11	-	(34,978)	(34,978)
Proposed final 2008 dividend	擬派二零零八年末期股息	11	-	(49,968)	(49,968)
At 31 March 2008	於二零零八年三月三十一日	472,586	43,088	(41,016)	474,658

Note:

The capital reserve of the Company represents the excess of the then consolidated net assets of the subsidiaries acquired by the Company pursuant to the same reorganisation over the nominal value of the share capital of the Company issued in exchange therefor. Under the Companies Law of the Cayman Islands, the capital reserve may be distributed to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

## 28. BUSINESS COMBINATION

On 1 September 2007, the Group acquired the entire interest in the Wayable Group. The Wayable Group is engaged in the manufacture and trading of sportswear and garments. The purchase consideration for the Acquisition amounted to approximately HK\$118,959,000, which was satisfied by the issue of an aggregate of 72,680,000 ordinary shares of HK\$0.01 each in the share capital of the Company at an issue price of HK\$1.56 per share by the Company and a cash consideration of approximately HK\$4,322,000. The remaining balance of HK\$1,256,000 was cost and expenses directly attributable to the Acquisition.

## 27. 儲備(續) 本公司

	Notes 附註	Share premium account 股份 溢價賬 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (Note) (附註)	Retained profits/ (accumulated losses) 留存溢利/ (累計虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2006	於二零零六年四月一日	359,932	43,088	3,936	406,956
Profit for the year	年內溢利	10	-	3,098	3,098
Interim 2007 dividend	二零零七年中期股息	11	-	(25,620)	(25,620)
Proposed final 2007 dividend	擬派二零零七年末期股息	11	-	(25,620)	(25,620)
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日 及二零零七年四月一日	359,932	43,088	(44,206)	358,814
Issue of shares	發行股份	25	112,654	-	112,654
Profit for the year	年內溢利	10	-	92,497	92,497
Additional final 2007 dividend	二零零七年額外末期股息	11	-	(4,361)	(4,361)
Interim 2008 dividend	二零零八年中期股息	11	-	(34,978)	(34,978)
Proposed final 2008 dividend	擬派二零零八年末期股息	11	-	(49,968)	(49,968)
At 31 March 2008	於二零零八年三月三十一日	472,586	43,088	(41,016)	474,658

附註：

本公司資本儲備指本公司根據同一重組所收購附屬公司當時的綜合資產淨值，超出本公司就交換而發行之本公司股本面值之差額。根據開曼群島公司法，資本儲備可分派予本公司股東，惟於緊隨建議派付股息日期後，本公司必須能償還其日常業務中到期債項。

## 28. 業務合併

於二零零七年九月一日，本集團收購Wayable Group之全部權益。Wayable Group從事生產及銷售運動服及成衣。收購事項之代價約118,959,000港元，本公司透過按每股股份1.56港元之發行價發行合共72,680,000股本公司股本中每股面值0.01港元之普通股以及現金代價約4,322,000港元支付。餘額1,256,000港元為收購事項的直接費用及成本。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 28. BUSINESS COMBINATION (continued)

The fair values of the identifiable assets and liabilities and contingent liabilities of the Wayable Group as at the date of Acquisition and the corresponding carrying amounts immediately before the Acquisition were as follows:

		Notes 附註	Fair value recognised on Acquisition 就收購事項 確認之公平值 HK\$'000 千港元	Previous carrying amount 收購前之 賬面值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13	61,527	40,269
Prepaid land lease payments	預付土地租賃款項	14	14,000	3,811
Inventories	存貨		5,144	5,144
Accounts and bills receivable	應收賬款及票據		27,208	27,208
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		4,062	4,062
Cash and bank balances	現金及銀行結餘		23,406	23,406
Accounts and bills payable	應付賬款及票據		(3,992)	(3,992)
Accrued liabilities and other payables	應計負債及其他應付款項		(27,439)	(27,439)
Tax payable	應付稅項		(3,208)	(3,208)
Deferred tax liabilities	遞延稅項負債	24	(7,861)	–
			92,847	69,261
Goodwill on Acquisition	收購事項產生的商譽	16	26,112	
Total net assets acquired	已收購淨資產總額		118,959	
Satisfied by:	支付方式：			
Issue of shares	發行股份	25	113,381	
Cash	現金		4,322	
Costs associated with the Acquisition	收購事項相關成本		1,256	
			118,959	

#### 28. 業務合併(續)

Wayable Group之可資識別資產與負債以及或然負債於收購事項日期之公平值及緊接收購事項前之相應賬面值如下：

	Notes 附註	Fair value recognised on Acquisition 就收購事項 確認之公平值 HK\$'000 千港元	Previous carrying amount 收購前之 賬面值 HK\$'000 千港元
Property, plant and equipment	13	61,527	40,269
Prepaid land lease payments	14	14,000	3,811
Inventories		5,144	5,144
Accounts and bills receivable		27,208	27,208
Prepayments, deposits and other receivables		4,062	4,062
Cash and bank balances		23,406	23,406
Accounts and bills payable		(3,992)	(3,992)
Accrued liabilities and other payables		(27,439)	(27,439)
Tax payable		(3,208)	(3,208)
Deferred tax liabilities	24	(7,861)	–
		92,847	69,261
Goodwill on Acquisition	16	26,112	
Total net assets acquired		118,959	
Satisfied by:			
Issue of shares	25	113,381	
Cash		4,322	
Costs associated with the Acquisition		1,256	
		118,959	

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

#### 28. BUSINESS COMBINATION (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the Acquisition is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	(4,322)
Costs associated with the Acquisition	收購事項相關成本	(1,256)
Cash and bank balances acquired	被收購現金及銀行結餘	23,406
Net inflow of cash and cash equivalents in respect of the Acquisition	收購事項之現金及現金等值項目流入淨額	17,828

The goodwill on Acquisition represents value obtainable from synergies with the Group and opportunities for the Group to benefit from the Wayable Group's expertise in lean manufacturing and new markets provided by the Wayable Group.

Since the Acquisition, the Wayable Group contributed HK\$44,443,000 to the Group's revenue and HK\$6,957,000 to the Group's consolidated profit for the year ended 31 March 2008.

Had the combination taken place at the beginning of the year, the revenue and the profit of the Group for the year would have been HK\$919,324,000 and HK\$136,694,000 respectively.

#### 29. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities not provided for at the balance sheet date (2007: Nil).

As at 31 March 2008, the Company has given corporate guarantees to banks to the extent of HK\$106,000,000 (2007: HK\$137,000,000) for banking facilities granted to certain subsidiaries of the Company.

#### 28. 業務合併(續)

收購事項之現金及現金等值項目流入淨額分析如下：

	HK\$'000 千港元
收購事項所產生之商譽指本集團可得到之協同效應及在Wayable Group於精實製造專業知識及Wayable Group提供之新市場之商機價值。	

自收購事項以來，Wayable Group為本集團截至二零零八年三月三十一日止年度之營業收入貢獻44,443,000港元及為綜合溢利貢獻6,957,000港元。

倘合併於年初已經發生，則本集團於本年度之營業收入及溢利將分別為919,324,000港元及136,694,000港元。

#### 29. 或然負債

於資產負債表日，本集團並無任何尚未撥備之重大或然負債(二零零七年：無)。

於二零零八年三月三十一日，本公司就其若干附屬公司獲授之銀行備用信貸額向銀行作出最多約106,000,000港元(二零零七年：約137,000,000港元)公司擔保。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 30. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office, factories and staff quarters under operating lease arrangements, with leases negotiated for terms ranging from one to three years.

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

		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	一年內	2,818	2,345
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	863	2,545
		3,681	4,890

### 31. COMMITMENTS

In addition to the operating lease commitments detailed in note 30 above, the Group had the following capital commitments at the balance sheet date:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但未撥備：		
Construction of a factory	興建廠房	9,403	—
Purchases of computer equipment	購買電腦設備	1,496	570
		10,899	570

The Company did not have any significant commitments at the balance sheet date (2007: Nil).

### 30. 經營租賃安排

本集團根據經營租賃安排租賃其若干辦公室、廠房及員工宿舍，議定之租期介乎一至三年不等。

於資產負債表日，本集團於不可撤銷經營租賃項下之未來最低租金總額須於下列期限償付：

### 31. 承擔

除上文附註30詳列之經營租賃承擔外，本集團於資產負債表日之資本承擔如下：

於資產負債表日，本公司並無任何重大承擔(二零零七年：無)。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

## 32. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

			2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		Notes 附註		
Subcontracting fee paid to a related company	支付予一間關連公司之承包費	(i)	4,844	—
Sales of finished goods to related companies	向關連公司銷售製成品	(ii)	31,092	15,804
Purchases of raw materials from a related company	向一間關連公司購買原材料	(iii)	9,053	3,707

Notes:

- (i) The subcontracting fee paid to 中山寶吉製衣有限公司, a subsidiary of Yue Yuen, was made according to the terms similar to those offered by the Group's non-related subcontractors.
- (ii) The sales of finished goods to Yucheng (Kunshan) and 裕晟(昆山)體育用品有限公司, both of which are the subsidiaries of Yue Yuen, were made according to the terms similar to those offered to the Group's non-related customers.
- (iii) The purchases of raw materials from Shantou Xianda were determined by the directors of the Company and the related company with reference to the then prevailing market conditions.

The above related party transactions also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

## 32. 關連人士交易

- (a) 除本財務報表其他部分所詳列之交易外，本集團於年內與關連人士進行重大交易如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
--	----------------------------------	----------------------------------

Subcontracting fee paid to a related company	4,844	—
Sales of finished goods to related companies	31,092	15,804
Purchases of raw materials from a related company	9,053	3,707

附註：

- (i) 承包費乃支付予中山寶吉製衣有限公司(裕元之附屬公司)，並按照本集團非關連承包商所提供之類似條款進行。
- (ii) 向裕程(昆山)及裕晟(昆山)體育用品有限公司(兩間均為裕元之附屬公司)銷售製成品乃按照本集團非關連客戶所提供之類似條款進行。
- (iii) 向汕頭先達購買原材料乃由本公司董事與該關連公司參考當前之市場狀況釐訂。

上述關連人士交易亦構成上市規則第14A章界定之持續關連交易。

董事認為，上述交易乃於本集團之一般日常業務過程中進行。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 32. RELATED PARTY TRANSACTIONS (continued)

- (b) In May 2005, a subsidiary of the Company entered into a contract with Pou Yuen Technology Company Limited ("Pou Yuen"), a subsidiary of Yue Yuen, for the purchase of a computer system of HK\$2,895,000 of which HK\$1,471,000 was transferred to property, plant and equipment upon the delivery of the computer system in last year. During the year, the consideration has been adjusted to HK\$2,440,000 and the remaining balance of HK\$969,000 was transferred to property, plant and equipment upon the delivery of the computer system (Note 15). The consideration was fully paid and was determined after arm's length negotiation.
- (c) Details of the Group's trade balances with its related parties as at the balance sheet date are disclosed in notes 19, 21 and 23 to the financial statements.
- (d) The directors are the key management personnel of the Group. Details of their remunerations are disclosed in note 7 to the financial statements.

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short term deposits. The Group has various other financial assets and liabilities such as accounts and bills receivable and accounts and bills payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### Interest rate risk

The Group has no interest-bearing borrowings, and believes its exposure to interest rate risk is minimal.

### 32. 關連人士交易(續)

- (b) 於二零零五年五月，本公司一間附屬公司與裕元一間附屬公司 Pou Yuen Technology Company Limited (「Pou Yuen」) 訂立一項合約，以購買2,895,000港元之電腦系統，當中1,471,000港元已於去年交付電腦系統時轉撥至物業、廠房及設備。年內，代價已調整至2,440,000港元，而餘款969,000港元則於交付電腦系統時轉撥至物業、廠房及設備(附註15)。代價已悉數支付，且乃經公平磋商釐訂。
- (c) 本集團於資產負債表日與關連人士之貿易結餘詳情於財務報表附註19、21及23中披露。
- (d) 各董事為本集團之主要管理人員。彼等薪酬之詳情於財務報表附註7披露。

### 33. 財務風險管理之目標及政策

本集團的主要金融工具包括現金及短期存款。本集團擁有應收賬款及票據、應付賬款及票據等各種其他金融資產及負債，乃於其營運時直接產生。

本集團金融工具之主要風險乃來自利率風險、外匯風險、流動資金風險及信貸風險。董事會審閱並協定管理各項有關風險之政策，於下文概述。

#### 利率風險

本集團並無計息借貸，並相信所面對之流利率風險屬輕微。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from substantial portion of sales or purchases by operating units in US\$ and RMB. The Group is exposed to foreign exchange risk arising from the exposure of US\$ and RMB. As the foreign currency risks generated from the sales and purchases can be set off with each other, the Group believes its exposure to exchange rate risk is minimal. It is the policy of the Group to continue maintaining the balance of its sales and purchases in the same currency. However, as the Group's financial statements are reported in Hong Kong dollars, there will be a translation credit to exchange revaluation reserve as a result of the RMB appreciation. The majority of the Group's operating assets are located in Mainland China and denominated in RMB.

The Group currently does not have a foreign currency hedging policy. However, the management monitors the foreign exchange exposures and will consider hedging the significant foreign currency exposures should the need arise.

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's net profit (due to changes in the fair value of monetary assets and liabilities).

### 33. 財務風險管理之目標及政策(續)

#### 外匯風險

本集團承受交易貨幣風險。有關風險主要由業務單位以美元及人民幣進行買賣產生。本集團所承受的為美元及人民幣的外匯風險。由於買賣產生之外匯風險可以互相抵銷，管理層相信其面對之外匯風險輕微。本集團將維持以相同貨幣進行買賣之平衡政策。然而，由於本集團之財務報表乃以港元入賬，人民幣升值將會產生計入滙率波動儲備的匯兌收益。本集團大部分營運資產均位於中國大陸，並以人民幣計值。

本集團目前並無採用任何外匯對沖政策。然而，管理層會監察外匯風險，並會於需要時考慮對沖重大的外匯風險。

下表列示本集團純利對人民幣匯率於資產負債表日可能出現之合理變動，而其他變動維持不變之敏感度(由於貨幣資產及負債公平值變動)。

		Increase/ (decrease) in exchange rate 匯率上升/ (下降)	Increase/ (decrease) in net profit and equity 純利及權益 增加/(減少) HK\$'000 千港元
<b>2008</b>	<b>二零零八年</b>		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	5%	8,474
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(5%)	(8,474)
<b>2007</b>	<b>二零零七年</b>		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	5%	4,339
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(5%)	(4,339)



## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. accounts and bills receivable) and the projected cash flows from operations.

The Group maintains a balance between continuity of funding and flexibility through maintaining sufficient cash and available banking facilities. The directors have reviewed the Group's working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk. The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

#### Group

		On demand 應要求 HK\$'000 千港元	Less than 3 months 少於三個月 HK\$'000 千港元	3 months to 12 months 三個月至 十二個月 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>2008</b>	<b>二零零八年</b>				
Accounts and bills payable	應付賬款及票據	–	52,577	3,022	55,599
Other payables	其他應付款項	680	21,922	17,885	40,487
		680	74,499	20,907	96,086
<b>2007</b>	<b>二零零七年</b>				
Accounts and bills payable	應付賬款及票據	–	28,788	874	29,662
Other payables	其他應付款項	–	9,813	2,268	12,081
		–	38,601	3,142	41,743

### 33. 財務風險管理之目標及政策(續)

#### 流動資金風險

本集團使用經常性流動資金規劃工具監察資金短缺之風險。該項工具會考慮財務工具及財務資產(如應收賬款及票據)之到期情況,以及營運帶來之現金流預測。

本集團透過維持足夠現金及銀行備用信貸,維持資金持續供應及靈活性之間的平衡。董事已檢討本集團的營運資金及資本支出需求,並認為本集團並無重大的流動資金風險。本集團財務負債於資產負債表日按合約非貼現付款作出之到期情況分析如下:

#### 本集團

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2008)

(二零零八年三月三十一日)

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis.

Since the Group trades only with recognised and creditworthy third parties, there is generally no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts and bills receivable are disclosed in note 19 to the financial statements.

#### Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2008 and 2007.

The Group monitors capital using a current ratio, which is total current assets divided by total current liabilities. The Group's policy is to keep the current ratio above 1.

#### Fair value

The Company's financial instruments are short-term in nature and therefore their carrying values as at 31 March 2008 approximate to their fair values.

### 34. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of the new and revised HKFRSs during the current year, certain comparative amounts have been presented separately in respect of items disclosed for the first time in 2007.

### 35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 18 July 2008.

### 33. 財務風險管理之目標及政策(續)

#### 信貸風險

本集團僅與獲確認及有信譽的第三方進行交易。本集團會對以除賬方式交易的客戶進行信貸審查。此外，應收賬款結餘亦會作定期審閱。

由於本集團僅與獲確認及有信譽的第三方進行交易，因此一般情況下無需要取得抵押品。

本集團其他財務資產(包括現金及現金等價物及其他應收款項)之信貸風險乃源自對手方未能付款，所承受之最大風險相當於該等工具之賬面值。

有關本集團就應收賬款及票據之進一步量化數據於財務報表附註19中披露。

#### 資本管理

本集團管理資本之主要目標為保障本集團繼續以持續基準經營之能力，以及將資本比率維持於健康水平，以為其業務提供支持。

本集團因應經濟狀況變動管理其資本架構及作出調整。為維持或調整資本架構，本集團可能須調整支付予股東之股息、向股東發還資本或發行新股。於截至二零零八年及二零零七年三月三十一日止年度內，有關目標、政策或程序並無變動。

本集團以流動比率(以總流動資產除以總流動負債計算)監察其資本。本集團之政策為將流動比率維持於1以上之水平。

#### 公平值

本公司之金融工具屬短期性質。因此其於二零零八年三月三十一日之賬面值與其公平值相若。

### 34. 比較數字

誠如財務報表附註2.2所進一步闡釋，由於本年度內採納新訂及經修訂香港財務報告準則，已就於二零零七年首次披露之若干項目獨立呈列比較數字。

### 35. 財務報表之批准

財務報表已於二零零八年七月十八日獲本公司董事會批准並授權刊行。

