



PACIFIC TEXTILES HOLDINGS LIMITED
互太紡織控股有限公司

(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 : 01382)

2009/2010
ANNUAL REPORT 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. WAN Wai Loi (*Chairman*)
Mr. TSANG Kang Po (*Vice Chairman*)
Mr. LAM Wing Tak (*Chief Executive Officer*)
Dr. LAM King Man
Mr. LAM Hing Chau, Leon

Non-executive Directors

Mr. CHOI Kin Chung
Mr. IP Ping Im
Mr. LAU Yiu Tong

Independent Non-executive Directors

Mr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel

AUDIT COMMITTEE

Mr. SZE Kwok Wing, Nigel (*Chairman*)
Mr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah

REMUNERATION COMMITTEE

Mr. CHAN Yue Kwong, Michael (*Chairman*)
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel
Mr. LAM Wing Tak
Mr. TSANG Kang Po

NOMINATION COMMITTEE

Mr. NG Ching Wah (*Chairman*)
Mr. CHAN Yue Kwong, Michael
Mr. SZE Kwok Wing, Nigel
Mr. LAM Wing Tak
Mr. TSANG Kang Po

COMPANY SECRETARY

Mr. LAM Hing Chau, Leon, *FCPA*

PRINCIPAL BANKERS

BNP Paribas, Hong Kong Branch
Citibank N.A.
DBS Bank (Hong Kong) Ltd.
Hang Seng Bank Ltd.
The Hongkong and Shanghai Banking Corp. Ltd.
Industrial and Commercial Bank of China (Asia) Ltd.
Standard Chartered Bank (Hong Kong) Ltd.

董事局

執行董事

尹惠來先生 (*主席*)
曾鏡波先生 (*副主席*)
林榮德先生 (*行政總裁*)
林景文博士
林興就先生

非執行董事

蔡建中先生
葉炳棧先生
劉耀棠先生

獨立非執行董事

陳裕光先生
伍清華先生
施國榮先生

審核委員會

施國榮先生 (*主席*)
陳裕光先生
伍清華先生

薪酬委員會

陳裕光先生 (*主席*)
伍清華先生
施國榮先生
林榮德先生
曾鏡波先生

提名委員會

伍清華先生 (*主席*)
陳裕光先生
施國榮先生
林榮德先生
曾鏡波先生

公司秘書

林興就先生 · *FCPA*

主要往來銀行

法國巴黎銀行香港分行
花旗銀行
星展銀行(香港)有限公司
恒生銀行有限公司
香港上海滙豐銀行有限公司
中國工商銀行(亞洲)有限公司
渣打銀行(香港)有限公司

Corporate Information 公司資料

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

P.O. Box 309GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

7/F, Block B, Eastern Sea Industrial Building
48-56 Tai Lin Pai Road, Kwai Chung
New Territories, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Liu Chong Tong Xin County
Wan Qing Sha Town
Nansha, Guangzhou City
Guangdong Province, PRC

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
Grand Cayman, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712 – 1716, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

HONG KONG STOCK EXCHANGE STOCK CODE

01382

COMPANY WEBSITE

www.pacific-textiles.com

核數師

羅兵咸永道會計師事務所
香港執業會計師

註冊辦事處

P.O. Box 309GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

總辦事處及香港主要營業地點

香港新界葵涌
大連排道48-56號
東海工業大廈B座8樓

中國主要營業地點

中國廣東省
廣州市南沙
萬頃沙鎮
六涌同興村

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
Grand Cayman, Cayman Islands

股份過戶登記處香港分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓1712-1716室

香港聯合交易所股份代號

01382

公司網址

www.pacific-textiles.com

Chairman's Statement

主席報告書

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report of the Group for the year ended 31 March 2010.

Against the background of lackluster economic conditions preceded by the global financial crisis and economic downturn, our Group has delivered impressive results for the 2010 Financial Year. We delivered on our financial commitments and continued to pursue new long-term growth opportunities while reducing costs. The Group's ability to lead such a significant performance, particularly in challenging times, is a testament to its capabilities and excellence.

ECONOMIC OVERVIEW AND FINANCIAL PERFORMANCE

The global economy was overshadowed by continued instability and uncertainty in the beginning of 2009, when we started the financial year under review. Amidst intensified liquidity issues and credit crunch, we saw stabilisation programs which included drastic macroeconomic measures together with massive easing policies implemented by governments around the world. Although by mid 2009, the global economy started to pull out of the recession and there were tentative signs of gradual stabilisation and improvements, a sustained recovery was still very much in question. Against this economic backdrop, the Group managed to strengthen its core competencies and achieved growths in revenue and sales volume, thanks to the Group's sound financial position and operational efficiency in times of difficulties.

I am delighted to inform you that during the financial year under review, the Group's gross profit for the year and the net profit attributable to equity holders amounted to HK\$1,221.8 million and HK\$803.2 million respectively. Earnings per share was HK\$0.56, compared to HK\$0.26 in the previous financial year, representing an increase of 115.4%.

During the 2010 Financial Year, our overall capacity increased slightly over 10% year-on-year. Sales volume of the Group reached 195.8 million pounds, a growth of 24.6% compared to 157.2 million pounds in the previous year.

The Board of Directors has proposed a final dividend of HK17 cents per share. Together with an interim dividend of HK13 cents per share paid on 8 January 2010 and a special dividend of HK 22 cents per share paid on 25 February 2010, the total dividends for the financial year will be HK52 cents per share.

BUSINESS OVERVIEW

In the 2010 Financial Year, we continued to see the textile industry going through waves of consolidation, as industry participants faced stiff competition in a still unfavorable economic environment. With the Group's sound financial position, we were able to leverage on our core competency to achieve substantial growth.

As the economic climate of US and EU markets remained sluggish, we continued the process of geographic diversification by focusing on market expansion opportunities in Japan and China, while maintaining strong relationships with our existing customers. Growth in sales volume to the Japanese market was very satisfactory. On China's domestic market front, the Group is also making good progress through our active pursuit in sales expansion and market penetration. We will continue to increase our efforts to tap into the fast-growing Chinese market.

致各股東：

本人謹代表董事局欣然提呈本集團截至2010年3月31日止年度之年報。

面對全球金融危機與經濟下滑引致的緩滯經濟環境，本集團於2010年財政年度仍錄得讓人欣喜成績。我們恪守財務承擔，保持追求新的長期業務增長商機，同時竭力降低成本。際此艱巨時刻，本集團仍具能力締造佳績，足證我們的實力與卓越。

經濟綜覽及財務表現

2009年初我們展開財政年度回顧之時，全球經濟被受接連的不穩與不明朗陰霾籠罩。在流動資金緊縮及信貸危機下，全球各國政府施行穩市政策，包括涵蓋面廣泛的宏觀經濟措施及規模極為龐大的寬鬆政策。儘管於2009年中，全球經濟開始脫離衰退，並見漸趨平穩與改善的臨時跡象，惟復蘇的可持續性仍屬未知之數。處身如此經濟挫盪環境，本集團憑藉穩健財政狀況及高營運效益，遂於艱難時刻，得以強化其核心實力，錄得收益及銷售額增長。

本人欣然向閣下呈報，於財務回顧年度內，本集團年度毛利及權益持有人應佔溢利分別為1,221.8百萬港元及803.2百萬港元。每股盈利為0.56港元，相較上一財政年度0.26港元，增長115.4%。

於2010年財政年度內，我們的整體產能按年略增10%。本集團銷售額達195.8百萬磅，相較上年度157.2百萬磅增長24.6%。

董事局擬派末期股息每股港幣17仙，連同於2010年1月8日已派中期股息每股港幣13仙與2010年2月25日已派特別股息每股港幣22仙，本財政年度股息總額將為每股港幣52仙。

業務回顧

於2010年財政年度內，由於業界人士仍身處不利經濟環境，面臨激烈嚴峻競爭，我們續見紡織業界經歷整合浪潮。鑒於本集團穩健財政狀況，我們遂能憑藉我們的核心實力，贏得顯著增長。

鑒於美國及歐盟市場經濟環境仍見呆滯，我們維持與現有客戶牢固關係的同時，亦專注日本及中國的市場拓充機會，繼續區域多元化進程。對日本市場的銷售額增長令人十分滿意。於中國本土市場方面，本集團通過積極追求銷售增長與市場滲透，正在取得理想進展。我們將繼續加倍努力，迎合快速增長的中國市場。

Chairman's Statement 主席報告書

BUSINESS OVERVIEW (Cont'd)

We are making satisfactory progress in the Bangladesh joint venture. The land for our integrated fabric and garment factory was acquired and the design of the factory is underway. However, to speed up our learning curve, the joint venture leased an industrial building and started the garment operation in early 2010. Despite the small operating scale, the setup enables us an early start for familiarising the local business practice and training our workers.

In our constant effort to curtail high operating cost, the Group successfully adopted efficient working capital management and stringent cost containment measures during the year. We made headway on improving our operational efficiency through technological innovations and regular upgrades of equipment in the existing production plants.

Underlying all of our achievements in the 2010 Financial Year was also our determined commitment to quality of the products and the environment. We continued to adhere to the highest quality and standards across all of our operating units and believe these are essential to delivering long-term shareholder value. Our achievements in integrating environment best practices in the manufacturing process are widely recognised by leading environment accreditation organisations. In 2009, the Panyu plant was accredited Environmentally Trustworthy Enterprise – Green Label (環保誠信企業 – 綠色標示) by Guangdong Environmental Protection Bureau (廣東省環境保護局). The Group was also awarded Hang Seng Pearl River Delta Environmental Awards (恒生珠三角環保獎) as well as Hang Seng Pearl River Delta Environmental Category Awards - Air Emissions and Noise Abatement (恒生珠三角環保項目獎 – 廢氣排放及噪音消滅) jointly issued by the Federation of Hong Kong Industries (香港工業總會) and Hang Seng Bank in 2009, recognising its efforts in taking steps to enhance its environmental contributions. We are truly honored to receive these awards.

OUTLOOK

Let me now share with you the outlook for the coming year. It is anticipated that the Group's business will benefit by the economic growth momentum of China and the gradual recovery of the international economy in the coming year. I would, however, like to add a note of cautiousness though, on the rise of commodity prices and production costs, RMB appreciation and the uncertainty of a long-term stable and vibrant economic growth. All this guard us against any over-optimism.

Indeed, the prevailing tough operating environment will continue to exert pressures on industry participants and poised for further industry consolidation. In view of this, the Group will continue to enhance its competitive edges to grasp the opportunities arising from this challenge. We will also strive to implement further stringent cost control measures and streamline existing operations and structures to further enhance operational efficiency and profit margin.

業務回顧 (續)

我們位於孟加拉的合營公司亦取得滿意進展。我們已購入用作綜合布料及成衣工廠的土地，而工廠設計正在進行中。然而，為加快進展速度，合營公司已租賃一幢工業廠房，並於2010年初開始成衣營運。儘管營運規模細小，惟設立是項營運讓我們得以提早熟習當地營商環境，並培訓工人。

通過努力不懈的遏抑高營運成本，年內本集團成功採納有效營運資金管理及嚴格的成本控制措施。我們通過技術創新及定期改進現有生產廠房設備改善我們的營運效能。

我們於2010年財政年度的成就，正是我們對產品質素與環境所許承諾。我們在所有營運單位繼續堅持最高質素與標準，並相信該等質素與標準對創造長遠股東價值至唯重要。我們將環保最佳慣例融入製造工序的成果廣受領先環保評審組織的認可。於2009年，番禺廠房獲廣東省環境保護局評定為環保誠信企業 – 綠色標示。本集團亦獲得由香港工業總會與恒生銀行於2009年聯合頒授的恒生珠三角環保獎及恒生珠三角環保項目獎 – 廢氣排放及噪音消滅，以肯定本集團在提升環保表現方面所作的貢獻。我們對獲授該等獎項深感榮幸。

展望

本人謹此談及來年的展望。預計本集團的業務將受惠於來年中國的經濟增長動力及國際經濟的逐漸復甦。然而，商品價格及生產成本上升、人民幣升值加上長期穩定及蓬勃的經濟增長並不明朗，均令人保持警惕。所有該等因素均使我們不致過度樂觀。

事實上，現時艱辛的營商環境將繼續為業者添加壓力，並進一步為行業整合作好準備。有鑑於此，本集團將繼續提升其競爭優勢，把握此挑戰帶來的機遇。我們亦將致力進一步實施嚴格的成本控制措施，並精簡現有業務及架構，以進一步增加營運效率及邊際利潤。

Chairman's Statement

主席報告書

APPRECIATION

On behalf of the Board of Directors, I wish to express my gratitude to our loyal customers, business partners and suppliers for their continuing commitment to the Group.

To my fellow colleagues on the Board, I would like to express my gratitude for your teamwork and support.

The Group's performance is also reflective of the hard work of our staff and I would like to convey my thanks to our employees for their achievement in delivering the excellent performance.

Last but not least, to our shareholders, I am grateful for your loyal support and confidence in the Group.

On behalf of the Board

Wan Wai Loi
CHAIRMAN

Hong Kong, 9 July 2010

鳴謝

本人謹代表董事局向我們的忠實的客戶、業務夥伴及供應商對本集團的不斷支持致以誠摯的謝意。

本人衷心感謝董事局成員之協力合作與支持。

本集團的表現也反映了我們員工的辛勤工作，我由衷感謝我們的員工為傑出的業績所作出的貢獻。

最後，本人很感謝我們的股東對本集團的忠誠支持和信心。

承董事局命

主席
尹惠來

香港，2010年7月9日

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

Overview

As we started the 2010 Financial Year, the world was full of uncertainty and the prospects for a significant recovery were still in doubt. In this setting, we sharpened our focus on market expansion opportunities in Japan and China markets, while further expanding the Group's production capacities carefully. Leveraging our competitive edges and strong financial position, we consolidated our position in the market and improved our operational efficiency in the financial year under review. These concurrent and cohesive efforts led the Group to achieve a satisfactory performance in terms of revenue and net profits in one of the most challenging periods of the world economy.

For the year under review, the Group's revenue increased 24.3% to HK\$5,883.4 million, (2009: HK\$4,734.8 million), thanks to the increased production capacity and high utilisation rate. Despite the difficult environment, total sales volume increased by 24.6% to 195.8 million pounds (2009: 157.2 million pounds) and average selling price maintained at HK\$30.1 per pound (2009: HK\$30.1 per pound).

Operating profit reached HK\$969.1 million (2009: HK\$426.1 million) and the gross profit stood at HK\$1,221.8 million (2009: HK\$687.0 million), representing a year-on-year increase of 127.4% and 77.8% respectively.

For the year under review, net profit attributable to equity holders of the Company was HK\$803.2 million, which represents an outstanding increase of 113.3% over the previous year of HK\$376.5 million. Net profit margin rose to 13.7% (2009: 8.0%). Earnings per share was HK\$0.56 (2009: HK\$0.26).

The Group's distribution and selling expenses decreased 9.5% from HK\$149.9 million in the previous year to HK\$135.7 million. The decrease is mainly due to the reduction in customer's claims during the 2010 Financial Year.

General and administrative expenses were HK\$184.2 million (2009: HK\$170.6 million), representing an increase of 8.0% from last year. As a percentage of total revenue, general and administrative expenses dropped from 3.6% to 3.1% during the 2010 Financial Year. The Group maintained an efficient cost structure during the year and will continue to manage its cost in a proactive manner.

Customers, Production Plants and Expansion Strategy

During the year under review, the US and EU markets showed some tentative signs of stabilisation and improvement, but the overall consumer demand is still weak. Together with the credit crunch and the continued tightening of environmental regulations by the Chinese government, a wave of industry consolidation benefits stronger players.

The Group was successful in confronting the challenges by sharpening its competitive edge. Leveraging on its core competencies, including its sound financial standing, efficient production facilities, and strong capability to produce value-added products, the Group has recalibrated itself and is now on a much stronger and solid footing.

Our strong relationship with a wide portfolio of key brand owners, including Maidenform, Marks & Spencer, Triumph, UNIQLO, VF Intimates and Victoria's Secret, enables the Group to continue to grow during testing times. The Group's top five customers and brand owners contributed approximately 47.6% and 50.9% to our total revenue versus 39.5% and 41.1% of last year.

業務回顧

綜述

踏入2010財政年度之時，全球仍然充滿不明朗因素，且強勁復甦的前景仍然充滿疑問。在此情況下，我們加強在日本及中國市場擴充機遇的焦點，同時謹慎地進一步擴大本集團的產能。利用我們的競爭優勢及強勁財務狀況，我們於回顧財政年度內得以鞏固市場地位及改善營運效率。該等具有凝聚力的努力，使本集團於全球經濟其中一個最艱難的時期在收入及純利方面達到理想的表現。

於回顧年度，有賴提升生產能力和高使用率，本集團的收入增加24.3%至5,883.4百萬港元(2009年：4,734.8百萬港元)。儘管環境艱難，總銷量增加24.6%至195.8百萬磅(2009年：157.2百萬磅)，而平均售價維持於每磅30.1港元(2009年：每磅30.1港元)。

經營溢利達到969.1百萬港元(2009年：426.1百萬港元)，而毛利為1,221.8百萬港元(2009年：687.0百萬港元)，即按年增長分別127.4%及77.8%。

於回顧年度，本公司權益持有人應佔溢利淨值為803.2百萬港元，較去年的376.5百萬港元錄得大幅增長113.3%。純利率上升至13.7%(2009年：8.0%)。每股盈利為0.56港元(2009年：0.26港元)。

本集團的分銷及銷售開支由去年的149.9百萬港元減少9.5%至135.7百萬港元。於2010年財政年度，此減少主要因為客戶索賠遞減所致。

一般及行政開支為184.2百萬港元(2009年：170.6百萬港元)，較去年增加8.0%。於2010年財政年度，一般及行政開支佔收入總值比例的減少由3.6%至3.1%。本集團於年內維持有效的成本結構，並將繼續積極管理其成本。

客戶、生產廠房及擴充策略

於回顧年度，美國及歐盟市場呈現部分穩定及改善的跡象，惟整體客戶需求仍然疲弱。隨著信貸緊縮及中國政府持續收緊環保法規，以致行業出現整合的現象，此舉對佔優勢的業者較為有利。

本集團憑藉加強其競爭優勢順利過渡挑戰。利用其核心能力，包括穩健的財務實力，具效率的生產設施及生產增值產品的強大產能，本集團已重新定位，現時的基礎更強更穩固。

我們與眾多主要品牌擁有人(包括Maidenform、馬莎、黛安芬、UNIQLO、VF Intimates及Victoria's Secret)的緊密關係，使本集團可於困難時期繼續增長。本集團的五大客戶及品牌擁有人帶來約47.6%及50.9%的收入總值，而去年則為39.5%及41.1%。

Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW (Cont'd)

In line with the Group's growth strategy and continued effort to further establish its global market presence, a well-executed market expansion plan helped us to further consolidate our position in Japan and China.

The manufacturing facility of the Bangladesh joint venture is progressing satisfactorily. The land for our integrated fabric and garment factory was acquired and the design of the factory is underway. At the same time, the joint venture leased an industrial building and started the garment operation early this year. Despite the small operating scale, the setup enables us an early start for familiarising the local business practice and training our workers. The joint venture will help the Group to take full advantage of Bangladesh's access to European markets and Japan with no tariffs and quotas barriers, its cost effective production capacity and low operating costs. The cornerstone was laid for growth in the future.

The Group also continued to improve its operational efficiency through innovative technological solutions and regular upgrades of equipment in the existing production plants in Sri Lanka and Panyu, China. The program significantly helped to optimise production capacity, enhance operational efficiency and lower production cost, while enabling considerable flexibility with opportunities for growth.

Our Group is committed to sustainability and corporate social responsibility. The Group also has developed and implemented environmentally compatible technologies and techniques to minimise environmental footprint in the manufacturing processes. The safety of employees and the local population is also our priority concern. The Group's environmental efforts are widely recognised by leading environment accreditation organisations. In 2009, the Panyu plant was accredited Environmentally Trustworthy Enterprise – Green Label (環保誠信企業—綠牌標示) by Guangdong Environmental Protection Bureau (廣東省環境保護局) and received the Cleaner Production Corporation (清潔生產企業) recognition from the Economic and Trade Commission of Guangdong Province (廣東省經濟貿易委員會) and Guangdong Bureau of Science and Technology (廣東省科學技術廳). The Group was also awarded Hang Seng Pearl River Delta Environmental Awards (恒生珠三角環保獎) as well as Hang Seng Pearl River Delta Environmental Category Awards - Air Emissions and Noise Abatement (恒生珠三角環保項目獎—廢氣排放及噪音消滅) jointly issued by the Federation of Hong Kong Industries (香港工業總會) and Hang Seng Bank in 2009, recognising its efforts in taking steps to enhance its environmental contributions.

業務回顧 (續)

本集團為配合發展策略及進一步確立全球市場位置，已妥善實行擴充市場計劃，使其在日本及中國的地位能夠進一步得以鞏固。

孟加拉合營公司製造設施的進度令人滿意。我們已購入用作綜合布料及成衣工廠的土地，而工廠設計正在進行中。與此同時，合營公司於本年初租賃一幢工業廠房並開始成衣營運。儘管營運規模不大，使我們得以提早熟悉當地營商環境，並培訓工人。該合營公司將有助本集團充分利用孟加拉進入歐洲市場及日本而毋須支付關稅及受到配額限制、其具成本效益的產能及低營運成本的優勢。此舉已為未來發展奠定基礎。

本集團亦繼續透過創新技術解決方案及定期為斯里蘭卡及中國番禺的現有生產廠房的提升設備以改善其營運效率。計劃有助我們優化產能、提升營運效率及降低生產成本，同時賦予高度靈活性及增長機遇。

本集團致力維持可持續性及企業社會責任，並已制訂及實施與環境相容的技術及技能，以盡量減低製造工序中對環境的損害。僱員及本地人口的安全亦為我們的優先考慮因素。本集團在環保方面的努力同時廣受領先環保評審組織的認可。於2009年，番禺廠房獲廣東省環境保護局評定為環保誠信企業—綠色標示，並獲得廣東省經濟貿易委員會及廣東省科學技術廳認定為清潔生產企業。本集團亦獲得由香港工業總會與恒生銀行於2009年聯合頒授的恒生珠三角環保獎及恒生珠三角環保項目獎—廢氣排放及噪音消滅，以肯定本集團在提升環保表現方面所作的貢獻。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Liquidity and Financial Information

As at 31 March 2010, our bank and cash balances and time deposits totaled HK\$689.4 million (2009: HK\$1,431.7 million), including HK\$313.1 million, the equivalent of HK\$223.2 million in US\$, the equivalent of HK\$151.0 million in Renminbi and the equivalent of HK\$2.1 million in other currencies. The bank and cash balances and time deposits are to finance the Group's working capital and capital expenditure plans. The loans are mostly short-term, principally ranging from 2 weeks to 3 months, and are mainly denominated in US dollars.

For the 2010 Financial Year, the Group's total assets amounted to HK\$4,656.3 million (2009: HK\$4,385.5 million), representing an increase of 6.2%. Non-current assets and current assets were HK\$1,738.7 million and HK\$2,917.6 million respectively. The above assets were financed by current liabilities of HK\$1,318.7 million, non-current liabilities of HK\$17.7 million, minority interests of HK\$65.7 million and equity attributable to shareholders of HK\$3,254.2 million. The current ratio (which is calculated on the basis of current assets over current liabilities) was 2.2 (2009: 2.6). The gearing ratio, being the ratio of total debts (including current and non-current borrowings and finance lease obligations) to total capital, was 2% (2009: 13%). The reduction in gearing was attributable mainly to a reduction in borrowings. As at 31 March 2010, the Group was in a net cash position of HK\$615.0 million (31 March 2009: HK\$1,026.1 million).

The Group adopted measures and fine-tuned its capital expenditure in response to the market demand. During the year under review, total capital expenditure rose 19.1% to HK\$252.3 million (2009: HK\$211.8 million), which was mainly used to purchase plant and machinery, and on construction projects of the Panyu Plant and others.

Foreign Exchange Risk Management

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Renminbi. The Group manages its foreign exchange risks by performing regular review and monitoring its foreign exchange exposure. The Group will hedge against the exposure and reduce the risk involved as appropriate.

Pledge of Assets

As at 31 March 2010, the Group's bank loans of HK\$24.6 million (2009: HK\$70.9 million) were secured by certain property, plant and equipment with carrying amount of HK\$86.4 million (2009: HK\$92.9 million) and inventories with net realisable value of HK\$77.6 million (2009: HK\$78.0 million).

財務回顧

資金流動性與財務資料

於2010年3月31日，本集團的銀行及現金結餘連同定期存款合共689.4百萬港元(2009年：1,431.7百萬港元)，當中包括313.1百萬港元，相等於223.2百萬港元之美元，相等於151.0百萬港元之人民幣及相等於2.1百萬港元之其他貨幣。銀行及現金結餘連同定期存款為本集團之營運資金及資本開支計劃提供資本來源。本集團的貸款一般屬為期兩星期至三個月不等之短期貸款，主要以美元計值。

於2010年財政年度，本集團總資產為4,656.3百萬港元(2009年：4,385.5百萬港元)，增加6.2%。非流動資產及流動資產分別為1,738.7百萬港元及2,917.6百萬港元。本集團並有流動負債1,318.7百萬港元、非流動負債17.7百萬港元、少數股東權益65.7百萬港元及股東應佔權益3,254.2百萬港元。流動資產比率(根據流動資產除以流動負債計算)為2.2(2009年：2.6)。資產負債比率即負債總額(包括流動及非流動借貸和融資租賃承擔)與資本總值之比率為2%(2009年：13%)。比率下降主要由於借貸減少所致。於2010年3月31日，本集團之淨現金水平為615.0百萬港元(2009年3月31日：1,026.1百萬港元)。

本集團採取措施，並根據市場的需求而微調資本支出。於回顧年度，本集團錄得資本開支總額增加19.1%至252.3百萬港元(2009年：211.8百萬港元)，主要應用於購買設備及機器及興建番禺廠房及其他項目。

匯率風險管理

本集團面對多項貨幣之匯率風險，主要涉及美元及人民幣。本集團通過定期檢討與監察其持有外幣之情況以管理匯兌風險。本集團將在適當時對沖風險與減少風險。

資產抵押

於2010年3月31日，本集團之銀行貸款24.6百萬港元(2009年：70.9百萬港元)，以賬面值86.4百萬港元(2009年：92.9百萬港元)之若干物業、廠房及設備和可變現淨值為77.6百萬港元(2009年：78.0百萬港元)之存貨作為抵押。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Cont'd)

Employees and Remuneration Policies

As at 31 March 2010, the Group had a total of 8,064 full-time employees (2009: 7,373), 6,781 of whom were based in China, 1,159 in Sri Lanka, 113 in Hong Kong and 11 in other regions. There is no significant change in the Group's remuneration policy. The Group's remuneration package for its employees includes salary, bonuses, allowances and retirement benefits, based on employee's performance, skills and knowledge. The Group will continue to provide regular training and competitive remuneration packages to its staff. The Group also provides additional benefits to its employees, such as subsidised accommodation and meals for workers at the production facilities, and accident and medical insurance.

The Group has adopted a share option scheme. Pursuant to the scheme, the Company granted options to eligible employees. The amortised fair value of share options granted, which totaled approximately HK\$6.8 million was charged to the income statement for the 2010 Financial Year (2009: HK\$8.9 million).

Dividends

The Board proposed to pay a final dividend of HK17 cents (2009: HK12 cents) per share for the 2010 Financial Year. Together with an interim dividend of HK13 cents (2009: HK3 cents) per share and the special dividend of HK22 cents (2009: Nil) per share, the total dividend for the 2010 Financial Year amounts to HK52 cents (2009: HK15 cents) per share. The final dividend, if approved by shareholders at the forthcoming AGM, will be paid in September 2010.

Outlook and Prospect

To firmly enhance our ability to handle future growth, we initiated tighter inventory management and control in the 2010 Financial Year. The management and processes of purchases, production, inventory control and logistics were regularly evaluated. The result proved to be beneficial, as the Group's overall production efficiency improved.

Looking ahead, the Group will continue to assess the economic environment and will maintain a cautiously optimistic approach as overall consumer demand is yet to fully recover.

財務回顧 (續)

僱員及薪酬政策

於2010年3月31日，本集團共僱用合共8,064名全職僱員(2009年：7,373名)，其中6,781名駐於中國、1,159名駐於斯里蘭卡、113名駐於香港及11名駐於其他地區。本集團薪酬政策並無重大的變動。本集團僱員薪酬待遇組合包括基本薪金、花紅、津貼及退休福利，其乃根據僱員表現、技能及知識釐訂。本集團將持續提供定期訓練與具競爭性的薪酬予員工。本集團亦提供額外福利予僱員，如食宿津貼予駐生產設施之工人、提供意外及醫療保險等。

本集團授出購股權計劃。根據該計劃，本公司授出購股權予合資格僱員。於2010年財政年度，購股權之經攤銷公平值總計約6.8百萬港元(2009年：8.9百萬港元)已於收益表內入賬。

股息

董事局建議就2010年財政年度派發末期股息每股港幣17仙(2009年：港幣12仙)。連同中期股息每股港幣13仙(2009年：港幣3仙)與特別股息每股港幣22仙(2009年：無)，2010年財政年度之股息總額為每股港幣52仙(2009年：港幣15仙)。倘獲股東於應屆股東週年大會上批准，末期股息將於2010年9月派付。

前景及展望

為了提高我們的能力以處理未來的增長，我們於2010年財政年度開始加強存貨管理和控制。採購、生產、存貨控制和物流之管理和處理均作出定期的評估。本集團的整體生產效率得以提高，業績足以證明是有成效的。

展望未來，整體消費需求尚未完全恢復，本集團將繼續評估經濟環境，並會保持謹慎的樂觀態度。

Profile of Directors and Senior Management 董事及高級管理人員簡介

EXECUTIVE DIRECTORS

Mr. WAN Wai Loi, aged 60, is an executive Director and Chairman and a founder of our Group. Mr. Wan is responsible for production of the products and the formulation of the overall corporate direction and business strategies of the Group. Mr. Wan has over 37 years of experience in the textile industry. He obtained a Bachelor of Science Degree in Chemical Engineering from Taiwan National Cheng Kung University. Mr. Wan joined the Group in 1997 and was appointed as a Director in 2004. He is also a director of various subsidiaries of the Group.

Mr. TSANG Kang Po, aged 59, is an executive Director and the Vice Chairman and a founder of our Group. Mr. Tsang is responsible for sales and marketing and the formulation of the overall corporate direction and business strategies for the Group. Mr. Tsang has over 31 years of experience in the textile industry. Mr. Tsang obtained a MBA degree from The Open University of Hong Kong and a Master of Science in Business Economics from The Chinese University of Hong Kong. Mr. Tsang joined the Group in 1997 and was appointed as a Director in 2004. He is also a director of various subsidiaries of the Group.

Mr. LAM Wing Tak, aged 59, is an executive Director and the Chief Executive Officer of our Company. Mr. Lam is responsible for sales and marketing and the formulation of the overall corporate direction and business strategies for the Group. Mr. Lam has over 35 years of experience in the textile industry. Mr. Lam obtained a MBA degree from The University of Macau and a Bachelor of Business Administration from The Chinese University of Hong Kong. Mr. Lam is a member of Board of Trustee of New Asia College, The Chinese University of Hong Kong. Mr. Lam joined the Group in 1998 and was appointed as a Director in 2004. He is also a director of various subsidiaries of the Group.

Dr. LAM King Man, aged 54, is an executive Director. Dr. Lam is responsible for overseeing manufacturing, research and development. Dr. Lam has over 28 years of experience in the textile, garment, dyeing and finishing industry. Dr. Lam obtained a Ph.D. degree from the Postgraduate School of Colour Chemistry and Colour Technology at the University of Bradford, United Kingdom and a Higher Diploma in Textile Chemistry from Hong Kong Polytechnic. He is a Chartered Colourist and a Fellow of The Society of Dyers and Colourists, United Kingdom. Dr. Lam joined the Group in 1998 and was appointed as a Director in 2004. He is also a director of various subsidiaries of the Group.

Mr. LAM Hing Chau, Leon, aged 52, is an executive Director, Chief Financial Officer and Company Secretary of the Group. Mr. Lam holds a Bachelor's Degree in Social Sciences from the University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Lam also holds Master's degrees in Business Administration, Information Systems, Applied Finance and Electronic Commerce. Prior to joining the Group, he was the executive director, vice president and chief financial officer of CK Life Sciences Int'l (Holdings) Inc., a company listed on the Stock Exchange. Mr. Lam joined the Group in 2005 and was appointed as a Director in 2009 and company secretary in 2010.

執行董事

尹惠來先生，60歲，本集團執行董事兼主席及創辦人之一。尹先生負責本集團產品生產，並為本集團制定整體企業方向及業務策略。尹先生有逾37年紡織業經驗。彼持有台灣國立成功大學頒授之化學工程學理學士學位。尹先生於1997年加入本集團，並於2004年獲委任為董事。彼亦為本集團多間附屬公司的董事。

曾鏡波先生，59歲，本集團執行董事兼副主席及創辦人之一。曾先生負責本集團銷售及市場推廣工作，並為本集團制定整體企業方向及業務策略。曾先生在紡織業有逾31年經驗。曾先生持有香港公開大學頒授之工商管理學碩士學位及香港中文大學頒授之商業經濟學理碩士學位。曾先生於1997年加入本集團，並於2004年獲委任為董事。彼亦為本集團多間附屬公司的董事。

林榮德先生，59歲，本公司執行董事兼行政總裁。林先生負責銷售及市場推廣工作，並為本集團制定整體企業方向及業務策略。林先生在紡織業有逾35年經驗。林先生持有澳門大學頒授之工商管理學碩士學位及香港中文大學頒授之工商管理學學士學位。林先生為香港中文大學新亞書院校董會成員。林先生於1998年加入本集團，並於2004年獲委任為董事。彼亦為本集團多間附屬公司的董事。

林景文博士，54歲，執行董事。林博士負責生產、研究及開發工作。林博士於紡織、成衣、漂染及整理業有逾28年經驗。林博士持有英國University of Bradford之Postgraduate School of Colour Chemistry and Colour Technology頒授之博士學位及香港理工學院頒授之紡織化學高級文憑。彼為特許著色師(Chartered Colourist)及英國The Society of Dyers and Colourists之資深會員。林博士於1998年加入本集團，並於2004年獲委任為董事。彼亦為本集團多間附屬公司的董事。

林興就先生，52歲，本集團執行董事、財務總監及公司秘書。林先生持有香港大學頒授之社會科學學士學位，為香港會計師公會、澳洲註冊會計師公會、英國特許公認會計師公會以及英格蘭及威爾斯特許會計師公會會員。林先生另持有工商管理學、資訊系統、應用財務及電子商貿多個碩士學位。於加入本集團前，他曾出任聯交所上市公司長江生命科技集團有限公司之執行董事、副總裁及財務總監。林先生於2005年加入本集團，並於2009年獲委任為董事及於2010年獲委任為公司秘書。

Profile of Directors and Senior Management 董事及高級管理人員簡介

NON-EXECUTIVE DIRECTORS

Mr. CHOI Kin Chung, aged 74, is a non-executive Director and a founder of the Group. Mr. Choi co-founded our Group in 1997 and has been the chairman of the Group since its inception until 2005. Mr. Choi is the emeritus chairman of the Company and a director of several subsidiaries of the Group. He has approximately 42 years of experience in the textile industry. Mr. Choi was educated in the 華南理工大學，建築系 (School of Architecture, South China University of Technology) and is a Honorary Professor of the University. He is also a Honorary Citizen of Guangzhou City and Jiangmen City. Mr. Choi was appointed as a Director in 2004.

Mr. IP Ping Im, aged 73, is a non-executive Director. He is a co-founder and senior partner of our Group. Mr. Ip has over 33 years of experience in the textile industry. Mr. Ip was appointed as a Director in 2004. He is also a director of several subsidiaries of the Group.

Mr. LAU Yiu Tong, aged 62, is a non-executive Director. Mr. Lau has over 33 years of experience in the textile industry. Mr. Lau holds a Higher Diploma in Textile Technology from the Hong Kong Technical College. He is a member of the General Committee of Federation of Hong Kong Industries. Mr. Lau was appointed as a non-executive Director in 2007. He is also a director of several subsidiaries of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Yue Kwong, Michael, aged 58, is an independent non-executive Director. He is currently the executive chairman of Café de Coral Holdings Limited, a Hong Kong listed company which he joined in 1984, and has considerable experience in planning and management. Mr. Chan is also an independent non-executive director of Starlite Holdings Limited since 1993 and Kingboard Laminates Holdings Limited since 2006 and a non-executive director of Tao Heung Holdings Limited in 2007, all three companies are listed on the Main Board of the Hong Kong Stock Exchange. Mr. Chan holds a Bachelor of Arts, a Master degree in City Planning from the University of Manitoba, Canada, an Honorary Doctorate Degree in Business Administration and is also bestowed as Honorary Fellow from Lingnan University. He is currently an executive committee member of the Hong Kong Retail Management Association, the general committee member of the Employers' Federation of Hong Kong, an appointed member of the Quality Tourism Services Association, a full member of the Canadian and the Hong Kong Institute of Planners, a Fellow of the Chartered Institute of Marketing, the Honorary President of Hong Kong Foodstuffs Association as well as being appointed by the HKSAR Government as member of the Hong Kong Tourism Board and member of the Provisional Minimum Wage Commission. He is also the Honorary Chairman of the Hong Kong Institute of Marketing and the chairman of the Business Enterprise Management Centre of the Hong Kong Management Association. Mr. Chan was appointed as an independent non-executive Director in 2007.

Mr. NG Ching Wah, aged 61, is an independent non-executive Director. Mr. Ng has over 23 years of senior management experience in the telecommunications industry. Mr. Ng is currently the non-executive independent director of HKC International Holdings Limited, a Hong Kong listed company and director and member of the executive committee for Advanced Info Service Public Company Limited, a Thailand listed company. He was the chief executive officer of Hong Kong CSL Limited and SmarTone Telecommunications Holdings Limited, a Hong Kong listed company and the President of PCCW Mobility Services Limited. Mr. Ng is the Honorary Advisor of the Communications Association of Hong Kong and was a member of the Digital 21 Strategy Advisory Committee (D21SAC). Mr. Ng graduated from the Chinese University of Hong Kong in 1975, with a Bachelor of Business and Administration. Mr. Ng was appointed as an independent non-executive Director in 2007.

非執行董事

蔡建中先生，74歲，本集團非執行董事及創辦人之一。蔡先生於1997年連同其他人士共同創辦本集團，由本公司開業至2005年出任本集團主席。蔡先生為本公司榮譽主席及本集團數間附屬公司的董事，在紡織業擁有約42年經驗。蔡先生曾就讀於華南理工大學建築系，現為該大學榮譽教授。彼亦為廣州市與江門市榮譽市民。蔡先生於2004年獲委任為董事。

葉炳棧先生，73歲，非執行董事，彼為本集團創辦人之一，並為資深合夥人。葉先生在紡織業有逾33年經驗。葉先生於2004年獲委任為董事。彼亦為本集團數間附屬公司的董事。

劉耀棠先生，62歲，非執行董事。劉先生在紡織業有逾33年經驗。劉先生持有香港工業學院頒授之紡織工藝高級文憑，並為香港工業總會理事。劉先生於2007年獲委任為非執行董事。彼亦為本集團數間附屬公司的董事。

獨立非執行董事

陳裕光先生，58歲，獨立非執行董事。彼現為香港上市公司大家樂集團有限公司之執行主席。彼於1984年加入該公司，於策劃及管理工作方面擁有豐富經驗。陳先生自1993年起出任星光集團有限公司之獨立非執行董事，自2006年起出任建滔積層板控股有限公司之獨立非執行董事及於2007年出任稻香控股有限公司之非執行董事，此三間公司均於香港聯交所主板上市。陳先生持有加拿大曼尼托巴大學 (University of Manitoba) 文學士學位及城市規劃碩士學位，更獲頒授工商管理榮譽博士學位及榮膺嶺南大學之榮譽院士殊榮。彼現為香港零售管理協會執委會成員、香港僱主聯合會理事會成員、優質旅遊服務協會委任委員、加拿大及香港規劃師學會會員、英國特許市務學會資深會員、香港食品商會永遠名譽會長，並獲香港特別行政區政府委任為香港旅遊發展局成員及臨時最低工資委員會委員。陳先生現時擔任香港市務學會榮譽主席及香港管理專業協會企業管理發展中心主席。陳先生於2007年獲委任為獨立非執行董事。

伍清華先生，61歲，獨立非執行董事。伍先生於電訊業有逾23年資深管理經驗。伍先生現為香港上市公司香港通訊國際控股有限公司之非執行董事及泰國上市公司Advanced Info Service Public Company Limited之董事與執行委員會成員。他曾出任香港流動通訊有限公司與香港上市公司數碼通電訊集團有限公司行政總裁及PCCW Mobility Services Limited總裁。伍先生為香港通訊業聯會榮譽顧問及曾為數碼21資訊科技策略委員會 (D21SAC) 委員。伍先生於1975年自香港中文大學畢業，獲頒工商管理學士學位。伍先生於2007年獲委任為獨立非執行董事。

Profile of Directors and Senior Management

董事及高級管理人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. SZE Kwok Wing, Nigel, aged 53, is an independent non-executive Director. Mr. Sze has senior management experience in the private and investment banking industry serving high net worth clients and institutions. He currently serves as deputy chief executive of EFG Bank AG, Hong Kong Branch for Asia Pacific Region. He was the managing director, head of investment of Citi Wealth Management for Asia Pacific region, the chief executive officer of Asia-Pacific for Barclays Wealth and an executive director in the private clients division at Morgan Stanley Asia Limited, Hong Kong. Mr. Sze holds a Master of Business from the University of Newcastle, Australia. He is a Fellow of CPA Australia. Mr. Sze was appointed as an independent non-executive Director in 2007.

SENIOR MANAGEMENT

Mr. PANG Ping Hung, aged 59, joined the Group in 2005 and is the general manager, responsible for the printing, dyeing and finishing division of our Group. Mr. Pang has over 33 years of experience in the textile industry.

Mr. GOONETILLEKE Rohan, aged 57, is the managing director of Textured Jersey Lanka (Private) Limited, a subsidiary of the Company since June 2003. Mr. Goonetilleke holds a Bachelor of Science degree in Mechanical Engineering from the University of Portsmouth, United Kingdom. Prior to joining the Group, he was the managing director of Linea Clothing (Private) Limited.

Mr. NG Ching Wa, Daniel, aged 45, joined the Group in 2009 and is the Head of Management Information System responsible for managing the information system of our Group. Mr. Ng holds Master's degrees in Accounting, IT Management and Finance. He is a Certified SAP Consultant, Certified Information System Auditor and full member of Hong Kong Computer Society.

獨立非執行董事 (續)

施國榮先生，53歲，獨立非執行董事。施先生於私人及投資銀行業擁有高級管理經驗，服務高資產淨值客戶及機構。彼現為瑞士盈豐銀行股份有限公司香港分行之亞太區副行政總裁。他曾出任Citi Wealth Management亞太區投資部主管與董事總經理；Barclays Wealth亞太區之行政總裁與香港Morgan Stanley Asia Limited私人客戶部之執行董事。施先生持有澳洲University of Newcastle頒授之工商管理學碩士學位，並為澳洲註冊會計師公會資深會員。施先生於2007年獲委任為獨立非執行董事。

高級管理人員

彭炳雄先生，59歲，於2005年加入本集團，獲委任為總經理。負責本公司印花、染部及整理部工作。彭先生在紡織業有逾33年經驗。

GOONETILLEKE Rohan先生，57歲，自2003年6月起出任Textured Jersey Lanka (Private) Limited (本公司附屬公司) 董事總經理。Goonetilleke先生持有英國University of Portsmouth頒授之機械工程學理學士學位。加入本集團前，他曾出任Linea Clothing (Private) Limited之董事總經理。

吳靖華先生，45歲，於2009年加入本集團，獲委任為管理資訊系統部主管，負責本集團資訊系統管理。吳先生持有會計、資訊科技管理與財務多個碩士學位。彼為SAP國際認證(Certified SAP Consultant)、信息系統審計師與香港電腦學會正式會員。

Directors' Report 董事局報告

The Board is pleased to present the annual report and the audited consolidated financial statements of the Company and the Group for the 2010 Financial Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in manufacturing and trading of textile products. The activities of its principal subsidiaries are set out in note 8 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the 2010 Financial Year are set out in the consolidated income statement on page 38 of this annual report.

An interim dividend of HK13 cents (2009: HK3 cents) per share and the special dividend of HK22 cents (2009: Nil) per share were paid on 8 January 2010 and 25 February 2010 respectively to shareholders. The Board has proposed the payment of a final dividend of HK17 cents (2009: HK12 cents) per share to shareholders whose names appear on the Register of Members at the close of business on 27 August 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 24 August 2010 to 27 August 2010 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 23 August 2010.

FINANCIAL SUMMARY

A summary of the consolidated results and consolidated balance sheet of the Group for the last five financial years is set out on page 111 of this annual report.

SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the 2010 Financial Year are set out in note 18 to the financial statements.

PURCHASE, SALE OR REDEMPTION 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 2010 Financial Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the law of Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RESERVES

Details of the movements in the reserves of the Group during the 2010 Financial Year are set out in note 19 to the financial statements.

董事局欣然提呈本公司及本集團2010年財政年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其附屬公司主要從事紡織產品之製造及貿易。其主要附屬公司的業務載於財務報表附註8。

業績及股息

本集團之2010年財政年度業績載於本年報第38頁綜合收益表內。

本公司已分別於2010年1月8日與2010年2月25日派發中期股息每股港幣13仙(2009年：港幣3仙)與特別股息每股港幣22仙(2009年：無)予股東。董事局已建議派發末期股息每股港幣17仙(2009年：港幣12仙)予2010年8月27日辦公時間結束時，名列於股東名冊之股東。

暫停辦理股份過戶登記

股東名冊將由2010年8月24日至2010年8月27日(首尾兩天包括在內)，暫停辦理股份過戶登記手續。為符合獲派末期股息資格，股東須於2010年8月23日下午四時三十分之前，將所有過戶文件連同有關股票送達本公司股份過戶登記處香港分處即香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

財務概要

本集團於過去五個財政年度之綜合業績和綜合資產負債表概要載於本年報第111頁。

股本

本公司已發行股本於2010年財政年度之變動詳情載於財務報表附註18。

購入、出售或贖回本公司之上市證券

於2010年財政年度，本公司或其任何附屬公司概無購買、出售或贖回本公司上市之證券。

優先認購權

本公司之章程細則或本公司註冊成立地點開曼群島之法例並無關於優先認購權之規定，要求本公司須按比例向現有股東發行新股。

儲備

本集團儲備於2010年財政年度變動詳情載於財務報表附註19。

Directors' Report 董事局報告

DISTRIBUTABLE RESERVES

At 31 March 2010, the distributable reserves of the Company amounted to approximately HK\$1,927,096,000 (2009: HK\$2,092,854,000), comprising the share premium, the capital reserve, share-based reserve and the retained earnings of the Company.

Under the Companies Law (Revised) of the Cayman Islands, in addition to the retained earnings of the Company, the share premium and capital reserves of the Company are also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

PROPERTY, PLANT AND EQUIPMENT

Expenditure of approximately HK\$252,326,000 (2009: HK\$211,835,000) was incurred during the 2010 Financial Year primarily to expand the production capacity of the Group.

Details of the movements in property, plant and equipment of the Group are set out in note 7 to the financial statements.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 March 2010 are set out in note 8 to the financial statements.

DONATIONS

During the 2010 Financial Year, the Group made charitable and other donation totalling approximately HK\$12,000 (2009: HK\$126,000).

CAPITALISED INTERESTS

During the 2010 Financial Year, no interest had been capitalised (2009: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

During the 2010 Financial Year, sales to the Group's five largest customers accounted for approximately 47.6% of the Group's total sales and the percentage of sales attributable to the Group's largest customer amounted to approximately 21.6%. Purchases from the Group's five largest suppliers accounted for approximately 37.8% of the total purchases and the percentage of purchase attributable to the Group's largest supplier amounted to approximately 21.9%.

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued shares) had any interests in the Group's five largest customers or suppliers noted above.

可供分派儲備

於2010年3月31日，本公司之可供分派儲備總額約為1,927,096,000港元（2009年：2,092,854,000港元），包括股份溢價、資本儲備、以股份為基準儲備及保留溢利。

根據開曼群島公司法（經修訂），除本公司之保留溢利外，本公司之股份溢價和資本儲備亦可向股東分派，惟於緊隨建議進行上述分派當日後，本公司必須仍有能力償還在日常業務中到期支付之欠款。

物業、廠房及設備

於2010年財政年度，主要就擴充本集團生產設施之支出約252,326,000港元（2009年：211,835,000港元）。

本集團物業、廠房及設備的變動詳情載於財務報表附註7。

主要附屬公司

本公司主要附屬公司於2010年3月31日之詳情載於財務報表附註8。

捐款

本集團於2010年財政年度作出之慈善及其他捐款共約12,000港元（2009年：126,000港元）。

利息資本化

本集團於2010年財政年度並無將利息資本化（2009年：無）。

主要客戶及供應商

於2010年財政年度，銷售予本集團五大客戶的銷量佔本集團年度總銷量約47.6%，而本集團最大客戶應佔的銷量百分比約為21.6%。從本集團五大供應商處採購的數量佔本集團年度總採購約37.8%，而本集團最大供應商應佔採購百分比約為21.9%。

本公司各董事、其聯繫人或任何股東（就董事所知擁有本公司已發行股份5%以上）概無於上述本集團五大客戶或供應商中有任何權益。

Directors' Report 董事局報告

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the 2010 Financial Year and up to the date of this report were:

Executive Directors

Mr. WAN Wai Loi (*Chairman*)
Mr. TSANG Kang Po (*Vice Chairman*)
Mr. LAM Wing Tak (*Chief Executive Officer*)
Dr. LAM King Man
Mr. LAM Hing Chau, Leon (Appointed on 21 September 2009)

Non-executive Directors

Mr. CHOI Kin Chung
Mr. IP Ping Im
Mr. HO Hsiang Ming, James (Resigned on 28 August 2009)
Mr. LAU Yiu Tong
Mr. Vivek KALRA (Resigned on 28 August 2009)
(Alternate Director to Mr. HO Hsiang Ming, James)

Independent Non-executive Directors

Mr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel

Pursuant to article 130 of the Articles, at every AGM one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. Accordingly, Mr. Tsang Kang Po, Mr. Choi Kin Chung, Mr. Chan Yue Kwong, Michael and Mr. Sze Kwok Wing, Nigel will retire by rotation from the Board at the forthcoming AGM and, being eligible, will offer themselves for re-election as Directors.

Each of the executive Directors had entered into a service agreement with the Company for an initial term of two years with effect from 1 April 2007. Each service agreement will continue thereafter until terminated by either party by giving to the other party at least six months' prior notice in writing.

Each of the non-executive and independent non-executive Directors had been appointed for an initial term of two years with effect from 1 May 2007 and subsequently the term of the appointment has been extended for a further two years. All Directors are subject to retirement by rotation in accordance with the Articles and the Listing Rules.

Profile of the above Directors are set out on pages 11 to 13 of this annual report.

None of the Directors proposed for re-election at the forthcoming AGM of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事及董事之服務合約

於2010年財政年度期間及直至本報告日期止之本公司董事如下：

執行董事

尹惠來先生(主席)
曾鏡波先生(副主席)
林榮德先生(行政總裁)
林景文博士
林興就先生(於2009年9月21日獲委任)

非執行董事

蔡建中先生
葉炳樑先生
賀象民先生(於2009年8月28日辭任)
劉耀棠先生
Vivek KALRA先生(於2009年8月28日辭任)
(賀象民先生之替任董事)

獨立非執行董事

陳裕光先生
伍清華先生
施國榮先生

根據章程細則第130條，三分之一董事(如人數不是三的倍數，以最接近且不少於三分之一)將於每次股東週年大會輪席告退，各董事(包括以特別條件委任)須最少每三年輪席退任一次。因此，曾鏡波先生、蔡建中先生、陳裕光先生和施國榮先生將於即將舉行之股東週年大會輪席告退，惟彼等合資格並願膺選連任。

各執行董事已與本公司訂立服務協議，任期由2007年4月1日起，初步為期二年。每份服務合約於其後將繼續有效，直至其中一方向另一方發出不少於六個月書面通知終止合約為止。

各非執行董事及獨立非執行董事之任期由2007年5月1日起，初步為期2年，並隨後其委任任期已延長了2年。全體董事須根據章程細則及上市規則輪值退任。

上述董事之簡介詳列於本年報第11至13頁。

擬於本公司應屆股東週年大會重選連任之董事概無與本公司或任何附屬公司訂有任何於一年內終止而須作出賠償(法定賠償除外)之服務合約。

Directors' Report 董事局報告

DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance, to which the Company, or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the 2010 Financial Year or at any time during the 2010 Financial Year.

COMPETING INTEREST AND NON-COMPETE UNDERTAKING

None of Directors had, either directly or indirectly, an interest in a business which causes or may cause any significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

SHARE OPTION SCHEME

Pursuant to the written resolutions of shareholders of the Company passed on 27 April 2007, the Company adopted a Share Option Scheme subject to the terms and conditions therein. The options shall expire on 18 July 2017. The closing price of the share of the Company immediately before the date of grant was HK\$4.86 per share.

A. Summary of the Share Option Scheme

1. Purpose

The purpose of the Share Option Scheme is to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons (as defined in paragraph 2 below).

2. Participants

The Board may grant options to any "Eligible Person", namely an employee, director or non-executive director (including INED) of any Member of the Group.

"Member of the Group" means the Company, any holding company, subsidiaries or affiliates of the Company or other companies or associated companies of the Company which the Board determines will be subject to the Share Option Scheme.

3. Maximum number of Shares

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the Shares in issue as at the date of Listing (the "Listing Date"), representing 143,293,600 Shares or 30% of the Shares of the Company in issue from time to time.

4. Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person (including exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue at the date of grant of the option.

董事於合同的權益

本公司、或其任何附屬公司概無訂立於2010年財政年度終結或於2010年財政年度年內任何時間仍然生效，董事直接或間接於其中佔有重大權益之重大合約。

競爭權益及不競爭承諾

董事概無在與本集團業務構成或可能構成任何重大競爭的業務中直接或間接擁有任何權益，而任何該等人士與本集團亦無存在或可能存在其他利益衝突。

購股權計劃

根據本公司股東於2007年4月27日透過一項書面決議案，本公司已採納購股權計劃所訂定之條款及條件。該等購股權於2017年7月18日屆滿。本公司股份於緊接授出購股權日期前之收市價為每股4.86港元。

A. 購股權計劃概要

1. 目的

購股權計劃之目的為使本公司能靈活地挽留、激勵、回饋、酬報、補償合資格人士(定義見下文第2段)及/或為合資格人士提供利益。

2. 參與者

董事局可向任何「合資格人士」，包括任何本集團任何成員公司之僱員、董事或非執行董事(包括獨立非執行董事)授出購股權。

「本集團成員公司」指本公司、任何本公司之控股公司、附屬公司或聯屬公司或董事局認為符合購股權計劃之其他公司或本公司聯營公司。

3. 最高本公司股份數目

根據購股權計劃及任何其他計劃可能授出之所有購股權獲行使而可發行之本公司股份總數，合共不得超過於上市日期(「上市日」)本公司已發行股本10%，相當於143,293,600股本公司股份或不時已發行本公司股份之30%。

4. 每名參與者可獲授權益上限

在任何12個月期間，因合資格人士行使獲授之購股權(包括已行使及尚未行使之購股權)而已經或將予發行之股份總數，不得超過購股權授出之日已發行股份1%。

Directors' Report

董事局報告

SHARE OPTION SCHEME (Cont'd)

A. Summary of the Share Option Scheme (Cont'd)

5. Time of exercise of options and duration of Share Option Scheme

(a) General vesting period

The general vesting period for options granted under the Share Option Scheme is 5 anniversary of grant date unless the Board specifies a different vesting period under the terms of the offer. The option period will not be more than 10 years from the date of grant.

An option may be exercised to the extent that it has vested and any performance conditions or targets set by the Board have been met.

(b) Duration of the Share Option Scheme

The duration of the Share Option Scheme shall be 10 years from the Listing Date.

6. Exercise price and payment on grant

(a) Exercise price

The exercise price for the Shares under the Share Option Scheme shall be the price determined by the Board and notified to the option holder which shall not be less than the higher of:

- (i) the average closing price of the Shares for the five business days immediately preceding the date of grant of the option as stated in the Stock Exchange's daily quotation sheets;
- (ii) the closing price of the Shares as stated on the Stock Exchange's daily quotations sheet of the Shares on the date of grant of the option; and
- (iii) the nominal value of the Shares.

(b) Payment on grant

Eligible Persons are not required to pay for the acceptance of an option granted to them.

7. Remaining life of the Share Option Scheme

The Share Option Scheme will terminate automatically at midnight on the day immediately before the 10th anniversary of the Listing Date.

購股權計劃 (續)

A. 購股權計劃概要 (續)

5. 行使購股權之時間及購股權計劃之有效期

(a) 一般歸屬期

根據購股權計劃授出購股權之一般歸屬期為授出日期5週年，除非董事局根據授予之條款指明另一歸屬期。購股權期間將不會超過授出日期起計10年。

購股權按已歸屬程度於達致任何由董事局釐定之表現條件或目標時行使。

(b) 購股權計劃之期限

購股權計劃之期限為上市日期起計10年。

6. 行使價及授出時付款

(a) 行使價

購股權計劃項下之股份行使價將由董事局釐定並通知購股權持有人，惟該價格不得低於以下各項之最高者：

- (i) 緊接購股權授出日期前五個營業日根據聯交所每日報價表所示股份之平均收市價；
- (ii) 於購股權授出日期根據聯交所每日報價表所示股份之收市價；及
- (iii) 股份之面值。

(b) 授出時付款

合資格人士毋須於接納授予購股權時付款。

7. 購股權計劃尚餘之有效期

購股權計劃將於緊接上市日期第10週年屆滿當日前一日零晨起自動終止。

Directors' Report

董事局報告

SHARE OPTION SCHEME (Cont'd)

B. Options granted by the Company

As at 31 March 2010, options to subscribe for an aggregate of 19,410,000 Shares granted to a director and eligible full-time employees pursuant to the terms of the Share Option Scheme remained outstanding, details of which were as follows:

Grantee 承授人	Date of Grant 授出日期	Exercise Price 行使價 HK\$ 港元	Exercisable Period 行使期	As at 01/04/2009 於 2009 年 4月1日	Number of share options 購股權數目				As at 31/03/2010 於 2010 年 3月31日
					Granted 授出	Changes during the period 期內變動	Exercised 行使	Lapsed 失效	
Executive Director 執行董事									
Lam Hing Chau, Leon (Note) 林興就 (附註)	18/07/2007	5.04	18/07/2010- 17/07/2017	600,000	—	—	—	—	600,000
Eligible Employees 合資格僱員									
	18/07/2007	5.04	18/07/2010- 17/07/2017	20,190,000	—	—	1,380,000	—	18,810,000
				20,790,000	—	—	1,380,000	—	19,410,000

Note: Mr. Lam Hing Chau, Leon has been appointed as an executive Director of the Company with effect from 21 September 2009.

The fair value of options granted is approximately at an average of HK\$1.222 per share on the basis of binominal model (the "Model"). The significant inputs into the Model were the closing price of the Share of the Company at the date of grant of HK\$4.8 per share, annual risk-free interest rate of approximately 4.8%, an expected option life of approximate 6 years, expected volatility of 32% and annual dividend yield of 4%. The amortised fair value of share options for the year ended 31 March 2010 amounting to approximately HK\$6.8 million (2009: HK\$8.9 million) was charged to the income statement.

The Model was developed for use in estimating fair value of traded options that are fully transferable. The Model requires input of highly subjective assumptions, including the expected stock price volatility. Since the Company's share options have characteristics significantly different from those of traded options, and because change in the subjective input assumptions can materially affect the fair value estimate, the Model does not necessarily provide a reliable measure of the fair value of the share options.

Save as disclosed above, no option had been granted to the Directors, chief executives or substantial shareholders of the Company or their respective associates under the Share Option Scheme since its adoption.

購股權計劃 (續)

B. 本公司已授出之購股權

於2010年3月31日，根據購股權計劃之條款授予合資格全職僱員以認購合共19,410,000股本公司股份之購股權尚未行使，有關詳情如下：

承授人	授出日期	行使價 HK\$ 港元	行使期	於 2009 年 4月1日	購股權數目				於 2010 年 3月31日
					授出	期內變動	行使	失效	
執行董事									
林興就 (附註)	18/07/2007	5.04	18/07/2010- 17/07/2017	600,000	—	—	—	—	600,000
合資格僱員									
	18/07/2007	5.04	18/07/2010- 17/07/2017	20,190,000	—	—	1,380,000	—	18,810,000
				20,790,000	—	—	1,380,000	—	19,410,000

附註：林興就先生已獲委任為本公司執行董事，自2009年9月21日起生效。

根據二項式期權定價模式(「定價模式」)，所授出購股權之公平值平均約為每股1.222港元。該定價模式主要基於本公司股份於授出購股權日期之收市價為每股4.8港元、每年約4.8%的無風險利率、約6年的預期購股權有效期、32%的預期引伸波幅及每年4%的股息回報率計算。於截至2010年3月31日止年度，購股權之經攤銷公平值總計約6.8百萬港元(2009年：8.9百萬港元)已於收益表內入賬。

定價模式是為評估所買賣的可悉數轉讓期權的公平值而設。該定價模式涉及大量主觀假設，包括預期股價波動。由於本公司的購股權與所買賣的期權截然不同，加上主觀假設更改可能對公平值估計有重大影響，故此該定價模式不一定能對購股權的公平值作出可靠的評估。

除上文披露者外，自採納購股權計劃，本公司董事、最高行政人員或主要股東或彼等個別的聯繫人士概無根據購股權計劃獲授購股權。

Directors' Report

董事局報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2010, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 pursuant to the Model Code were as follows:

Long positions in Shares

董事於本公司股份和相關股份之權益及淡倉

於2010年3月31日，董事及本公司行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有須根據證券及期貨條例第352條須予存置的登記冊所記錄或根據標準守則須知會本公司及聯交所的權益及淡倉如下：

本公司股份之好倉

Name of Director/ Chief Executive 董事/ 行政總裁名稱	Number of issued Shares held and nature of interest 持已發行本公司股份數目及權益性質					Approximate percentage of issued share capital of the Company 於本公司已發行股本之概約百分比
	Personal interests 個人權益	Family interests 家屬權益	Corporate interests 法團權益	Trust interests 信託權益	Total 總數	
Choi Kin Chung 蔡建中	—	—	—	171,102,000 Note 1 (附註1)	171,102,000	11.94%
Ip Ping Im 葉炳棧	—	2,000,000	401,000,000 Note 2 (附註2)	—	403,000,000	28.12%
Lam Hing Chau, Leon 林興就	100,000 Note 3 (附註3)	—	—	—	100,000	0.01%
Lam King Man 林景文	697,000 Note 4 (附註4)	—	30,000,000 Note 5 (附註5)	—	30,697,000	2.14%
Lam Wing Tak 林榮德	12,142,000	887,000	100,000,000 Note 6 (附註6)	—	113,029,000	7.89%
Lau Yiu Tong 劉耀棠	51,866,000	—	—	—	51,866,000	3.62%
Tsang Kang Po 曾鏡波	1,676,000	1,500,000	100,000,000 Note 7 (附註7)	—	103,176,000	7.20%
Wan Wai Loi 尹惠來	11,048,000	820,000	101,304,000 Note 8 (附註8)	—	113,172,000	7.90%

Directors' Report 董事局報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)

Long positions in Shares (Cont'd)

Notes:

1. These Shares are directly held by Silver Bay International Holdings Limited, whose issued share capital is wholly-owned by Trustcorp Limited, the trustee of the Cypress Pacific Trust, a discretionary trust. For the purposes of the SFO, Mr. Choi Kin Chung is the founder of the Cypress Pacific Trust.
2. These Shares are directly held by Far East Asia Limited, whose issued share capital is wholly-owned by Mr. Ip Ping Im.
3. These Shares are directly held by Mr. Lam Hing Chau, Leon, who was appointed as an executive Director of the Company on 21 September 2009.
4. These Shares are held jointly by Dr. Lam King Man and his spouse.
5. These Shares are directly held by Effective Approach Technology Limited, whose issued share capital is 50% owned by Dr. Lam King Man and 50% owned by the spouse of Dr. Lam King Man.
6. These Shares are directly held by Fifth Element Enterprises Limited, whose issued share capital is 75% owned by Mr. Lam Wing Tak and 25% owned by the spouse of Mr. Lam Wing Tak.
7. These Shares are directly held by Top Strong Holdings Limited, whose issued share capital is 50% owned by Mr. Tsang Kang Po and 50% owned by the spouse of Mr. Tsang Kang Po.
8. These Shares are directly held by Hollywood Pacific Limited, whose issued capital is 25% owned by Mr. Wan Wai Loi and 25% owned by the spouse of Mr. Wan Wai Loi.

Save as disclosed above, as at 31 March 2010, none of the Directors or chief executives of the Company, had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 pursuant to the Model Code.

At no time during the 2010 Financial Year were the rights to acquire benefits by means of the acquisition of Shares in 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, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

董事於本公司股份和相關股份之權益及淡倉 (續)

本公司股份之好倉 (續)

附註：

1. 該等本公司股份由Silver Bay International Holdings Limited直接持有，而Trustcorp Limited全數擁有Silver Bay International Holdings Limited之已發行股本。Trustcorp Limited為酌權信託Cypress Pacific Trust之信託人。就證券及期貨條例而言，蔡建中先生為Cypress Pacific Trust之創辦人。
2. 該等本公司股份由Far East Asia Limited直接持有，而葉炳核先生全數擁有Far East Asia Limited之已發行股本。
3. 該等本公司股份由林興就先生直接持有，而林興就先生於2009年9月21日獲委任為本公司執行董事。
4. 該等本公司股份由林景文博士及其配偶共同持有。
5. 該等本公司股份由Effective Approach Technology Limited直接持有，而林景文博士及其配偶分別擁有Effective Approach Technology Limited之50%已發行股本。
6. 該等本公司股份由Fifth Element Enterprises Limited直接持有，而林榮德先生及其配偶分別擁有Fifth Element Enterprises Limited之75%及25%已發行股本。
7. 該等本公司股份由Top Strong Holdings Limited直接持有，而曾鏡波先生及其配偶分別擁有Top Strong Holdings Limited之50%已發行股本。
8. 該等本公司股份由Hollywood Pacific Limited直接持有，而尹惠來先生及其配偶分別擁有Hollywood Pacific Limited之25%已發行資本。

除上文披露者外，於2010年3月31日，根據證券及期貨條例第352條規定須予存置的登記冊的記錄，又或根據標準守則向本公司及聯交所發出的通知，概無董事或本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有任何權益及淡倉。

於2010年財政年度任何時間，概無任何董事或彼等各自的配偶或未成年子女獲授可藉購入本公司股份而獲益的權利，或彼等行使任何此等權利而獲利；或本公司、其控股公司或其任何附屬公司概無參與任何安排，致令董事可於任何其他法人團體獲得此等權利。

Directors' Report

董事局報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2010, the following persons (other than a Director or chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in Shares

主要股東及其他人士於本公司股份和相關股份之權益及淡倉

於2010年3月31日，根據本公司按證券及期貨條例第336條規定存置之登記冊所紀錄，下列人士（董事或本公司行政總裁除外）於本公司股份或相關股份中擁有之權益或淡倉：

本公司股份之好倉

Name of shareholder 股東名稱	Note 附註	Nature of interest 權益性質	Number of issued Shares 本公司股份數目	Aggregate long position 好倉總數	Approximate percentage interest of issued share capital of the Company 於本公司已發行股本之概約百分比
Chiu Bo Lan 趙寶蘭		Beneficial owner 實益擁有人	820,000	113,172,000	7.90%
	1	Interest of a controlled corporation 於共同控制實體之權益	101,304,000		
	2	Interest of spouse 配偶之權益	11,048,000		
Hollywood Pacific Limited	1	Beneficial owner 實益擁有人	101,304,000	101,304,000	7.07%
Lam Wai Yee 林慧儀		Beneficial owner 實益擁有人	2,000,000	403,000,000	28.12%
	3	Interest of spouse 配偶之權益	401,000,000		
Far East Asia Limited	4	Beneficial owner 實益擁有人	401,000,000	401,000,000	27.98%
Wong Bik Ha 黃碧霞		Beneficial owner 實益擁有人	887,000	113,029,000	7.89%
	5	Interest of a controlled corporation 於共同控制實體之權益	100,000,000		
	6	Interest of spouse 配偶之權益	12,142,000		
Fifth Element Enterprises Limited	5	Beneficial owner 實益擁有人	100,000,000	100,000,000	6.98%
Law Oi Mui 羅愛梅	7	Interest of spouse 配偶之權益	171,102,000	171,102,000	11.94%
Trustcorp Limited	8	Trustee 信託人	171,102,000	171,102,000	11.94%

Directors' Report

董事局報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於本公司股份和相關股份之權益及淡倉 (續)

(Cont'd)

Long positions in Shares (Cont'd)

本公司股份之好倉 (續)

Name of shareholder 股東名稱	Note 附註	Nature of interest 權益性質	Number of issued Shares 本公司股份數目	Aggregate long position 好倉總數	Approximate percentage interest of issued share capital of the Company 於本公司已發行股本之概約百分比
Silver Bay International Holdings Limited	8	Beneficial owner 實益擁有人	171,102,000	171,102,000	11.94%
Wong Mei Ling 黃美玲		Beneficial owner 實益擁有人	1,500,000	103,176,000	7.20%
	9	Interest of a controlled corporation 於共同控制實體之權益	100,000,000		
	10	Interest of spouse 配偶之權益	1,676,000		
Top Strong Holdings Limited	9	Beneficial owner 實益擁有人	100,000,000	100,000,000	6.98%
The Capital Group Companies, Inc.		Interest of a controlled corporation 於共同控制實體之權益	123,600,000	123,600,000	8.63%
Capital Group International, Inc.		Interest of a controlled corporation 於共同控制實體之權益	123,600,000	123,600,000	8.63%
Capital International, Inc.		Interest of a controlled corporation 於共同控制實體之權益	123,600,000	123,600,000	8.63%
	11	Investment manager 投資經理			
Capital International Investments IV, LLC	11	Interest of a controlled corporation 於共同控制實體之權益	123,600,000	123,600,000	8.63%
Capital International Investments IV, L.P.	11	Interest of a controlled corporation 於共同控制實體之權益	119,620,100	119,620,100	8.35%
Capital International Private Equity Fund IV, L.P.	11	Beneficial owner 實益擁有人	119,620,100	119,620,100	8.35%

Directors' Report

董事局報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

(Cont'd)

Long positions in Shares (Cont'd)

Notes:

- Hollywood Pacific Limited is 25% owned by Mr. Wan Wai Loi and 25% owned by Ms. Chiu Bo Lan, the spouse of Mr. Wan Wai Loi.
- Ms. Chiu Bo Lan is the spouse of Mr. Wan Wai Loi, a Director.
- Ms. Lam Wai Yee is the spouse of Mr. Ip Ping Im, a Director.
- Far East Asia Limited is wholly-owned by Mr. Ip Ping Im, a Director.
- Fifth Element Enterprises Limited is 75% owned by Mr. Lam Wing Tak and 25% owned by Ms. Wong Bik Ha, the spouse of Mr. Lam Wing Tak.
- Ms. Wong Bik Ha is the spouse of Mr. Lam Wing Tak, a Director.
- Ms. Law Oi Mui is the spouse of Mr. Choi Kin Chung, a Director.
- Silver Bay International Holdings Limited is wholly-owned by Trustcorp Limited, the trustee of the Cypress Pacific Trust, a discretionary trust. For the purposes of the SFO, Mr. Choi Kin Chung, a Director, is the founder of the Cypress Pacific Trust.
- Top Strong Holdings Limited is 50% owned by Mr. Tsang Kang Po and 50% owned by Ms. Wong Mei Ling, the spouse of Mr. Tsang Kang Po.
- Ms. Wong Mei Ling is the spouse of Mr. Tsang Kang Po, a Director.
- Capital International Private Equity Fund IV, L.P. is a private equity fund managed by Capital International, Inc. Capital International Investments IV, L.P. is the general partner of Capital International Private Equity Fund IV, L.P. The general partner of Capital International Investments IV, L.P. is Capital International Investments IV, LLC, which is also the general partner of CGPE IV L.P., an employee securities fund formed to invest side-by-side with Capital International Private Equity Fund IV, L.P. Capital International, Inc. is the managing member of Capital International Investments IV, LLC.

Long positions in shares and underlying shares of any other member in the Group

Name of member of the Group 本集團成員公司名稱	Name of substantial shareholder 主要股東名稱	Note 附註	Nature of interest 權益性質	Number of issued shares 股份數目	Approximate percentage of issued share capital 於本公司權益之概約百分比
Textured Jersey Lanka (Private) Limited	Brandix Lanka Limited	I	Beneficial owner 實益擁有人	76,666,992	40%

Note:

- Textured Jersey Lanka (Private) Limited is owned as to 60% by Pacific Textured Jersey Holdings Ltd., a wholly-owned subsidiary of the Company, and 40% by Brandix Lanka Limited.

主要股東及其他人士於本公司股份和相關股份之權益及淡倉 (續)

本公司股份之好倉 (續)

附註:

- 尹惠來先生及其配偶趙寶蘭女士分別擁有 Hollywood Pacific Limited 之 25% 權益。
- 趙寶蘭女士為董事尹惠來先生之配偶。
- 林慧儀女士為董事葉炳煥先生之配偶。
- Far East Asia Limited 由董事葉炳煥先生全資擁有。
- 林榮德先生及其配偶黃碧霞女士分別擁有 Fifth Element Enterprises Limited 之 75% 及 25% 權益。
- 黃碧霞女士為董事林榮德先生之配偶。
- 羅愛梅女士為董事蔡建中先生之配偶。
- Silver Bay International Holdings Limited 由 Trustcorp Limited 全資擁有，Trustcorp Limited 為酌權信託 Cypress Pacific Trust 之信託人。就證券及期貨條例而言，董事蔡建中先生為 Cypress Pacific Trust 之創辦人。
- 曾鏡波先生及其配偶黃美玲女士分別擁有 Top Strong Holdings Limited 之 50% 權益。
- 黃美玲女士為董事曾鏡波先生之配偶。
- Capital International Private Equity Fund IV, L.P. 乃由 Capital International, Inc. 管理之私募證券基金。Capital International Investments IV, L.P. 為 Capital International Private Equity Fund IV, L.P. 之普通合夥人。Capital International Investments IV, L.P. 之普通合夥人為 Capital International Investments IV, LLC，該公司亦為 CGPE IV, L.P. 之普通合夥人。CGPE IV L.P. 為僱員證券基金，成立之目的為與 Capital International Private Equity Fund IV, L.P. 共同投資。Capital International, Inc. 為 Capital International Investments IV, LLC 之管理成員公司。

於本集團任何其他成員公司之股份及相關股份之好倉

附註:

- Pacific Textured Jersey Holdings Ltd. 及 Brandix Lanka Limited 分別擁有 Textured Jersey Lanka (Private) Limited 60% 及 40% 權益，Pacific Textured Jersey Holdings Ltd. 為本公司之全資附屬公司。

Directors' Report 董事局報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

(Cont'd)

Long positions in shares and underlying shares of any other member in the Group (Cont'd)

Save as disclosed above, as at 31 March 2010, no other persons had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the 2010 Financial Year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED TRANSACTIONS

The related party transactions set out in note 34 to the financial statements also constitute continuing connected transaction under the Listing Rules.

During the 2010 Financial Year, the Group had the following continuing connected transactions not exempted under the Listing Rules 14A.33:

Continuing Connected Transaction

(1) Sale of products to Bandix group and its associates

Sale of knitted fabric to Bandix together with its subsidiaries ("Bandix Group") and its associate pursuant to a sale of products master agreement (the "Bandix Sale of Products Master Agreement") dated 27 August 2007 between the Company and Bandix Group. Details of the Bandix Sale of Products Master Agreement are set out in the circular of the Company dated 14 September 2007 (the "2007 Circular") and the circular of the Company dated 11 March 2010 (the "2010 Circular"). Transactions took place under the Bandix Sale of Products Master Agreement for the 2010 Financial Year did not exceed the annual cap of HK\$1,045 million (2009: HK\$616 million).

According to the Listing Rules, Bandix, by virtue of its shareholding in PT Sri Lanka, a subsidiary of the Company, is a substantial shareholder (as defined in the Listing Rules) and hence a connected person of the Company. Bandix Group and its associates are therefore also regarded as connected persons of the Company.

主要股東及其他人士於本公司股份和相關股份之權益及淡倉 (續)

於本集團任何其他成員公司之股份及相關股份之好倉 (續)

除上文所披露者外，於2010年3月31日，概無其他人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條規定存置之登記冊所紀錄之權益或淡倉。

購買股份或債券之安排

本公司、其控股公司或其任何附屬公司或同系附屬公司於2010年財政年度任何時間概無參與訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

關連交易

詳載於財務報表附註34的關連人士交易，亦屬上市規則所界定的持續關連交易。

於2010年財政年度，本集團有下列不獲上市規則14A.33豁免之持續關連交易：

持續關連交易

(1) 向Brandix集團及其聯繫人銷售產品

向Brandix連同其附屬公司(「Brandix集團」)及其聯繫人銷售針織布是根據本公司與Brandix於2007年8月27日訂立之產品銷售總協議(「Brandix產品銷售總協議」)作出。Brandix產品銷售總協議之詳情載於2007年9月14日之通函(「2007年通函」)與2010年3月11日之通函(「2010年通函」)。於2010年財政年度，根據Brandix產品銷售總協議進行之交易不多於年度上限1,045百萬港元(2009年：616百萬港元)。

根據上市規則，基於Brandix擁有本公司附屬公司PT 斯里蘭卡股權，Brandix為主要股東(依上市規則之定義)因而為本公司之關連人士。因此，Brandix集團及其聯繫人亦被視為本公司之關連人士。

Directors' Report 董事局報告

CONNECTED TRANSACTIONS (Cont'd)

Continuing Connected Transaction (Cont'd)

(2) Sale of Products to PT Sri Lanka

Sale of knitted fabrics and greige fabrics to PT Sri Lanka pursuant to a master agreement (the "PT Sri Lanka Sale of Products Master Agreement") dated 30 April 2007 between the Company and PT Sri Lanka. Details of PT Sri Lanka Sale of Products Master Agreement are set out in the Prospectus. Transactions took place under the PT Sri Lanka Sale of Products Master Agreement for the 2010 Financial Year did not exceed the annual cap of HK\$79 million (2009: HK\$58 million).

According to the Listing Rules, PT Sri Lanka is regarded as a connected person as PT Sri Lanka is an associate of connected persons as mentioned above.

(3) Sale of Products to HC Companies

Sale of knitted fabrics to companies in which Mr. Henry Choi has substantial interest (the "HC Companies") pursuant to a master agreement (the "HC Companies Sale of Products Master Agreement") dated 30 April 2007 between the Company and the HC Companies. Details of HC Companies Sale of Products Master Agreement are set out in the Prospectus. Transactions took place under the HC Companies Sale of Products Master Agreement for the 2010 Financial Year did not exceed the annual cap of HK\$25.9 million (2009: HK\$22.5 million).

Mr. Henry Choi, who is the son of Mr. Choi Kin Chung (a Director), is regarded as a connected person of the Company by virtue of Listing Rule 14A.11(4)(b).

The Directors, including the INED, have reviewed the above-mentioned continuing connected transactions made during the 2010 Financial Year and confirmed that these transactions were entered into:

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

關連交易 (續)

持續關連交易 (續)

(2) 向PT斯里蘭卡銷售產品

向PT斯里蘭卡銷售針織布與胚布是根據本公司與PT斯里蘭卡於2007年4月30日訂立之總協議(「PT斯里蘭卡產品銷售總協議」)進行。PT斯里蘭卡產品銷售總協議之詳情載於招股章程。於2010年財政年度，根據PT斯里蘭卡產品銷售總協議進行之交易不多於年度上限79百萬港元(2009年：58百萬港元)。

根據上市規則，PT斯里蘭卡被視為本公司之關連人士基於PT斯里蘭卡被視為如上述本公司關連人士之聯繫人。

(3) 向HC公司銷售產品

向蔡穎剛先生擁有重大權益之公司(「HC公司」)銷售針織布是根據本公司與HC公司於2007年4月30日訂立之總協議(「HC公司產品銷售總協議」)。HC公司產品銷售總協議之詳情載於招股章程。於2010年財政年度，根據HC公司產品銷售總協議進行之交易不多於年度上限25.9百萬港元(2009年：22.5百萬港元)。

根據上市規則第14A.11(4)(b)條，董事蔡建中先生之兒子蔡穎剛先生被視為本公司的關連人士。

董事(包括獨立非執行董事)已審閱截至2010年財政年度進行之上述持續關連交易，並確認該等交易：

- (1) 於本集團日常業務過程中訂立；
- (2) 按一般商業條款或不遜於本集團給予獨立第三方或獲獨立第三方提供的條款訂立；及
- (3) 根據規管有關交易的相關協議按公平合理且對本公司股東整體有利的條款進行。

Directors' Report 董事局報告

CONNECTED TRANSACTIONS (Cont'd)

Continuing Connected Transaction (Cont'd)

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged the auditor of the Company to perform certain factual finding procedures on the above continuing connected transactions for the 2010 Financial Year (the "Transactions") on a sample basis in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their factual findings for the selected samples based on the agreed procedures to the Board stating that:

- (1) the Transactions had been approved by the Directors;
- (2) the pricing of Transactions (for the samples selected) were in accordance with the pricing policies of the Group;
- (3) the Transactions were entered into in accordance with the relevant agreements governing the Transactions (for the sample selected); and
- (4) the amounts of the Transactions had not exceeded the relevant caps as disclosed in the Prospectus and the 2007 Circular respectively.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules and no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the 2010 Financial Year or at any time during the 2010 Financial Year.

REMUNERATION POLICY

The remuneration of the Directors are reviewed and determined by the Remuneration Committee on the basis of the relevant Director's experience, responsibility and the time devoted to the business of the Group.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holdings of the Shares.

AUDIT COMMITTEE

An audit committee (the "Audit Committee") was established by the Board with written terms of reference in compliance with the CG Code contained in Appendix 14 to the Listing Rules. The Audit Committee comprises three INEDs, namely Mr. Sze Kwok Wing, Nigel, Mr. Ng Ching Wah and Mr. Chan Yue Kwong, Michael. Mr. Sze Kwok Wing, Nigel is the chairman of the Audit Committee.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report from page 29 to page 35 of this annual report.

關連交易 (續)

持續關連交易 (續)

根據上市規則第14A.38條，董事局聘用本公司核數師按照香港會計師公會頒佈的香港相關服務準則第4400號「就財務資料執行協定程序之應聘事宜」以抽樣方式對上述於2010年財政年度進行的持續關連交易（「交易」）進行若干實證查閱程序。核數師已向董事局匯報根據協定程序對所抽選樣本進行的實證查閱結果，當中指出：

- (1) 交易已獲董事批准；
- (2) 交易價格（就所抽選樣本而言）乃根據本集團的定價政策進行；
- (3) 交易（就所抽選樣本而言）乃根據規管有關交易之協議條款進行；及
- (4) 交易金額並無超過分別於招股章程與2007年通函所披露的有關限額。

本公司確認已符合上市規則第14A章的披露規定。除上述披露外，概無於2010年財政年度終結時或在2010年財政年度內任何時間仍然生效之交易為須根據上市規則之規定披露為關連交易者，而本公司或其附屬公司亦無訂立任何與董事有直接或間接重大利益之重要合約。

薪酬政策

董事之薪酬由薪酬委員會按有關董事之經驗、職責及於本集團所投放之時間而審閱與釐定。

稅務減免與豁免

董事並不知悉任何本公司之股東因持有本公司股份而可享有任何稅務減免與豁免。

審核委員會

董事局成立審核委員會（「審核委員會」），其職權範圍符合上市規則附錄14所載的企業管治守則。審核委員會的成員由三位獨立非執行董事組成，即施國榮先生、伍清華先生及陳裕光先生。施國榮先生為審核委員會的主席。

企業管治

本公司所採納的主要企業管治常規載列於本年報第29頁至35頁企業管治報告中。

Directors' Report 董事局報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as the latest practicable date prior to the issue of this annual report, the percentage of the Company's shares which are in the hands of the public exceeds 25% of the Company's total number of issued shares as required under the Listing Rules.

EVENTS AFTER REPORTING PERIOD

Details of the Company's event after the 2010 Financial Year are set out in note 36 to the financial statements.

AUDITOR

The financial statements for 2010 Financial Year have been audited by PricewaterhouseCoopers. A resolution to re-appoint PricewaterhouseCoopers as auditor of the Company will be proposed for approval by shareholders of the Company at the forthcoming AGM of the Company.

On behalf of the Board

Wan Wai Loi
CHAIRMAN

Hong Kong, 9 July 2010

充足公眾持股量

根據本公司可獲得之公開資料顯示及就董事所知，於刊發本年報前之最後實際可行日期，本公司一直維持上市規則規定的足夠公眾持股量，由公眾持有超過25%的本公司已發行股份。

報告期後事項

本集團於2010年財政年度後事項之詳情載於財務報表附註36。

核數師

羅兵咸永道會計師事務所已審核2010年財政年度的財務報表。於應屆股東週年大會將提出決議案續聘羅兵咸永道會計師事務所為本公司核數師。

承董事局命

主席
尹惠來

香港，2010年7月9日

Corporate Governance Report

企業管治報告

The Board recognises the importance of maintaining high standard of corporate governance practices to enhance corporate value, transparency and accountability and to safeguard the interests of the shareholders of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions and certain recommended best practices ("Recommended Best Practices") set out in the CG Code contained in Appendix I4 to the Listing Rules where suitable to the Company so as to enhance the corporate governance standard of the Company throughout the 2010 Financial Year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix I0 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, all Directors have confirmed that they had complied with the Model Code for the 2010 Financial Year.

THE BOARD

The overall management of the business of the Group is vested to the Board. The Board is responsible for the formulation of strategic, management and financial objectives of the Group and ensuring that the interest of shareholders including those minority shareholders are protected. Daily operations and administration of the Group are delegated to the executive Directors and the management.

The Board Composition

The Board currently has 11 members consisting of 5 executive Directors and 6 non-executive Directors of which 3 are INEDs. The composition is as follows:

Executive Directors

Mr. WAN Wai Loi (Chairman)
Mr. TSANG Kang Po (Vice Chairman)
Mr. LAM Wing Tak (Chief Executive Officer)
Dr. LAM King Man
Mr. LAM Hing Chau, Leon

Non-executive Directors

Mr. CHOI Kin Chung
Mr. IP Ping Im
Mr. LAU Yiu Tong

Independent Non-executive Directors

Mr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel

Profile of the Directors is set out on pages 11 to 13 of this annual report and is updated on the website of the Company.

The composition of the Board is well balanced with Directors having sales and marketing experience and technical knowledge in fabric business, administration and management experience in the PRC factories, financial and accounting skill is appropriate for effective decision making, taking into account the nature and scope of the business operations and development of the Group.

董事局深明維持高水平的企業管治常規之重要性，可提升企業價值、透明度與問責性，及保障本公司股東利益。

企業管治常規

在2010年財政年度內，本公司一直遵守上市規則附錄14所載的企業管治守則載列的守則條文與若干建議最佳常規（「最佳常規」），以提高本公司的企業管治標準。

董事的證券交易

本公司已採納上市規則附錄10所載列的標準守則，作為其內部有關董事所進行證券交易的行為守則。經向全體董事作出特別查詢，全體董事已確認於2010年財政年度，彼等已遵守標準守則。

董事局

本集團整體業務由董事局負責管理。董事局負責制定本集團策略、管理和財務目標，以及確保股東（包括少數股東）的利益得以保障。而本集團的日常營運及行政管理委派執行董事和管理層處理。

董事局之組成

董事局現由11位成員組成，包括5位執行董事和6位非執行董事，當中3位為獨立非執行董事。其組成載列如下：

執行董事

尹惠來先生 (主席)
曾鏡波先生 (副主席)
林榮德先生 (行政總裁)
林景文博士
林興就先生

非執行董事

蔡建中先生
葉炳樑先生
劉耀棠先生

獨立非執行董事

陳裕光先生
伍清華先生
施國榮先生

有關各董事的簡介載於本年報第11頁至第13頁及於本公司網頁更新。

董事局的均衡組成，有乃董事具備有關布料業務之銷售及市場推廣經驗及技術知識、中國工廠之行政及管理經驗、財務及會計技能，而鑑於本集團之業務經營與發展性質及規模，對其決策效率而言實屬合適。

Corporate Governance Report

企業管治報告

THE BOARD (Cont'd)

The Board Meeting

The Board meets at least 4 times per year and additional meetings are convened when deemed necessary by Board. The schedule of regular meetings for the whole year has been informed to each Director. Notices of Board meeting will be served to all the Directors at least 14 days before the meeting. Notices and agenda of the Board meeting are prepared by the Company Secretary as delegated by the Chairman. All the Directors are given the opportunity to include any matters which they believe to be appropriate in the agenda of the Board meetings.

Agenda and relevant information of Board meeting with adequate background information and supporting analysis are made available to the Directors at least 3 days before the intended date of the Board meeting. All the Directors are given separate and independent access to the Company's senior management for further information and enquiries. The Company Secretary and senior management attends all the meetings of the Board and Board committees to advise on corporate governance, statutory compliance and financial matters.

Any material matters that would have conflict of interest between the directors/substantial shareholders and the Company will be dealt with in the Board meeting. Pursuant to the Articles, a Director is not entitled to vote on (nor is counted in the quorum) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his associates (including any person who would be deemed to be an "associate" of the Directors under the Listing Rules) has any material interest, except in certain special circumstances. The chairman of the Board meeting is required to ensure that each Director is aware of such requirement at the commencement of each Board meeting and declaration of interest is properly made in the Board meeting where conflicts of interest arise.

Directors have access to the advices and services of the Company Secretary and key officers of the Company in relation to the board procedures. Draft minutes of Board/Board committee meetings recorded in sufficient details the matters considered by the participants of such meetings and decisions reached are forwarded to the participants for comments within a reasonable time after the meetings and final versions of minutes of Board meetings and meetings of Board committee are kept by the Company Secretary, which are open for inspection by any Directors at any reasonable time on reasonable notice.

Board members are provided with complete, adequate and timely information to allow the Directors to fulfill their duties properly. Directors may seek independent professional advice at the Company's expense, if necessary, with the approval of the Board.

As permitted under the Articles, the Company has arranged Directors and Officers Liability Insurance in respect of any legal actions which may be taken against Directors and management in execution and discharge of their duties or in relation thereto.

During the 2010 Financial Year, the Board held 6 meetings to approve interim and final results announcements, interim reports and annual reports, to consider dividend policy and to discuss significant issues and the general operation of the Company. The attendance record of the Directors is set out in the table on page 32 of this annual report.

THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the roles of the Chairman and the Chief Executive Officer are segregated and not exercised by the same individual. The Board is headed by the Chairman Mr. Wan Wai Loi, with the assistance of the Vice Chairman, Mr. Tsang Kang Po and the Chief Executive Officer, Mr. Lam Wing Tak.

董事局 (續)

董事局會議

董事局每年召開會議不少於4次，並根據需要隨時增開會議。全年定期會議時間表已通知各董事。召開董事局會議通告將會於會議舉行前不少於14天送呈全體董事。召開董事局會議通告及議程由董事局主席委派公司秘書負責編製。全體董事皆有機會提出任何認為合適商討之事項列入董事局會議議程。

董事局會議議程及相關文件附有適時的背景資料與相關支持的資料在預期的董事局會議前最少3天送呈各董事查閱。所有董事可各自接觸本公司高級管理人員索取進一步的資訊與查詢。公司秘書與高級管理人員參與所有董事局會議，與董事局成員就企業管治、遵守法則和財務方面提供意見。

任何重要事項中存有董事／大股東和公司有利益衝突時，將在董事局會議上處理。根據章程細則規定，除若干特殊情況外，董事無權就彼或彼任何聯繫人(包括上市規則項下被視為董事「聯繫人」之任何人士)擁有任何重大權益之任何合約或安排或任何其他建議，就董事局決議案投票(或就此計入法定人數)。董事局主席須於每次董事局會議舉行時確保每名董事均知悉有關規定，並於出現利益衝突時妥為向董事局申報其權益。

董事有權要求本公司公司秘書和主要職員提供有關董事局程序的意見和服務。董事局／其轄下委員會會議草稿詳細記錄該等會議所考慮的事項及達致的決定。於會議後的合理時間內送呈會議草稿與議者表達意見。董事局／其轄下委員會會議最後定稿由公司秘書存檔。任何董事於合理時間內，發出合理通知後可查閱有關文件。

董事局向其成員提供完整、適當、及時之資料，以使董事能夠恰當地履行其職責。董事如有需要時，於得到董事局批准後，可尋求獨立專業意見，費用由本公司支付。

於章程細則允許下，本公司已為董事和管理層就履行其職責或相關事宜時可能承擔之法律行動安排董事和管理人員責任保險。

於2010年財政年度，董事局舉行6次會議以批准中期與全年業績之公佈、中期報告與年報、商討派息政策、討論本公司重要事項及一般運作。董事出席會議記錄載於本年報第32頁之內。

主席及行政總裁

為確保權力平衡，主席及行政總裁各有獨立職務，非由一人擔任。董事局由主席尹惠來先生領導，副主席曾鏡波先生協助，而行政總裁為林榮德先生。

Corporate Governance Report

企業管治報告

THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER (Cont'd)

There is a clear segregation between the Chairman's responsibility and the Chief Executive Officer's responsibility. The Chairman is responsible for the leadership and effective running of the Board and ensuring that all material issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is responsible for the management of the day-to-day operations of the Group's business and the implementation of the approved strategies of the Group. In addition, each executive Director is responsible for the management of different functions of the business of the Group.

With the support of the Company Secretary, the Chairman ensures all the Directors are properly briefed on issues arising at Board meetings and be provided with adequate information in a timely manner.

INEDS

During the 2010 Financial Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least 3 INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise. The Board considers that each of the Non-executive Directors and INEDs brings his own relevant expertise to the Board.

The INEDs serve the relevant function of bringing independent judgment on the issues of strategic direction, development, performance and risk management of the Group.

The Company has received an annual written confirmation from each of the INEDs of their independence pursuant to Rule 3.13 of the Listing Rules and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgment.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board is empowered under the Articles to appoint any person as a Director to fill a casual vacancy on or as an additional member of the Board. Suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board.

Each of the executive Directors was appointed for an initial term of two years and each service agreement will continue thereafter until terminated by either party by giving to the other party at least six months' prior notice in writing.

Each of the non-executive Directors (including the INEDs) was appointed for a specific term of 2 years and subsequently the term of the appointment has been extended for a further 2 years. All Directors are subject to retirement by rotation and are eligible for re-election pursuant to the Articles.

Pursuant to the Articles, any Director appointed by the Board either to fill a casual vacancy or as addition to the Board shall retire and be eligible for re-appointment at the next following general meeting after appointment. At every AGM, one-third of the Directors, including the Chairman, shall be subject to retirement by rotation and re-election by shareholders. The Directors appointed by the Board who are subject to retirement and re-election as mentioned above shall be taken into account in calculating the total number of Directors for the time being but shall not be taken into account in calculating the number of Directors who are to retire by rotation. All Directors eligible for re-election shall have their biographical details made available to the shareholders to enable them to make an informed decision on their re-election. Any appointment, resignation, removal or re-designation of Director shall be timely disclosed to the shareholders by announcement and shall include in such announcement, the reasons given by the Director for his resignation.

主席及行政總裁 (續)

主席與行政總裁的職責有清楚的劃分。主席負責董事局的領導及有效管理，並須確保董事局以合時及建設性的方式討論一切重大事項。行政總裁則負責經營本集團業務的日常運作及執行本集團所批准的策略。再者，各執行董事於本集團的業務上擔當不同的職責。

在公司秘書協助下，主席致力確保董事局會議上所有董事均適當知悉當前的事項，並適時獲得充份及可靠的資料。

獨立非執行董事

於2010年財政年度，董事局於所有時間均符合上市規則之規定，委任最少3名獨立非執行董事，而其中一名獨立非執行董事具備適當專業資格，或會計或有關財務管理之專業知識。董事局認為各非執行董事及獨立非執行董事均能將其本身之專業知識帶入董事局。

獨立非執行董事負責就本集團策略方針、發展、表現及風險管理作出獨立判斷。

本公司已接獲各獨立非執行董事根據上市規則第3.13條之規定發出之年度獨立性書面確認函，並認同獨立非執行董事乃獨立於管理層，且並無任何足以重大干預彼等進行獨立判斷之任何關係。

董事委任及重選

董事局依照章程細則有權委任任何人士出任董事以補替臨時空缺或作為董事局新增成員。具豐富經驗及才能，有能力履行受託職責，有技能、盡職審查及處理能力之候選人將獲推薦予董事局。

各執行董事之委任初步為期2年，並於其後各服務協議將繼續有效，直至其中一方向另一方發出不少於六個月書面通知終止協議為止。

各非執行董事(包括獨立非執行董事)之委任指定任期為2年，並隨後其委任任期已延長了2年。根據章程細則，全體董事須輪值退任並符合資格膺選連任。

根據章程細則，董事局委任之任何董事(不論為填補臨時空缺或屬董事局新增成員)均須於獲委任後首個股東週年大會退任並合資格膺選連任。於每屆股東週年大會上，三分之一之董事(包括主席)均須輪值退任及由股東重選。於計算當時董事總數時，將會計入按上文所述由董事局委任而須退任及膺選連任之董事，惟於計算將輪值退任董事人數時則不予計算。所有符合資格膺選連任之董事均須向股東披露個人履歷，以便股東於重選時作出知情決定。任何董事委任、辭任、罷免或調任事宜均須以公佈形式及時向股東披露，並須在公佈中註明該董事辭任之理由。

Corporate Governance Report

企業管治報告

RESPONSIBILITIES OF DIRECTORS

The Company and the Board require each Director to keep abreast of his responsibilities as a Director of the Company and of the business and operating activities and development of the Company. Every Director is required to devote sufficient time and involvement in the affairs of the Board and the material matters of the Company and to serve the Board with such degree of care and due diligence given his own expertise, qualification and professionalism.

Every newly appointed Director has been provided with comprehensive and tailored induction of business operation of the Group, including a site visit of our factory in China on the first occasion of his appointment. A comprehensive Compliance Manual has been provided to each Director and has been updated. All Directors have been updated and briefed the relevant changes in legal and regulatory matters to ensure that they have a proper understanding of the operations and the business of the Company and that they are fully aware of their responsibilities under the applicable laws and regulations.

The non-executive Directors attended the Board meetings and advised their opinion on the business strategy of the Company and reviewed the financial and operation performance of the Group.

INEDs are all or a majority of members of the Audit Committee, the Remuneration Committee and the Nomination Committee.

MANAGEMENT FUNCTION

The Articles set out matters which are specifically reserved to the Board for its decision. Executive Directors normally meet on an informal basis and participate in senior management meetings on a regular basis to keep abreast of the latest operations and performance of the Group and to monitor and ensure the management carry out the directions and strategies set by the Board of directors correctly and appropriately.

ATTENDANCE RECORD AT MEETINGS

The attendance record of Director at the meetings of the Board, the Audit Committee, Remuneration Committee and Nomination Committee during the 2010 Financial Year are set out in the following table:

Executive Directors

Mr. Wan Wai Loi
Mr. Tsang Kang Po
Mr. Lam Wing Tak
Dr. Lam King Man
Mr. Lam Hing Chau, Leon
(Appointed on 21 September 2009)

執行董事

尹惠來先生
曾鏡波先生
林榮德先生
林景文博士
林興就先生
(於2009年9月21日獲委任)

Non-executive Directors

Mr. Choi Kin Chung
Mr. Ip Ping Im
Mr. Ho Hsiang Ming, James
(Resigned on 28 August 2009)
Mr. Lau Yiu Tong

非執行董事

蔡建中先生
葉炳樑先生
賀家民先生
(於2009年8月28日辭任)
劉耀棠先生

Independent Non-executive Directors

Mr. Chan Yue Kwong, Michael
Mr. Ng Ching Wah
Mr. Sze Kwok Wing, Nigel

獨立非執行董事

陳裕光先生
伍清華先生
施國榮先生

	Board 董事局	Meetings attended/Meetings held 出席會議次數/會議次數		
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors				
Mr. Wan Wai Loi	5/6	N/A	N/A	N/A
Mr. Tsang Kang Po	6/6	N/A	1/1	2/2
Mr. Lam Wing Tak	5/6	N/A	1/1	2/2
Dr. Lam King Man	5/6	N/A	N/A	N/A
Mr. Lam Hing Chau, Leon	5/5	N/A	N/A	N/A
Non-executive Directors				
Mr. Choi Kin Chung	4/6	N/A	N/A	N/A
Mr. Ip Ping Im	4/6	N/A	N/A	N/A
Mr. Ho Hsiang Ming, James	1/1	N/A	N/A	N/A
Mr. Lau Yiu Tong	6/6	N/A	N/A	N/A
Independent Non-executive Directors				
Mr. Chan Yue Kwong, Michael	6/6	4/4	1/1	2/2
Mr. Ng Ching Wah	6/6	4/4	1/1	2/2
Mr. Sze Kwok Wing, Nigel	5/6	4/4	1/1	2/2

董事責任

本公司及董事局要求每名董事清楚彼作為本公司董事之職責，以及了解本公司之經營和業務活動及發展。每名董事均須投入足夠時間及精神處理董事局事務及本公司重要事宜，並按照各自之專門知識、資歷及專業技能，以謹慎盡責之態度為董事局服務。

每名新委任董事均會獲得本集團詳盡而合適的業務營運導言包括實地考察本集團於中國的廠房。詳盡的合規守則已提供給每一位董事，並會不時更新。每位董事皆獲得最新有關法例和監管事項的變動簡要提示，以確保彼等清楚了解本公司之營運及業務，且充分明瞭彼等於法律及規定下之責任。

非執行董事參與董事局會議及就本公司業務策略提供意見和審閱本集團財務和營運表現。

獨立非執行董事為審核委員會、薪酬委員會和提名委員會全部或大部分成員。

管理功能

章程細則載列指明須由董事局決定之事項。執行董事一般定期舉行非正式會議，並定期參與高級管理層之會議，以便掌握本集團近期之營運及表現，且監察及確保管理層正確及恰當地執行董事局制訂之指示及策略。

會議之出席記錄

下表載列於2010年財政年度董事出席董事局、審核委員會、薪酬委員會及提名委員會會議之出席記錄：

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企業管治報告

BOARD COMMITTEES

The Board has established 3 main Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, each chaired by different INED, to assist the Board for overseeing particular aspects of the Company's affairs. The terms of reference setting out the principles, procedures and arrangements of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the website of the Company. Board Committees report to the Board of their decisions and recommendations at the Board meetings.

The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

Audit Committee

The Audit Committee was established on 27 April 2007 with written terms of reference in compliance with the CG Code. The members of the Audit Committee are Mr. Sze Kwok Wing, Nigel; Mr. Ng Ching Wah and Mr. Chan Yue Kwong, Michael (who are INEDs). Mr. Sze Kwok Wing, Nigel, a Fellow of CPA Australia, is the chairman of the Audit Committee.

The primary duties of the Audit Committee are reviewing, overseeing and supervision of the effectiveness of the Group's financial reporting process, internal control systems and risk management. The terms of reference of the Audit Committee have been reviewed by the Board with reference to the CG Code.

The Audit Committee held 4 meetings during 2010 Financial Year. The major work performed by the Audit Committee in respect of 2010 Financial Year included approving the terms of engagement (including the remuneration) of the external auditor; reviewing the unaudited interim financial information and interim results announcement for the six months ended 30 September 2009; reviewing the audited annual financial information and final results announcement for 2010 Financial Year; reviewing the work of the Group's internal audit department and assessing the effectiveness of the Group's systems of risk management and internal control. The Audit Committee recommended to the Board on the re-appointment of PricewaterhouseCoopers as the Company's external auditor for the ensuing year and the related resolutions shall be put forth in the coming AGM. The attendance of the Directors for the Audit Committee meetings is set out in the table on page 32 of this annual report.

The Audit Committee has reviewed the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company's auditor. For 2010 Financial Year, the fees in respect of audit and non-audit services provided by the Company's auditor were as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Audit Services	審核服務	1,781	1,730
Non-audit Services	非審核服務		
– Tax consultation services and review interim financial information	— 稅務顧問服務與 審閱中期財務資料	402	780

The Audit Committee has undertaken a review of all the non-audit services provided by the Company's auditor and concluded that in their opinion such services did not affect the independence of the auditor.

董事局委員會

董事局已成立3個主要董事局委員會，分別為審核委員會、薪酬委員會及提名委員會，分別由不同獨立非執行董事出任主席，以協助董事局以監督本公司事務之各項特定範疇。審核委員會、薪酬委員會及提名委員會之原則、程序及安排之職權範圍刊載於本公司網頁。董事局委員會於董事局會議向董事局匯報其決定和建議。

董事局委員會獲提供充足資源以履行其職責，並於提出合理要求後，可於適當情況下尋求獨立專業意見，費用概由本公司承擔。

審核委員會

審核委員會於2007年4月27日成立，並符合企業管治守則定明書面職權範圍。審核委員會之成員為施國榮先生、伍清華先生及陳裕光先生(彼等為獨立非執行董事)。施國榮先生，澳洲註冊會計師公會資深會員，為審核委員會主席。

審核委員會之主要職責為檢討、管理及監督本集團之財務匯報程序、內部監控制度及風險管理的成效。審核委員會之職權範圍已由董事局參照企業管治守則而作出審閱。

於2010年財政年度，審核委員會舉行了4次會議。有關於2010年財政年度，審核委員會已履行之主要職務包括向董事局提出重新聘任外聘核數師之建議、批准核數師之聘任條款(包括酬金)、審閱截至2009年9月30日止六個月之未經審核中期財務資料及中期業績公佈、審閱於2010年財政年度經審核全年財務資料及全年業績公佈、審閱本集團內部審計部之工作及評估本集團之風險管理系統與內部監控系統之成效。審核委員會向董事局提出向董事局建議重新聘任羅兵咸永道會計師事務所為本公司下年度之外聘核數師，並建議於來屆週年股東大會提呈有關決議。董事出席審核委員會會議記錄載於本年報第32頁之表內。

審核委員會已檢討審核之範疇、結果及成本效益，以及本公司核數師的獨立性和客觀性。就2010年財政年度，本公司核數師向本集團提供的審核或非審核服務之費用如下：

審核委員會已檢討本公司核數師所提供之全部非審核服務，認為該等服務並不影響核數師之獨立性。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Cont'd)

Audit Committee (Cont'd)

The Audit Committee has reviewed with the management in conjunction with the auditor, the audited annual financial statements of the Group for the 2010 Financial Year and the accounting principles and practices adopted by the Group. The Annual Report for the 2010 Financial Year has been reviewed by the Audit Committee.

Nomination Committee

The Nomination Committee was established on 27 April 2007 with written terms of reference in compliance with the Recommended Best Practice. The members of the Nomination Committee are Mr. Ng Ching Wah; Mr. Chan Yue Kwong, Michael; Mr. Sze Kwok Wing, Nigel (who are INEDs); Mr. Tsang Kang Po and Mr. Lam Wing Tak (who are executive Directors). Mr. Ng Ching Wah is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and the management of the Board succession.

The Nomination Committee met twice during the 2010 Financial Year. The major work performed by the Nomination Committee in respect of the 2010 Financial Year included assessing the independence of the independent non-executive directors and make recommendation on the appointment of executive Director, Mr. Lam Hing Chau, Leon, re-election of Mr. Tsang Kang Po, Mr. Choi Kin Chung, Mr. Chan Yue Kwong, Michael and Mr. Sze Kwok Wing, Nigel as the Directors of the Company at the forthcoming annual general meeting. The attendance of the Directors for the Nomination Committee meetings is set out in the table on page 32 of this annual report.

Remuneration Committee

The Remuneration Committee was established on 27 April 2007 with written terms of reference in compliance with the CG Code. The members of the Remuneration Committee are Mr. Chan Yue Kwong, Michael; Mr. Sze Kwok Wing, Nigel and Mr. Ng Ching Wah (who are INEDs) and Mr. Lam Wing Tak and Mr. Tsang Kang Po (who are executive Directors). Mr. Chan Yue Kwong, Michael is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management of the Group with reference to the nature of their work, complexity of the responsibilities and performance. No director is allowed to take part in any discussion about his own remuneration.

The Remuneration Committee met once during the 2010 Financial Year. The major work performed by the Remuneration Committee for the 2010 Financial Year included reviewing the remuneration of the Directors with reference to the remuneration level of directors of comparable listed companies. The attendance of the Directors for the Remuneration Committee meeting is set out in the table on page 32 of this annual report.

Particulars of the Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance and Appendix 16 of the Listing Rules are set out in note 26 to the consolidated financial statements on page 100. The Directors' fee shall be subject to shareholders' approval at general meetings. Other emoluments shall from time to time be determined by the Board with reference to the Directors' duties and responsibilities and subject to a review by the Remuneration Committee.

董事局委員會 (續)

審核委員會 (續)

審核委員會已和管理層聯同核數師審閱經審核本集團2010年財政年度之財務報表，及本集團所採納之會計原則及常規。2010年財政年度之年報已由審核委員會審閱。

提名委員會

提名委員會於2007年4月27日成立，並符合最佳常規明書面職權範圍。提名委員會之成員為伍清華先生、陳裕光先生、施國榮先生(彼等為獨立非執行董事)，以及曾鏡波先生及林榮德先生(彼等為執行董事)。伍清華先生為提名委員會主席。

提名委員會之主要職責為就委任董事及董事局繼任之管理向董事局提供建議。

於2010年財政年度，提名委員會舉行了2次會議。有關於2010年財政年度，提名委員會已履行之主要職務包括審閱獨立非執行董事之獨立性，以及就委任林興就先生為執行董事與於應屆股東週年大會上重選曾鏡波先生、蔡建中先生、陳裕光先生和施國榮先生連任本公司董事之事宜作出建議。董事出席提名委員會會議記錄載於本年報第32頁之表內。

薪酬委員會

薪酬委員會於2007年4月27日成立，並符合企業管治守則明書面職權範圍。薪酬委員會之成員為陳裕光先生、施國榮先生及伍清華先生(彼等為獨立非執行董事)及林榮德先生及曾鏡波先生(彼等為執行董事)。陳裕光先生為薪酬委員會主席。

薪酬委員會之主要職責為參照其工作性質、負責範圍的複雜性和表現、審閱及釐定付予本集團董事及高級管理人員之薪酬組合條款、花紅及其他應付補償。任何董事是不可參與討論其個人薪酬。

於2010年財政年度，薪酬委員會舉行了1次會議。有關於2010年財政年度，薪酬委員會已履行之主要職務包括參照可比較上市公司之董事薪酬水平以審閱董事酬金。董事出席薪酬委員會會議記錄載於本年報第32頁之表內。

依照香港公司條例第161條及上市規則附錄16而披露之董事酬金資料詳列於第100頁綜合財務報表附註26中。董事收取之袍金須於股東大會上經股東同意。董事之其他酬金則由董事局不時參照董事之職責以釐定及經薪酬委員會審閱。

Corporate Governance Report

企業管治報告

ACCOUNTANCY AND AUDIT

Financial reporting

The Directors acknowledge their responsibilities for preparing the Company's financial statements for 2010 Financial Year which give a true and fair view of the financial position of the Group. The Company's interim report and annual report are prepared and published in accordance with statutory requirements and Hong Kong Financial Reporting Standards in a timely manner required under the Listing Rules. Directors are provided with adequate information to enable them to make an informed assessment of financial and other information on matters for their approval.

The statement by the auditor of the Company regarding their reporting responsibility to the shareholders on the financial statements of the Group is set out in the Independent Auditor's Report on pages 36 to 37 of this annual report.

Internal controls

The Group has in place the sound and effective internal controls to safeguard the shareholders' investment and the assets of the Group. The Company has from time to time reviewed the effectiveness of the internal control systems in order to ensure that they meet with the dynamic and ever changing business environment.

During the 2010 Financial Year, the Board has reviewed the effectiveness of the Group's internal control systems, including financial, operational and compliance controls and risk management functions, the adequacy of resources, qualifications and experience of staff of the the Company's accounting and financial reporting function, and the training programmes and budget through the Internal Audit Department and the Audit Committee with the assistance of an international independent risk consulting firm.

COMMUNICATION WITH SHAREHOLDERS

Effective Communication

The Board recognises the importance of continuing communications with shareholders and strives to ensure the timeliness, completeness and accuracy of information disclosure to shareholders and to the protection in the interests of shareholders. The Board maintains an on-going dialogue with shareholders through general meeting of the Company to communicate with shareholders. The Chairman of the Board and the representative of each committee have attended the general meeting to answer any questions from shareholders. As a channel to further promote effective communication, the Group maintains a website, allowing shareholders to access updates on the Company's particulars where the Company's announcements, financial information and other information are posted.

Separate resolutions are proposed at general meetings on each substantially separate issue. A shareholder is permitted to appoint any number of proxies to attend and vote in his stead. The notice of AGM was sent to all shareholders at least 20 clear business days before the meeting and the notice of all other general meetings to be sent at least 10 clear business days.

Voting by Poll

The Articles has set out the rights of shareholders and procedures demanding and conducting a poll on resolutions at general meeting, procedures for and shareholders' right to demand a poll have been specified in corporate communications to shareholders and explained details of such rights at the commencement of the general meeting of shareholders by the Chairman. As required by the Listing Rules, all the general meetings will be voted by way of poll. The results of the poll, if any, are published on the websites of the Stock Exchange and the Company.

問責及審核

財務匯報

董事知悉其有編製2010年財政年度本公司財務報表的責任，賬目須真實公平地反映本集團的財政狀況。本公司中期報告及年報乃根據上市規則要求與香港財務報告準則而適時編製與刊發。董事獲提供適當資料，以便彼等就批准的事項作出財務和其他的知情決定。

本公司核數師就其對本集團財務報表向股東承擔之申報責任作出之聲明載於本年報第36頁至第37頁之獨立核數師報告。

內部監控

本集團已設立穩健及有效的內部監控，以保障股東的投資和本集團的資產。本公司不時檢討內部監控系統之效益，以確保系統能應付瞬息萬變之商業環境。

於2010年財政年度內，董事局透過內部審計部及審核委員會與國際獨立風險顧問公司協助下，檢討本集團內部監控系統之有效性，包括財務監控、運作監控及合規監控以及風險管理功能，本公司會計及財務匯報職能方面的資源運用、員工的資歷及經驗，以及員工接受的培訓課程及有關預算。

與股東溝通

有效溝通

董事局明瞭與股東維持溝通的重要性，並致力確保能適時向股東披露完整準確的資料及保障股東的利益。董事局通過股東大會作為與股東溝通之橋樑，與股東保持持續對話。董事局主席及各委員會代表均出席股東大會，回應股東所作出之任何提問。本集團已設立網頁，以作為增進有效溝通之渠道，讓股東查閱本公司最新資料，而本公司之公佈、財務資料及其他資料皆於網頁刊登。

本公司須就各項實質上個別事項於股東大會上個別提呈決議案。股東可委派任何數目之代表出席大會及代其投票。召開股東周年大會通告在股東周年大會舉行前不少於20個營業日寄發予所有股東，而就所有其他股東大會舉行前不少於10個營業日寄發召開所有其他股東大會通告。

以投票方式表決

本公司之組織章程細則已載列股東權利及於股東大會要求及進行以投票方式表決決議案之程序，以及於致股東之公司通訊載列股東要求投票方式表決之權利及主席於股東大會開始時亦會闡釋該等股東權利。為符合上市規則，所有股東大會將以投票方式表決。投票方式表決的結果(如有)在聯交所網頁及本公司網頁公佈。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF
PACIFIC TEXTILES HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

致互太紡織控股有限公司股東
(在開曼群島註冊成立之有限公司)

We have audited the consolidated financial statements of Pacific Textiles Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 38 to 110, which comprise the consolidated and company balance sheets as at 31 March 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

本核數師(以下簡稱「我們」)已審核列載於第38至110頁互太紡織控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表。此綜合財務報表包括於2010年3月31日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

董事就財務報表須承擔的責任

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

AUDITOR'S RESPONSIBILITY

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

核數師的責任

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

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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 9 July 2010

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於2010年3月31日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，2010年7月9日

Financial Information

財務資料

CONSOLIDATED INCOME STATEMENT For the year ended 31 March 2010

綜合收益表 截至2010年3月31日止年度

		Note 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Revenue	收入	5	5,883,413	4,734,816
Cost of sales	銷售成本	25	(4,661,649)	(4,047,859)
Gross profit	毛利		1,221,764	686,957
Other income and other (losses)/gains - net	其他收入及其他 (虧損) / 收益 - 淨	24	67,219	59,552
Distribution and selling expenses	分銷及銷售開支	25	(135,694)	(149,850)
General and administrative expenses	一般及行政開支	25	(184,164)	(170,580)
Operating profit	經營溢利		969,125	426,079
Finance income	財務收入	27	4,946	16,584
Finance costs	財務成本	27	(3,833)	(14,767)
Share of profit of associates	分佔聯營公司之溢利	9(a)	6,706	1,423
Share of loss of jointly controlled entities	分佔共同控制實體之虧損	10(a)	(8,413)	—
Profit before income tax	所得稅前溢利		968,531	429,319
Income tax expense	所得稅開支	28	(149,680)	(48,713)
Profit for the year	年度溢利		818,851	380,606
Profit attributable to:	下列人士應佔溢利：			
Equity holders of the Company	本公司權益持有人		803,186	376,515
Minority interests	少數股東權益		15,665	4,091
			818,851	380,606
Earnings per share for profit attributable to the equity holders of the Company during the year – basic and diluted (HK\$)	本公司股權持有人 應佔年度溢利 之每股盈利 — 基本及攤薄 (港元)	29	0.56	0.26
Dividends	股息	30	745,127	214,940

The notes on pages 45 to 110 are an integral part of these consolidated financial statements.

第45至110頁之附註乃綜合財務報表之部份。

Financial Information

財務資料

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2010

綜合全面收益表 截至2010年3月31日止年度

	Note 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Profit for the year	年度溢利	818,851	380,606
Other comprehensive income:	其他全面收入：		
Currency translation differences	外幣換算差額	6,488	36,253
Total comprehensive income for the year	年度全面收入總額	825,339	416,859
Attributable to:	下列人士應佔：		
Equity holders of the Company	本公司權益持有人	809,951	412,768
Minority interests	少數股東權益	15,388	4,091
Total comprehensive income for the year	年度全面收入總額	825,339	416,859

The notes on pages 45 to 110 are an integral part of these consolidated financial statements.

第45至110頁之附註乃綜合財務報表之部份。

Financial Information

財務資料

CONSOLIDATED BALANCE SHEET As at 31 March 2010

綜合資產負債表 於2010年3月31日

		Note 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	6	27,188	27,931
Property, plant and equipment	物業、廠房及設備	7	1,444,561	1,499,192
Interests in associates	於聯營公司之權益	9	27,752	23,201
Interests in jointly controlled entities	於共同控制實體之權益	10	102,199	20,141
Deferred income tax assets	遞延所得稅資產	21	4,950	—
Available-for-sale financial assets	可供出售金融資產	11	1,780	1,760
Structured deposits and bonds	結構性存款及債券	12	130,301	—
			1,738,731	1,572,225
Current assets	流動資產			
Inventories	存貨	13	1,173,632	761,640
Trade and bills receivables	應收賬款及票據	14	788,820	600,116
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	15	66,490	18,289
Derivative financial instruments	衍生金融工具	16	4,961	1,596
Structured deposits and bonds	結構性存款及債券	12	194,267	—
Cash and bank balances	現金及銀行結餘	17	689,383	1,431,664
			2,917,553	2,813,305
Total assets	資產總值		4,656,284	4,385,530
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	18	1,433	1,433
Share premium	股本溢價	18	1,371,817	1,687,063
Reserves	儲備	19	1,880,980	1,422,470
			3,254,230	3,110,966
Minority interests	少數股東權益		65,723	50,335
Total equity	權益總額		3,319,953	3,161,301

The notes on pages 45 to 110 are an integral part of these consolidated financial statements.

第45至110頁之附註乃綜合財務報表之部份。

Financial Information

財務資料

CONSOLIDATED BALANCE SHEET As at 31 March 2010

綜合資產負債表 於2010年3月31日

	Note 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
LIABILITIES			
Non-current liabilities			
Borrowings	20(a)	848	120,377
Finance lease obligations	20(b)	—	232
Derivative financial instruments	16	72	—
Deferred income tax liabilities	21	16,751	4,825
		17,671	125,434
Current liabilities			
Trade and bills payables	22	805,291	551,432
Accruals and other payables	23	354,356	239,264
Amount due to an associate	9	5,250	—
Borrowings	20(a)	73,430	284,258
Finance lease obligations	20(b)	79	657
Derivative financial instruments	16	1,240	61
Current income tax liabilities		79,014	23,123
		1,318,660	1,098,795
Total liabilities		1,336,331	1,224,229
Total equity and liabilities		4,656,284	4,385,530
Net current assets		1,598,893	1,714,510
Total assets less current liabilities		3,337,624	3,286,735

Approved by the Board of Directors on 9 July 2010:

董事局於2010年7月9日批准通過：

Wan Wai Loi
尹惠來
Director
董事

Tsang Kang Po
曾鏡波
Director
董事

The notes on pages 45 to 110 are an integral part of these consolidated financial statements.

第45至110頁之附註乃綜合財務報表之部份。

Financial Information

財務資料

BALANCE SHEET As at 31 March 2010
資產負債表 於2010年3月31日

		Note 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	8	8	8
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	8	2,068,349	2,041,394
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	15	149	292
Derivative financial instruments	衍生金融工具	16	—	392
Cash and bank balances	現金及銀行結餘	17	2,195	58,181
			2,070,693	2,100,259
Total assets	資產總值		2,070,701	2,100,267
EQUITY	權益			
Share capital	股本	18	1,433	1,433
Share premium	股本溢價	18	1,371,817	1,687,063
Reserves	儲備	19	555,279	405,791
			1,928,529	2,094,287
LIABILITIES	負債			
Current liabilities	流動負債			
Accruals and other payables	應計項目及其他應付款項	23	3,109	5,980
Amount due to a subsidiary	應付附屬公司款項	8	139,063	—
Total liabilities	負債總額		142,172	5,980
Total equity and liabilities	總權益及負債		2,070,701	2,100,267
Net current assets	流動資產淨值		1,928,521	2,094,279
Total assets less current liabilities	資產總值減流動負債		1,928,529	2,094,287

Approved by the Board of Directors on 9 July 2010:

董事局於2010年7月9日批准通過：

Wan Wai Loi
尹惠來
Director
董事

Tsang Kang Po
曾鏡波
Director
董事

The notes on pages 45 to 110 are an integral part of these consolidated financial statements.

第45至110頁之附註乃綜合財務報表之部份。

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 March 2010

綜合權益變動表 截至2010年3月31日止年度

	Note 附註	Attributable to equity holders of the Company 本公司權益持有人應佔				Total 總計 HK\$'000 千港元	Minority Interests 少數 股東權益 HK\$'000 千港元	Total 權益總額 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元 (Note 18) (附註18)	Share premium 股本溢價 HK\$'000 千港元 (Note 18) (附註18)	Reserves 儲備 HK\$'000 千港元 (Note 19) (附註19)				
Balance at 1 April 2008		1,433	1,794,533	1,043,799	2,839,765	46,244	2,886,009	
Comprehensive income:								
Profit for the year		—	—	376,515	376,515	4,091	380,606	
Other comprehensive income:								
Currency translation differences		—	—	36,253	36,253	—	36,253	
Total comprehensive income		—	—	412,768	412,768	4,091	416,859	
Transactions with owners:								
Share-based compensation expenses	18(c)	—	—	8,891	8,891	—	8,891	
2007/08 final dividend		—	(107,470)	—	(107,470)	—	(107,470)	
2008/09 interim dividend	30	—	—	(42,988)	(42,988)	—	(42,988)	
Total transactions with owners		—	(107,470)	(34,097)	(141,567)	—	(141,567)	
Balance at 31 March 2009		1,433	1,687,063	1,422,470	3,110,966	50,335	3,161,301	
Balance at 1 April 2009		1,433	1,687,063	1,422,470	3,110,966	50,335	3,161,301	
Comprehensive income:								
Profit for the year		—	—	803,186	803,186	15,665	818,851	
Other comprehensive income:								
Currency translation differences		—	—	6,765	6,765	(277)	6,488	
Total comprehensive income		—	—	809,951	809,951	15,388	825,339	
Transactions with owners:								
Share-based compensation expenses	18(c)	—	—	6,793	6,793	—	6,793	
2008/09 final dividend	30	—	—	(171,952)	(171,952)	—	(171,952)	
2009/10 interim dividend	30	—	—	(186,282)	(186,282)	—	(186,282)	
2009/10 special dividend	30	—	(315,246)	—	(315,246)	—	(315,246)	
Total transactions with owners		—	(315,246)	(351,441)	(666,687)	—	(666,687)	
Balance at 31 March 2010		1,433	1,371,817	1,880,980	3,254,230	65,723	3,319,953	

The notes on pages 45 to 110 are an integral part of these consolidated financial statements.

第 45 至 110 頁之附註乃綜合財務報表之部份。

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CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 March 2010

綜合現金流量表 截至2010年3月31日止年度

		Note 附註	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Cash flow from operating activities	經營業務之現金流量			
Cash generated from operations	經營業務產生之現金	31(a)	955,225	905,365
Interest paid	已付利息		(3,833)	(14,767)
Hong Kong profits tax paid	已付香港利得稅		(41,043)	(12,901)
Mainland China income tax paid	已付中國內地所得稅		(45,810)	(16,523)
Net cash generated from operating activities	經營業務產生之現金淨額		864,539	861,174
Cash flow from investing activities	投資活動之現金流量			
Purchase of property, plant and equipment	購置物業、廠房及設備		(240,645)	(211,835)
Purchases of structured deposits and bonds	購置結構性存款及債券		(324,568)	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	31(b)	17,147	4,033
Investments in associates	於聯營公司之投資		—	(6,435)
Investments in jointly controlled entities	於共同控制實體之投資		(90,471)	(20,141)
Acquisition of a subsidiary, net of cash acquired	收購附屬公司，現金收購淨額	31(d)	2,384	—
Interest income received	已收利息收入		4,946	16,584
Dividend income received	已收股息收入		—	7
Net cash used in investing activities	投資活動動用之現金淨額		(631,207)	(217,787)
Net cash inflow before financing activities	融資活動前現金流入淨額		233,332	643,387
Cash flow from financing activities	融資活動之現金流量			
Repayment of a loan from a minority shareholder	一名少數股東之償還貸款		(9,591)	—
New borrowings	新造借貸		12,399	64,820
Repayment of borrowings	償還借貸		(297,764)	(301,105)
Repayment of capital element of finance lease obligations	償還融資租賃承擔之資本部分		(810)	(1,493)
Dividends paid	已付股息		(673,480)	(150,458)
Net cash used in financing activities	融資活動動用之現金淨額		(969,246)	(388,236)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目 (減少) / 增加淨額		(735,914)	255,151
Cash, cash equivalents and bank overdrafts at 1 April	於4月1日現金、現金等值項目與銀行透支		1,418,659	1,146,769
Foreign exchange adjustment	外幣換算調整		3,731	16,739
Cash, cash equivalents and bank overdrafts at 31 March	於3月31日現金、現金等值項目與銀行透支	17	686,476	1,418,659

The notes on pages 45 to 110 are an integral part of these consolidated financial statements.

第45至110頁之附註乃綜合財務報表之部份

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Pacific Textiles Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the manufacture and trading of textile products. Its production bases are primarily located in the People's Republic of China (the "PRC") and Sri Lanka.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands.

These consolidated financial statements are presented in thousands of units of HK dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 9 July 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

綜合財務報表附註

1. 一般資料

互太紡織控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事紡織產品之製造及貿易。其生產基地主要位於中華人民共和國(「中國」)及斯里蘭卡。

本公司是於開曼群島註冊成立之有限公司。其註冊地址為P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands。

除另有說明外，該等綜合財務報表以千港元呈報。該等綜合財務報表於2010年7月9日經董事局批准刊發。

2. 重要會計政策概要

編製此等綜合財務報表所採納之主要會計政策載於下文。除另有說明外，此等政策已於所有呈報年度貫徹應用。

2.1 編製基準

本集團綜合財務報表乃按照香港會計師公會(「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」)編製。綜合財務報表乃根據歷史成本慣例編製，除於以下主要會計政策披露外。綜合財務報表乃根據歷史成本法而編製，並就重估之可供出售金融資產及按公允值計入損益賬之金融資產與金融負債(包括衍生工具)而予以修訂。

遵照香港財務報告準則編製財務報表須運用若干重要會計估計，而管理層於應用本集團會計原則時亦須作出判斷。涉及較高程度之判斷或複雜性，或涉及對綜合財務報表作出重大假設及估計之範圍，乃於附註4中披露。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The Group has adopted the following new and amended HKFRSs as of 1 April 2009:

- HKAS 1 (Revised), "Presentation of Financial Statements" (effective 1 January 2009). The revised standard requires 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.
- HKFRS 7 (Amendment), "Financial Instruments – Disclosures" (effective 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.
- HKFRS 8, "Operating Segments" (effective 1 January 2009). HKFRS 8 replaces HKAS 14, "Segment Reporting", and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosure about Segments of an Enterprise and Related Information". The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in significant change in the number of reportable segments presented by the Group. The reportable segment remains the "manufacturing and trading of textile products" segment.

綜合財務報表附註 (續)

2. 重要會計政策概要 (續)

2.1 編製基準 (續)

會計政策與披露之變動

(a) 本集團已採納之新訂及修訂準則
本集團於2009年4月1日已採納下列新訂及修訂準則：

- 香港會計準則第 1 號 (經修訂)「財務報表的列報」(自 2009 年 1 月 1 日起生效)。此項經修訂準則規定「非權益持有者的權益變動」在綜合收益表中必須與權益持有者的權益變動分開列報。因此，本集團在綜合權益變動表中列報全部所有者的權益變動，而非權益持有者的權益變動則在綜合收益表中列報。比較數字已重新列報，以符合經修訂準則。由於會計政策的改變只影響列報方面，故此對每股盈利並無影響。
- 香港財務報告準則第 7 號 (修訂本)「金融工具：披露」(自 2009 年 1 月 1 日起生效)。此項修改要求提高有關公允價值計量和流動性風險的披露。此項修訂本特別要求按公允價值的計量架構披露公允價值計量。由於會計政策的改變只導致額外披露，故此對每股盈利並無影響。
- 香港財務報告準則第 8 號「經營分部」(自 2009 年 1 月 1 日起生效)。香港財務報告準則第 8 號取代香港會計準則第 14 號「分部報告」，並將分部報告與美國準則 SFAS 131「有關企業分部和相關資料的披露」的規定統一起來。新訂準則要求採用「管理方法」，即分部資料須按照與內部報告所採用之相同基準予以呈列。該準則並無導致本集團所呈報的可申報分部數目出現重大變化。可申報分部仍然為「製造及買賣紡織品」分部。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(a) New and amended standards adopted by the Group (Continued)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM has been identified as the executive directors that make strategic decisions.

- (b) Standards, amendments and interpretations to existing standards that have become effective in 2009 but not relevant to the Group's operations
The following standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 April 2009 but are not relevant to the Group's operations:

		Effective for accounting periods beginning on or after		於下列日期起或期後開始之會計期間生效
HKAS 23	Borrowing Costs	1 January 2009	香港會計準則第23號	借貨成本 2009年1月1日
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009	香港會計準則第32號與香港會計準則第1號(修訂本)	可認沽金融工具及清盤引致之責任 2009年1月1日
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	香港財務報告準則第1號及香港會計準則第27號(修訂本)	附屬公司、共同控制實體或聯營公司之投資成本 2009年1月1日
HKFRS 2 (Amendment)	Share-based Payment	1 January 2009	香港財務報告準則第2號(修訂本)	以股份形式付款 2009年1月1日
HK(IFRIC) - Int 9 and HKAS 39 (Amendments)	Reassessment of Embedded Derivatives	Period ending on or after 30 June 2009	香港(國際財務報告詮釋委員會)－詮釋第9號和香港會計準則第39號(修訂本)	嵌入式衍生工具重新評估 自2009年6月30日起或期後止期間
HK(IFRIC) - Int 13	Customer Loyalty Programmes	1 July 2008	香港(國際財務報告詮釋委員會)－詮釋第13號	客戶忠誠計劃 2008年7月1日
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate	1 January 2009	香港(國際財務報告詮釋委員會)－詮釋第15號	房地產建築協議 2009年1月1日
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008	香港(國際財務報告詮釋委員會)－詮釋第16號	海外經營淨投資套期 2008年10月1日
HKFRSs (Amendments)	First Annual Improvements Project Published in October 2008 by HKICPA	1 January 2009	香港財務報告準則(修訂本)	香港會計師公會於2008年10月頒佈的首批年度改進項目 2009年1月1日

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.1 編製基準(續)

會計政策與披露之變動

(a) 本集團已採納之新訂及修訂準則(續)

報告經營分部之基準與向首席經營決策者(「首席經營決策者」)所提供的內部報告所採用之基準貫徹一致。首席經營決策者負責分配資源和評估經營分部的表現，其為執行董事並作出策略決定。

- (b) 於2009年生效而與本集團營運無關之準則及現行準則修訂與詮釋
以下為已頒佈準則、現行準則修訂及詮釋於2009年4月1日或以後開始之會計期間或較後期間生效，惟與本集團營運無關：

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

- (c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2010 or later periods, but the Group has not early adopted them:

		Effective for accounting periods beginning on or after		於下列日期起或期後開始之會計期間生效	
HKFRS 1 (Revised)	First-time Adoption of HKFRS	1 July 2009	香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則	2009年7月1日
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters	1 January 2010	香港財務報告準則第1號(修訂本)	首次採納者之額外豁免	2010年1月1日
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions	1 January 2010	香港財務報告準則第2號(修訂本)	集團以現金結算之以股份形式付款交易	2010年1月1日
HKAS 24 (Revised)	Related Party Disclosures	1 January 2011	香港會計準則第24號(經修訂)	有關連人士之披露	2011年1月1日
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009	香港會計準則第27號(經修訂)	綜合及獨立財務報表	2009年7月1日
HKAS 32 (Amendment)	Classification of Right Issues	1 February 2010	香港會計準則第32號(修訂本)	供股之分類	2010年2月1日
HKAS 39 (Amendment)	Eligible Hedged Items	1 July 2009	香港會計準則第39號(修訂本)	符合條件的對沖項目	2009年7月1日
HKFRS 3 (Revised)	Business Combinations	1 July 2009	香港財務報告準則第3號(經修訂)	業務合併	2009年7月1日
HKFRS 9	Financial Instruments	1 January 2013	香港財務報告準則第9號	金融工具	2013年1月1日
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement	1 January 2011	香港(國際財務報告詮釋委員會) – 詮釋第14號(修訂本)	最低資金要求之預付款項	2011年1月1日
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners	1 July 2009	香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產	2009年7月1日
HK(IFRIC) - Int 18	Transfers of Assets from Customers	1 July 2009	香港(國際財務報告詮釋委員會) – 詮釋第18號	自客戶轉讓資產	2009年7月1日
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010	香港(國際財務報告詮釋委員會) – 詮釋第19號	以權益工具抵銷金融負債	2010年7月1日
HKFRSs (Amendments)	First Annual Improvements Project Published in October 2008 and Second Annual Improvements Project Published in May 2009 by HKICPA	1 July 2009	香港財務報告準則(修訂本)	香港會計師公會於2008年10月頒佈的首批年度改進項目及於2009年5月頒佈的第二批年度改進項目	2009年7月1日

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.1 編製基準(續)

會計政策與披露之變動(續)

- (c) 未生效而本集團並無提前採納的新訂準則及現行準則修訂與詮釋

以下為已頒佈準則、現行準則修訂及詮釋，而本集團必須於2010年4月1日或以後開始之會計期間或較後期間採納，惟本集團並無提前採用：

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

- (c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

Management is the process of making an assessment of the impact of these standards, amendments and interpretations to existing standards and is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

2.2 Consolidation

(a) Subsidiaries

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

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.7). The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.1 編製基準(續)

會計政策與披露之變動(續)

- (c) 未生效而本集團並無提前採納的新訂準則及現行準則修訂與詮釋(續)

管理層正在評估應用該等準則、現行準則修訂與詮釋之影響，亦未對本集團的經營業績和財務狀況產生重大影響。

2.2 綜合賬目

(a) 附屬公司

附屬公司指本集團有權控制其財務及營運政策之實體(包括特定用途實體)，一般擁有其過半數表決權之股權。在評估本集團是否控制另一實體時，會考慮目前是否存在可行使或可兌換的潛在表決權及其影響。附屬公司於控制權轉移至本集團之日起全面綜合入賬，及於該控制權終止之日起終止綜合入賬。

本集團收購附屬公司以會計收購方法列賬。收購成本乃按交易日期所提供資產、所發行權益工具及所引致或所承擔負債之公平值，加收購直接應佔成本計算。企業合併時所收購可識別資產及所承擔負債及或有負債，初步以收購日之公平值計量，而不考慮任何少數股東權益。收購成本超出本集團應佔所收購可識別資產淨值公平值之差額乃記錄為商譽。倘收購成本低於所收購附屬公司資產淨值之公平值，則該差額直接於收益表確認。

集團內公司間之交易、結餘及未變現收入會作對銷。除非該交易顯示所轉移資產出現減值，否則未變現虧損亦予對銷。

附屬公司之會計政策如有需要於綜合財務報表內作出改變，以確保與本集團所採納者一致。

本公司之資產負債表內，於附屬公司之投資按成本扣除減值虧損撥備(附註2.7)列賬。附屬公司之業績由本公司按已收及應收股息入賬。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(b) Transactions with minority interests

The Group treats transactions with minority interests as transactions with equity holders of the Company. For purchases from minority interests, the difference between any consolidation paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to minority interest are also recorded in equity.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.7 for the impairment of non-financial assets.

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

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

Dilution gains and losses in investments in associates are recognised in the consolidated income statement.

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

綜合財務報表附註 (續)

2. 重要會計政策概要 (續)

2.2 綜合賬目 (續)

(b) 與少數股東權益之交易

本集團把與少數權益股東之交易視為與本公司股本持有人之交易。在向少數股東作出之收購中，任何已付代價與收購附屬公司有關股權之淨資產賬面值之差額於權益賬確認。向少數股東出售之收益或虧損亦於權益賬確認。

(c) 聯營公司

聯營公司指本集團對其行使重大影響力但並無控制權之實體，一般擁有佔其表決權20%至50%之股權。於聯營公司之投資按權益會計法列賬，並初步按成本確認。本集團於聯營公司之投資包括收購時確定之商譽，扣除任何累計減值虧損。請參閱附註2.7非金融資產之減值。

本集團應佔其聯營公司之收購後損益於綜合收益表確認，應佔收購後儲備變動則於儲備確認。累計收購後變動對投資賬面值作出調整。倘本集團應佔聯營公司虧損相等於或超過其於該聯營公司之權益(包括任何其他無抵押應收款項)，本集團不會進一步確認虧損，除非其已代表該聯營公司產生債務或付款則作別論。

本集團與其聯營公司間進行交易之未變現收入會作對銷，惟以本集團於適用聯營公司之權益為限。未變現虧損亦作對銷，除非交易有證據顯示所轉讓資產出現減值則作別論。聯營公司之會計政策已按需要作出修訂，以確保與本集團採納之政策貫徹一致。

來自聯營公司的投資所產生的攤薄盈虧於綜合收益表確認。

於本公司之資產負債表內，於聯營公司之投資按成本扣除減值虧損撥備列賬。聯營公司之業績由本公司按已收及應收股息入賬。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(d) Jointly controlled entities

A jointly controlled entity is a joint venture in which the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. The Group's interests in jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost.

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

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

Dilution gains and losses in investments in jointly controlled entities are recognised in the consolidated income statement.

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

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.2 綜合賬目(續)

(d) 共同控制實體

共同控制實體為合營公司，本集團與其他訂約方經營一項由各方共同控制之經濟活動，而參與各方概無任何一方可單獨控制該項經濟活動。本集團於共同控制實體之權益按權益會計法列賬，並初步按成本確認。

本集團應佔收購後共同控制實體的溢利或虧損於綜合損益表內確認，而應佔收購後儲備的變動則於儲備內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家共同控制實體之虧損等於或超過其在該共同控制實體之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代共同控制實體承擔責任或作出付款則除外。

本集團與其共同控制實體進行交易的未變現收益，與本集團於共同控制實體的權益對銷。除非交易顯示被轉讓資產出現減值的證據，否則交易的未變現虧損亦予以對銷。共同控制實體的會計政策已在有需要時作出改變，以確保與本集團採納的政策一致。

來自共同控制實體的投資所產生的攤薄盈虧於綜合收益表確認。

於本公司之資產負債表內，於共同控制實體之投資按成本扣除減值虧損撥備列賬。共同控制實體之業績由本公司按已收及應收股息入賬。

2.3 分部呈報

報告經營分部之基準與向首席經營決策者所提供的內部報告所採用之基準貫徹一致。首席經營決策者負責分配資源和評估經營分部的表現，其為執行董事並作出策略決定。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

All foreign exchange gains and losses are presented in the consolidated income statement within 'other (losses)/gains – net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

(c) Group companies

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

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

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.4 外幣換算

(a) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以該實體經營所在主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表乃以本公司之功能貨幣及本集團之呈列貨幣港元呈列。

(b) 交易及結餘

外幣交易按交易或項目重新計量日之匯率換算為功能貨幣。結算該等交易及按年結日之匯率換算以外幣列值之貨幣資產及負債所產生外匯盈虧均於綜合收益表確認。

所有匯兌盈虧於綜合收益表「其他(虧損)/收益-淨」中呈現。

分類為可供出售之外幣列值貨幣證券之公平值變動，分析為證券攤銷成本變動產生之換算差額及證券賬面值之其他變動。攤銷成本變動相關之換算差額乃於溢利或虧損確認，而賬面值其他變動則於權益確認。

非貨幣金融資產及負債(例如按公平值計入損益之權益)之換算差額乃於損益中確認為公平值損益之一部分。分類為可供出售之權益等非貨幣金融資產之換算差額會列入權益內之可供出售儲備中。

(c) 本集團公司

本集團旗下所有實體(當中不持有嚴重通脹經濟之貨幣)之功能貨幣倘有別於呈列貨幣，則其業績及財務狀況須按以下方式換算為呈列貨幣：

- (i) 每份資產負債表內所呈列資產及負債按該結算日之收市匯率換算；
- (ii) 每份收益表所列收益及開支按平均匯率換算，除非此平均匯率不足以合理反映於交易日期適用匯率之累計影響，則在此情況下，收益及開支按交易日期之匯率換算；及
- (iii) 所有由此產生之匯兌差額均確認為其他全面收入獨立部分。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

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

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

2.5 Leasehold land and land use rights

The up-front prepayments made for leasehold land and land use rights are accounted for as operating leases. They are expensed in the consolidated income statement on a straight-line basis over the periods of the lease or the land use rights, or when there is impairment, the impairment is expensed in the consolidated income statement.

2.6 Property, plant and equipment

Buildings comprise mainly factories and offices. Property, plant and equipment other than construction in progress are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of property, plant and equipment other than construction in progress are calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

Buildings	2% - 4%
Leasehold improvements	20%
Plant and machinery	10% - 20%
Furniture and equipment	12.5% - 25%
Motor vehicles	20% - 25%

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.4 外幣換算(續)

(c) 本集團公司(續)

於綜合賬目時，因換算海外實體或業務之淨投資以及借貸及其他指定對沖該等投資之貨幣工具而產生之匯兌差額均計入股東權益內。當出售部份海外業務時，該等已列入權益之匯兌差額會於收益表確認為部分出售盈虧。

收購海外實體時產生之商譽及公平值調整視為該海外實體之資產及負債處理，並按收市匯率換算。

2.5 租賃土地及土地使用權

就租賃土地及土地使用權作出之前期預付款項按經營租約列賬，並於該租約年期或按土地使用權以直線法在綜合收益表支銷，或倘出現減值，則於綜合收益表支銷減值。

2.6 物業、廠房及設備

樓宇主要包括廠房及辦公室。除在建工程外，物業、廠房及設備乃按歷史成本法減累計折舊及累計減值虧損(如有)列賬。歷史成本包括收購項目直接產生之開支。

只有當與項目相關之日後經濟效益有可能流入本集團及能可靠地計算項目成本之情況下，往後成本方會計入資產之賬面值或確認為獨立資產(按適用情況)。替換部分的賬面值予以取消確認。所有其他維修及保養於其產生財務期間在收益表支銷。

除在建工程外，物業、廠房及設備以直線法計算折舊，以按其估計可使用年期分配成本如下：

樓宇	2%-4%
租賃物業裝修	20%
廠房及機器	10%-20%
傢具及設備	12.5%-25%
汽車	20%-25%

資產之可使用年期會於每個結算日檢討及(倘適用)作出調整。

倘資產之賬面值超過其估計可收回金額，則資產之賬面值將即時撇減至其可收回金額(附註2.7)。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Construction in progress represents buildings, plant and machinery on which construction work has not been completed. It is carried at cost which includes construction expenditures and other direct costs less any impairment losses. On completion, construction in progress is transferred to the appropriate categories of property, plant and equipment at cost less accumulated impairment losses. No depreciation is provided for construction in progress until the asset is completed and available for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are charged to the consolidated income statement.

2.7 Impairment of investments in subsidiaries, associates, jointly controlled entities and non-financial assets

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

Impairment testing of the investments in subsidiaries or associates or jointly controlled entities is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiaries or associate or jointly controlled entities in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

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

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.6 物業、廠房及設備(續)

在建工程指建設工程尚未完成之樓宇、廠房及設備，乃按成本(包括工程開支及其他直接成本)減任何減值虧損列賬。完成時，在建工程會按成本減累計減值虧損轉撥至適當類別的物業、廠房及設備。在建工程於資產落成及可投入使用時方就折舊撥備。

出售盈虧按比較所得款項與賬面值釐定，並自綜合收益表扣除。

2.7 於附屬公司、聯營公司、共同控制實體之投資及非金融資產之減值

資產在出現顯示未必能收回賬面值之事件或情況變化時檢討有否減值。減值虧損按資產賬面值超逾其可收回金額之差額確認。可收回金額為資產公平值減出售成本與使用價值兩者間之較高者。就評估減值而言，資產按可獨立識別之現金流量之最低層次(現金產生單位)分類。已減值之非金融資產(商譽除外)於每個資產負債表日期檢討是否可能撥回減值。

倘投資附屬公司或聯營公司或共同控制實體收取之股息超過附屬公司或聯營公司或共同控制實體於股息宣派期間之全面收益總額或於獨立財務報表之投資帳面值超過投資對象資產淨值(包括商譽)於綜合財務報表之帳面值，則自該等投資收取股息時須對附屬公司或聯營公司或共同控制實體之投資進行減值測試。

2.8 金融資產

2.8.1 分類

本集團將其金融資產分類為以下類別：按公平值透過損益記賬、貸款及應收款項與可供出售。分類視乎購入金融資產之目的而定。管理層在初步確認時釐定其金融資產分類。

(a) 按公平值透過損益記賬的金融資產

按公平值透過損益記賬的金融資產指交易性金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為套期，否則亦分類為持作交易性。在此類別的資產分類為流動資產。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.1 Classification (Continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet (Notes 2.12 and 2.13).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Such an asset is included in non-current assets unless investment matures or management intends to dispose of it within 12 months of the balance sheet date.

2.8.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date-the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other income and other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

綜合財務報表附註 (續)

2. 重要會計政策概要 (續)

2.8 金融資產 (續)

2.8.1 分類 (續)

(b) 貸款及應收款項

貸款及應收款項為附帶固定或待定付款而並無活躍市場報價之非衍生金融資產，均列入流動資產，惟到期日為結算日後超過12個月者，則歸類為非流動資產。本集團之貸款及應收款項於資產負債表中列為應收賬款及其他應收款項與現金及現金等值物(附註2.12與2.13)。

(c) 可供出售金融資產

可供出售金融資產乃指定為此類別或並無歸類為任何其他類別之非衍生金融工具。除非投資到期或管理層擬在結算日後12個月內出售該資產，否則該資產列為非流動資產。

2.8.2 確認與計量

常規購買及出售的金融資產在交易日確認—交易日指本集團承諾購買或出售該資產之日。對於並非按公平值透過損益記賬的所有金融資產，其投資初始按其公平值加交易成本確認。按公平值透過損益記賬的金融資產，初始按公平值確認，而交易成本則在收益表支銷。當從投資收取現金流量的權利已到期或已轉讓，而本集團已實質上將所有權的所有風險和報酬轉讓時，金融資產即終止確認。可供出售金融資產及按公平值透過損益記賬的金融資產其後按公平值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

來自「以公允價值計量且其變動計入損益的金融資產」類別的公允價值變動所產生的利得和損失，列入產生期間利潤表內的「其他收入與其他(虧損)/收益—淨」中。來自以公允價值計量且其變動計入損益的金融資產的股息收入，當本集團收取有關款項的權利確定時，在利潤表內確認為部份其他收入。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.2 Recognition and measurement (Continued)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2.9 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.8 金融資產(續)

2.8.2 確認與計量(續)

以外幣為單位並分類為可供出售的貨幣性證券的公允價值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的折算差額進行分析。貨幣性證券的折算差額在損益表確認；非貨幣性證券的折算差額在其他全面收益中確認。分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益中確認。

當分類為可供出售之證券出售或出現減值時，其於權益確認之累計公平值調整將列入收益表。

可供出售證券利用實際利率法計算的利息在收益表內確認為部份其他收益。至於可供出售權益工具的股息，當本集團收取有關款項的權利確定時，在收益表內確認為部份其他收入。

2.9 金融資產減值

(a) 以攤銷成本列賬的資產

本集團於每個資產負債表期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值損失。

損失金額乃根據資產賬面價值與按金融資產原實際利率折現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面價值予以削減，而損失金額則在綜合收益表確認。如借款有浮動利率，計量任何減值損失的折現率為按合同釐定的當前實際利率。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets (Continued)

(a) 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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) Assets classified as available-for-sale

The Group assesses at the end of each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the separate consolidated income statement. Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement.

2.10 Derivative financial instruments

Derivatives instruments which do not qualify for hedge accounting are accounted for at fair value through profit and loss. Changes in the fair value of these derivative instruments are recognised immediately in income statement.

2.11 Inventories

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

2.12 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.9 金融資產減值(續)

(a) 以攤銷成本列賬的資產(續)

如在後繼期間，減值損失的數額減少，而此減少可客觀地聯繫至確認減值後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值損失可在綜合收益表轉回。

(b) 分類為可供出售資產

本集團在每個資產負債表期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。對於分類為可供出售的權益投資，證券公平價值大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若可供出售金融資產存在此等證據，累計虧損 – 按購買成本與當時公平價值的差額，減該金融資產之前在損益確認的任何減值損失計算 – 自權益中剔除並在單獨綜合收益表確認。在單獨綜合收益表確認的權益工具的減值損失不會透過單獨綜合收益表轉回。

2.10 衍生金融工具

衍生工具不符合採用對沖會計法並按公允價值透過損益記賬。衍生工具的公允價值任何變動，即時於收益表中確認。

2.11 存貨

存貨以成本與可變現淨值之較低者列賬。成本以加權平均法釐定。製成品及在製品之成本包括原料、直接勞工、其他直接成本及相關生產間接費用(按正常營運能力計算)，而不包括借款成本。可變現淨值為日常業務過程中之估計售價減適用之變動銷售開支。

2.12 應收賬款及其他應收款項

應收賬款為在日常營運活動中就貨品銷售或服務執行而應收客戶的款項。如應收賬款及其他應收款項的收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動資產；否則分類為非流動資產。

應收賬款及其他應收款項初步按公平價值確認，其後則按實際利率法以攤銷成本扣除減值撥備計量。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.14 Share capital

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

2.15 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.16 Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.13 現金及現金等值項目

現金及現金等值物包括手持現金、活期銀行存款、原有期限為三個月或以下的其他短期高流動投資及銀行透支。銀行透支列入資產負債表中流動負債之借貸內。

2.14 股本

股份分類為權益。發行新股或購股權的直接相關新增成本，在權益中以所得款項的扣除數額列帳。

2.15 應付賬款及其他款項

應付賬款及其他款項為在日常營運活動中購買貨品或服務而應支付的義務。如應付賬款的支付日期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動負債；否則分類為非流動負債。

應付賬款及其他款項初步按公平值確認，其後以實際利率法按攤銷成本計量。

2.16 借貸

借貸初步按公平值扣除所產生之交易成本確認。借款其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間任何差額乃以實際利率法按借款期於收益表確認。

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

借貸分類為流動負債，惟本集團有無條件權利遞延償還負債之日期至結算日後最少12個月者除外。

2.17 即期及遞延所得稅

期內的稅項支出包括即期和遞延稅項。除了在其他全面收入或直接在權益中確認的項目相關者外，稅項在利潤表中確認。在該情況下，稅項亦分別在其他全面收入或直接在權益中確認。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Current and deferred income tax (Continued)

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

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

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

(i) Employee leave entitlement

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

(ii) Retirement benefits

Group companies participate in various defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.17 即期及遞延所得稅(續)

即期所得稅費用根據本公司附屬公司、聯營公司及共同控制實體營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報表的狀況，並在適當情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅之確認是以負債法就資產與負債之稅基與綜合財務報表內之賬面值間之暫時差額作全數撥備。然而，倘遞延所得稅因初次確認一項交易(業務合併除外)之資產或負債而產生，而交易時並無對會計或應課稅溢利或虧損造成影響，則該等遞延所得稅不予計算。遞延所得稅乃按於結算日已經頒佈或大致上已頒佈，及預期在有關遞延所得稅資產變現或遞延所得稅負債清償時適用之稅率及稅務法例釐定。

遞延所得稅資產只於可能出現日後應課稅溢利抵銷暫時差額時方會確認。

遞延所得稅按投資於附屬公司、聯營公司及共同控制實體所產生之暫時差額作出撥備，惟本集團可控制撥回暫時差額之時間，且暫時差額在可見未來不會撥回者則除外。

當有法定可執行權力將即期稅項資產與即期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.18 僱員福利

(i) 僱員假期福利

僱員可享有之年假及長期服務假期之權利於該等假期累計予僱員時確認。本集團就僱員截至結算日止所提供服務而享有之年假及長期服務假期之估計負債作出撥備。僱員可享有之病假及產假於提取假期時方予確認。

(ii) 退休福利

本集團旗下公司推行多項定額供款退休福利計劃。定額供款計劃為本集團向獨立實體作出定額供款之退休福利計劃。倘有關基金並無足夠資產就僱員於現行及過往期間所提供服務支付所有僱員福利，本集團並無法律或推定責任作出進一步供款。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits (Continued)

(ii) Retirement benefits (Continued)

The schemes are generally funded through payments to insurance companies or state/trustee-administered funds. The Group pays contributions on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution of the subsidiary. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.18 僱員福利(續)

(ii) 退休福利(續)

計劃一般透過向保險公司或國家受託人管理之基金作出供款撥資。本集團按強制性、合約或自願基準作出供款。一經作出供款後，本集團並無進一步付款責任。供款於到期應付時確認為僱員福利支出。預付供款在可取得退回現金或可扣減日後付款的情況下確認為資產。

(iii) 股份酬金

本集團實行按股本結算的股份酬金計劃，根據該等計劃，主體收取僱員服務以作為本集團權益工具(購股權)的代價。授出購股權所相應獲得的僱員服務公平值確認為開支。開支的總額乃參考已授購股權的公平值釐定：

- 包括任何市場業績條件；
- 不包括任何服務和非市場業績可行權條件的影響(例如盈利能力、銷售增長目標和僱員在某特定時期內留任實體)；及
- 包括非歸屬條件影響(例如僱員儲蓄之規定)。

非市場歸屬條件包括在預期歸屬購股權數目的假設。開銷總額於歸屬期間確認，歸屬期間為達成所有特定歸屬條件的期間。於各資產負債表日，本集團根據非市場歸屬條款修訂預期歸屬購股權的估計。本集團會於損益表確認修訂原來估計(如有)的影響，並相應調整股本。

在購股權行使時，認購發行股份的現金撥入股本(面值)和股本溢價，並扣除任何直接應佔的交易費用。

本公司向集團附屬公司的僱員授與其權益工具的購股權，被視為附屬公司之資本投入。收取僱員服務的公允價值，參考授出日的公允價值計量，並在等待期內確認，作為對附屬公司投資的增加，並相對權益貸記。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits (Continued)

(iv) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

2.19 Provisions

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

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

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

2.20 Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when an entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

Advance payments received from customers prior to delivery of goods and provision of services are recorded as receipts in advance.

(b) Sub-contracting income

Sub-contracting income is recognised when service is rendered.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.18 僱員福利(續)

(iv) 花紅計劃

倘本集團因僱員提供之服務而產生現有法律或推定責任，而責任金額能可靠估算時，則將花紅計劃之預計成本確認為負債入賬。

2.19 撥備

倘本集團須就過去事件承擔現有法律或推定責任，而有可能須產生資源流出以履行該責任，並能可靠估計金額，則會確認撥備。日後營運虧損不予確認撥備。

倘出現多項類似責任，會否導致資源流出以履行責任之可能性乃於整體考慮該責任類別後確定。即使同一責任類別中任何一項可能流出資源的機會不大，仍會確認撥備。

撥備採用反映當時市場對金錢時間價值之評估及該責任之特定風險之稅前貼現率，計算預期須履行責任之開支現值作為計量準則。因時間流逝而產生之撥備增加確認為利息開支。

2.20 收入確認

收入包括於本集團日常業務過程中銷售貨品及提供服務之已收或應收代價之公平值，並於扣除增值稅、回扣及折扣，以及對銷集團內銷售後呈列。

本集團於收入金額能可靠計算，及日後可能有經濟利益流入實體，且已符合下述本集團各業務之特定條件時確認收入。本集團按過往業績作出估計，並考慮客戶種類、交易種類及各項安排之細節。

(a) 銷售貨品

銷售貨品於實體向客戶交付產品，及客戶接納有關產品，並可合理確定收回相關應收款項時確認。

於交付貨品及提供服務前自客戶獲取之預付款項列賬為預收款項。

(b) 分包收入

分包收入以提供服務時確認。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Revenue recognition (Continued)

(c) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(d) Dividend income

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

2.21 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the assets for its intended use. Other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

2.22 Leases (as the lessee)

(a) Operating leases

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

(b) Finance leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance lease balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

綜合財務報表附註 (續)

2. 重要會計政策概要 (續)

2.20 收入確認 (續)

(c) 利息收入

利息收入採用實際利率法確認。倘貸款和應收款出現減值，本集團會將賬面值減至可收回款額，即估計的未來現金流量按該工具的原實際利率折現值，並繼續將折現計算並確認為利息收入。

(c) 股息收入

股息收入在收取款項的權利確定時確認。

2.21 借貸成本

建造任何合資格資產時，於完成及籌備資產作其擬定用途期間所發生的借貸成本將予以資本化。期內，其他借貸成本於綜合收益表扣除處理。

2.22 租賃(作為承租人)

(a) 經營租賃

資產擁有權之絕大部分風險及回報仍屬出租人所有之租賃，分類為經營租賃。根據經營租賃支付之款項扣除自出租人獲得之任何優惠後，按直線法於租期內自收益表扣除。

(b) 融資租賃

本集團租借若干物業、廠房及設備。本集團擁有權絕大部分風險及回報之物業、廠房及設備租約分類為融資租賃。融資租賃於租賃開始時按所租物業之公平值與最低租金付款現值之較低者撥充資本。

每項租金付款會於負債與財務支出間劃撥，以就尚餘融資租賃結餘達致固定支銷率。相關租金承擔於扣除財務支出後，列入即期借貸及非即期借貸。財務成本之利息部份乃於租期內自收益表扣除，以就各段期間餘下負債結餘達致固定之周期利率率。根據融資租賃購入之物業、廠房及設備按資產可使用年期與租期之較短者折舊。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Contingent liabilities

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

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

2.24 Dividend distribution

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Because of the simplicity of the financial structure and current operations of the Group, no major hedging activities other than the use of external forward foreign currency contracts are undertaken by management. However, the forward foreign currency contracts do not qualify for hedge accounting and are accounted for at fair value through profit and loss.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the cash and bank balances denominated in foreign currency. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group's transactions in Hong Kong are mainly settled in either HK\$ or US\$ while the transactions in PRC are mainly settled in RMB, therefore the foreign exchange risk is considered to be insignificant as the HK\$ is pegged against the US\$. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

綜合財務報表附註(續)

2. 重要會計政策概要(續)

2.23 或有負債

或有負債指可能因過往事件而產生之可能責任，而有關責任存在須透過一或多項並非本集團控制範圍內無法肯定之日後事件發生或不發生與否方能確定。或有負債亦指因過往事件而產生之現有責任，由於可能不需要流出經濟資源或責任金額無法可靠計量而未有確認。

或有負債不予確認，惟會於財務報表內披露。倘資源流出之可能性有變，以致可能流出資源，則將確認為撥備。

2.24 股息分派

分派予本公司股東之股息於本公司股東或董事(倘適用)批准股息之期間，在本集團之財務報表確認為負債。

3. 財務風險管理

3.1 財務風險因素

本集團業務面臨多種財務風險：市場風險(包括外匯風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。本集團之整體風險管理程序專注於金融市場之不可預測性，並尋求將對本集團財務表現之潛在不利影響降至最低。為了簡化本集團的財務架構與現行的營運，管理層除了採用遠期外幣合約外，並沒有重大的對沖活動。然而，遠期外幣合約不符合採用對沖會計法並按公允價值透過損益記賬。

(a) 市場風險

(i) 外匯風險

本集團涉及多種貨幣之風險，主要涉及現金及銀行結餘按外幣計值。外匯風險來自未來商業交易，已確認為資產及負債及於海外業務淨投資。

本集團於香港交易主要以港元或美元進行，而於中國的交易主要以人民幣進行，因此，外匯風險被認為微不足道。此外，人民幣轉換成外幣是受到中國政府的所頒佈的外匯管制規則與規例約束。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group manages its foreign exchange risks by performing regular reviews, using forward contracts and continuously monitoring its foreign exchange exposure.

For the year ended 31 March 2010, for a bank balance denominated in Canadian dollars ("CAD"), if CAD had strengthened/weakened by 10% (2009: strengthened/weakened by 10%) against HK\$ with all other variables held constant, the Group's profit for the year would have been HK\$157,000 (2009: HK\$106,000) higher/lower.

(ii) Cash flow and fair value interest rate risk

Except for the structured deposits and bonds, cash at bank and short-term bank deposits and borrowings, details of which are disclosed in Notes 12, 17 and 20 respectively, the Group has no other significant interest-bearing assets or liabilities.

Structured deposits and bonds, bank deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. The Group manages its interest rate risk by performing regular review and continually monitoring its interest rate exposures. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

For the year ended 31 March 2010, if the market interest rates for structured deposits and bonds and bank deposits had been 50 basis points higher/lower with all other variables held constant, the Group's net profit would have been approximately HK\$1,881,000 (2009: HK\$2,058,000) higher/lower.

For the year ended 31 March 2010, if the market interest rates for floating bank borrowings had been 50 basis points higher/lower with all other variables held constant, the Group's net profit would have been approximately HK\$925,000 (2009: HK\$2,683,000) lower/higher.

綜合財務報表附註 (續)

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

本集團擁有若干境外營運投資，其資產淨值面臨外幣換算風險。本集團管理外匯風險是以定期審閱，以遠期外匯合約和不斷監測外匯風險。

截至2010年3月31日止年度，倘按加幣(「加幣」)計值的銀行結餘，加幣升值/貶值10%(2009年：升值/貶值10%)，而港元與全部其他可變因素保持不變，本集團的年度溢利增加/減少157,000港元(2009年：106,000港元)高/低。

(ii) 現金流量及公平值利率風險除結構性存款及債券、銀行現金及短期銀行存款與借貸，其詳情分別載列於附註12、17與20外，本集團並無其他重大計息資產或負債。

按浮動利率計息之結構性存款及債券、銀行存款及借貸令本集團面對現金流量利率風險。本集團透過定期審閱及不斷監察其利率所承受風險而管理其利率風險。本集團並無利用任何利率掉期交易以對沖其所承受之利率風險。

於截至2010年3月31日止年度，倘結構性存款及債券及銀行存款之市場利率上升/下降50基點，而其他可變因素維持不變，本集團純利將增加/減少約1,881,000港元(2009年：2,058,000港元)。

於截至2010年3月31日止年度，倘以浮動利率計算之銀行借貸之市場利率上升/下降50基點，而其他可變因素維持不變，本集團純利將減少/增加約925,000港元(2009年：2,683,000港元)。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from structured deposits and bonds, trade and bills receivables, deposits and other receivables, derivative financial instruments and cash and bank balances.

At 31 March 2010 and 2009, substantially all the structured deposits and bonds, cash and bank balances as detailed in Notes 12 and 17 are held in major financial institutions located in Hong Kong, Mainland China, Sri Lanka and Macau; all derivative financial instruments are also entered into with these financial institutions, which management believes are of high credit quality. The Group has a policy to limit the amount of credit exposure to any individual financial institution and management does not expect any losses arising from non-performance by these financial institutions.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of their customers. The credit quality of the customers is assessed based on its financial position, past experience and other factors. Normally the Group does not require collateral from trade debtors. The existing debtors have no significant defaults in the past. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible receivables has been made.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements have been for additions of and upgrades on property, plant and equipment, repayment of debts and payment for purchases and operating expenses. The Group finances its working capital requirements through a combination of funds generated from its operations and bank borrowings.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure it maintains sufficient cash and cash equivalents and has available funding through adequate amount of committed credit facilities to meet its working capital requirements.

綜合財務報表附註(續)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險來自結構性存款及債券、應收賬款及票據、按金及其他應收款項、衍生金融工具與現金及銀行結餘。

於2010年及2009年3月31日，誠如附註12與17所詳列，所有結構性存款及債券、現金及銀行結餘存放於香港、中國內地、斯里蘭卡及澳門主要金融機構；所有衍生金融工具均由管理層認為屬高信貸質素的金融機構訂立。本集團採取限額政策限制對任何個別金融機構的信貸風險且管理層並不預期會出現任何因該等金融機構不履約而產生的虧損。

本集團亦有政策確保銷售予有良好信貸記錄的客戶，而且本集團會定期評估客戶信貸。客戶信貸質素乃按其財務狀況、過往經驗及其他因素作出評估。一般而言，本集團並無要求借款人提供抵押品。現有借款人於過往期間並無重大欠付記錄。本集團過往未收回的應收賬款及其他應收款並沒有超出已計提的壞賬準備金額，並且董事認為財務報表中就不可收回的應收款項已計提足夠的壞賬準備。

(c) 流動資金風險

審慎的流動性風險管理，意味著維持充足的現金並通過充足的信貸額度獲得資金。

本集團的現金需求主要用添置及更新於物業、廠房及設備、償還債務及支付採購費用及營運開支。本集團通過營運產生之資金及銀行借款以撥付營運資金所要求。

本集團的政策為定期監察現時及預期流動資金要求，從而確保本集團有足夠的現金及現金等值項目及通過充足的信貸額度獲得資金，以符合營運資金之要求。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(i) Group

		Within 1 year 1年內 HK\$'000 千港元	Between 1 and 2 years 1年至2年 HK\$'000 千港元	Between 2 and 5 years 2年至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2010	於 2010 年 3 月 31 日				
Borrowings	借貸	75,268	882	—	76,150
Financial lease obligations	融資租賃承擔	83	—	—	83
Trade and bills payables	應付賬款及票據	805,291	—	—	805,291
Accruals and other payables	應計項目及其他應付款項	354,356	—	—	354,356
Amount due to an associate	應付聯營公司款	5,250	—	—	5,250
Total	總值	1,240,248	882	—	1,241,130
At 31 March 2009	於 2009 年 3 月 31 日				
Borrowings	借貸	284,258	60,068	60,309	404,635
Financial lease obligations	融資租賃承擔	657	232	—	889
Trade and bills payables	應付賬款及票據	551,432	—	—	551,432
Accruals and other payables	應計項目及其他應付款項	239,264	—	—	239,264
Total	總值	1,075,611	60,300	60,309	1,196,220

綜合財務報表附註 (續)

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

下表為本集團和本公司於結算日至合約到期日的剩餘期間的財務負債情況分析。於表中披露的金額為合約性未折算現金流量。

(i) 本集團

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

(i) Group (Continued)

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than 1 month 少於 1 個月 HK\$'000 千港元	Between 1 and 3 months 1 至 3 個月 HK\$'000 千港元	Between 3 months and 1 years 3 個月至 1 年 HK\$'000 千港元	Over 1 year 超過 1 年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2010	於 2010 年 3 月 31 日					
Forward foreign currency contracts	遠期外幣合約					
Inflow	流入	104,512	305,408	642,868	38,820	1,091,608
Outflow	流出	(104,465)	(304,448)	(642,161)	(38,693)	(1,089,767)
At 31 March 2009	於 2009 年 3 月 31 日					
Forward foreign currency contracts	遠期外幣合約					
Inflow	流入	130,260	187,200	163,800	—	481,260
Outflow	流出	(128,988)	(185,617)	(162,423)	—	(477,028)

(ii) Company

(ii) 本公司

		Within 1 year 1 年內 HK\$'000 千港元	Between 1 and 2 years 1 年至 2 年 HK\$'000 千港元	Between 2 and 5 years 2 年至 5 年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2010	於 2010 年 3 月 31 日				
Accruals and other payables	應計項目及其他應付款項	3,109	—	—	3,109
Amount due to a subsidiary	應付附屬公司款項	139,063	—	—	139,063
		142,172	—	—	142,172
At 31 March 2009	於 2009 年 3 月 31 日				
Accruals and other payables	應計項目及其他應付款項	5,980	—	—	5,980

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowing divided by total capital. Total borrowings include current and non-current borrowings and finance lease obligations as shown in the consolidated balance sheet. Total capital is calculated as 'equity' as shown in the consolidated balance sheet. The gearing ratios at 31 March 2010 and 2009 were as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Total borrowings	借貸總額	74,357	405,524
Total capital	資本總額	3,319,953	3,161,301
Gearing ratio	資本負債比率	2%	13%

The decrease in the gearing ratio during the year ended 31 March 2010 was mainly resulted from the repayment of a bank loan of HK\$274,510,000 of the Group.

3.3 Fair value estimation

Effective from 1 April 2009, the Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

綜合財務報表附註(續)

3. 財務風險管理(續)

3.2 資金風險管理

本集團的資金管理政策為保障本集團能繼續營運，以為股東提供回報，同時兼顧其他股權持有人之利益，並維持最佳之資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整向股東派付之股息金額、向股東發還資金、發行新股或出售資產以減低債務。

與其他同業相同，本集團以資本負債比率監察資本。此比率按照借貸總額除以資本總額計算。借貸總額包括綜合資產負債表所列的流動與非流動借貸與融資租賃承擔。資本總額為綜合資產負債表所列的「權益」。於2010年與2009年3月31日之資本負債比率如下：

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Total borrowings	74,357	405,524
Total capital	3,319,953	3,161,301
Gearing ratio	2%	13%

於2010年3月31日止年度，資本負債比率減少主要付還本集團的銀行貸款274,510,000港元所致。

3.3 公平值估計

由2009年4月1日起，本集團採納香港財務報告準則第7條修訂本，有關金融工具在資產負債表按公允價值計量，其規定按下列公允價值計量架構披露公允價值計量：

- 相同資產或負債在活躍市場的報價(未經調整)(第1層)。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2010.

		Level 1 第 1 層 HK\$'000 千港元	Level 2 第 2 層 HK\$'000 千港元	Level 3 第 3 層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Derivative financial instruments (Note 16)	衍生金融工具 (附註 16)	—	4,961	—	4,961
Available-for-sale financial assets (Note 11)	可供出售金融資產 (附註 11)				
– Equity securities	– 權益證券	39	—	—	39
– Club debentures	– 會籍債券	—	1,741	—	1,741
Total assets	資產總額	39	6,702	—	6,741
Liabilities	負債				
Derivative financial instruments (Note 16)	衍生金融工具 (附註 16)	—	(1,312)	—	(1,312)

3. 財務風險管理(續)

3.3 公平值估計(續)

下表顯示本集團資產和負債按2010年3月31日計量的公允價值。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. These estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

(b) Impairment of property, plant and equipment, leasehold land and land use rights

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair values less cost to sell. These calculations require the use of judgements and estimates.

4. 重大會計估計及判斷

根據過往經驗及其他因素，包括於有關情況下相信為合理之日後事項預測，對估計及判斷作持續評估。

本集團作出有關日後之估計及判斷。作出之會計估計顧名思義地甚少與相關實際結果相同。存有重大風險須對下一個財政年度資產及負債賬面值作出重大調整之估計及假設論述如下。

(a) 物業、廠房及設備之可使用年期及餘值

本集團管理層釐定物業、廠房及設備之估計可使用年期、餘值及相關折舊支出。此估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期的過往經驗作出。管理層將於可使用年期少於早前估計時增加折舊支出，並撇銷或撤減已廢棄或售出之技術上陳舊或非策略性資產。實際經濟年期可能有別於估計可使用年期；而實際餘值亦可能有別於估計餘值。定期作出之檢討可能導致可折舊年期及餘值出現變動，因而導致日後折舊開支有變。

(b) 物業、廠房及設備、租賃土地及土地使用權減值

物業、廠房及設備、租賃土地及土地使用權於出現顯示可能無法收回賬面值之事件或狀況變化時檢討有否減值。可收回金額乃按使用價值或市場估值釐定。此等計算需要作出判斷及估計。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Impairment of property, plant and equipment, leasehold land and land use rights (Continued)

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) 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 in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's reported balance sheet and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement.

(c) Net realisable value of inventories

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

(d) Provision for impairment of trade, bills and other receivables

The Group's management determines the provision for impairment of trade, bills and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition, and requires the use of judgements and estimates. Management reassesses the provision at each balance sheet date.

(e) Income taxes and deferred tax

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

綜合財務報表附註(續)

4. 重大會計估計及判斷(續)

(b) 物業、廠房及設備、租賃土地及土地使用權減值(續)

管理層須就資產檢測減值之情況作出判斷，特別是：(i)評估有否發生可能顯示有關資產價值可能無法收回之事件；(ii)評估資產之可收回金額能否支持其賬面值，可收回金額為公平值減出售成本，或估計於業務中持續使用該資產可產生之日後現金流量現值之較高者；及(iii)評估編製現金流量預測時所用適當主要假設，包括該等現金流量預測是否按適當比率貼現。管理層評估減值時所選用假設(包括現金流量預測所用貼現率或增長率假設)如有任何變化，均可能對減值檢測中所用淨現值，以致本集團報告資產負債表及營運業績造成重大影響。倘所預測表現及因此作出之日後現金流量預測出現重大負面變動，則或須於收益表作出減值支出。

(c) 存貨可變現淨值

存貨之可變現淨值乃按日常業務過程中之估計售價減估計完成成本及出售開支計算。該等估計乃按現行市況及製造及銷售類似性質產品之過往經驗作出。這可能因客戶口味轉變及競爭對手因應嚴峻行業周期而作出之行動而大幅變化。管理層於每個結算日重新評估該等估計。

(d) 應收賬款、票據及其他應收款項之減值撥備

本集團管理層按對應收款項之可收回程度之評估決定應收賬款、票據及其他應收款項之減值撥備。有關評估乃按其客戶及其他借入人之信貸記錄以及當前市況作出，並需要作出判斷及估計。管理層於每個結算日重新評估撥備。

(e) 所得稅及遞延稅項

本集團須在多個司法權區繳納所得稅。於釐定全球性的所得稅撥備時須作出重大假設。日常業務過程中有若干無法確定最終稅款之交易及計算。倘該等事項最終稅款結果有別於最初記錄之金額，有關差額將影響作出有關決定之期間之所得稅及遞延稅項撥備。本集團按是否須繳納額外稅項而確認預計稅務審核事宜的負債。倘該等事宜的最終稅務結果有異於最初記錄的數額，有關差額將會影響釐定有關數額期間的即期及遞延所得稅資產與負債。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. SEGMENT INFORMATION

The CODM has been identified collectively as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The executive directors review the performance of the Group mainly from textile manufacturing segment by geographic perspective. The operating segment represents manufacturing of textile products in China, Sri Lanka, the associate in China and the jointly controlled entities in Bangladesh. As all of the Group's business operations relate to the manufacturing and trading of textile products with similar economic characteristic, they are aggregately reported as one operating segment as disclosed in these consolidated financial statements. The CODM also reviews the resources allocation and performs performance assessment based on the entity-wide financial information disclosed below.

Set out below is a summary of key performance indicators reviewed by the CODM on a regular basis:

綜合財務報表附註(續)

5. 分部資料

首席經營決策者已獲識別為本公司執行董事。執行董事審閱本集團之內部呈報，以評估表現並分配資源。首席經營決策者已根據此等報告釐定經營分部。

執行董事從地區角度來審閱本集團之表現主要來自紡織製造部分。經營分部代表於中國、斯里蘭卡、中國的聯營公司及孟加拉共同控制實體製造紡織產品。由於本集團之主要業務為具有類似經濟特徵的製造及買賣紡織品，而總計報告作為一個經營分部並披露於綜合財務報表。首席經營決策者亦基於下文所披露實體性的財務資料，審閱資源分配和進行表現評估。

首席經營決策者定期審閱關鍵表現指標之摘要載列如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Revenue	收入	5,883,413	4,734,816
Gross profit	毛利	1,221,764	686,957
Gross profit margin (%)	毛利率(%)	20.8%	14.5%
EBITDA	利息、稅項、折舊及攤銷前溢利	1,269,692	688,572
EBITDA margin (%)	利息、稅項、折舊及攤銷前溢利率(%)	21.6%	14.5%
Operating expenses	經營開支	319,858	320,430
Operating expenses /Revenue (%)	經營開支/收入(%)	5.4%	6.8%
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	803,186	376,515
Net profit margin (%)	純利率(%)	13.7%	8.0%
Total assets	資產總額	4,656,284	4,385,530
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	3,254,230	3,110,966
Inventories	存貨	1,173,632	761,640
Inventory days	存貨日數	76	79
Trade and bills receivables	應收賬款及票據	788,820	600,116
Trade and bills receivables days	應收賬款及票據日數	43	47
Trade and bills payables	應付賬款及票據	805,291	551,432
Trade and bills payable days	應付賬款及票據日數	53	52

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. SEGMENT INFORMATION (Continued)

The Group's sales by geographical locations are determined by the final destination where the products are delivered:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
China	中國	1,823,245	1,299,765
South East Asia	東南亞	1,215,817	996,850
Hong Kong	香港	1,126,974	864,083
Sri Lanka	斯里蘭卡	1,048,882	909,719
Others	其他	668,495	664,399
		5,883,413	4,734,816

Revenue of approximately HK\$1,270,135,000 (2009: HK\$590,429,000) are derived from a single external customer.

The Group's non-current assets (other than financial instruments and deferred tax assets) are located in the following geographical areas:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
China	中國	1,239,460	1,266,984
Hong Kong	香港	46,810	43,062
Sri Lanka	斯里蘭卡	213,064	240,147
Others	其他	102,366	20,272
		1,601,700	1,570,465

綜合財務報表附註(續)

5. 分部資料(續)

本集團按地區劃分之銷售乃以產品交付之最終目的地分類：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
China	中國	1,823,245	1,299,765
South East Asia	東南亞	1,215,817	996,850
Hong Kong	香港	1,126,974	864,083
Sri Lanka	斯里蘭卡	1,048,882	909,719
Others	其他	668,495	664,399
		5,883,413	4,734,816

收入約1,270,135,000港元(2009年：590,429,000)乃來自單一外來客戶。

本集團按地區劃分之非流動資產(金融工具與遞延稅項資產除外)如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
China	中國	1,239,460	1,266,984
Hong Kong	香港	46,810	43,062
Sri Lanka	斯里蘭卡	213,064	240,147
Others	其他	102,366	20,272
		1,601,700	1,570,465

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

6. LEASEHOLD LAND AND LAND USE RIGHTS

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

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
At 1 April	於 4 月 1 日	27,931	28,336
Currency translation differences	外幣換算差額	21	367
Amortisation of prepaid operating lease payment	預付經營租約款項之攤銷	(764)	(772)
At 31 March	於 3 月 31 日	27,188	27,931
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
In Hong Kong, held on:	於香港持有：		
Leases of between 10 to 50 years	年期介乎 10 至 50 年之租約	3,598	3,694
In China, held on:	於中國持有：		
Land use rights of between 10 to 50 years	年期介乎 10 至 50 年之土地使用權	17,005	17,409
In Sri Lanka, held on:	於斯里蘭卡持有：		
Leases of between 10 to 50 years	年期介乎 10 至 50 年之租約	6,585	6,828
		27,188	27,831

6. 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益為預付經營租約款項，其賬面淨值分析如下：

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財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

7. PROPERTY, PLANT AND EQUIPMENT

7. 物業、廠房及設備

		Buildings 樓宇 HK\$'000	Leasehold improvements 租賃物業裝修 HK\$'000	Plant and machinery 廠房及機器 HK\$'000	Furniture and equipment 傢具及設備 HK\$'000	Motor vehicles 汽車 HK\$'000	Construction In progress 在建工程 HK\$'000	Total 總計 HK\$'000
At 1 April 2008	於 2008 年 4 月 1 日							
Cost	成本	611,232	7,864	1,715,240	158,030	23,277	186,378	2,702,021
Accumulated depreciation	累計折舊	(70,438)	(6,876)	(985,631)	(103,546)	(12,943)	—	(1,179,434)
Net book amount	賬面淨值	540,794	988	729,609	54,484	10,334	186,378	1,522,587
Year ended 31 March 2009	截至 2009 年 3 月 31 日止年度							
Opening net book amount	年初賬面淨值	540,794	988	729,609	54,484	10,334	186,378	1,522,587
Currency translation differences	外幣換算差額	10,368	—	13,245	841	68	2,021	26,543
Additions	添置	—	—	82,585	3,247	2,573	123,430	211,835
Disposals	出售	—	—	(1,451)	(24)	—	—	(1,475)
Depreciation charge	折舊支出	(24,831)	(988)	(211,564)	(19,467)	(3,448)	—	(260,298)
Transfers	轉撥	56,477	—	70,091	20,167	451	(147,186)	—
Closing net book amount	年終賬面淨值	582,808	—	682,515	59,248	9,978	164,643	1,499,192
At 31 March 2009	於 2009 年 3 月 31 日							
Cost	成本	679,455	7,864	1,892,502	183,119	25,565	164,643	2,953,148
Accumulated depreciation	累計折舊	(96,647)	(7,864)	(1,209,987)	(123,871)	(15,587)	—	(1,453,956)
Net book amount	賬面淨值	582,808	—	682,515	59,248	9,978	164,643	1,499,192
Year ended 31 March 2010	截至 2010 年 3 月 31 日止年度							
Opening net book amount	年初賬面淨值	582,808	—	682,515	59,248	9,978	164,643	1,499,192
Currency translation differences	外幣換算差額	1,403	—	1,036	(16)	1	278	2,702
Additions	添置	—	38	146,844	10,514	2,465	92,465	252,326
Disposals	出售	(5,183)	—	(1,016)	(50)	(1,900)	—	(8,149)
Depreciation charge	折舊支出	(28,476)	(4)	(248,137)	(21,303)	(3,590)	—	(301,510)
Transfers	轉撥	181,948	—	26,139	7,097	—	(215,184)	—
Closing net book amount	年終賬面淨值	732,500	34	607,381	55,490	6,954	42,202	1,444,561
At 31 March 2010	於 2010 年 3 月 31 日							
Cost	成本	854,905	7,902	2,034,313	200,717	23,594	42,202	3,163,633
Accumulated depreciation	累計折舊	(122,405)	(7,868)	(1,426,932)	(145,227)	(16,640)	—	(1,719,072)
Net book amount	賬面淨值	732,500	34	607,381	55,490	6,954	42,202	1,444,561

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense recognised in the income statement is analysed as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Cost of sales	銷售成本	295,419	253,767
General and administrative expenses	一般及行政開支	6,091	6,531
		301,510	260,298

The carrying amount of property, plant and equipment pledged to secure bank facilities of the Group amounted to approximately HK\$86,415,000 (2009: HK\$92,913,000).

Property, plant and equipment held under finance leases are analysed as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Cost — capitalised finance leases	成本 — 融資租約撥充資本	4,922	4,922
Less: accumulated depreciation	減：累計折舊	(3,428)	(2,456)
Net book amount	賬面淨值	1,494	2,466
Depreciation charge for the year	年內折舊支出	972	984

8. INVESTMENTS IN AND AMOUNTS DUE FROM/(TO) SUBSIDIARIES

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	8	8
Amounts due from subsidiaries (Note)	應收附屬公司款項（附註）	2,068,349	2,041,394
Amount due to a subsidiary (Note)	應付附屬公司款項（附註）	139,063	—

Note:

The amounts due from /(to) subsidiaries are unsecured, interest free and repayable on demand.

綜合財務報表附註（續）

7. 物業、廠房及設備（續）

於收益表內確認之折舊開支分析如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Cost of sales	銷售成本	295,419	253,767
General and administrative expenses	一般及行政開支	6,091	6,531
		301,510	260,298

本集團獲取銀行融資而抵押之物業、廠房及設備的賬面值約為86,415,000港元（2009年：92,913,000港元）。

根據融資租約持有之物業、廠房及設備分析如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Cost — capitalised finance leases	成本 — 融資租約撥充資本	4,922	4,922
Less: accumulated depreciation	減：累計折舊	(3,428)	(2,456)
Net book amount	賬面淨值	1,494	2,466
Depreciation charge for the year	年內折舊支出	972	984

8. 於附屬公司之投資與應收／（付）款項

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	8	8
Amounts due from subsidiaries (Note)	應收附屬公司款項（附註）	2,068,349	2,041,394
Amount due to a subsidiary (Note)	應付附屬公司款項（附註）	139,063	—

附註：

應收／（付）附屬公司款項為無抵押、免息及須按的要求償還。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. INVESTMENTS IN AND AMOUNTS DUE FROM /(TO) SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries as at 31 March 2010 and 2009:

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment/ operation 註冊／成立／ 運作地點	Issued and fully paid up share capital/ registered capital 已發行及繳足之 股本／註冊資本	Equity interest attributable to the Group 本集團應佔 股本權益		Principal activities 主要業務
			2010 2010年	2009 2009年	
Shares held directly: 直接持有股份：					
Pacific Textured Jersey Holdings Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific Textiles Overseas Holdings Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific HK & China Holdings Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific SPM Holdings Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Solid Ally International Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Lehan Resources Ltd.	British Virgin Islands 英屬處女群島	HK\$1 1港元	100%	100%	Investment holding 投資控股
Fast Right Group Ltd. 正迅集團有限公司	British Virgin Islands 英屬處女群島	US\$1,000 1,000美元	100%	100%	Investment holding 投資控股
Goodscore Ltd. 高績有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	100%	Investment holding 投資控股
Shares held indirectly: 間接持有股份：					
Fillattice-Pacific Limited 互力有限公司	Hong Kong 香港	HK\$3,900,000 3,900,000港元	100%	50%	Inactive 不活躍
Pacific Textiles Limited 互太紡織有限公司	Hong Kong 香港	HK\$103,000,000 103,000,000港元	100%	100%	Trading of textile products 紡織品貿易
Pacific SPM Investment Limited 互太汽車紡織投資有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific (Nansha) Investments Limited 互太(南沙)投資有限公司	Hong Kong 香港	HK\$22,000,000 22,000,000港元	100%	100%	Investment holding 投資控股
Pacific Overseas Textiles Macao Commercial Offshore Limited 互太海外紡織澳門離岸商業 服務有限公司	Macau 澳門	MOPI,030,000 1,030,000澳門幣	100%	100%	Trading of textile products 紡織品貿易

綜合財務報表附註(續)

8. 於附屬公司之投資與應收／(付)款項(續)

以下表列於2010年與2009年3月31日之主要附屬公司：

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. INVESTMENTS IN AND AMOUNTS DUE FROM / (TO) SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries as at 31 March 2010 and 2009: (Continued)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment/ operation 註冊／成立／ 運作地點	Issued and fully paid up share capital/ registered capital 已發行及繳足之 股本／註冊資本	Equity interest attributable to the Group 本集團應佔 股本權益		Principal activities 主要業務
			2010 2010年	2009 2009年	
Shares held indirectly: (Continued) 間接持有股份：(續)					
Pacific (Panyu) Textiles Limited (Note) 互太(番禺)紡織印染有限公司(附註)	Mainland China 中國內地	Registered/ paid up capital US\$72,699,989 註冊／繳足股本 72,699,989美元	100%	100%	Manufacturing and trading of textile products 紡織品製造及貿易
Pacific/Textured Jersey Ltd.	United Kingdom 英國	GBP100 100 英磅	100%	100%	Fabrics agency 布匹代理
Textured Jersey Lanka (Private) Limited	Sri Lanka 斯里蘭卡	Rs1,597,229,000 1,597,229,000 斯里蘭卡盧布	60%	60%	Manufacturing and trading of textile products 紡織品製造及貿易

Note:

Company established as a wholly foreign owned enterprise in Mainland China.

附註:

該本公司是在中國內地成立的全資外商企業。

9. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

9. 於聯營公司之權益與應付款項

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Share of net assets (Note (a))	應佔資產淨值 (附註(a))	27,752	23,201
Amount due to an associate (Note (b))	應付聯營公司款項 (附註(b))	5,250	—

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

9. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Continued)

9. 於聯營公司之權益與應付款項 (續)

(a) Share of net assets

Movements of share of net assets of associates are as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
At 1 April	於 4 月 1 日	23,201	15,086
Currency translation differences	外幣換算差額	74	257
Capital injection (Note)	注資 (附註)	—	6,435
Share of results - profit for the year	應佔業績 - 一年內溢利	6,706	1,423
Disposal	出售	(2,229)	—
At 31 March	於 3 月 31 日	27,752	23,201

Note:

During the year ended 31 March 2009, the Group injected capital of HK\$6,435,000 in SPM Automotive Textile Co., Ltd.

The Group's share of results, assets and liabilities, all of which are unlisted, are as follows:

(a) 應佔資產淨值

應佔聯營公司資產淨值之變動如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
At 1 April	於 4 月 1 日	23,201	15,086
Currency translation differences	外幣換算差額	74	257
Capital injection (Note)	注資 (附註)	—	6,435
Share of results - profit for the year	應佔業績 - 一年內溢利	6,706	1,423
Disposal	出售	(2,229)	—
At 31 March	於 3 月 31 日	27,752	23,201

附註：

在截至2009年3月31日止年度，本集團對住江互太(廣州)汽車紡織產品有限公司注資6,435,000港元。

本集團應佔非上市公司之業績、資產與負債如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Total assets	資產總值	40,890	34,822
Total liabilities	負債總額	13,138	11,621
Revenue	收入	57,751	38,047
Profit for the year	年度溢利	6,706	1,423

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財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Continued)

(b) Amount due to an associate

The amount due to an associate is unsecured, interest free, repayable on demand and denominated in RMB.

The particulars of the associates as at 31 March 2010 and 2009 are set out as follows:

Name of associates 聯營公司名稱	Place of Incorporation/ establishment/ operation 註冊／成立／ 運作地點	Issued and fully paid up share capital/ registered capital 已發行及繳足之 股本／註冊資本	Equity interest attributable to the Group 本集團應佔 股本權益		Principal activities 主要業務
			2010 2010年	2009 2009年	
Fillattice-Pacific Limited (Note (i)) 互力有限公司 (附註 (i))	Hong Kong 香港	HK\$3,900,000 3,900,000 港元	—	50%	Trading of textile products 買賣紡織品
SPM Automotive Textile Co., Ltd. (Note (ii)) 住江互太 (廣州) 汽車紡織 產品有限公司 (附註 (ii))	Mainland China 中國內地	US\$7,500,000 7,500,000 美元	33%	33%	Manufacturing and trading of vehicles related textile products 製造及買賣汽車相關 紡織品

Notes:

- (i) On 18 May 2009, the Group acquired the remaining 50% equity interest in Fillattice-Pacific Ltd. which became a wholly owned subsidiary of the Group (note 31(d)).
- (ii) Company established as a wholly foreign owned enterprise in Mainland China.

綜合財務報表附註 (續)

9. 於聯營公司之權益與應付款項 (續)

(b) 應付聯營公司款項

應付聯營公司款項為無抵押、免息、須按要項償還及以人民幣計值。

於2010年及2009年3月31日聯營公司之詳情載列如下：

附註：

- (i) 於2009年5月18日，本集團收購互力有限公司餘下50%權益而成為本集團全資附屬公司(附註31(d))。
- (ii) 該本公司是在中國內地成立的全資外商企業。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

10. INTERESTS IN JOINTLY CONTROLLED ENTITIES

10. 可共同控制實體之權益

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Share of net assets (Note (a))	應佔資產淨值 (附註(a))	24,452	20,141
Cash contributed to a jointly controlled entity (Note (b))	共同控制實體現金貢獻 (附註(b))	77,747	—
		102,199	20,141

(a) Share of net assets

Movement of share of net assets of jointly controlled entities are as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
At 1 April	於4月1日	20,141	—
Capital injection (Note)	注資 (附註)	12,724	20,141
Share of loss	分佔虧損	(8,413)	—
At 31 March	於3月31日	24,452	20,141

Note:

During the year ended 31 March 2010, the Group injected capital of HK\$12,724,000 (2009: HK\$20,141,000) in CPAT (Singapore) Private Ltd.

The Group's share of results, assets and liabilities, all of which are unlisted, are as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Total assets	資產總值	104,906	20,141
Total liabilities	負債總額	80,454	—
Revenue	收入	—	—
Loss for the year	年度虧損	(8,413)	—

(a) 應佔資產淨值

本集團年度應佔共同控制實體資產淨值之變動如下：

附註：

於截至2010年3月31日止年度，本集團對CPAT (Singapore) Private Ltd. 注資12,724,000港元 (2009年：20,141,000,港元)。

本集團應佔非上市公司之業績、資產與負債如下：

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. INTERESTS IN JOINTLY CONTROLLED ENTITIES (Continued)

(b) Cash contributed to a jointly controlled entity

Balance represents cash contributed to a jointly controlled entity during the year ended 31 March 2010 and was subsequently capitalised as the share capital of the jointly controlled entity in May 2010.

The particulars of the jointly controlled entities as at 31 March 2010 and 2009 are set out as follows:

Name of jointly controlled entities 共同控制實體名稱	Place of Incorporation/ establishment/ operation 註冊／成立／ 運作地點	Issued and fully paid up share capital/ registered capital 已發行及繳足之股本／註冊資本	Equity interest attributable to the Group 本集團應佔股本權益		Principal activities 主要業務
			2010 2010年	2009 2009年	
Amigo Bangladesh Ltd.	Bangladesh 孟加拉共和國	Taka390,000,000 390,000,000 塔卡	42.33%	—	Manufacturing and trading of textile and garment products 製造及買賣紡織與成衣產品
Ananta Knitwear Ltd.	Bangladesh 孟加拉共和國	Taka10,000,000 10,000,000 塔卡	42.33%	—	Investment holding 投資控股
CPAT (Singapore) Private Ltd.	Singapore 新加坡	paid up capital US\$100,000 100,000美元 繳足股本	42.33%	42.33%	Investment holding 投資控股
Elegance Pacific Trading Limited 互太益力堅貿易有限公司	British Virgin Islands 英屬處女群島	US\$1 1 美元	42.33%	42.33%	Trading of textile and garment products 買賣紡織與成衣產品
Ever Smart Bangladesh Ltd.	Bangladesh 孟加拉共和國	Taka190,000,000 190,000,000 塔卡	42.33%	—	Manufacturing and trading of textile and garment products 製造及買賣紡織與成衣產品
Fortune Joy International Ltd. 福愉投資有限公司	British Virgin Islands 英屬處女群島	US\$100 100 美元	51%	51%	Investment holding 投資控股
King Jumbo Investment Ltd.	British Virgin Islands 英屬處女群島	US\$5,030,000 5,030,000 美元	51%	51%	Investment holding 投資控股
Kingston Bangladesh Ltd.	Bangladesh 孟加拉共和國	Taka390,000,000 390,000,000 塔卡	42.33%	—	Investment holding 投資控股

綜合財務報表附註(續)

10. 可共同控制實體之權益(續)

(b) 共同控制實體現金貢獻

結餘為於2010年3月31日止年度共同控制實體現金貢獻與其後於2010年5月資本化為共同控制實體股本。

於2010年及2009年3月31日共同控制實體之詳情載列如下：

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

11. 可供出售金融資產

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Listed equity securities in Hong Kong	香港上市權益證券	39	19
Club debentures	會籍債券	1,741	1,741
		1,780	1,760
At 1 April	於 4 月 1 日	1,760	1,808
Reversal/(Charge) of impairment loss in the income statement	於收益表之 減值虧損撥回/(支出)	20	(48)
At 31 March	於 3 月 31 日	1,780	1,760
Market value of listed securities	上市證券市場值	39	19

The fair values of listed equity securities and club debentures are based on quoted or available market prices.

上市權益證券及會籍債券之公平值乃根據所報或當前市價釐定。

Available-for-sale financial assets are denominated in Hong Kong dollar.

可供出售金融資產以港元列值。

12. STRUCTURED DEPOSITS AND BONDS

12. 結構性存款及債券

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Non-current:	非即期：		
Structured deposits	結構性存款	76,319	—
Bonds	債券	53,982	—
		130,301	—
Current:	即期：		
Structured deposits	結構性存款	116,589	—
Bonds	債券	77,678	—
		194,267	—
Total structured deposits and bonds	結構性存款及債券總額	324,568	—

These structured deposits and bonds are issued by various banks ("issuer") and are not insured or guaranteed by any governmental agency or deposit protection schemes. Therefore, the Group is exposed to general credit risk of the issuer (Note 3.1(b)).

這些結構性存款和債券由不同的銀行(「發行人」)發行，並且沒有受任何政府機構或存款保障計劃保障或擔保。因此，本集團面臨發行人的一般信貸風險(附註3.1(b))。

These investments are principal protected by the issuer, interest bearing at variable floating rates and have maturity dates from 2010 to 2012.

此項投資的本金受發行人保障，計息率以可變浮息計算，並且到期日由2010年至2012年。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

13. INVENTORIES

13. 存貨

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Raw materials	原材料	852,734	501,778
Work-in-progress	在製品	145,368	111,629
Finished goods	製成品	135,050	103,451
Consumables	消耗品	40,480	44,782
		1,173,632	761,640

The cost of raw materials and consumables used recognised as expense and included in cost of sales during the year amounted to HK\$4,098,582,000 (2009: HK\$3,605,911,000).

本年度確認為開支，並計入銷售成本之原材料與消耗品應用成本分別為4,098,582,000港元(2009年：3,605,911,000港元)。

Inventories pledged as security for the banking facilities available to the Group amounted to approximately HK\$77,639,000 (2009: HK\$78,000,000).

本集團所獲銀行融資作出抵押之存貨約為77,639,000港元(2009年：78,000,000港元)。

14. TRADE AND BILLS RECEIVABLES

14. 應收賬款及票據

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Trade receivables	應收賬款	576,687	480,956
Bills receivables	應收票據	234,920	134,046
		811,607	615,002
Less: provision for impairment of trade receivables	減：應收賬款減值撥備	(22,787)	(14,886)
		788,820	600,116

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

應收賬款及票據之賬面值與公平值相若。

The majority of the Group's sales are with credit terms of 30 to 60 days. At 31 March 2010 and 2009, the ageing analysis of trade and bills receivables, based on goods delivered date, is as follows:

本集團大部分銷售之信貸期介乎30至60天。於2010年與2009年3月31日，應收賬款及票據之賬齡按貨品交付日期分析如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
0 - 60 days	0 - 60 天	626,575	510,147
61 - 120 days	61 - 120 天	168,724	91,444
Over 120 days	超過 120 天	16,308	13,411
		811,607	615,002

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. TRADE AND BILLS RECEIVABLES (Continued)

The carrying amounts of the Group's trade and bills receivables were denominated in the following currencies:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
HK\$	港元	362,333	279,840
RMB	人民幣	56,504	36,184
US\$	美元	392,518	298,731
Others	其他	252	247
		811,607	615,002

As at 31 March 2010, trade receivables of HK\$119,575,000 (2009: HK\$144,021,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Past due by:	已逾期:		
0 - 60 days	0 - 60 天	96,468	133,203
61 - 120 days	61 - 120 天	13,480	10,582
Over 120 days	超過 120 天	9,627	236
		119,575	144,021

As at 31 March 2010, trade receivables of HK\$22,787,000 (2009: HK\$14,886,000) were impaired and provided for. The individually impaired receivables mainly relate to customers, which are in unexpectedly difficult economic situations. The ageing analysis of these trade receivables is as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Past due by:	已逾期:		
0 - 60 days	0 - 60 天	—	—
61 - 120 days	61 - 120 天	7,764	7,431
Over 120 days	超過 120 天	15,023	7,455
		22,787	14,886

綜合財務報表附註(續)

14. 應收賬款及票據(續)

本集團應收賬款及票據之賬面值按以下貨幣列值：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
HK\$	港元	362,333	279,840
RMB	人民幣	56,504	36,184
US\$	美元	392,518	298,731
Others	其他	252	247
		811,607	615,002

於2010年3月31日，逾期但並無減值之應收賬款為119,575,000港元（2009年：144,021,000港元）與若干客戶在最近並無壞賬記錄有關。該等應收賬款之賬齡分析如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Past due by:	已逾期:		
0 - 60 days	0 - 60 天	96,468	133,203
61 - 120 days	61 - 120 天	13,480	10,582
Over 120 days	超過 120 天	9,627	236
		119,575	144,021

於2010年3月31日，已減值及撥備之應收賬款為22,787,000港元（2009年：14,886,000港元）。該等應收賬款與若干客戶（包括遭遇未能預期之經濟困難之客戶）有關。該等應收賬款之賬齡分析如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Past due by:	已逾期:		
0 - 60 days	0 - 60 天	—	—
61 - 120 days	61 - 120 天	7,764	7,431
Over 120 days	超過 120 天	15,023	7,455
		22,787	14,886

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

14. TRADE AND BILLS RECEIVABLES (Continued)

Movements in the provision for impairment of trade receivables is as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
At 1 April	於4月1日	14,886	9,987
Provision for impairment of trade receivables	應收賬款減值撥備	7,901	9,039
Receivables written off during the year as uncollectible	攤銷年內無法收回賬款	—	(4,140)
At 31 March	於3月31日	22,787	14,886

The creation and release of provision for impaired receivables have been included in distribution and selling expenses in the income statement (Note 25). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

14. 應收賬款及票據(續)

就應收賬款作出減值撥備之變動如下：

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
At 1 April	14,886	9,987
Provision for impairment of trade receivables	7,901	9,039
Receivables written off during the year as uncollectible	—	(4,140)
At 31 March	22,787	14,886

對已減值應收款撥備的設立及撥回已計入收益表之分銷及銷售開支內(附註25)。計入撥備賬戶之款項在預期不能取得額外現金之情況下一般會撇銷。

於報告日期，最大信貸風險為上述各級別應收賬款之賬面值。本集團並無持有任何抵押品作擔保。

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

15. 按金、預付款項及其他應收款項

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Rental, utility and other deposits	租金、公用服務及其他按金	5,375	449	—	—
Prepayments	預付款項	19,608	8,593	149	245
Other tax recoverable	其他可收回稅項	40,085	8,241	—	—
Other receivables	其他應收款項	1,422	1,006	—	47
		66,490	18,289	149	292

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Deposits, prepayments and other receivables are denominated in the following currencies:

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
HK\$	港元	6,540	1,563	149	292
RMB	人民幣	54,505	6,023	—	—
US\$	美元	3,951	6,739	—	—
Others	其他	1,494	3,964	—	—
		66,490	18,289	149	292

The carrying amounts of deposits, prepayments and other receivables approximate their fair values.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivable balances mentioned above. The Group does not hold any collateral as security.

15. 按金、預付款項及其他應收款項(續)

按金、預付款項及其他應收款項按下列貨幣計值：

按金、預付款項及其他應收款項之賬面值與公平值相若。

於報告日期，最大信貸風險為上述應收款項結餘之賬面值。本集團並無持有任何抵押品作擔保。

16. DERIVATIVE FINANCIAL INSTRUMENTS

16. 衍生金融工具

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Current:	即期：				
Forward foreign currency contracts — held for trading	遠期外幣合約				
– Assets	– 持作買賣	4,961	1,596	—	392
– Liabilities	– 資產	(1,240)	(61)	—	—
	– 負債				
Non-current:	非即期：				
Forward foreign currency contracts — held for trading	遠期外幣合約				
– Liabilities	– 持作買賣	(72)	—	—	—
	– 負債				

The notional principal amounts of the Group's outstanding forward foreign currency contracts at the balance sheet date are HK\$907,641,700 (2009: HK\$158,000,000).

The notional principal amounts of the Company's outstanding forward foreign currency contracts at the balance sheet date are nil (2009: HK\$38,500,000).

The maximum exposure to credit risk at the balance sheet date is the carrying value of the derivative assets in the balance sheet.

於結算日，未到期之本集團遠期外幣合約之名義本金額為907,641,700港元(2009年：158,000,000港元)。

於結算日，並無未到期之本公司遠期外幣合約之名義本金額(2009年：38,500,000港元)。

於結算日，信貸風險之最高風險承擔為於資產負債表內之衍生資產之賬面值。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

17. CASH AND BANK BALANCES

17. 現金及銀行結餘

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Cash at bank and in hand	銀行及手持現金	637,665	1,019,974	2,195	796
Short-term bank deposits	短期銀行存款	51,718	411,690	—	57,385
		689,383	1,431,664	2,195	58,181
Maximum exposure to credit risk	最大信貸風險	688,988	1,430,977	2,195	58,181

Cash, cash equivalents and bank overdrafts include the following for the purposes of the consolidated statement of cash flows:

現金、現金等值物與銀行透支按綜合現金流量表包括以下項目：

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	689,383	1,431,664	2,195	58,181
Bank overdrafts (Note 20)	銀行透支(附註20)	(2,907)	(13,005)	—	—
		686,476	1,418,659	2,195	58,181

The effective interest rate and maturities of short-term bank deposits are as follows:

短期銀行存款實際利率與到期日如下：

		Group 本集團		Company 本公司	
		2010 2010年	2009 2009年	2010 2010年	2009 2009年
Effective interest rate	實際利率	1.71%	2.7%	—	2.5%
Maturities	到期日	1-90days	1-120days	—	1-90days

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財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

17. CASH AND BANK BALANCES (Continued)

Cash and bank balances are denominated in the following currencies:

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
HK\$	港元	313,109	950,737	1,500	796
RMB	人民幣	151,024	102,250	608	57,385
US\$	美元	223,164	335,061	87	—
Japanese Yen	日圓	89	2	—	—
Others	其他	1,997	43,614	—	—
		689,383	1,431,664	2,195	58,181

The Group's cash and cash equivalents denominated in RMB are deposited with banks in Mainland China. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Mainland China Government.

17. 現金及銀行結餘(續)

現金及銀行結餘按以下貨幣列值：

本集團以人民幣列值之現金及現金等值物乃存放於中國內地之銀行。兌換該等人民幣列值結餘為外幣以及匯款至中國內地境外須遵守中國內地政府頒布之外匯管制規則及規定。

18. SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital

		Nominal value of shares HK\$'000 股份面值 千港元
Authorised:	法定：	
5,000,000,000 shares of HK\$0.001 each	每股面值 0.001 港元之 5,000,000,000 股份	5,000
Issued and fully paid:	已發行及繳足：	
1,432,936,000 shares of HK\$0.001 each	每股面值 0.001 港元之 1,432,936,000 股份	1,433

(b) Share premium

In accordance with the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium is distributable 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.

18. 股本與股本溢價

(a) 股本

(b) 股本溢價

根據開曼群島公司法第22章(1961年第三法例，經合併及修訂)，股份溢價可供分派予本公司股東，惟本公司於緊隨建議派發股息當日後，須有能力償還日常業務中到期的債項。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. SHARE CAPITAL AND SHARE PREMIUM (Continued)

(c) Share option scheme

The Share Option Scheme was approved and adopted by the shareholders of the Company on 27 April 2007. On 9 July 2007, the Board of Directors approved to grant options to 88 eligible full-time employees on 18 July 2007 to subscribe for a total of 22,820,000 shares of the Company at an exercise price of HK\$5.04 per share with vesting periods of 3 years. The options are exercisable from 18 July 2010 to 17 July 2017 (both days inclusive), and shall expire on 18 July 2017.

Movements in the above share options are as follows:

		Number of share options 購股權數目
Balance at 1 April 2008	於 2008 年 4 月 1 日之結餘	22,230,000
Forfeited	沒收	(1,440,000)
Balance at 31 March 2009	於 2009 年 3 月 31 日之結餘	20,790,000
Balance at 1 April 2009	於 2009 年 4 月 1 日之結餘	20,790,000
Forfeited	沒收	(1,380,000)
Balance at 31 March 2010	於 2010 年 3 月 31 日之結餘	19,410,000

The fair value of the share options granted on 18 July 2007 was determined using the Binomial valuation model. The fair value determined was approximately HK\$27,755,000 of which approximately HK\$6,793,000 was recognised in the income statement for the year ended 31 March 2010 (2008: HK\$8,891,000). The significant inputs into the valuation model are as follows:

Share price at the date of grant	於授出當日之股份價格	HK\$4.8
Annual risk-free interest rate	無風險年利率	4.8%
Expected option life	預期購股權有效期	6 years
Expected volatility	預期波幅	32%
Expected dividend yield	預期股息率	4%
Expected employee exit rate	預期僱員流失率	11%

綜合財務報表附註 (續)

18. 股本與股本溢價 (續)

(c) 購股權計劃

購股權計劃已於2007年4月27日獲本公司股東批准及採納。於2007年7月9日，董事局批准於2007年7月18日向88名合資格全職僱員授出購股權，可按行使價每股5.04港元認購本公司合共22,820,000股股份，歸屬期為三年。購股權可於2010年7月18日至2017年7月17日(包括首尾兩天在內)行使，並於2017年7月18日屆滿。

上述購股權之變動如下：

於2007年7月18日已授出購股權根據二項期權定價模式確定其公平值。其公平值約為27,755,000港元，當中約為6,793,000港元於截至2010年3月31日止年度收益表內確認(2009年：8,891,000港元)。輸入該模式的主要參數如下：

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

19. RESERVES

(a) Group

19. 儲備

(a) 本集團

		Capital reserve 資本儲備 (Note(i)) (附註(i)) HK\$'000 千港元	Legal reserve 合法儲備 (Note(ii)) (附註(ii)) HK\$'000 千港元	Statutory reserve 法定儲備 (Note(iii)) (附註(iii)) HK\$'000 千港元	Foreign currency translation reserve 外幣換算 儲備 HK\$'000 千港元	Share- based reserve 以股份為 基準儲備 HK\$'000 千港元	Other reserve 其他儲備 (Note(iv)) (附註(iv)) HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2008	於 2008 年 4 月 1 日	1,000	500	55,305	165,262	6,533	(3,559)	818,758	1,043,799
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	—	—	—	—	—	—	376,515	376,515
Currency translation differences	外幣換算差額	—	—	—	36,253	—	—	—	36,253
Share-based compensation expenses	股份酬金支出	—	—	—	—	8,891	—	—	8,891
2008/09 interim dividend	2008/09 中期股息	—	—	—	—	—	—	(42,988)	(42,988)
At 31 March 2009	於 2009 年 3 月 31 日	1,000	500	55,305	201,515	15,424	(3,559)	1,152,285	1,422,470
Representing:	表示：								
Proposed final dividend	建議末期股息							171,952	
Others	其他							980,333	
								1,152,285	
At 1 April 2009	於 2009 年 4 月 1 日	1,000	500	55,305	201,515	15,424	(3,559)	1,152,285	1,422,470
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	—	—	—	—	—	—	803,186	803,186
Currency translation differences	外幣換算差額	—	—	—	6,765	—	—	—	6,765
Share-based compensation expenses	股份酬金支出	—	—	—	—	6,793	—	—	6,793
2008/09 final dividend	2008/09 末期股息	—	—	—	—	—	—	(171,952)	(171,952)
2009/10 interim dividend	2009/10 中期股息	—	—	—	—	—	—	(186,282)	(186,282)
At 31 March 2010	於 2010 年 3 月 31 日	1,000	500	55,305	208,280	22,217	(3,559)	1,597,237	1,880,980
Representing:	表示：								
Proposed final dividend	建議末期股息							243,599	
Others	其他							1,353,638	
								1,597,237	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

19. RESERVES (Continued)

(b) Company

19. 儲備(續)

(b) 本公司

		Share-based reserve 以股份為 基準儲備 HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2008	於 2008 年 4 月 1 日	6,533	81,176	87,709
Profit for the year	年度溢利	—	352,179	352,179
Share-based compensation expenses	股份酬金支出	8,891	—	8,891
2008/09 interim dividend	2008/09 中期股息	—	(42,988)	(42,988)
At 31 March 2009	於 2009 年 3 月 31 日	15,424	390,367	405,791
Representing:	表示：			
Proposed final dividend	建議末期股息		171,952	
Others	其他		218,415	
			390,367	
At 1 April 2009	於 2009 年 4 月 1 日	15,424	390,367	405,791
Profit for the year	年度溢利	—	500,929	500,929
Share-based compensation expenses	股份酬金支出	6,793	—	6,793
2008/09 final dividend	2008/09 末期股息	—	(171,952)	(171,952)
2009/10 interim dividend	2009/10 中期股息	—	(186,282)	(186,282)
At 31 March 2010	於 2010 年 3 月 31 日	22,217	533,062	555,279
Representing:	表示：			
Proposed final dividend	建議末期股息		243,599	
Others	其他		289,463	
			533,062	

Notes:

- (i) Capital reserve represents the difference between the nominal value of shares of subsidiaries acquired pursuant to a reorganisation in November 2004 over the nominal value of the share capital of the Company issued in exchange thereof.
- (ii) In accordance with relevant Macao Commercial Code, the subsidiary incorporated in Macau, Pacific Overseas Textiles Macao Commercial Offshore Limited, is required to set aside a minimum of 25% of its profit after taxation to legal reserve until the balance of this reserve reaches a level equivalent to 50% of its capital. As at 31 March 2005, the appropriation to legal reserve of the subsidiary has reached 50% of its capital.
- (iii) As stipulated by regulations in Mainland China, the Company's subsidiary established and operated in Mainland China is required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to statutory reserve at a rate of 10%. The statutory reserve is non-distributable.
- (iv) Other reserves represent the difference between any consideration paid to acquire additional interest in a subsidiary from a minority shareholder and the relevant carrying value of net assets acquired.

附註:

- (i) 資本儲備為根據2004年11月之重組所收購附屬公司股份之面值與本公司就此發行之股本面值之差額。
- (ii) 根據有關澳門商法典，於澳門註冊成立之附屬公司互太海外紡織澳門離岸商業服務有限公司須將其除稅後溢利最少25%撥入合法儲備，直至該儲備結餘達至相當於其股本50%為止。於2005年3月31日，劃撥至該附屬公司合法儲備之金額已達其股本50%。
- (iii) 按中國內地法規所規定，本公司於中國成立及經營之附屬公司須按10%比率，將其一部分除稅後溢利(抵銷往年度虧損後)劃撥至法定儲備。法定儲備不可供分派。
- (iv) 其他儲備指向一名少數股東收購一間附屬公司之額外權益已支付之任何代價與及有關所收購之資產賬面值之差額。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

20. BORROWINGS

Borrowings are analysed as follows:

20. 借貸

借貸分析如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Bank and other borrowings (Note (a))	銀行及其他借貸 (附註(a))	74,278	404,635
Finance lease obligations (Note (b))	融資租賃承擔 (附註(b))	79	889
		74,357	405,524

(a) Bank and other borrowings

(a) 銀行及其他借貸

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Non-current:	非即期：		
Long-term bank loans - secured	長期銀行貸款－有抵押	848	1,828
Long-term bank loans - unsecured	長期銀行貸款－無抵押	—	59,320
Loan from a minority shareholder (Note)	一名少數股東提供貸款 (附註)	—	59,229
		848	120,377
Current:	即期：		
Current portion of long-term bank loans - secured	長期銀行貸款即期部分－有抵押	753	10,628
Current portion of long-term bank loans - unsecured	長期銀行貸款即期部分－無抵押	—	215,190
Trust receipts loans - secured	信託收據貸款－有抵押	20,132	45,435
Bank overdrafts - secured	銀行透支－有抵押	2,907	13,005
Loan from a minority shareholder (Note)	一名少數股東提供貸款 (附註)	49,638	—
		73,430	284,258
Total borrowings	借貸總額	74,278	404,635

Note: The loan from a minority shareholder is unsecured, interest free and repayable on demand.

附註：一名少數股東提供貸款為無抵押、免息及須按要求償還。

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財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

20. BORROWINGS (Continued)

20. 借貸(續)

(a) Bank and other borrowings (Continued)

The carrying amounts of the borrowings are denominated in the following currencies:

(a) 銀行及其他借貸(續)

借貸之賬面值乃以下列貨幣列值：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
HK\$	港元	—	274,510
US\$	美元	69,843	127,549
Sri Lankan Rupee ("LKR")	斯里蘭卡盧比(「盧比」)	4,435	2,576
		74,278	404,635

The effective interest rates at the balance sheet date were as follows:

於結算日實際利率如下：

		2010 2010年 HK\$ 港元	2010 2010年 US\$ 美元	2010 2010年 LKR 盧比	2009 2009年 HK\$ 港元	2009 2009年 US\$ 美元	2009 2009年 LKR 盧比
Bank overdrafts	銀行透支	—	4.0%	22.0%	5.5%	7.3%	24.0%
Bank loans	銀行貸款	—	—	8.5%	2.7%	4.7%	8.5%

The carrying amounts of all bank and other borrowings approximate their fair values as the impact of discounting is not significant.

由於貼現之影響不大，故所有銀行及其他借貸之賬面值均與其公平值相若。

The maturity of borrowings is as follows:

借貸之到期日如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Wholly repayable within 5 years	須於5年內悉數償還	74,278	404,635

The borrowings are repayable as follows:

借貸之還款狀況如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Within 1 year	1年內	73,430	284,258
Between 1 and 2 years	1至2年	848	60,068
Between 2 and 5 years	2至5年	—	60,309
		74,278	404,635

Property, plant and equipment of HK\$86,415,000 (2009: HK\$92,913,000) and inventories of HK\$77,639,000 (2009: HK\$78,000,000) of the Group (Note 7 and 13) are pledged as securities for the secured bank borrowings of HK\$24,640,000 (2009: HK\$70,896,000) and the banking facilities of the Group.

本集團物業、廠房及設置86,415,000港元(2009年：92,913,000港元)與存貨77,639,000港元(2009年：78,000,000港元)(附註7與13)用作為本集團之有抵押銀行借貸24,640,000港元(2009年：70,896,000港元)與銀行信貸之抵押。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. BORROWINGS (Continued)

(b) Finance lease obligations

At 31 March 2010, the Group had obligations under finance leases repayable as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Finance lease obligations - minimum lease payments:	融資租賃承擔—最低租賃款項：		
– Not later than 1 year	– 不超過 1 年	83	718
– Later than 1 year and not later than 5 years	– 1 年後但不超過 5 年	—	246
		83	964
Future finance charges of finance leases	融資租賃日後財務支出	(4)	(75)
Present value of finance lease obligations	融資租賃承擔現值	79	889
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
The present value of finance lease obligations is as follows:	融資租賃承擔之現值如下：		
– Not later than 1 year	– 不超過 1 年	79	657
– Later than 1 year and not later than 5 years	– 1 年後但不超過 5 年	—	232
		79	889

Finance lease obligations are denominated in RMB.

融資租賃承擔乃以人民幣列值。

21. DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Deferred tax assets:	遞延稅項資產：		
– Deferred tax assets to be recovered after more than 12 months	– 超過 12 個月後收回之遞延稅項資產	4,950	—
Deferred tax liabilities:	遞延稅項負債：		
– Deferred tax liabilities to be recovered after more than 12 months	– 超過 12 個月後支付之遞延稅項負債	(16,751)	(4,825)
Deferred tax liabilities (Net)	遞延稅項負債 (淨值)	(11,801)	(4,825)

綜合財務報表附註 (續)

20. 借貸 (續)

(b) 融資租賃承擔

於2010年3月31日，本集團的融資租賃應付賬款如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Finance lease obligations - minimum lease payments:	融資租賃承擔—最低租賃款項：		
– Not later than 1 year	– 不超過 1 年	83	718
– Later than 1 year and not later than 5 years	– 1 年後但不超過 5 年	—	246
		83	964
Future finance charges of finance leases	融資租賃日後財務支出	(4)	(75)
Present value of finance lease obligations	融資租賃承擔現值	79	889
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
The present value of finance lease obligations is as follows:	融資租賃承擔之現值如下：		
– Not later than 1 year	– 不超過 1 年	79	657
– Later than 1 year and not later than 5 years	– 1 年後但不超過 5 年	—	232
		79	889

Finance lease obligations are denominated in RMB.

融資租賃承擔乃以人民幣列值。

21. 遞延所得稅

遞延稅項資產與遞延稅項負債分析如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Deferred tax assets:	遞延稅項資產：		
– Deferred tax assets to be recovered after more than 12 months	– 超過 12 個月後收回之遞延稅項資產	4,950	—
Deferred tax liabilities:	遞延稅項負債：		
– Deferred tax liabilities to be recovered after more than 12 months	– 超過 12 個月後支付之遞延稅項負債	(16,751)	(4,825)
Deferred tax liabilities (Net)	遞延稅項負債 (淨值)	(11,801)	(4,825)

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財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

21. DEFERRED INCOME TAX (Continued)

The gross movement in the deferred income tax account is as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
At 1 April	於 4 月 1 日	(4,825)	3,467
Currency translation differences	外幣換算差額	(40)	(36)
Charged to the income statement (Note 28)	於收益表支銷(附註 28)	(6,936)	(8,256)
At 31 March	於 3 月 31 日	(11,801)	(4,825)

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

Deferred tax assets:

		Accelerated tax depreciation allowance 加速稅項 折舊撥備 HK\$'000 千港元	Provisions for doubtful debts and staff benefits 呆賬與 員工利益撥備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2008	於 2009 年 4 月 1 日	—	5,360	5,360
Credited/(charged) to the income statement	於收益表貸記/(支銷)	100	(2,700)	(2,600)
At 31 March 2009	於 2009 年 3 月 31 日	100	2,660	2,760
Credited to the income statement	於收益表貸記	70	2,120	2,190
At 31 March 2010	於 2010 年 3 月 31 日	170	4,780	4,950

Deferred tax liabilities:

		Accelerated tax depreciation allowance 加速稅項 折舊撥備 HK\$'000 千港元	Undistributed profits of Subsidiaries 附屬公司 未分配溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2008	於 2009 年 4 月 1 日	(220)	(1,673)	(1,893)
Currency translation differences	外幣換算差額	—	(36)	(36)
Credited/(charged) to the income statement	於收益表貸記/(支銷)	220	(5,876)	(5,656)
At 31 March 2009	於 2009 年 3 月 31 日	—	(7,585)	(7,585)
Currency translation differences	外幣換算差額	—	(40)	(40)
Charged to the income statement	於收益表支銷	—	(9,126)	(9,126)
At 31 March 2010	於 2010 年 3 月 31 日	—	(16,751)	(16,751)

21. 遞延所得稅(續)

遞延所得稅賬目之變動總額如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
At 1 April	於 4 月 1 日	(4,825)	3,467
Currency translation differences	外幣換算差額	(40)	(36)
Charged to the income statement (Note 28)	於收益表支銷(附註 28)	(6,936)	(8,256)
At 31 March	於 3 月 31 日	(11,801)	(4,825)

未經考慮抵銷同一稅務司法權區的年度遞延稅項資產及負債之變動結餘如下：

遞延稅項資產：

	Accelerated tax depreciation allowance 加速稅項 折舊撥備 HK\$'000 千港元	Provisions for doubtful debts and staff benefits 呆賬與 員工利益撥備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2008	—	5,360	5,360
Credited/(charged) to the income statement	100	(2,700)	(2,600)
At 31 March 2009	100	2,660	2,760
Credited to the income statement	70	2,120	2,190
At 31 March 2010	170	4,780	4,950

遞延稅項負債：

		Accelerated tax depreciation allowance 加速稅項 折舊撥備 HK\$'000 千港元	Undistributed profits of Subsidiaries 附屬公司 未分配溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2008	於 2009 年 4 月 1 日	(220)	(1,673)	(1,893)
Currency translation differences	外幣換算差額	—	(36)	(36)
Credited/(charged) to the income statement	於收益表貸記/(支銷)	220	(5,876)	(5,656)
At 31 March 2009	於 2009 年 3 月 31 日	—	(7,585)	(7,585)
Currency translation differences	外幣換算差額	—	(40)	(40)
Charged to the income statement	於收益表支銷	—	(9,126)	(9,126)
At 31 March 2010	於 2010 年 3 月 31 日	—	(16,751)	(16,751)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

22. TRADE AND BILLS PAYABLES

22. 應付賬款及票據

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Trade payables	應付賬款	536,549	417,852
Bills payables	應付票據	268,742	133,580
		805,291	551,432

Trade and bills payables approximate their fair values.

應付賬款及票據之賬面值與其公平值相若。

The credit period granted by the creditors generally ranges from 30 to 60 days.

貸方給予之信貸期一般介乎30至60天。

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

應付賬款及票據之賬齡分析如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
0 – 60 days	0 - 60 天	605,209	453,747
61 – 120 days	61 - 120 天	187,429	89,916
Over 120 days	超過 120 天	12,653	7,769
		805,291	551,432

Trade and bills payables are denominated in the following currencies:

應付賬款及票據以下列貨幣計值：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
HK\$	港元	103,650	97,785
RMB	人民幣	79,258	81,261
US\$	美元	622,383	366,432
Others	其他	—	5,954
		805,291	551,432

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

23. ACCRUALS AND OTHER PAYABLES

23. 應計項目及其他應付款項

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Accruals for other operating expenses	其他營運開支之應計項目	159,731	84,739	3,077	5,973
Accruals for property, plant and equipment	物業、廠房及設備 應計項目	53,121	41,440	—	—
Provision for staff welfare and other related costs	員工福利撥備及 其他相關成本	46,474	65,995	—	—
Provision for customer claims	客戶索賠撥備	30,762	24,642	—	—
Provision for bonus	花紅撥備	25,000	9,631	—	—
Others	其他	39,268	12,817	32	7
		354,356	239,264	3,109	5,980

Accruals and other payables are denominated in the following currencies:

應計項目及其他應付款項以下列貨幣計值：

		Group 本集團		Company 本公司	
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
HK\$	港元	89,660	54,112	3,109	5,980
RMB	人民幣	232,773	159,153	—	—
US\$	美元	31,745	25,706	—	—
Others	其他	178	293	—	—
		354,356	239,264	3,109	5,980

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

24. OTHER INCOME AND OTHER (LOSSES)/GAINS - NET

24. 其他收入及其他(虧損)/收益—淨

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Other income:	其他收入：		
Sub-contracting income	分包收入	9,600	13,681
Sale of residual materials	出售剩餘物料	26,866	24,521
Dividend income from listed investments	上市投資股息收入	—	7
Sundry income	雜項收入	31,577	20,316
		68,043	58,525
Other (losses)/gains – net:	其他(虧損)/收益—淨：		
Derivative financial instruments	衍生金融工具		
— forward foreign currency contracts held for trading	— 遠期外幣合約持作買賣	8,608	(4,545)
Net foreign exchange (losses)/gains	外匯(虧損)/收益淨值	(9,432)	5,572
		(824)	1,027
		67,219	59,552

25. EXPENSES BY NATURE

25. 按性質細分的開支

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Depreciation charge of property, plant and equipment (Note 7)	物業、廠房及設備折舊支出(附註7)	301,510	260,298
Amortisation expense of leasehold land and land use rights (Note 6)	租賃土地及土地使用權攤銷開支(附註6)	764	772
Cost of raw materials and consumables used (Note 13)	原材料與消耗品應用成本(附註13)	4,098,582	3,605,911
Provision for impairment of trade receivables (Note 14)	應收賬款減值撥備(附註14)	7,901	9,039
Write-off of bad and doubtful debts	呆壞賬撇銷	—	151
Employee benefit expense (including directors' emoluments) (Note 26)	僱員福利支出(包括董事酬金)(附註26)	388,530	333,439
Operating lease payments in respect of land and buildings	土地及樓宇經營租約開支	4,176	5,475
Gain on disposal of property, plant and equipment (Note 31(b))	出售物業、廠房及設備之收益(附註31(b))	(8,998)	(2,558)
Reversal of provision for slow-moving and obsolete inventories	滯銷及陳舊存貨撥備之撥回	(6,359)	(21,963)
Auditor's remuneration	核數師酬金	2,326	2,400
Other expenses	其他開支	193,075	175,325
Total cost of sales, distribution and selling expenses and general and administrative expenses	銷售成本、分銷及銷售開支與一般及行政開支總額	4,981,507	4,368,289

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

26. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

26. 僱員福利支出(包括董事酬金)

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Wages, salaries, bonus and allowances	工資、薪金、花紅及津貼	377,972	325,730
Termination benefit	長期服務金撥備	437	1,410
Retirement benefit – defined contribution schemes (Note (a))	退休福利 – 定額供款計劃 (附註(a))	3,223	(2,933)
Staff welfare and benefits	員工福利及利益	105	341
Share-based compensation expenses	股份酬金支出	6,793	8,891
		388,530	333,439

(a) Retirement benefit – defined contribution schemes

The Company's subsidiary in Mainland China is a member of the state-managed retirement benefits scheme operated by the Government of Mainland China. The Group contributes a certain percentage of the basic salaries of the subsidiary's employees, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-managed retirement plans are responsible for the entire pension obligations payable to the retired employees.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme ("the MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary.

The Group has arranged for its Sri Lanka employees to join the Employees' Provident Fund ("EPF") and Employees' Trust Fund ("ETF"). Under these defined contribution plans, the Group contributes 12% and 3% of the employees' monthly gross emoluments to the EPF and ETF, respectively.

(a) 退休福利 – 定額供款計劃

本公司於中國之附屬公司為中國內地政府所推行國家管理退休福利計劃之成員。本集團按附屬公司僱員基本薪金若干百分比作出供款，而除年度供款外，並無實際支付退休金或離職福利之進一步責任。國家管理之退休計劃負責向退休僱員支付所有退休金。

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)。該計劃為由獨立受託人管理之定額供款計劃。根據強積金計劃，本集團及其僱員按強制性公積金條例定義之僱員收入之5%每月向計劃作出供款。本集團及僱員供款均以每月1,000港元為上限，其後作出之供款屬自願性質。

本集團已安排其斯里蘭卡僱員參加僱員公積金計劃(「公積金計劃」)及僱員信託基金(「僱員信託基金」)。根據該等定額供款計劃，本集團分別按僱員每月酬金總額之12%及3%向公積金計劃及僱員信託基金供款。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

26. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

26. 僱員福利支出(包括董事酬金)(續)

(b) Directors' emoluments

(b) 董事酬金

The remuneration of every director for the year ended 31 March 2010 is set out below:

截至2010年3月31日止年度，各董事之酬金如下：

		Fees 袍金	Salaries 薪金	Discretionary bonuses 酌情花紅	Employer's contribution to retirement schemes 退休計劃之 僱主供款	Share-based compensation expenses 股份酬金 支出	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Ip Ping Im	葉炳棧	—	—	—	—	—	—
Choi Kin Chung	蔡建中	—	—	—	—	—	—
Wan Wai Loi	尹惠來	1,500	2,790	5,786	12	—	10,088
Tsang Kang Po	曾鏡波	1,000	2,900	4,099	12	—	8,011
Lam Wing Tak	林榮德	1,000	2,900	4,317	12	—	8,229
Lam King Man	林景文	1,000	1,730	2,701	12	—	5,443
Lam Hing Chau, Leon (appointed on 21 September 2009)	林興就(於2009年9月21日獲委任)	583	820	480	7	148	2,038
Ho Hsiang Ming, James (resigned on 28 August 2009)	賀象文(於2009年8月28日辭任)	—	—	—	—	—	—
Lau Yiu Tong	劉耀棠	—	—	—	—	—	—
Chan Yue Kwong, Michael	陳裕光	150	—	—	—	—	150
Ng Ching Wah	伍清華	150	—	—	—	—	150
Sze Kwok Wing, Nigel	施國榮	150	—	—	—	—	150
		5,533	11,140	17,383	55	148	34,259

The remuneration of every director for the year ended 31 March 2009 is set out below:

截至2009年3月31日止年度，各董事之酬金如下：

		Fees 袍金	Salaries 薪金	Discretionary bonuses 酌情花紅	Employer's contribution to retirement schemes 退休計劃之 僱主供款	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Ip Ping Im	葉炳棧	—	—	—	—	—
Choi Kin Chung	蔡建中	—	—	—	—	—
Wan Wai Loi	尹惠來	1,500	2,790	2,076	12	6,378
Tsang Kang Po	曾鏡波	1,000	2,900	1,474	12	5,386
Lam Wing Tak	林榮德	1,000	2,900	2,029	12	5,941
Lam King Man	林景文	1,000	1,730	1,403	12	4,145
Ho Hsiang Ming, James	賀象文	—	—	—	—	—
Lau Yiu Tong	劉耀棠	—	—	—	—	—
Chan Yue Kwong, Michael	陳裕光	150	—	—	—	150
Ng Ching Wah	伍清華	150	—	—	—	150
Sze Kwok Wing, Nigel	施國榮	150	—	—	—	150
		4,950	10,320	6,982	48	22,300

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 5 directors (2009: 4 directors), whose emoluments are reflected in the analysis presented above. For the year ended 31 March 2009, the emoluments payable to the remaining one individual were as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Basic salaries, housing allowance and other allowances	基本薪金、房屋津貼及其他津貼	—	2,134
Discretionary bonuses	酌情花紅	—	600
Retirement benefit - defined contribution schemes	退休福利—定額供款計劃	—	12
Share-based compensation expenses	股份酬金支出	—	253
		—	2,999

The number of non-directors with emoluments within the following band:

非董事人士之酬金在以下範圍的人數：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
HK\$2,500,001 - HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	—	1

27. FINANCE INCOME AND COSTS

27. 財務收入及成本

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Finance income:	財務收入：		
- Bank interest income	— 銀行利息收入	4,946	16,584
Finance costs:	財務成本：		
- Bank loans and overdrafts	— 銀行貸款及透支	3,508	14,550
- Finance lease obligations	— 融資租賃承擔	325	217
		3,833	14,767

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2009:16.5%) on the estimated assessable profits for the year:

The subsidiary established and operated in Mainland China was subject to enterprise income tax at the rate of 12%, after a 50% reduction in accordance with the applicable tax regulations, for the year ended 31 March 2007. On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "new CIT Law"). The new CIT Law standardises the corporate income tax rate to 25% with effect from 1 January 2008. However, the subsidiary continues to enjoy a 50% reduction in the corporate income tax rate in respect of certain portion of its taxable profit up to 31 December 2009 in accordance with the applicable tax regulations as a result of additional capital injections made in prior years to the subsidiary.

The subsidiary established and operated in Sri Lanka, Textured Jersey Lanka (Private) Limited, is exempted from income tax on its profits for a period of 12 years from the first year of commencement of commercial operations in September 2001.

The amount of income tax charged to the consolidated income statement represents:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Current income tax	即期所得稅		
- Hong Kong profits tax	- 香港利得稅	94,660	29,858
- Mainland China income tax (Note)	- 中國內地所得稅 (附註)	48,084	10,599
Deferred tax (Note 21)	遞延稅項 (附註 21)	6,936	8,256
		149,680	48,713

Note: Included in the Mainland China income tax was approximately HK\$1,946,000 tax refund received in July 2009 in accordance with the applicable tax regulations as a result of acquisition of PRC manufactured machinery. For the year ended 31 March 2009, tax refund of approximately HK\$16,111,000 was received in accordance with the applicable tax regulations as a result of acquisition of PRC manufactured machinery and additional capital injections made in prior years to the subsidiary in Mainland China.

綜合財務報表附註 (續)

28. 所得稅開支

香港利得稅乃就有關年內估計應課稅溢利按 16.5% (2009年：16.5%) 作出撥備。

於截至2007年3月31日止年度，計及50%寬減後，於中國成立及經營之附屬公司須按12%稅率繳納企業所得稅。於2007年3月16日，全國人民代表大會通過《中華人民共和國企業所得稅法》(「新企業所得稅法」)，自2008年1月1日起，新企業所得稅法將企業所得稅統一為25%。然而，按照適用的稅務條例，由於前幾年增加注資於附屬公司，該附屬公司可就部分應課稅利潤繼續獲得寬減50%企業所得稅至2009年12月31日。

於斯里蘭卡成立及經營之附屬公司Textured Jersey Lanka (Private) Limited自2001年9月投入商業運作首個年度起計12年間，獲豁免就其溢利繳納所得稅。

於綜合收益表扣除之所得稅為：

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Current income tax		
- Hong Kong profits tax	94,660	29,858
- Mainland China income tax (Note)	48,084	10,599
Deferred tax (Note 21)	6,936	8,256
	149,680	48,713

附註：按照適用的稅收法規，於2009年7月，由於收購中國製造機器而獲得退稅款項約為1,946,000港元包括在中國內地的所得稅內。於2009年3月31日止年度，由於收購中國製造機器與前幾年額外注資中國內地的附屬公司而獲得退稅款項約為16,111,000港元包括在中國內地的所得稅內。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Profit before income tax	所得稅前溢利	968,531	429,319
Tax calculated at weight average domestic tax rate applicable to profits in the respective countries	按適用於相關國家之加權平均地方稅率計算之稅項	138,904	41,078
Income not subject to tax	毋須課稅收益	(1,274)	(1,499)
Expenses not deductible for tax purposes	不可扣稅開支	2,924	3,272
Effect of withholding tax on the distributable profits of the Group's subsidiaries	本集團的附屬公司可分派溢利的預扣稅影響	9,126	5,876
Others	其他	—	(14)
		149,680	48,713

The weighted average domestic applicable tax rate was:

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Weighted average domestic applicable tax rate	加權平均地方適用稅率	14.3%	9.6%

29. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	803,186	376,515
Weighted average number of shares in issue (thousands)	已發行股份加權平均數 (千股)	1,432,936	1,432,936
Basic earnings per share (HK\$ per share)	每股基本盈利 (每股港元)	0.56	0.26

綜合財務報表附註 (續)

28. 所得稅開支 (續)

就本集團除所得稅前溢利之稅項與按適用於綜合實體溢利之加權平均稅率計算之理論金額之差異如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Profit before income tax	所得稅前溢利	968,531	429,319
Tax calculated at weight average domestic tax rate applicable to profits in the respective countries	按適用於相關國家之加權平均地方稅率計算之稅項	138,904	41,078
Income not subject to tax	毋須課稅收益	(1,274)	(1,499)
Expenses not deductible for tax purposes	不可扣稅開支	2,924	3,272
Effect of withholding tax on the distributable profits of the Group's subsidiaries	本集團的附屬公司可分派溢利的預扣稅影響	9,126	5,876
Others	其他	—	(14)
		149,680	48,713

加權平均地方適用稅率如下：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Weighted average domestic applicable tax rate	加權平均地方適用稅率	14.3%	9.6%

29. 每股盈利

(a) 基本

每股基本盈利按本公司權益持有人應佔溢利除年內已發行股份加權平均數計算。

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	803,186	376,515
Weighted average number of shares in issue (thousands)	已發行股份加權平均數 (千股)	1,432,936	1,432,936
Basic earnings per share (HK\$ per share)	每股基本盈利 (每股港元)	0.56	0.26

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The Company has one category of dilutive potential shares, which is share options.

As the exercise price of the share options granted by the Company was higher than the average market price of the Company's shares for the year ended 31 March 2010, those outstanding share options granted which amounted to 19,410,000 shares as at 31 March 2010 (2009: 20,790,000 shares) have no dilutive effect on earnings per share and diluted earnings per share is therefore the same as basic earnings per share.

30. DIVIDENDS

綜合財務報表附註 (續)

29. 每股盈利 (續)

(b) 攤薄

每股攤薄盈利乃經調整未發行股份之加權平均數至假設兌換所有攤薄潛在股份計算。本公司有一類攤薄潛在股份，指購股權。

由於本公司授出之購股權之行使價高於截至2010年3月31日止年度本公司股份之平均市價，於2010年3月31日已授出但尚未行使之購股權之數目為19,410,000股股份（2009年：20,790,000股股份），對每股盈利並無攤薄影響，與每股攤薄盈利與每股基本盈利相等。

30. 股息

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Interim dividend paid of HK 13 cents (2009: HK 3 cents) (Note(i))	已派付港幣 13 仙之中期股息 (2009年：港幣 3 仙) (附註(i))	186,282	42,988
Special dividend paid of HK 22 cents (2009: Nil) (Note (ii))	已派付港幣 22 仙之特別股息 (2009年：無) (附註(ii))	315,246	—
Proposed final dividend of HK 17 cents (2009: HK 12 cents) (Note (iii))	擬派付港幣 17 仙之末期股息 (2009年：港幣 12 仙) (附註 (iii))	243,599	171,952
		745,127	214,940

Notes:

- (i) On 7 December 2009, the Board of Directors of the Company declared an interim dividend of HK 13 cents per share, totalling HK\$186,282,000 for the six months ended 30 September 2009. The amount was paid on 8 January 2010.
- (ii) On 22 January 2010, the Board of Directors of the Company declared a special dividend of HK 22 cents per share, totalling HK\$315,246,000 paid to the then equity holders of the Company. The amount was paid on 25 February 2010.
- (iii) On 9 July 2010, the Board of Directors of the Company proposed a final dividend of HK 17 cents per share for the year ended 31 March 2010. This proposed dividend is not reflected as dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2011.

附註：

- (i) 於2009年12月7日，本公司董事局宣派截至2009年9月30日止六個月中期股息每股港幣13仙，合共186,282,000港元。該等款項已於2010年1月8日支付。
- (ii) 於2010年1月22日，本公司董事局宣派特別股息每股港幣22仙，合共315,246,000港元予當其時本公司權益持有人。該等款項已於2010年2月25日支付。
- (iii) 於2010年7月9日，本公司董事局建議派截至2010年3月31日止年度末期股息每股港幣17仙。擬派付股息並無於該等財務報表上反映為應付股息，但將於截至2011年3月31日止年度之保留溢利之分配中反映。

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

31. 綜合現金流量表附註

(a) Cash generated from operations

(a) 經營業務所產生現金

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Profit before income tax	所得稅前溢利	968,531	429,319
Adjustment for:	以下各項之調整：		
Share of profit of associates	應佔聯營公司溢利	(6,706)	(1,423)
Share of loss of jointed controlled entities	應佔共同控制實體虧損	8,413	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	301,510	260,298
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	764	772
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之得益	(8,998)	(2,558)
Interest income	利息收入	(4,946)	(16,584)
Interest expense	利息開支	3,833	14,767
Share-based compensation expenses	股份酬金支出	6,793	8,891
Dividend income	股息收益	—	(7)
(Reversal of impairment loss)/ Impairment loss on available-for-sale financial assets	可供出售金融資產之 (減值虧損撥回) / 減值虧損	(20)	48
Unrealised gains on exchange difference	匯兌差額未變現 收益	—	(7,248)
Operating profit before working capital changes	營運資金變動前之經營溢利	1,269,174	686,275
(Increase)/Decrease in inventories	存貨 (增加) / 減少	(411,992)	231,645
(Increase)/Decrease in trade and bills receivables	應收賬款及票據 (增加) / 減少	(188,690)	8,592
(Increase)/Decrease in deposits, prepayments and other receivables	按金、預付款項及其他 應收款項 (增加) / 減少	(48,201)	17,101
(Increase)/Decrease in derivative financial instruments	衍生金融工具公平值 (增加) / 減少	(2,114)	15,951
Increase/(Decrease) in trade and bills payables	應付賬款及票據增加 / (減少)	253,859	(59,589)
Decrease in trust receipts loans	信託收據貸款減少	(25,303)	(12,082)
Increase in accruals and other payables	應計項目及其他應付款項增加	103,242	17,472
Increase in amount due to an associate	應付聯營公司款項增加	5,250	—
Cash generated from operations	經營業務所產生現金	955,225	905,365

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

31. 綜合現金流量表附註(續)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

(b) 於綜合現金流量表內，出售物業、廠房及設備所得款項包括：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Net book amount (Note 7)	賬面淨值(附註7)	8,149	1,475
Gain on disposal of property, plant and equipment (Note 25)	出售物業、廠房及設備之得益(附註25)	8,998	2,558
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	17,147	4,033

(c) **Significant non-cash transactions**

At 31 March 2010, the amount of approximately HK\$53,121,000 (2009: HK\$41,440,000) in respect of purchase of property, plant and equipment has been provided for.

(c) **重大非現金交易**

於2010年3月31日，就購買物業、廠房及設備已作撥備約53,121,000港元(2009年：41,440,000港元)

(d) **Acquisition of a subsidiary**

On 18 May 2009, Solid Ally International Ltd., a wholly owned subsidiary of the Company, acquired the remaining 50% equity interest in Fillattice-Pacific Ltd at a cash consideration of approximately HK\$2,229,000. Consequently, the Group's equity interest in Fillattice-Pacific Ltd was increased from 50% to 100%.

(d) **收購附屬公司**

於2009年5月18日，本公司全資附屬公司Solid Ally International Ltd. 以現金代價2,229,000港元收購互力有份公司餘下50%權益。因此，本集團於互力有份公司權益增加由50%至100%。

Details of net assets acquired as follows:

收購資產淨值詳情如下：

		HK\$'000 千港元
Purchase consideration	購買代價	
– Cash paid	– 已付現金	2,229

The assets and liabilities as of 18 May 2009 arising from the acquisition are as follows:

於2009年5月18日由收購而產生之資產與負債如下：

		Fair value 公平值 HK\$'000 千港元	Acquiree's carrying amount 收購方的賬面金額 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值物	4,613	4,613
Other receivables	其他應收賬款	14	14
Other payables	其他應付賬款	(169)	(169)
		4,458	4,458
Total purchase consideration (50%)	購買代價總值(50%)		2,229
Purchase consideration settled in cash	購買代價以現金支付		2,229
Cash and cash equivalents of the subsidiary acquired	收購附屬公司現金及現金等值物		(4,613)
Cash inflow on acquisition of the subsidiary	收購附屬公司現金流入		(2,384)

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. CONTINGENT LIABILITIES

As at 31 March 2010, the Group and the Company had no material contingent liabilities (2009: Nil).

33. COMMITMENTS

(a) Capital commitments

Capital expenditure at the balance sheet date committed but not yet incurred is as follows:

Contracted but not provided for:	已訂約但未撥備：	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	58,528	97,396

As at 31 March 2010 and 2009, the Group had authorised the injection of capital into an associate to be established in Mainland China with an independent third party totalling approximately RMB21,880,000 to sell surplus steam generated by the Group to potential users in the vicinity.

As at 31 March 2010, the Group did not have any significant share of capital commitments of its associate and jointly controlled entities (2009: Nil).

As at 31 March 2010, the Group had total financial commitments in respect of equity capital and shareholders' loans to be injected into jointly controlled entities of HK\$152,820,337 (2009: HK\$243,999,000).

(b) Operating lease commitments

The Group had future aggregate minimum lease payments under non-cancellable operating leases of land and buildings, as follows:

Not later than 1 year	不超過 1 年	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Later than 1 year and not later than 5 years	超過 1 年但不超過 5 年	593	1,515
		380	283
		973	1,798

綜合財務報表附註 (續)

32. 或有負債

於2010年3月31日，本集團與本公司並無重大或有負債(2009年：無)。

33. 資本應承擔

(a) 資本承擔

於結算日承擔尚未產生之資本開支如下：

Contracted but not provided for:	已訂約但未撥備：	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	58,528	97,396

於2010年與2009年3月31日，本集團已批准向一家與獨立第三方合作而將於中國成立之聯營公司注資合共約21,880,000人民幣，以提供本集團所產生之盈餘蒸氣予鄰近潛在使用者。

於2010年3月31日，本集團聯營公司與共同控制實體並無重大資本承擔(2009年：無)。

於2010年3月31日，本集團共同控制實體之財務承擔總額為152,820,337港元，以股本權益與與股東貸款來注資共同控制實體(2009年：243,999,000港元)。

(b) 經營租約承擔

本集團根據土地及樓宇之不可撤銷經營租約未來最低租金款項總額如下：

Not later than 1 year	不超過 1 年	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Later than 1 year and not later than 5 years	超過 1 年但不超過 5 年	593	1,515
		380	283
		973	1,798

Financial Information

財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

34. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

The Company has no immediate or ultimate controlling party.

The following transactions were carried out with related parties:

(a) Sale of goods

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
A minority shareholder and its related parties (Note (i))	一名少數股東及其有關連人士 (附註(i))	280,834	276,900
A related party (Note (ii))	一名有關連人士 (附註(ii))	5,721	13,607
		286,555	290,507

Goods are sold at prices mutually agreed by both parties in the ordinary course of business.

貨品乃在日業務過程中按雙方協定之價格銷售。

(b) Management charges

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
A minority shareholder and its related parties (Note (i))	一名少數股東及其有關連人士 (附註(i))	281	281

Management charges paid to a minority shareholder and its related parties are charged at a monthly rate of US\$3,000 (2009: US\$3,000).

支付給一名少數股東及其有關連人士之管理費用是以每月3,000美元計算支銷(2009年: 3,000美元)。

(c) Sub-contracting charges

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
A minority shareholder and its related parties (Note (i))	一名少數股東及其有關連人士 (附註(i))	16,756	6,435

Sub-contracting charges paid to a minority shareholder and its related parties are charged at prices mutually agreed by both parties in the ordinary course of business.

支付給一名少數股東及其有關連人士之分包費用乃在日業務過程中按雙方協定之價格銷售。

綜合財務報表附註 (續)

34. 有關連人士交易

倘任何一方有能力直接或間接控制另一方，或對另一方之財政及營運決策行使重大影響力，則此等人士被視為有關連。倘有關連人士受共同控制或共同重大影響，則亦被視為有關連。

本公司並無直接及最終控股人士。

與有關連人士進行之交易如下：

(a) 銷售貨品

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
A minority shareholder and its related parties (Note (i))	280,834	276,900
A related party (Note (ii))	5,721	13,607
	286,555	290,507

貨品乃在日業務過程中按雙方協定之價格銷售。

(b) 管理費用

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
A minority shareholder and its related parties (Note (i))	281	281

支付給一名少數股東及其有關連人士之管理費用是以每月3,000美元計算支銷(2009年: 3,000美元)。

(c) 分包費用

	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
A minority shareholder and its related parties (Note (i))	16,756	6,435

支付給一名少數股東及其有關連人士之分包費用乃在日業務過程中按雙方協定之價格銷售。

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財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

34. RELATED PARTY TRANSACTIONS (Continued)

34. 有關連人士交易(續)

(d) Rental income

(d) 租金收入

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
An associate	聯營公司	6,836	3,831

Rental income received from an associate is charged at an average RMB 502,000 per month for the year ended 31 March 2010 (2009: RMB 282,000 per month).

截至2010年3月31日止年度，向聯營公司收取租金收入是以平均每月502,000人民幣計算(2009年：每月282,000人民幣)。

(e) Year-end balances (included in trade receivables and trade payables) arising from sale of goods, management and subcontracting charges:

(e) 因銷售貨品、管理與分包費用產生之年結日結餘(列入應收賬款及應付賬款)：

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Receivables from related parties	應收有關連人士款項		
A minority shareholder and its related parties (Note (i))	一名少數股東及其有關連人士(附註(i))	29,945	28,924
A related party (Note (ii))	有關連人士(附註(ii))	232	2,053
		30,177	30,977
Payables to related parties	應付有關連人士款項		
A minority shareholder and its related parties (Note (i))	一名少數股東及其有關連人士(附註(i))	36	281

(f) Key management compensation

(f) 主要管理人員酬金

		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Wages, salaries, bonus and allowances	工資、薪金、花紅及津貼	35,364	25,198
Retirement benefits - defined contribution schemes	退休福利一定額供款計劃	60	64
Share-based compensation expenses	股份酬金支出	253	253
		35,677	25,515

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財務資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

34. RELATED PARTY TRANSACTIONS (Continued)

(g) Amounts due from/ (to) subsidiaries

The amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand.

Notes:

- (i) Brandix Lanka Limited is a minority shareholder, with 40% equity interest, of Textured Jersey Lanka (Private) Limited. Its related parties include its subsidiaries and its associates.
- (ii) Companies controlled by Mr. Henry Choi Wing Kong, son of Mr. Choi Kin Chung, a director of the Company, is a related party of the Company.

35. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$500,929,000 (2009: HK\$352,179,000).

36. EVENTS AFTER REPORTING PERIOD

On 24 May 2010, the Group further subscribed 10,786,500 shares in a jointly controlled entity, CPAT (Singapore) Private Ltd., at a total consideration of US\$10,786,500 of which US\$9,947,550 was advanced to this jointly controlled entity during the year ended 31 March 2010 as stated in Note 10. As a result, the equity interest held by the Group has increased from 42.33% to 44.83%.

綜合財務報表附註(續)

34. 有關連人士交易(續)

(g) 應收/(付)附屬公司款項

應收/(付)附屬公司款項為無抵押、免息及須按要求償還。

附註：

- (i) Brandix Lanka Limited為Textured Jersey Lanka (Private) Limited之少數股東，擁有其40%股本權益。其有關連人士包括其同系附屬公司及其聯營公司。
- (ii) 由本公司董事蔡建中先生之兒子蔡穎剛先生控制之公司為本公司有關連人士。

35. 權益持有人應佔溢利

本公司權益持有人應佔溢利於財務報表所示約500,929,000港元(2009年：352,179,000港元)。

36. 報告期後事項

於2010年5月24日，本集團進一步認購共同控制實體CPAT (Singapore) Private Ltd.之10,786,500股份，截至2010年3月31日止年度，於附註10申明代價總值為10,786,500美元，當中9,947,550美元為共同控制實體預付款項。因此，本集團持有權益增加由42.33%至44.83%。

Financial Summary

財務概要

CONSOLIDATED RESULTS

綜合業績

		Year ended 31 March, 截至3月31日止年度				
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元	2006 2006年 HK\$'000 千港元
Revenue	收入	5,883,413	4,734,816	4,280,646	4,203,357	3,363,029
Gross profit	毛利	1,211,764	686,957	696,887	922,091	802,256
Profit attributable to:	下列人士應佔溢利：					
Equity holders of the Company	本公司權益持有人	803,186	376,515	392,093	555,698	458,855
Minority interests	少數股東權益	15,665	4,091	4,721	7,948	10,495
		818,851	380,606	396,814	563,646	469,350

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		As at 31 March, 於3月31日				
		2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元	2007 2007年 HK\$'000 千港元	2006 2006年 HK\$'000 千港元
Non-current assets	非流動資產	1,738,731	1,572,225	1,571,284	1,237,790	956,292
Current assets	流動資產	2,917,553	2,813,305	2,831,677	1,803,121	1,398,436
Total assets	資產總值	4,656,284	4,385,530	4,402,961	3,040,911	2,354,728
Current liabilities	流動負債	1,318,660	1,098,795	1,122,394	1,132,831	797,514
Total assets less current liabilities	資產總值減流動負債	3,337,624	3,286,735	3,280,567	1,908,080	1,557,214
Non-current liabilities	非流動負債	17,671	125,434	394,558	416,587	469,918
Total equity	權益總額	3,319,953	3,161,301	2,886,009	1,491,493	1,087,296
Net current assets	流動資產淨值	1,598,893	1,714,510	1,709,283	670,290	600,922
Equity attributable to:	下列人士應佔權益：					
Equity holders of the Company	本公司權益持有人	3,254,230	3,110,966	2,839,765	1,440,745	1,044,496
Minority interests	少數股東權益	65,723	50,335	46,244	50,748	42,800
		3,319,953	3,161,301	2,886,009	1,491,493	1,087,296

Glossary

專用詞彙

In this annual report (other than the Independent Auditor's Report and Financial Information), unless the context otherwise requires, the following expression shall have the following meanings:

於本年報內(獨立核數師報告與財務資料除外)，除非文義另有所指，下列詞彙具有以下含義：

"2010 Financial Year"	For the year ended 31 March 2010	[2010年財政年度]	截至2010年3月31日止年度
"AGM"	Annual general meeting of the Company	[股東週年大會]	本公司之股東週年大會
"Articles"	The Articles of Association of the Company, as amended from time to time	[章程細則]	本公司不時修訂之公司組織章程細則
"Board"	The board of Directors of the Company	[董事局]	本公司之董事局
"Brandix"	Brandix Lanka Limited, a company with limited liability and incorporated in Sri Lanka	[Brandix]	Brandix Lanka Limited，一間在斯里蘭卡註冊成立之有限公司
"CG Code"	The Code on Corporate Governance Practices	[企業管治守則]	企業管治常規守則
"Company"	Pacific Textiles Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange	[本公司]	互太紡織控股有限公司，一間於開曼群島註冊成立之受豁免有限公司，其股份於聯交所上市
"Directors"	The director(s) of the Company	[董事]	本公司之董事
"Group"	The Company and its subsidiaries	[本集團]	本公司及其附屬公司
"INED"	The independent non-executive Directors	[獨立非執行董事]	本公司的獨立非執行董事
"Listing"	Listing of the Shares on the Stock Exchange on 18 May 2007	[上市]	本公司股份於2007年5月18日於聯交所上市
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange	[上市規則]	聯交所證券上市規則
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers	[標準守則]	上市公司董事進行證券交易的標準守則
"Prospectus"	The prospectus of the Company dated 7 May 2007	[招股章程]	本公司於2007年5月7日之招股章程
"PT Sri Lanka"	Textured Jersey Lanka (Private) Limited, a limited liability company incorporated under the laws of Sri Lanka	[PT斯里蘭卡]	Textured Jersey Lanka (Private) Limited，一間根據斯里蘭卡法律註冊成立之有限公司
"SFO"	The Securities and Futures Ordinance	[證券及期貨條例]	證券及期貨條例
"Shares"	Shares issued by the Company, with a nominal value of HK\$0.001 each	[本公司股份]	本公司所發行每股面值0.001港元之股份
"Share Option Scheme"	The share option scheme adopted by the Company pursuant to the written resolutions of the Shareholders of the Company passed on 27 April 2007	[購股權計劃]	根據本公司股東於2007年4月27日通過之書面決議案批准及採納之購股權計劃
"Stock Exchange"	The Stock Exchange of Hong Kong Ltd.	[聯交所]	香港聯合交易所有限公司



PACIFIC TEXTILES HOLDINGS LIMITED
互太紡織控股有限公司