



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)



Annual Report

2015/16

年報

CONTENT 目錄

| | |
|--|-----|
| Corporate Information 公司資料 | 2 |
| Chairman's Statement 主席報告書 | 4 |
| Management Discussion and Analysis 管理層討論與分析 | |
| Business Review 業務回顧 | 6 |
| Financial Review 財務回顧 | 8 |
| Profiles of Directors and Senior Management 董事及高級管理人員簡介 | 11 |
| Environmental, Social and Governance Report 環境、社會以及管治報告 | 14 |
| Directors' Report 董事局報告 | 24 |
| Corporate Governance Report 企業管治報告 | 39 |
| Independent Auditor's Report 獨立核數師報告 | 51 |
| Financial Information 財務資料 | |
| Consolidated Income Statement 綜合收益表 | 53 |
| Consolidated Statement of Comprehensive Income 綜合全面收益表 | 54 |
| Consolidated Balance Sheet 綜合資產負債表 | 55 |
| Consolidated Statement of Changes in Equity 綜合權益變動表 | 57 |
| Consolidated Statement of Cash Flows 綜合現金流量表 | 58 |
| Notes to the Consolidated Financial Statements 綜合財務報表附註 | 59 |
| Financial Summary 財務概要 | 138 |
| Glossary 專用詞彙 | 139 |

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. WAN Wai Loi (*Chairman and Chief Executive Officer*)

Mr. TSANG Kang Po (*Vice Chairman*)

Non-executive Directors

Mr. CHOI Kin Chung

Mr. IP Ping Im

Mr. LAU Yiu Tong

Mr. LAM Wing Tak

Independent Non-executive Directors

Dr. CHAN Yue Kwong, Michael

Mr. NG Ching Wah

Mr. SZE Kwok Wing, Nigel

AUDIT COMMITTEE

Mr. SZE Kwok Wing, Nigel (*Chairman*)

Dr. CHAN Yue Kwong, Michael

Mr. NG Ching Wah

REMUNERATION COMMITTEE

Dr. CHAN Yue Kwong, Michael (*Chairman*)

Mr. NG Ching Wah

Mr. SZE Kwok Wing, Nigel

Mr. TSANG Kang Po

Mr. WAN Wai Loi

NOMINATION COMMITTEE

Mr. NG Ching Wah (*Chairman*)

Dr. CHAN Yue Kwong, Michael

Mr. SZE Kwok Wing, Nigel

Mr. TSANG Kang Po

Mr. WAN Wai Loi

COMPANY SECRETARY

Mr. CHOU Yung, Simon

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corp. Ltd.

Citibank N.A.

Hang Seng Bank Ltd.

BNP Paribas, Hong Kong Branch

Standard Chartered Bank (Hong Kong) Ltd.

DBS Bank (Hong Kong) Ltd.

董事局

執行董事

尹惠來先生 (*主席兼行政總裁*)

曾鏡波先生 (*副主席*)

非執行董事

蔡建中先生

葉炳棧先生

劉耀棠先生

林榮德先生

獨立非執行董事

陳裕光博士

伍清華先生

施國榮先生

審核委員會

施國榮先生 (*主席*)

陳裕光博士

伍清華先生

薪酬委員會

陳裕光博士 (*主席*)

伍清華先生

施國榮先生

曾鏡波先生

尹惠來先生

提名委員會

伍清華先生 (*主席*)

陳裕光博士

施國榮先生

曾鏡波先生

尹惠來先生

公司秘書

周勇先生

主要往來銀行

香港上海滙豐銀行有限公司

花旗銀行

恒生銀行有限公司

法國巴黎銀行香港分行

渣打銀行(香港)有限公司

星展銀行(香港)有限公司

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

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, PO Box 1586
Grand Cayman KY1-1110, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., 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

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, PO Box 1586
Grand Cayman KY1-1110, 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, it is my pleasure to present the Group's consolidated financial results for the 2016 Financial Year and give an overview of the Group's strategy and business outlook.

ECONOMIC OVERVIEW AND FINANCIAL PERFORMANCE

The global environment last year was full of challenges. The market has noted only slower recovery than many anticipated.

The Group has recorded turnover of HK\$6,927.6 million for the 2016 Financial Year, which shows a slight increase of 0.3% over previous year. With much appreciation of the teamwork of staff and support from our business partners, the Group's sales volume decreased slightly by 3.1% at 179.1 million pounds, compared to 184.9 million pounds of the last financial year. The Group managed to record the net profit attributable to shareholders amounted to HK\$1,125.5 million (2015: HK\$1,074.8 million).

The Board has proposed a final dividend of HK40 cents per share. Together with the interim dividend of HK40 cents per share declared in November 2015, the total dividend for the 2016 Financial Year will be HK80 cents per share.

BUSINESS OVERVIEW AND OUTLOOK

The global economic situations will continue to be full of challenges. Advanced countries increasingly are acknowledging that a coordinated, albeit differentiated, response will be required to strengthen the economic development momentum.

Risk management is never out of our primary focus when we consider the policies for the Group's sustainable growth. Our Vietnam factory has commenced production in September 2015. The Group has developed into an enterprise with international manufacturing layout, and rules compliance becomes increasingly important. During the year under review, the updated "Terms of Reference" of audit committee has been accepted by the Board. With the help of our effective risk management and internal control system, the Group is better equipped to face the challenges during our further developments.

The advances of productivity driven by innovation and technology are sustainable developments. We are delighted with the implementation of management solution system based on SAP HANA® platform during the year, the first successful deployment in the industry. We will further expand and enhance the application of this important system within the Group's manufacturing bases. Furthermore production automation has been and still be one of the Group's primary focuses, and we will continue commitment of resources toward this application in order to make sure the Group is one of leading players in the industry.

各位股東：

本人謹代表董事局欣然提呈本集團2016年財政年度之綜合財務業績，並提供本集團策略及業務展望之概覽。

經濟概覽與財務表現

去年全球經濟環境充滿挑戰。市場復甦進程比大多預期更為緩慢。

本集團錄得2016年財政年度的營業額為6,927.6百萬港元，較上一年度輕微增加0.3%。不過，有賴員工努力不懈及業務夥伴的鼎力支持，本集團的銷量錄得179.1百萬磅，較上一財政年度的184.9百萬磅輕微下降3.1%。本集團最終錄得股東應佔純利1,125.5百萬港元（2015年：1,074.8百萬港元）。

董事局擬派末期股息每股港幣40仙，連同於2015年11月宣派的中期股息每股港幣40仙，2016年財政年度的股息總額將為每股港幣80仙。

業務概覽與展望

全球經濟環境將繼續充滿挑戰。發達國家逐漸明確，須作出協調一致又各具特色的應對措施以增強經濟發展動力。

我們考慮本集團可持續增長的政策時，風險管理始終為主要的着眼點。我們的越南工廠已於2015年9月投產。本集團已發展為擁有國際化生產佈局的企業，故各類的合規越顯重要。於回顧年度，董事局已接納審核委員會經更新的「職權範圍」。我們有效的風險管理及內部監控系統，更好地裝備了本集團於未來發展中應對挑戰。

以創新及科技驅使的生產力提升為可持續發展。我們於年內基於SAP HANA®平台成功推行管理系統，屬業界首次成功推行，我們為此感到欣喜。我們將於本集團的各生產基地內進一步擴充及提高該重要管理系統的應用。此外，自動化生產為並將繼續為本集團的主要焦點之一，我們繼續把更多資源投入該應用，以確保本集團是業內的領導者之一。

BUSINESS OVERVIEW AND OUTLOOK (Cont'd)

The Group has a very dedicated management and operational team. The overall execution capability has been further enhanced during the year. Operational models have been streamlined through lean manufacturing, and innovative practices have been developed for the improved efficiency and cost saving. The expansion of the Group provides good opportunities to all kinds of talents. The Group is confident to win the competition for talents which is the foundation of our sustainable developments.

The Group's good Environmental, Social and Governance (ESG) practices safeguard our sustainable developments. We are delighted to share more relevant information with different stakeholders in the section "ESG Report" inside the annual report.

APPRECIATION

On behalf of the Board, I am pleased to express my sincere appreciation to our customers, business partners, suppliers, stakeholders and bankers for their continuous support to the Group during the period. I sincerely hope our employees will be able to grow together with the Group, enjoy their balanced life, and realise their potential in the Group.

I would also thank our shareholders for their kind support and confidence in the Group during the past year.

On behalf of the Board

Wan Wai Loi

CHAIRMAN

Hong Kong, 23 June 2016

業務概覽與展望 (續)

本集團擁有非常專業的管理及營運團隊，於年內其整體執行能力得到了進一步提升。我們透過精益生產簡化營運模式，及透過創新的操作模式提高效率及節約成本。本集團的擴張為各類人才提供了良機。本集團有信心在對人才的競爭中脫穎而出，而人才為我們可持續發展的基礎。

本集團良好的環境、社會及管治慣例為我們的可持續發展提供了保障。我們欣然與不同的持份者分享於年報「環境、社會以及管治報告」一節所載的有關資料。

致謝

本人謹代表董事局藉此向我們的客戶、業務夥伴、供應商、持份者及往來銀行於此期間對本集團的充分支持致以誠摯謝意。本人衷心祈望我們的員工能與本集團共同發展，享受和諧生活，並在本集團內盡展所長。

本人亦感謝我們的股東於過去一年對本集團的大力支持與信任。

承董事局命

主席

尹惠來

香港，2016年6月23日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

OVERVIEW

During the year under review, the global economic situations were full of challenges as expected. It has been noted of slower recovery for the markets, especially during the second half of the year.

The Group's revenue increased by 0.3% to HK\$6,927.6 million for the year ended 31 March 2016 (2015: HK\$6,906.9 million). The Group's sales volume decreased by 3.1% to 179.1 million pounds for the year ended 31 March 2016 (2015: 184.9 million pounds) while the average selling price increased by 3.6% to HK\$38.68 (2015: HK\$37.35).

During the year under review, the exchange rate of the RMB against the US dollar has been depreciated. This unexpected depreciation surprised the market, however it is a favourable factor to the Group in the long run since the Group's major production activities are China based. The Group's gross profit for the year ended 31 March 2016 was higher than that of previous year mainly because of improved average selling price and favourable benefits associated with the depreciation of the RMB against the US dollar. Gross profit improved to HK\$1,302.5 million (2015: HK\$1,177.9 million) with gross profit margin increased from 17.1% a year ago to 18.8%.

During the year under review, mainly due to loss on retirement of fixed assets in the PRC factory and pre-production expenses incurred in Vietnam factory, general and administration expenses increased to HK\$125.8 million (2015: HK\$94.6 million). Finance income increased to HK\$22.5 million (2015: HK\$19.5 million) while tax expenses increased to HK\$172.2 million (2015: HK\$150 million). With the gain on disposal of certain interest in an associate of HK\$54.9 million and reversal of provision for impairment of interest in an associate of HK\$39.9 million, the Group maintained a net profit margin at 16.2% slightly higher than that in previous year. Profit for the year increased to HK\$1,122.7 million (2015: HK\$1,069.7 million).

With our strong capability in technological and innovative products, the Group maintained excellent relationship with a large portfolio of renowned international brands. The top five customers and brand owners accounted for approximately 62.2% and 74.3%, respectively, of the Group's revenue during the year under review, versus 61.3% and 72% of the previous year.

業務回顧

概覽

於回顧年度，全球經濟狀況一如預期，充滿了挑戰。尤其於下半年期間，市場復蘇步伐進一步放緩。

於截至2016年3月31日止年度，本集團的收入增長0.3%至6,927.6百萬港元（2015年：6,906.9百萬港元）。截至2016年3月31日止年度，本集團的銷量下跌3.1%至179.1百萬磅（2015年：184.9百萬磅），而平均售價上漲3.6%至38.68港元（2015年：37.35港元）。

於回顧年度，人民幣兌美元出現貶值。這一突然貶值出乎市場意料，然而，本集團的主要生產活動位於中國，從長遠來看，這對本集團而言為有利的因素。截至2016年3月31日止年度，本集團的毛利較上年度為高，主要由於平均售價提升及人民幣兌美元貶值相關的有利因素所致。毛利增至1,302.5百萬港元（2015年：1,177.9百萬港元），毛利率由一年前的17.1%提升至18.8%。

於回顧年度，一般及行政開支增至125.8百萬港元（2015年：94.6百萬港元），主要由於報廢中國工廠固定資產的損失及越南工廠產生的投產前開支所致。財務收入增至22.5百萬港元（2015年：19.5百萬港元），而稅務開支增至172.2百萬港元（2015年：150百萬港元）。經計及出售聯營公司若干權益之收益54.9百萬港元及於聯營公司之權益減值撥備撥回39.9百萬港元，本集團的純利率維持在16.2%，較上年略上升。年內溢利增至1,122.7百萬港元（2015年：1,069.7百萬港元）。

憑藉我們在技術及創新產品方面的強大實力，本集團與眾多國際知名品牌保持極佳關係。於回顧年度，五大客戶及品牌擁有人所貢獻收入分別約佔本集團收入之62.2%及74.3%，上年度則分別為61.3%及72%。

BUSINESS REVIEW (Cont'd)

ENVIRONMENTAL REPORTING AND SOCIAL REPORTING

For the year under review, the Group has continued its operating policies with focus on sustainable developments. The Group has regarded energy saving and green manufacturing as important components of its core competitiveness. The results are noticeable and have been accredited by various governments as well as industrial associations:

- “Fabric Star of China – 2015 Annual User Satisfaction Survey” by Textile Apparel Weekly;
- “Top 10 Enterprises of Energy-Saving and Emission-Reduction” by Guangzhou Energy Conservation Association;
- “Hong Kong Green Organisation” by Environmental Campaign Committee of Hong Kong;
- Clean by Design Environment Improvement Program by Target also honoured the achievements of the Group with Certificate.

Under the guideline of “Made in China 2025”, the Chinese government is very keen to promote the manufacturing enterprises becoming “big yet strong”. Textile Apparel Weekly is the best known and most authoritative magazine of the textile industry in China. To honour the Group’s impressive achievements, the Group was selected by Textile Apparel Weekly as a reported company under its reporting series “The Pillars for a Great Country” which covers the Group’s innovative efforts and achievements in relation to the green production and energy saving.

INFRASTRUCTURE AND LONG TERM DEVELOPMENT

Different countries have adopted different import and tariff arrangements toward the products manufactured from different areas. The “Trans-Pacific Strategic Economic Partnership Agreement” (“TPP”) is covering countries with the Group’s important customers. During the year under review, some bilateral trade agreements were also announced such as those between China/Korea and China/Australia, etc. The international manufacturing layout is the Group’s response to the market changes. During the year under review, the Group’s Vietnam factory has commenced production in September 2015. Different production bases can provide flexibility to the Group in response to different requirements of our premium customers.

Innovation is one of the core values of the Group and during the year under review, the Group has implemented a comprehensive business management solution based on the SAP Business Suite which utilizes the SAP HANA® platform. This successful implementation is the first end-to-end deployment of SAP Business Suite on HANA in the textiles industry. As the Group moves towards digitalized manufacturing, this platform will provide the Group with actionable business insights that help to relentlessly drive productivity and also lead to other future innovations.

業務回顧 (續)

環境及社會報告

於回顧年度，本集團的營運策略繼續注重可持續發展。本集團將節能及綠色製造視為其核心競爭力的主要組成部份，且所取得成果顯著，並屢獲政府及行業協會認可：

- 獲紡織服裝周刊授予「中國面料之星 – 2015年度用戶最滿意面料產品調查」；
- 獲廣州市節能協會授予「節能減排十佳企業」；
- 獲香港環境運動委員會認證為「香港綠色機構」；
- 由Target舉辦的清潔設計之環境改善計劃亦頒發證書表彰本集團的成果。

在「中國製造2025」的指引下，中國政府積極推動製造業成為「大而強」。紡織服裝周刊為中國紡織行業最為知名及權威的雜誌。為表彰本集團的出色成就，紡織服裝周刊將本集團列入其「強國之棟」系列報道上榜企業，報道了本集團在綠色生產及節能方面的創新努力及成就。

基礎建設及長遠發展

不同國家針對不同地區製造的產品採取不同的進口及關稅安排。「泛太平洋戰略經濟夥伴關係協定」(「TPP」)涵蓋了本集團主要客戶所在國家。於回顧年度，若干雙邊貿易協定亦獲達成，如中國／韓國及中國／澳洲之間的協定。國際化生產佈局乃本集團對市場變動的回應。於回顧年度，本集團的越南工廠已於2015年9月投產。不同的生產基地令本集團可更為靈活地應對高端客戶的不同需求。

創新乃本集團的核心價值之一，於回顧年度，本集團基於SAP HANA®平臺推行了綜合管理系統。這一管理系統的成功實施乃紡織行業首次對SAP HANA端對端的應用。本集團正邁向數字化生產，這一管理平臺將向本集團提供切實可行的商業創見，有助於不斷推動生產力提升及同時引導未來其他創新。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW (Cont'd)

INFRASTRUCTURE AND LONG TERM DEVELOPMENT (Cont'd)

In order to improve the environment of the country, the Chinese government has continued to tighten the requirements for environmental protection. The rules compliance is critical to the Group's sustainable developments. During the year under review, the Group has upgraded its power generation facilities in Panyu factory, and increased the quality of coal purchased albeit higher procurement price. Furthermore, the Group has invested resources to improve the water treatment capabilities in Panyu factory. All these efforts may help the Group to achieve lower emission and keep the Group's environmental protection facilities far ahead of the statutory requirements. The premium customers have chosen to co-operate more with the established factories like the Group.

Sustainable developments include the improvements driven by technology. During the year under review, the Group has continued its deployment of production automation with the aim to strengthen efficiency and improve cost efficiency. The Group has confidence that intelligent manufacturing is one of strategic developing directions for the industry. With the help of strong capability of innovation, the Group will become one of the leading players in the industry exploring automatic production.

The Group has a very outstanding management and operational team with all kinds of talents. During the year under review, the Group has further streamlined the production processing through lean manufacturing projects. The continued fine-tuning of operational models has gradually improved the efficiency and reduced costs. The increasing productivity in turn helped the Group's sustainable developments.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL INFORMATION

As at 31 March 2016, the Group had total cash and bank balances of HK\$1,452.5 million (2015: HK\$2,025.4 million), including HK\$463.5 million, the equivalent of HK\$553.8 million in US\$, the equivalent of HK\$403.2 million in Renminbi, the equivalent of HK\$31.4 million in VND and the equivalent of HK\$0.6 million in other currencies. The cash and bank balances and time deposits are to finance the Group's working capital and capital expenditure plans.

The Group had bank loans of HK\$686.5 million (2015: HK\$987.9 million), and a shareholder's loan of HK\$144.4 million (2015: HK\$144.4 million) contributed by our joint venture partners to our Vietnam subsidiary. The shareholder's loan is of equity nature and is unlikely to be repaid within one year.

For the 2016 Financial Year, the Group's total assets amounted to HK\$5,431.4 million (2015: HK\$5,727.2 million), representing a decrease of 5.2%. Non-current assets and current assets were HK\$1,886.6 million and HK\$3,544.8 million, respectively. The above assets were financed by current liabilities of HK\$1,906.1 million, non-current liabilities of HK\$173.4 million, and equity attributable to shareholders of HK\$3,360.1 million.

業務回顧 (續)

基礎建設及長遠發展 (續)

為提升國內環境狀況，中國政府持續收緊對環境保護的要求。遵守法規對本集團的可持續發展而言至為重要。於回顧年度，本集團升級了番禺廠房的發電設施，並提升了所採購煤炭的質量，儘管相關的採購價格較高。此外，本集團亦投資以提升番禺廠房的污水處理能力。所有該等努力均有助於本集團實現更低排放及令本集團的環保設施水平遠高於法定要求。高端客戶更傾向於和如本集團一樣擁有完善生產設施的大廠商合作。

可持續發展包括由科技推動的改善。於回顧年度，本集團繼續運用自動化生產，旨在提高效率及提升成本效益。本集團深信，智能化生產是行業的戰略性發展方向之一。憑藉強大的創新能力，本集團將成為業內探索自動化生產的領導者之一。

本集團的管理及營運團隊人才雲集，表現出色。於回顧年度，本集團透過精益生產項目進一步精簡了生產工藝。對營運模式的持續微調逐漸提升了效率並降低了成本。不斷提升的生產力轉而促進了本集團的可持續發展。

財務回顧

資金流動性與財務資料

於2016年3月31日，本集團擁有現金及銀行結餘總額為1,452.5百萬港元（2015年：2,025.4百萬港元），當中包括463.5百萬港元，相等於553.8百萬港元之美元，相等於403.2百萬港元之人民幣、相等於31.4百萬港元之越南盾及相等於0.6百萬港元之其他貨幣。現金及銀行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。

本集團擁有銀行貸款686.5百萬港元（2015年：987.9百萬港元）及由我們的合營公司夥伴向我們越南附屬公司提供的股東貸款144.4百萬港元（2015年：144.4百萬港元）。股東貸款為權益性質，並不太可能於一年內償還。

於2016年財政年度，本集團資產總值為5,431.4百萬港元（2015年：5,727.2百萬港元），減少5.2%。非流動資產及流動資產分別為1,886.6百萬港元及3,544.8百萬港元。上述資產由流動負債1,906.1百萬港元、非流動負債173.4百萬港元及股東應佔權益3,360.1百萬港元提供融資。

FINANCIAL REVIEW (Cont'd)

LIQUIDITY AND FINANCIAL INFORMATION (Cont'd)

As at 31 March 2016, the current ratio (which is calculated on the basis of current assets over current liabilities) was 1.9 (2015: 1.9). The gearing ratio, being the ratio of total interest bearing debt to total equity, was 21.2% (2015: 29.6%). As at 31 March 2016, the Group was in a net cash position of HK\$621.6 million (2015: HK\$893.1 million).

The Group adopted cautious measures and fine-tuned its capital expenditure in response to the market demand. During the year under review, total capital expenditure decreased 11.9% to HK\$337 million (2015: HK\$382.6 million), which was mainly used to purchase plant and machinery, construction projects of Panyu plant and Vietnam Plant.

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 hedges against the exposure and reduce the risk involved as appropriate.

PLEDGE OF ASSETS

As at 31 March 2016, the Group did not have assets pledged for the bank loans (2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2016, the Group had 5,945 full-time employees (2015: 5,084). 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 subsidized 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 has granted options to eligible employees.

DIVIDENDS

The Board proposed to pay a final dividend of HK40 cents (2015: HK40 cents) per share for the 2016 Financial Year, subject to the approval of the shareholders at the forthcoming AGM. Together with an interim dividend of HK40 cents (2015: HK40 cents) per share, the total dividend for the 2016 Financial Year amounted to HK80 cents (2015: HK80 cents) per share.

財務回顧 (續)

資金流動性與財務資料 (續)

於2016年3月31日，流動比率（根據流動資產除以流動負債計算）為1.9（2015年：1.9）。負債比率，即計息負債總額與權益總額之比率為21.2%（2015年：29.6%）。於2016年3月31日，本集團之淨現金水平為621.6百萬港元（2015年：893.1百萬港元）。

本集團採取謹慎的措施，並根據市場的需求而微調資本開支。於回顧年度，本集團錄得資本開支總額減少11.9%至337百萬港元（2015年：382.6百萬港元），主要用於購買廠房和機器、興建番禺廠房及越南廠房。

外匯風險管理

本集團面對多種貨幣之外匯風險，主要涉及美元及人民幣。本集團通過定期檢討及監察其外匯交易管理外匯風險。本集團適時對沖風險及降低相關風險。

資產抵押

於2016年3月31日，本集團並無就銀行貸款抵押任何資產（2015年：無）。

僱員及薪酬政策

於2016年3月31日，本集團僱用5,945名全職僱員（2015年：5,084名）。本集團薪酬政策並無重大變動。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、技能及知識釐定。本集團將持續向僱員提供定期培訓及具競爭性之薪酬組合。本集團亦向僱員提供額外福利，如向駐生產設施之僱員提供食宿津貼、意外及醫療保險。

本集團已採納一項購股權計劃。根據該計劃，本公司已授予合資格僱員購股權。

股息

董事局建議就2016年財政年度派發末期股息每股港幣40仙（2015年：港幣40仙），惟須待股東於應屆股東週年大會上批准。連同中期股息每股港幣40仙（2015年：港幣40仙），2016年財政年度之股息總額為每股港幣80仙（2015年：港幣80仙）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW (Cont'd)

FUTURE PROSPECTS AND STRATEGIES

We shall face a challenging and uncertain year ahead. The current macro economic situation is volatile. The unstable political situation in Europe and USA, the strong yen, and the weakness in Chinese economy will have impact on our business.

The Group's Vietnam factory has commenced its production in September 2015. The Group will continue the establishment of local management and operational team. Customized management and operational models will be developed and adopted to our Vietnam factory's own situation. Furthermore, the Group will improve the integration of different manufacturing bases. Integrated and co-ordinated manufacturing bases will ultimately maximise the benefit of international production layout to the Group as a whole.

The Group will keep improving the business solution system based on SAP HANA® platform. This will help the Group to adopt best practices globally proven in the area of resource planning, and create innovative practices in the industry of textile.

Intelligent manufacturing, driven by technology, will lead to productivity advancement. Production automation is the focus of sustainable development for the Group, and it will help the Group to stay competitive under the unfavourable factor of continued increase of labour cost. The Group will continue the deployment and make sure itself one of the leading players in the industry applying automatic production.

Benefited by the advanced management information system and international manufacturing layout, the Group is better positioned to reinforce its cooperation with our premium customers. The value added services by the Group will be able to meet the dynamic demands from premium customers, in return the Group's business will grow together with the customers'.

The Group will continue its investments into the advancement of production facilities in the Panyu factory, i.e. the new water treatment plant, etc. Improved production equipments may keep the Group to strengthen its productivity and efficiency. Furthermore, the rules compliance with statutory requirements safeguards the Group's sustainable developments.

The Group never underestimates the importance of rules compliance and risk management. The Group will continue enhancing its risk management and internal control system, with the help of professionals internally as well as externally. Effective risk management and internal control system is critical to the Group's sustainable developments.

財務回顧 (續)

未來展望及策略

來年對我們而言將充滿挑戰及不確定性。目前的宏觀經濟狀況波動不定，而變幻莫測的歐洲及美國的政治狀況、日圓強勢及中國經濟的疲弱將影響我們的業務。

本集團的越南工廠已於2015年9月投產。本集團將繼續完善當地管理及營運團隊。根據越南工廠的具體情況發展及採納針對性的管理及營運模式。此外，本集團將提升不同生產基地之間的融合。生產基地的一體化和互相協調，最終將最大化地展現國際化生產佈局對本集團整體帶來的利益。

本集團將繼續提升基於SAP HANA®平臺的管理系統。這將有助於本集團在資源規劃方面採取全球公認的最佳常規，並創造出紡織行業的創新操作模式。

由技術所驅動的智能化生產將帶動生產力的提升。自動化生產乃本集團可持續發展的重點，其將協助本集團於勞工成本持續上漲的不利情況下保持競爭力。本集團將繼續有關部署並確保其為業內運用自動化生產的領先者之一。

受惠於先進的管理資訊系統及國際化生產佈局，本集團在加強與高端客戶的合作方面處於更有利的地位。本集團的增值服務可滿足高端客戶的不同需求，從而令本集團的業務同客戶的業務共同增長。

本集團將繼續投資番禺廠房的生產設施升級，例如新污水處理廠等。升級後的生產設備可令本集團加強生產力及效率。此外，遵守法定要求保障了本集團的可持續發展。

本集團從未低估合規及風險管理的重要性。本集團將在內部及外部專業人士的協助下繼續加強其風險管理及內部監控系統。有效的風險管理及內部監控系統對本集團的可持續發展而言至關重要。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

EXECUTIVE DIRECTORS

Mr. WAN Wai Loi, aged 66, is an executive Director and Chairman and a founder of the Group. Mr. Wan was appointed as the Chief Executive Officer with effect from 1 July 2015. 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 43 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 65, is an executive Director and the Vice Chairman and a founder of the 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 37 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.

NON-EXECUTIVE DIRECTORS

Mr. CHOI Kin Chung, aged 80, 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 is a director of several subsidiaries of the Group. He has approximately 48 years of experience in the textile industry. Mr. Choi was educated in 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 has been awarded 中國針織行業終身成就獎 (China Knitting Industry Lifetime Achievement Award) by 中國針織工業協會第四屆理事會 (4th Council of the China Knitting Industry Association) in 2010. Mr. Choi was appointed as a Director in 2004.

Mr. IP Ping Im, aged 79, is a non-executive Director. He is a co-founder and senior partner of our Group. Mr. Ip has over 39 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.

執行董事

尹惠來先生，66歲，本集團執行董事兼主席及創辦人之一。尹先生自2015年7月1日起已獲委任為行政總裁。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43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，65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37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。

非執行董事

蔡建中先生，80歲，非執行董事及本集團創辦人之一。蔡先生於1997年連同其他人士共同創辦本集團，由本集團開業至2005年出任本集團主席。蔡先生為本公司榮譽主席與本集團數間附屬公司的董事，在紡織業擁有約48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2010年獲中國針織工業協會第四屆理事會頒授中國針織行業終身成就獎。蔡先生於2004年獲委任為董事。

葉炳棧先生，79歲，非執行董事。彼為本集團創辦人之一，並為資深合夥人。葉先生在紡織業擁有逾39年經驗。葉先生於2004年獲委任為董事。彼亦是本集團數間附屬公司的董事。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. LAU Yiu Tong, aged 68, is a non-executive Director. Mr. Lau has over 39 years of experience in the textile industry. Mr. Lau holds a Higher Diploma in Textile Technology from the Hong Kong Technical College. He is the Vice Chairman of Group 3 (Dyeing and Finishing) of Federation of Hong Kong Industries. He ceased to be the 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.

Mr. LAM Wing Tak, aged 65, is a non-executive Director. Mr. Lam was responsible for sales and marketing and the formulation of the overall corporate direction and business strategies for the Group. Mr. Lam has over 41 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 Vice Chairman of Board of Trustee of New Asia College and Honorary Fellow of The Chinese University of Hong Kong. Mr. Lam joined the Group in 1998 and was appointed as a Director in 2004. Mr. Lam has resigned as Chief Executive Officer, and re-designated as non-executive director effective from 1 July 2015. He remains as the chairman of our associated company "Textured Jersey Lanka PLC" which is listed on Colombo Stock Exchange, and a director of various subsidiaries of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. CHAN Yue Kwong, Michael, aged 64, is an independent non-executive Director. He was the former chairman and is currently the non-executive director of Café de Coral Holdings Limited, a Hong Kong listed company which he joined in 1984, and has considerable experience in planning and management. Dr. Chan is also an independent non-executive director of Starlite Holdings Limited since 1993, Tse Sui Luen Jewellery (International) Limited since 2010, Modern Dental Group Limited in 2015 and Human Health Holdings Limited in 2016, and a non-executive director of Tao Heung Holdings Limited since 2007, all five companies are listed on the Main Board of the Hong Kong Stock Exchange. Dr. Chan ceased to be the independent non-executive director of Kingboard Laminates Holdings Limited since August, 2015. Dr. 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 also a member of the Political Consultative Committee of Nanshan District, Shenzhen in the People's Republic of China. He served on the Employers' Federation of Hong Kong, and is currently the Adviser of the Quality Tourism Services Association, 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. He is also being appointed by the HKSAR Government as a member of the Business Facilitation Advisory Committee and ceased to be the member of the Task Force on promotion of Vocational Education. Dr. Chan was appointed as an independent non-executive Director in 2007.

非執行董事 (續)

劉耀棠先生，68歲，非執行董事。劉先生在紡織業有逾39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，並為香港工業總會第3分組（染色及整理）的副主席。彼不再擔任香港工業總會理事。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。

林榮德先生，65歲，非執行董事。林先生曾負責銷售及市場推廣工作，亦曾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41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。林先生為新亞書院校董會副主席及香港中文大學榮譽院士。林先生於1998年加入本集團，並於2004年獲委任為董事。林先生自2015年7月1日起辭任行政總裁，並調任非執行董事。彼現時仍為本集團在科倫坡證券交易所上市之聯營公司 Textured Jersey Lanka PLC 的主席，亦為本集團多間附屬公司的董事。

獨立非執行董事

陳裕光博士，64歲，獨立非執行董事。前任香港上市公司大家樂集團有限公司之主席，現為非執行董事。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。陳博士自1993年起出任星光集團有限公司之獨立非執行董事，自2010年起出任謝瑞麟珠寶（國際）有限公司之獨立非執行董事，2015年及2016年先後獲委任為現代牙科集團有限公司及盈健醫療集團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，此五間公司均於香港聯交所主板上市。陳博士自2015年8月起不再擔任建滔積層板控股有限公司之獨立非執行董事。陳博士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，彼亦為中華人民共和國深圳市南山區政協委員。彼曾任職於香港僱主聯合會，現為優質旅遊服務協會顧問，香港市務學會榮譽主席及香港管理專業協會之企業管理發展中心主席。陳博士榮獲香港特別行政區政府委任為方便營商諮詢委員會成員，年度內不再擔任推廣職業教育專責小組成員。陳博士於2007年獲委任為獨立非執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. NG Ching Wah, aged 67, is an independent non-executive Director. Mr. Ng has over 29 years of senior management experience in the telecommunications industry. Mr. Ng was a director and a member of the executive committee for Advanced Info Service Public Company Limited, a Thailand listed company. He was an independent director of China Digital TV Holding Co. Ltd., a New York Stock Exchange listed company and a non-executive director of HKC International Holdings Limited, a Hong Kong listed company. He was the chief executive officer of Hong Kong CSL Limited. He was the chief executive officer of 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 is the appointed member of Communications Authority, an independent statutory body established under the Communications Authority Ordinance in April 2012. Mr. Ng 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.

Mr. SZE Kwok Wing, Nigel, aged 59, 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 ceased to be the managing director, head of China and Hong Kong of Julius Baer Bank. He was the chief executive officer of EFG Asset Management (Hong Kong) Limited for Asia Pacific Region; the managing director, head of investment of Citi Wealth Management for Asia Pacific region; the chief executive officer of Asia-Pacific for International Private Bank, 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.

CHIEF FINANCIAL OFFICER

Mr. TOU Kit Vai, aged 53, joined the Group in 2013 and appointed as CFO on 1st April 2014. Mr. Tou is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, he was an executive director of a HK listed company during 2007-2012 and he has extensive experiences in factory operations, financial management, project management and ERP System.

COMPANY SECRETARY

Mr. CHOU Yung, aged 46, joined the Group in October 2014 as Company Secretary. Mr. Chou is a member of the Hong Kong Institute of Certified Public Accountants, he was a company secretary of a HK listed company during 2007-2011 and he has extensive experiences in financial management, corporate governance and administration.

獨立非執行董事 (續)

伍清華先生，67歲，獨立非執行董事。伍先生於電訊業有逾29年資深管理經驗。伍先生曾出任於泰國上市公司Advanced Info Service Public Company Limited之董事與執行委員會成員。彼曾出任於紐約證券交易所上市之公司中華數字電視控股有限公司之獨立董事及香港上市公司香港通訊國際控股有限公司之非執行董事。彼曾出任香港流動通訊有限公司行政總裁，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根據2012年4月生效的《通訊事務管理條例》成立為法定機構之通訊事務管理局成員。伍先生曾為數碼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，獲頒工商管理學學士學位。伍先生於2007年獲委任為獨立非執行董事。

施國榮先生，59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。施先生不再擔任瑞士寶盛銀行有限公司之中國和香港區之主管和董事總經理。彼曾出任瑞士盈豐資產管理(香港)有限公司之亞太區行政總裁；Citi Wealth Management 亞太區董事總經理與投資部主管；International Private Bank, Barclays Wealth亞太區之行政總裁與香港Morgan Stanley Asia Limited(摩根士丹利亞洲有限公司)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。

首席財務總監

杜結威先生，53歲，於2013年加入本集團並於2014年4月1日獲委任為首席財務總監。杜先生為香港會計師公會及特許公認會計師公會資深會員。彼於2007年至2012年期間於一間香港上市公司擔任執行董事。彼於工廠運營、財務管理、項目管理及ERP系統方面擁有豐富經驗。

公司秘書

周勇先生，46歲，於2014年10月加入本集團並擔任公司秘書。周先生為香港會計師公會會員，於2007年至2011年期間於一間香港上市公司擔任公司秘書，彼於財務管理、企業管治及管理方面擁有豐富經驗。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會以及管治報告

This is the sustainability report, which outlines our major members' approaches, commitment and strategies in four aspects of sustainability – workplace quality, environmental protection, operating practices and community involvement. The reporting period of this report is from 1 April 2015 to 31 March 2016. The data disclosed in this report are prepared and provided by the respective administration departments of Panyu plant and Vietnam plant of the Group.

VISION

"To make the world a more comfortable and better place through our products" – Pacific Textiles is a creative and sizeable knitted fabric manufacturer and marketer whose business scope covers integrated services of knitting, dyeing, printing and finishing.

MISSION

"In global textile community, we strive for:

- Quality products and services;
- Equitable opportunities and respect;
- High returns to the investors;
- Excellent environmental protection;

through the faith of social responsibilities and innovation." – Pacific Textiles considers green manufacturing and environment protection not only as the responsibility of a responsible enterprise citizen, but also as the basis of long-term viability for any enterprises. Pacific Textiles has been actively taking steps to ensure that by-products from its manufacturing facilities are disposed of with minimal effects to the environment and trying its best to achieve a harmonious development of the enterprise, natural environment and all stakeholders.

WORKING ENVIRONMENT

Each employee is required to sign an employment contract and receipt of hazardous notice of occupational health to job holder as referred to the local government requirements and it mainly covers the job title and duties; work hours; rest period; statutory benefits and preventive measures for occupational hazards etc. We conduct assessment on labor working environment to ensure good and safe working conditions for our employees in terms of light, noise, air, dust, wind, gas, etc. All related factors meet the standard of local government. We also provide our employee proper PPE to prevent potential labor accident and minimize the influence on employee's health: ear plug, goggles, dust respirator, mask, rubber gloves/boots, insulated shoes, apron, hair net, safety belt, etc. Annual health check is conducted for all employees to help employees and the company knows their health status and has proper arrangement of work as well as medical treatment, if necessary.

此可持續發展報告概述本集團的主要屬下成員在工作環境質素、環境保護、營運慣例及社區參與等四個方面之工作方法、承諾及策略。本報告之報告期自二零一五年四月一日起至二零一六年三月三十一日止。本報告所包含的數據、資料由本集團屬下之番禺廠及越南廠的負責管理部門整理、提供。

願景

「讓我們的產品，令世界更舒適美好」— 互太是一個具創意和具規模的針織布生產及營銷商，其業務範圍涵蓋了針織、染色、印花及整理之綜合處理。

使命

「在國際紡織界中，以社會責任及創新思維的信念，努力做到：

- 更優質的產品及服務；
- 平等工作機會及互相尊重；
- 豐厚的投資回報；
- 卓越的環境保護。」

— 互太不但視綠色生產和環境保護作為其盡企業公民之責任，而且更視之為企業能夠長遠持續發展的一個基礎；互太一直主動採取各項措施以確保生產過程中所產生的副產品能得到妥善處理，致力將對環境的影響減到最小，盡力成就企業、自然環境和各持份者之間都能和諧發展。

工作環境

每名僱員均須簽署僱傭合約及簽收當地政府規定所提及須向任職人員發放的職業危害通知。該通知主要涵蓋職位及職責、工作時數、休息時間、法定福利及崗位職業危害因素防控措施等。我們就光線、噪音、空氣、粉塵、通風及氣體等對勞動工作環境進行評價，確保為僱員提供良好及安全的工作條件。所有相關因素均符合當地政府的標準。我們還致力為僱員提供適當的個人防護裝備以預防潛在的勞動意外及儘量減少對僱員健康的影響，該等裝備包括：耳塞、護目鏡、防塵口罩、面具、橡膠手套／靴子、絕緣鞋子、圍裙、髮網及安全帶等。我們每年對所有僱員進行健康體檢，以幫助僱員及本公司瞭解僱員的健康狀況，並作出適當的工作安排及進行治療（如需要）。

EMPLOYEES' BASIC INFORMATION

As of March 2016, 5,000 employees were under full-time employment in Panyu plant; age range from 18-60 and come from various provinces of Mainland China. About 5% for age group from 18-30 and come from various provinces of Mainland China.

As of March 2016, total 729 employees are hired for full employment in Vietnam plant. Youngest employee in our Company is 18 years old, employees under 38 years old accounting for 97% of total employees. Vietnam plant's employees come from different provinces nationwide, but majority is local resident accounting for 88% of total employees. Vietnam plant implements hiring health checking for new employees to ensure a healthy labor force for effective and efficient production.

HEALTH AND SAFETY

Panyu plant attaches great importance to production safety management and occupational health management. It spared no effort to consistently implement the occupational health and safety policy of "Compliance, care, safety, health, inspection of hidden dangers, risk control, safety guarantee, full participation, aggressiveness, promotion of harmonious development", firmly enforced a policy of "Observing laws and regulations, dedicating to control and minimize safety risks and adhering to the principle of people-oriented so as to provide a safety and healthy working environment and living environment for employees", proactively carried out works in terms of safety production standardization, established a management system of safety production standardization and also obtained certification of OHSAS18001 Occupational Health and Safety management system.

In Vietnam plant, labor health and safety is in a prior consideration for mill setting in Vietnam and several measures and procedures were set to guarantee the safe and healthy working circumstance all throughout period of working participation in the factory. Health check service is provided in Vietnam plant to all employees when new recruited or annually for enrolled colleagues. Meanwhile, an internal clinic was set in 24 hours service for any emergency aid just in case. Working environment in Vietnam plant is regularly sampled and checked by third parties every three months for noise level, particle level and other parameters that may affect work health. Besides health check and working environment inspection, the Vietnam plant also found a team for internal safety controlling on fire-fighting safety and work safety. Fire-fighting devices, PPEs for works that involve patent dangers or injury were well equipped and managed by the team and under periodical review and reporting.

FATALITY NUMBER AND RATE

There is not observed any mortality related to working in Panyu plant.

There is not observed any mortality related to working in Vietnam plant.

僱員基本資料

截至2016年3月，番禺廠僱用5,000名全職僱員。彼等年齡介乎18-60歲，均來自中國內地各省份；約5%僱員屬18-30年齡層，均來自中國內地各省份。

截至2016年3月，越南廠僱用共729名全職僱員。本公司最年輕的僱員為18歲，38歲以下僱員佔僱員總人數97%。越南廠的僱員來自全國不同省份，但絕大部分為本地居民，佔僱員總人數88%。越南廠對新僱員進行入職健康體檢，確保僱用健康的勞動人員作有效及高效生產。

健康與安全

番禺廠非常重視公司的安全生產管理及職業健康管理工作，努力貫徹「守法、關愛、安全、健康、查隱患、控風險、保障安全、全員參與、積極進取、促進和諧發展」的職業健康安全方針，堅決執行「遵守法律法規，努力控制及降低安全風險，堅持以人為本，為員工提供安全、健康的工作環境和生活環境」的政策，積極開展安全生產標準化的工作，建立了安全生產標準化的管理體系，並通過了OHSAS18001職業健康安全管理体系認證。

越南廠將勞動健康與安全視為在越南開辦紡織廠的首要考慮，並已設立多項措施及程序保證工廠整個生產過程中安全與健康的工作環境。越南廠為所有僱員提供健康體檢服務，包括新招募僱員的入職健康體檢及已入職僱員的年度健康體檢。同時，越南廠設立了24小時提供服務的內部診所，以防需要緊急救援。第三方每三個月會就噪音水平、粒子水平及可能影響勞動人員健康的其他參數對越南廠定期進行抽查。除健康檢查及工作環境檢查外，越南廠還針對消防安全及生產安全成立內部安全控制小組。越南廠的消防設備及用於涉及明顯危害或傷害的生產的個人防護裝備十分齊全。該等設備由內部安全控制小組管理，並定期審查及報告。

死亡人數及比率

番禺廠沒有因工作關係而死亡的案例發生。

越南廠沒有因工作關係而死亡的案例發生。

LOST DAYS DUE TO WORK INJURY

In 2015, the lost working days due to work injury of Panyu plant was 2,164 man-days, accounting for 0.013% of the total man-days in fully-manned circumstance.

Vietnam plant has established arrangement of compensating working hours due to injury during work hour: if any employee had labor accident, company will pay compensation working hour for employee by payment for total working hours that they must leave working for health treatment.

OCCUPATIONAL HEALTH AND SAFETY MEASURES

In terms of safety production management, Panyu plant conducted thorough hazards identification and risk assessment annually and established risk control measures and necessary emergency practice for important hazards. Safety executives from all departments who have participated in pre-job professional trainings and have passed tests and obtained qualifications manage and control the significant sources of hazards and comprehensively control the potential safety hazards, so as to minimize work safety incidents. In terms of occupational health management, Panyu plant invited Guangdong Prevention and Treatment Center for Occupational Diseases to assess the occupational hazards for all job posts of the Company. According to the assessment result, Pacific Textiles carries out protection from occupational hazards for relative job posts and occupational health protection for employees and conducts occupational health checks annually, so as to guarantee employees' physical health. In 2015, Panyu plant conducted occupational health checks for all employees, achieving coverage of 100%.

Vietnam plant adopts Occupational Health and Safety Measures and related execution and observation procedures:

- Check health periodically to find out occupation disease;
- Supply personal protective equipment for employee;
- Periodically testing and maintaining the machinery, equipment, workshops;
- Occupation health & safety committee will patrol periodically to find out unusual problem that related with working safety;
- Organization safety training for employee periodically as local government requirement (External training);
- Establish Fire-fighting plan and organization practice every year.

因工傷損失工作日數

番禺廠在2015年因工傷損失的工作日數為2,164人日，佔全員工作人日的0.013%。

越南廠已制定安排，補償因工作時間內受到傷害而損失工作時數。倘任何僱員發生勞動意外，本公司將以支付該僱員因治療而不得不耽誤的總工作時數的方式向僱員支付補償工作時數。

職業健康與安全措施

番禺廠針對安全生產管理，每年進行全面的危險源辨識和風險評價，並針對重要危險源制定了風險控制措施和必要的應急演練。各部門經過專業培訓考證上崗的安全執行人針對重要危險源進行管控，對安全隱患進行全面控制，努力降低安全生產事故。番禺廠針對職業健康管理，邀請了廣東省職業病防治院對公司各崗位進行職業危害狀況評價，互太根據評價結果對這些崗位進行職業危害防護、對員工進行職業健康防護，並每年進行職業健康體檢，以保障員工的身體健康。2015年，番禺廠對全體員工進行了職業健康體檢，覆蓋率100%。

越南工廠採納職業健康與安全措施，以及相關執行及監察方法：

- 通過定期體檢查出職業病；
- 向僱員提供個人防護裝備；
- 定期檢修機械、設備及車間；
- 職業健康與安全委員會將通過定期視察發現與工作安全相關的異常問題；
- 遵守當地政府規定定期為僱員組織安全培訓（外部培訓）；
- 制定消防計劃並每年組織演習。

DEVELOPMENT AND TRAINING

We formulate yearly training plan for different levels of employees in Panyu plant. Some are regular programs, while others are subject to job and operational needs and requirements such as effective use of MS Office, sport course, yoga course for all levels, health & safety for fundamental level, managing young generation (80s & 90s) effectively for middle level team leaders etc. In 2015, while it came to over 90% of middle and fundamental employees joining various kinds of training programs in relation to their job and operational needs including new employees induction course, health & safety, language course, technical skills and statutory post license renewal etc. As a whole, it was about 1.96 monthly training hours per employee in Panyu plant.

Vietnam plant provides orientation training: all newly hired employees are required to join the orientation training covering internal regulations on compensations and benefits, labor discipline, health and safety, firefighting, job and operational needs. Vietnam plant also provides annual training and irregular training:

- Annual training will be provided in terms of internal regulations and health and safety for all employees, fire-fighting;
- The company arranges periodical training for different groups of employees in referred to local regulations including safety operation training for forklift driver, waste management in-charge, boiler operator, chemical management in-charge, first aider, etc.
- Irregular training courses is conducted based on actual request of each department to improve working capability of employees such as elementary occupational certificate for boiler operators, forklift driver, crane operator.

LABOR STANDARDS

As required by the company employment policy and our foreign customers, no child and forced labor will be permitted for employment in Panyu plant.

As internal policy, no child labor is hired under any circumstance in Vietnam plant. Hiring in-charge staff is trained to perform interview techniques to ensure hired employees in compliance with the company standards. Also, no forced labor is allowed in the Vietnam plant. All employees work here in voluntary willing basis. Vietnam plant sets up procedure to receive employee's feedback on all issues including child labor and forced labor. If any case of non-compliance is reported, an investigation will be carried out to settle the case and prevent the repetition.

發展及培訓

我們為番禺廠各級僱員制定年度培訓計劃。其中有普通課程，而其他課程則視乎工作、職務需要及規定而定，如高效使用微軟辦公軟件、運動課程、各級瑜伽課程、基層健康與安全課程及中層領導團隊高效管理新生代（80後及90後）課程等。於2015年，逾90%的中層僱員及基層僱員參與各類與其工作及職務需要有關的培訓課程，包括新僱員入職課程、健康與安全課程、語言課程、技術課程及法定臨時牌照續新課程等。總體而言，番禺廠每名僱員的月培訓時長約為1.96個小時。

越南廠提供入職培訓：全體新入職僱員須參加入職培訓，涵蓋有關薪酬與福利、勞動紀律、健康與安全、消防、工作及職務需要的內部規章。越南廠亦提供年度培訓及不定期培訓：

- 年度培訓將提供內部規章、全體僱員健康與安全及消防方面的培訓；
- 公司根據當地規章規定為不同組別僱員安排定期培訓，包括叉車司機、廢物處理員、鍋爐作業員、化學物管理員及急救人員等的安全作業培訓；
- 不定期培訓課程乃按各部門的實際要求開展，以提升僱員的工作能力，如鍋爐作業員、叉車司機及吊車司機的初級執業證書。

勞工準則

按公司僱用政策及外國客戶的要求，番禺廠不得使用童工及強迫勞動力。

作為內部政策，越南廠在任何情況下均不得聘用童工。負責招聘的員工將接受面試技巧培訓，確保聘用的僱員符合公司標準。此外，越南廠亦不得使用強迫勞動力。所有僱員均須自願在越南廠工作。越南廠制定程序接收僱員有關所有問題的反饋，包括童工及強迫勞動力。若收到任何不合規報告，越南廠將展開調查，以解決該事件並防止事件再次發生。

ENVIRONMENTAL PROTECTION

Panyu plant's policies in respect of energy management are: proactively utilizing advanced energy-saving technologies, striving to research and develop low-consumption processes, constantly improving energy utilization efficiency and promoting energy consumption level towards international-advanced level. Panyu plant proactively utilized advanced energy-saving technologies, undertook several industrial and national demonstration projects, worked hard on the research and development of energy-saving processes and technologies, and achieved good energy-saving efficiency.

The aggregate energy consumption of Panyu plant for 2015 was standard coal of 180,300 tons, and the energy consumption per unit of product decreased by 6.1% as compared with 2014. The Company achieved an energy saving and consumption reduction of standard coal of 13,000 tons during the year. The water consumption per unit of product decreased by 2.2%, resulting in a reduction in water consumption of 20,000 tons for the year.

In 2015, Panyu plant was recognized as "Pilot Enterprises for Ecological Design of Industrial Production (the first batch)" by Ministry of Industry and Information Technology, honored as "Hong Kong Green Organization" by the Environmental Campaign Committee of Hong Kong, and selected as "Top 10 Energy-Saving and Emission-Reduction Enterprises of Guangzhou" by Guangzhou Energy Conservation Association, and was granted with the "NRDC Best Innovative Energy-Saving Technology Implementation Award" and the "NRDC Best Energy and Water Saving Efficiency Award" by Natural Resources Defense Council (NRDC) headquartered in U.S.A. and the World Bank's International Finance Corporation (IFC), respectively.

Panyu plant adopted a transfer processing system with regard to treatment of hazardous wastes in compliance with the relevant policy requirements, under which entities obtaining necessary qualifications are entrusted to conduct unified treatment. A qualified treatment rate of 100% was achieved in respect of hazardous wastes. The Company entrusted relevant entities to recycle, reuse and comprehensively treat the non-hazardous wastes, and achieved a comprehensive treatment rate of 100%.

Panyu plant promoted the utilization of clean energy and the optimization of resource utilization structure in an active manner. In particular, in 2014, it carried out the 402KW solar photovoltaic power generating project and the solar heating steam project, to be the pioneer among the industry in using solar clean energy to replace partially fossil energy like coal, aiming at reducing energy consumption and minimize emission of exhaust gas pollutants and CO₂.

Principal measures adopted by Panyu plant in mitigating emissions of exhaust gases from boiler stations of thermal power plants include:

- Newly installing the inside-boiler calcium injection desulfuration device, enhancing raw coal sourcing criteria and purchasing coal with lower sulfur and ash;
- Carrying out modification works in order to enhance the criteria for emissions from boiler station.

環境保護

番禺廠在能源管理的政策是：積極採用先進的節能技術，努力研發低耗工藝，不斷提高能源利用效率，推動能耗水準向國際先進邁進。番禺廠積極採用先進的節能技術、承擔了多項行業和國家的示範項目，並努力進行工藝和技術的節能研發，取得了良好的節能效益。

2015年番禺廠總耗能180,300噸標煤，單位產品的能耗比2014年下降6.1%，全年節能達13,000噸標煤。單位產品的耗水下降2.2%，全年節水20,000噸。

2015年，番禺廠獲得了國家工信部「工業產品生態設計試點企業（第一批）」、香港環境運動委員會「香港綠色機構」榮譽獎項、廣州市節能協會「廣州市節能減排10佳企業」，以及美國自然資源保護協會(NRDC)和世界銀行國際金融組織(IFC)授予的「NRDC最佳創新技能實踐獎」和「NRDC最佳節能節水效益」。

番禺廠對有害廢棄物參照危險廢棄物處理的相關政策要求，執行轉移聯單制度，委託有運營資質的單位統一處理，危險廢棄物合規處置率100%；無害廢棄物委託相關單位回收利用、綜合處理，綜合處理率100%。

番禺廠積極推進清潔能源的使用，優化資源利用結構。其中，2014年度開展已開展實施402KW太陽能光伏發電項目、太陽能中溫蒸汽項目，率先於行業內示範使用太陽能清潔能源，部分替代燃煤等化石能源，減少能源消耗的同時，減少廢氣污染物及二氧化碳的排放。

番禺廠在熱電廠鍋爐廢氣排放減量主要採取的措施包括：

- 新增爐內噴鈣脫硫裝置優化原煤採購標準，採購更低硫低灰分燃煤；
- 開展建設鍋爐廢氣提標改造工程。

ENVIRONMENTAL PROTECTION (Cont'd)

Panyu plant has achieved:

- Improvement in exhaust gas emission criterion from $\text{SO}_2 < 200\text{mg}/\text{m}^3$ to $\text{SO}_2 < 50\text{mg}/\text{m}^3$;
- Reduction in annual SO_2 emission of 180.2 tons.

Principal measures adopted by Panyu plant in mitigating wastewater emissions include:

- Newly equipped with magnetic levitation blowers in biochemical treatment section, to save energy by approximately 20% and improve water quality of the discharge water;
- Construction of new wastewater treatment plants, to further improve water quality of the discharge water and increase reuse of wastewater.

Panyu plant has achieved: improvement in executive standards for the maximum wastewater discharging concentration (direct discharging) of newly established enterprises set out in Form 2 of the Discharge Standards of Water Pollutants for Dyeing and Finishing of Textile Industry (GB4287-2012).

Principal measures adopted by Panyu plant in mitigating greenhouse gas emissions include: carrying out energy-saving technology modification works in order to reduce the Company's consumption of coal and purchased electricity.

Panyu plant has achieved: reduction in greenhouse gas emission of 23,524 tons.

Vietnam plant conducts quarterly assessment and analysis on environment covering waste water and air emission from boiler to ensure Company's operation does not have negative impact to surrounding environment and in compliance with local government standards. All kinds of waste including living waste, industrial waste, especially hazardous waste are classified and treated properly by permitted contractors. Some kinds of wastes like nylon, scrap fabric can be recycled for cleaning purpose. Energy saving practice is concerned from small action to turn off unnecessary and un-used electrical equipment. Vietnam plant also reserves certain percentage of land within company premise for planting trees, grass that helps to improve the air quality and landscape as well.

Vietnam plant takes very serious of reduce, recycle and reuse of pollutants:

- Reuse sludge generated from water and wastewater treatment plant as Bio-fuel;
- Reduce gaseous pollutant discharging from origin by strictly control on coal quality procured. i.e. low sulfur and dust content;
- Recycle debris generated from boiler as raw material for other industry.

環境保護 (續)

番禺廠實現了：

- 執行廢氣排放標準由 $\text{SO}_2 < 200\text{mg}/\text{m}^3$ ，提升至 $\text{SO}_2 < 50\text{mg}/\text{m}^3$ ；
- 年減少 SO_2 排放180.2噸。

番禺廠在廢水排放減量主要採取措施：

- 新增實施污水處理生化段磁力懸鼓風機，節能約20%，同時提升排水水質；
- 開展建設新污水處理廠，進一步提升排水水質，增加廢水回用量。

番禺廠實現了：提升執行《紡織染整工業廢水污染物排放標準》(GB4287-2012)表二新建企業水污染物濃度限值（直接排放）標準。

番禺廠在溫室氣體排放減量主要措施：實施節能技術改造項目，減少公司燃煤及外購電力使用量。

番禺廠實現了：減少溫室氣體排放量約23,524噸。

越南廠每季度開展環境評估及分析（覆蓋廢水及鍋爐廢氣），確保公司營運不會對周邊環境產生不利影響，並符合地方政府的標準。所有種類的廢棄物，包括生活廢棄物、工業廢棄物，尤其是有害廢棄物，均由獲准許承包商妥為分類處理。部分種類的廢棄物（如尼龍及廢棄編織物）可循環使用作清潔用途。節能需從小事做起，如關掉不必要及不使用的電器設備。越南廠亦在公司園區內保留了一定比例的土地，用於植樹種草，以幫助改善空氣質量及風景。

越南廠非常重視減少、回收及再利用污染物：

- 水及污水處理廠所產生淤泥的再利用（作生物燃料）；
- 通過嚴格控制所採購煤炭的質素（如較低的硫磺和煙塵含量）從源頭減少廢氣排放量；
- 將鍋爐所產生的廢渣回收作其他行業的原材料之用。

ENVIRONMENTAL PROTECTION (Cont'd)

Vietnam plant has achieved:

- Zero sludge disposal;
- Gaseous pollutant discharging level is far below local standards;
- Debris generated from boiler is fully reused by third party contractor.

In Vietnam plant, all hazardous waste is registered with local authorities. All storage and transfer is done according to local regulations with transferring records sent by authorized contractor. Hazardous waste is legally disposed of in compliance with local laws. Normal waste is recycled, reused or disposed of by third parties.

Pollutant discharged from Vietnam plant during daily operation mainly includes emission from boiler station and treated effluent after wastewater treatment system. Though there's not yet official regulation on installation of on-line monitoring system in Vietnam, in a concern of real time monitoring and fast reacting to environmental safety issues, Vietnam plant had equipped both treatment systems, either boiler or wastewater treatment plant, with on-line monitoring system for daily observation and reporting.

Natural resources that Vietnam plant utilized are river water and coal. River water is deriving from surface water nearby, specified as Rang River in Hai Duong, Vietnam. Daily intake raw water, due to low production capacity in 2015, is around 2,500 cubic meters. Coal procured in local Vietnam is restricted to low sulfur and dust content, i.e. hard coal. Daily consumption of coal in 2015 is 30 tons coal equivalent (7,000 Kcal).

City Power is a main source of energy consumption in Vietnam plant. City power consumption in 2015 is 31,767 KWH daily.

環境保護 (續)

越南廠目前所取得成效：

- 淤泥零排放；
- 廢氣排放水平遠低於當地標準；
- 鍋爐所產生的廢渣悉數被第三方承包商再利用。

在越南廠，所有有害廢棄物須於地方當局登記，其一切儲存及轉移須遵照當地法規進行，轉移記錄由經授權承包商提交。有害廢棄物須遵照當地法律進行合法處置。一般廢棄物乃由第三方回收、再利用或處置。

越南廠日常運營中所排放的污染物主要包括鍋爐廢氣及廢水處理系統的經處理廢水。儘管越南目前尚未正式對安裝在線監控系統進行規管，著眼於對環境安全問題的實時監控和迅速反應，越南廠已為其兩個處理系統（鍋爐及廢水處理廠）分別配備在線監控系統，以方便日常監測及報告。

越南廠所利用的自然資源為河水及燃煤。河水乃取自附近（具體而言為越南海陽的穰河 (Rang River)）的地表水。由於2015年度的產能較低，每日汲取的原水量約為2,500立方米。在越南本地採購的燃煤限於硫磺和煙塵含量較低的無煙煤。2015年，燃煤的日消耗量為30噸煤當量（7,000千卡）。

城市電力乃越南廠能源消耗的主要源頭。2015年，城市日耗電量為31,767千瓦時。

SUPPLY CHAIN MANAGEMENT

Yarn suppliers of Pacific Textiles mainly come from Asia, covering various countries and regions including Mainland China (with approximately 20 yarn suppliers)/India (with approximately 10 yarn suppliers)/South Korea (with approximately 6 yarn suppliers)/Taiwan (with approximately 6 yarn suppliers)/Indonesia (with approximately 4 yarn suppliers)/Thailand (with approximately 3 yarn suppliers)/Pakistan (with approximately 2 yarn suppliers)/Japan (with approximately 1 yarn supplier), which minimize geopolitical risks.

Pacific Textiles pays great attention to product quality. To become a recognized yarn supplier of Pacific Textiles, each yarn supplier has to have its yarn quality to meet the quality standards as required by our factories. Practices are as follows:

1) FOR NEW SUPPLIERS

- At first, new suppliers are required to provide sample yarn for Pacific Textiles to conduct quality testing;
- If the sample yarn passed the quality testing and the yarn price and delivery time satisfy relevant requirements, the material department would procure a small amount of yarn for further quality assessment;
- There is a half-year assessment period for each new supplier. If the relevant supplier delivers a stable performance in all aspects including product quality during such period, we would promote it to be a qualified supplier.

2) FOR EXISTING SUPPLIERS

- At first, existing suppliers are required to provide shipment sample in batches for quality testing by factories of Pacific Textiles;
- If the shipment sample passed the quality testing, the relevant supplier may ship such batch of bulk yarn;
- Meanwhile, quality control staff of Pacific Textiles will continue to monitor the consistency between quality performance of shipment sample and bulk yarn of such supplier.

Secondly, quality control staff of Pacific Textiles will update the quality conditions of each kind of yarns (including any findings identified during the process of trial production and bulk production) at the raw material meetings held every Tuesday.

Thirdly, every month, quality control staff of Pacific Textiles will provide comprehensive quality assessment results of major yarns supplied for material department's reference in making future procurement.

Should any supplier suffer a decline in yarn quality and not be able to convince us that its yarns will meet the quality requirements of factories of Pacific Textiles within a specified three-month period, the material department would cease to procure from such supplier.

供應鏈管理

互太的紗供應商主要來自亞洲區，分別是中國大陸（約有20個紗供應商）／印度（約有10個紗供應商）／韓國（約有6個紗供應商）／台灣（約有6個紗供應商）／印尼（約有4個紗供應商）／泰國（約有3個紗供應商）／巴基斯坦（約有2個紗供應商）／日本（約有1個紗供應商）等不同國家和地區，盡可能分散地緣風險。

互太高度關注產品質量，所有紗供應商的來紗品質必須達到工廠要求的品質標準才有機會成為「互太」認可的紗供應商。慣例如下：

1) 新供應商

- 先提供樣板紗給互太測試品質；
- 如果樣板紗品質測試合格，以及紗價格交期做到要求，原料部採購少量紗做進一步品質評估；
- 新供應商需要半年時間的評估期，如果該供應商在這段時間的品質等各方面表現穩定，我們會把該供應商升級為合格供應商。

2) 目前在用的供應商

- 首先，目前的紗供應商分批提供「船頭辦」給互太廠測試品質；
- 如果「船頭辦」品質測試合格，該供應商可裝出該批大貨紗；
- 同時間，互太的品管同事將繼續監察該供應商「船頭辦」和大貨紗品質表現的一致程度。

其次，互太的品管同事每週二原料會議反映各種紗的最新品質情況（包括試紗，以及大貨生產過程發現的任何問題）。

第三，互太的品管同事每個月提供主要紗供應的綜合品質評分給原料部做日後採購的方向指引。

如果紗供應商的品質下降，並且不能在限定的3個月內證明能做到「互太」廠要求的來紗品質，原料部將暫停跟該供應商採購。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會以及管治報告

PRODUCT RESPONSIBILITY

The products of Pacific Textiles are manufactured in strict compliance with the relevant international standards. No products of Pacific Textiles were subject to recalls for safety and health reasons.

Upon receiving a customer's complaint on product quality, Pacific Textiles will deliver the relevant information (office of complaint and the content of complaint) to its quality control department to conduct investigation and analysis on the reasons and determine the responsibilities which are divided as follows based on the sources of defective products:

- If the quality issue occurs due to materials, the material department will inform the relevant supplier to investigate and verify and the supplier shall bear the responsibility if it is true.
- If the quality issue occurs due to manufacturing errors or process issues, the quality control department will inform the relevant factory headquarters to investigate and verify and the relevant factory headquarters shall bear the responsibility if it is true.
- If the quality issue occurs due to improper loading and unloading during transportation and other reasons, the carrier shall bear the responsibility.

The products of Pacific Textiles will be verified in accordance with the verification standards as agreed with the relevant customers. Pacific Textiles has established specific arrangements in relation to recall procedures. Upon receiving a customer's complaint on the quality of its products, the quality control department or the person in charge from the relevant responsible factory headquarters will confirm recalling (as defective products or for repairs). Then the sales personnel will inform the transportation department to arrange for collecting the fabrics from the customer and returning the fabrics to the relevant factory. If the products are considered to be defective, then they will be warehoused upon confirmation by competent personnel (factory in-charged or above). If the products need to be repaired, then they will be repaired by the relevant factory headquarters, and won't be delivered to the relevant customer until passing inspection.

MAINTENANCE AND PROTECTION OF INTELLECTUAL PROPERTY RIGHTS, CONSUMER DATA PROTECTION AND PRIVACY POLICIES

Pacific Textiles respects and protects its customers' intellectual property rights, privacy and other trade secrets. After receiving customers' designs, Pacific Textiles will take measures to ensure the safety of their intellectual property rights, privacy and other trade secrets and prevent the unauthorized disclosure of such secrets.

For some products involving to intellectual property rights, Pacific Textiles will enter into confidentiality agreements with the relevant suppliers and customers in relation to the intellectual property rights and trade secrets.

產品責任

互太的產品是嚴格按相關的國際標準進行生產。互太沒有因產品安全與健康理由而回收。

互太接獲到客戶關於產品品質的投訴後，會將相關資料（投訴辦，投訴內容）交由質管部門先調查分析原因及判斷責任，按產出不良品的源頭分以下幾種責任：

- 由於原料問題導致品質不良問題，由原料部通知供應商查証，屬實的由供應商承擔責任。
- 由於生產製造失誤或工藝問題導致的品質問題，由質管部通知相關廠部查証，屬實的由相關廠部負責。
- 由於運輸裝卸失誤等原因導致品質不良問題，由承運方承擔責任。

互太的產品檢定會按與各相關客戶約定的檢驗標準做檢定。互太對於回收程序有確定的安排，接收到客戶對該產品之質量投訴後，由質管部門或者相關責任廠部負責人確認回收（作次或者返修）。後由營業人員通知運輸部安排到客廠收布、返廠，如作次就交合格人士（廠長級以上）確認後入倉，如返修，交相關廠部進行返修，直到檢驗合格再送貨。

維護及保障知識產權、消費者資料保障及私隱政策

互太尊重及維護客戶的知識產權及私隱等商業機密。收到客戶的設計圖稿，互太會採取相關措施確保知識產權，私隱等商業機密的安全防止泄漏。

如果有涉及知識產權的部分產品，互太會與相關供應商及客戶簽訂知識產權及私隱商業機密的保密協議。

ANTI-CORRUPTION

We formulate anti-corruption policy, rules and regulations for our employees, contractors and suppliers as well in both Panyu plant and Vietnam plant. Any contravention to the policy, rules and regulations are identified with solid evidence, the contravened parties of or for services will be terminated immediately.

Relevant working policy, rules, regulations and procedures will be reviewed from time to time for avoiding repeated cases. We also set up a compliant mechanism for reporting corrupted behavior if any.

Detailed anti-corruption procedures are well informed to all of employees, contractors and suppliers through internal notice and business letter respectively in both Panyu plant and Vietnam plant. The procedures cover various channels for reporting the corrupted behavior including email, phone, letter, letter box or in person etc.

COMMUNITY ENGAGEMENT

Panyu plant formulates necessary plan for making contribution to local people depending on the actual needs and company resources. Panyu plant makes contribution to school transportation and old age people as well as participating and sponsoring community sport and arts activities. Panyu plant provides monetary contribution to students' transportation fee and season's money to 60 years old or above senior people. Panyu plant also hired 72 handicapped people for employments so as to give indirect assistance to their living.

The motto of Vietnam plant is to do business in respect of balancing company benefits and employee's benefits and in responsible manner to local community where the company is located in. Vietnam plant will base on actual needs and internal resource in each period to contribute for local resident as well as community in aspect of charitable activities for impoverished and disable persons, local festival event or environmental protection activities. Vietnam plant supported an amount of 61,000,000VND (equivalent to HK\$21,351, with exchange rate as at 31 March 2016: 1US\$ = 22,285VND) to local government in occasion of tree planting festival, while it donated 1,000,000VND (equivalent to HK\$350, with exchange rate as at 31 March 2016) for local pagoda festival.

反貪污

互太就番禺廠及越南廠的僱員、承包商及供應商制定反貪污政策、條例及規定。一經發現違反該等政策、條例及規定，證據確鑿的，違規方或違規服務將會即刻予以終止。

我們將不時審閱相關工作政策、條例、規定及程序，避免再次發生違規事件。我們亦已就舉報貪污行為（如有）設立申訴機制。

我們已分別通過內部通告及商業信函明確告知番禺廠及越南廠的全體僱員、承包商及供應商詳細的反貪污程序。程序覆蓋舉報貪污行為的各種渠道，包括電郵、電話、信件、信箱或親身舉報等。

社區參與

番禺廠已制定必要的計劃，根據實際需求及公司資源，為當地人民做貢獻。番禺廠為學校交通及老年人做貢獻，同時亦參與並贊助社區運動及藝術活動。番禺廠出資贊助學生的交通費，並向60歲或以上老年人發放現金。番禺廠亦聘用72名殘疾人員，間接援助彼等的生活。

平衡公司利益及僱員利益，對公司所在社區負責是越南廠開展業務的座右銘。越南廠將根據各期間的實際需求及內部資源，就為貧困及殘疾人群舉辦的慈善活動、當地節日活動或環保活動為當地居民及社區做貢獻。越南廠在植樹節時向當地政府捐助61,000,000越南盾（相等於21,351港元，按於2016年3月31日的匯率1美元=22,285越南盾），並向當地寶塔節捐贈1,000,000越南盾（相等於350港元，按於2016年3月31日的匯率）。

DIRECTORS' REPORT

董事局報告

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Company and the Group for the 2016 Financial Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in the manufacturing and trading of textile products.

An analysis of the performance of the Group for the 2016 Financial Year by geographical location of business operation is set out in note 5 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future developments is provided in the section headed "Management Discussion and Analysis" in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, business and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those outlined below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business Risk

The current macro economical situation is volatile. The unstable political situation in Europe and USA, the strong yen, and the weakness in Chinese economy will have impact on the Group's business.

Strategic Direction Risk

The success of future business depends on achieving our strategic objectives, including through acquisitions, joint ventures, dispositions and restructurings. The Group faces risk in its application of its assets and capital towards suitable investments and seizure of business and investment opportunities when such opportunities arise.

Legal and Compliance Risk

Legal risk is the risk that unenforceable contracts, lawsuits or adverse judgments may disrupt or otherwise negatively affect the operations or financial conditions of the Group. Compliance risk is the risk of legal or regulatory sanctions, financial losses or losses in reputation the Group may suffer as a result of its failure to comply with all applicable laws and regulations.

董事局欣然提呈本公司及本集團2016年財政年度之年報連同經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，本集團主要從事紡織產品之製造及貿易。

本集團按商業營運之地區劃分的2016年財政年度之表現分析載於綜合財務報表附註5。

業務回顧

本集團年內業務回顧及本集團未來發展之討論載於本年報「管理層討論與分析」一節。

主要風險及不明朗因素

本集團的財務狀況、經營業績、業務及前景可能受多項風險及不明朗因素影響。本集團識別到的主要風險及不明朗因素載列如下。除下文所概述者外，亦可能存在本集團並不知悉或目前未必屬重大但日後可能變成重大的其他風險及不明朗因素。

業務風險

目前宏觀經濟形勢動盪。歐洲及美國政治形勢不穩定、日圓強勢及中國經濟疲弱將對本集團的業務構成影響。

策略方針風險

我們未來業務的成功取決於策略目標的達致，包括經由收購、合營公司、出售及重組。本集團於動用其資產及資金作適合投資以及出現業務及投資機會時把握該等機會時，會面臨風險。

法律及合規風險

法律風險指不可執行合約、訴訟或不利判決可能使本集團之營運或財務狀況出現混亂或負面影響的風險。合規風險指因未有遵守所有適用法例及規則，而可能導致本集團須承受遭法律或監管機構制裁、引致財務損失或信譽損失的風險。

SUBSIDIARIES

Details of the principal activities of the Company's subsidiaries at 31 March 2016 are set out in note 8 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the 2016 Financial Year are set out in the consolidated income statement on page 53 of this annual report.

An interim dividend of HK 40 cents (2015: HK40 cents) per share was paid on 11 January 2016 to shareholders. The Board has recommended the payment of a final dividend of HK40 cents (2015: HK40 cents) per share. Subject to the approval of the shareholders at the forthcoming AGM, the final dividend of HK40 cents will be paid on 30 August 2016 to shareholders whose names appear on the Register of Members of the Company on 15 August 2016.

CLOSURE OF REGISTER OF MEMBERS

The Register of the Members of the Company will be closed from 1 August 2016 to 4 August 2016 (both days inclusive) for the purpose of determining the identity of members who are entitled to attend and vote at the AGM, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM, 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, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 29 July 2016.

The Register of the Members of the Company will be closed from 10 August 2016 to 15 August 2016 (both days inclusive) for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 March 2016, during which period no transfer of shares of the Company will 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, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 9 August 2016.

附屬公司

本公司附屬公司於2016年3月31日之主要業務詳情載於綜合財務報表附註8。

業績及股息

本集團之2016年財政年度業績載於本年報第53頁綜合收益表。

本公司已於2016年1月11日向股東派發中期股息每股港幣40仙(2015年:港幣40仙)。董事局已建議派發末期股息每股港幣40仙(2015年:港幣40仙)。待股東於應屆股東週年大會上批准後,末期股息港幣40仙將於2016年8月30日派付予於2016年8月15日名列於本公司股東名冊之股東。

暫停辦理股份過戶登記

本公司將由2016年8月1日至2016年8月4日(首尾兩天包括在內)暫停辦理股份過戶登記手續,以便釐定股東有權出席股東週年大會並於會上投票之資格。為符合出席股東週年大會之資格,股東最遲須於2016年7月29日下午4時30分前將所有過戶文件連同有關股票交回本公司股份過戶登記處香港分處之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。

本公司將由2016年8月10日至2016年8月15日(首尾兩天包括在內)暫停辦理股份過戶登記手續,以便釐定股東有權獲派發截至2016年3月31日止年度之末期股息之資格。為符合獲派發末期股息之資格,股東最遲須於2016年8月9日下午4時30分前將所有過戶文件連同有關股票交回本公司股份過戶登記處香港分處之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。

DIRECTORS' REPORT

董事局報告

SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the 2016 Financial Year are set out in note 17 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the 2016 Financial Year are set out in note 18 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2016, the distributable reserves of the Company amounted to approximately HK\$2,385 million (2015: HK\$2,301 million), comprising the share premium, share-based reserve and the retained earnings of the Company.

Under the Companies Law, Cap.22 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.

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.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the 2016 Financial Year.

DONATIONS

During the 2016 Financial Year, the Group made charitable and other donation totalling approximately HK\$39,000 (2015: HK\$84,000).

PROPERTY, PLANT AND EQUIPMENT

Expenditure of approximately HK\$337 million (2015: HK\$383 million) was incurred during the 2016 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 consolidated financial statements.

股本

本公司已發行股本於2016年財政年度期間之變動詳情載於綜合財務報表附註17。

儲備

本集團與本公司儲備於2016年財政年度期間之變動詳情載於綜合財務報表附註18。

可供分派儲備

於2016年3月31日，本公司之可供分派儲備總額約為2,385百萬港元（2015年：2,301百萬港元），包括本公司股份溢價、以股份為基準儲備及保留溢利。

根據開曼群島公司法第22章，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之後，本公司必須仍有能力償還在日常業務中到期支付之欠款。

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。

管理合約

本公司於2016年財政年度期間並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

捐款

本集團於2016年財政年度期間作出之慈善及其他捐款共約39,000港元（2015年：84,000港元）。

物業、廠房及設備

於2016年財政年度期間，主要就擴充本集團產能支出約337百萬港元（2015年：383百萬港元）。

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註7。

CAPITALISED INTERESTS

During the 2016 Financial Year, no interest had been capitalised (2015:Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the 2016 Financial Year.

MAJOR CUSTOMERS AND SUPPLIERS

During the 2016 Financial Year, sales to the Group's five largest customers accounted for approximately 62.2% of the Group's total sales and sales to the Group's largest customer included therein amounted to approximately 40.3%. Purchases from the Group's five largest suppliers accounted for approximately 55.7% of the Group's total purchases and purchase from the Group's largest supplier included therein amounted to approximately 41%.

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.

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 138 of this annual report.

DIRECTORS

The Directors during the 2016 Financial Year and up to the date of this report were:

Executive Directors

Mr. WAN Wai Loi (*Chairman and Chief Executive Officer*)
Mr. TSANG Kang Po (*Vice Chairman*)

Non-executive Directors

Mr. CHOI Kin Chung
Mr. IP Ping Im
Mr. LAU Yiu Tong
Mr. LAM Wing Tak

Independent Non-executive Directors

Dr. 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 three or 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 by rotation at least once every three years.

Accordingly, Mr. Tsang Kang Po, Mr. Choi Kin Chung, Dr. Chan Yue Kwong, Michael will retire by rotation from the Board at the forthcoming AGM and, being eligible, will offer themselves for re-election as Directors.

利息資本化

於2016年財政年度期間並無將利息資本化(2015年：無)。

購買、出售或贖回股份

於2016年財政年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何股份。

主要客戶及供應商

於2016年財政年度期間，向本集團五大客戶作出之銷售約佔本集團銷售總額的62.2%，而當中向本集團最大客戶作出之銷售約佔其中的40.3%。向本集團五大供應商作出之採購約佔本集團採購總額的55.7%，而當中向本集團最大供應商作出之採購約佔其中的41%。

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)概無擁有上述本集團五大客戶或供應商之任何權益。

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138頁。

董事

於2016年財政年度期間及截至本報告日期止之董事如下：

執行董事

尹惠來先生 (*主席兼行政總裁*)
曾鏡波先生 (*副主席*)

非執行董事

蔡建中先生
葉炳棧先生
劉耀棠先生
林榮德先生

獨立非執行董事

陳裕光博士
伍清華先生
施國榮先生

根據章程細則第130條，於每屆股東週年大會上三分之一的當時在任董事(或倘董事人數並非三或三的倍數，則為最接近但不少於三分之一的人數)須輪席告退，惟每位董事(包括委任為特定任期的董事)須最少每三年輪席告退一次。

因此，曾鏡波先生、蔡建中先生和陳裕光博士將於應屆股東週年大會輪席告退，惟彼等合資格並願膺選連任。

DIRECTORS' REPORT

董事局報告

PROFILES OF DIRECTORS

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

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors had entered into a service agreement with the Company for an initial term of two years. 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. The term of the appointment has been extended thereafter.

All Directors are subject to retirement by rotation in accordance with the Articles and the Listing Rules.

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 terminable by the Group within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF THE DIRECTORS

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.

Details of the emoluments of every Director for the 2016 Financial Year is set out in note 35 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance in relation to the business of the Group 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 2016 Financial Year or at any time during the 2016 Financial Year.

COMPETING INTEREST

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.

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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the 2016 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.

董事之簡介

董事之簡介詳列於本年報第11至13頁。

董事之服務合約

各執行董事已與本公司訂立初步為期兩年服務協議。每份服務協議於其後將繼續有效，直至其中一方向另一方發出不少於六個月書面通知終止協議為止。

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，初步為期兩年。其後委任任期已延長。

全體董事須根據章程細則及上市規則輪值退任。

擬於本公司應屆股東週年大會上膺選連任之董事概無與本公司或任何附屬公司訂立任何不可於一年內終止而毋須作出賠償（法定賠償除外）之服務合約。

董事薪酬

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。

各位董事於2016年財政年度之酬金詳情載於綜合財務報表附註35。

董事於合約的權益

於2016年財政年度末或於2016年財政年度期間任何時間內，概無存續任何與本集團業務相關，而本公司或其任何附屬公司為訂約方及董事直接或間接擁有重大權益的重大合約。

競爭權益

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。

稅務減免與豁免

董事並不知悉任何本公司之股東因持有股份而可享有任何稅務減免與豁免。

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2016年財政年度期間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。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2016, 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

董事於股份和相關股份之權益及淡倉

於2016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：

股份之好倉

| Name of Directors/ Chief Executives 董事／行政總裁姓名 | Number of issued Shares held and nature of interest 持已發行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 (beneficial owner) 個人權益 (實益擁有人) | Family Interests (interests of spouse) 家屬權益 (配偶之權益) | Corporate Interests (interests of a controlled corporation) 法團權益 (於共同控制 實體之權益) | Trusts and similar interests 信託及 類似權益 | Total Interests 權益總額 | |
| Ip Ping Im 葉炳棧 | – | 2,000,000 | 403,394,000 (Note 1) (附註1) | – | 405,394,000 | 28.03% |
| Lam Wing Tak 林榮德 | 14,566,000 | 1,087,000 | – | 100,000,000 (Note 2) (附註2) | 115,653,000 | 8.00% |
| Lau Yiu Tong 劉耀棠 | 52,501,000 | – | – | – | 52,501,000 | 3.63% |
| Tsang Kang Po 曾鏡波 | 1,988,000 | 2,501,000 | 100,000,000 (Note 3) (附註3) | – | 104,489,000 | 7.22% |
| Wan Wai Loi 尹惠來 | 15,497,000 | 1,030,000 | 11,304,000 (Note 4) (附註4) | – | 27,831,000 | 1.92% |

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 Far East Asia Limited, whose issued share capital is wholly-owned by Mr. Ip Ping Im.
2. These Shares are directly held by Fifth Element Enterprises Limited, whose issued share capital is wholly-owned by BLWT Company Limited. The issued share capital of BLWT Company Limited is wholly-owned by HSBC International Trustee Limited, the trustee of the family trust of Mr. Lam Wing Tak. For the purpose of the SFO, Mr. Lam Wing Tak is the founder of the family trust.
3. 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.
4. These Shares are directly held by Hollywood Pacific Limited, whose issued share capital is 100% owned by Mr. Wan Wai Loi.

Save as disclosed above, as at 31 March 2016, none of the Directors or chief executive 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 2016 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.

董事於股份和相關股份之權益及淡倉 (續)

股份之好倉 (續)

附註：

1. 該等股份由Far East Asia Limited直接持有，而葉炳樑先生全數擁有Far East Asia Limited之已發行股本。
2. 該等股份由Fifth Element Enterprises Limited直接持有，而BLWT Company Limited全數擁有Fifth Element Enterprises Limited之已發行股本。HSBC International Trustee Limited為林榮德先生之家族信託之信託人，全數擁有BLWT Company Limited之已發行股本。就證券及期貨條例而言，林榮德先生為家族信託之創辦人。
3. 該等股份由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。
4. 該等股份由Hollywood Pacific Limited直接持有，而尹惠來先生擁有Hollywood Pacific Limited之全部已發行股本。

除上文披露者外，於2016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，擁有任何權益或淡倉。

於2016年財政年度期間任何時間，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；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。

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

As at 31 March 2016, the following persons (other than a Director or chief executive 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:

主要股東及其他人士於股份和相關股份之權益及淡倉

於2016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記錄，以下人士（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權益或淡倉：

LONG POSITIONS IN SHARES

股份之好倉

| Name of shareholders 股東姓名／名稱 | Number of issued Shares held and nature of interest 持已發行股份數目及權益性質 | | | | Total Interests 權益總額 | 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 (beneficial owner) 個人權益 (實益擁有人) | Family Interests (interests of spouse) 家屬權益 (配偶之權益) | Corporate Interests (interests of a controlled corporation) 法團權益 (於共同控制 實體之權益) | Trusts and similar interests 信託及 類似權益 | | |
| Chiu Bo Lan 趙寶蘭 | 1,030,000 | 26,801,000 (Note 1 & 2) (附註1和2) | – | – | 27,831,000 | 1.92% |
| Hollywood Pacific Limited | 11,304,000 (Note 2) (附註2) | – | – | – | 11,304,000 | 0.78% |
| Lam Wai Yee 林慧儀 | 2,000,000 | 403,394,000 (Note 3) (附註3) | – | – | 405,394,000 | 28.03% |
| Far East Asia Limited | 403,394,000 (Note 4) (附註4) | – | – | – | 403,394,000 | 27.89% |
| Wong Bik Ha 黃碧霞 | 1,087,000 | 14,566,000 (Note 5) (附註5) | – | 100,000,000 (Note 6) (附註6) | 115,653,000 | 8.00% |
| BLWT Company Limited | – | – | – | 100,000,000 (Note 6) (附註6) | 100,000,000 | 6.91% |

DIRECTORS' REPORT

董事局報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)

主要股東及其他人士於股份和相關股份之權益及淡倉(續)

LONG POSITIONS IN SHARES (Cont'd)

股份之好倉(續)

| Name of shareholders 股東姓名 / 名稱 | Number of issued Shares held and nature of interest 持已發行股份數目及權益性質 | | | | Total Interests 權益總額 | 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 (beneficial owner) 個人權益 (實益擁有人) | Family Interests (interests of spouse) 家屬權益 (配偶之權益) | Corporate Interests (interests of a controlled corporation) 法團權益 (於共同控制 實體之權益) | Trusts and similar interests 信託及 類似權益 | | |
| Fifth Element Enterprises Limited | – | – | – | 100,000,000 (Note 6) (附註6) | 100,000,000 | 6.91% |
| HSBC International Trustee Limited | – | – | – | 100,000,000 (Note 6) (附註6) | 100,000,000 | 6.91% |
| Wong Mei Ling 黃美玲 | 2,501,000 | 1,988,000 (Note 7) (附註7) | 100,000,000 (Note 8) (附註8) | – | 104,489,000 | 7.22% |
| Top Strong Holdings Limited | 100,000,000 (Note 8) (附註8) | – | – | – | 100,000,000 | 6.91% |

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)

LONG POSITIONS IN SHARES (Cont'd)

Notes:

- Ms. Chiu Bo Lan is the spouse of Mr. Wan Wai Loi, a Director.
- Hollywood Pacific Limited is 100% owned by Mr. Wan Wai Loi.
- 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.
- Ms. Wong Bik Ha is the spouse of Mr. Lam Wing Tak, a Director.
- Fifth Element Enterprises Limited is wholly-owned by BLWT Company Limited. BLWT Company Limited is wholly-owned by HSBC International Trustee Limited, the trustee of the family trust of Mr. Lam Wing Tak. For the purpose of the SFO, Mr. Lam Wing Tak is the founder of the family trust.
- Ms. Wong Mei Ling is the spouse of Mr. Tsang Kang Po, a Director.
- 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.

LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF ANY OTHER MEMBER IN THE GROUP

主要股東及其他人士於股份和相關股份之權益及淡倉 (續)

股份之好倉 (續)

附註：

- 趙寶蘭女士為董事尹惠來先生之配偶。
- Hollywood Pacific Limited由尹惠來先生全數擁有。
- 林慧儀女士為董事葉炳燦先生之配偶。
- Far East Asia Limited由董事葉炳燦先生全數擁有。
- 黃碧霞女士為董事林榮德先生之配偶。
- Fifth Element Enterprises Limited由BLWT Company Limited全數擁有。HSBC International Trustee Limited為林榮德先生之家族信託之信託人，全數擁有BLWT Company Limited之權益。就證券及期貨條例而言，林榮德先生為家族信託之創辦人。
- 黃美玲女士為董事曾鏡波先生之配偶。
- 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。

於本集團任何其他成員公司之股份及相關股份之好倉

| Name of members of the Group 本集團成員公司名稱 | Name of substantial shareholders 主要股東名稱 | Notes 附註 | Number of interest 權益性質 | Nature of issued shares 已發行股份數目 | Approximate percentage of issued share capital 於已發行股本之概約百分比 |
|---|--|--------------|----------------------------|------------------------------------|--|
| PT Sri Lanka PT 斯里蘭卡 | Brandix Lanka Limited | 1 | Beneficial owner 實益擁有人 | 223,466,079 | 32.11% |
| PCGT Limited | Crystal Peak International Limited 澈峰國際有限公司 | 2 & 3 2及3 | Beneficial owner 實益擁有人 | 975,000 | 25.00% |

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)

Notes:

1. PT Sri Lanka is owned as to 28.15% by Pacific Textured Jersey Holdings Ltd., a wholly-owned subsidiary of the Company, and 32.11% by Brandix Lanka Limited.
2. PCGT Limited is owned as to 75% by Pacific GT Limited and 25% by Crystal Peak International Limited, a wholly-owned subsidiary of Crystal International Limited.
3. Pacific GT Limited is owned as to 95% by Product Champion Limited, a wholly-owned subsidiary of the Company, and 2.5% by GSI Trading Hong Kong Limited and 2.5% by Toray Industries (H.K.) Limited.

Save as disclosed above, so far as is known to any Director or chief executive of the Company, as at 31 March 2016, no other person had an interest or short position 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.

SHARE OPTION SCHEME

Pursuant to the written resolutions of shareholders of the Company passed on 27 April 2007, the Company adopted the Share Option scheme subject to the terms and conditions therein. Refer to an announcement of 11 October 2013 for grant of 10,000,000 share options of the Company (the "2nd Grant") and the previous grant of 22,820,000 on 18 July 2007 (the "1st Grant"), the options shall expire on 10 October 2023 and 17 July 2017 respectively. The closing price of the share of the Company immediately before the dates of the 1st Grant and the 2nd Grant were HK\$4.86 and HK\$10.06 per share respectively.

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.

主要股東及其他人士於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)

附註：

1. PT斯里蘭卡由本公司之全資附屬公司Pacific Textured Jersey Holdings Ltd.擁有28.15%權益及Brandix Lanka Limited擁有32.11%權益。
2. PCGT Limited由Pacific GT Limited擁有75%權益及晶苑國際有限公司之全資附屬公司激峰國際有限公司擁有25%權益。
3. Pacific GT Limited由本公司之全資附屬公司Product Champion Limited擁有95%權益及郡產香港有限公司擁有2.5%權益及東麗(香港)有限公司擁有2.5%權益。

除上文所披露者外，就任何董事或本公司行政總裁所知，於2016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記錄之權益或淡倉。

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，本公司已採納購股權計劃，並受限於其所訂之條款及條件。按本公司於2013年10月11日授出10,000,000份購股權之公告(「第二次授出」)及早期於2007年7月18日授出22,820,000份購股權(「第一次授出」)分別於2023年10月10日及2017年7月17日屆滿。本公司股份於緊接第一次授出及第二次授出日期前之收市價分別為每股4.86港元及10.06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、補償及／或提供利益予合資格人士(定義見下文第2段)。

2. 參與者

董事局可向任何「合資格人士」，包括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定為符合購股權計劃之其他公司或本公司聯營公司。

SHARE OPTION SCHEME (Cont'd)

A. SUMMARY OF THE SHARE OPTION SCHEME (Cont'd)

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 of the Shares on the Stock Exchange on 18 May 2007 (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.

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:

購股權計劃(續)

A. 購股權計劃概要(續)

3. 最高股份數目

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股份總數，合共不得超過於股份於2007年5月18日於聯交所上市日期(「上市日期」)已發行股份之10%，相當於143,293,600股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之1%。

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：

SHARE OPTION SCHEME (Cont'd)

A. SUMMARY OF THE SHARE OPTION SCHEME (Cont'd)

6. Exercise price and payment on grant (Cont'd)

(a) Exercise price (Cont'd)

- (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.

B. OPTIONS GRANTED BY THE COMPANY

As at 31 March 2016, all options under the 1st Grant were fully exercised, options under the 2nd Grant to subscribe for an aggregate of 9,900,000 Shares granted to eligible full-time employees on 11 October 2013 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 01/04/2015 於2015年 4月1日 | Number of share options 購股權數目 | | | | As at 31/03/2016 於2016年 3月31日 |
|-----------------------------|--|-------------------------------------|--|---------------------------------------|-----------------------------------|-----------------|--------------|-----------------|--|
| | | | | | Changes during the period 期內變動 | | | | |
| | | | | | Granted 授出 | Exercised 行使 | Lapsed 失效 | Forfeited 沒收 | |
| Eligible Employees 合資格僱員 | 18/07/2007 (1st Grant) (第一次授出) 11/10/2013 (2nd Grant) (第二次授出) | 5.04 9.98 | 18/07/2010-17/07/2017 11/10/2016-10/10/2023 | - 9,900,000 | - - | - - | - - | - - | - 9,900,000 |

購股權計劃 (續)

A. 購股權計劃概要 (續)

6. 行使價及授出時付款 (續)

(a) 行使價 (續)

- (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彼等之購股權時付款。

7. 購股權計劃尚餘的有效期

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。

B. 本公司已授出之購股權

至2016年3月31日，所有第一次授出之購股權已完全行使，根據購股權計劃之條款於2013年10月11日授予合資格全職僱員以認購合共9,900,000股股份之第二次授出之購股權尚未行使，有關詳情如下：

SHARE OPTION SCHEME (Cont'd)

B. OPTIONS GRANTED BY THE COMPANY (Cont'd)

The fair value of options of the 2nd Grant is approximately at an average of HK\$1.85 per share on the basis of binomial 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\$9.98 per share, annual risk-free interest rate of approximately 2.09%, an expected option life of approximate 10 years, expected volatility of 45% and annual dividend yield of 9%. HK\$3,959,000 amortised fair value of share options for the 2016 Financial Year was charged to the consolidated income statement (2015: HK\$3,852,000).

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 executive or substantial shareholders of the Company or their respective associates under the Share Option Scheme.

CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions set out in note 33 to the consolidated financial statements also constitute continuing connected transaction under the Listing Rules.

During the 2016 Financial Year, the Group had the following continuing connected transactions not exempted under the Listing Rules 14A.33 respectively:

(1) SALE AND PURCHASE OF KNITTED FABRIC TO CRYSTAL GROUP

Sale and purchase of knitted fabrics to Crystal International Limited ("Crystal") together with its subsidiaries ("Crystal Group") and associates pursuant to the new agreement (the "Crystal Group Sale and Purchase of knitted Fabric New Master Agreement") dated 26 June 2015 between the Company and Crystal relating to sale and purchase of knitted fabric manufactured or owned by the Group with term extended to 31 March 2018. Details of the Crystal Group Sale and Purchase of Knitted Fabric New Master Agreement and annual caps were set out in the announcement of the Company dated 26 June 2015. Transactions under the Crystal Group Sale and Purchase of Knitted Fabric New Master Agreement for the 2016 Financial Year did not exceed the annual cap of HK\$2,000 million.

According to the Listing Rules, Crystal, by virtue of its shareholding in PCGT Limited, an indirect non-wholly-owned subsidiary of the Company, is a substantial shareholder (as defined in the Listing Rules) and hence a connected person of the Company. Crystal Group is therefore also regarded as connected person of the Company.

購股權計劃 (續)

B. 本公司已授出之購股權 (續)

根據二項式期權定價模式(「定價模式」)，第二次授出之購股權之公允值平均約為每股1.85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9.98港元、每年約2.09%的無風險利率、約10年的預期購股權有效期、45%的預期引伸波幅及每年9%的股息回報率計算。於2016年財政年度，3,959,000港元購股權之經攤銷公允值已於綜合收益表內入賬(2015年：3,852,000港元)。

定價模式是為評估所買賣的可悉數轉讓期權的公允值而設。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允值估計有重大影響，故此該定價模式不一定能對購股權的公允值作出可靠的評估。

除上文披露者外，本公司董事、行政總裁或主要股東或彼等各自的聯繫人概無根據購股權計劃獲授購股權。

持續關連交易

載於綜合財務報表附註33的若干有關聯人士交易亦構成上市規則下的持續關連交易。

於2016年財政年度期間，本集團分別有下列根據上市規則第14A.33條未獲得豁免的持續關連交易：

(1) 向晶苑集團銷售與採購針織布

根據本公司與晶苑國際有限公司(「晶苑」)日期為2015年6月26日有關銷售與採購本集團製造及擁有的針織布的新協議(「晶苑集團銷售與採購針織布新總目協議」，期限延長至2018年3月31日)，向晶苑連同其附屬公司(「晶苑集團」)及其聯繫人銷售與採購針織布。晶苑集團銷售與採購針織布新總目協議及年度上限載列於本公司日期為2015年6月26日的公告。於2016年財政年度，晶苑集團銷售與採購針織布新總目協議項下交易並無超過年度上限2,000百萬港元。

根據上市規則，因晶苑為本公司間接非全資附屬公司PCGT Limited的股東，晶苑為本公司的主要股東(定義見上市規則)及因此為關連人士。晶苑集團亦視做本公司關連人士。

DIRECTORS' REPORT

董事局報告

CONTINUING CONNECTED TRANSACTIONS (Cont'd)

(2) SALE OF PRODUCTS TO HC COMPANIES

The Group sells knitted fabrics to companies in which Mr. Henry Choi has substantial interest (the "HC Companies"). Mr. Henry Choi, who is the son of Mr. Choi Kin Chung (a Director), and hence he and the HC Companies, are regarded as connected persons of the Company by virtue of Listing Rule 14A.07. Transactions with HC Companies were on normal commercial terms where all percentage ratios on an annual basis were less than 0.1%, and were fully exempted under Listing Rule 14A.76(1).

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 Dr. Chan Yue Kwong, Michael. Mr. Sze Kwok Wing, Nigel is the chairman of the Audit Committee. The Audit Committee has reviewed the financial statements of the Group for the 2016 Financial Year and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and internal controls and financial reporting matters.

Pursuant to the recent development of CG Code contained in Appendix 14 to the Listing Rules, updated "Terms of Reference" for Audit Committee was accepted in March 2016.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report from pages 39 to 50 of this annual report.

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, there is sufficient public float of more than 25% of the issued shares of the Company as required under the Listing Rules.

EVENTS AFTER REPORTING PERIOD

The Group had no significant events after the 2016 Financial Year.

AUDITOR

The consolidated financial statements for the 2016 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, 23 June 2016

持續關連交易 (續)

(2) 向HC公司銷售產品

本集團向蔡穎剛先生擁有重大權益之公司 (「HC公司」) 銷售針織布。蔡穎剛先生為董事蔡建中先生之兒子，根據上市規則第14A.07條，蔡穎剛先生及HC公司被視為本公司的關連人士。與HC公司之交易均按一般商務條款進行，而且每項百分比按年計算均低於0.1%，故根據上市規則第14A.76(1)條獲得全面豁免。

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博士。施國榮先生為審核委員會的主席。審核委員會已審閱本集團2016年財政年度的財務報表，並已與本公司管理層及核數師討論本集團所採納的會計原則及慣例，以及內部監控及財務申報事宜。

依據上市規則附錄14所載企業管治守則的最新修訂，審核委員會經更新的「職權範圍」於2016年3月獲接受。

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39頁至50頁企業管治報告中。

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，本公司已發行股份有足夠並超過上市規則規定25%之公眾持股量。

報告期後事項

本集團於2016年財政年度後並無重大事項。

核數師

羅兵咸永道會計師事務所已審核2016年財政年度的綜合財務報表。於本公司應屆股東週年大會上將提呈決議案，以取得本公司股東批准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，2016年6月23日

The Board is committed to maintaining high standard of corporate governance to enhance transparency and accountability and to safeguard interests of shareholders of the Company. The Group reviews corporate governance practices from time to time to ensure that business activities and decision making processes are properly regulated.

CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions and certain recommended best practices set out in the CG Code contained in Appendix 14 to the Listing Rules where suitable to the Company so as to enhance the corporate governance standard of the Company throughout the 2016 Financial Year.

With effect from 1 July 2015, Mr. Wan Wai Loi, the chairman and an executive director, has been appointed as the chief executive officer, and hence the Company does not comply with the code provision A.2.1 of the CG Code which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board believes that vesting the roles of the chairman and the chief executive officer in Mr. Wan provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future. The Group will nevertheless review the structure from time to time in light of the prevailing circumstances.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 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 throughout the 2016 Financial Year.

THE BOARD

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

COMPOSITION OF THE BOARD

The Board currently has 9 members consisting of 2 executive Directors, 4 non-executive Directors and 3 INEDs. Profiles of the Directors are set out on pages 11 to 13 of this annual report and are available on the website of the Company. There is no financial, business, family or other material/relevant relationships among Directors. The list of Directors and their role and function are published on the website of the Stock Exchange and 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 business operations and development of the Group. The Board considers that each of the Non-executive Directors and INEDs brings his own relevant expertise to the Board.

董事局致力維持高水平的企業管治，以提升透明度與問責性，維護本公司股東之利益。本集團不時檢討企業管治常規，藉以確保業務及決策程序受到適當的規管。

企業管治守則

本公司於2016年財政年度內一直遵守上市規則附錄14所載的企業管治守則載列的適用守則條文與若干建議最佳常規，以提高本公司的企業管治標準。

自2015年7月1日起，主席兼執行董事尹惠來先生已獲委任為行政總裁，故本公司未能遵守企業管治守則守則條文第A.2.1條（該條文規定主席與行政總裁的職能須分立且不應由同一人擔任）。董事局認為，主席及行政總裁兩個職位由尹先生一人擔任可在當前和可預見未來為本公司提供強大一致的領導，有利於本集團業務策略的實施及執行。儘管如此，本集團將根據當時情況不時檢討其架構。

董事的證券交易

本公司已採納上市規則附錄10所載的標準守則，作為其內部有關董事所進行證券交易的行為守則。在向全體董事作出特定查詢後，全體董事已確認，彼等於2016年財政年度內已遵守標準守則。

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，以及確保股東的權益得以保障。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9位成員組成，包括2位執行董事；4位非執行董事與3位獨立非執行董事。有關各董事的簡介載於本年報第11頁至第13頁及載於本公司網站。董事之間概無存有有關財務、業務、家屬或其他重大／相關關係。董事名單與其職責和職能已刊載於聯交所及本公司網站。

董事局之均衡組成，有賴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營運與發展性質及規模，對其決策效率而言實屬合適。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。

THE BOARD (Cont'd)

COMPOSITION OF THE BOARD (Cont'd)

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.

THE BOARD MEETING

The Board meets at least 4 times per year and additional meetings are convened when deemed necessary by the Board. The schedule of regular meetings for the whole year has been informed to each Director. The attendance record of the Directors is set out in the table on page 41 of this annual report.

During the 2016 Financial Year, the Board held 4 meetings to approve interim and final results announcements, interim report and annual report, to consider dividend policy, to discuss significant issues and general operation of the Company.

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 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.

董事局 (續)

董事局之組成 (續)

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。

董事局會議

董事局每年召開會議不少於4次，於董事局認為需要時並隨時增開會議。全年定期會議時間表已通知各董事。董事出席會議記錄載於本年報第41頁之表內。

於2016年財政年度期間，董事局舉行4次會議以批准中期與全年業績之公告、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。

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彼等認為合適商討之事項並將其列入董事局會議議程。

董事局會議議程及相關附有充足的背景資料及論據分析的資料會在擬召開的董事局會議日期前最少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及董事局轄下各委員會會議，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／主要股東和本公司有利益衝突時，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。

THE BOARD (Cont'd)

THE BOARD MEETING (Cont'd)

Directors have access to advices and services of the Company Secretary and key officers of the Company in relation to the Board procedures. Draft minutes of the Board/ Board committee meetings recorded in sufficient details, the matters considered by participants of such meetings and decisions reached are forwarded to 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.

ATTENDANCE RECORD AT THE MEETINGS

The attendance record of each Director at the meetings of the Board, the Audit Committee, Remuneration Committee, Nomination Committee and AGM during the 2016 Financial Year are set out as follows:

董事局 (續)

董事局會議 (續)

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會者表達意見。董事局／其轄下委員會會議記錄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。

出席會議記錄

各董事於2016年財政年度期間出席董事局、審核委員會、薪酬委員會、提名委員會會議及股東週年大會之記錄載列如下：

| | | Meetings attended/Meetings held 出席會議次數／會議次數 | | | | |
|---|---------------------------------------|--|-----------------------------|------------------------------------|----------------------------------|---------------|
| | | Board 董事局 | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 | Nomination Committee 提名委員會 | AGM 股東週年大會 |
| Executive Directors | 執行董事 | | | | | |
| Mr. WAN Wai Loi (Chairman and Chief Executive Officer) | 尹惠來先生 (主席兼行政總裁) | 4/4 | N/A | 1/1 | 2/2 | 1/1 |
| Mr. TSANG Kang Po (Vice Chairman) | 曾鏡波先生 (副主席) | 4/4 | N/A | 1/1 | 2/2 | 1/1 |
| Non-executive Directors | 非執行董事 | | | | | |
| Mr. CHOI Kin Chung | 蔡建中先生 | 2/4 | N/A | N/A | N/A | 1/1 |
| Mr. IP Ping Im | 葉炳燦先生 | 4/4 | N/A | N/A | N/A | 1/1 |
| Mr. LAU Yiu Tong | 劉耀棠先生 | 3/4 | N/A | N/A | N/A | 0/1 |
| Mr. LAM Wing Tak (ceased to be a member of RC/NC since 1 July 2015) | 林榮德先生 (自2015年7月1日起不再擔任薪酬委員會／提名委員會的成員) | 3/4 | N/A | N/A | 1/2 | 1/1 |
| INEDs | 獨立非執行董事 | | | | | |
| Dr. CHAN Yue Kwong, Michael | 陳裕光博士 | 3/4 | 4/4 | 1/1 | 2/2 | 0/1 |
| Mr. NG Ching Wah | 伍清華先生 | 4/4 | 4/4 | 1/1 | 2/2 | 0/1 |
| Mr. SZE Kwok Wing, Nigel | 施國榮先生 | 4/4 | 4/4 | 1/1 | 2/2 | 0/1 |

CHAIRMAN AND CHIEF EXECUTIVE

With effect from 1 July 2015, Mr. Wan Wai Loi, the chairman and an executive director, has been appointed as the chief executive officer, and hence the Company does not comply with the code provision A.2.1 of the CG Code which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board believes that vesting the roles of the chairman and the chief executive officer in Mr. Wan provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future. The Group will nevertheless review the structure from time to time in light of the prevailing circumstances. The Board is headed by the Chairman and Chief Executive Officer, Mr. Wan Wai Loi, with the assistance of the Vice Chairman, Tsang Kang Po.

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

INEDs

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 throughout the 2016 Financial Year.

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 judgement.

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 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.

Each executive Director is responsible for management of the different functions of business of the Group.

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

The INEDs serve relevant function of bringing independent judgement on issues of strategic direction, development, performance and risk management of the Group. The INEDs are all or a majority of members of the Audit Committee, the Remuneration Committee and the Nomination Committee.

All Directors have been updated and briefed relevant changes in legal and regulatory matters to ensure that they have a proper understanding of the operations and business of the Company and that they are fully aware of their responsibilities under applicable laws and regulations. A comprehensive Compliance Manual has been provided to each Director and has been updated.

主席及行政總裁

自2015年7月1日起，主席兼執行董事尹惠來先生已獲委任為行政總裁，故本公司未能遵守企業管治守則守則條文第A.2.1條（該條文規定主席與行政總裁的職能須分立且不應由同一人擔任）。董事局認為，主席及行政總裁兩個職位由尹先生一人擔任可在當前和可預見未來為本公司提供強大一致的領導，有利於本集團業務策略的實施及執行。儘管如此，本集團將根據當時情況不時檢討其架構。董事局由主席兼行政總裁尹惠來先生領導，副主席曾鏡波先生協助。

在公司秘書協助下，主席確保於董事局會議上所有董事均適當知悉當前的事項，並適時獲得充足及可靠的資料。

獨立非執行董事

董事局於2016年財政年度期間所有時間均符合上市規則之規定，委任最少三名獨立非執行董事，而其中最少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。

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，且並無任何足以嚴重干預彼等進行獨立判斷之關係。

董事責任

本公司及董事局要求各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。各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。

各執行董事於本集團的業務上擔負不同的管理職責。

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。

獨立非執行董事負責就本集團的策略方針、發展、業績及風險管理作出獨立判斷。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。

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，且充分明瞭彼等於適用法律及規管下之責任。詳盡的合規手冊已提供給每一位董事，並已更新。

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 directions and strategies set by the Board correctly and appropriately.

CORPORATE GOVERNANCE FUNCTIONS

The Board should be responsible for performing corporate governance duties as follows:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations;
- (b) to review and monitor training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

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 fiduciary duties and duties of skill, care and diligence would be recommended to the Board.

If a shareholder wishes to propose a person for election as a Director at the AGM, the shareholder can deposit a written notice to that effect at the registered office of the Company for the attention of the Company Secretary. Procedures for shareholders to propose a person for election as a director are published on the website of the Company.

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 two years. The term of the appointment has been extended thereafter.

管理功能

章程細則載列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定之指示及策略。

企業管治功能

董事局應負責履行如下企業管治職責：

- (a) 制定及檢討本公司的企業管治政策及常規並提出建議；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、檢討及監察僱員及董事的操守準則及合規手冊；及
- (e) 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

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合適候選人將獲推薦予董事局。

若股東擬在股東週年大會上提名人士競選董事，彼可向本公司註冊辦事處遞交書面通知，抬頭註明公司秘書收。股東提名人士競選董事之程序已刊載於本公司網站。

各執行董事之委任初步為期兩年，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）之委任指定任期為兩年。其後委任任期已延長。

APPOINTMENT AND RE-ELECTION OF DIRECTORS (Cont'd)

All Directors are subject to retirement by rotation and are eligible for re-election pursuant to the Articles.

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.

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 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 shareholders by announcement and shall include in such announcement, reasons given by the Director for his resignation.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company from time to time updates the Directors on the latest development on the Listing Rules and other applicable regulatory requirements to ensure their contribution to the Board remains informed and relevant.

董事委任及重選(續)

根據章程細則，全體董事須輪值退任並符合資格膺選連任。

每名新委任董事均會獲得有關本集團業務營運的詳盡而合適的介紹，包括首次獲委任為董事時實地考察本集團於中國的廠房。

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）均須於獲委任後下屆股東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告形式及時向股東披露，並須在公告中註明該董事辭任之理由。

持續專業發展

本公司鼓勵所有董事參與持續專業發展並更新其知識及技能。本公司不時向董事提供上市規則及其他適用監管規定的最新修訂，以確保其繼續在具備全面資訊及切合所需的情況下對董事局作出貢獻。

CONTINUOUS PROFESSIONAL DEVELOPMENT (Cont'd)

According to the training record provided by the Directors, a summary of training record of all Directors during the 2016 Financial Year is as follows:

持續專業發展 (續)

根據董事所提供培訓的記錄，全體董事於2016年財政年度期間所接受的培訓記錄概要如下：

| | | Topics on training covered 培訓所涵蓋的主題 | | |
|--------------------------------|----------------|--|--|---|
| | | Corporate governance 企業管治 | Listing Rules and regulatory updates 上市規則及法規更新 | Risk and financial management 風險及財務管理 |
| Executive Directors | 執行董事 | | | |
| Mr. WAN Wai Loi | 尹惠來先生 | B | | A, B |
| Mr. TSANG Kang Po | 曾鏡波先生 | B | | A, B |
| Non-executive Directors | 非執行董事 | | | |
| Mr. CHOI Kin Chung | 蔡建中先生 | B | | B |
| Mr. IP Ping Im | 葉炳樑先生 | B | | A, B |
| Mr. LAU Yiu Tong | 劉耀棠先生 | B | | A, B |
| Mr. LAM Wing Tak | 林榮德先生 | B | | A, B |
| INEDs | 獨立非執行董事 | | | |
| Dr. Chan Yue Kwong, Michael | 陳裕光博士 | A, B | | A, B |
| Mr. NG Ching Wah | 伍清華先生 | A, B | | A, B |
| Mr. SZE Kwok Wing, Nigel | 施國榮先生 | B | | A, B |

Type of trainings

A. Attending briefings, seminars, webinar or training courses

B. Reading materials

培訓類別

A. 參加簡介會、座談會、網絡研討會或培訓課程

B. 閱讀資料

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. Board Committees report to the Board of their decisions and recommendations at the Board meetings.

The revised terms of reference setting out the principles, procedures and arrangements of the Audit Committee, the Remuneration Committee and the Nomination Committee have been reviewed by the Board with reference to the CG Code and are published on the website of the Stock Exchange and the Company.

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.

董事局委員會

董事局已成立3個主要董事局委員會，即審核委員會、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，以協助董事局監督本公司事務之各項特定範疇。董事局委員會於董事局會議向董事局匯報其決定和建議。

審核委員會、薪酬委員會及提名委員會之原則、程序及安排之經修訂職權範圍已由董事局經參照企業管治守則審閱，並已刊載於聯交所及本公司網站。

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。

BOARD COMMITTEES (Cont'd)

AUDIT COMMITTEE

The Audit Committee was established on 27 April 2007 with written terms of reference in compliance with the CG Code. 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 members of the Audit Committee are Mr. Sze Kwok Wing, Nigel; Mr. Ng Ching Wah and Dr. 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 Audit Committee has reviewed with the management in conjunction with the auditor, the audited annual consolidated financial statements of the Group for the 2016 Financial Year and the accounting principles and practices adopted by the Group. The Annual Report for the 2016 Financial Year has been reviewed by the Audit Committee.

The Audit Committee held 4 meetings during 2016 Financial Year. The major work performed by the Audit Committee in respect of 2016 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 2015; reviewing the audited annual financial information and final results announcement for 2016 Financial Year; reviewing the work of the Group's internal audit department, assessing the effectiveness of the Group's systems of risk management and internal control and reviewing the effectiveness of the whistleblowing policy and the incidents reported through such channel. The attendance of the Directors for the Audit Committee meetings is set out in the table on page 41 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 2016 Financial Year, the fees in respect of audit and non-audit services provided by the Company's auditor were as follows:

| | | 2016 | 2015 |
|---|-------------------|----------|----------|
| | | 2016年 | 2015年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Audit Services | 審核服務 | 2,382 | 1,854 |
| 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 | 280 | 400 |

董事局委員會 (續)

審核委員會

審核委員會於2007年4月27日成立，其職權範圍與企業管治守則相符。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、內部監控系統及風險管理的成效。

審核委員會之成員為施國榮先生、伍清華先生及陳裕光博士（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。

審核委員會已和管理層聯同核數師審閱本集團2016年財政年度之經審核年度綜合財務報表及本集團所採納之會計原則及常規。2016年財政年度之年報已由審核委員會審閱。

審核委員會於2016年財政年度期間舉行了4次會議。審核委員會於2016年財政年度已履行之主要職務包括批准外聘核數師之聘任條款（包括酬金）、審閱截至2015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告、審閱2016年財政年度經審核全年財務資料及全年業績公告、審閱本集團內部審計部之工作、評估本集團之風險管理系統與內部監控系統之成效及審閱檢舉政策之成效與透過此渠道檢舉之事件。董事出席審核委員會會議記錄載於本年報第41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2016年財政年度，本公司核數師所提供的審核或非審核服務之費用如下：

BOARD COMMITTEES (Cont'd)

AUDIT COMMITTEE (Cont'd)

The Audit Committee has undertaken a review of all 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.

The Audit Committee recommended to the Board on re-appointment of PricewaterhouseCoopers as the Company's external auditor for the ensuing year and the related resolutions shall be put forth in the forthcoming AGM.

NOMINATION COMMITTEE

The Nomination Committee was established on 27 April 2007 with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are to make recommendations to the Board on appointment of Directors with due regard to diversity of the Board and management of the Board succession.

The members of the Nomination Committee are Mr. Ng Ching Wah; Dr. Chan Yue Kwong, Michael; Mr. Sze Kwok Wing, Nigel (who are INEDs); Mr. Tsang Kang Po and Mr. Wan Wai Loi (who are executive Directors). Mr. Ng Ching Wah is the chairman of the Nomination Committee.

The Nomination Committee met once during the 2016 Financial Year and adopted the board diversity policy ("the Policy"). The Policy sets out the approach to achieve diversity on the Board. In reviewing and assessing the Board composition, the Nomination Committee will consider a number of factors, including but not limited to educational background, professional qualifications, skills, industry experience, age, gender and ethnic origin, subject to the actual situation of the Company and relevant provisions under the applicable laws. Restrictions like age, gender and ethnic origin will not be set when short-listing of director's candidates. The major work performed by the Nomination Committee in respect of the 2016 Financial Year included assessing independence of the independent non-executive directors and make recommendation in compliance with the Policy on re-election of Mr. Tsang Kang Po, Mr. Choi Kin Chung and Dr. Chan Yue Kwong, Michael as Directors of the Company at the forthcoming AGM. The attendance of the Directors for the Nomination Committee meeting is set out in the table on page 41 of this annual report.

Pursuant to Code Provision A.4.3 of the CG Code, a separate ordinary resolution will be proposed at the Annual General Meeting to approve the re-election of Dr. Chan as an INED.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 27 April 2007 with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee are to review 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 and to make recommendations to the Board. No director is allowed to take part in any discussion about his own remuneration.

董事局委員會 (續)

審核委員會 (續)

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。

審核委員會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，並建議於應屆股東週年大會提呈有關決議。

提名委員會

提名委員會於2007年4月27日成立，其職權範圍與企業管治守則相符。提名委員會之主要職責為就委任董事，適當考慮董事局多元化及董事局繼任之管理向董事局提供建議。

提名委員會之成員為伍清華先生、陳裕光博士、施國榮先生（彼等為獨立非執行董事），以及曾鏡波先生及尹惠來先生（彼等為執行董事）。伍清華先生為提名委員會主席。

提名委員會於2016年財政年度期間舉行了1次會議並採納了董事局多元性政策（「該政策」）。該政策訂定方向以實現董事局多元性。在檢討及評估董事局的組成時，提名委員會將作多方面考慮，包括但不限於教育背景、專業資格、技能、行業經驗、年齡、性別及種族，以及基於本公司之實際情況及根據適用法律之有關條文。篩選董事候選人名單時，將不會設置如年齡、性別和種族的規限。提名委員會於2016年財政年度已履行之主要職務包括評估獨立非執行董事之獨立性，以及於應屆股東週年大會上須重選曾鏡波先生、蔡建中先生及陳裕光博士連任本公司董事之事宜依據該政策作出建議。董事出席提名委員會會議記錄載於本年報第41頁之表內。

根據企業管治守則守則條文第A.4.3條，股東週年大會上將提呈獨立普通決議案，批准重選陳博士為獨立非執行董事。

薪酬委員會

薪酬委員會於2007年4月27日成立，其職權範圍與企業管治守則相符。薪酬委員會之主要職責為參照本集團董事及高級管理人員之工作性質、職責的複雜性和表現，審閱付予彼等之薪酬組合條款、花紅及其他應付酬金，並就此向董事局提出建議。任何董事不可參與討論其個人薪酬。

BOARD COMMITTEES (Cont'd)

REMUNERATION COMMITTEE (Cont'd)

The members of the Remuneration Committee are Dr. Chan Yue Kwong, Michael; Mr. Sze Kwok Wing, Nigel and Mr. Ng Ching Wah (who are INEDs) and Mr. Tsang Kang Po and Mr. Wan Wai Loi (who are executive Directors). Dr. Chan Yue Kwong, Michael is the chairman of the Remuneration Committee.

The Remuneration Committee met once during the 2016 Financial Year. The major work performed by the Remuneration Committee for the 2016 Financial Year included reviewing the remuneration of the Directors and senior management with reference to the remuneration level of directors and senior management of comparable listed companies. The attendance of the Directors for the Remuneration Committee meeting is set out in the table on page 41 of this annual report.

Details of the remuneration of the Directors disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance and Appendix 16 of the Listing Rules are set out in note 35 to the consolidated financial statements. 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.

COMPANY SECRETARY

As an employee of the Company, Mr. Chou Yung, the Company Secretary that supports the Board by ensuring the Board procedures are followed, advising the Board on governance matters and monitoring the training and continuous professional development of Directors. During the 2016 Financial Year, Mr. Chou undertook not less than 15 hours of relevant professional training to update his skills and knowledge. Profile of Company Secretary is set out on page 13 of this annual report.

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Board acknowledges its responsibility for preparing the Company's financial statements for 2016 Financial Year which give a true and fair view of financial position of the Group and in accordance with statutory requirements and applicable accounting standards. 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. Furthermore, Directors are provided with monthly updates on the Group's performance to enable the Directors to discharge their duties.

董事局委員會 (續)

薪酬委員會 (續)

薪酬委員會之成員為陳裕光博士、施國榮先生及伍清華先生(彼等為獨立非執行董事)及曾鏡波先生及尹惠來先生(彼等為執行董事)。陳裕光博士為薪酬委員會主席。

薪酬委員會於2016年財政年度期間舉行了1次會議。薪酬委員會於2016年財政年度已履行之主要職務包括參照可比較上市公司之董事及高級管理人員薪酬水平以審閱董事及高級管理人員酬金。董事出席薪酬委員會會議記錄載於本年報第41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綜合財務報表附註35。董事收取之袍金須於股東大會上經股東批准。董事之其他酬金則由董事局不時參照董事之職責釐定並須薪酬委員會審閱。

公司秘書

作為本公司之僱員，公司秘書周勇先生協助董事局確保董事局之程序獲遵守，並就管治事宜向董事局提供建議及監察董事之培訓及持續專業發展。於2016年財政年度期間，周先生已接受不少於15小時之相關專業培訓，以提升其技能與知識。公司秘書的簡介載於本年報第13頁。

問責及審核

財務匯報

董事局知悉其有編製本公司2016年財政年度財務報表的責任且賬目須真實而公平地反映本集團的財政狀況，並根據法定規定與適用會計準則編製。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及法律規定而適時編製與刊發。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。此外，董事每月獲提供本集團的表現之更新資料，以使董事履行其職責。

ACCOUNTABILITY AND AUDIT (Cont'd)

FINANCIAL REPORTING (Cont'd)

The statement of the auditor of the Company regarding their reporting responsibility to shareholders on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 51 to 52 of this annual report.

INTERNAL CONTROLS

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

During the 2016 Financial Year, the Board has reviewed effectiveness of the Group's internal control systems, including financial, operational and compliance controls and risk management functions, adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and training programmes and budget through the Internal Audit Department and the Audit Committee with 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 timeliness, completeness and accuracy of information disclosure to shareholders and to the protection in the interests of shareholders.

The Board has established a shareholders' communication policy and review it on a regular basis to ensure its effectiveness. 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, shareholders' communication policy and other information are posted.

The Board maintains an on-going dialogue with shareholders through general meeting of the Company to communicate with shareholders. The Chairman of the Board, the representative of each committee and the external auditor have attended the general meeting to answer any questions from shareholders. 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.

問責及審核 (續)

財務匯報 (續)

本公司核數師就其對本集團綜合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51頁至第52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有效性，以確保系統能應付瞬息萬變之商業環境。

於2016年財政年度內，董事局透過內部審計部及審核委員會並在國際獨立風險顧問公司的協助下，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。

董事局已制定股東通訊政策，並定期檢討以確保其成效。本集團已設立網站，以作為增進有效溝通之渠道，讓股東查閱本公司最新資料，而本公司之公告、財務資料、股東通訊政策及其他資料皆於網站刊登。

董事局通過股東大會這一溝通橋樑與股東保持持續對話。董事局主席、各委員會代表及外部核數師均出席股東大會，回答股東之任何提問。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。

召開股東週年大會通告在股東週年大會舉行前不少於足20個營業日寄發予所有股東，而召開所有其他股東大會通告則在所有其他股東大會舉行前不少於足10個營業日寄發。

COMMUNICATION WITH SHAREHOLDERS (Cont'd)

VOTING BY POLL

At the general meeting, the Chairman exercised his power under the Articles to put each resolution set out in the notice to be voted by way of a poll and explained detailed procedures for conducting a poll, and answered questions from shareholders. The results of the poll, if any, are published on websites of the Stock Exchange and the Company.

SHAREHOLDERS' RIGHTS

PROCEDURES FOR CONVENING AN EXTRAORDINARY GENERAL MEETING

Any two or more shareholders, or any one shareholder which is a recognised clearing house (or its nominee(s)), holding not less than one-tenth of the paid-up capital of the Company may, in accordance with requirements and procedures set out in the Articles of Association of the Company, make a requisition to the Board to convene an extraordinary general meeting of the Company and putting forward proposals at the meeting. The objects of the meeting must be stated in the written requisition which must be signed by the requisitionist(s) and deposited at the Company's principal place of business in Hong Kong.

There are no provisions allowing shareholders to put forward new resolutions at general meetings under Cayman Islands law or the Articles of Association of the Company. Shareholders who wish to put forward a resolution may request the Company to convene an extraordinary general meeting in accordance with procedures set out above.

PROCEDURES FOR RAISING ENQUIRIES

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and Telephone: (852) 2862 8555).

Shareholders who have any questions for the Board may send written enquiries together with their detailed contact information, such as postal address or e-mail address, by post to the Company's principal place of business in Hong Kong or by e-mail to ir@pacific-textiles.com for attention of the Company Secretary.

The Board also encourages shareholders to attend general meetings to make enquiries with the Board directly.

CONSTITUTIONAL DOCUMENTS

The memorandum and articles of association of the Company is published on the websites of the Company and the Stock Exchange. During the 2016 Financial Year, there is no change to the memorandum and articles of association of the Company.

與股東溝通 (續)

以投票方式表決

於股東大會上，主席行使章程細則賦予之權力，就通告內之各項決議案以投票方式進行表決並解釋以投票方式進行表決之詳細程序及回答股東提問。投票方式表決的結果於聯交所及本公司網站登載。

股東權利

召開股東特別大會之程序

根據本公司章程細則列明之規定及程序，兩名或以上持有本公司不少於十分之一繳足股本之股東或任何一名（為一間認可結算所（或其代名人））持有本公司不少於十分之一繳足股本之股東，可向本公司董事局要求召開股東特別大會，並於會上提呈議案。召開會議之目的必須列明於有關書面要求內，並由提出該請求之人士簽署及送達本公司之香港主要營業地點。

開曼群島法例或本公司章程細則並未規定股東可在股東大會上提呈新決議案。有意提呈決議案之股東可按上述程序要求本公司召開股東特別大會。

提出查詢之程序

股東如對其名下持有之股份有任何疑問，應向本公司股份過戶登記處香港分處香港中央證券登記有限公司（地址：香港灣仔皇后大道東183號合和中心17M樓；電話：(852) 2862 8555）提出。

股東如欲向董事局提出任何查詢，可將書面查詢連同其詳細聯絡資料（如郵寄地址或電郵地址）郵寄至本公司之香港主要營業地點，或電郵至 ir@pacific-textiles.com，抬頭註明公司秘書收。

董事局亦鼓勵股東出席股東大會，直接向董事局提出查詢。

憲章文件

本公司組織章程大綱及章程細則已刊發於本公司及聯交所網站。於2016年財政年度內，本公司的組織章程大綱及章程細則並無任何變動。



羅兵咸永道

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

致互太紡織控股有限公司股東
(於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 53 to 137, which comprise the consolidated balance sheet as at 31 March 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師(以下簡稱「我們」)已審計列載於第53至137頁互太紡織控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於2016年3月31日的綜合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、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋資料。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

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計對該等綜合財務報表發表意見,並僅向閣下(作為整體)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 about whether the consolidated 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計。該等準則要求我們遵守道德規範,並規劃及執行審計以對綜合財務報表是否不存在任何重大錯誤陳述獲取合理保證。

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

AUDITOR'S RESPONSIBILITY (Cont'd)

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 June 2016

核數師的責任 (續)

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選擇的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在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擬備真實而中肯的綜合財務報表相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的恰當性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而中肯地反映 貴公司及其附屬公司於2016年3月31日的財務狀況及彼等截至該日止年度的財務表現及現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

羅兵咸永道會計師事務所
執業會計師

香港，2016年6月23日

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2016

綜合收益表

截至2016年3月31日止年度

| | | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|----------------------------------|------------|----------------------------------|----------------------------------|
| | | Note 附註 | | |
| Revenue | 收入 | 5 | 6,927,614 | 6,906,883 |
| Cost of sales | 銷售成本 | 24 | (5,625,110) | (5,728,977) |
| Gross profit | 毛利 | | 1,302,504 | 1,177,906 |
| Other income and other gains/(losses) – net | 其他收入及其他收益/(虧損) | | | |
| | – 淨額 | 23 | 80,688 | 109,075 |
| Distribution and selling expenses | 分銷及銷售開支 | 24 | (97,983) | (81,539) |
| General and administrative expenses | 一般及行政開支 | 24 | (125,816) | (94,605) |
| Operating profit | 經營溢利 | | 1,159,393 | 1,110,837 |
| Finance income | 財務收入 | 26 | 22,544 | 19,532 |
| Finance costs | 財務成本 | 26 | (18,200) | (6,960) |
| Share of profits of associates | 分佔聯營公司之溢利 | 9 | 36,311 | 34,213 |
| Reversal of provision for impairment loss on interest in an associate | 於一間聯營公司之權益減值虧損撥備撥回 | 9 | 39,900 | 33,200 |
| Gain on disposal of certain interest in an associate | 出售聯營公司若干權益之收益 | 9 | 54,941 | – |
| Share of losses of joint ventures | 分佔合營公司之虧損 | 10 | – | (384) |
| Gain on disposal of interests in joint ventures | 出售於合營公司權益所得收益 | 10 | – | 29,265 |
| Profit before income tax | 所得稅前溢利 | | 1,294,889 | 1,219,703 |
| Income tax expense | 所得稅開支 | 27 | (172,194) | (150,037) |
| Profit for the year | 年度溢利 | | 1,122,695 | 1,069,666 |
| Profit attributable to: | 下列人士應佔溢利： | | | |
| Equity holders of the Company | 本公司權益持有人 | | 1,125,530 | 1,074,785 |
| Non-controlling interests | 非控制性權益 | | (2,835) | (5,119) |
| | | | 1,122,695 | 1,069,666 |
| Earnings per share for profit attributable to equity holders of the Company for the year (expressed in HK\$ per share) | 年內本公司權益持有人應佔溢利之每股盈利 (以每股港元列示) | | | |
| – basic | – 基本 | 28 | 0.78 | 0.74 |
| – diluted | – 攤薄 | 28 | 0.78 | 0.74 |

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

綜合全面收益表

截至2016年3月31日止年度

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Profit for the year | 年度溢利 | 1,122,695 | 1,069,666 |
| Other comprehensive income: | 其他全面收入： | | |
| Items that have been or may be reclassified to profit or loss | 已或可能重新分類至損益的項目 | | |
| Release of reserve upon disposal of interests in joint ventures | 出售合營公司權益時解除之儲備 | - | 4,322 |
| Currency translation differences | 外幣換算差額 | (111,946) | (3,529) |
| Fair value gains on available-for-sale financial assets | 可供出售金融資產公允價值收益 | - | 29 |
| Release of available-for-sale financial assets reserve upon disposal | 出售時解除可供出售金融資產儲備 | (47) | - |
| | | (111,993) | 822 |
| Total comprehensive income for the year | 年度全面收入總額 | 1,010,702 | 1,070,488 |
| Attributable to: | 下列人士應佔： | | |
| Equity holders of the Company | 本公司權益持有人 | 1,016,563 | 1,076,594 |
| Non-controlling interests | 非控制性權益 | (5,861) | (6,106) |
| | | 1,010,702 | 1,070,488 |

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

CONSOLIDATED BALANCE SHEET

As at 31 March 2016

綜合資產負債表

於2016年3月31日

| | | Note | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|---------------------|------|----------------------------------|----------------------------------|
| | | 附註 | | |
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Land use rights | 土地使用權 | 6 | 49,133 | 52,648 |
| Property, plant and equipment | 物業、廠房及設備 | 7 | 1,511,148 | 1,411,169 |
| Interests in associates | 於聯營公司之權益 | 9(a) | 237,312 | 222,820 |
| Interests in joint ventures | 於合營公司之權益 | 10 | - | - |
| Available-for-sale financial assets | 可供出售金融資產 | 11 | 1,741 | 1,827 |
| Prepayments for land use rights and property, plant and equipment | 土地使用權和物業、廠房及設備的預付款項 | 14 | 87,264 | 71,723 |
| | | | 1,886,598 | 1,760,187 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 12 | 1,016,105 | 965,542 |
| Trade and bills receivables | 應收賬款及票據 | 13 | 935,217 | 800,188 |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 14 | 97,852 | 114,786 |
| Amounts due from associates | 應收聯營公司款項 | 9(b) | 43,189 | 40,254 |
| Derivative financial instruments | 衍生金融工具 | 15 | - | 2,639 |
| Tax recoverable | 稅項回收 | | - | 18,150 |
| Cash and bank balances | 現金及銀行結餘 | 16 | 1,452,483 | 2,025,419 |
| | | | 3,544,846 | 3,966,978 |
| Total assets | 資產總值 | | 5,431,444 | 5,727,165 |
| 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 | 17 | 1,446 | 1,446 |
| Share premium | 股份溢價 | 17 | 1,453,188 | 1,453,188 |
| Reserves | 儲備 | 18 | 1,905,465 | 2,042,081 |
| | | | 3,360,099 | 3,496,715 |
| Non-controlling interests | 非控制性權益 | | (8,167) | (2,306) |
| Total equity | 權益總額 | | 3,351,932 | 3,494,409 |

CONSOLIDATED BALANCE SHEET (Cont'd)

As at 31 March 2016

綜合資產負債表(續)

於2016年3月31日

| | Note | 2016 | 2015 |
|-------------------------------------|------|--------------------------|--------------------------|
| | 附註 | 2016年 HK\$'000 千港元 | 2015年 HK\$'000 千港元 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 19 | 144,409 | 144,409 |
| Deferred income tax liabilities | 20 | 28,955 | 12,178 |
| | | 173,364 | 156,587 |
| Current liabilities | | | |
| Borrowings | 19 | 686,473 | 987,911 |
| Trade and bills payables | 21 | 783,353 | 746,932 |
| Accruals and other payables | 22 | 360,338 | 305,838 |
| Amount due to an associate | 9(c) | 2,479 | 4,574 |
| Derivative financial instruments | 15 | 3,704 | 2,349 |
| Current income tax liabilities | | 69,801 | 28,565 |
| | | 1,906,148 | 2,076,169 |
| Total liabilities | | 2,079,512 | 2,232,756 |
| Total equity and liabilities | | 5,431,444 | 5,727,165 |

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

The consolidated financial statements were approved by the Board of Directors on 23 June 2016 and were signed on its behalf:

董事局已於2016年6月23日批准綜合財務報表並代表董事局簽署：

Wan Wai Loi

尹惠來

Director

董事

Tsang Kang Po

曾鏡波

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

綜合權益變動表

截至2016年3月31日止年度

| | | Attributable to equity holders of the Company 本公司權益持有人應佔 | | | | Non- controlling interests | Total |
|---|-----------------------|--|--|--|------------------------------------|----------------------------------|-----------------------|
| | Note 附註 | Share capital 股本 HK\$'000 千港元 (Note 17) (附註17) | Share premium 股本溢價 HK\$'000 千港元 (Note 17) (附註17) | Reserves 儲備 HK\$'000 千港元 (Note 18) (附註18) | Sub-total 小計 HK\$'000 千港元 | 非控制性權益 HK\$'000 千港元 | 總額 HK\$'000 千港元 |
| Balance at 1 April 2014 | 於2014年4月1日之結餘 | 1,446 | 1,453,188 | 2,480,379 | 3,935,013 | 3,800 | 3,938,813 |
| Comprehensive income: | 全面收入： | | | | | | |
| Profit for the year | 年度溢利 | - | - | 1,074,785 | 1,074,785 | (5,119) | 1,069,666 |
| Other comprehensive income: | 其他全面收入： | | | | | | |
| Currency translation differences | 外幣換算差額 | - | - | (2,542) | (2,542) | (987) | (3,529) |
| Fair value gains on available-for-sale financial assets | 可供出售金融資產 公允價值收益 | 11 | - | 29 | 29 | - | 29 |
| Release of reserve upon disposal of interests in joint ventures | 出售合營公司權益時 解除之儲備 | - | - | 4,322 | 4,322 | - | 4,322 |
| Total other comprehensive income, net of tax | 其他全面收入總額，扣除稅項 | - | - | 1,809 | 1,809 | (987) | 822 |
| Total comprehensive income | 全面收入總額 | - | - | 1,076,594 | 1,076,594 | (6,106) | 1,070,488 |
| Transactions with owners: | 與擁有人交易： | | | | | | |
| Share-based compensation | 以股份為基礎之彌償 | - | - | 3,852 | 3,852 | - | 3,852 |
| Dividends | 股息 | - | - | (1,518,744) | (1,518,744) | - | (1,518,744) |
| Total transactions with owners | 與擁有人交易總額 | - | - | (1,514,892) | (1,514,892) | - | (1,514,892) |
| Balance at 31 March 2015 | 於2015年3月31日之結餘 | 1,446 | 1,453,188 | 2,042,081 | 3,496,715 | (2,306) | 3,494,409 |
| Balance at 1 April 2015 | 於2015年4月1日之結餘 | 1,446 | 1,453,188 | 2,042,081 | 3,496,715 | (2,306) | 3,494,409 |
| Comprehensive income: | 全面收入： | | | | | | |
| Profit for the year | 年度溢利 | - | - | 1,125,530 | 1,125,530 | (2,835) | 1,122,695 |
| Other comprehensive income: | 其他全面收入： | | | | | | |
| Currency translation differences | 外幣換算差額 | - | - | (108,920) | (108,920) | (3,026) | (111,946) |
| Release of available-for-sale financial assets reserves upon disposal | 出售時解除可供出售金融 資產儲備 | - | - | (47) | (47) | - | (47) |
| Total other comprehensive income, net of tax | 其他全面收入總額，扣除稅項 | - | - | (108,967) | (108,967) | (3,026) | (111,993) |
| Total comprehensive income | 全面收入總額 | - | - | 1,016,563 | 1,016,563 | (5,861) | 1,010,702 |
| Transactions with owners: | 與擁有人交易： | | | | | | |
| Share-based compensation | 以股份為基礎之彌償 | - | - | 3,959 | 3,959 | - | 3,959 |
| Dividends | 股息 | - | - | (1,157,138) | (1,157,138) | - | (1,157,138) |
| Total transactions with owners | 與擁有人交易總額 | - | - | (1,153,179) | (1,153,179) | - | (1,153,179) |
| Balance at 31 March 2016 | 於2016年3月31日之結餘 | 1,446 | 1,453,188 | 1,905,465 | 3,360,099 | (8,167) | 3,351,932 |

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

綜合現金流量表

截至2016年3月31日止年度

| | | | 2016 | 2015 |
|--|-------------------------|-------|--------------------|-------------|
| | | Note | 2016年 | 2015年 |
| | | 附註 | HK\$'000 | HK\$'000 |
| | | | 千港元 | 千港元 |
| Cash flow from operating activities | 經營活動所得現金流量 | | | |
| Cash generated from operations | 營運產生之現金 | 30(a) | 1,262,434 | 1,249,195 |
| Interest paid | 已付利息 | | (18,200) | (6,960) |
| Hong Kong profits tax paid | 已付香港利得稅 | | (32,114) | (137,510) |
| PRC income tax paid | 已付中國所得稅 | | (46,450) | (65,861) |
| PRC dividends withholding tax paid | 已付中國預扣稅 | | (24,894) | (32,275) |
| | | | 1,140,776 | 1,006,589 |
| Cash flow from investing activities | 投資活動所得現金流量 | | | |
| Purchases of property, plant and equipment | 購置物業、廠房及設備 | | (353,920) | (417,993) |
| Proceeds from disposals of property, plant and equipment | 出售物業、廠房及設備之所得款項 | 30(b) | 3,736 | 7,451 |
| Dividends received from associates | 收取聯營公司之股息 | 9(a) | 18,705 | 27,629 |
| Proceeds from disposal of interests in joint ventures | 出售合營公司權益所得款項 | 10 | – | 51,040 |
| Proceeds from disposal of certain interest in an associate | 出售聯營公司若干權益所得款項 | 9(d) | 100,268 | – |
| Placement of short-term bank deposits | 存入短期銀行存款 | 16 | (881,628) | (1,181,602) |
| Release of short-term bank deposits | 解除短期銀行存款 | 16 | 1,181,602 | 602,304 |
| Interest income received | 已收利息收入 | | 20,984 | 11,350 |
| | | | 89,747 | (899,821) |
| Cash flow from financing activities | 融資活動所得現金流量 | | | |
| Repayment of bank borrowings | 償還銀行借貸 | | (987,911) | – |
| Proceeds from bank borrowings | 銀行借貸所得款項 | | 686,570 | 1,085,234 |
| Dividends paid | 已派付股息 | | (1,157,138) | (1,518,744) |
| | | | (1,458,479) | (433,510) |
| Net decrease in cash and cash equivalents | 現金及現金等值項目增加淨額 | | (227,956) | (326,742) |
| Cash and cash equivalents at 1 April | 於4月1日現金及現金等值項目 | | 843,817 | 1,173,965 |
| Currency translation differences | 外幣換算差額 | | (45,006) | (3,406) |
| Cash and cash equivalents at 31 March | 於3月31日之現金及現金等值項目 | 16 | 570,855 | 843,817 |

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

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 manufacturing and trading of textile products. Its production bases located in the People’s Republic of China (the “PRC”) and Vietnam.

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

The Company has its listing on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23 June 2016.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of preparation and 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, and the recognition of 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。其生產基地位於中華人民共和國（「中國」）及越南。

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, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands。

本公司於香港聯合交易所有限公司上市。

除另有說明外，此等綜合財務報表以港元（「港元」）呈報。此等綜合財務報表於2016年6月23日經董事局批准刊發。

2 編製基準與主要會計政策概要

編製此等綜合財務報表所採納之編製基準與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」）頒佈的香港財務報告準則（「香港財務報告準則」）編製。綜合財務報表乃根據歷史成本法編製，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）之確認而予以修訂。

編製財務報表乃符合香港財務報告準則所規定使用的若干主要會計估計。此亦要求管理層在運用本集團會計政策時行使其判斷。涉及高度判斷或繁複性的範疇，或對綜合財務報表至關重要的假設及估計於附註4披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

- (a) *New standards, amendments to standards and interpretation to existing standards adopted by the Group*

The following amendments to standards are mandatory for the accounting period beginning on 1 April 2015 and relevant to the Group. The adoption of these amendments to standards has no impact on the published results for the current and prior periods and the financial position of the Group, other than for certain additional disclosures.

HKAS 19 (Amendment), "Employee benefits"

Annual improvements 2010 – 2012 cycle

Annual improvements 2011 – 2013 cycle

- (b) *New standards and amendments to standards that have been issued but are not effective*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)

2.1 編製基準(續)

- (a) 本集團已採納之新訂準則、準則修訂及現行準則之詮釋

下列為於2015年4月1日開始之會計期間強制執行及與本集團有關之準則修訂。採納該等準則之修訂本並無對本集團於當前及過往期間之已公佈業績及其財務狀況產生影響，惟若干額外披露除外。

香港會計準則第19號(修訂本)
「僱員福利」

2010年至2012年週期之年度改進

2011年至2013年週期之年度改進

- (b) 已頒佈但未生效之新訂準則及準則修訂

若干新訂準則及準則修訂以及詮釋於2015年4月1日開始之年度期間生效，且編製此等綜合財務報表時並未被採納。預期新訂準則及準則修訂對本集團綜合財務報表並無重大影響，惟下列各項除外：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.1 Basis of preparation (Cont'd)**

(b) *New standards and amendments to standards that have been issued but are not effective (Cont'd)*

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKFRS 9's full impact.

2 編製基準與主要會計政策概要(續)**2.1 編製基準(續)**

(b) *已頒佈但未生效之新訂準則及準則修訂(續)*

香港財務報告準則第9號「金融工具」闡述金融資產及金融負債之分類、計量及確認。香港財務報告準則第9號之完整版本於2014年7月頒佈，取代香港會計準則第39號有關金融工具分類及計量之指引。香港財務報告準則第9號保留但簡化混合計量模式，並確立金融資產三個主要計量分類：攤銷成本、按公允值計入其他全面收入(「其他全面收入」)及按公允值計入損益。分類基準視乎實體之業務模式及金融資產之合約現金流量特徵而定。權益工具投資須以不可撤銷選擇權按公允值計入損益，以呈列其他全面收入之非循環公允值變動。現有新預期信貸虧損模式將取代香港會計準則第39號所用已產生虧損減值模式。除就指定按公允值計入損益的負債須於其他全面收入確認本身之信貸風險變動外，並無更改金融負債之分類及計量。香港財務報告準則第9號通過取代明確對沖效果測試放寬對沖效果要求，要求對沖項目與對沖工具之間存在經濟關係，且「對沖比率」須與管理層就風險管理實際使用者一致。

按規定仍須編製同期資料，惟與現時根據香港會計準則第39號編製者有所不同。該準則將於2018年1月1日或之後開始之會計期間生效，容許提早採納。本集團尚未評估香港財務報告準則第9號的全面影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.1 Basis of preparation (Cont'd)**

(b) *New standards and amendments to standards that have been issued but are not effective (Cont'd)*

HKFRS 15, 'Revenue from contracts with customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

HKFRS 16, 'Leases', provides new provisions for the accounting treatment of leases which no longer allows lessees to recognise leases outside of the balance sheet. Instead, all non-current leases must be recognised in the form of assets (for the right of use) and financial liabilities (for the payment obligations) in the consolidated balance sheet. Short-term leases of less than twelve months and leases of low-value assets are exempt from such reporting obligation. The new standard will therefore result in a recognition of prepaid operating leases, increase in right-of-use assets and increase in lease liabilities in the consolidated balance sheet. In the consolidated income statement, as a result, the annual rental and amortisation expenses of prepaid operating lease under otherwise identical circumstances will decrease, while depreciation of right of use of assets and interest expense arising from the financial liabilities will increase. The new standard is not expected to apply until the financial year beginning on or after 1 January 2019.

There are no other HKFRSs or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

(c) *New Hong Kong Companies Ordinance*

In addition, the requirement of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosure of certain information in the consolidated financial statements.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.1 編製基準(續)**

(b) *已頒佈但未生效之新訂準則及準則修訂(續)*

香港財務報告準則第15號「來自客戶合約之收入」處理收入確認，設立原則向財務報表使用者報告關於實體與客戶之合約所產生收入及現金流量之性質、金額、時間及不確定因素的有用資訊。當客戶取得貨品或服務之控制權而可直接使用及從中獲利時，收入即獲確認。該準則取代香港會計準則第18號「收入」及香港會計準則第11號「建造合約」及相關詮釋。香港財務報告準則第15號將於2018年1月1日或之後開始之年度期間生效，容許提早採納。本集團現正評估香港財務報告準則第15號之影響。

香港財務報告準則第16號「租賃」有關於租賃會計處理的新規定，承租人不得於資產負債表外確認租賃，所有非即期租賃均須於綜合資產負債表內以資產（若為使用權）及金融負債（若為付款責任）的形式確認。少於十二個月的短期租賃及低價值資產租賃獲豁免遵守有關申報責任。故此，新訂準則會導致綜合資產負債表內的預付經營租賃確認、使用權資產增加及租賃負債增加。因此，於綜合收益表內，相同情況下的年租及預付經營租賃攤銷開支將會減少，而資產使用權及金融負債所產生的利息開支的折舊將會增加。預計2019年1月1日或之後開始的財政年度方會採用新訂準則。

預期並無其他尚未生效之香港財務報告準則或香港（國際財務報告詮釋委員會）詮釋會對本集團產生重大影響。

(c) *新香港公司條例*

此外，新香港公司條例（第622章）第9部「賬目及審計」的規定於本財政年度生效，因此，綜合財務報表若干資料的呈列及披露有所變更。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.2 Subsidiaries***2.2.1 Consolidation*

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the aggregate fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

2 編製基準與主要會計政策概要(續)**2.2 附屬公司***2.2.1 綜合賬目*

附屬公司指本集團對其具有控制權之實體(包括結構性實體)。當本集團因為參與該實體而承擔可變回報之風險或享有可變回報之權利，並有能力透過其對該實體之權力影響此等回報時，本集團即控制該實體。附屬公司在控制權轉移至本集團之日起綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

(a) 業務合併

本集團應用收購法為業務合併列賬。收購附屬公司之轉讓代價為向被收購方前擁有人轉讓之資產、產生之負債及本集團所發行股本權益之公允值總額。所轉讓代價包括或然代價安排產生之任何資產或負債之公允值。在業務合併中所收購可識別之資產以及所承擔之負債及或然負債，首先以其於收購日期之公允值計量。本集團根據逐項收購基準按公允值或非控制性權益佔被收購方之可識別資產淨值之已確認金額之比例，確認任何於被收購方之非控制性權益。非控制性權益之所有其他組成部分按收購日期之公允值計量，惟香港財務報告準則規定按其他計量基準計量者除外。

收購相關成本於產生時列為開支。

所轉讓代價、被收購方之任何非控制性權益數額，及任何先前於被收購方之權益在收購日期之公允值，超過購入可識別資產淨值之公允值之數額記錄為商譽。如所轉讓代價、確認之任何非控制性權益及先前持有之權益計量之總和低於購入附屬公司資產淨值之公允值(於議價購買之情況下)，則將該差額直接在收益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(a) Business combinations (Cont'd)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration 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 non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Interests in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividends received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary 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 financial statements of the investee's net assets including goodwill.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(a) 業務合併(續)

集團內公司之間之交易、結餘及交易之未變現收益予以對銷。未變現虧損亦予以對銷。附屬公司報告之數額已按需要作出改變，以確保與本集團採用之會計政策相符。

(b) 不涉及控制權變動之於附屬公司擁有權益變動

並無導致失去控制權之非控制性權益交易入賬列作權益交易—即與擁有人以彼等作為擁有人身份進行之交易。任何已付代價公允值與有關應佔所收購附屬公司資產淨值賬面值之間之差額均計入權益。出售非控制性權益之收益或虧損亦計入權益。

(c) 出售附屬公司

倘本集團不再擁有控制權，其於該實體之任何保留權益按其失去控制權當日之公允值重新計量，而賬面值變動則於損益賬內確認。就隨後入賬列作聯營公司、合營公司或金融資產之保留權益而言，此公允值即初步賬面值。此外，先前於其他全面收入內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收入內確認之金額重新分類至損益賬。

2.2.2 獨立財務報表

於附屬公司之權益乃以成本減減值之方法入賬。成本亦包括投資之直接應佔費用。附屬公司之業績由本公司按已收及應收股息入賬。

當收到於附屬公司之投資之股息時，如股息超過附屬公司在宣派股息期間之總全面收入，或在獨立財務報表之投資賬面值超過被投資方資產淨值(包括商譽)在財務報表之賬面值時，必須對有關投資進行減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.3 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. Interests in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's interests in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the aggregate fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its investments in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit/(loss) of an associate" in the consolidated income statement.

2 編製基準與主要會計政策概要(續)**2.3 聯營公司**

聯營公司是指本集團對其有重大影響力而無控制權之所有實體，通常附帶有20%至50%投票權之股權。於聯營公司權益以權益會計法入賬。根據權益法，投資初始以成本確認，賬面值可予增減，以確認投資公司於收購日期後應佔所投資公司之損益。本集團於聯營公司之權益包括於收購時識別之商譽。在購買聯營公司之所有權益時，購買成本與本集團享有之對聯營公司可識別資產和負債之公允值總額之差額入賬列作商譽。

如聯營公司之權益持有被削減但仍保留重大影響力，只有按比例將之前在其他全面收入中確認之數額重新分類至損益(如適當)。

本集團應佔聯營公司購買後利潤或虧損於收益表內確認，而應佔其購買後之其他全面收入變動則於其他全面收入內確認，並相應調整投資賬面值。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之投資，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值之差額，並在綜合收益表中緊鄰「應佔聯營公司之利潤/(虧損)」確認有關數額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Associates (Cont'd)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. The financial information of associates has been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

2.4 Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

Dilution gains and losses arising in investments in joint ventures are recognised in the consolidated income statement.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)

2.3 聯營公司(續)

本集團與其聯營公司之間之上下游交易產生之損益，以無關連投資公司於聯營公司之權益為限，在本集團之財務報表確認。除非交易提供證據顯示所轉讓資產減值，否則未變現虧損予以對銷。聯營公司之財務資料已按需要作出改變，以確保與本集團採用之會計政策符合一致。

在聯營公司投資中所產生之攤薄盈虧於綜合收益表確認。

2.4 合營安排

在合營安排之投資必須分類為共同經營或合營公司，視乎每個投資者之合約權益和義務而定。本集團已評估其合營安排之性質並釐定為合營公司。合營公司按權益法入賬。

根據權益會計法，合營公司權益初步以成本確認，其後經調整以確認本集團應佔之收購後利潤或虧損以及其他全面收入變動之份額。本集團對合營公司之投資包括在購買時已識別之商譽。在購買合營公司之投資時，購買成本與本集團享有之對合營公司可識別資產和負債之公允值淨額之差額確認為商譽。當本集團應佔某一合營公司之虧損相等於或超過在該合營公司之權益(包括任何實質上構成本集團在該合營公司淨投資之長期權益)，則本集團不確認進一步虧損，除非本集團已產生義務或已代合營公司付款。

本集團與其合營公司進行交易之未變現收益，與本集團於合營公司之權益對銷。除非交易顯示被轉讓資產出現減值之證據，否則交易之未變現虧損亦予以對銷。合營公司之呈報金額已作出必要改變，以確保與本集團採納之會計政策一致。

在合營公司投資中所產生之攤薄盈虧於綜合收益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.5 Segment reporting

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

2.5 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之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之表現，其為執行董事全體地作出策略決定。

2.6 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 Group entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

2.6 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，均以本集團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) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations 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.

(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。

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated income statement within "finance income" or "finance costs".

現金及現金等值項目有關之匯兌收益和虧損在綜合收益表內之「財務收入」或「財務成本」中列報。

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

所有其他匯兌盈虧於綜合收益表「其他收入及其他收益／(虧損) – 淨額」中呈列。

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 securities and other changes in the carrying amount of the securities. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

分類為可供出售之外幣列值貨幣證券之公允值變動，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損益確認，而賬面值其他變動則於其他全面收入確認。

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 other comprehensive income.

非貨幣金融資產及負債（例如按公允值計入損益之權益）之換算差額乃於損益中確認為公允值損益之一部分。分類為可供出售之權益等非貨幣金融資產之換算差額於其他全面收入入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.6 Foreign currency translation (Cont'd)***(c) Group companies*

The results and financial position of all the group 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 rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

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. Exchange differences arising are recognised in other comprehensive income.

2.7 Leasehold land and land use rights

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

2.8 Property, plant and equipment

Land and buildings comprise mainly factories and offices. Leasehold land interests classified as finance leases and all other 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. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.6 外幣換算(續)***(c) 集團公司*

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。

收購海外實體時產生之商譽及公允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。所產生匯兌差額均計入其他全面收入。

2.7 租賃土地及土地使用權

就租賃土地權益 – 分類為經營租賃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收益表支銷,或倘出現減值,則於綜合收益表支銷減值。

2.8 物業、廠房及設備

土地及樓宇主要包括廠房及辦公室。分類為融資租賃之租賃土地權益與所有其他物業、廠房及設備(在建工程除外)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。成本亦可包括從權益中轉撥之有關利用外幣購買物業、廠房及設備之合資格現金流量套期產生之任何收益/虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.8 Property, plant and equipment (Continued)

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 to the consolidated income statement during the period in which they are incurred.

Leasehold land interests classified as finance leases commence amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets other than construction in progress are calculated using the straight-line method to allocate their costs over their estimated useful lives at the annual rates, as follows:

| Leasehold land classified as finance lease | Over the remaining lease term (2%) |
|--|---|
| Buildings | 4% – 5% |
| Plant and machinery | 10% – 20% |
| Leasehold improvements | 20% – 33% or shorter of the lease terms |
| Furniture and equipment | 20% – 33% |
| Motor vehicles | 20% – 25% |
| Computer software | 10% |

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.

Construction in progress represents buildings, plant and machinery and leasehold improvements, furniture and equipment 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 if any. 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 the carrying amount and are recognised within in the consolidated income statement.

2.8 物業、廠房及設備(續)

只有當與項目相關之日後經濟利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)。替換部分之賬面值予以取消確認。所有其他維修及保養於其產生期間在綜合收益表支銷。

分類為融資租賃之租賃土地權益，自土地權益可供其擬定用途時開始攤銷。分類為融資租賃之租賃土地之攤銷及其他資產(在建工程除外)以直線法計算折舊，以根據年率按其估計可使用年期攤銷成本如下：

| 分類為融資租賃之租賃土地 | 剩餘租賃期內(2%) |
|--------------|----------------|
| 樓宇 | 4% – 5% |
| 廠房及機器 | 10% – 20% |
| 租賃物業裝修 | 20% – 33%或較短租期 |
| 傢具及設備 | 20% – 33% |
| 汽車 | 20% – 25% |
| 電腦軟件 | 10% |

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。

在建工程指建設工程尚未完成之樓宇、廠房及機器及租賃物業裝修、傢具及設備，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(如有)轉撥至適當類別之物業、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，並於綜合收益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Impairment of non-financial assets

Assets that are subject to amortisation 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 reporting date.

2.10 Financial assets

2.10.1 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 if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and bills receivables, deposits and other receivables, amount due from associates and cash and bank balances in the consolidated balance sheet.

(c) Available-for-sale financial assets

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

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)

2.9 非金融資產之減值

倘事件或情況變動顯示賬面值或不可收回，須作攤銷之資產亦會作減值檢討。在資產賬面值高於可收回數額時須將差額確認為減值虧損。可收回數額即資產公允值減銷售成本與使用價值兩者當中之較高者。為評估減值，資產按獨立可識別現金流量之最低水平(現金產生單位)分類。商譽以外之非金融資產若出現減值，則須於各報告日期評估會否撥回減值。

2.10 金融資產

2.10.1 分類

本集團將其金融資產分類如下：按公允值透過損益記賬之金融資產、貸款及應收款項以及可供出售金融資產。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) 按公允值透過損益記賬之金融資產

按公允值透過損益記賬之金融資產指持作買賣之金融資產。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對沖，否則亦分類為持作交易性。倘預期於12個月內結算之資產分類為流動資產；否則，分類為非流動資產。

(b) 貸款及應收款項

貸款及應收款項為附帶固定或待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，惟到期日為結算日起計超過12個月後償還或預期會償還之款項，則歸類為非流動資產。本集團之貸款及應收款項包括綜合資產負債表所列之應收賬款及應收票據、按金及其他應收款項、應收聯營公司款項以及現金及銀行結餘。

(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個月內出售有關投資，否則列為非流動資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.10 Financial assets (Cont'd)

2.10 金融資產(續)

2.10.2 Recognition and measurement

2.10.2 確認與計量

Regular way of 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 consolidated 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.

常規購買及出售之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。對於並非按公允值透過損益記賬之所有金融資產，其投資初始按其公允值加交易成本確認。按公允值透過損益記賬之金融資產，初始按公允值確認，而交易成本則在綜合收益表支銷。當從投資收取現金流量之權利已到期或已轉讓，而本集團已實質上將所有權之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允值透過損益記賬之金融資產其後按公允值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

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 consolidated income statement within “other income and other gains/(losses) – net” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

來自「以公允值計量且其變動計入損益之金融資產」類別之公允值變動所產生之收益和虧損，列入產生期間綜合收益表內之「其他收入及其他收益／(虧損) – 淨額」中。來自以公允值計量且其變動計入損益之金融資產之股息收入，當本集團收取有關款項之權利確定時，在綜合收益表內確認為部分其他收益。

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

分類為可供出售之貨幣性及非貨幣性證券之公允值變動在其他全面收入中確認。

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as “other income and other gains/(losses) – net”.

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允值調整將列入綜合收益表「其他收入及其他收益／(虧損) – 淨額」。

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

可供出售證券利用實際利率法計算之利息在綜合收益表內確認為部分其他收益。至於可供出售權益工具之股息，當本集團收取有關款項之權利確定時，在綜合收益表內確認為部分其他收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.11 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.12 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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 carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.11 抵銷金融工具**

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。該法定可強制執行權利不得依賴未來事項而定。在一般業務過程中以及倘本集團或對手方出現違約、無償債能力或破產時，也必須具有法律約束力。

2.12 金融資產減值*(a) 以攤銷成本列賬之資產*

本集團於每個結算日評估是否存有客觀證據證明某項金融資產或某個金融資產組別出現減值。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(「虧損事項」)，而該宗(或該等)虧損事項對該項或該組金融資產之估計未來現金流量構成之影響可以合理估計，有關金融資產或金融資產組別才算出現減值及產生減值虧損。

減值虧損之證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量有可計量之減少，例如與違約有相互關連之拖欠情況或經濟狀況改變。

就貸款及應收款項種類而言，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(不包括仍未產生之未來信用損失)之現值兩者之差額計量。資產賬面價值予以削減，而損失金額則在綜合收益表確認。如貸款投資有浮動利率，計量任何減值虧損之折現率為按合約釐定之當前實際利率。在實際應用中，本集團可利用可觀察之市價，按工具之公允值計量減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2 編製基準與主要會計政策概要(續)****2.12 Impairment of financial assets (Cont'd)***(a) Assets carried at amortised cost (Cont'd)*

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 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 profit and loss. Impairment losses recognised in the income statement on equity instruments are not reversed through the consolidated income statement.

2.13 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

2.14 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 金融資產減值(續)*(a) 以攤銷成本列賬之資產(續)*

如在後繼期間，減值虧損之數額減少，而此減少可客觀地聯繫至確認減值後才發生之事件(例如債務人之信用評級有所改善)，則之前已確認之減值虧損可在綜合收益表轉回。

(b) 分類為可供出售資產

本集團在每個結算日評估是否有客觀證據證明某項金融資產或某個金融資產組別已經減值。至於分類為可供出售之權益投資，證券公允值大幅度或長期跌至低於其成本值，亦是資產已經減值之證據。若可供出售金融資產存在此等證據，累計虧損一按購買成本與當時公允值之差額，減該金融資產之前在損益確認之任何減值虧損計算一自權益中剔除並計入損益。在收益表確認之權益工具之減值虧損不會透過綜合收益表轉回。

2.13 衍生金融工具

衍生工具初始按於衍生工具合約訂立日之公允值確認，其後按其公允值重新計量。確認所產生之收益或虧損之方法取決於該衍生工具是否指定作套期工具，如指定為套期工具，則取決於其所套期項目之性質。

不符合採用對沖會計法入賬之衍生工具按公允值透過損益記賬。衍生工具之公允值任何變動，即時於綜合收益表中確認。

2.14 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

2.16 Cash and cash equivalents

In the consolidated statement of cash flows, 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. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.17 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.

When any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the company until the shares are cancelled or reissued.

2.18 Trade, bills and other payables

Trade, bills and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade, bills and other 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, bills and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)

2.15 應收賬款、應收票據及其他應收款項

應收賬款為在日常營運活動中就貨品銷售或提供服務而應收客戶之款項。如應收賬款及其他應收款項之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、應收票據及其他應收款項初步按公允值確認,其後則按實際利率法以攤銷成本扣除減值撥備計量。

2.16 現金及現金等值項目

在綜合現金流量表中,現金及現金等值項目包括手持現金、活期銀行存款、其他原到期日為三個月或以下的短期高流動性投資及銀行透支。在綜合資產負債表中,銀行透支列入流動負債之借貸內。

2.17 股本

股份分類為權益。直接歸屬於發行新股或購股權之新增成本在權益中列為所得款之減少(扣除稅項)。

如任何集團公司購入本公司之權益股本(庫存股),所支付之代價,包括任何直接所佔之新增成本(扣除所得稅),自歸屬於本公司權益持有者之權益中扣除,直至股份被註銷或重新發行為止。

2.18 應付賬款、應付票據及其他應付款項

應付賬款、應付票據及其他應付款項為在日常營運活動中購買貨品或服務而應支付之義務。如應付賬款、應付票據及其他應付款項之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、應付票據及其他應付款項初步按公允值確認,其後以實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.19 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 consolidated 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.

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated 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.

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 and associates and joint ventures 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 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 substantively 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.

2 編製基準與主要會計政策概要(續)**2.19 借貸**

借貸初步按公允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綜合收益表確認。

設立貸款融資時支付之費用倘部分或全部融資將會很可能提取，該費用確認為貸款之交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部分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之預付款，並按有關融資期間攤銷。

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。

2.20 即期及遞延所得稅

期內之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之項目相關者外，稅項在綜合收益表中確認。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。

即期所得稅費用根據本公司附屬公司與聯營公司及合營公司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之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報表之狀況，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實質已頒佈，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2 編製基準與主要會計政策概要(續)****2.20 Current and deferred income tax (Cont'd)**

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 taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except for deferred income tax liability 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. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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 tax 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.

2.21 Employee benefits*(a) Employee leave entitlements*

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

2.20 即期及遞延所得稅(續)

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、聯營公司及合營公司所產生之應課稅暫時差額作出撥備，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之遞延所得稅負債除外。一般而言，本集團無法控制聯營公司之暫時性差異之撥回，惟協議賦予本集團有能力控制未確認之暫時性差異之撥回時除外。

就附屬公司、聯營公司和合營安排中之投資產生之可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足之應課稅利潤抵銷可用之暫時性差異。

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有意向以淨額基準結算所得稅結餘之應課稅主體或不同應課稅主體徵收之所得稅時，則可將遞延所得稅資產與負債互相抵銷。

2.21 僱員福利*(a) 僱員假期福利*

僱員可享有之年假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之估計負債作出撥備。僱員可享有之病假及產假於休假時方予確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Employee benefits (Cont'd)

(b) Retirement benefits

The Group participates 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.

The schemes are generally funded through payments to state/trustee-administered funds. The Group pays contributions to publicly or privately administered funds 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.

(c) Share-based compensation

Equity-settled share-based payment transactions

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 (for example, an entity's share price);
- 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).

2 編製基準與主要會計政策概要(續)

2.21 僱員福利(續)

(b) 退休福利

本集團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時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。

計劃一般透過向國家／受託人管理之基金作出供款撥資。本集團按強制性、合約或自願基準向公共或私人管理退休計劃作出供款。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之情況下確認為資產。

(c) 股份酬金

以權益結算以股份為基礎之交易

本集團實行以權益結算以股份為基礎之酬金計劃，根據該計劃，以本集團之權益工具（購股權）作為實體取得僱員服務之代價。授出購股權所相應獲得之僱員服務公允值確認為開支。列為開支之總額乃參考已授購股權之公允值釐定：

- 包括任何市場表現條件（例如實體股份價格）；
- 不包括任何服務和非市場表現歸屬條件（例如盈利能力、銷售增長目標和職工在某特定時期內留任實體）之影響；及
- 包括非歸屬條件影響（例如要求僱員儲蓄）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Employee benefits (Cont'd)

(c) Share-based compensation (Cont'd)

Equity-settled share-based payment transactions (Cont'd)

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 to original estimates, if any, in the income statements, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Share-based payment transactions among group entities

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 to 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 in the parent equity accounts.

(d) 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.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)

2.21 僱員福利(續)

(c) 股份酬金(續)

以權益結算以股份為基礎之交易(續)

非市場歸屬條件包括在預期歸屬購股權數目之假設。支銷之總金額於歸屬期間確認，歸屬期間為達成所有特定歸屬條件之期間。於各結算日，本集團根據非市場歸屬條件修訂預期歸屬購股權數目之估計。本集團會於收益表確認修訂原來估計(如有)之影響，並相應調整股本。

於購股權獲行使時，本公司會發行新股。扣除任何直接應佔交易成本所收取之所得款項計入股本(面值)及股份溢價。

集團內以股份為基礎之交易

本公司向本集團附屬公司之職工授予其權益工具之購股權，被視為附屬公司資本投入。收取職工服務之公允值，參考授出日之公允值計量，並在歸屬期內確認，作為對附屬公司投資之增加，並相應對母公司權益賬戶之權益貸記。

(d) 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 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.

2.23 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 when 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 a Group's entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

(b) *Sub-contracting income*

Sub-contracting income is recognised when the services are rendered.

(c) *Handling income*

Handling income is recognised when the services are rendered.

(d) *Rental income*

Rental income under operating leases is recognised on a straight-line basis over the lease periods.

2 編製基準與主要會計政策概要(續)

2.22 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之機會不大，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。

2.23 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允值，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*

銷售貨品於本集團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。

(b) *分包收入*

分包收入於提供服務時確認。

(c) *處理收入*

處理收入於提供服務時確認。

(d) *租金收入*

經營租約之租金收入乃按租約期間以直線法來確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Revenue recognition (Cont'd)

(e) *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.

(f) *Dividend income*

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

2.24 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

2.25 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 consolidated 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.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)

2.23 收入確認(續)

(e) *利息收入*

利息收入採用實際利率法確認。倘貸款及應收款項出現減值，本集團會將賬面值減至可收回款額，即估計之未來現金流量按該工具之原實際利率折現值，並繼續將折現計算並確認為利息收入。已減值貸款及應收款項之利息收入採用原實際利率確認。

(f) *股息收入*

股息收入在收取款項之權利確定時確認。

2.24 政府補貼

當能夠合理地保證政府補貼將可收取，而本集團將會符合所有附帶條件時，將政府提供之補助按其公允值確認入賬。

與成本有關之政府補貼遞延入賬，並配合按擬補償之成本所需期間計入綜合收益表中。

與購買物業、廠房及設備有關之政府補貼列入非流動負債作為遞延政府補貼，並按有關資產之預計年期以直線法在綜合收益表列賬。

2.25 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項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，惟會於綜合財務報表內披露。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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.26 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated 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 focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

*(a) Market risk**(i) Foreign exchange risk*

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars ("US\$"), Renminbi ("RMB") and Vietnamese Dongs ("VND"). The Group manages its foreign exchange risks by performing regular review and monitoring its foreign exchange exposure. The Group hedges against certain of its exposure to reduce the risk involved as appropriate.

The Group mainly operates in Hong Kong, the PRC, Macau and Vietnam. Except for certain cash and bank balances and certain inter-company receivables denominated in foreign currencies, transactions are mainly conducted in the functional currency of the respective group entity. The foreign currency risk arising from recognised assets and liabilities is considered by the Directors to be minimal.

The Group uses forward currency contracts to hedge foreign exchange risk. These forward currency contracts do not qualify for hedge accounting and are accounted for at fair value through profit or loss.

2 編製基準與主要會計政策概要(續)**2.26 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,在本集團之綜合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、現金流量及公允價值利率風險)、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。

*(a) 市場風險**(i) 外匯風險*

本集團涉及多種貨幣之外匯風險,主要為美元(「美元」)、人民幣(「人民幣」)及越南盾(「越南盾」)。本集團透過定期審閱和不斷監察所承受外匯風險而管理其外匯風險。本集團對沖若干外匯風險以減低所涉及之風險(如適用)。

本集團主要於香港、中國、澳門及越南營運。除了若干現金及銀行結餘與若干內部公司應收款項以外幣計算,交易主要以各集團實體之功能貨幣進行。董事認為已確認資產與負債所產生之外幣風險極小。

本集團採用遠期貨幣合約對沖外匯風險。該等遠期貨幣合約不符合採用對沖會計法入賬,而按公允價值透過損益記賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign exchange risk (Cont'd)

The table below illustrates the sensitivity as at the end of the reporting period to a reasonably possible change in the HK\$/US\$/RMB/VND exchange rate, with all other variables held constant, to the profit for the year ended 31 March 2016, mainly as a result of net foreign exchange impact on translation of cash and bank balance denominated in these foreign currencies.

| | | Change in exchange rate 匯率變動 | Impact on post-tax profit 除稅後溢利之影響 HK\$'000 千港元 |
|---|--------------|------------------------------------|---|
| 2016 | 2016年 | | |
| If US\$ strengthens/weakens against RMB | 倘美元對人民幣升值/貶值 | +1%/-1% | 174 higher/lower 增加/減少174 |
| If US\$ strengthens/weakens against VND | 倘美元對越南盾升值/貶值 | +1%/-1% | 178 higher/lower 增加/減少178 |
| If RMB strengthens/weakens against HK\$ | 倘人民幣對港元升值/貶值 | +1%/-1% | 405 higher/lower 增加/減少405 |
| 2015 | 2015年 | | |
| If US\$ strengthens/weakens against RMB | 倘美元對人民幣升值/貶值 | +1%/-1% | 38 higher/lower 增加/減少38 |
| If US\$ strengthens/weakens against VND | 倘美元對越南盾升值/貶值 | +1%/-1% | 2,248 higher/lower 增加/減少2,248 |
| If RMB strengthens/weakens against HK\$ | 倘人民幣對港元升值/貶值 | +1%/-1% | 1,963 higher/lower 增加/減少1,963 |

(ii) Cash flow and fair value interest rate risk

Except for bank deposits and bank loans, details of which are disclosed in Note 16 and Note 19 respectively, the Group has no other significant interest-bearing assets or liabilities.

The Group's bank deposits and bank loans are subject to variable rates which expose the Group to cash flow interest rate risk. The Group manages its interest rate risk by performing regular reviews and continually monitoring its interest rate exposures. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

If the market interest rates for short-term bank deposits and bank loans had been 50 basis points (2015: 50 basis points) higher/lower with all other variables held constant, the Group's profit for the year ended 31 March 2016 would have been approximately HK\$976,000 (2015: HK\$968,000) higher/lower.

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)

下表闡釋於報告期末的港元/美元/人民幣/越南盾匯率的合理可能變動(其他所有變量保持不變)對截至2016年3月31日止年度溢利的敏感度分析,主要因換算以該等外幣計值的現金及銀行結餘的外匯影響淨值而產生。

(ii) 現金流量及公允值利率風險

除銀行存款及銀行貸款(其詳情分別載列於附註16及附註19)外,本集團並無其他重大計息資產或負債。

本集團之銀行存款及銀行貸款按浮動利率計息,此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。

倘短期銀行存款及銀行貸款之市場利率上升/下降50基點(2015年:50基點),而其他可變因數維持不變,本集團截至2016年3月31日止年度溢利將增加/減少約976,000港元(2015年:968,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) *Credit risk*

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

Substantially all the cash and bank balances, as detailed in Note 16, are held in major financial institutions located in Hong Kong, the PRC, Macau and Vietnam; all derivative financial instruments are also entered into with major financial institutions, which management believes are of high credit quality. 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 appropriate credit histories and the Group performs periodic credit evaluations of its customers. Credit quality of customers is assessed based on their financial position, past default history 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 generally 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 adequate committed credit facilities.

The Group's primary cash requirements are for additions and upgrades to property, plant and equipment, purchases of land, capital injections into subsidiaries, and payments for purchases and operating expenses. The Group finances its working capital requirements through funds generated from its operations, bank loans and other borrowings.

The Group's policy is to monitor current and expected liquidity requirements regularly 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*

信貸風險來自應收賬款及票據、存款與其他應收賬款、衍生金融工具及現金及銀行結餘。

誠如附註16所詳列，幾乎所有現金及銀行結餘存放於香港、中國、澳門及越南之主要金融機構；所有衍生金融工具均由管理層認為屬高信貸質素之主要金融機構訂立。管理層預期不會出現任何因該等金融機構不履約而產生之虧損。

本集團亦有政策確保銷售予有良好信貸記錄之客戶，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、過往拖欠記錄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。本集團過往未收回之應收賬款及其他應收款並沒有超出已計提之壞賬準備金額，並且董事認為財務報表中就不可收回之應收款項已計提足夠之壞賬準備。

(c) *流動性風險*

審慎之流動性風險管理，意味著維持充足之現金並通過充足之信貸額度獲得資金。

本集團之現金需求主要用於添置及更新物業、廠房及設備、土地購買、附屬公司注資、以及支付採購費用及營運開支。本集團通過營運產生之資金、銀行貸款及其他借款以撥付營運資金需求。

本集團之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之現金及現金等值項目及通過充足之信貸額度獲得資金，以滿足營運資金需求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet date to the contractual maturity date. This has not included borrowing from non-controlling interest of a subsidiary of HK\$144,409,000 which is considered as quasi equity. The amounts disclosed in the tables are the contractual undiscounted cash flows.

| | | 2016 2016年 Within 1 year 一年內 HK\$'000 千港元 | 2015 2015年 Within 1 year 一年內 HK\$'000 千港元 |
|---------------------------------|--------------|--|--|
| Bank loans and interest thereon | 銀行貸款及因此產生之利息 | 686,473 | 989,175 |
| Trade and bills payables | 應付賬款及票據 | 783,353 | 746,932 |
| Accruals and other payables | 應計項目及其他應付款項 | 360,338 | 305,838 |
| Amount due to an associate | 應付聯營公司款項 | 2,479 | 4,574 |
| | | 1,832,643 | 2,046,519 |

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 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

下表為按相關到期組別列示本集團結算日至合約到期日之剩餘期間之以毛額基準結算之衍生金融工具之分析。於表中披露之金額為合約性未折算現金流量。

| | | 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 year 3個月 至1年 HK\$'000 千港元 | Over 1 year 1年以上 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-----------------------------|---------------------|---|--|--|---|--------------------------------|
| At 31 March 2016: | 於2016年3月31日： | | | | | |
| Forward currency contracts: | 遠期貨幣合約： | | | | | |
| Inflow | 流入 | - | 238,313 | 38,286 | - | 276,599 |
| Outflow | 流出 | - | 215,070 | 38,768 | - | 253,838 |
| At 31 March 2015: | 於2015年3月31日： | | | | | |
| Forward currency contracts: | 遠期貨幣合約： | | | | | |
| Inflow | 流入 | - | 78,919 | 634,975 | - | 713,894 |
| Outflow | 流出 | - | (77,535) | (620,280) | - | (697,815) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

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, draw down or repay debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total interest bearing debt divided by total capital. Total interest bearing debt includes bank borrowings and bills payable as shown in the consolidated balance sheet, and total capital is the amount of "equity" as shown in the consolidated balance sheet. The gearing ratios were as follows:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|-----------------------------|--------|----------------------------------|----------------------------------|
| Bank loans | 銀行貸款 | 686,473 | 987,911 |
| Bills payables | 應付票據 | 23,104 | 46,187 |
| Total interest bearing debt | 計息債務總額 | 709,577 | 1,034,098 |
| Total capital | 資本總額 | 3,351,932 | 3,494,409 |
| Gearing ratio | 資本負債比率 | 21.2% | 29.6% |

The gearing ratio decreased as the Group repaid certain bank borrowing during the current year.

3 財務風險管理(續)

3.2 資金風險管理

本集團之資金管理目標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的利益，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、提取或償還債務。

與其他同業相同，本集團以資本負債比率監察資本。此比率按照計息債務總額除以資本總額計算。計息債務總額包括綜合資產負債表所列之銀行借貸及應付票據以及資本總額為綜合資產負債表所列之「權益」。資本負債比率如下：

由於本集團於本年內償還若干銀行借款，因此資本負債比率下降。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2016, by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- 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).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2016.

| | | 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 | | | | |
| Available-for-sale financial assets (Note 11) | 可供出售金融資產 (附註11) | | | | |
| – Club debentures | – 會籍債券 | – | 1,741 | – | 1,741 |
| | | – | 1,741 | – | 1,741 |
| Liabilities | 負債 | | | | |
| Derivative financial instruments (Note 15) | 衍生金融工具 (附註15) | – | (3,704) | – | (3,704) |

綜合財務報表附註 (續)

3 財務風險管理 (續)

3.3 公允價值估計

下表載列按計量公允價值所用估值技術輸入值等級分析本集團於2016年3月31日以公允價值列賬之金融工具。輸入值按以下三個公允價值層級分類：

- 相同資產或負債在活躍市場之報價 (未經調整) (第1層)。
- 除了第1層所包括之報價外，該資產或負債之可觀察之其他輸入，可為直接 (即例如價格) 或間接 (即源自價格) (第2層)。
- 資產或負債並非依據可觀察市場數據之輸入 (即非可觀察輸入) (第3層)。

下表列示本集團於2016年3月31日按公允價值計量之資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3 財務風險管理(續)

3.3 Fair value estimation (Cont'd)

3.3 公允價值估計(續)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2015.

下表列示本集團於2015年3月31日按公允價值計量之資產及負債。

| | | 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 15) | 衍生金融工具(附註15) | – | 2,639 | – | 2,639 |
| Available-for-sale financial assets (Note 11) | 可供出售金融資產(附註11) | | | | |
| – Equity securities | – 權益證券 | 86 | – | – | 86 |
| – Club debentures | – 會籍債券 | – | 1,741 | – | 1,741 |
| | | 86 | 4,380 | – | 4,466 |
| Liabilities | 負債 | | | | |
| Derivative financial instruments (Note 15) | 衍生金融工具(附註15) | – | (2,349) | – | (2,349) |

There were no transfers between levels during the years ended 31 March 2016 and 2015.

截至2016年及2015年3月31日止年度各層級之間並無轉撥。

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing bid price. These instruments are included in level 1.

在活躍市場買賣的金融工具的公允價值根據結算日的市場報價列賬。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管代理獲得，而該等報價代表按公平交易基準進行的實際和常規市場交易時，該市場被視為活躍。本集團持有的金融資產的市場報價為收市買方報價。此等工具包括在第1層。

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

沒有在活躍市場買賣的金融工具(例如場外衍生工具)的公允價值利用估值技術釐定。估值技術儘量利用可觀察市場數據(如有)，儘量少依賴主體的特定估計。如計算一金融工具的公允價值所需的所有重大輸入為可觀察數據，則該金融工具列入第2層。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Fair value estimation (Cont'd)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

3.4 Offsetting financial assets and financial liabilities

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangement and similar agreements.

綜合財務報表附註(續)

3 財務風險管理(續)

3.3 公允價值估計(續)

如一項或多項重大輸入並非根據可觀察市場數據，則該金融工具列入第3層。

用以估值金融工具的特定估值技術包括：

- 同類型工具的市場報價或交易商報價。
- 遠期外匯合約的公允價值利用結算日的遠期匯率釐定，而所得價值折算至現值。

3.4 抵銷金融資產和金融負債

(a) 金融資產

下列金融資產受抵銷、可執行總互抵安排和類似協議的規限。

| | | Gross amounts of recognised financial assets | Related amounts of recognised financial liabilities not set off in the balance sheet 並未在 資產負債表 抵銷的已確認 金融負債 相關金額 | Net amounts |
|-----------------------------|---------------------|--|---|-----------------------|
| | | 已確認 金融資產總額 HK\$'000 千港元 | 金融負債 相關金額 HK\$'000 千港元 | 淨額 HK\$'000 千港元 |
| At 31 March 2016: | 於2016年3月31日： | | | |
| Derivative financial assets | 衍生金融資產 | - | - | - |
| At 31 March 2015: | 於2015年3月31日： | | | |
| Derivative financial assets | 衍生金融資產 | 2,639 | (2,349) | 290 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3 財務風險管理(續)

3.4 Offsetting financial assets and financial liabilities (Cont'd)

3.4 抵銷金融資產和金融負債(續)

(b) Financial liabilities

(b) 金融負債

The following financial liabilities are subject to offsetting, enforceable master netting arrangement and similar agreements.

下列金融負債受抵銷、可執行總互抵安排和類似協議的規限。

| | | Gross amounts of recognised financial liabilities | Related amounts of recognised financial assets not set off in the balance sheet 並未在 資產負債表 抵銷的已確認 金融資產 相關金額 | Net amounts |
|----------------------------------|---------------------|--|---|-----------------------|
| | | 已確認 金融負債總額 HK\$'000 千港元 | 金融資產 相關金額 HK\$'000 千港元 | 淨額 HK\$'000 千港元 |
| At 31 March 2016: | 於2016年3月31日： | | | |
| Derivative financial liabilities | 衍生金融負債 | - | - | - |
| At 31 March 2015: | 於2015年3月31日： | | | |
| Derivative financial liabilities | 衍生金融負債 | 2,349 | (2,349) | - |

For the financial assets and liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party on the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

對於受可執行總互抵安排或類似協議所規限的金融資產和負債，本集團與對手方之間的每份協議均容許在雙方均選擇按淨額基準結算的情況下，將相關的金融資產和負債作淨結算。如沒有此選擇方案，則金融資產和負債將按總額基準結算，但總淨額協議或類似協議的各方必須有權當另一方違約時，選擇將所有金額以淨額結算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Impairment or reversal of impairment of interests in associates

Management regularly reviews the recoverability of the Group's interests in associates, in particular when they consider objective evidence of impairment exists, such as a significant or prolonged decline in the fair value of the interests in associates, significant adverse changes in the market environment, and the fair value of the assets held by the associates. Appropriate impairment for estimated irrecoverable amounts is recognised in the income statement when there is objective evidence that the asset is impaired.

In determining the recoverable amount of an interest in associates, management has considered both the value in use and fair value less cost to disposal. In determining value-in-use, an entity estimates either: (a) its share of the present value of the estimated future cash flows expected to be generated by the associates and proceeds on disposal, or (b) the present value of estimated future cash flows expected to arise from dividends to be received and proceeds on disposal. Any impairment loss is recognised by writing down the interests in associates. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

(b) Income taxes, deferred taxes and other taxes

The Group is subject to income taxes in the jurisdictions where its subsidiaries operate. Significant judgement is required in determining provisions 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.

The Group is also exposed to other taxes and duties. Significant judgement is required in determining these provisions. Where the final outcomes of these matters differ from the actual results, such difference will impact the provisions made and the earnings stated in the income statement.

綜合財務報表附註(續)

4 重大會計估計及判斷

估計及判斷會定期評估，並根據過往經驗及其他因素作出，包括於有關情況下相信為合理之日後事項預測。

本集團作出有關日後之估計及假設。作出之會計估計顧名思義地甚少與相關實際結果相同。存有重大風險或會導致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) 聯營公司之權益減值或減值撥回

管理層定期檢討本集團於聯營公司之權益的可收回程度，彼等尤其會考慮減值的客觀證據，如於聯營公司之權益之公允值顯著或長期下降、市場環境之重大不利變動及聯營公司持有的資產的公允值。當有客觀證據證明資產出現減值時，則於收益表內確認估計不可收回金額之適當減值。

在釐定於聯營公司之權益的可收回金額時，管理層已考慮使用價值與公允值減出售成本。在釐定使用價值時，實體估計：(a)其應佔聯營公司之預期將產生之估計未來現金流量之現值及出售所得款項，或(b)將收取之股息預期將產生之估計未來現金流量之現值及出售所得款項。任何減值虧損將透過撇減於聯營公司之權益予以確認。確認之減值虧損撥回以該項投資其後所增加之可收回金額為限。

(b) 所得稅、遞延稅項及其他稅項

本集團須在其附屬公司營運所在司法權區繳納所得稅。於釐定所得稅撥備時須作出重大判斷。有若干交易及計算無法確定最終稅款。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及負債。

本集團還須繳納其他稅項與關稅。於釐定該等撥備時須作出重大判斷。倘該等事宜的最終稅務結果有異於實際結果，則有關差額將會影響有關撥備和於收益表上之盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(c) Deferred tax in respect of withholding tax on unremitted earnings of subsidiaries

The amount of deferred tax liability established in respect of withholding tax on unremitted earnings of subsidiaries may vary. The amount and timing of the deferred tax liability provided depends on management's future plan and intention to re-invest the unremitted earnings in the subsidiaries or to use the earnings for other purposes. The Group may change the plan on remitting the earnings of subsidiaries based on the cashflow needs and future development of the Group.

(d) Provision for impairment of trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the financial position, repayment history and credit rating 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) 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.

(f) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. These estimates are 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. Periodic review could result in a change in depreciable lives and therefore depreciation expense in the future periods.

4 重大會計估計及判斷(續)

(c) 有關附屬公司未匯出盈利預扣稅之遞延稅項

就附屬公司未匯出盈利預扣稅確立之遞延稅項負債金額可能出現變動。所作出之遞延稅項負債金額及時間取決於管理層之未來計劃及將未匯出盈利重新投資予附屬公司或將盈利用於其他用途之意願。本集團可基於現金流需求及本集團之未來發展改變匯出附屬公司盈利之計劃。

(d) 應收賬款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款人之財務狀況、還款記錄和信貸評級以及當前市況作出，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) 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。

(f) 物業、廠房及設備之可使用年期

本集團管理層釐定物業、廠房及設備之估計可使用年期及相關折舊支出。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，並撤銷或撇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。定期作出之檢討可能導致可折舊年期出現變動，因而導致日後折舊開支有變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(g) 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 the higher of value-in-use calculations or fair values less cost to disposal. These calculations require the use of judgements and estimates.

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 assets 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.

5 SEGMENT INFORMATION

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company collectively, who review the Group's internal reporting in order to assess performance and allocate resources.

As all of the Group's business operations relate to the manufacturing and trading of textile products with similar economic characteristics, the executive directors review the performance of the Group as a single segment, which covers operations conducted by subsidiaries in Hong Kong, Macau, the PRC and Vietnam and associates in the PRC and Sri Lanka. The executive directors review resources allocation and assess performance of the Group on a regular basis based on the following financial information:

綜合財務報表附註(續)

4 重大會計估計及判斷(續)

(g) 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公允價值減出售成本之較高者釐定。此等計算需要作出判斷及估計。

管理層須就資產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，可收回金額為公允價值減出售成本，或估計於業務中持續使用該資產可產生之日後現金流量淨現值之較高者；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。

5 分部資料

首席經營決策者已被確認為本公司執行董事，彼審閱本集團之內部呈報，以評估表現並分配資源。

由於本集團之業務與製造及買賣紡織品有關，具有類似的經濟特性，因此執行董事按照單一分部審閱本集團之表現，包括於香港、澳門、中國與越南的附屬公司以及於中國與斯里蘭卡的聯營公司所經營的業務。執行董事亦基於以下財務資料，定期審閱本集團的資源分配及進行表現評估：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

5 SEGMENT INFORMATION (Cont'd)

5 分部資料(續)

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|----------------------------|----------------------------------|----------------------------------|
| Revenue | 收入 | 6,927,614 | 6,906,883 |
| Gross profit | 毛利 | 1,302,504 | 1,177,906 |
| Gross profit margin (%) | 毛利率(%) | 18.8% | 17.1% |
| Operating expenses | 經營開支 | 223,799 | 176,144 |
| Operating expenses/Revenue (%) | 經營開支 / 收入(%) | 3.2% | 2.6% |
| EBITDA (Note (i)) | 利息、稅項、折舊及攤銷前溢利 (附註(i)) | 1,445,075 | 1,358,567 |
| EBITDA/Revenue (%) | 利息、稅項、折舊及攤銷前 溢利 / 收入(%) | 20.9% | 19.7% |
| Finance income | 財務收入 | 22,544 | 19,532 |
| Finance costs | 財務成本 | 18,200 | 6,960 |
| Depreciation and amortisation (included in cost of sales and operating expenses) | 折舊與攤銷(計入銷售成本及 經營開支) | 154,530 | 151,436 |
| Share of profits of associates | 分佔聯營公司溢利 | 36,311 | 34,213 |
| Reversal of provision for impairment loss on interest in an associate | 於一間聯營公司之 權益減值虧損撥備撥回 | 39,900 | 33,200 |
| Gain on disposal of certain interest in an associate | 出售聯營公司若干權益之收益 | 54,941 | - |
| Share of losses of joint ventures | 分佔合營公司虧損 | - | 384 |
| Gain on disposal of interests in joint ventures | 出售合營公司權益所得收益 | - | 29,265 |
| Income tax expense | 所得稅開支 | 172,194 | 150,037 |
| Profit attributable to equity holders of the Company | 本公司權益持有人應佔溢利 | 1,125,530 | 1,074,785 |
| Net profit margin (%) | 純利率(%) | 16.2% | 15.6% |
| Total assets | 資產總值 | 5,431,444 | 5,727,165 |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔權益 | 3,360,099 | 3,496,715 |
| Cash and bank balances | 現金與銀行結餘 | 1,452,483 | 2,025,419 |
| Borrowings | 借貸 | 830,882 | 1,132,320 |
| Inventories | 存貨 | 1,016,105 | 965,542 |
| Inventory turnover days (Note (ii)) | 存貨週轉日數(附註(ii)) | 64 | 67 |
| Trade and bills receivables | 應收賬款及票據 | 935,217 | 800,188 |
| Trade and bills receivables turnover days (Note (ii)) | 應收賬款及票據週轉日數(附註(ii)) | 46 | 43 |
| Trade and bills payables | 應付賬款及票據 | 783,353 | 746,932 |
| Trade and bills payables turnover days (Note (ii)) | 應付賬款及票據週轉日數(附註(ii)) | 50 | 50 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

5 SEGMENT INFORMATION (Cont'd)

Notes:

- (i) EBITDA is defined as profit for the year before finance income, finance costs, income tax expense, depreciation and amortisation.
- (ii) The turnover days are calculated based on the simple average of the beginning of the year and the end of the year balances.

The Group's revenue represents sales of goods. An analysis of revenue by geographical location, as determined by the destination where the products were delivered, is as follows:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|----------------------------------|----------------|----------------------------------|----------------------------------|
| PRC | 中國 | 1,983,634 | 2,616,839 |
| Vietnam | 越南 | 1,642,865 | 1,211,203 |
| Hong Kong | 香港 | 798,196 | 629,147 |
| America | 美洲 | 715,348 | 614,268 |
| Other South East Asia (Note (i)) | 其它東南亞國家(附註(i)) | 666,141 | 731,712 |
| Sri Lanka | 斯里蘭卡 | 486,213 | 582,554 |
| India | 印度 | 111,231 | 100,052 |
| Haiti | 海地 | 101,108 | 120,022 |
| Africa | 非洲 | 77,291 | 100,879 |
| Others | 其他 | 345,587 | 200,207 |
| | | 6,927,614 | 6,906,883 |

Note:

- (i) Other South East Asia mainly includes Indonesia, Cambodia and Thailand.

The top customer accounted for approximately 40% (2015: 35%) of the Group's revenue; all other customers individually accounted for less than 10% of the Group's revenue.

5 分部資料(續)

附註:

- (i) 利息、稅項、折舊及攤銷前溢利被定義為未計財務收入、財務成本、所得稅開支、折舊和攤銷前溢利。
- (ii) 週轉日數乃根據年初與年終結餘之簡單平均數計算。

本集團的收入指貨品銷售額。按地區劃分之收入以產品交付之目的地方分類如下:

附註:

- (i) 其他東南亞國家主要包括印尼、柬埔寨及泰國。

最大客戶佔本集團收入約40%(2015年: 35%)，所有其他客戶各自佔本集團收入均低於10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

5 SEGMENT INFORMATION (Cont'd)

The Group's non-current assets are located in the following geographical areas:

5 分部資料(續)

本集團之非流動資產位於以下地區：

| | | Group 本集團 | |
|-----------|------|----------------------------------|----------------------------------|
| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
| PRC | 中國 | 1,441,326 | 1,295,745 |
| Hong Kong | 香港 | 81,766 | 75,240 |
| Vietnam | 越南 | 245,554 | 196,418 |
| Sri Lanka | 斯里蘭卡 | 117,882 | 192,686 |
| Others | 其他 | 70 | 98 |
| | | 1,886,598 | 1,760,187 |

6 LAND USE RIGHTS

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

6 土地使用權

本集團於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：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|----------------------------------|--------|----------------------------------|----------------------------------|
| At 1 April | 於4月1日 | 52,648 | 53,930 |
| Currency translation differences | 外幣換算差額 | (2,187) | 4 |
| Amortisation | 攤銷 | (1,328) | (1,286) |
| At 31 March | 於3月31日 | 49,133 | 52,648 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、廠房及設備

| | | Leasehold land | Buildings | Plant and machinery | Leasehold improvements, furniture and equipment 租賃物業 裝修、 傢具及設備 | Motor vehicles | Computer Software | Construction in progress | Total |
|----------------------------------|------------------------|-------------------------|-----------------------|--------------------------|--|-----------------------|-------------------------|-----------------------------|-----------------------|
| | | 租賃土地 HK\$'000 千港元 | 樓宇 HK\$'000 千港元 | 廠房及機器 HK\$'000 千港元 | 傢具及設備 HK\$'000 千港元 | 汽車 HK\$'000 千港元 | 電腦軟件 HK\$'000 千港元 | 在建工程 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 April 2014 | 於2014年4月1日 | | | | | | | | |
| Cost | 成本 | 4,260 | 1,098,622 | 2,181,567 | 196,100 | 28,140 | 54,237 | 76,943 | 3,639,869 |
| Accumulated depreciation | 累計折舊 | (1,049) | (280,108) | (1,991,300) | (166,386) | (17,938) | - | - | (2,456,781) |
| Net book amount | 賬面淨值 | 3,211 | 818,514 | 190,267 | 29,714 | 10,202 | 54,237 | 76,943 | 1,183,088 |
| Year ended 31 March 2015 | 截至2015年3月31日止年度 | | | | | | | | |
| Opening net book amount | 年初賬面淨值 | 3,211 | 818,514 | 190,267 | 29,714 | 10,202 | 54,237 | 76,943 | 1,183,088 |
| Currency translation differences | 外幣換算差額 | - | 160 | 223 | (18) | (12) | - | (416) | (63) |
| Additions | 添置 | - | - | 35,733 | 33,973 | 8,155 | 10,591 | 294,169 | 382,621 |
| Disposals and write-off | 出售與撇銷 | - | (1,657) | (1,214) | (1,081) | (375) | - | - | (4,327) |
| Depreciation | 折舊 | (96) | (45,068) | (85,005) | (16,299) | (3,682) | - | - | (150,150) |
| Transfers | 轉撥 | - | 36,395 | 44,604 | 20,561 | - | - | (101,560) | - |
| Closing net book amount | 年終賬面淨值 | 3,115 | 808,344 | 184,608 | 66,850 | 14,288 | 64,828 | 269,136 | 1,411,169 |
| At 31 March 2015 | 於2015年3月31日 | | | | | | | | |
| Cost | 成本 | 4,260 | 1,132,275 | 2,187,196 | 235,866 | 35,186 | 64,828 | 269,136 | 3,928,747 |
| Accumulated depreciation | 累計折舊 | (1,145) | (323,931) | (2,002,588) | (169,016) | (20,898) | - | - | (2,517,578) |
| Net book amount | 賬面淨值 | 3,115 | 808,344 | 184,608 | 66,850 | 14,288 | 64,828 | 269,136 | 1,411,169 |
| Year ended 31 March 2016 | 截至2016年3月31日止年度 | | | | | | | | |
| Opening net book amount | 年初賬面淨值 | 3,115 | 808,344 | 184,608 | 66,850 | 14,288 | 64,828 | 269,136 | 1,411,169 |
| Currency translation differences | 外幣換算差額 | - | (33,009) | (12,026) | (2,645) | (377) | (476) | (11,164) | (59,697) |
| Additions | 添置 | - | 1,595 | 27,704 | 16,690 | 5,475 | 14,307 | 271,200 | 336,971 |
| Disposals and write-off | 出售與撇銷 | - | (7,765) | (13,457) | (1,586) | (1,285) | - | - | (24,093) |
| Depreciation | 折舊 | (97) | (49,859) | (67,871) | (26,890) | (4,471) | (4,014) | - | (153,202) |
| Transfers | 轉撥 | - | 100,028 | 260,534 | 59,712 | - | - | (420,274) | - |
| Closing net book amount | 年終賬面淨值 | 3,018 | 819,334 | 379,492 | 112,131 | 13,630 | 74,645 | 108,898 | 1,511,148 |
| At 31 March 2016 | 於2016年3月31日 | | | | | | | | |
| Cost | 成本 | 4,260 | 1,172,221 | 2,323,785 | 288,178 | 36,907 | 78,614 | 108,898 | 4,012,863 |
| Accumulated depreciation | 累計折舊 | (1,242) | (352,887) | (1,944,293) | (176,047) | (23,277) | (3,969) | - | (2,501,715) |
| Net book amount | 賬面淨值 | 3,018 | 819,334 | 379,492 | 112,131 | 13,630 | 74,645 | 108,898 | 1,511,148 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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

7 物業、廠房及設備(續)

於綜合收益表內確認之折舊開支分析如下：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|-------------------------------------|---------|----------------------------------|----------------------------------|
| Cost of sales | 銷售成本 | 146,343 | 146,868 |
| General and administrative expenses | 一般及行政開支 | 6,859 | 3,282 |
| | | 153,202 | 150,150 |

8 SUBSIDIARIES

The following is a list of the subsidiaries at 31 March 2016 and 2015:

8 附屬公司

下表列示於2016年及2015年3月31日之附屬公司：

| Name of subsidiaries 附屬公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及法人實體類型 | Particulars of issued share capital 已發行股本詳情 | Equity interest attributable to the Group 本集團應佔股本權益 | | Equity interest attributable to non-controlling interests 非控制性權益應佔股本權益 | | Principal activities and place of operation 主要業務及營業地點 |
|--------------------------------|--|--|--|---------------|---|---------------|--|
| | | | 2016 2016年 | 2015 2015年 | 2016 2016年 | 2015 2015年 | |

Shares held directly by the Company:

本公司直接持有股份：

| | | | | | | | |
|---|--|--------------|------|------|---|---|---|
| Pacific Textured Jersey Holdings Ltd. | British Virgin Islands, limited liability company 英屬處女群島，有限責任公司 | HK\$1 1港元 | 100% | 100% | - | - | Investment holding, British Virgin Islands 投資控股，英屬處女群島 |
| Pacific Textiles Overseas Holdings Ltd. | British Virgin Islands, limited liability company 英屬處女群島，有限責任公司 | HK\$1 1港元 | 100% | 100% | - | - | Investment holding, British Virgin Islands 投資控股，英屬處女群島 |
| Pacific HK & China Holdings Ltd. | British Virgin Islands, limited liability company 英屬處女群島，有限責任公司 | HK\$1 1港元 | 100% | 100% | - | - | Investment holding, British Virgin Islands 投資控股，英屬處女群島 |
| Pacific SPM Holdings Ltd. | British Virgin Islands, limited liability company 英屬處女群島，有限責任公司 | HK\$1 1港元 | 100% | 100% | - | - | Investment holding, British Virgin Islands 投資控股，英屬處女群島 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

8 SUBSIDIARIES (Cont'd)

The following is a list of the subsidiaries at 31 March 2016 and 2015: (Cont'd)

8 附屬公司(續)

下表列示於2016年及2015年3月31日之附屬公司:(續)

| Name of subsidiaries 附屬公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及法人實體類型 | Particulars of issued share capital 已發行股本詳情 | Equity interest attributable to the Group 本集團應佔股本權益 | | Equity interest attributable to non-controlling interests 非控制性權益應佔股本權益 | | Principal activities and place of operation 主要業務及營業地點 |
|--------------------------------|--|--|--|---------------|---|---------------|--|
| | | | 2016 2016年 | 2015 2015年 | 2016 2016年 | 2015 2015年 | |

Shares held directly by the Company:

本公司直接持有股份:

| | | | | | | | |
|-----------------------------------|---|----------------------|------|------|---|---|--|
| Solid Ally International Ltd. | British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | HK\$1 1港元 | 100% | 100% | - | - | Investment holding, British Virgin Islands 投資控股, 英屬處女群島 |
| Lehan Resources Ltd. | British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | HK\$1 1港元 | 100% | 100% | - | - | Investment holding, British Virgin Islands 投資控股, 英屬處女群島 |
| Fast Right Group Ltd. 正迅集團有限公司 | British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | US\$1,000 1,000美元 | 100% | 100% | - | - | Investment holding, British Virgin Islands 投資控股, 英屬處女群島 |
| Product Champion Limited | British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | US\$1 1美元 | 100% | 100% | - | - | Investment holding, British Virgin Islands 投資控股, 英屬處女群島 |

Shares held indirectly by the Company:

本公司間接持有股份:

| | | | | | | | |
|--|--|----------------------------------|------|------|---|---|---|
| Fast Right Group (HK) Ltd. 正迅集團(香港)有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | US\$1 1美元 | 100% | 100% | - | - | Investment holding, Hong Kong 投資控股, 香港 |
| Pacific Textiles Limited 互太紡織有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | HK\$103,000,000 103,000,000港元 | 100% | 100% | - | - | Trading of textile products, Hong Kong 紡織品貿易, 香港 |
| Pacific SPM Investment Limited 互太汽車紡織投資有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | HK\$1 1港元 | 100% | 100% | - | - | Investment holding, Hong Kong 投資控股, 香港 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

8 SUBSIDIARIES (Cont'd)

The following is a list of the subsidiaries at 31 March 2016 and 2015: (Cont'd)

8 附屬公司(續)

下表列示於2016年及2015年3月31日之附屬公司:(續)

| Name of subsidiaries 附屬公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及法人實體類型 | Particulars of issued share capital 已發行股本詳情 | Equity interest attributable to the Group 本集團應佔股本權益 | | Equity interest attributable to non-controlling interests 非控制性權益應佔股本權益 | | Principal activities and place of operation 主要業務及營業地點 |
|--------------------------------|--|--|--|---------------|---|---------------|--|
| | | | 2016 2016年 | 2015 2015年 | 2016 2016年 | 2015 2015年 | |

Shares held indirectly by the Company:

本公司間接持有股份:

| | | | | | | | |
|---|---|--------------------------------|--------|--------|--------|--------|--|
| 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, limited liability company 澳門, 有限責任公司 | MOP1,030,000 1,030,000澳門幣 | 100% | 100% | - | - | Trading of textile products, Macau 紡織品貿易, 澳門 |
| Pacific (Panyu) Textiles Limited 互太(番禺)紡織印染有限公司 | PRC, limited liability company 中國, 有限責任公司 | US\$89,700,000 89,700,000美元 | 100% | 100% | - | - | Manufacturing and trading of textile products, PRC 紡織品製造及貿易, 中國 |
| Pacific GT Limited | British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | US\$19,025,000 19,025,000美元 | 95% | 95% | 5% | 5% | Investment holding, British Virgin Islands 投資控股, 英屬處女群島 |
| PCGT Limited | Hong Kong, limited liability company 香港, 有限責任公司 | HK\$3,900,000 3,900,000港元 | 71.25% | 71.25% | 28.75% | 28.75% | Investment holding, Hong Kong 投資控股, 香港 |
| Pacific Crystal Textiles Limited | Vietnam, limited liability company 越南, 有限責任公司 | US\$48,000,000 48,000,000美元 | 71.25% | 71.25% | 28.75% | 28.75% | Manufacturing and trading of textile products, Vietnam 紡織品製造及貿易, 越南 |
| South Shining Limited 南昱有限公司 | British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | US\$1 1美元 | 95% | 95% | 5% | 5% | Investment holding, British Virgin Islands 投資控股, 英屬處女群島 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

9 於聯營公司之權益及應付聯營公司款項

(a) Share of net assets and goodwill

(a) 分佔資產淨值與商譽

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|---------------------------------------|----------------------------------|----------------------------------|
| SPM Automotive Textile Co., Ltd. ("SPM Automotive") | 住江互太(廣州)汽車紡織產品有限公司(「住江互太」) | 26,447 | 30,134 |
| Textured Jersey Lanka Limited ("PT Sri Lanka") | Textured Jersey Lanka Limited「PT斯里蘭卡」 | 210,865 | 192,686 |
| | | 237,312 | 222,820 |

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

分佔聯營公司資產淨值之變動如下：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| At 1 April | 於4月1日 | 222,820 | 182,382 |
| Currency translation differences | 外幣換算差額 | (1,123) | 654 |
| Dividends | 股息 | (18,705) | (27,629) |
| Share of profits | 分佔溢利 | 36,311 | 34,213 |
| Release of net assets as a result of disposal | 因出售事項解除之資產淨值 | (41,891) | - |
| Reversal of provision for impairment of interest in an associate | 於一間聯營公司之權益減值撥備撥回 | 39,900 | 33,200 |
| At 31 March | 於3月31日 | 237,312 | 222,820 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Cont'd)

(a) Share of net assets and goodwill (Cont'd)

During the year ended 31 March 2016, management reassessed the carrying amount of the Group's interest in PT Sri Lanka, and determined that HK\$39,900,000 (2015: HK\$33,200,000) of the impairment previously made should be reversed, taken into account the associate's financial performance and expected future market conditions. The recoverable amount of this interest in an associate of HK\$210.9 million was determined based on value-in-use, with discount rate of 16% (2015: 16%) per annum.

The particulars of the associates at 31 March 2016 and 2015, which were held indirectly by the Company, are as follows:

| Name of associates 聯營公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及實體類型 | Particulars of issued share capital 已發行 股本詳情 | Equity interest attributable to the Group 本集團 應佔股本權益 | | Principal activities and place of operation 主要業務及 營業地點 |
|------------------------------|---|---|--|---------------|---|
| | | | 2016 2016年 | 2015 2015年 | |
| SPM Automotive 住江互太 | PRC, limited liability company 中國, 有限責任公司 | US\$7,500,000 7,500,000美元 | 33% | 33% | Manufacturing and trading of vehicles related textile products, PRC 中國汽車相關紡織品製造及 貿易 |
| PT Sri Lanka PT斯里蘭卡 | Sri Lanka, limited liability company 斯里蘭卡, 有限責任公司 | RS2,749,266,000 2,749,266,000斯里蘭卡盧比 | 28% | 40% | Manufacturing and trading of textile products, Sri Lanka 斯里蘭卡紡織品製造及貿易 |

SPM Automotive is an unlisted company in the PRC and there is no quoted market price available for its shares.

At 31 March 2016, the quoted market value of the Group's interest in PT Sri Lanka, which is listed on the Colombo Stock Exchange in Sri Lanka, was HK\$338,463,701 (2015: HK\$373,803,000).

There are no contingent liabilities relating to the Group's interests in associates.

9 於聯營公司之權益及應付聯營公司款項(續)

(a) 分佔資產淨值與商譽(續)

於截至2016年3月31日止年度, 管理層對本集團於PT斯里蘭卡權益之賬面價進行重新評估, 及考慮到該聯營公司之財務表現及預期未來市場狀況, 釐定先前作出之減值39,900,000港元(2015年: 33,200,000港元)應當轉回。此項於聯營公司權益之可收回金額為210.9百萬港元, 乃基於使用價值而釐定, 其中使用的折現率為每年16%(2015年: 16%)。

於2016年及2015年3月31日之聯營公司(由本公司間接持有)之詳情如下:

住江互太是一間中國非上市公司, 因此其股份並無可用市場報價。

於2016年3月31日, 本集團於PT斯里蘭卡(一間於斯里蘭卡科倫坡證券交易所上市的公司)的權益所報市值為338,463,701港元(2015年: 373,803,000港元)。

本集團於聯營公司的權益並無或有負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Cont'd)

9 於聯營公司之權益及應付聯營公司款項(續)

(a) Share of net assets and goodwill (Cont'd)

Summarised financial information for associates

Set out below are the summarised financial information for SPM Automotive and PT Sri Lanka, which are accounted for using the equity method.

(a) 分佔資產淨值與商譽(續)

聯營公司的財務資料概要

以下載列住江互太及PT斯里蘭卡以權益法入賬的財務資料概要。

| | SPM Automotive 住江互太 | | PT Sri Lanka PT斯里蘭卡 | | Total 總計 | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
| Summarised balance sheet | 資產負債表概要 | | | | | |
| Non-current assets | 13,239 | 18,587 | 348,177 | 196,392 | 361,416 | 214,979 |
| Current assets | 120,951 | 107,145 | 435,447 | 312,721 | 556,398 | 419,866 |
| Non-current liabilities | - | - | 25,338 | 14,309 | 25,338 | 14,309 |
| Current liabilities | 54,049 | 34,416 | 224,372 | 85,954 | 278,421 | 120,370 |
| Net assets | 80,141 | 91,316 | 533,914 | 408,850 | 614,055 | 500,166 |
| Summarised income statement | 收益表概要 | | | | | |
| Revenue | 199,228 | 199,826 | 966,745 | 800,370 | 1,165,973 | 1,000,196 |
| Profit for the year | 2,349 | 8,497 | 121,483 | 78,522 | 123,832 | 87,019 |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | 2,349 | 8,497 | 121,483 | 78,522 | 123,832 | 87,019 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Cont'd)

9 於聯營公司之權益及應付聯營公司款項(續)

(a) Share of net assets and goodwill (Cont'd)

Summarised financial information for associates (Cont'd)

Reconciliation of the above summarised financial information of the associates to the carrying value of the Group's interest in associates.

(a) 分佔資產淨值與商譽(續)

聯營公司的財務資料概要(續)

上述聯營公司財務資料概要與本集團於聯營公司權益賬面值的對賬。

| | | SPM Automotive 住江互太 | | PT Sri Lanka PT斯里蘭卡 | | Total 總計 | |
|---|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
| Opening net assets at 1 April | 於4月1日年初之 資產淨值 | 91,316 | 106,119 | 408,850 | 378,543 | 500,166 | 484,662 |
| Currency translation differences | 外幣換算差額 | (3,553) | (719) | (283) | 2,228 | (3,836) | 1,509 |
| Capital Injection | 注資 | - | - | 56,841 | - | 56,841 | - |
| Profit for the year | 年度溢利 | 2,349 | 8,497 | 121,631 | 78,522 | 123,980 | 87,019 |
| Dividends | 股息 | (9,971) | (22,581) | (53,125) | (50,443) | (63,096) | (73,024) |
| Closing net assets at 31 March | 於3月31日年末之 資產淨值 | 80,141 | 91,316 | 533,914 | 408,850 | 614,055 | 500,166 |
| Net assets attributable to the Group (2016: 33%, 28%; 2015: 33%, 40%) | 本集團應佔淨資產 (2016年: 33%、28%; 2015年: 33%、40%) | 26,447 | 30,134 | 150,297 | 163,540 | 176,744 | 193,674 |
| Goodwill | 商譽 | - | - | 110,255 | 155,297 | 110,255 | 155,297 |
| Less: Accumulated impairment | 減: 累計減值 | - | - | (46,784) | (122,097) | (46,784) | (122,097) |
| Less: Unrealised gain on sale of machinery to an associate | 減: 出售機器予聯營公司之未變現收益 | - | - | (2,903) | (4,054) | (2,903) | (4,054) |
| Interests in associates | 於聯營公司之權益 | 26,447 | 30,134 | 210,865 | 192,686 | 237,312 | 222,820 |
| Dividends received from associates | 已收聯營公司股息 | 3,290 | 7,452 | 15,415 | 20,177 | 18,705 | 27,629 |

(b) Amounts due from associates

The amounts due from associates are unsecured, non-interest bearing and repayable on demand. The amounts are denominated in US\$.

(b) 應收聯營公司款項

應收聯營公司款項為無抵押、免息及於要求時償還。金額以美元列值。

(c) Amount due to an associate

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

(c) 應付聯營公司款項

應付聯營公司款項為無抵押、免息及於要求時償還。金額以人民幣列值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Cont'd)

(d) Disposal of certain interests in an associate

In June 2015, the Group disposed a 10% interest in PT Sri Lanka for HK\$100,268,000 and recognised a gain of HK\$50,866,000, including reversal of the related provision for impairment of HK\$30,794,000. In this connection, the Group's interest in this associate was reduced from 40% to 30%.

In January 2016, PT Sri Lanka issued new shares to a number of investors. In this connection, a deemed disposal gain of HK\$4,075,000, being the difference between the share of net assets in PT Sri Lanka immediately before and after this share issuance, was recognised. In this connection, the Group's interest in this associate was reduced from 30% to 28%.

10 INTERESTS IN JOINT VENTURES

| | | | |
|---------------------------------|----------|---|---|
| Share of net assets | 分佔資產淨值 | - | - |
| Amount due from a joint venture | 應收合營公司款項 | - | - |

Movements in share of net assets of joint ventures are as follows:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|----------------------------------|--------|----------------------------------|----------------------------------|
| At 1 April | 於4月1日 | - | 15,655 |
| Currency translation differences | 外幣換算差額 | - | 4 |
| Return of capital | 資金退還 | - | (776) |
| Share of losses | 分佔虧損 | - | (384) |
| Disposal | 出售 | - | (14,499) |
| At 31 March | 於3月31日 | - | - |

During the year ended 31 March 2015, the Group completed the disposal of its entire interests in joint ventures at a consideration of approximately HK\$51,040,000, and recognised a gain of HK\$29,265,000. There were no contingent liabilities relating to the Group's interests in the joint ventures.

綜合財務報表附註(續)

9 於聯營公司之權益及應付聯營公司款項(續)

(d) 出售聯營公司若干權益

於2015年6月，本集團以100,268,000港元出售於PT斯里蘭卡10%權益，並確認收益50,866,000港元，包括相關減值撥備撥回30,794,000港元。由此，本集團於該聯營公司之權益由40%減至30%。

於2016年1月，PT斯里蘭卡向若干投資者發行新股份。由此，視作出售收益4,075,000港元(即緊接此股份發行前與緊隨此股份發行後於PT斯里蘭卡分佔資產淨值的差額)獲確認。由此，本集團於該聯營公司之權益由30%減至28%。

10 於合營公司之權益

分佔合營公司資產淨值之變動如下：

截至2015年3月31日止年度，本集團將其於合營公司之所有權益全部出售，代價約為51,040,000港元，並已確認收益29,265,000港元。概無與本集團於合營公司權益有關之或有負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

11 可供出售金融資產

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Listed equity securities in Hong Kong | 香港上市之證券 | - | 86 |
| Club debentures | 會籍債券 | 1,741 | 1,741 |
| | | 1,741 | 1,827 |
| At 1 April | 於4月1日 | 1,827 | 1,798 |
| Disposal | 出售 | (86) | - |
| Fair value gains (Note 18) | 公允值收益(附註18) | - | 29 |
| At 31 March | 於3月31日 | 1,741 | 1,827 |
| Quoted market value of listed securities | 上市證券所報市值 | - | 86 |

The fair values of listed equity securities are based on closing bid prices at active market. The fair values of club debentures are based on second hand market prices. See Note 3.3 for further information on fair value.

上市證券之公允值乃根據活躍市場收市買價釐定。會籍債券之公允值乃根據二手市場價釐定。見附註3.3有關公允值之進一步資料。

Available-for-sale financial assets are denominated in HK\$.

可供出售金融資產按港元列值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

12 INVENTORIES

12 存貨

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|------------------|-----|----------------------------------|----------------------------------|
| Raw materials | 原料 | 669,433 | 679,391 |
| Work-in-progress | 在製品 | 146,466 | 181,453 |
| Finished goods | 製成品 | 200,206 | 104,698 |
| | | 1,016,105 | 965,542 |

The cost of inventories included in cost of sales during the year amounted to approximately HK\$4,959,149,000 (2015: HK\$5,152,507,000).

年內計入銷售成本之存貨成本約為4,959,149,000港元(2015年: 5,152,507,000港元)。

13 TRADE AND BILLS RECEIVABLES

13 應收賬款及票據

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Trade receivables | 應收賬款 | 844,253 | 716,101 |
| Bills receivables | 應收票據 | 96,497 | 94,996 |
| | | 940,750 | 811,097 |
| Less: Provision for impairment of trade receivables | 減: 應收賬款減值撥備 | (5,533) | (10,909) |
| | | 935,217 | 800,188 |

Majority of the Group's sales are with credit terms of 30 to 60 days. Trade and bills receivables were aged as follows:

本集團大部分銷售之信貸期介乎30至60天。應收賬款及票據之賬齡載列如下:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|-------------------|-----------|----------------------------------|----------------------------------|
| 0 – 60 days | 0 – 60天 | 829,685 | 701,892 |
| 61 – 120 days | 61 – 120天 | 100,381 | 103,805 |
| 121 days – 1 year | 121天 – 1年 | 10,684 | 5,400 |
| | | 940,750 | 811,097 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

13 TRADE AND BILLS RECEIVABLES (Cont'd)

Trade and bills receivables were denominated in the following currencies:

13 應收賬款及票據(續)

應收賬款及票據按以下貨幣列值：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 710,279 | 555,208 |
| US\$ | 美元 | 203,401 | 211,261 |
| RMB | 人民幣 | 27,070 | 44,628 |
| | | 940,750 | 811,097 |

The top two customers accounted for approximately 36% (2015: 35%) and 12% (2015: 17%), respectively, of the Group's trade and bills receivables; all other customers individually accounted for less than 10% of the Group's trade and bills receivables.

首兩大客戶分別約佔本集團應收賬款及票據36% (2015年：35%) 與12% (2015年：17%)，所有其他客戶個別佔本集團應收賬款及票據少於10%。

The fair value of trade and bills receivables approximate the net book carrying amounts.

應收賬款及票據之公允值與賬面淨值相若。

At 31 March 2016, trade and bills receivables of approximately HK\$5,533,000 (2015: HK\$10,909,000) were impaired and have been provided for. The individually impaired receivables relate to sales proceeds receivable from customers, which have remained long overdue and management considered the recoverability is remote.

於2016年3月31日，應收賬款及票據約5,533,000港元 (2015年：10,909,000港元) 已減值及撥備。已個別減值應收賬款與應收客戶之銷售所得款項有關，而該等銷售所得款項已逾期多時，且管理層認為其可收回性極微。

At 31 March 2016, trade receivables of HK\$100,858,000 (2015: HK\$86,863,000) 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:

於2016年3月31日，逾期但並未減值之應收賬款為100,858,000港元 (2015年：86,863,000港元)。其與若干近期並無拖欠記錄之客戶有關。該等應收賬款之賬齡分析載列如下：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|-------------------|-----------|----------------------------------|----------------------------------|
| Past due by: | 已逾期： | | |
| 0 – 60 days | 0 – 60天 | 68,138 | 75,954 |
| 61 – 120 days | 61 – 120天 | 20,534 | 6,976 |
| 121 days – 1 year | 121天 – 1年 | 12,186 | 3,933 |
| | | 100,858 | 86,863 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

13 TRADE AND BILLS RECEIVABLES (Cont'd)

Movements in the Group's provision for impairment of trade receivables are as follows:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|----------------------------------|-----------|----------------------------------|----------------------------------|
| At 1 April | 於4月1日 | 10,909 | 6,665 |
| Currency translation differences | 外幣換算差額 | (56) | (35) |
| (Reversal)/Provision, net | (撥回)/撥備淨額 | (5,293) | 4,328 |
| Written off | 撇銷 | (27) | (49) |
| At 31 March | 於3月31日 | 5,533 | 10,909 |

The creation and release of provision for impaired receivables have been included in distribution and selling expenses in the consolidated income statement. 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 balance sheet date is the net book carrying amounts of the receivables mentioned above. The Group does not hold any collateral as security.

13 應收賬款及票據(續)

本集團就應收賬款作出減值撥備之變動如下：

已減值應收款項撥備的設立及解除已計入綜合收益表之分銷及銷售開支內。計入撥備賬之款項一般在預期無法收回額外現金時撇銷。

於結算日，最大信貸風險為上述應收賬款之賬面淨值。本集團並無持有任何抵押品作擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

14 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

14 按金、預付款項及其他應收款項

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|--------------|----------------------------------|----------------------------------|
| Rental, utility and other deposits | 租金、公用服務及其他按金 | 10,802 | 16,086 |
| Prepayments for purchase of inventories | 購買存貨預付款項 | 29,776 | 24,844 |
| Prepayments for purchase of machinery | 購買機器預付款項 | 46,849 | 20,865 |
| Prepayments for construction work | 建築工程預付款項 | – | 19,295 |
| Prepayments for acquisition of land use rights | 收購土地使用權預付款項 | 40,415 | 31,563 |
| Other prepayments | 其他預付款項 | 3,312 | 4,615 |
| Value-added tax recoverable | 可收回增值稅 | 30,904 | 44,303 |
| Interest receivable | 應收利息 | 1,560 | 8,182 |
| Others | 其他 | 21,498 | 16,756 |
| | | 185,116 | 186,509 |
| Less non-current portion: | | | |
| 減非流動部分： | | | |
| Prepayments for purchase of machinery | 購買機器預付款項 | (46,849) | (20,865) |
| Prepayments for construction work | 建築工程預付款項 | – | (19,295) |
| Prepayments for acquisition of land use rights | 收購土地使用權預付款項 | (40,415) | (31,563) |
| | | (87,264) | (71,723) |
| Current portion | 流動部分 | 97,852 | 114,786 |

Deposits, value-added tax recoverable, interest receivable and other receivables are denominated in the following currencies:

按金、可收回增值稅、應收利息及其他應收款項按下列貨幣計值：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| US\$ | 美元 | 43,735 | 35,871 |
| VND | 越南盾 | 10,893 | 29,011 |
| RMB | 人民幣 | 6,762 | 3,456 |
| HK\$ | 港元 | 3,374 | 16,989 |
| | | 64,764 | 85,327 |

The book carrying amounts of deposits, value-added tax recoverable, interest receivable and other receivables approximate their fair values.

按金、可收回增值稅、應收利息及其他應收款項之賬面值與其公允值相若。

The maximum exposure to credit risk at balance sheet date is the book carrying value of deposits, value-added tax recoverable, interest receivable and other receivables. The Group does not hold any collateral as security.

於結算日，最大信貸風險為上述按金、可收回增值稅、應收利息及其他應收款項之賬面值。本集團並無持有任何抵押品作擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

15 DERIVATIVE FINANCIAL INSTRUMENTS

15 衍生金融工具

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|------------------------------------|--------|----------------------------------|----------------------------------|
| Forward foreign currency contracts | 遠期外匯合約 | | |
| - Assets | - 資產 | - | 2,639 |
| - Liabilities | - 負債 | (3,704) | (2,349) |

At 31 March 2016, the notional principal amount of the Group's outstanding forward foreign currency contracts was HK\$266,291,000 (2015: HK\$697,815,000).

於2016年3月31日，本集團之未到期遠期外匯合約之名義本金額為266,291,000港元(2015年：697,815,000港元)。

The maximum exposure to credit risk of the derivative financial assets at the balance sheet date is the book carrying value of the derivative assets. Refer to Note 3.4 for further information.

於結算日，衍生金融資產之最大信貸風險為衍生資產之賬面值。有關進一步資料，請參閱附註3.4。

16 CASH AND BANK BALANCES

16 現金及銀行結餘

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---------------------------|-----------|----------------------------------|----------------------------------|
| Cash and cash equivalents | 現金及現金等值項目 | 570,855 | 843,817 |
| Short-term bank deposits | 短期銀行存款 | 881,628 | 1,181,602 |
| | | 1,452,483 | 2,025,419 |

The maximum exposure to credit risk at the balance sheet date is the book carrying value of the cash and bank balances.

於結算日，信貸風險之最大風險為現金及銀行結餘之賬面值。

Cash and bank balances are denominated in the following currencies:

現金及銀行結餘按以下貨幣列值：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--------|-----|----------------------------------|----------------------------------|
| US\$ | 美元 | 553,774 | 780,031 |
| HK\$ | 港元 | 463,520 | 511,902 |
| RMB | 人民幣 | 403,198 | 731,179 |
| VND | 越南盾 | 31,417 | 1,704 |
| Others | 其他 | 574 | 603 |
| | | 1,452,483 | 2,025,419 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

16 CASH AND BANK BALANCES (Cont'd)

The Group's cash and bank balances denominated in RMB are primarily deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC are subject to rules and regulations on foreign exchange control promulgated by the PRC Government.

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging from 0.5% to 2.1% per annum at 31 March 2016 (2015: 0.70% to 4.10% per annum).

The effective annual interest rate and maturities of short-term bank deposits at 31 March 2016 and 2015 are as follows:

| | | 2016 2016年 | 2015 2015年 |
|--------------------------------|-------|----------------------|----------------------|
| Effective annual interest rate | 實際年利率 | 1.2% | 2.02% |
| Maturities | 到期日 | 5-308 days 5-308天 | 1-295 days 1-295天 |

16 現金及銀行結餘(續)

本集團以人民幣列值之現金及銀行結餘乃主要存放於中國之銀行。將該等人民幣列值之結餘兌換為外幣以及匯款至中國境外須遵守中國政府頒布之外匯管制規則及規定。

銀行現金按銀行每日存款利率以浮息賺取利息，於2016年3月31日息率介乎每年0.5%至2.1%（2015年：每年0.70%至4.10%）。

於2016年及2015年3月31日，短期銀行存款實際年利率與到期日如下：

17 SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital

| | | Number of share (thousands) 股份數目 (千計) | Share capital HK\$'000 股本 千港元 |
|--|--------------------------------------|---|--|
| Ordinary shares, issued and fully paid | 已發行及繳足普通股 | | |
| At 1 April 2014, 31 March 2015 and 31 March 2016 | 於2014年4月1日、2015年3月31日及 2016年3月31日 | 1,446,423 | 1,446 |

(b) Share premium

In accordance with the Companies Law, Cap.22 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.

17 股本及股本溢價

(a) 股本

(b) 股份溢價

根據開曼群島公司法第22章，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

17 SHARE CAPITAL AND SHARE PREMIUM (Cont'd)

(c) Share option scheme

The Group's share option scheme was approved and adopted by of the Company by means of a shareholders' written resolution on 27 April 2007.

On 11 October 2013, the Board of Directors approved granting options to eligible employees to subscribe for a total of 10,000,000 shares of the Company at an exercise price of HK\$9.98 per share with vesting period of 3 years. These share options are exercisable at any time during the period from 11 October 2016 to 10 October 2023.

The fair value of the options granted on 11 October 2013, determined using the binomial model, was HK\$18,529,000 at the grant date. The significant inputs to the model were share price of HK\$9.98 at the grant date, exercise price of HK\$9.98, volatility of 45%, expected annual dividend yield of 9%, an expected option life of 10 years, and an annual risk free interest rate of 2.09%. The volatility measured at the grant date was referenced to the historical volatility of the Company.

Movements in share options are as follows:

| | | Number of share options 購股權數目 | |
|-------------------------|-------------|----------------------------------|-------------------------|
| | | 2016 2016年 | 2015 2015年 |
| At 1 April Forfeited | 於4月1日 沒收 | 9,900,000 - | 10,000,000 (100,000) |
| At 31 March | 於3月31日 | 9,900,000 | 9,900,000 |

The above outstanding share options have the following expiry date and exercise price:

| Expiry date 到期日 | Exercise price per share HK\$ 每股行使價 港元 | Number of share options 購股權數目 | | |
|--------------------|---|----------------------------------|---------------|-----------|
| | | 2016 2016年 | 2015 2015年 | |
| 10 October 2023 | 2023年10月10日 | 9.98 | 9,900,000 | 9,900,000 |

綜合財務報表附註(續)

17 股本及股本溢價(續)

(c) 購股權計劃

本集團購股權計劃已於2007年4月27日通過股東書面決議案之方式獲本公司批准及採納。

於2013年10月11日，董事局批准向合資格僱員授出購股權，以供彼等按行使價每股9.98港元認購合共10,000,000股本公司股份，歸屬期為三年。該等購股權可於2016年10月11日至2023年10月10日期間內任何時間行使。

已於2013年10月11日授出的購股權於授出日期的公允值為18,529,000港元，乃以二項式期權定價模式釐定。該定價模式主要基於在授出日期之股價為每股9.98港元、行使價為每股9.98港元、波幅為45%，預期年度股息回報率為9%，預期購股權期限為10年，年度無風險利率為2.09%計算。於授出日期之波動性乃參考本公司之過往波動性而計量。於授出日期之波動性乃參考本公司之過往波動性而計量。

購股權之變動如下：

上述尚未行使購股權之到期日及行使價如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

18 RESERVES

18 儲備

| | | Capital reserve (Note (i)) 資本儲備 (附註(i)) HK\$'000 千港元 | Statutory reserves (Note (ii)) 法定儲備 (附註(ii)) HK\$'000 千港元 | Foreign currency translation reserve 外幣換算 儲備 HK\$'000 千港元 | Share-based compensation reserve 以股份為基礎 之酬金儲備 HK\$'000 千港元 | Available-for- sale financial assets reserve 可供出售 金融資產儲備 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 2014 | 於2014年4月1日 | 1,000 | 55,805 | 459,958 | 1,834 | 18 | 1,961,764 | 2,480,379 |
| Profit attributable to equity holders of the Company | 本公司權益持有人應佔溢利 | - | - | - | - | - | 1,074,785 | 1,074,785 |
| Currency translation differences | 外幣換算差額 | - | - | (2,542) | - | - | - | (2,542) |
| Fair value gains on available-for-sale financial assets (Note 11) | 可供出售金融資產公允價值收益(附註11) | - | - | - | - | 29 | - | 29 |
| Release of reserve upon disposal of interests in joint ventures | 出售合營公司權益時解除之儲備 | - | - | 4,322 | - | - | - | 4,322 |
| Total comprehensive income | 全面收入總額 | - | - | 1,780 | - | 29 | 1,074,785 | 1,076,594 |
| Transaction with owners: | 與擁有人交易: | | | | | | | |
| Share-based compensation expense (Note 25) | 以股份為基礎之酬金支出(附註25) | - | - | - | 3,834 | - | 18 | 3,852 |
| Transfer to statutory reserve | 轉撥至法定盈餘 | - | 127,048 | - | - | - | (127,048) | - |
| 2013/2014 final dividends | 2013/2014年末期股息 | - | - | - | - | - | (940,175) | (940,175) |
| 2014/2015 interim dividends | 2014/2015年中期股息 | - | - | - | - | - | (578,569) | (578,569) |
| Total transaction with owners | 與擁有人交易總額 | - | 127,048 | - | 3,834 | - | (1,645,774) | (1,514,892) |
| At 31 March 2015 | 於2015年3月31日 | 1,000 | 182,853 | 461,738 | 5,668 | 47 | 1,390,775 | 2,042,081 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

18 RESERVES (Cont'd)

18 儲備(續)

| | | Capital reserve (Note (i)) 資本儲備 (附註(i)) HK\$'000 千港元 | Statutory reserves (Note (ii)) 法定儲備 (附註(ii)) HK\$'000 千港元 | Foreign currency translation reserve 外幣換算 儲備 HK\$'000 千港元 | Share-based compensation reserve 以股份為基礎 之酬金儲備 HK\$'000 千港元 | Available-for- sale financial assets reserve 可供出售 金融資產儲備 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 2015 | 於2015年4月1日 | 1,000 | 182,853 | 461,738 | 5,668 | 47 | 1,390,775 | 2,042,081 |
| Profit attributable to equity holders of the Company | 本公司權益持有人應佔溢利 | - | - | - | - | - | 1,125,530 | 1,125,530 |
| Currency translation differences | 外幣換算差額 | - | - | (108,920) | - | - | - | (108,920) |
| Release of available-for-sale financial assets reserves upon disposal | 出售時解除可供出售金融資產儲備 | - | - | - | - | (47) | - | (47) |
| Total comprehensive income | 全面收入總額 | - | - | (108,920) | - | (47) | 1,125,530 | 1,016,563 |
| Transaction with owners: | 與擁有人交易: | | | | | | | |
| Share-based compensation expense (Note 25) | 以股份為基礎之酬金支出(附註25) | - | - | - | 3,959 | - | - | 3,959 |
| Transfer to statutory reserve | 轉撥至法定盈餘 | - | 137,558 | - | - | - | (137,558) | - |
| 2014/2015 final dividends | 2014/2015年末期股息 | - | - | - | - | - | (578,569) | (578,569) |
| 2015/2016 interim dividends | 2015/2016年中期股息 | - | - | - | - | - | (578,569) | (578,569) |
| Total transaction with owners | 與擁有人交易總額 | - | 137,558 | - | 3,959 | - | (1,294,696) | (1,153,179) |
| At 31 March 2016 | 於2016年3月31日 | 1,000 | 320,411 | 352,818 | 9,627 | - | 1,221,609 | 1,905,465 |
| Representing: | 表示: | | | | | | | |
| Proposed final dividend (Note 29) | 建議末期股息(附註29) | | | | | | 578,569 | |
| Others | 其他 | | | | | | 643,040 | |
| | | | | | | | 1,221,609 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

18 RESERVES (Cont'd)

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) Statutory reserves represent legal reserve of a subsidiary incorporated in Macau and statutory reserves of a subsidiary incorporated in the PRC.

In accordance with the Macao Commercial Code, the subsidiary incorporated in Macau is required to set aside a minimum of 25% of its after-tax profit to legal reserve until the balance of this reserve reaches a level equivalent to 50% of its capital. The amount of legal reserve of the subsidiary has reached 50% of its capital.

The subsidiary established in the PRC is required to make appropriations to certain statutory reserves from profit for the year after offsetting accumulated losses from prior years before any profit distribution to equity holders. The percentages to be appropriated to different statutory reserves are determined according to the relevant regulations in the PRC or at the discretion of the board of the subsidiary. Such statutory reserves can only be used to offset accumulated losses, to increase capital, or for special bonus or collective welfare of employees.

These statutory reserves cannot be distributed to equity holders of the subsidiary.

18 儲備(續)

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) 法定儲備指於澳門註冊成立之一間附屬公司之合法儲備與於中國註冊成立之一間附屬公司之法定儲備。

根據有關澳門商法典，於澳門註冊成立之附屬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。該附屬公司劃撥至合法儲備之金額已達其股本50%。

於中國成立之附屬公司經抵銷以往年度累計虧損後之年度溢利在向權益持有人作出任何分派溢利之前須提撥若干法定儲備。提撥法定儲備資金比率按相關中國法規或由該附屬公司董事局自行決定。有關法定儲備只可用作抵銷累計虧損、增加資本或派發特別花紅或員工集體福利。

該等法定儲備不能分派予該附屬公司之權益持有人。

19 BORROWINGS

19 借貸

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Non-current: | 非流動： | | |
| Loan from a non-controlling interest of a subsidiary (Note (i)) | 一間附屬公司非控制性權益提供貸款(附註(i)) | 144,409 | 144,409 |
| Current: | 流動： | | |
| Short-term bank loans (Note (ii)) | 短期銀行貸款(附註(ii)) | 686,473 | 987,911 |

Notes:

- (i) The loan from a non-controlling interest of a subsidiary is denominated in US\$, unsecured, non-interest bearing, and without pre-determined repayment terms. The loan is regarded and accounted for as quasi equity contribution to the subsidiary.
- (ii) The bank loans bear interest at floating rates. The fair value of the bank loans approximates their carrying amounts.

附註：

- (i) 一間附屬公司非控制性權益提供貸款以美元列值，為無抵押、免利息及並無預先確定的還款條款，此貸款被視為該附屬公司之準股權投資並以此入賬。
- (ii) 銀行貸款按浮動利率計息。銀行貸款之公允值約等於其賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

19 BORROWINGS (Cont'd)

At 31 March 2016, the Group's bank loans were repayable as follows:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---------------|-----|----------------------------------|----------------------------------|
| Within 1 year | 一年內 | 686,473 | 987,911 |

The exposure of the Group's bank borrowings to interest rate changes at 31 March 2016 is disclosed in Note 3.1(a).

19 借貸(續)

於2016年3月31日，本集團已償還之銀行貸款如下：

本集團於2016年3月31日之銀行借貸利率變動風險披露於附註3.1(a)。

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

本集團銀行借貸之賬面值按以下貨幣計值：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| US\$ | 美元 | 611,640 | 787,911 |
| HK\$ | 港元 | 74,833 | 200,000 |
| | | 686,473 | 987,911 |

As at 31 March 2016, the Company had given guarantees to various banks to support general banking facilities granted to certain subsidiaries amounting to HK\$3,626,319,000 (2015: HK\$3,626,319,000). As at 31 March 2016, the utilised amount of such facilities covered by the Company's guarantees was HK\$125,166,667 (2015: HK\$200,000,000).

於2016年3月31日，本公司已向多家銀行作出擔保，以支持授予若干附屬公司金額達3,626,319,000港元(2015年：3,626,319,000港元)之一般銀行融資。於2016年3月31日，由本公司擔保之相關融資之已動用金額為125,166,667港元(2015年：200,000,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

20 DEFERRED INCOME TAX

Deferred tax liabilities are as follows:

20 遞延所得稅

遞延稅項負債如下：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Deferred income tax liabilities to be settled after more than 12 months | 超過12個月後支付之遞延所得稅負債 | 28,955 | 12,178 |

The net movement in the deferred income tax account is as follows:

遞延所得稅項的淨變動如下：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| At 1 April | 於4月1日 | 12,178 | 58,267 |
| Currency translation differences | 外幣換算差額 | (274) | (52) |
| Charged to the consolidated income statement (Note 27) | 於綜合收益表支銷(附註27) | 17,051 | 11,131 |
| Transfer to current tax liabilities | 轉撥至即期稅項負債 | - | (57,168) |
| At 31 March | 於3月31日 | 28,955 | 12,178 |

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

遞延所得稅資產及負債變動(未計及同一稅務司法權區抵銷之結餘)如下：

Deferred income tax assets:

遞延所得稅資產：

| | | Provisions for doubtful debts and staff benefits 呆賬與員工 福利撥備 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-------------|---|--------------------------------|
| At 1 April 2014 | 於2014年4月1日 | 5,440 | 5,440 |
| Credited to the consolidated income statement | 於綜合收益表計入 | (522) | (522) |
| At 31 March 2015 | 於2015年3月31日 | 4,918 | 4,918 |
| Charged to the consolidated income statement | 於綜合收益表扣除 | (408) | (408) |
| At 31 March 2016 | 於2016年3月31日 | 4,510 | 4,510 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

20 DEFERRED INCOME TAX (Cont'd)

Deferred income tax liabilities:

20 遞延所得稅(續)

遞延所得稅負債：

| | | Accelerated tax depreciation allowance | Undistributed profits of a subsidiary and an associate | Total |
|--|-----------------------|---|---|---------------|
| | | 加速稅項 折舊撥備 | 附屬公司與 聯營公司 未分配溢利 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| At 1 April 2014 | 於2014年4月1日 | 9,050 | 54,657 | 63,707 |
| Currency translation differences | 外幣換算差額 | – | (52) | (52) |
| Charged to the consolidated income statement | 於綜合收益表扣除 | | | |
| | | 469 | 10,140 | 10,609 |
| Transfer to current tax liabilities upon intention to distribute dividends by subsidiaries | 待附屬公司有意分派股息時轉撥至即期稅項負債 | – | (57,168) | (57,168) |
| At 31 March 2015 | 於2015年3月31日 | 9,519 | 7,577 | 17,096 |
| Currency translation differences | 外幣換算差額 | – | (274) | (274) |
| Charged to the consolidated income statement | 於綜合收益表扣除 | (509) | 17,152 | 16,643 |
| At 31 March 2016 | 於2016年3月31日 | 9,010 | 24,455 | 33,465 |

Deferred income tax assets are recognised for tax loss carry-forwards to extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$8,659,250 (2015: HK\$1,825,500) in respect of tax losses amounting to HK\$34,637,000 (2015: HK\$7,302,000) that can be carried forward against future taxable income. At 31 March 2016, tax losses amounting to HK\$496,000, HK\$760,000, HK\$1,787,000, HK\$4,259,000 and HK\$27,335,000 will expire in 2017, 2018, 2019, 2020 and 2021, respectively.

遞延所得稅資產乃就結轉的稅項虧損確認，惟以有可能透過日後的應課稅溢利變現相關稅項利益為限。本集團並無就可結轉以抵銷未來應課稅收入的稅項虧損34,637,000港元(2015年：7,302,000港元)確認遞延所得稅資產8,659,250港元(2015年：1,825,500港元)。於2016年3月31日，將於2017年、2018年、2019年、2020年及2021年到期的稅項虧損分別為496,000港元、760,000港元、1,787,000港元、4,259,000港元及27,335,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

21 TRADE AND BILLS PAYABLES

21 應付賬款及票據

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|----------------|------|----------------------------------|----------------------------------|
| Trade payables | 應付賬款 | 760,249 | 700,745 |
| Bills payables | 應付票據 | 23,104 | 46,187 |
| | | 783,353 | 746,932 |

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

應付賬款及票據之賬面值與其公允值相若。

Credit period granted by creditors generally ranges from 30 to 90 days. Trade and bills payables were aged as follows:

貸方授予之信貸期一般介乎30至90天。應付賬款及票據之賬齡如下：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|-------------------|-----------|----------------------------------|----------------------------------|
| 0 – 60 days | 0 – 60天 | 611,083 | 442,386 |
| 61 – 120 days | 61 – 120天 | 151,588 | 302,659 |
| 121 days – 1 year | 121天 – 1年 | 20,682 | 1,887 |
| | | 783,353 | 746,932 |

Trade and bills payables were denominated in the following currencies:

應付賬款及票據以下列貨幣計值：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--------|-----|----------------------------------|----------------------------------|
| US\$ | 美元 | 669,069 | 599,132 |
| HK\$ | 港元 | 69,988 | 68,936 |
| RMB | 人民幣 | 27,658 | 53,466 |
| VND | 越南盾 | 8,506 | 15,174 |
| Others | 其他 | 8,132 | 10,224 |
| | | 783,353 | 746,932 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

22 ACCRUALS AND OTHER PAYABLES

22 應計項目及其他應付款項

| | | 2016 | 2015 |
|---|-----------------|----------------|----------|
| | | 2016年 | 2015年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Accrual for operating expenses | 營運開支之應計項目 | 107,884 | 65,360 |
| Payables for purchase of property, plant and equipment | 購買物業、廠房及設備之應付款項 | 19,504 | 35,490 |
| Provision for employee benefits expense (including bonus) | 僱員福利支出撥備(包括花紅) | 108,221 | 101,176 |
| Provision for customer claims and goods return | 客戶索賠及退貨撥備 | 68,459 | 1,724 |
| Receipts in advance | 預收款項 | 1,627 | 2,107 |
| Others | 其他 | 54,643 | 99,981 |
| | | 360,338 | 305,838 |

Accruals and other payables were denominated in the following currencies:

應計項目及其他應付款項以下列貨幣計值：

| | | 2016 | 2015 |
|--------|-----|----------------|----------|
| | | 2016年 | 2015年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| HK\$ | 港元 | 203,861 | 146,598 |
| RMB | 人民幣 | 135,724 | 146,337 |
| US\$ | 美元 | 16,384 | 12,770 |
| Others | 其他 | 4,369 | 133 |
| | | 360,338 | 305,838 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

23 OTHER INCOME AND OTHER GAINS/(LOSSES) – NET

23 其他收入及其他收益／(虧損) – 淨額

| | | 2016 | 2015 |
|---|------------------------|-----------------|----------|
| | | 2016年 | 2015年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Other income: | 其他收入： | | |
| Sale of residual materials | 出售剩餘物料 | 37,968 | 37,581 |
| Sub-contracting income | 分包收入 | 12,721 | 17,456 |
| Handling income | 處理收入 | 5,237 | 6,462 |
| Rental income | 租金收入 | 4,557 | 4,706 |
| Government grants | 政府補貼 | 3,939 | 4,214 |
| Customer compensation on order cancellation | 取消訂單之客戶賠償 | 25,848 | 13,304 |
| (Loss)/gain on disposal of property, plant and equipment | 出售物業、廠房及設備之 (虧損)／收益 | (20,357) | 3,124 |
| Sundry income | 雜項收入 | 21,622 | 13,060 |
| | | 91,535 | 99,907 |
| Other (losses)/gains – net: | 其他(虧損)／收益 – 淨額： | | |
| Derivative financial instruments – forward foreign exchange contracts | 衍生金融工具 – 遠期外匯合約 | (11,870) | 15,529 |
| Net foreign exchange gains/(losses) | 外匯收益／(虧損)淨值 | 1,023 | (6,361) |
| | | (10,847) | 9,168 |
| | | 80,688 | 109,075 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

24 EXPENSES BY NATURE

24 按性質細分的開支

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 153,202 | 150,150 |
| Amortisation of land use rights | 土地使用權攤銷 | 1,328 | 1,286 |
| Cost of raw materials and consumables used | 使用原材料與消耗品產生之成本 | 4,959,149 | 5,152,507 |
| Provision for slow-moving and obsolete inventories | 滯銷及陳舊存貨撥備 | 8,092 | 6,171 |
| (Reversal)/provision for impairment of trade receivables-net | 應收賬款減值(撥回)/撥備－淨額 | (5,293) | 4,328 |
| Employee benefits expense (including directors' emoluments) (Note 25) | 僱員福利開支(包括董事酬金)(附註25) | 625,056 | 506,940 |
| Operating lease payments in respect of land and buildings | 土地及樓宇經營租約款項 | 1,517 | 1,436 |
| Auditor's remuneration | 核數師薪酬 | | |
| – Audit services | – 核數服務 | 2,382 | 1,854 |
| – Non-audit services | – 非核數服務 | 280 | 400 |
| Claims paid/payable | 已付/應付索償 | 31,865 | 1,567 |
| Others | 其他 | 71,331 | 78,482 |
| Total cost of sales, distribution and selling expenses and general and administrative expenses | 銷售成本、分銷及銷售開支總額與一般及行政開支 | 5,848,909 | 5,905,121 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

25 EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

25 僱員福利開支(包括董事酬金)

| | | 2016 | 2015 |
|--|-----------------------|----------------|----------|
| | | 2016年 | 2015年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Wages, salaries, bonus and allowances | 工資、薪金、花紅及津貼 | 545,798 | 450,720 |
| Retirement benefit – defined contribution schemes (Note (a)) | 退休福利 – 定額供款計劃 (附註(a)) | 30,945 | 19,865 |
| Welfare and benefits | 福利及利益 | 44,354 | 32,503 |
| Share-based compensation expense | 以股份為基礎之彌償支出 | 3,959 | 3,852 |
| | | 625,056 | 506,940 |

(a) Retirement benefit – defined contribution schemes

The Company's subsidiary in the PRC is a member of the state-managed retirement benefits scheme operated by the Government of the PRC. The Group contributes to the scheme at 14% of the basic salaries of the subsidiary's employees, subject to a cap, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond its contributions. The state-managed retirement plans are responsible for the entire pension obligations payable to 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\$1,500 per month and thereafter contributions are voluntary.

The Company's subsidiary in Vietnam contributes to state-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at 18% of the basic salaries of the subsidiary's employees, subject to a cap. The state-sponsored social insurance scheme is responsible for the entire pension obligations payable to retired employees.

(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之14%向計劃作出供款(不超過某一上限)，而除其供款外，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1,500港元為上限，其後作出之供款屬自願性質。

本公司於越南之附屬公司為其越南僱員向國家推行之僱員社會保險計劃作出供款。本集團按附屬公司僱員基本薪金之18%(上限)向計劃作出供款。國家推行之社會保險計劃負責為退休僱員提供所有退休金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

25 EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

25 僱員福利開支(包括董事酬金)(續)

(Cont'd)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2016 include 3 directors (2015: 3 directors), whose emoluments are disclosed in Note 35. The aggregate emoluments payable to the remaining 2 individuals (2015: 2 individual) are as follows:

(b) 五名最高薪人士

截至2016年3月31日止年度，本集團之5名最高薪人士包括3名董事(2015年：3名董事)，彼等之酬金於附註35披露。應付餘下2名人士(2015年：2名)之酬金總額如下：

| | | 2016 | 2015 |
|---|---------------|--------------|--------------|
| | | 2016年 | 2015年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Salaries and allowances | 薪金及津貼 | 4,447 | 3,972 |
| Discretionary bonuses | 酌情花紅 | 1,330 | 1,335 |
| Retirement benefit – defined contribution schemes | 退休福利 – 定額供款計劃 | 18 | 18 |
| Share-based compensation expense | 以股份為基礎之酬金開支 | – | 389 |
| | | 5,795 | 5,714 |

The number of non-directors with emoluments fell within the following bands:

非董事人士之酬金在下列範圍之人數：

| | | 2016 | 2015 |
|-------------------------------|---------------------------|----------|----------|
| | | 2016年 | 2015年 |
| HK\$2,000,001 – HK\$2,500,000 | 2,000,001港元 – 2,500,000港元 | 1 | 1 |
| HK\$3,000,001 – HK\$3,500,000 | 3,000,001港元 – 3,500,000港元 | 1 | 1 |
| | | 2 | 2 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

26 FINANCE INCOME AND COSTS

26 財務收入及成本

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|----------------------------------|------------|----------------------------------|----------------------------------|
| Finance income: | 財務收入： | | |
| – Bank interest income | – 銀行利息收入 | 22,481 | 17,949 |
| – Net foreign exchange gain | – 外匯兌換收益淨值 | 63 | 1,583 |
| | | 22,544 | 19,532 |
| Finance costs: | 財務成本： | | |
| – Interest expense on bank loans | – 銀行貸款利息開支 | (13,633) | (6,581) |
| – Net foreign exchange loss | – 外匯虧損淨值 | (4,567) | (379) |
| | | (18,200) | (6,960) |
| Net finance income | 財務收入淨值 | 4,344 | 12,572 |

27 INCOME TAX EXPENSE

During the year ended 31 March 2016, the Group was subject to Hong Kong profits tax and PRC enterprise income tax. Hong Kong profits tax has been provided for at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the year. PRC enterprise income tax has been provided for at the rate of 25% (2015: 25%) on the estimated assessable profits for the year.

27 所得稅開支

於截至2016年3月31日止年度，本集團須繳納香港利得稅與中國企業所得稅。香港利得稅乃就年內估計應課稅溢利按16.5% (2015年：16.5%) 之稅率作出撥備。中國企業所得稅乃就年內估計應課稅溢利按25% (2015年：25%) 之稅率作出撥備。

The amount of income tax charged to the consolidated income statement represents:

於綜合收益表扣除之所得稅為：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|-------------------------------|------------|----------------------------------|----------------------------------|
| Current income tax | 即期所得稅 | | |
| – Hong Kong profits tax | – 香港利得稅 | 75,971 | 72,575 |
| – PRC corporate income tax | – 中國企業所得稅 | 75,783 | 66,331 |
| Deferred tax (Note 20) | 遞延稅項(附註20) | 17,051 | 11,131 |
| Over-provision in prior years | 過往年度超額撥備 | 3,389 | – |
| | | 172,194 | 150,037 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

27 INCOME TAX EXPENSE (Cont'd)

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:

27 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：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|----------------------------------|
| Profit before income tax | 所得稅前溢利 | 1,294,889 | 1,219,703 |
| Less: | 減： | | |
| Associates and joint ventures' results reported net of tax | 聯營公司及合營公司之呈報業績 (不含稅) | (39,981) | (33,829) |
| | | 1,254,908 | 1,185,874 |
| Tax calculated at weighted average domestic tax rate applicable to profits in respective jurisdictions | 按適用於相關司法權區之加權 平均地方稅率計算之稅項 | 149,214 | 140,181 |
| Income not subject to tax | 毋須課稅收入 | (4,279) | (5,421) |
| Expenses not deductible for tax purposes | 不可扣稅開支 | 4,485 | 2,529 |
| Over-provision in prior years | 過往年度超額撥備 | 3,389 | - |
| Tax losses not recognised | 未確認的稅項虧損 | 6,834 | 2,608 |
| Tax on certain undistributed retained profit of subsidiaries | 附屬公司若干未分派保留 溢利之稅項 | 12,551 | 10,140 |
| | | 172,194 | 150,037 |
| Weighted average domestic applicable tax rate, after excluding companies exempted from income tax | (不包括集團中被免徵所得稅之 公司) 加權平均地方適用稅率 | 11.5% | 11.8% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

28 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.

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015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 | 1,125,530 | 1,074,785 |
| Weighted average number of shares in issue (thousands) | 已發行股份加權平均數 (千股) | 1,446,423 | 1,446,423 |
| Basic earnings per share (HK\$ per share) | 每股基本盈利 (每股港元) | 0.78 | 0.74 |

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Shares issuable under the share option schemes (Note 17) are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the year) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015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 | 1,125,530 | 1,074,785 |
| Weighted average number of shares in issue (thousands) | 已發行股份加權平均數 (千股) | 1,446,423 | 1,446,423 |
| Adjustment for share options (thousands) | 購股權調整 (千份) | 961 | 693 |
| Weighted average number of shares for diluted earnings per share (thousands) | 用於計算每股攤薄盈利之股份加權平均數 (千股) | 1,447,384 | 1,447,116 |
| Diluted earnings per share (HK\$ per share) | 每股攤薄盈利 (每股港元) | 0.78 | 0.74 |

28 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。

(b) 攤薄

每股攤薄盈利乃經調整發行在外普通股之加權平均數至假設兌換所有攤薄潛在普通股計算。根據購股權計劃(附註17)可予發行之股份為唯一造成攤薄效應之潛在普通股。計算乃根據隨附於尚未行使購股權之認購權之貨幣價值作出，以釐定按公允值(按年內本公司股份之平均市價釐定)收購之股份數目。以上述方法計算之股份數目將與假設購股權獲行使所發行之股份數目相比較。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

29 DIVIDENDS

29 股息

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Interim dividend paid of HK40 cents (2015: HK40 cents) (Note (i)) | 已派付港幣40仙之中期股息 (2015年：港幣40仙)(附註(i)) | 578,569 | 578,569 |
| Proposed final dividend of HK40 cents (2015: HK40 cents) (Note (ii)) | 擬派付港幣40仙之末期股息 (2015年：港幣40仙)(附註(ii)) | 578,569 | 578,569 |
| | | 1,157,138 | 1,157,138 |

Notes:

- (i) On 26 November 2015, the Company's Board of Directors declared an interim dividend of HK40 cents per share (2015: HK40 cents) for the six-month period ended 30 September 2015. The amount was paid in January 2016.
- (ii) On 23 June 2016, the Company's Board of Directors proposed a final dividend of HK40 cents per share for the year ended 31 March 2016. This proposed dividend has not been reflected as dividend payable in the consolidated financial statements as at 31 March 2016.

附註：

- (i) 於2015年11月26日，本公司董事局宣派截至2015年9月30日止六個月期間中期股息每股港幣40仙(2015年：港幣40仙)。該等款項已於2016年1月支付。
- (ii) 於2016年6月23日，本公司董事局建議宣派截至2016年3月31日止年度末期股息每股港幣40仙。擬派付股息並無於2016年3月31日的綜合財務報表上反映為應付股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

30 綜合現金流量表附註

(a) Cash generated from operations

(a) 營運產生之現金

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| Profit before income tax | 所得稅前溢利 | 1,294,889 | 1,219,703 |
| Adjustments for: | 以下各項之調整： | | |
| Share of profits of associates | 分佔聯營公司之溢利 | (36,311) | (34,213) |
| Gain on disposal of certain interest in an associate | 出售聯營公司若干權益之收益 | (54,941) | - |
| Reversal of provision for impairment of interests in an associate | 於一間聯營公司之權益減值撥備撥回 | (39,900) | (33,200) |
| Share of losses of joint ventures | 分佔合營公司之虧損 | - | 384 |
| Gain on disposal of interests in joint ventures | 出售合營公司權益所得收益 | - | (29,265) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 153,202 | 150,150 |
| Amortisation of leasehold land and land use rights | 租賃土地及土地使用權攤銷 | 1,328 | 1,286 |
| Loss/(gain) on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損/(收益) | 20,357 | (3,124) |
| Share-based compensation expense | 以股份為基礎之彌償支出 | 3,959 | 3,852 |
| Finance income | 財務收入 | (22,544) | (19,532) |
| Finance costs | 財務成本 | 18,200 | 6,960 |
| Operating profit before working capital changes | 營運資金變動前之經營溢利 | 1,338,239 | 1,263,001 |
| (Increase)/decrease in inventories | 存貨(增加)/減少 | (50,563) | 165,200 |
| (Increase)/decrease in trade and bills receivables | 應收賬款及票據(增加)/減少 | (135,029) | 44,732 |
| Decrease/(increase) in deposits, prepayments and other receivables | 按金、預付款項及其他應收款項減少/(增加) | 18,494 | (45,749) |
| (Increase)/decrease in amounts due from associates | 應收聯營公司款項(增加)/減少 | (2,935) | 28,146 |
| Change in derivative financial instruments | 衍生金融工具變動 | 3,994 | (22,023) |
| Increase/(decrease) in trade and bills payables | 應付賬款及票據增加/(減少) | 36,421 | (92,535) |
| Increase/(decrease) in accruals and other payables | 應計項目及其他應付款項增加/(減少) | 55,908 | (90,121) |
| Decrease in amount due to an associate | 應付聯營公司款項減少 | (2,095) | (1,456) |
| Cash generated from operations | 營運產生之現金 | 1,262,434 | 1,249,195 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(b) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Net book amount | 賬面淨值 | 24,093 | 4,327 |
| (Loss)/gain on disposal of property, plant and equipment | 出售物業、廠房及設備之(虧損)/收益 | (20,357) | 3,124 |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 3,736 | 7,451 |

31 CONTINGENT LIABILITIES

At 31 March 2016, the Group had no material contingent liabilities (2015: Nil).

32 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|------------------------------------|------------|----------------------------------|----------------------------------|
| Contracted but not provided for: | 已訂約但未撥備： | | |
| Property, plant and equipment | 物業、廠房及設備 | 136,443 | 199,142 |
| Leasehold land and land use rights | 租賃土地及土地使用權 | 12,240 | 33,443 |
| | | 148,683 | 232,585 |

At 31 March 2016, the Group did not have any significant share of capital commitments of its associates (2015: Nil).

At 31 March 2016, the Group had authorised an injection of approximately HK\$247,239,000 (equivalent of US\$31,801,000) (2015: HK\$246,571,000 (equivalent of US\$31,801,000)) as capital of a subsidiary in Vietnam.

30 綜合現金流量表附註(續)

(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：

31 或有負債

於2016年3月31日，本集團並無重大或有負債(2015年：無)。

32 資本應承擔

(a) 資本承擔

於結算日已訂約但尚未發生之資本開支如下：

於2016年3月31日，本集團並無任何分佔聯營公司資本承擔(2015年：無)。

於2016年3月31日，本集團已批准向越南附屬公司注資約247,239,000港元(相等於31,801,000美元)(2015年：246,571,000港元(相等於31,801,000美元))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

32 COMMITMENTS (Cont'd)

(b) Operating lease commitments

The Group had future aggregate minimum lease payments under non-cancellable operating leases of land and buildings, as lessees, as follows:

| | | 2016 | 2015 |
|--|------------|------------|----------|
| | | 2016年 | 2015年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| As lessee: | 承租人： | | |
| Not later than 1 year | 不超過1年 | 393 | 372 |
| Later than 1 year and not later than 5 years | 超過1年但不超過5年 | 96 | 489 |
| | | 489 | 861 |

The Group had future aggregate minimum lease receipts under non-cancellable operating leases, as lessors, as follows:

| | | 2016 | 2015 |
|--|------------|--------------|----------|
| | | 2016年 | 2015年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| As lessor: | 出租人： | | |
| Not later than 1 year | 不超過1年 | 2,339 | 1,381 |
| Later than 1 year and not later than 5 years | 超過1年但不超過5年 | 73 | 1,474 |
| | | 2,412 | 2,855 |

32 資本應承擔(續)

(b) 經營租約承擔

本集團(作為承租人)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：

本集團(作為出租人)根據不可撤銷經營租約未來最低租金款項總額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

33 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.

(a) The following transactions were carried out with related parties:

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Sales of goods | 銷售貨品 | | |
| – A related party (Notes (i) and (ii)) | – 有關連人士(附註(i)與(ii)) | 1,546 | 1,475 |
| – An associate (Note (ii)) | – 聯營公司(附註(ii)) | 18,975 | 25,191 |
| | | 20,521 | 26,666 |
| Rental income | 租金收入 | | |
| – An associate (Note (iii)) | – 聯營公司(附註(iii)) | 4,557 | 4,706 |
| Sub-contracting income | 分包收入 | | |
| – An associate (Note (ii)) | – 聯營公司(附註(ii)) | 2,652 | 2,199 |
| Handling income | 處理收入 | | |
| – An associate (Note (iv)) | – 聯營公司(附註(iv)) | 5,237 | 5,922 |

Notes:

- (i) The related party is a company controlled by Mr. Henry Choi Wing Kong, the son of Mr. Choi Kin Chung, a director of the Company.
- (ii) Goods are sold and sub-contracting income are received at prices mutually agreed by both parties in the ordinary course of business.
- (iii) Rental income is based on the size of the property and the relevant market rate.
- (iv) Handling fee received from an associate is charged at 2% to 3% of the value of certain purchases made as an agent of the associate, and the rates of the handling fee were mutually agreed by both parties. These transactions are not included as the Group's sales and costs of sales.

33 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。受共同控制或共同重大影響之人士亦被視為有關連。

(a) 與有關連人士進行之交易如下：

附註：

- (i) 有關連人士為本公司董事蔡建中先生之子蔡穎剛先生控制之公司。
- (ii) 貨品銷售與分包收入乃在日常業務過程中按雙方協定之價格進行及收取。
- (iii) 租金收入乃基於物業面積與相關市場價格計算。
- (iv) 向聯營公司收取處理費用是以作為聯營公司代理人進行若干採購按2%至3%收取，而處理費用比率乃經雙方共同協商。該等交易並未計入本集團之銷售與銷售成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

33 RELATED PARTY TRANSACTIONS (Cont'd)

33 有關連人士交易(續)

(b) Year-end balances arising from an associate

(b) 一家聯營公司產生之年度結餘：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| Amount due from an associate for sub-contracting income and rental income | 應收聯營公司分包收入及租金收入 | 410 | 461 |
| Amount due from an associate arising from purchase of goods on behalf | 因代為購買貨品產生之應收聯營公司款項 | 42,779 | 39,793 |
| Amount due to an associate for rental deposit received | 應付聯營公司預收租金按金 | (2,479) | (4,574) |

(c) Key management compensation

(c) 主要管理人員酬金

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Salaries, bonus and allowances | 薪金、花紅及津貼 | 30,073 | 40,929 |
| Retirement benefits – defined contribution schemes | 退休福利 – 定額供款計劃 | 17 | 67 |
| | | 30,090 | 40,996 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

34 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

34 本公司資產負債表及儲備之變動

Balance sheet of the Company

本公司資產負債表

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|-------------------------------------|----------------|----------------------------------|----------------------------------|
| ASSETS | 資產 | | |
| Non-current assets | 非流動資產 | | |
| Interests in subsidiaries | 於附屬公司之權益 | 2,121,498 | 2,238,634 |
| Current assets | 流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 2,437,128 | 2,386,738 |
| Cash and bank balances | 現金及銀行結餘 | 1,992 | 132,924 |
| | | 2,439,120 | 2,519,662 |
| Total assets | 資產總值 | 4,560,618 | 4,758,296 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 1,446 | 1,446 |
| Share premium | 股份溢價 | 1,453,188 | 1,453,188 |
| Reserves | 儲備 | 932,232 | 848,052 |
| | | 2,386,866 | 2,302,686 |
| LIABILITIES | 負債 | | |
| Current liabilities | 流動負債 | | |
| Borrowings | 借貸 | 611,639 | 787,911 |
| Accruals and other payables | 應計項目及其他應付款項 | 6,348 | 6,061 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 1,555,765 | 1,661,638 |
| | | 2,173,752 | 2,455,610 |
| Total liabilities | 負債總額 | 2,173,752 | 2,455,610 |
| Total equity and liabilities | 權益及負債總額 | 4,560,618 | 4,758,296 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

34 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

34 本公司資產負債表及儲備之變動(續)

Reserve movement of the Company

本公司儲備之變動

| | | Share-based compensation reserve 以股份為基礎 之酬金儲備 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 2014 | 於2014年4月1日 | 1,834 | 1,025,118 | 1,026,952 |
| Profit for the year | 年度溢利 | – | 1,335,992 | 1,335,992 |
| Share-based compensation expense | 以股份為基礎之酬金開支 | 3,834 | 18 | 3,852 |
| 2013/2014 final dividends | 2013 / 2014年末期股息 | – | (940,175) | (940,175) |
| 2014/2015 interim dividends | 2014 / 2015年中期股息 | – | (578,569) | (578,569) |
| At 31 March 2015 | 於2015年3月31日 | 5,668 | 842,384 | 848,052 |
| At 1 April 2015 | 於2015年4月1日 | 5,668 | 842,384 | 848,052 |
| Profit for the year | 年度溢利 | – | 1,237,359 | 1,237,359 |
| Share-based compensation expense | 以股份為基礎之酬金開支 | 3,959 | – | 3,959 |
| 2014/2015 final dividends | 2014 / 2015年末期股息 | – | (578,569) | (578,569) |
| 2015/2016 interim dividends | 2015 / 2016年中期股息 | – | (578,569) | (578,569) |
| At 31 March 2016 | 於2016年3月31日 | 9,627 | 922,605 | 932,232 |
| Representing: | 表示: | | | |
| Proposed final dividend (Note 29) | 建議末期股息(附註29) | | 578,569 | |
| Others | 其他 | | 344,036 | |
| | | | 922,605 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

35 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The aggregate amounts of emoluments paid/payable to directors of the Company by the Group are as follows:

35 董事及行政總裁之酬金

本集團已付／應付本公司董事之酬金總額如下：

| | | 2016 2016年 HK\$'000 千港元 | 2015 2015年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Fees | 袍金 | 3,380 | 4,130 |
| Wages, salaries, bonus and allowances | 工資、薪金、花紅及津貼 | 26,693 | 33,418 |
| Retirement benefit – defined contribution schemes | 退休福利 – 定額供款計劃 | 17 | 49 |
| Welfare and benefits | 福利及利益 | – | – |
| Share-based compensation expense | 以股份為基礎之酬金開支 | – | – |
| | | 30,090 | 37,597 |

The emoluments of each director for the year ended 31 March 2016 are as follows:

截至2016年3月31日止年度，各董事之酬金如下：

| Name of Directors | Fees | Wages, salaries, bonus and allowances | Retirement benefit – defined contribution schemes | Welfare and benefits | Share-based compensation expense | Total |
|-------------------------|-----------------|---------------------------------------|---|----------------------|----------------------------------|-----------------|
| 董事姓名 | 袍金 | 工資、薪金、花紅及津貼 | 退休福利 – 定額供款計劃 | 福利及利益 | 以股份為基礎之酬金開支 | 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 | - | - | - | - | - | - |
| Choi Kin Chung | - | - | - | - | - | - |
| Wan Wai Loi | 1,500 | 13,320 | - | - | - | 14,820 |
| Tsang Kang Po | 1,000 | 11,496 | 12 | - | - | 12,508 |
| Lam Wing Tak | 250 | 1,877 | 5 | - | - | 2,132 |
| Lau Yiu Tong | - | - | - | - | - | - |
| Chan Yue Kwong, Michael | 210 | - | - | - | - | 210 |
| Ng Ching Wah | 210 | - | - | - | - | 210 |
| Sze Kwok Wing, Nigel | 210 | - | - | - | - | 210 |
| Total | 3,380 | 26,693 | 17 | - | - | 30,090 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

35 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

The emoluments of each director for the year ended 31 March 2015 are as follows:

35 董事及行政總裁之酬金(續)

截至2015年3月31日止年度，各董事之酬金如下：

| Name of Directors | Fees | Wages, salaries, bonus and allowances | Retirement benefit – defined contribution schemes | Welfare and benefits | Share-based compensation expense | Total |
|-------------------------|----------|---------------------------------------|---|----------------------|----------------------------------|----------|
| 董事姓名 | 袍金 | 工資、薪金、花紅及津貼 | 退休福利 – 定額供款計劃 | 福利及利益 | 以股份為基礎之酬金開支 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Ip Ping Im | - | - | - | - | - | - |
| Choi Kin Chung | - | - | - | - | - | - |
| Wan Wai Loi | 1,500 | 13,044 | 13 | - | - | 14,557 |
| Tsang Kang Po | 1,000 | 11,339 | 18 | - | - | 12,357 |
| Lam Wing Tak | 1,000 | 9,035 | 18 | - | - | 10,053 |
| Lau Yiu Tong | - | - | - | - | - | - |
| Chan Yue Kwong, Michael | 210 | - | - | - | - | 210 |
| Ng Ching Wah | 210 | - | - | - | - | 210 |
| Sze Kwok Wing, Nigel | 210 | - | - | - | - | 210 |
| Total | 4,130 | 33,418 | 49 | - | - | 37,597 |

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 | | | | |
|---|-----------------------|------------------------------------|-----------|-----------|-----------|-----------|
| | | 2016 | 2015 | 2014 | 2013 | 2012 |
| | | 2016年 | 2015年 | 2014年 | 2013年 | 2012年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Revenue | 收入 | 6,927,614 | 6,906,883 | 7,423,481 | 6,649,206 | 6,419,952 |
| Gross profit | 毛利 | 1,302,504 | 1,177,906 | 1,361,371 | 1,181,534 | 1,098,780 |
| Profit attributable to: Equity holders of the Company | 下列人士應佔溢利： 本公司權益持有人 | 1,125,530 | 1,074,785 | 1,116,802 | 925,165 | 893,053 |
| Non-controlling interests | 非控制性權益 | (2,835) | (5,119) | (2,411) | (852) | 982 |
| | | 1,122,695 | 1,069,666 | 1,114,391 | 924,313 | 894,035 |

CONSOLIDATED BALANCE SHEET

綜合資產負債表

| | | As at 31 March, 於3月31日 | | | | |
|--|-----------------------|---------------------------|-----------|-----------|-----------|-----------|
| | | 2016 | 2015 | 2014 | 2013 | 2012 |
| | | 2016年 | 2015年 | 2014年 | 2013年 | 2012年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Non-current assets | 非流動資產 | 1,886,598 | 1,760,187 | 1,471,289 | 1,372,858 | 1,489,768 |
| Current assets | 流動資產 | 3,544,846 | 3,966,978 | 3,882,065 | 3,903,785 | 3,872,268 |
| Total assets | 資產總值 | 5,431,444 | 5,727,165 | 5,353,354 | 5,276,643 | 5,362,036 |
| Current liabilities | 流動負債 | 1,906,148 | 2,076,169 | 1,308,765 | 1,210,781 | 1,319,245 |
| Total assets less current liabilities | 資產總值減流動負債 | 3,525,296 | 3,650,996 | 4,044,589 | 4,065,862 | 4,042,791 |
| Non-current liabilities | 非流動負債 | 173,364 | 156,587 | 105,776 | 93,583 | 80,814 |
| Total equity | 權益總額 | 3,351,932 | 3,494,409 | 3,938,813 | 3,972,279 | 3,961,977 |
| Net current assets | 流動資產淨值 | 1,638,698 | 1,890,809 | 2,573,300 | 2,693,004 | 2,553,023 |
| Equity attributable to: Equity holders of the Company | 下列人士應佔權益： 本公司權益持有人 | 3,360,099 | 3,496,715 | 3,935,013 | 3,965,845 | 3,954,691 |
| Non-controlling interests | 非控制性權益 | (8,167) | (2,306) | 3,800 | 6,434 | 7,286 |
| | | 3,351,932 | 3,494,409 | 3,938,813 | 3,972,279 | 3,961,977 |

THE BOARD

As at the date of this annual report, the executive Directors are Mr. Wan Wai Loi (Chairman), Mr. Tsang Kang Po, the non-executive Directors are Mr. Choi Kin Chung, Mr. Ip Ping Im, Mr. Lau Yiu Tong and Mr. Lam Wing Tak and the independent non-executive Directors are Dr. Chan Yue Kwong, Michael, Mr. Ng Ching Wah and Mr. Sze Kwok Wing, Nigel.

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:

| | | | |
|-----------------------|--|-------------|---|
| "2016 Financial Year" | for the year ended 31 March 2016 | 「2016年財政年度」 | 截至2016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 |
| "CG Code" | the Corporate Governance Code | 「企業管治守則」 | 企業管治守則 |
| "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獲豁免有限公司，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 of the Company | 「獨立非執行董事」 | 本公司的獨立非執行董事 |
| "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」 | 上市發行人董事進行證券交易的標準守則 |
| "PT Sri Lanka" | Textured Jersey Lanka PLC (formerly known as Textured Jersey Lanka (Private) Limited), a limited liability company incorporated under the laws of Sri Lanka | 「PT斯里蘭卡」 | Textured Jersey Lanka PLC (前稱Textured Jersey Lanka (Private) Limited)，一間根據斯里蘭卡法律註冊成立之有限公司 |

董事局

於本年報日期，執行董事為尹惠來先生（主席）、曾鏡波先生；非執行董事為蔡建中先生、葉炳棧先生、劉耀棠先生及林榮德先生；以及獨立非執行董事則為陳裕光博士、伍清華先生及施國榮先生。

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：

| | |
|-------------|---|
| 「2016年財政年度」 | 截至2016年3月31日止年度 |
| 「股東週年大會」 | 本公司之股東週年大會 |
| 「章程細則」 | 本公司不時修訂之公司組織章程細則 |
| 「董事局」 | 本公司之董事局 |
| 「企業管治守則」 | 企業管治守則 |
| 「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獲豁免有限公司，其股份於聯交所上市 |
| 「董事」 | 本公司之董事 |
| 「本集團」 | 本公司及其附屬公司 |
| 「獨立非執行董事」 | 本公司的獨立非執行董事 |
| 「上市規則」 | 聯交所證券上市規則 |
| 「標準守則」 | 上市發行人董事進行證券交易的標準守則 |
| 「PT斯里蘭卡」 | Textured Jersey Lanka PLC (前稱Textured Jersey Lanka (Private) Limited)，一間根據斯里蘭卡法律註冊成立之有限公司 |

GLOSSARY 專用詞彙

| | | | |
|-----------------------|---|-----------|---------------------------------------|
| "SFO" | Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) | 「證券及期貨條例」 | 證券及期貨條例（香港法例第571章） |
| "Shares" | Shares issued by the Company, with a nominal value of HK\$0.001 each | 「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」 | 本公司根據本公司股東於2007年4月27日通過之書面決議案採納之購股權計劃 |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited | 「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