2011 Annual Report 年報

DAPHNE INTERNATIONAL HOLDINGS LIMITED
達芙妮國際控股有限公司
(Stock code:210 股票代號:210)

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr Chen Ying-Chieh *(Chairman & Chief Executive Officer)*
(appointed as Chief Executive Officer on 27 January 2011)
Mr Chen Hsien Min *(Managing Director)*
(re-designated as Non-executive Director and Vice-chairman on 27 January 2011)
Mr Chen Tommy Yi-Hsun (appointed on 31 December 2011)
Mr Chang Chih-Kai
Mr Chang Chih-Chiao

Non-executive Directors

Mr Chen Hsien Min *(Vice-chairman)*
(appointed on 27 January 2011 and resigned on 31 December 2011)
Mr Kim Jin-Goon (appointed on 13 April 2011)
Ms Ma Xuezheng (resigned on 13 April 2011)

Independent Non-executive Directors

Mr Hsiao Hsi-Ming (resigned on 1 September 2011)
Mr Huang Shun-Tsai
Mr Kuo Jung-Cheng
Mr Lee Ted Tak Tai (appointed on 1 September 2011)

Alternate Directors

Mr Kim Jin-Goon (Alternate Director to Ms Ma Xuezheng)
(resigned on 13 April 2011)
Mr Lau Wai Kei, Ricky (Alternate Director to Mr Kim Jin-Goon)
(appointed on 13 April 2011)

AUDIT COMMITTEE

Mr Hsiao Hsi-Ming *(Chairman)* (resigned on 1 September 2011)
Mr Lee Ted Tak Tai *(Chairman)* (appointed on 1 September 2011)
Mr Huang Shun-Tsai
Mr Kim Jin-Goon (appointed on 13 April 2011)
Mr Kuo Jung-Cheng
Ms Ma Xuezheng (resigned on 13 April 2011)

REMUNERATION COMMITTEE

Mr Kuo Jung-Cheng *(Chairman)*
Mr Chen Hsien Min (resigned on 31 December 2011)
Mr Chen Ying-Chieh (appointed on 31 December 2011)
Mr Hsiao Hsi-Ming (resigned on 1 September 2011)
Mr Huang Shun-Tsai
Mr Kim Jin-Goon (appointed on 13 April 2011)
Mr Lee Ted Tak Tai (appointed on 1 September 2011)
Ms Ma Xuezheng (resigned on 13 April 2011)

NOMINATION COMMITTEE

Mr Huang Shun-Tsai *(Chairman)*
Mr Chen Ying-Chieh
Mr Hsiao Hsi-Ming (resigned on 1 September 2011)
Mr Kim Jin-Goon (appointed on 13 April 2011)
Mr Kuo Jung-Cheng
Mr Lee Ted Tak Tai (appointed on 1 September 2011)
Ms Ma Xuezheng (resigned on 13 April 2011)

董事會

執行董事

陳英杰先生*(主席兼行政總裁)*
(於二零一一年一月二十七日獲委任為行政總裁)
陳賢民先生*(董事總經理)*
(於二零一一年一月二十七日調任為非執行董事兼副主席)
陳怡勳先生(於二零一一年十二月三十一日獲委任)
張智凱先生
張智喬先生

非執行董事

陳賢民先生*(副主席)*
(於二零一一年一月二十七日獲委任並於二零一一年十二月三十一日辭任)
金珍君先生(於二零一一年四月十三日獲委任)
馬雪征女士(於二零一一年四月十三日辭任)

獨立非執行董事

蕭溪明先生(於二零一一年九月一日辭任)
黃順財先生
郭榮振先生
李德泰先生(於二零一一年九月一日獲委任)

替任董事

金珍君先生(馬雪征女士之替任董事)
(於二零一一年四月十三日辭任)
劉偉琪先生(金珍君先生之替任董事)
(於二零一一年四月十三日獲委任)

審核委員會

蕭溪明先生*(主席)*(於二零一一年九月一日辭任)
李德泰先生*(主席)*(於二零一一年九月一日獲委任)
黃順財先生
金珍君先生(於二零一一年四月十三日獲委任)
郭榮振先生
馬雪征女士(於二零一一年四月十三日辭任)

薪酬委員會

郭榮振先生*(主席)*
陳賢民先生(於二零一一年十二月三十一日辭任)
陳英杰先生(於二零一一年十二月三十一日獲委任)
蕭溪明先生(於二零一一年九月一日辭任)
黃順財先生
金珍君先生(於二零一一年四月十三日獲委任)
李德泰先生(於二零一一年九月一日獲委任)
馬雪征女士(於二零一一年四月十三日辭任)

提名委員會

黃順財先生*(主席)*
陳英杰先生
蕭溪明先生(於二零一一年九月一日辭任)
金珍君先生(於二零一一年四月十三日獲委任)
郭榮振先生
李德泰先生(於二零一一年九月一日獲委任)
馬雪征女士(於二零一一年四月十三日辭任)

CORPORATE INFORMATION

公司資料

COMPANY SECRETARY

Ms Chan Oi Chu

公司秘書

陳愛珠女士

AUTHORISED REPRESENTATIVES

Mr Chen Hsien Min (resigned on 27 January 2011)
Mr Chen Ying-Chieh (appointed on 27 January 2011)
Ms Chan Oi Chu

授權代表

陳賢民先生(於二零一一年一月二十七日辭任)
陳英杰先生(於二零一一年一月二十七日獲委任)
陳愛珠女士

REGISTERED OFFICE

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

註冊辦事處

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17th Floor, Fung House
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Hong Kong
Telephone: (852) 2367 9021
Fax: (852) 2311 3170

香港主要營業地點

香港
干諾道中19-20號
馮氏大廈17樓
電話：(852) 2367 9021
傳真：(852) 2311 3170

OPERATIONAL HEADQUARTER

3908 Hu Qing Ping Road
Zhao Xiang Town
Qingpu County
Shanghai, China
Telephone: (86) 21 3976 2468
Fax: (86) 21 5975 2698

營運總部

中國上海
青浦縣
趙巷鎮
滬青平公路3908號
電話：(86) 21 3976 2468
傳真：(86) 21 5975 2698

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

股份過戶登記處

卓佳秘書商務有限公司
香港
皇后大道東28號
金鐘滙中心26樓

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

核數師

羅兵咸永道會計師事務所
執業會計師

PRINCIPAL BANKERS

Agricultural Bank of China
China Construction Bank Corporation
First Sino Bank
Hang Seng Bank Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited

主要往來銀行

中國農業銀行
中國建設銀行股份有限公司
華一銀行
恒生銀行有限公司
三菱東京UFJ銀行

CORPORATE WEBSITES

http://www.daphneholdings.com
http://www.daphne.com.cn

公司網址

http://www.daphneholdings.com
http://www.daphne.com.cn

FINANCIAL AND OPERATIONAL HIGHLIGHTS

財務及經營摘要

FINANCIAL PERFORMANCE

財務表現

		For the year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年	2010 二零一零年
Turnover (HK$' million)	營業額(百萬港元)	**8,576.8**	6,623.8
Gross profit (HK$' million)	毛利(百萬港元)	**5,243.8**	3,800.8
Gross profit margin (%)	毛利率(%)	**61.1**	57.4
Operating profit (HK$' million) (Note 1)	經營盈利(百萬港元)(附註1)	**1,368.6**	971.7
Operating profit margin (%)	經營盈利率(%)	**16.0**	14.7
Profit attributable to owners of the Company (HK$' million)	本公司擁有人應佔盈利(百萬港元)	**933.1**	595.5
Net profit margin (%)	純利率(%)	**10.9**	9.0
Basic earnings per share (HK cents)	每股基本盈利(港仙)	**56.96**	36.36
Dividend per share (HK cents)	每股股息(港仙)	**17.0**	12.0

KEY FINANCIAL INDICATORS

主要財務指標

		For the year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年	2010 二零一零年
Average inventory turnover (days) (Note 2)	平均存貨週轉期(日)(附註2)	**172**	128
Average debtors turnover (days) (Note 3)	平均應收賬週轉期(日)(附註3)	**10**	11
Average creditors turnover (days) (Note 4)	平均應付賬週轉期(日)(附註4)	**68**	69
Cash conversion cycle (days) (Note 5)	現金循環天數(日)(附註5)	**114**	70
Capital expenditure (HK$' million) (Note 6)	資本開支(百萬港元)(附註6)	**393.7**	281.3
Effective tax rate (%) (Note 7)	實際稅率(%)(附註7)	**26.7**	25.7

		As at 31 December 於十二月三十一日	
		2011 二零一一年	2010 二零一零年
Cash and bank balances (HK$' million) (Note 8)	現金及銀行餘額(百萬港元)(附註8)	**1,795.7**	2,059.7
Bank loan (HK$' million)	銀行貸款(百萬港元)	**7.0**	11.3
Convertible bonds (HK$' million)	可換股債券(百萬港元)	**605.9**	556.6
Equity attributable to owners of the Company (HK$' million)	本公司擁有人應佔權益(百萬港元)	**4,035.9**	3,124.3
Current ratio (times) (Note 9)	資產流動比率(倍)(附註9)	**3.1**	3.4
Net gearing ratio (%) (Note 10)	淨負債比率(%)(附註10)	**Net cash淨現金**	Net cash淨現金

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Notes:

1. Operating profit represented profit before fair value loss on warrants, finance costs, share of profit of an associated company and income tax expense.

2. The calculation of average inventory turnover (days) is based on the average of opening and closing inventory balances divided by cost of sales and multiplied by 365 days.

3. The calculation of average debtors turnover (days) is based on the average of opening and closing balances of trade receivables divided by turnover and multiplied by 365 days.

4. The calculation of average creditors turnover (days) is based on the average of opening and closing balances of trade payables divided by purchases and multiplied by 365 days.

5. The calculation of cash conversion cycle (days) is based on average inventory turnover (days) plus average debtors turnover (days) minus average creditors turnover (days).

6. Capital expenditure comprises acquisition of land use rights and fixed assets and cash expenditure on license rights.

7. Effective tax rate is calculated based on income tax expense divided by profit before income tax excluding fair value loss on warrants, impairment loss on available-for-sale financial assets and director's discretionary bonus totalling HK$91.9 million (2010: HK$77.3 million).

8. Cash and bank balances comprise cash and cash equivalents and bank deposit with maturity over three months.

9. The calculation of current ratio (times) is based on the total current assets divided by total current liabilities as at 31 December.

10. The calculation of net gearing ratio (%) is based on net debt (being total of bank loan and convertible bonds, less total cash and bank balances) divided by equity attributable to owners of the Company as at 31 December.

財務及經營摘要

附註：

1. 經營盈利指除認股權證之公平值虧損、財務成本、應佔一間聯營公司盈利及所得稅開支前盈利。

2. 平均存貨週轉期(日)乃按年初及年終存貨之平均結餘除以銷售成本乘以365日計算。

3. 平均應收賬週轉期(日)乃按年初及年終貿易應收賬款平均結餘除以營業額乘以365日計算。

4. 平均應付賬週轉期(日)乃按年初及年終貿易應付賬款平均結餘除以採購額乘以365日計算。

5. 現金循環天數(日)乃按平均存貨週轉期(日)加平均應收賬週轉期(日)減平均應付賬週轉期(日)計算。

6. 資本開支包括購置土地使用權及固定資產，以及特許使用權的現金開支。

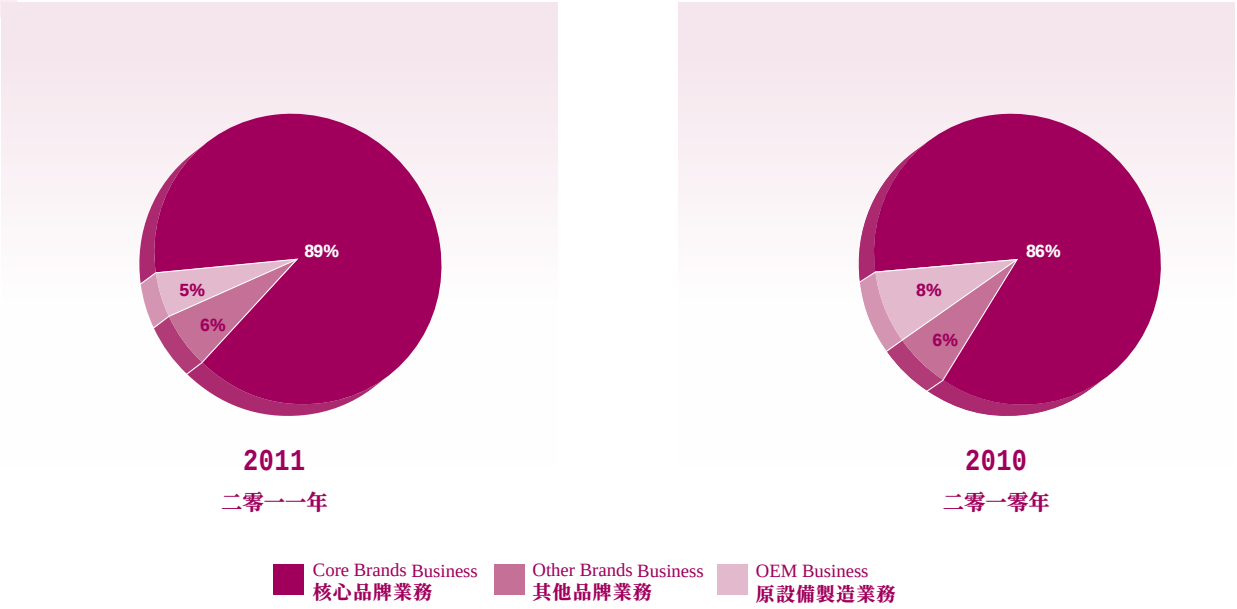
7. 實際稅率乃按所得稅開支除以除所得稅前盈利(不包括認股權證之公平價值虧損、可供出售金融資產減值虧損及董事酌情花紅，共91.9百萬港元(二零一零年：77.3百萬港元))計算。

8. 現金及銀行餘額包括現金及現金等價物、以及存款期超過三個月之銀行存款。

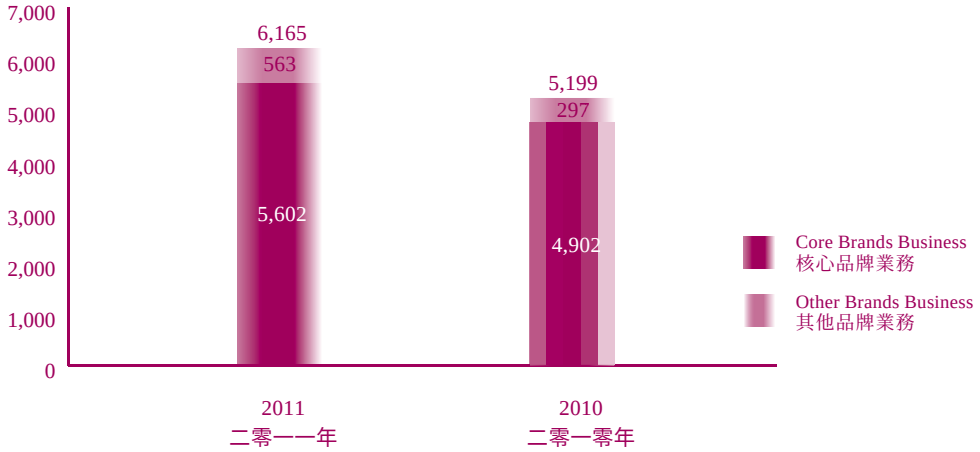
9. 資產流動比率(倍)乃根據於十二月三十一日之流動資產總值除以流動負債總額計算。

10. 淨負債比率(%)乃根據於十二月三十一日之債務淨額(銀行貸款及可換股債券之總額減現金及銀行結餘)除以本公司擁有人應佔權益計算。

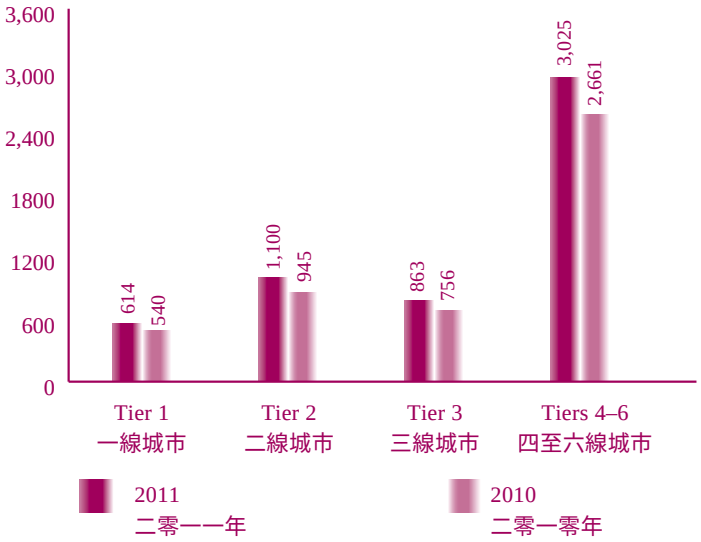
Group Turnover Analysis for the year ended 31 December
截至十二月三十一日止年度本集團營業額分析



Number of Points-of-Sale as at 31 December
於十二月三十一日銷售點數目



Distribution of Points-of-Sale of Core Brands Business by City Tier as at 31 December
於十二月三十一日核心品牌業務按城市級別劃分的銷售點分佈



CHAIRMAN'S STATEMENT

For the year ended 31 December 2011, Daphne International Holdings Limited (the "Company") and its subsidiaries (the "Group") continued to perform well. The Group's turnover was HK$8,576.8 million, 29% higher than last year. The Group's gross profit margin increased to 61.1%, from 57.4% last year. Net margin increased to 10.9%, leading to the net profit (if excluded fair value loss on warrants) increased by 39% to HK$933.1 million.

The positive performance was attributed to the healthy growth of our core brands, both "Daphne" and "Shoebox", which was facilitated by the rationalisation of the supply chain, enhanced product design and planning, and more sophisticated and targeted marketing programmes. These efforts also led to strong sales and same store sales growth. Our focus on increasing our market share and broadening our network coverage further contributed to the strong results, with the Group's network covering 6,165 points-of-sale in total, as at 31 December 2011.

Subsequent to the year end, Daphne ranked as the top brand of ladies' shoes in a national survey, "China Brand Power Index", conducted by the China Brand Research Centre, as commissioned by the Ministry of Industrial and Information Technology of the Chinese Government. In earning the same honour from such a reputable and independent survey for two consecutive years (2011 and 2012), "Daphne" has become an invaluable brand asset that the Group will continue to develop and leverage to broaden our customer base.

Looking ahead, we will continue to expand our retail network to capitalise on the growing economy of Mainland China. Focus will remain on our core brands business, "Daphne" and "Shoebox". By leveraging on our strong fundamentals, the Group will take the initiative to diversify, and therefore will seek prudent development of our mid- to high-end brand portfolio. We will also strive to further enhance the operational efficiency on all fronts, including optimisation of the supply chain, more dedicated sales operations management, more specialised channel management, strengthening our brand management capacity, refining our product design and planning, as well as broadening our marketing reach.

Our management team now is equipped with varied expertise and solid experience, and plays an instrumental role in driving all-round advancement of the Group. Together with various systems and measures that we introduced to drive progress, I expect the benefits from such investments and efforts will steadily be realised and reflected in the Group's future performance.

主席報告

達芙妮國際控股有限公司(「本公司」)及其附屬公司(「本集團」)於截至二零一一年十二月三十一日止年度業務繼續取得卓越表現。本集團的營業額較去年增長29%至8,576.8百萬港元，毛利率由去年57.4%上升至61.1%。純利率亦提升至10.9%，使本集團的淨利潤(扣除認股權證之公平值虧損後)上升39%至933.1百萬港元。

本集團取得理想表現，有賴核心品牌「達芙妮」及「鞋櫃」於年內均取得顯著增長。這主要因為本集團致力優化供應鏈、提升產品設計及規劃，以及更全面而精準的市場推廣活動。這些措施也促使銷售額及同店銷售取得高增長。此外，年內我們著重於擴大市場佔有率及拓展零售網絡，也有助推動集團業績取得優越表現。截至二零一一年十二月三十一日止，本集團的銷售點達6,165個。

二零一二年初，「達芙妮」在一項全國性的品牌調查中，位居「女式皮鞋」組別的第一名。該名為「中國品牌力」的市場調查是由中國政府工業和信息化部轄下的中國企業品牌研究中心舉辦。「達芙妮」於二零一一及二零一二年連續兩年均獲得由此獨立機構舉辦且具公信力調查的同一殊榮，充分顯示「達芙妮」具有崇高的品牌價值，本集團將繼續致力推動此品牌發展，並在這基礎上擴大集團的客戶群。

展望未來，我們會繼續擴大銷售網絡，以捕捉中國大陸經濟增長所帶來的機遇，並繼續把重心放在核心品牌「達芙妮」及「鞋櫃」的業務發展上。本集團憑藉堅實穩固的業務基礎去開展業務多元化策略，因此本集團將在中高端品牌業務上尋求審慎發展。我們亦會努力不懈地加強各個範疇的營運效益，包括進一步提升供應鏈管理、深化銷售營運管理、更專業的銷售渠道管理、加強品牌管理能力、改善產品設計及規劃，以及推行更廣泛的市場推廣活動。

我們的管理團隊擁有不同範疇的專業知識及豐富經驗，正積極帶動本集團的全方位發展，加上各項促進本集團提升效益的制度及措施，我相信我們所投入的努力及投資，將會逐步在未來的業務表現上獲得反映。

CHAIRMAN'S STATEMENT

With our vision of becoming a leading brand management company that provides customers with trendsetting and quality products, we will continue to pursue growth strategies that include increasing market share by strengthening our core brands business; seeking further market penetration through brand and product extension; and diversifying, in terms of brands, products, prices and sales channels to reach out to much broader market segments. Through such measures, we will endeavour to continue expanding and capturing growing market opportunities in China and the region.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to Messrs Chen Hsien Min and Hsiao Hsi-Ming for their valuable contributions to the Group over the years. In particular, Mr Chen Hsien Min, as one of the founders of the Group, has dedicated more than 23 years to developing the company and building the foundation on which the Group has grown, and will further grow in the future. I would also like to welcome Mr Lee Ted Tak Tai who joined the Board as an Independent Non-executive Director in September 2011. With his extensive experience in finance and auditing, I am confident that he will contribute significantly to the Group's ongoing development.

Sincere gratitude must certainly be extended to all our stakeholders, including the management team, our employees, business partners, customers and shareholders for their trust and continuous support of the Group.

Chen Ying-Chieh
Chairman & Chief Executive Officer

Hong Kong, 19 March 2012

主席報告

本集團的願景，是成為引領時尚潮流的品牌管理公司，致力為客戶提供優質及舒適的產品，因此我們會繼續實踐增長策略，包括透過加強核心品牌業務的發展以擴大市場佔有率、利用品牌及產品延伸以進一步加強市場滲透率；並且通過品牌、產品、售價及銷售渠道的多元化而擴闊至不同的市場領域。藉著上述措施，本集團將致力把握中國及鄰近地區的市場增長機遇而繼續拓展業務。

致謝

本人謹代表董事會，向陳賢民先生及蕭溪明先生對本集團多年來的貢獻致以衷心感謝。作為本集團的創辦人之一，陳賢民先生在過去逾二十三年，一直致力於本集團的發展，為本集團建立了穩健基礎，讓本集團得以茁壯成長。我亦特此歡迎李德泰先生於二零一一年九月加入成為本集團獨立非執行董事。我深信憑藉李先生在財務及審計方面的豐富專業經驗，定能為本集團的持續發展帶來重大貢獻。

本人同時向所有持份者，包括管理團隊、僱員、業務夥伴、顧客及股東，對本集團一直以來的支持和信任，致以衷心感謝。

主席兼行政總裁
陳英杰

香港，二零一二年三月十九日

CORE BRANDS BUSINESS

The economy in China remained strong in 2011, with GDP growth of over 9%. The stimulus policies of the Chinese government raised income levels and encouraged domestic consumption. Ongoing urbanisation further fuelled retail market expansion and boosted consumption amongst both the urban and sub-urban population. Amid a robust market environment in 2011, the Group's core brands, "Daphne" and "Shoebox", both achieved impressive performance in Mainland China. Turnover of core brands business increased by approximately 35% to HK$7,671.1 million from HK$5,696.6 million in 2010. Several factors played a role in driving the increase in turnover. The retail network continued to expand with a net increase of 700 points-of-sale. Enhanced product design and planning, as well as strengthened marketing efforts made our products more attractive and appealing. More efficient supply chain management, together with steady inventory supply, led to improved sales in the spring/summer season, and continued to facilitate strong sales growth in the second half of the year. As improvements in various aspects were made to drive better operational efficiency and boost sales, these concerted efforts were reflected in the strong same store sales growth. Turnover growth was driven by increase in both average selling price and volume, reflecting a growing customer base.

核心品牌業務

中國經濟於二零一一年繼續保持高增長，國內生產總值較去年錄得超過9%升幅。中國政府實施的刺激經濟措施提升市民收入水平並帶動內需。此外，中國持續城市化進一步擴大零售市場，並促進了城市及近郊地區的消費。受惠於二零一一年興旺的市場環境，本集團的核心品牌－「達芙妮」及「鞋櫃」在中國大陸取得理想表現。核心品牌業務的營業額由二零一零年的5,696.6百萬港元，增加35%達7,671.1百萬港元。多項利好因素推動營業額增長。零售網絡持續擴展，銷售點淨增加700個。另外，加強產品設計及規劃、加大市場推廣力度，均令產品更具吸引力。供應鏈管理提升效率以及穩定的存貨供應，顯著改善春／夏季的銷售額，更帶動下半年銷售取得高增長。本集團致力於不同範疇作出改善，務求可推動更佳營運效益及銷售，年內所作出的努力獲充分反映於同店銷售增長中。營業額增長由每雙鞋的平均售價及銷售量帶動，反映客戶群的增長。

Gross profit margin reached 61.9%, with an increase of 2.3 percentage points, reflecting enhanced operational efficiency and more balanced sales growth. Operating margin also increased to 20.3% from 17.7% in 2010, despite the increase in rental pressure and rising labour costs during the year.

毛利率上升至61.9%，增長2.3個百分點，反映營運效率獲得提升，以及更均衡的銷售增長。儘管面對租金壓力及勞工成本上升，惟經營利潤率仍由二零一零年的17.7%上升至20.3%。

The "Brand Revamp" programme for "Daphne" launched in the fourth quarter of 2010, including the introduction of a new logo and new store design, and an uplift of the marketing program, continued to roll out in 2011. The programme has linked "Daphne" with a refreshing, friendly and joyful image. It was well received by the market and helped contribute to higher store traffic and sales during the year. During the year, "Shoebox" continued its fast pace of network expansion by adding stores at areas where "Daphne" has strong presence, as well in new areas. As at 31 December 2011, the Group had 4,547 directly-managed points-of-sale (2010: 3,918) and 1,055 (2010: 984) franchised outlets for its core brands business.

本集團在二零一零年第四季開始推行「達芙妮」品牌重塑計劃，包括更換品牌標誌、採用全新店舖設計及更積極的市場推廣活動，並於二零一一年繼續開展及施行，為「達芙妮」帶來更具清新、親切及愉悅的品牌形象。市場反應正面，致使年內的店舖人流及銷售額均有所提升。在回顧年內，「鞋櫃」繼續快速擴展網絡，除了在「達芙妮」已建立起強大據點的地區設店外，也進駐入新的區域。於二零一一年十二月三十一日，本集團之核心品牌業務共擁有4,547間直接經營店舖（二零一零年：3,918間）及1,055個（二零一零年：984個）加盟零售點。

OTHER BRANDS BUSINESS

Other brands business mostly refers to the operation of mid- to high-end brands, including own-brands and licensed brands, in Mainland China, Taiwan and Hong Kong. The brand portfolio, mainly consisting of "AEE", "Ameda", "dulala", "ALDO", and "Aerosoles", represents the Group's initiative to diversify and broaden its reach to the

其他品牌業務

其他品牌業務主要包括於中國大陸、台灣及香港經營的中高端自營品牌及代理品牌。該等品牌包括「AEE」、「Ameda」、「杜拉拉」、「ALDO」及「Aerosoles」等，顯示本集團銳意將業務拓展至不斷擴大的中產消費族群，同時也可繼續服務隨年月而

growing middle-class consumers group, and continue to serve those "Daphne" customers who have grown to become more discerning and sophisticated. For the year ended 31 December 2011, turnover of other brands business was HK$529.6 million (2010: HK$430.3 million).

品味提升為更優雅及更有獨特個性的「達芙妮」顧客。截至二零一一年十二月三十一日止年度，其他品牌業務的營業額達529.6百萬港元（二零一零年：430.3百萬港元）。

The Group completed the integration of the acquired business of Full Pearl, and enriched its brand portfolio during the year. Among the brands, "dulala", our own-label, was introduced in 2011, and the Group launched "Aerosoles" and "ALDO", two licensed brands, in Mainland China as well. Focus was put on building an extensive retail network to increase its market presence. The Group allocated resources to bolster the brand management capability since the fourth quarter of the year, with the aim of improving the operational efficiency and brand building, thus paving the way for enhanced performance in future. As at 31 December, 2011, the Group had 563 points-of-sale (2010: 297) for its other brands business.

年內，本集團完成併購「富珍」業務的整合，並積極加強本集團的品牌組合。在眾多品牌中，自營品牌「杜拉拉」在二零一一年推出市場，本集團並在中國市場推出「Aerosoles」及「ALDO」兩個代理品牌。本集團專注於拓展分銷網絡，從而加強市場據點。於年內第四季開始，本集團投入更多資源予以強化品牌管理能力，旨在提升營運效益及加強品牌建立，改善未來業務表現。於二零一一年十二月三十一日，本集團的其他品牌業務共擁有563個（二零一零年：297個）零售點。

MANUFACTURING BUSINESS

To provide greater production support to the expanding core brands business, during the year the manufacturing business continued to adjust its allocation of production capacity as to reduce the volume produced for OEM orders. In addition to shifting more capacity to produce core brands products from its OEM facility, the manufacturing business also sought to increase its overall production capacity to provide stronger support to the growing core brands business.

製造業務

在製造業務方面，本集團於年內繼續調整產能的分配以支持核心品牌業務的擴展，減少原設備製造訂單的產量。除了調配更多原設備製造的產能以生產核心品牌產品外，製造業務將致力提升整體產能，為核心品牌業務的增長提供強大後盾。

FINANCIAL REVIEW

Results Performance

For the year ended 31 December 2011, the Group's turnover increased by 29% to HK$8,576.8 million (2010: HK$6,623.8 million) while operating profit (being profit before fair value loss on warrants, finance costs, share of profit of an associated company and income tax expense) increased by 41% to HK$1,368.6 million (2010: HK$971.7 million). Profit attributable to shareholders was HK$933.1 million (2010: HK$595.5 million), including the fair value loss on warrants of HK$77.3 million recognised in 2010, increased by 57%. Basic earnings per share was HK56.96 cents (2010: HK36.36 cents). The Board recommended payment of a final dividend of HK9.0 cents (2010: HK6.0 cents) per share for the year ended 31 December 2011. Including interim dividend of HK8.0 cents (2010: HK6.0 cents) per share, total dividend per share for 2011 is HK17.0 cents (2010: HK12.0 cents), representing an increase of 42% compared to last year. Total dividend payout is 30% (2010: 29%, based on EPS excluding fair value loss on warrants).

財務回顧

業績表現

截至二零一一年十二月三十一日止年度，本集團營業額增加29%至8,576.8百萬港元（二零一零年：6,623.8百萬港元），而經營盈利（扣除認股權證之公平價值虧損、財務成本、應佔一間聯營公司盈利及所得稅開支前盈利）增加41%至1,368.6百萬港元（二零一零年：971.7百萬港元）。股東應佔盈利（計入二零一零年之認股權證公平價值虧損77.3百萬港元）錄得933.1百萬港元（二零一零年：595.5百萬港元），增加57%。每股基本盈利為56.96港仙（二零一零年：36.36港仙）。董事會建議派發截至二零一一年十二月三十一日止年度的末期股息每股9.0港仙（二零一零年：6.0港仙），連同中期派發的股息每股8.0港仙（二零一零年：6.0港仙），全年股息合計為每股17.0港仙（二零一零年：12.0港仙），較去年上升42%。派息比率為30%（二零一零年：29%（根據不包括認股權證之公平價值虧損的每股盈利））。

The business performance of individual segments for the year ended 31 December is summarised as follows:

各分部於截至十二月三十一日止年度的業務表現載列如下：

HK$' million 百萬港元		Core Brands Business 核心品牌業務		Other Brands Business 其他品牌業務		Manufacturing Business 製造業務	
		2011 二零一一年	2010 二零一零年	**2011 二零一一年**	2010 二零一零年	**2011 二零一一年**	2010 二零一零年
Revenue from external customers	對外客戶收益	**7,597.1**	5,646.5	**529.6**	409.7	**450.2**	567.6
Inter-segment revenue	分部間收益	**74.0**	50.0	**–**	20.6	**1,003.1**	594.5
Total segment revenue	分部收益總額	**7,671.1**	5,696.5	**529.6**	430.3	**1,453.3**	1,162.1
Segment gross profit	分部毛利	**4,747.4**	3,397.8	**315.1**	224.1	**203.4**	180.0
Segment operating profit/(loss)	分部經營盈利／(虧損)	**1,555.1**	1,006.2	**(64.6)**	(0.1)	**108.1**	51.6

Liquidity and Financial Resources

As at 31 December 2011 and 31 December 2010, the Group has a healthy net cash position. Cash and bank balances, comprised of cash and cash equivalents and bank deposits with maturity over three months, was HK$1,795.7 million (2010: HK$2,059.7 million). The net decrease of HK$264.0 million (2010: net increase of HK$433.9 million) is analysed as follows:

流動資金及財政資源

於二零一一年十二月三十一日及二零一零年十二月三十一日，本集團擁有良好的淨現金狀況。現金及銀行結餘(包括現金及現金等價物、存款期超逾三個月之銀行存款)為1,795.7百萬港元(二零一零年：2,059.7百萬港元)。淨減少的264.0百萬港元(二零一零年：淨增加433.9百萬港元)分析如下：

		2011 二零一一年 HK$' million 百萬港元	2010 二零一零年 HK$' million 百萬港元
Net cash generated from operating activities	經營業務產生的現金淨額	**242.6**	892.3
Capital expenditure	資本開支	**(393.7)**	(281.3)
Proceeds from disposal of fixed assets	出售固定資產所得款項	**2.2**	4.1
Net dividend paid	已付股息淨額	**(234.2)**	(183.8)
Net bank loan repaid	淨銀行貸款償還	**(4.0)**	(34.0)
Net cash flow from acquisition of subsidiaries and other investment	收購附屬公司及其他投資之淨現金流	**(30.3)**	(32.3)
Net interest received	已收利息淨額	**40.9**	16.5
Proceeds from issue of shares upon exercise of share options	行使購股權而發行股份之所得款項	**19.0**	–
Effect of exchange rate changes	外匯兌換率變動之影響	**93.5**	52.4
		(264.0)	433.9

As at 31 December 2011, the Group had unutilised banking facilities amounting to HK$173.6 million (2010: HK$214.9 million) and current ratio (being current assets divided by current liabilities) was 3.1 (2010: 3.4). The Group has sufficient resources currently to support expansion and development of business in the future.

於二零一一年十二月三十一日，本集團未動用之銀行融資額度為173.6百萬港元(二零一零年：214.9百萬港元)，資產流動比率(按流動資產除以流動負債計算)為3.1倍(二零一零年：3.4倍)。本集團現時持有足夠資源以支持未來擴充及業務發展所需。

To maximise the return on idle liquid resources, the Group placed a number of principal-protected structured deposits with registered banks in Mainland China. The interest income earned for the year was HK$63.1 million (2010: HK$37.1 million), being 1.7 times the amount of last year.

為令閒置流動資源帶來最大回報，本集團存放了一些保本結構性存款於中國大陸之註冊銀行。年內賺到取到的利息收入為63.1百萬港元(二零一零年：37.1百萬港元)，為去年金額的1.7倍。

As at 31 December 2011, the Group's net gearing, calculated on the basis of net debt (being total bank loans and convertible bonds less total cash and bank balances) over shareholders' equity, was in a net cash (2010: net cash) position. All bank loans were at floating rates during the year.

於二零一一年十二月三十一日，本集團淨負債比率(根據淨負債(即銀行貸款及可換股債券之總額減現金及銀行結餘)除以股東權益計算)為淨現金(二零一零年：淨現金)。年內銀行貸款均以浮息計算。

Foreign Exchange Risk Management

The Group did not engage in any foreign exchange derivatives during the year (2010: nil). Management closely monitors the market situation and may consider tools to manage foreign exchange risk whenever necessary.

匯率風險管理

本集團於年內並無使用任何外匯衍生工具(二零一零年：無)。管理層將密切注視市場情況，如有需要時，或會考慮使用適當措施調控外匯風險。

Pledge of Assets

As at 31 December 2011 and 31 December 2010, no assets were pledged as security for banking facilities of the Group.

資產抵押

於二零一一年十二月三十一日及二零一零年十二月三十一日，本集團未有就銀行信貸而抵押資產。

Capital Expenditure

During the year, the Group incurred a capital expenditure of HK$393.7 million (2010: HK$281.3 million) mainly for retail network expansion and renovation, purchase and construction of regional warehouse and offices, etc.

資本開支

年內，本集團的資本開支為393.7百萬港元(二零一零年：281.3百萬港元)，主要用於擴展及裝修分銷網絡、購置及建設倉儲設施及辦公室等。

Contingent Liabilities

As at 31 December 2011 and 31 December 2010, the Group had no significant contingent liabilities.

或然負債

於二零一一年十二月三十一日及二零一零年十二月三十一日，本集團並無任何重大或然負債。

Human Resources

As at 31 December 2011, the Group had over 25,000 (2010: 23,000) employees in Mainland China, Taiwan, Hong Kong and Korea. Employee and directors' expenditure for the year, including share-based payment expense of HK$46.1 million (2010: 58.6 million), amounted to HK$1,219.4 million (2010: HK$836.6 million). The Group values human resources and recognises the importance of retaining high calibre employees. Remuneration packages are generally structured by reference to market terms and the qualifications of individual employees. In addition, share options and discretionary bonuses are granted to eligible employees based on the performance of the Group and the individual employee. The Group also provides mandatory provident fund schemes, medical insurance schemes, staff purchase discounts and training programmes to employees.

人力資源

於二零一一年十二月三十一日，本集團於中國大陸、台灣、香港及韓國之僱員人數超過25,000人(二零一零年：23,000人)。年內僱員及董事開支(包括以股份為基礎之款項開支為46.1百萬港元(二零一零年：58.6百萬港元))為1,219.4百萬港元(二零一零年：836.6百萬港元)。本集團重視其人力資源並深明留聘優質人才的重要性，所提供之薪酬及福利乃參考市場水平及員工個人能力而定，並按本集團及員工之表現提供購股權及酌情花紅。此外，本集團亦為僱員提供強積金、醫療保障、員工購物折扣及培訓課程。

PROSPECTS

China will continue to see a relative high economic growth in 2012, as compared to developed markets, with its GDP expected to grow at 7.5%. As the Chinese government carries on its measures to drive growth led by domestic consumption, along with the wage increase, and accelerated urbanisation, we believe the retail market will continue to grow steadily.

Looking ahead, the Group remains committed to expanding its presence in Mainland China to capitalise the vast potential of this growing market. We aim to add 700 points-of-sale for our core brands, "Daphne" and "Shoebox", in 2012, and maintain strategic focus on establishing directly-managed points-of-sale over franchised outlets.

According to a national survey "China Brand Power Index" conducted by the China Brand Research Centre and commissioned by the Ministry of Industry and Information Technology of the Chinese government, "Daphne" ranked as the top brand in the ladies' shoes category for two consecutive years (2011 and 2012). This comprehensive survey involved 30 cities in Mainland China. Therefore the award showcases the strong brand equity and leading market status "Daphne" enjoys. The Group will continue to build on this strong platform to elevate the performance of "Daphne" and extend its strength to its brand portfolio.

The Group will seek continuous improvement in various functions to enhance operational efficiency and bolster sales. Efforts will include strengthening product development and planning, employing integrated marketing efforts, optimising the supply chain, developing greater specialisation of sales operation and channel management, and enhancing dedicated brand management.

As an initiative to diversify by leveraging the Group's solid fundamentals, the development of the mid- to high-end brand portfolio presents an opportunity to tap the growing middle class in China. The Group will make every endeavour to enhance the performance of this business segment expects to start bearing fruit as brand management strategies begin to effect.

Underpinning all of the above efforts is a highly experienced management team that has been made even stronger. As this team seeks to refine every facet of operation and leverage the Group's competitive advantages, we are confident that the Group will realise steady progress in capitalising the promising retail market in China, and continue to deliver value to shareholders.

展望

於二零一二年，中國的經濟發展相對發展國家仍維持較高增長，國內生產總值預期將上升7.5%。由於中國政府持續實施刺激內需的經濟措施，加上工資上升及城市化加快，本集團相信國內零售市道將可繼續穩健發展。

展望未來，本集團將一如以往，致力拓展國內業務發展，以捕捉中國經濟增長所帶來的龐大商機。我們計劃於二零一二年為核心品牌「達芙妮」及「鞋櫃」增設700個銷售點，新增的銷售點以直營店為主，貫徹我們的策略性發展重心。

根據由中國政府工業和信息化部轄下的中國企業品牌研究中心一項全國性「中國品牌力」調查，「達芙妮」於二零一一年及二零一二年連續兩年榮膺「女式皮鞋」組別第一名的品牌。是項調查規模廣泛，覆蓋中國30個城市，因此這項殊榮充分展現「達芙妮」強大品牌資產及行業領導地位。憑藉如此實力雄厚的平台，本集團將繼續提升「達芙妮」的表現，並藉此加強擴展本集團的品牌組合。

本集團將不斷改善各部門以提升營運效益及銷售，包括強化產品開發及規劃、採用整合市場營銷策略、優化供應鏈、銷售營運及渠道管理更專業化，並致力加強品牌管理。

本集團銳意在鞏固的業務基礎上尋求多元化發展，遂拓展中至高端品牌業務，以便迎合於中國不斷擴大的中產消費族群。本集團將會竭力加強此項業務的表現。隨著未來品牌管理策略漸見成效，本集團期望此項業務將有更佳的表現。

本集團經壯大的管理團隊結合其豐富經驗將推動以上發展策略及措施。他們將致力在各營運層面上追求精益求精，並盡力發揮本集團的競爭優勢。我們深信本集團能在中國極具潛力的零售市場中穩健發展，並持續為股東創造價值。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr CHEN Ying-Chieh, aged 42, is the Chairman and was appointed as the Chief Executive Officer of the Group on 27 January 2011. Mr Chen is responsible for the overall corporate and business strategic planning of the Group. Mr Chen obtained a bachelor's degree in International Trade Business from the University of Zhengyou. He has been working with the Group since 1992. Mr Chen is a cousin of Mr Chang Chih-Kai, Mr Chang Chih-Chiao and Mr Chen Tommy Yi-Hsun, all executive directors of the Company.

Mr CHANG Chih-Kai, aged 31, joined the Group since 2003 with focus on product development and general management. He has studied a bachelor's degree of Art in Auckland University after graduated from Pakuranga College in New Zealand. Mr Chang is the brother of Mr Chang Chih-Chiao, a cousin of Mr Chen Ying-Chieh and Mr Chen Tommy Yi-Hsun.

Mr CHANG Chih-Chiao, aged 29, joined the Group in 2007 and is currently primarily responsible for specialised business projects and negotiations. He obtained a bachelor's degree in Visual Communication from the Northumbria University in the United Kingdom. Mr Chang is the brother of Mr Chang Chih-Kai, a cousin of Mr Chen Ying-Chieh and Mr Chen Tommy Yi-Hsun.

Mr CHEN Tommy Yi-Hsun, aged 30, joined the Group in 2004 with focus on planning and management of the Group's manufacturing business. Prior to joining the Group, Mr Chen worked in footwear trading and manufacturing companies where he had over 8 years of experience. Mr Chen graduated from the University of Victoria in Canada with a bachelor's degree in Arts. Mr Chen is a cousin of Mr Chen Ying-Chieh, Mr Chang Chih-Kai and Mr Chang Chih-Chiao.

NON-EXECUTIVE DIRECTOR

Mr KIM Jin-Goon, aged 44, was appointed as a non-executive director on 13 April 2011. Mr Kim is a partner of TPG Capital, Limited ("TPG"), a leading global private investment firm and an affiliate of Premier China, Limited ("Premier China"), which has substantial interests in the shares, convertible bonds and warrants of the Company. Mr Kim leads TPG's Operating Group in Greater China. From 2007 to 2011, he was an executive director and the interim chief executive officer and he is currently the vice-chairman of the board of China Grand Automotive Service Co., Ltd. and built China's leading passenger car retail and service network. As a director of the board, Mr Kim led the turnaround of UniTrust Finance & Leasing Corporation, a leading capital equipment leasing company in China. Mr Kim was previously an alternate director to Ms Ma Xuezheng, a non-executive director of the Company who resigned on 13 April 2011, and has led

董事及高層管理人員簡歷

執行董事

陳英杰先生，42歲，本集團主席，並於二零一一年一月二十七日獲委任為本集團行政總裁。陳先生負責本集團整體企業及業務策略規劃。陳先生持有中原大學國際貿易商業學學士學位，自一九九二年起為本集團服務。陳先生為本公司的執行董事張智凱先生、張智喬先生及陳怡勳先生之表兄。

張智凱先生，31歲，自二零零三年起加入本集團，主力從事產品研發及整體管理工作。畢業於紐西蘭Pakuranga College後，入讀Auckland University修讀文學士學位課程。張先生為張智喬先生之兄長、陳英杰先生之表弟及 陳怡勳先生之表兄。

張智喬先生，29歲，於二零零七年加入本集團，現時主要負責特定業務項目及洽商。彼持有英國諾森比亞大學視覺傳媒學士學位。張先生為張智凱先生之弟弟，陳英杰先生及陳怡勳先生之表弟。

陳怡勳先生，30 歲，於二零零四年加入本集團，主力從事本集團製造業務的規劃及管理。於加入本集團之前，陳先生於鞋類貿易及生產公司工作，在鞋類貿易及製造業方面積逾8年經驗。陳先生畢業於加拿大維多利亞大學，持有文學士學位。陳先生是陳英杰先生及張智凱先生之表弟及張智喬先生之表兄。

非執行董事

金珍君先生，44歲，於二零一一年四月十三日被任命為非執行董事。金先生是TPG Capital, Limited（「TPG」）（一家全球領先的私募股權投資公司）的合夥人，也是持有本公司股份、可換股債券和認股權證中主要權益的Premier China, Limited（「Premier China」）的關聯企業。金先生是TPG大中華區營運團隊的領導者。金先生於二零零七年至二零一一年擔任廣匯汽車服務股份公司的執行董事兼任首席執行官，目前擔任該公司的副董事長，幫助公司打造了中國領先的乘用車零售和服務網路。他同時擔任中國領先的設備租賃商恒信金融租賃有限公司的董事，領導公司完成了業務改造。他曾擔任本公司非執行董事馬雪征女士（已於二零一一年四月十三日辭任）的替代董事，期間通過領導實施TPG的營運

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

TPG's operational initiatives to help transform the Company's core operations and pioneer industry's first fast retail business model. Prior to joining TPG, Mr Kim worked for Dell Inc. as the Managing Director of its Korea business from 2002 to 2006. Prior to that from 2000 to 2002, Mr Kim was the vice president of Internet Business Capital Corporation in Cambridge, Massachusetts, and from 1996 to 2000, he was the engagement manager at McKinsey & Company. Mr Kim received his undergraduate degree in Arts majored in Government and East Asian Studies from Harvard University with High Honors, conducted post graduate research in Nanjing-Hopkins Centre in China, and returned to Harvard University to pursue his master of Public Policy.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr HUANG Shun-Tsai, aged 58, is a director of six technology companies in Taiwan. He has been active in the technology field for over 15 years. Mr Huang was appointed as an independent non-executive director of the Company in 2001.

Mr KUO Jung-Cheng, aged 61, is a director of a manufacturing and distribution company in China. Mr Kuo is a former senator of the Legislative House in Taiwan. He has been serving the community in Taiwan as a representative for over 10 years. Mr Kuo holds an MBA degree from the University of Hawaii. Mr Kuo was appointed as an independent non-executive director of the Company in 2001.

Mr LEE Ted Tak Tai, aged 61, was appointed as an independent non-executive director of the Company on 1 September 2011. Mr Lee is the managing director of T Plus Capital Limited which is engaged in the provision of strategic, financial and business development advisory services. Currently Mr Lee is an independent non-executive director and the audit committee chairman of Boshiwa International Holding Limited, a company listed on The Stock Exchange of Hong Kong Limited, an independent director and the audit committee chairman of China Ming Yang Wind Power Group Limited, a company listed on U.S. New York Exchange, and an independent director and the audit committee chairman of Tudou Holdings Limited, a company listed on the National Association of Securities Dealers Automated Quotations. Mr Lee is a certified public accountant and he has extensive experience in auditing and accounting sectors and he was a senior partner at Deloitte where he worked for over 30 years both in United States and Asia. Mr Lee graduated from California State University, Fresno with a bachelor's degree in Accounting and obtained a MBA degree from University of Southern California.

董事及高層管理人員簡歷

措施，幫助本公司改造了核心營運並建立了業界首個快速零售業務模式。在加入TPG之前，金先生曾於二零零二年至二零零六年期間擔任戴爾公司韓國業務的董事總經理。之前，他曾於二零零零年至二零零二年期間擔任位於麻薩諸塞州劍橋的互聯網商業資本公司副總裁。此前他曾於一九九六年至二零零零年擔任麥肯錫公司的專案經理。金先生以高榮譽畢業於哈佛大學，獲得文學士學位，主修政府與東亞研究，之後在中國南京－霍普金斯中心從事研究生研究項目，然後到哈佛大學攻讀公共政策碩士學位。

獨立非執行董事

黃順財先生，58歲，為台灣六間科技公司之董事，從事科技業逾十五年。黃先生於二零零一年獲委任為本公司獨立非執行董事。

郭榮振先生，61歲，為中國一間製造及分銷公司之董事。郭先生亦為前任台灣行政院委員，以議員身份服務台灣民眾逾十年。郭先生持有夏威夷大學工商管理碩士學位。郭先生於二零零一年獲委任為本公司獨立非執行董事。

李德泰先生，61歲，於二零一一年九月一日獲委任為本公司獨立非執行董事。李先生為泰伽投資有限公司的董事總經理，該公司從事提供策略、財務及業務發展諮詢服務。目前，李先生正擔任博士蛙國際控股有限公司（一間於香港聯合交易所有限公司上市的公司）的獨立非執行董事及審核委員會主席、中國明陽風電集團有限公司（一間於美國紐約證券交易所上市的公司）的獨立董事及審核委員會主席，及土豆網控股有限公司（一間於全國證券交易商協會自動報價系統上市的公司）的獨立董事及審核委員會主席。李先生是一名註冊會計師並於審計及會計方面擁有豐富經驗。李先生曾是德勤的資深合夥人，於該所美國及亞洲地區工作逾三十年。李先生畢業於加州州立大學弗雷斯諾分校，持有會計學學士學位，並取得南加州大學的工商管理碩士學位。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

ALTERNATE DIRECTOR

Mr LAU Wai Kei, Ricky, aged 42, was appointed as an alternate director to Mr Kim Jin-Goon on 13 April 2011. Mr Lau is a partner of TPG where he has over 14 years of experience in investment transactions and he was designated by Premier China as its observer on the board of directors of the Company. Mr Lau also serves as a director of China Grand Auto Service Co., Ltd. Before joining TPG, Mr Lau was responsible for the corporate and project finance division of Hopewell Holdings Limited ("Hopewell"), a regional infrastructure project developer. He joined Hopewell in 1993 and spearheaded the development and financing of several power and transportation projects in China, India and Thailand. Mr Lau obtained a Kellogg-HKUST Executive MBA and graduated from the University of British Columbia and he is a CFA charterholder.

SENIOR MANAGEMENT

Ms CHOU Wan Ching, Echo, aged 53, was appointed as the Chief Human Resources Officer of the Group in February 2011. She is responsible for the Group's human resources management and office administration.

Ms Chou has over 22 years of experience in human resources management. Prior to joining the Group, Ms Chou held senior management positions in various companies, including Yum! Restaurant China, a leading telecommunication company and an international bank in Taiwan. She graduated from the National Taiwan University and holds a MBA degree from the Ottawa University.

Mr HU Huan Xin, Michael, aged 43, has been appointed as the Chief Operating Officer since January 2010. He is responsible for the Group's supply chain management including production planning and operations.

Mr Hu has over 21 years of experience in supply chain and production management in China. Before joining the Group, Mr Hu worked in various senior management positions with focus on supply chain management for a number of international brands including Cadbury Schweppes Co Ltd and Pepsico Inc. in the PRC. He graduated with a bachelor's degree in International Trade and Economics from the Sun Yat-Sen University, in the PRC.

Ms HUANG Hui Chun, Juliette, aged 41, has been appointed as the Chief Product Officer of the Group since September 2010. She is responsible for the product design and management of the Group.

董事及高層管理人員簡歷

替任董事

劉偉琪先生，42歲，於二零一一年四月十三日獲委任為金珍君先生的替任董事。劉先生為TPG的合夥人，於投資交易積逾十四年經驗，亦是Premier China任命的本公司董事會的觀察員。劉先生亦出任廣匯汽車服務股份公司董事。加入TPG前，劉先生曾於地區性基建項目發展商合和實業有限公司(「合和」)之企業及項目融資部任職。彼於一九九三年加入合和，集中中國、印度及泰國多個發電及運輸項目的發展及融資。劉先生持有凱洛格－香港科技大學行政人員工商管理碩士資格，並畢業於不列顛哥倫比亞大學及為特許財務分析師特許資格持有人。

高級管理人員

周畹青女士，53歲，於二零一一年二月加入本集團出任首席人力資源官。周女士負責本集團整體之企業人力資源管理以及行政管理。

周女士擁有超過二十二年人力資源管理經驗。加入本集團前，周女士曾為多家企業，包括百勝餐飲集團、一家具領導地位的台灣電訊公司及位於台灣的一家國際銀行擔任高級管理層。周女士持有國立台灣大學學士學位及渥太華大學之工商管理碩士學位。

胡煥新先生，43歲，由二零一零年一月起出任首席運營官，負責本集團之供應鏈管理，包括生產規劃及營運。

胡先生在國內企業之供應鏈及生產方面的管理擁有逾二十一年經驗。加入本集團前，胡先生曾先後在多個跨國品牌企業的中國業務(包括吉百利史威士有限公司及百事公司)擔任高級管理層職位，專責供應鏈管理。胡先生持有中國中山大學經濟與國際貿易學士學位。

黃慧君女士，41歲，於二零一零年九月起於本集團出任首席商品官，主要負責本集團之產品設計及管理。

Ms Huang has over 17 years of experience in the fashion industry with strong expertise in branding and product design. Prior to joining the Group, she was the brand director of ETAM China, a European ready-to-wear fashion brand with strong regional presence. She graduated at the LISAA Ecole Superieure des Art Appliques in France.

黃女士在國內時裝業內擁有超過十七年經驗，尤其專注於時裝品牌及產品設計。於加入本集團前，黃女士曾出任「艾格」中國－一家國內知名的歐洲成衣時裝品牌的品牌總監。黃女士畢業於法國LISAA Ecole Superieure des Art Appliques。

Mr LIANG Sheuh Hvei, Allen, aged 49, joined the Group as the Chief Strategy Officer in January 2012. He is responsible for leading the strategic development of the Group and contributes in major operational projects and decision making.

梁旭暉先生，49歲，自二零一二年一月起出任本集團首席戰略官，負責本集團之戰略發展以及參與本集團之主要營運項目及有關之決策。

Mr Liang has over 22 years of experience in strategic development and operational management of large corporations. Prior to joining the Group, he was the Chief Operating Officer of Goodbaby International Holdings Ltd., a leading manufacturer of durable baby care products listed in Hong Kong. He was also the executive director, president and chief executive officer of various companies in China. Mr Liang was a professor in the School of Management in Tianjin University. Mr Liang holds a Ph.D. from Nankai University, Tianjin, the PRC and a master's degree in Marketing from Webster University, the United States.

梁先生在大型企業的戰略發展及營運管理方面擁有逾二十二年的經驗。加入本集團前，梁先生曾出任於香港上市的好孩子國際控股有限公司(領先國際的幼兒耐用消費品企業)之首席營運官，彼亦曾出任不同國內企業之執行董事、總裁及行政總裁職位。梁先生曾為天津大學之管理學院教授。梁先生持有中國天津南開大學博士學位及美國韋伯斯特大學市場行銷之碩士學位。

Mr LIANG Hai Xuan, Michael, aged 40, has been the Chief Information Officer of the Group since August 2011. He is responsible for the information technology development and management of the Group.

梁海旋先生，40歲，自二零一一年八月起出任本集團之首席信息官，負責本集團之資訊科技發展及管理。

Mr Liang has over 17 years of experience in the information system management with broad exposure in various international consumer brands. Prior to joining the Group, Mr Liang held senior management positions in various companies including a leading computer brand, Canadian Broadcasting Corporation as well as Procter & Gamble in Mainland China. Mr Liang holds a bachelor's degree from the Guangdong Industry University, the PRC.

梁先生在國際消費品牌的資訊系統管理方面擁有逾十七年的經驗。在加入本集團之前，梁先生曾為多家企業的高級管理層職位，包括知名電腦品牌、加拿大廣播企業及寶潔中國。梁先生持有中國廣東工業大學之學士學位。

Mr LIN Che Li, Jerry, aged 44, joined the Group as the Chief Financial Officer in January 2010 and is responsible for the overall corporate and financial planning of the Group.

林哲立先生，44歲，於二零一零年一月起出任本集團之首席財務官。林先生負責本集團之整體企業及財務之規劃。

Mr Lin has over 17 years of experience in financial planning and management in an international environment. Prior to joining the Group, Mr Lin spent almost 20 years with a leading U.S automotive company, one of the top 10 companies on the FORTUNE 500 list, including 15 years in the finance department. His financial and operating experience included assignments at its treasury headquarters in New York and Singapore as well as senior financial management and CFO positions in Taipei, Seoul and Shanghai. Mr Lin holds an MBA degree from Columbia Business School and a bachelor's degree in Electrical Engineering from the University of Rochester, in the United States.

林先生擁有超過十七年於跨國公司之財務規劃及管理經驗。加入本集團前，林先生曾於美國一間位列「財富500」之十大企業的大型汽車公司服務約二十年，包括於其財政部門工作達15年。其財務及營運管理經驗包括在此跨國企業位於紐約及新加坡的司庫總部，以及在台北、首爾及上海擔任高級財務營運及首席財務官的職位。林氏持有美國哥倫比亞大學商學院之工商管理碩士學位及美國羅徹斯特大學電機工程學士學位。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr LI Tao, Johnson, aged 45, joined the Group as the Chief Development Officer in December 2010. He is responsible for the planning and management of distribution network of the Group, and managing the store construction and design team.

Mr Li has over 24 years of experience in channel development and brand marketing management and is specialised in the market and channel development of the consumer industry. Before joining the Group, Mr Li held various senior management positions, including as director, in some renowned international and local restaurant chains in China. He holds a bachelor's degree in Management of Industrial Economics from the Shanghai University of Finance and Economics in the PRC.

Ms LU Ying, Louisa, aged 44, has been appointed as the Chief Marketing Officer of the Group since April 2010. She is responsible for the strategic branding and marketing management of the Group.

Ms Lu has about 19 years of experience in brand development and marketing. Ms Lu was a regional brand development director of beverage in East Asia for a leading FMCG group, Unilever. She was the head of marketing for various international brands in China including Vichy of L'Oreal China, and Pizza Hut of Yum! Restaurant China, an international restaurant group with strong presence in China. Ms Lu holds a master's degree from the Shanghai University of Science & Technology in the PRC.

Mr SHIH Wen Che, Jonathan, aged 52, joined the Group as the Chief Sales Officer in March 2012. He is responsible for sales operation management of the Group.

Mr Shih has over 27 years of experience in sales and general management in retail and service industries of which 15 years were in Mainland China. Mr Shih held senior management positions of different functions as well as regional general manager and general manager of China positions with various multinational companies such as City Chain, Pizza Hut, McDonald's, 7-11, Starbucks and Burger King. He graduated from the National Taiwan Ocean University.

董事及高層管理人員簡歷

李濤先生，45歲，於二零一零年十二月加入本集團並出任首席開發官，主要負責本集團各品牌在各渠道的拓展工作，及本集團的店舖營建和設計裝潢工作。

李先生在渠道拓展及行銷管理方面擁有超過二十四年經驗，尤其專注於消費品的市場及銷售渠道發展。在加入本集團之前，李先生於多家國際知名以及中國大陸本土著名的連鎖餐飲企業出任高級管理層包括總監職位。李先生畢業於中國上海財經大學，主修工業經濟學管理。

盧瑛女士，44歲，於二零一零年四月起獲委任為本集團的首席市場官，負責本集團品牌策略及管理市場推廣事務。

盧女士擁有約十九年品牌規劃發展及市場推廣的經驗。盧女士曾於具領導地位的快速消費品集團-聯合利華出任飲品業務於東亞地區的品牌發展總監。此外，盧女士亦曾擔任多個跨國品牌於中國的市場推廣主管，包括中國歐萊雅集團的薇姿及國內知名的餐飲企業－百勝餐飲集團旗下的「必勝客」。彼持有中國上海理工大學碩士學位。

施文哲先生，52歲，於二零一二年三月出任本集團首席銷售官一職，負責本集團之銷售營運管理。

施先生在零售及服務業擁有超過二十七年銷售管理經驗，其中十五年在中國大陸。彼曾於多間跨國品牌企業（包括時間廊、必勝客、麥當勞、7-11、星巴克和漢堡王等）擔任不同職能部門高級管理人員以至區域總經理和中國區總經理等職務。施先生畢業於國立臺灣海洋大學。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintaining high standards of corporate governance. To enhance the overall management quality of the Company, the Board has adopted corporate governance practices with special emphasis on an effective Board for leadership and control, sound business ethics and integrity in all business activities, transparency and accountability to shareholders.

本公司致力維持高水準之企業管治。為提升本公司整體管理質素，董事會已採納企業管治常規，尤其關注董事會之有效領導及監控、就所有商業活動維持良好的商業操守及誠信，以及對股東之透明度及問責性。

CODE ON CORPORATE GOVERNANCE PRACTICES

企業管治常規守則

Throughout the year, the Company has adopted and complied with code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), except for the deviations from Codes A.2.1 and A.4.1 of the Code. Details are stated under "Chairman and Chief Executive" and "Appointments, Re-election and Removal of Directors" on pages 20 and 21 respectively.

過去一年，本公司已採納並一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「守則」)之守則條文，惟偏離了守則條文第A.2.1條及A.4.1條。有關詳情分別載於第20頁及第21頁之「主席及行政總裁」及「委任、重選及罷免董事」各節。

THE BOARD OF DIRECTORS

董事會

The Board of Directors (the "Board") as of the date of this report consists of the following directors:

於本報告日期，董事會(「董事會」)由下列董事組成：

Members of the Board 董事會成員	Date of first becoming director 首次出任董事之日期	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
Executive directors *執行董事*				
Mr Chen Ying-Chieh *(Chairman & Chief Executive Officer)* 陳英杰先生*(主席兼行政總裁)*	21 May 1996 一九九六年五月二十一日	▫	▫	
Mr Chen Tommy Yi-Hsun 陳怡勳先生	31 December 2011 二零一一年十二月三十一日			
Mr Chang Chih-Kai 張智凱先生	22 November 2004 二零零四年十一月二十二日			
Mr Chang Chih-Chiao 張智喬先生	12 June 2009 二零零九年六月十二日			
Non-executive director *非執行董事*				
Mr Kim Jin-Goon 金珍君先生	13 April 2011 二零一一年四月十三日	▫	▫	▫
Independent non-executive directors *獨立非執行董事*				
Mr Huang Shun-Tsai 黃順財先生	31 July 2001 二零零一年七月三十一日	▫	▫	▫
Mr Kuo Jung-Cheng 郭榮振先生	31 July 2001 二零零一年七月三十一日	▫	▫	▫
Mr Lee Ted Tak Tai 李德泰先生	1 September 2011 二零一一年九月一日	▫	▫	▫

The executive directors draw on a rich and diverse experience from the footwear distribution business while the non-executive director and the independent non-executive directors possess appropriate professional qualifications and management expertise. Each independent non-executive director gives the Company an annual confirmation of his independence to the Company, and the Company considers these directors to be independent pursuant to Rule 3.13 of the Listing Rules. The names, brief biographies of the directors and relationship among them are set out on pages 14 to 18 under Biographies of Directors and Senior Management.

執行董事擁有豐富及廣泛的鞋類分銷業務經驗；而非執行董事及獨立非執行董事則具備相關專業資格及管理專門知識。每名獨立非執行董事均有就其獨立性向本公司作出年度確認。本公司認為，根據上市規則第3.13條，該等董事均屬獨立人士。各董事之姓名、簡歷及彼此之間之關係載於第14頁至第18頁之「董事及高層管理人員簡歷」內。

The Board meets regularly throughout the year to formulate overall strategy of the Group, monitor its financial performance and maintain effective oversight over the management. Sufficient notice of meetings is given to directors prior to a regular Board meeting, and each director may request inclusion of matters in the agenda for Board meetings. A detailed agenda, minutes of the previous meeting and accompanying board papers are sent to directors before the meeting to facilitate informed discussion and decision-making.

董事會年內定期舉行會議，以制定本集團之整體策略、監察其財務表現及對管理作出有效監督。董事於定期舉行之董事會會議前有充足時間獲發會議通知，而每名董事可要求將事項加入董事會會議議程。詳盡議程、過往會議記錄及隨附董事會文件會於會議前送交董事，以便彼等作出知情討論及決策。

Every board member is entitled to have access to board papers and related materials and has access to the advice and services of the company secretary, and has the liberty to seek external professional advice if necessary. The company secretary is responsible to the Board for ensuring the procedures are followed and that all applicable rules and regulations are complied with.

每名董事會成員均有權查閱董事會文件及相關資料，以及獲取公司秘書意見及服務，並可於需要時徵求外界專業意見。公司秘書須對董事會負責，以確保已遵守有關程序及符合一切適用條例及規限。

During the year, seven full board meetings were held and the attendance of each director is set out on page 25.

年內，董事會曾舉行七次全體會議，而每名董事之出席情況載於第25頁。

The Board, in addition to its overall supervisory role, retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc.

除整體監督角色外，董事會亦須肩負如批准特定高層人士之委任、批准財務賬目、建議派付股息、批准有關董事會守規之政策等特定職責。

CHAIRMAN AND CHIEF EXECUTIVE

主席及行政總裁

On 27 January 2011, Mr Chen Hsien Min was re-designated from an executive director to a non-executive director of the Company. He ceased to be the Managing Director of the Company and was appointed as Vice-chairman of the Company. On the same date, Mr Chen Ying-Chieh was appointed as Chief Executive Officer of the Company. On 31 December 2011, Mr Chen Hsien Min retired as a non-executive director of the Company.

於二零一一年一月二十七日，陳賢民先生由本公司執行董事調任為非執行董事。彼不再出任本公司董事總經理並獲委任為副主席。同日，陳英杰先生獲委任為本公司行政總裁。於二零一一年十二月三十一日，陳賢民先生退任本公司之非執行董事。

Code Provision A.2.1 of the Code stipulates that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. Since the re-designation of directorship stated above, the Group does not have a separate Chairman and Chief Executive Officer and Mr Chen Ying-Chieh holds both positions. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies. Going forward, the Group will periodically review the effectiveness of this arrangement and considers segregating the roles when it thinks appropriate.

守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。自上述董事調任以來，本集團主席與行政總裁的角色並無加以區分，由陳英杰先生同時兼任。董事會相信，由同一人出任主席與行政總裁兩職，在發展及執行長期業務策略方面，能帶來強勢而貫徹的領導。日後，本集團會定期檢討此安排的有效性，並於適當時考慮將兩個角色加以區分。

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

All directors are subject to retirement by rotation at least once every three years and are eligible for re-election. Every director newly appointed by the Board is subject to election at the first general meeting after his/her appointment.

Code Provision A.4.1 of the Code provides that non-executive directors should be appointed for a specific term and subject to re-election. Following the re-designation and retirement of directorship stated above, Mr Chen Hsien Min acted as a non-executive director during the year who was not appointed for a specific term but is subject to retirement by rotation and is eligible for re-election. The Board considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the Code.

委任、重選及罷免董事

所有董事均須最少每三年輪值退任一次，並符合資格膺選連任。每名獲董事會新委任之董事須於其上任後之首個股東大會接受選舉。

守則條文第A.4.1條規定，非執行董事的委任應有指定任期，並須接受重新選舉。於上述董事調任及退任後，陳賢民先生於年內出任非執行董事，惟其委任並無指定任期，但須輪值退任並合資格膺選連任。董事會認為，已採取足夠措施以確保本公司之企業管治常規不遜於守則所規定。

RESPONSIBILITIES OF DIRECTORS

Every newly appointed director of the Company, on the first occasion of his appointment, shall receive a tailored induction on the responsibilities and on-going obligations to be observed by a director. In addition, the senior management and the company secretary will conduct briefing if necessary to ensure that the directors have a proper understanding of the operations and business of the Group and that they are aware of their responsibilities under the laws and applicable regulations.

The functions of non-executive directors, as per the terms of reference of the Board, have included the functions as specified in Code Provisions A.5.2 (a) to (d) of the Code.

董事職責

本公司每名新委任董事於首次獲委任時，將獲發一份度身編製有關董事應遵守之責任及持續義務之就職指引。此外，高級管理人員及公司秘書於需要時會進行簡報，以確保董事已充分瞭解本集團之運作及業務，以及知悉彼等根據法例及適用規例下的責任。

根據董事會之職權範圍，非執行董事之職能包括守則之守則條文第A.5.2(a)至(d)條訂明之職能。

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged for appropriate insurance cover in respect of possible legal actions against its directors and officers. The scope of coverage of the insurance is subject to review annually.

董事及高級人員之責任保險

本公司已就可能向董事及高級人員提出之所有法律行動安排適當之保險。該保險之覆蓋範圍須於每年作出檢討。

BOARD COMMITTEES

The Board has established three committees, the Nomination Committee, the Remuneration Committee and the Audit Committee, to assist it in overseeing the Group's affairs. Each committee has its defined and written terms of reference setting out its duties, powers and functions and are posted on the Company's website. The committees report regularly to the Board and make recommendations on matters where appropriate.

董事會轄下委員會

董事會轄下設有三個委員會，分別為提名委員會、薪酬委員會及審核委員會，以協助監督本集團事務。各委員會均設有明確書面職權範圍並清楚界定其職責、權力及職能，並於本公司網站刊載。各委員會定期向董事會報告，並於適當時就有關事項作出建議。

NOMINATION COMMITTEE

The Nomination Committee of the Company has been established since April 2005 and as of the date of this report consists of the following directors:

Mr Huang Shun-Tsai *(Chairman of the Committee)*	Independent Non-executive Director
Mr Kuo Jung-Cheng	Independent Non-executive Director
Mr Lee Ted Tak Tai	Independent Non-executive Director
Mr Kim Jin-Goon	Non-executive Director
Mr Chen Ying-Chieh	Executive Director

Major roles and functions of the Nomination Committee are as follows:

- To review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes
- To identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individual nominated for directorships
- To access the independence of independent non-executive directors
- To make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the Chairman and the Managing Director

The Nomination Committee shall meet at least once a year. During the year, one Nomination Committee meeting were held and the attendance of each member is set out on page 25. At the meeting held during the year, the independence of independent non-executive directors was considered and the re-appointment of retiring directors which were approved by the shareholders at the annual general meeting was recommended.

提名委員會

本公司之提名委員會於二零零五年四月成立，於本報告日期由下列董事組成：

黃順財先生 *（委員會主席）*	獨立非執行董事
郭榮振先生	獨立非執行董事
李德泰先生	獨立非執行董事
金珍君先生	非執行董事
陳英杰先生	執行董事

提名委員會之主要職責及職能如下：

- 定期檢討董事會結構、規模及成員組合，並就任何建議變動向董事會提供建議
- 物色合適人選加入董事會，並甄選個別董事人選或就此向董事會提供建議
- 評估獨立非執行董事之獨立性
- 就委任或重新委任董事以及董事繼任計劃之相關事宜向董事會提供建議（尤其是主席及董事總經理）

提名委員會每年最少舉行一次會議。年內，提名委員會曾舉行一次會議，各成員之出席情況載於第25頁。於年內舉行之會議上，各委員曾考慮獨立非執行董事之獨立性，並建議重新委任退任董事（經股東在股東週年大會上批准）。

REMUNERATION COMMITTEE

The Remuneration Committee of the Company has been established since April 2005 and as the date of this report consists of the following directors:

Mr Kuo Jung-Cheng *(Chairman of the Committee)*	Independent Non-executive Director
Mr Huang Shun-Tsai	Independent Non-executive Director
Mr Lee Ted Tak Tai	Independent Non-executive Director
Mr Kim Jin-Goon	Non-executive Director
Mr Chen Ying-Chieh	Executive Director

薪酬委員會

本公司薪酬委員會於二零零五年四月成立，於本報告日期由下列董事組成：

郭榮振先生 *（委員會主席）*	獨立非執行董事
黃順財先生	獨立非執行董事
李德泰先生	獨立非執行董事
金珍君先生	非執行董事
陳英杰先生	執行董事

Major roles and functions of the Remuneration Committee are as follows:

- To make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration
- To have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration
- To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time
- To review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company
- To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate
- To ensure that no director or any of his associates is involved in deciding his own remuneration

The Remuneration Committee shall meet at least once a year. During the year, one Remuneration Committee meeting was held and the attendance of each member is set out on page 25. At the meeting held during the year, the overall pay levels in Hong Kong, China and Taiwan where the Group has establishments were reviewed and considered. The remuneration of directors is pre-determined and is based on their respective contractual terms of appointment, if any, and as recommended by the Remuneration Committee. Details of the emoluments paid/payable to individual director of the Company are set out in Note 14 to the accounts.

薪酬委員會之主要職責及職能如下：

- 就本公司董事及高層管理人員之所有薪酬政策及架構，以及就設立正規而具透明度之程序以制定薪酬政策，向董事會提供建議
- 獲授權負責釐定全體執行董事及高層管理人員之特定薪酬待遇，包括實物利益、退休金權利及補償款項(包括因失去或終止職務或委任而應付之任何補償)及就非執行董事之薪酬向董事會提供建議。薪酬委員會應考慮可供比較公司支付之薪酬、董事須付出之時間及其職責、本集團內其他職位之僱用條件及是否應該按表現釐定薪酬
- 透過參照董事會不時決定之公司目標及宗旨，檢討及批准按表現而釐定之薪酬
- 檢討及批准向執行董事及高層管理人員支付與失去或終止職務或委任有關之補償，以確保有關補償乃根據有關合約條款釐定，而補償亦屬合理及不會對本公司造成過重負擔
- 檢討及批准因董事行為不當而遭撤換或罷免所涉及之補償安排，以確保有關安排乃根據有關合約條款釐定，而補償金額亦屬合理及恰當
- 確保董事或其任何聯繫人士不得自行釐定酬金

薪酬委員會每年最少舉行一次會議。年內，薪酬委員會曾舉行一次會議，各成員之出席情況載於第25頁。於年內舉行之會議上，各委員曾檢討及考慮本集團業務所在地區(包括香港、中國大陸及台灣)之整體薪酬水平。董事酬金已預先根據彼等各自之委任合約條款(如有)及薪酬委員會之建議釐定。已付／應付本公司個別董事之酬金詳情載於賬目附註14。

AUDIT COMMITTEE

The Audit Committee of the Company as of the date of this report consists of the following directors:

Mr Lee Ted Tak Tai *(Chairman of the Committee)*	Independent Non-executive Director
Mr Huang Shun-Tsai	Independent Non-executive Director
Mr Kuo Jung-Cheng	Independent Non-executive Director
Mr Kim Jin-Goon	Non-executive Director

Major roles and functions of the Audit Committee are as follows:

- To consider the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and the terms of engagement of the external auditors, including both audit and non-audit services, and any questions of resignation or dismissal of the external auditors of the Group
- To assess the independence of external auditors and discuss with the external auditors the nature and scope of the audit
- To review interim and annual accounts before submission to the Board
- To review the financial controls, internal controls and risk management system of the Group and make recommendations to the Board
- To review the external auditors' management letter and material queries raised by the auditors to management in respect of accounting records, financial accounts or systems of control and management's response

At the meetings held during the year, the Audit Committee had performed the following work:

- To review the annual accounts and interim accounts
- To review external auditors' audit plan, terms of engagement and recommend the fees for the Board's approval
- To review the management letters and reports issued by the external auditors
- To review the effectiveness of internal control and financial control systems
- To consider and review material related party transactions and connected transactions, if any

The Audit Committee shall meet at least twice a year. During the year, three Audit Committee meetings were held and the executive directors, the management and the external auditors attended to provide necessary information. The attendance of each member to the meetings is set out on page 25.

審核委員會

本公司之審核委員會，於本報告日期由下列董事組成：

李德泰先生 *（委員會主席）*	獨立非執行董事
黃順財先生	獨立非執行董事
郭榮振先生	獨立非執行董事
金珍君先生	非執行董事

審核委員會之主要職責及職能如下：

- 考慮委聘、續聘及撤換外聘核數師、批准外聘核數師之酬金及委聘條款（包括審核及非審核服務），以及考慮本集團外聘核數師辭任或撤換之任何問題
- 評估外聘核數師之獨立性，並與外聘核數師討論審核性質及範圍
- 於提交董事會前審閱中期及年度賬目
- 檢討本集團財務監控、內部監控及風險管理制度，以及向董事會提供建議
- 審閱外聘核數師致管理層之函件及核數師就會計記錄、財務賬目或監控制度向管理層提出之重大疑問以及管理層作出之回應

於年內舉行之會議上，審核委員會已進行以下工作：

- 審閱年度賬目及中期賬目
- 審閱外聘核數師之審核計劃、委聘條款及建議費用以提呈董事會批准
- 審閱外聘核數師致管理層之函件及報告
- 檢討內部監控及財務監控制度之效益
- 考慮及審閱重大關聯方交易及關連交易（如有）

審核委員會每年最少舉行兩次會議。年內，審核委員會曾舉行三次會議，執行董事、管理層及外聘核數師均有出席以提供所需資料。各成員出席會議之情況載於第25頁。

ATTENDANCE OF BOARD AND BOARD COMMITTEES' MEETINGS

The attendance rates of individual members in meetings of the Board and Board Committees held in 2011 are detailed as follows:

董事會及董事會轄下委員會之會議出席情況

於二零一一年舉行之董事會及董事會轄下委員會會議之個別成員出席率詳情載列如下：

		Number of meetings attended/held during the term of office in 2011 二零一一年出席／舉行會議次數				
		Board 董事會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會	Attendance rate 出席率
Executive directors	*執行董事*					
Mr Chen Ying-Chieh *(Chairman & Chief Executive Officer)*	陳英杰先生 *（主席兼行政總裁）*	7/7		1/1		100%
Mr Chang Chih-Kai	張智凱先生	7/7				100%
Mr Chang Chih-Chiao	張智喬先生	7/7				100%
Non-executive directors	*非執行董事*					
Mr Chen Hsien Min (re-designated from executive director and appointed as Vice-chairman on 27 January 2011)	陳賢民先生 （於二零一一年一月二十七日由執行董事調任兼獲委任為副主席）	6/7	1/1			87.5%
Mr Kim Jin-Goon (appointed on 13 April 2011)	金珍君先生 （於二零一一年四月十三日獲委任）	4/4	1/1	1/1	2/2	100%
Ms Ma Xuezheng (resigned on 13 April 2011)	馬雪征女士 （於二零一一年四月十三日辭任）	3/3		1/1		100%
Independent non-executive directors	*獨立非執行董事*					
Mr Hsiao Hsi-Ming *(Chairman of Audit Committee)* (resigned on 1 September 2011)	蕭溪明先生 *（審核委員會主席）* （於二零一一年九月一日辭任）	6/6	1/1	1/1	2/2	100%
Mr Huang Shun-Tsai *(Chairman of Nomination Committee)*	黃順財先生 *（提名委員會主席）*	7/7	1/1	1/1	3/3	100%
Mr Kuo Jung-Cheng *(Chairman of Remuneration Committee)*	郭榮振先生 *（薪酬委員會主席）*	7/7	1/1	1/1	3/3	100%
Mr Lee Ted Tak Tai *(Chairman of Audit Committee)* (appointed on 1 September 2011)	李德泰先生 *（審核委員會主席）* （於二零一一年九月一日獲委任）	1/1			1/1	100%

INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal controls to safeguard the Company's assets. The Board and the Audit Committee periodically reviewed the effectiveness of the internal control system of the Group which covered financial, operational, compliance and risk management functions. The Board also appoints from time to time external professional to review the Group's major internal control procedures and report findings and areas for improvements to the Board Committees. The Board and the Audit Committee consider that the key aspects of the Group's internal control systems are reasonably addressed and the Group has complied with the Code Provisions in general.

內部監控

董事會須負責維持穩健及有效的內部監控，以保障本公司資產。董事會及審核委員會已定期檢討本集團內部監控制度之效益，包括財務、營運、遵例及風險管理功能。董事會亦不時委任外聘專家，以檢討本集團之主要內部監控程序及向董事會轄下委員會報告調查結果及改進空間。董事會及審核委員會認為，本集團內部監控制度之主要方面已獲充分處理，本集團總體上已遵守守則條文。

ACCOUNTABILITY AND AUDIT

The directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts, the directors adopt applicable accounting policies and apply consistently. The directors also make prudent and reasonable judgements and to ensure the accounts are on-going concern basis.

問責性及審核

董事負責監督各財政期間賬目之編製，該等賬目能真實而公平地反映本集團之事務狀況及該期間之業績及現金流量。於編製有關賬目時，董事已採納適用之會計政策並貫徹應用。董事亦作出審慎合理之判斷，以確保有關賬目已按持續基準編製。

MANAGEMENT FUNCTIONS

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group whilst managing the Group's business is the responsibility of the management.

While the Board delegates aspects of its management and administration functions to management, it has given clear directions as to the powers of management, in particular, with respect to the circumstances where management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Matters reserved to be approved by the Board include:

- Appointment of directors and senior executives
- Business plans and establishment of new markets
- Proposal for selection of external auditors
- Financial accounts and budgets
- Substantial capital investments and commitments
- Formation of policies and codes as required by regulatory bodies
- Formation of board committees

管理層職能

董事會須負責制定整體策略、監察及監控本集團表現；而管理本集團業務則為管理層之責任。

董事會授權管理層處理有關管理及行政工作，並就管理層之權力作出清楚指示，特別是管理層須向董事會匯報及於作出決定或代表本公司訂立任何承諾前事先獲取董事會批准之事宜。

留待董事會批准之事項包括：

- 委任董事及高級行政人員
- 業務計劃及開拓新市場
- 甄選外聘核數師之建議
- 財務賬目及預算
- 重大資本投資及承擔
- 制定監管機構規定之政策及守則
- 成立董事會轄下委員會

AUDITOR'S REMUNERATION

During the year, the fees paid/payable to the Company's external auditor, PricewaterhouseCoopers, for the provision of audit service was HK$4,280,000 and no other services were engaged by the Company.

核數師酬金

年內，本公司就外聘核數師羅兵咸永道會計師事務所提供審核服務已付／應付之費用為4,280,000港元，且並無其他服務受本公司委託。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted stringent procedures governing directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All directors of the Company have confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

證券交易的標準守則

本公司已遵照上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)，採納監管董事進行證券交易之嚴謹措施。本公司全體董事均已確認，彼等於年內一直遵守標準守則所載規定。

Employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to the compliance with guidelines on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company during the year.

可能持有本集團未經刊發之股價敏感資料之僱員，亦需遵守指引（其條款之嚴謹程度不遜於標準守則）。年內，本公司並不知悉未有遵守有關規定之事件。

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

投資者關係及股東權益

The Board recognises the importance of good communication with all shareholders and potential investors. Communication with shareholders, investors and analysts are maintained through the followings:

董事會深明與全體股東及有意作出投資之人士維持良好溝通之重要性。本公司透過以下方式與股東、投資者及分析員溝通：

- Delivery of interim and annual reports to all shareholders through either printed or electronic forms
- 向全體股東發出印刷或電子形式之中期及年度報告
- Publication of announcements on the interim and annual results and key quarterly operating information on the websites of the Stock Exchange and the Company, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under Listing Rules
- 於聯交所及本公司網站刊發中期、全年業績公佈及主要季度營運資料，並根據上市規則之持續披露責任規定刊發其他公告及股東通函
- Holding of annual and special general meetings to provide a channel for the Chairman of the Board and the Board Committees to answer shareholders' questions as well as seeking approval from shareholders for relevant business and capital transactions. At the annual general meetings, a separate resolution was proposed by the Chairman in respect of each separate issue including the re-election of directors
- 舉行股東週年大會及股東特別大會，為董事會主席及董事會轄下委員會提供渠道，解答股東提問，以及徵求股東批准相關業務及資本交易。於股東週年大會上，主席就各個別事項（包括重選董事）提呈獨立決議案
- Establishing dedicated divisions and personnel for liaison with investors and analysts by answering their questions
- 成立專責部門及指派人員與投資者及分析員聯絡，解答彼等之提問
- Arranging on-site visits to the Company's establishments to enhance their timely understanding of the situations and latest development of the Company's business operations
- 安排實地參觀本公司業務地點，適時提升彼等對本公司業務營運狀況及最新業務發展之瞭解
- Making available information on the Company's website, including description of the Company and its business, the Board and corporate governance, results of the Company, financial highlights and promotional materials, etc.
- 於本公司網站提供資料，包括本公司及其業務概況、董事會及企業管治、本公司業績、財務摘要及推廣資料等
- Actively communicating with various parties, in particular, convening briefing sessions, press conferences and individual meetings with institutional investors upon the announcements of the interim and annual results and making decisions on material investments. The Company also participates in a range of investor activities and communicates on one-on-one basis with its investors regularly
- 積極與各方聯繫，特別是於公佈中期及全年業績以及作出重大投資決定時召開簡報會、新聞招待會以及個別會見機構投資者。本公司亦參與一系列投資者活動及定期與投資者進行一對一溝通

REPORT OF THE DIRECTORS

The directors submit their report together with the audited accounts of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 18 to the accounts. The Group is principally engaged in the manufacturing, distribution and retailing of footwear, apparel and accessories mainly in China.

SEGMENT INFORMATION

An analysis of the Group's performance by reportable segments is set out in Note 5 to the accounts.

RESULTS

The results of the Group for the year ended 31 December 2011 and the state of affairs of the Company and of the Group as at that date are set out in the accounts on pages 42 to 46.

DIVIDENDS

An interim dividend of HK8.0 cents per share, totalling HK$131,031,000, was paid on 26 September 2011.

The board of directors recommends the payment of a final dividend of HK9.0 cents per share, totalling HK$147,795,000 in respect of the year ended 31 December 2011.

RESERVES

The distributable reserves of the Company, calculated in accordance with the Companies Laws (Revised) Chapter 22 of the Cayman Islands, as at 31 December 2011 amounted to HK$639,089,000 (2010: HK$539,747,000).

Movements in the reserves of the Group and of the Company during the year are set out in Note 29 to the accounts.

CHARITABLE DONATIONS

Donations made for charitable purposes by the Group during the year amounted to HK$4,184,000 (2010: HK$2,391,000).

FIXED ASSETS

During the year, the Group acquired fixed assets of HK$349,669,000 (2010: HK$276,788,000). Movements in fixed assets of the Group are set out in Notes 16 and 17 to the accounts.

董事會報告

本董事會謹此提呈截至二零一一年十二月三十一日止年度之報告，連同本公司及其附屬公司(統稱「本集團」)之經審核賬目。

主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載於賬目附註18。本集團主要於中國從事製造、分銷及零售鞋類產品、服飾及配件業務。

分部資料

本集團按可申報分部劃分之表現分析載於賬目附註5。

業績

本集團截至二零一一年十二月三十一日止年度之業績，以及本公司及本集團於該日之業務狀況載於第42頁至第46頁之賬目。

股息

中期股息每股8.0港仙，合共131,031,000港元，已於二零一一年九月二十六日派付。

本董事會建議就截至二零一一年十二月三十一日止年度派付末期股息每股9.0港仙，合共147,795,000港元。

儲備

根據開曼群島法例第22章公司法(經修訂)計算，於二零一一年十二月三十一日，本公司可供分派之儲備為639,089,000港元(二零一零年：539,747,000港元)。

本集團及本公司於年內之儲備變動詳情載於賬目附註29。

慈善捐款

本集團於年內作慈善用途之捐款為4,184,000港元(二零一零年：2,391,000港元)。

固定資產

於年內，本集團購買固定資產349,669,000港元(二零一零年：276,788,000港元)。本集團之固定資產變動詳情載於賬目附註16及17。

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in Note 27 to the accounts.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 112.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands where the Company is incorporated.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

EXECUTIVE DIRECTORS

Mr Chen Ying-Chieh *(Chairman & Chief Executive Officer, appointed as Chief Executive Officer on 27 January 2011)*
Mr Chen Hsien Min *(Managing Director, re-designated as Non-executive director and Vice-chairman on 27 January 2011)*

Mr Chen Tommy Yi-Hsun *(appointed on 31 December 2011)*
Mr Chang Chih-Kai
Mr Chang Chih-Chiao

NON-EXECUTIVE DIRECTORS

Mr Chen Hsien Min *(Vice-chairman, appointed on 27 January 2011 and resigned on 31 December 2011)*

Mr Kim Jin-Goon *(appointed on 13 April 2011)*
Ms Ma Xuezheng *(resigned on 13 April 2011)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Hsiao Hsi-Ming *(resigned on 1 September 2011)*
Mr Huang Shun-Tsai
Mr Kuo Jung-Cheng
Mr Lee Ted Tak Tai *(appointed on 1 September 2011)*

董事會報告

股本

本公司股本於年內之變動詳情載於賬目附註27。

五年財務概要

本集團於過去五個財政年度之各年業績、資產及負債概要載於第112頁。

優先購買權

本公司之公司組織章程細則及本公司在該地成立之開曼群島法例並無有關優先購買權之條文。

購買、出售或贖回股份

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何股份。

董事

本公司於年內及截至本報告日期之董事如下：

執行董事

陳英杰先生*(主席兼行政總裁，於二零一一年一月二十七日獲委任為行政總裁)*
陳賢民先生*(董事總經理，於二零一一年一月二十七日調任為非執行董事兼副主席)*
陳怡勳先生*(於二零一一年十二月三十一日獲委任)*
張智凱先生
張智喬先生

非執行董事

陳賢民先生*(副主席，於二零一一年一月二十七日獲委任，於二零一一年十二月三十一日辭任)*
金珍君先生*(於二零一一年四月十三日獲委任)*
馬雪征女士*(於二零一一年四月十三日辭任)*

獨立非執行董事

蕭溪明先生*(於二零一一年九月一日辭任)*
黃順財先生
郭榮振先生
李德泰先生*(於二零一一年九月一日獲委任)*

ALTERNATE DIRECTOR

Mr Kim Jin-Goon *(Alternate Director to Ms Ma Xuezheng, resigned on 13 April 2011)*

Mr Lau Wai Kei, Ricky *(Alternate Director to Mr Kim Jin-Goon, appointed on 13 April 2011)*

替任董事

金珍君先生*(馬雪征女士之替任董事，於二零一一年四月十三日辭任)*

劉偉琪先生*(金珍君先生之替任董事，於二零一一年四月十三日獲委任)*

In accordance with Article 91 of the Company's Articles of Association, Mr Chen Tommy Yi-Hsun, Mr Kim Jin-Goon and Mr Lee Ted Tak Tai will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

根據本公司之公司組織章程細則第91條，陳怡勳先生、金珍君先生及李德泰先生將於應屆股東週年大會退任，惟彼等符合資格並願意膺選連任。

In accordance with Article 99 of the Company's Articles of Association, Mr Chen Ying-Chieh will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

根據本公司之公司組織章程細則第99條，陳英杰先生將於應屆股東週年大會輪值退任，惟彼等符合資格並願意膺選連任。

All the independent non-executive directors have confirmed their independence pursuant to Rule 3.13 of the Listing Rules and based on such confirmation, the Company is of the opinion that the independence status of the independent non-executive directors remains intact as at 31 December 2011.

所有獨立非執行董事已根據上市規則第3.13條，就彼等之獨立性作出確認。基於上述確認，本公司認為，截至二零一一年十二月三十一日，所有獨立非執行董事均為獨立人士。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員之簡歷

Brief biographies of directors and senior management are set out on pages 14 to 18.

董事及高層管理人員之簡歷載於第14頁至第18頁。

DIRECTORS' SERVICE CONTRACTS

董事之服務合約

The term of directorship of each independent non-executive director is either one year or two years and the term will continue for a successive period of one year or two years unless terminated by either party giving not less than one month's notice to the other party.

獨立非執行董事之董事任期為一至兩年，除非由任何一方向另外一方發出不少於一個月通知而終止，否則任期會繼續重續一年或兩年。

None of the directors has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

董事概無與本公司訂立不可於一年內免付賠償(法定補償除外)予以終止服務之服務合約。

DIRECTORS' INTERESTS IN CONTRACTS

董事之合約權益

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

本公司或其任何附屬公司概無訂立與本集團業務有關，而本公司董事於其中直接或間接擁有重大權益，且於本年度年結日或於年內任何時間仍然有效之重大合約。

CONNECTED TRANSACTION

On 31 December 2011, Mr Chen Hsien Min, a non-executive director and vice-chairman of the Company, retired from all positions held in the Board and board committee of the Company. The board of directors approved to pay Mr Chen Hsien Min an emolument of HK$30,000,000 upon his resignation. As all the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) for the payment of emolument exceed 0.1% but are less than 5%, it constituted an exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting and announcement requirements. An announcement in relation to the connected transaction was made by the Company on 29 December 2011.

關連交易

於二零一一年十二月三十一日，陳賢民先生(本公司非執行董事兼副主席)辭任其於本公司董事會及董事會轄下委員會之所有職務。董事會批准於陳賢民先生退任時向其支付酬金30,000,000港元。由於所支付酬金之所有適用百分比率(定義見上市規則第14章)均超過0.1%但低於5%，根據上市規則第14A章構成本公司之獲豁免關連交易，須遵守申報及公佈規定。本公司已於二零一一年十二月二十九日就該關連交易發出公佈。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2011, the interests of each director in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事於本公司股份及相關股份之權益

於二零一一年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條之規定而須予存置之登記冊所記錄，董事於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份中擁有之權益，或已根據標準守則知會本公司及聯交所之權益如下：

LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

於本公司股份及相關股份之好倉

		Number of shares 股份數目			
		Corporate interest 公司權益	Underlying interest 相關權益	Total 總計	Percentage of issued share capital of the Company 佔本公司已發行股本百分比
Mr Chen Ying-Chieh	陳英杰先生	147,738,920 (Note 1) (附註1)	16,000,000 (Note 3) (附註3)	163,738,920	9.98
Mr Chen Tommy Yi-Hsun	陳怡勳先生	200,846,895 (Note 2) (附註2)	4,000,000 (Note 3) (附註3)	204,846,895	12.48
Mr Chang Chih-Kai	張智凱先生	–	6,500,000 (Note 3) (附註3)	6,500,000	0.40
Mr Chang Chih-Chiao	張智喬先生	–	5,500,000 (Note 3) (附註3)	5,500,000	0.33

Notes:

1. Mr Chen Ying-Chieh has beneficial interest in 147,738,920 shares in the Company through Pushkin Holding Limited, a company incorporated in the British Virgin Islands, in which Mr Chen Ying-Chieh holds one-third of the equity interest.

2. Mr Chen Tommy Yi-Hsun has beneficial interest in 200,846,895 shares in the Company through Top Glory Assets Limited, a company incorporated in the British Virgin Islands, in which Mr Chen Tommy Yi-Hsun holds one-half of the equity interest.

3. These interests represented the interests in underlying shares of the Company in respect of share options granted to the directors on 27 January 2010.

Save as disclosed above and the section "Share option scheme", as at 31 December 2011, none of the directors or chief executive, nor any of their associates (including their spouses and children under 18 years of age), had any interests in or had been granted, or exercised, any rights to subscribe for shares of the Company and its associated corporations required to be disclosed pursuant to the SFO.

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in shares or underlying shares in, or debentures of, the Company or its associated corporations.

SHARE OPTION SCHEME

The Company has adopted and amended its share option scheme (the "Share Option Scheme") on 29 May 2003 and 7 December 2009 respectively to provide incentives to the employees, including any executive and non-executive directors and officers of the Company and its subsidiaries, to contribute to the Group and to enable the Group to recruit high-calibre employees and attract and retain human resources that are valuable to the Group. Pursuant to the Share Option Scheme, the directors may, at their discretion, invite eligible participants including employees, executive and non-executive directors, officers, agents or consultants of the Group to take up options to subscribe for the Company's shares subject to the terms and conditions stipulated therein. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years.

附註：

1. 陳英杰先生透過Pushkin Holding Limited擁有本公司147,738,920股股份之實益權益。Pushkin Holding Limited乃於英屬處女群島註冊成立之公司，由陳英杰先生持有三分之一股權。

2. 陳怡勳先生透過Top Glory Asset Limited擁有本公司200,846,895股股份之實益權益。Top Glory Asset Limited乃於英屬處女群島註冊成立之公司，由陳怡勳先生持有一半股權。

3. 該等股份指於二零一零年一月二十七日授予董事之購股權涉及之本公司相關股份之權益。

除上文及「購股權計劃」一節所披露者外，於二零一一年十二月三十一日，各董事或主要行政人員或彼等之任何聯繫人士（包括彼等之配偶及18歲以下之子女）概無擁有或獲授或行使可認購本公司及其相聯法團之股份之任何權利而須根據證券及期貨條例作出披露。

於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事及主要行政人員（包括彼等之配偶及18歲以下之子女）持有本公司或其相聯法團之股份、相關股份或債券之權益或淡倉。

購股權計劃

本公司分別於二零零三年五月二十九日及二零零九年十二月七日採納及修訂購股權計劃（「購股權計劃」），以提供獎勵予僱員（包括本公司及其附屬公司任何執行董事及非執行董事及高級人員），使彼等為本集團作出貢獻，以及使本集團得以招聘及吸納或留聘對本集團而言屬珍貴之優秀人力資源。根據購股權計劃，董事可酌情邀請合資格參與者（包括本集團僱員、執行董事及非執行董事、高級人員、代理或顧問）接納購股權，以按購股權計劃訂明之條款及條件認購本公司股份。除被取消或修改外，購股權計劃將維持十年內有效。

The total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme must not in aggregate exceed (i) 10% of the shares of the Company in issue on 17 June 2008, the date of approval of the refreshment of the Share Option Scheme mandate limit by shareholders of the Company after the adoption of the Share Option Scheme on 29 May 2003; or (ii) 30% of the issued share capital of the Company from time to time. No share options may be granted under the Share Option Scheme if this will result in such limit exceeded unless another shareholders' approval is obtained. As at the date of this annual report, the number of shares available for issue, save for those granted but yet to be exercised, under the Share Option Scheme is 93,244,238, representing approximately 5.7% of the total number of shares of the Company in issue. The total number of shares of the Company issued and to be issued upon exercise of share options (including both exercised and outstanding share options) granted in any 12-month period to each participant must not exceed 1% of the shares of the Company in issue.

根據購股權計劃所授出之全部購股權獲行使而可能發行之股份總數，合共不得超過(i)於二零零八年六月十七日（於二零零三年五月二十九日採納購股權計劃後，獲本公司股東批准更新購股權計劃授權限額之日期）本公司已發行股份之10%；或(ii)本公司不時之已發行股本之30%。如根據購股權計劃授出之購股權將會超出上述限額，則不得授出購股權，惟倘另外獲得股東批准則除外。於本年報日期，除已授出但尚未行使之購股權外，根據購股權計劃可予發行之股份總數為93,244,238股，佔本公司已發行股份總數5.7%。每名參與者在任何12個月期間內獲授之購股權（包括已行使及尚未行使之購股權）予以行使時已經及將予發行之本公司股份總數，不得超過本公司已發行股份1%。

The exercise price must be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares.

行使價不得低於下列最高者：(a)股份於授出日期在聯交所每日報價表所示之收市價；(b)股份在緊接授出日期前五個營業日在聯交所每日報價表所示之平均收市價；及(c)股份面值。

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee.

購股權要約可由承授人於要約日期起計28日內經支付合共1港元之象徵性代價後接納。

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

購股權並不賦予其持有人收取股息或於股東大會上投票之權利。

Details of movements of the share options granted under the Share Option Scheme for the year ended 31 December 2011 were as follows:

於截至二零一一年十二月三十一日止年度，根據購股權計劃授出之購股權之變動詳情如下：

	Date of grant 授出日期	Exercise price 行使價 HK$ 港元	Outstanding from 1 January 2011 to 31 December 2011 由二零一一年一月一日至二零一一年十二月三十一日未行使	Exercisable period 行使期間
Executive directors *執行董事*				
Mr Chen Ying-Chieh 陳英杰先生	27 January 2010 二零一零年一月二十七日	6.19	16,000,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至二零二零年一月二十六日 (Note 6) (附註6)
Mr Chang Chih-Kai 張智凱先生	27 January 2010 二零一零年一月二十七日	6.19	6,500,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至二零二零年一月二十六日 (Note 6) (附註6)
Mr Chang Chih-Chiao 張智喬先生	27 January 2010 二零一零年一月二十七日	6.19	5,500,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至二零二零年一月二十六日 (Note 6) (附註6)
Mr Chen Tommy Yi-Hsun 陳怡勳先生	27 January 2010 二零一零年一月二十七日	6.19	4,000,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至二零二零年一月二十六日 (Note 7) (附註7)
Ms Chang Wan Hsun (an associate of Mr Chang Chih-Kai and Mr Chang Chih-Chiao) 張婉絢女士(張智凱先生及張智喬先生之聯繫人士)	27 January 2010 二零一零年一月二十七日	6.19	4,000,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至二零二零年一月二十六日 (Note 7) (附註7)
Mr Chen Hsien Min (re-designated from executive to non-executive director on 27 January 2011 and resigned as a non-executive director on 31 December 2011 and appointed as a consultant on 1 January 2012, an associate of Mr Chen Tommy Yi-Hsun) 陳賢民先生(於二零一一年一月二十七日獲調任為非執行董事，於二零一一年十二月三十一日辭任非執行董事，於二零一二年一月一日獲委任為顧問，陳怡勳先生之聯繫人士)	27 January 2010 二零一零年一月二十七日	6.19	12,000,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至二零二零年一月二十六日 (Note 8) (附註8)

	Date of grant 授出日期	Exercise price 行使價 HK$ 港元	Outstanding at 1 January 2011 於二零一一年一月一日未行使	Granted during the year 於年內授出	Lapsed during the year 於年內失效	Exercised during the year 於年內行使	Outstanding at 31 December 2011 於二零一一年十二月三十一日未行使	Exercisable period 行使期間
Employees 僱員								
In aggregate 合計	27 January 2010 二零一零年一月二十七日	6.19	13,025,000	–	280,000	70,000 (Note 4) (附註4)	12,675,000	27 January 2011 to 26 January 2020 二零一一年一月二十七日至二零二零年一月二十六日 (Note 7) (附註7)
In aggregate 合計	27 January 2010 二零一零年一月二十七日	6.19	5,000,000	–	2,000,000	3,000,000 (Note 5) (附註5)	–	27 January 2011 to 26 January 2020 二零一一年一月二十七日至二零二零年一月二十六日
In aggregate 合計	22 July 2010 二零一零年七月二十二日	7.61	1,000,000	–	–	–	1,000,000	1 April 2011 to 21 July 2020 二零一一年四月一日至二零二零年七月二十一日 (Note 9) (附註9)
In aggregate 合計	22 July 2010 二零一零年七月二十二日	7.61	1,100,000	–	500,000	–	600,000	1 April 2011 to 21 July 2020 二零一一年四月一日至二零二零年七月二十一日 (Note 10) (附註10)
In aggregate 合計	27 January 2011 二零一一年一月二十七日	7.84	–	2,500,000 (Note 1) (附註1)	–	–	2,500,000	27 January 2012 to 26 January 2021 二零一二年一月二十七日至二零二一年一月二十六日 (Note 7) (附註7)
In aggregate 合計	19 August 2011 二零一一年八月十九日	8.35	–	1,000,000 (Note 2) (附註2)	–	–	1,000,000	19 August 2012 to 18 August 2021 二零一二年八月十九日至二零二一年八月十八日 (Note 7) (附註7)
In aggregate 合計	28 October 2011 二零一一年十月二十八日	8.30	–	300,000 (Note 3) (附註3)	–	–	300,000	28 October 2012 to 27 October 2021 二零一二年十月二十八日至二零二一年十月二十七日 (Note 10) (附註10)

Notes:

1. The closing price per share immediately before the date of grant is HK$7.66.
2. The closing price per share immediately before the date of grant is HK$8.70.
3. The closing price per share immediately before the date of grant is HK$8.30.
4. The closing price per share immediately before the date of exercise is HK$8.80.
5. The closing price per share immediately before the date of exercise is HK$8.69.
6. 15% of the share options vested or will vest on each of the five anniversary dates of the date of grant and 25% of the share options will vest, subject to certain performance targets determined by the board of directors of the Company, on the fifth anniversary of the date of grant.
7. 20% of the share options vested or will vest on each of the five anniversary dates of the date of grant.
8. 15% of the share options vested or will vest on each of the four anniversary dates of the date of grant and 40% of the share options will vest on the fifth anniversary date of the date of grant.
9. One-fifth of the share options will vest on each anniversary with the first tranche starting on 1 April 2011.
10. One-third of the share options will vest on each anniversary with the first tranche starting on 1 April 2011.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 31 December 2011, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed under the section "Directors' interests in shares and underlying shares of the Company".

附註：

1. 緊接授出日期前每股股份之收市價為7.66港元。
2. 緊接授出日期前每股股份之收市價為8.70港元。
3. 緊接授出日期前每股股份之收市價為8.30港元。
4. 緊接行使日期前每股股份之收市價為8.80港元。
5. 緊接行使日期前每股股份之收市價為8.69港元。
6. 購股權由授出日期起計五個週年日每年歸屬15%，其餘25%須待本公司董事會將予釐定之若干表現目標達成後，於授出日期起計第五個週年日歸屬。
7. 購股權由授出日期起計五個週年日每年歸屬20%。
8. 購股權由授出日期起計四個週年日每年歸屬15%，其餘40%於授出日期起計第五個週年日歸屬。
9. 購股權由二零一一年四月一日起每個週年日歸屬五分之一。
10. 購股權由二零一一年四月一日起每個週年日歸屬三分之一。

主要股東於本公司股份及相關股份之權益

按本公司根據證券及期貨條例第XV部第336條之規定而須存置之主要股東登記冊所示，於二零一一年十二月三十一日，本公司已獲知會下列主要股東權益(即佔本公司已發行股本5%或以上)。此等權益並不包括在「董事於本公司股份及相關股份之權益」一節下所披露者。

Name 名稱	Capacity 身份	Number of shares 股份數目		Percentage of issued share capital of the Company 佔本公司已發行股本百分比
Long positions **好倉**				
Lucky Earn International Limited	Beneficial interests 實益擁有人	400,719,995	(Note 1) (附註1)	24.42
Premier China, Ltd.	Beneficial interests 實益擁有人	298,510,572	(Note 2) (附註2)	18.19
TPG Asia GenPar V Advisors, Inc.	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
TPG Asia Genpar V, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
TPG Asia V, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
TPG Group Holdings (SBS) Advisors, Inc.	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
TPG Group Holdings (SBS), L.P.	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
TPG Holdings I, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
TPG Holdings I-A, L.P.	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
Mr David Bonderman	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
Mr James G. Coulter	Interests of controlled corporation 受控公司之權益	298,510,572	(Note 2) (附註2)	18.19
Top Glory Assets Limited	Beneficial interests 實益擁有人	200,846,895	(Note 3) (附註3)	12.24
Mr Chen Tommy Yi-Hsun 陳怡勳先生	Interests of controlled corporation 受控公司之權益	200,846,895	(Note 3) (附註3)	12.24

Name 名稱	Capacity 身份	Number of shares 股份數目		Percentage of issued share capital of the Company 佔本公司已發行股本百分比
Ms Chen Jennifer Yi-Chen 陳怡臻女士	Interests of controlled corporation 受控公司之權益	200,846,895	(Note 3) (附註3)	12.24
Pushkin Holding Limited	Beneficial interests 實益擁有人	147,738,920	(Note 4) (附註4)	9.00
Mr Chen Ying-Chieh 陳英杰先生	Interests of controlled corporation 受控公司之權益	147,738,920	(Note 4) (附註4)	9.00
Mr Chen Ying-Tien 陳英典先生	Interests of controlled corporation 受控公司之權益	147,738,920	(Note 4) (附註4)	9.00
Mr Chen Ying-Che 陳英哲先生	Interests of controlled corporation 受控公司之權益	147,738,920	(Note 4) (附註4)	9.00

Notes:

1. Mr Chang Chih-Kai and Mr Chang Chih-Chiao, both executive directors of the Company, and their two sisters have beneficial interests of 26%, 26% and 24% each, respectively, in Lucky Earn International Limited, a company incorporated in the British Virgin Islands.

2. Premier China, Ltd. has subscribed for convertible bonds and warrants of the Company. Upon full conversions of the convertible bonds and full exercise of the warrants, an aggregate of 278,510,572 shares will be issued. Premier China, Ltd. is a subsidiary of TPG Group Holdings (SBS) Advisors, Inc., which is in turn owned 50% each by Mr David Bonderman and Mr James G. Coulter.

3. Mr Chen Tommy Yi-Hsun ("Mr Chen"), an executive director of the Company, and Ms Chen Jennifer Yi-Chen ("Ms Chen") have beneficial interests of 50% each in Top Glory Assets Limited, a company incorporated in the British Virgin Islands. By virtue of the SFO, they are deemed to be interested in 200,846,895 shares of the Company held by Top Glory Assets Limited.

4. Mr Chen Ying-Chieh, the Chairman of the Company, and his two brothers, Mr Chen Ying-Tien and Mr Chen Ying-Che, each has one-third of the beneficial interests of Pushkin Holding Limited. By virtue of the SFO, they are deemed to be interested in the 147,738,920 shares of the Company held by Pushkin Holding Limited.

附註：

1. 本公司執行董事張智凱先生及張智喬先生與彼等兩名姊妹分別擁有在英屬處女群島註冊成立之Lucky Earn International Limited 26%、26%及24%之實益權益。

2. Premier China, Ltd.已認購本公司可換股債券及認股權證。於可換股債券全面兌換及於認股權證全面行使時，將予發行合共278,510,572股股份。PremierChina, Ltd.為TPG Group Holdings (SBS) Advisors, Inc.之附屬公司，而該公司則由David Bonderman先生及James G. Coulter先生各擁有50%。

3. 陳怡勳先生(「陳先生」，本公司之執行董事)及陳怡臻女士(「陳女士」)各自實益擁有在英屬處女群島註冊成立之Top Glory Assets Limited 50%權益。根據證券及期貨條例，彼等被視為在Top Glory Assets Limited所持有之200,846,895股本公司股份中擁有權益。

4. 本公司主席陳英杰先生及彼之兩名兄弟陳英典先生及陳英哲先生各自實益擁有Pushkin Holding Limited三分之一的權益。根據證券及期貨條例，彼等被視為在Pushkin Holding Limited所持有之147,738,920股本公司股份中擁有權益。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

管理合約

年內，本公司概無訂立或訂有任何涉及本公司整體或任何主要部分業務之管理及行政合約。

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales during the year attributable to the Group's five largest customers were less than 30% of the Group's total turnover.

The aggregate purchases attributable to the Group's largest and five largest suppliers accounted for approximately 20% and 54%, respectively, of the Group's total purchases for the year.

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 share capital, had any beneficial interest in the Group's five largest suppliers.

主要客戶及供應商

年內，本集團五大客戶之銷售總額佔本集團之總營業額少於30%。

年內，本集團向最大供應商及五大供應商作出之採購總額分別佔本集團之採購總額約20%及54%。

各董事、彼等之聯繫人士或據董事所知擁有本公司股本5%以上之本公司股東，概無擁有本集團五大供應商任何實益權益。

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE PRACTICES

Information on the Company's compliance of the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules is set out in the Corporate Governance Report on pages 19 to 27.

遵守企業管治常規守則

本公司遵守上市規則附錄14所載企業管治常規守則之資料載於第19頁至第27頁之企業管治報告內。

SUFFICIENCY OF PUBLIC FLOAT

On the basis of information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed minimum public float required under the Listing Rules.

足夠公眾持股量

於本報告日期，根據本公司獲得之公開資料及據本公司董事所知，本公司公眾持股量維持上市規則所規定之最低水平。

AUDITOR

PricewaterhouseCoopers shall retire and being eligible, offer itself for re-appointment, and a resolution to effect this will be proposed at the forthcoming annual general meeting of the Company.

核數師

羅兵咸永道會計師事務所將任滿退任，惟符合資格並願意應聘續任，並將於本公司應屆股東週年大會上提呈決議案。

On behalf of the Board

代表董事會

Chen Ying-Chieh
Chairman & Chief Executive Officer
Hong Kong, 19 March 2012

主席兼行政總裁
陳英杰
香港，二零一二年三月十九日

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DAPHNE INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Daphne International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 42 to 111, which comprise the consolidated and company balance sheets as at 31 December 2011, and the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the 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.

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, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

獨立核數師報告
致達芙妮國際控股有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第42頁至第111頁達芙妮國際控股有限公司(「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二零一一年十二月三十一日的綜合和公司資產負債表及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表與綜合現金流量表,以及主要會計政策概要及其他附註解釋資料。

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》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見,並按照委聘的條款,僅向全體股東報告我們的意見。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上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範,並規劃及執行審計,以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

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

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料之審計憑證。所選定的程序取決於核數師之判斷，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編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審核程序，但目的並非為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合適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。

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審核意見提供基礎。

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一一年十二月三十一日的事務狀況，及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 March 2012

羅兵咸永道會計師事務所
執業會計師

香港，二零一二年三月十九日

CONSOLIDATED PROFIT AND LOSS ACCOUNT

綜合損益表

FOR THE YEAR ENDED 31 DECEMBER 2011

截至二零一一年十二月三十一日止年度

		Note 附註	**2011 二零一一年 HK$'000 千港元**	2010 二零一零年 HK$'000 千港元
Turnover	營業額	5	**8,576,762**	6,623,840
Cost of sales	銷售成本		**(3,332,985)**	(2,822,999)
Gross profit	毛利		**5,243,777**	3,800,841
Other income	其他收入	6	**121,354**	88,869
Other (losses)/gains – net	其他(虧損)／收益－淨額	7	**(74,203)**	11,729
Selling and distribution expenses	銷售及分銷開支		**(3,366,335)**	(2,485,379)
General and administrative expenses	一般及行政開支		**(556,026)**	(444,390)
Fair value loss on derivative financial instrument – warrants	衍生金融工具公平價值虧損－認股權證		**–**	(77,328)
Finance costs	財務成本	8	**(46,907)**	(44,799)
Share of profit of an associated company	應佔一間聯營公司盈利		**421**	618
Profit before income tax	除所得稅前盈利	9	**1,322,081**	850,161
Income tax expense	所得稅開支	10	**(377,350)**	(238,550)
Profit for the year	年內盈利		**944,731**	611,611
Attributable to:	以下各方應佔：			
Owners of the Company	本公司擁有人		**933,063**	595,510
Non-controlling interests	非控制性權益		**11,668**	16,101
			944,731	611,611
Earnings per share	每股盈利	12		
Basic (HK cents)	基本(港仙)		**56.96**	36.36
Diluted (HK cents)	攤薄(港仙)		**52.23**	34.15
Dividends	股息	13	**278,826**	196,548

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2011

截至二零一一年十二月三十一日止年度

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Profit for the year	年內盈利	**944,731**	611,611
Currency translation differences	貨幣匯兌差額	**149,013**	86,901
Total comprehensive income for the year	年內全面收益總額	**1,093,744**	698,512
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人	**1,077,576**	679,843
Non-controlling interests	非控制性權益	**16,168**	18,669
		1,093,744	698,512

CONSOLIDATED BALANCE SHEET 綜合資產負債表

AS AT 31 DECEMBER 2011 於二零一一年十二月三十一日

		Note 附註	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Non-current assets	非流動資產			
Intangible assets	無形資產	15	**129,926**	129,889
Land use rights	土地使用權	16	**51,196**	50,336
Fixed assets	固定資產	17	**899,662**	710,850
Interest in an associated company	於一間聯營公司之權益	20	**3,359**	3,338
Available-for-sale financial assets	可出售金融資產	21	**16,624**	63,183
Deposits paid for acquisition of fixed assets	收購固定資產之已付按金		**63,947**	–
Long-term rental deposits and prepayments	長期租金按金及預付款項		**175,564**	109,294
Deferred income tax assets	遞延所得稅資產	32	**106,469**	56,388
			1,446,747	1,123,278
Current assets	流動資產			
Inventories	存貨	22	**2,058,526**	1,084,308
Trade receivables	貿易應收賬款	23	**274,303**	210,430
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項		**926,096**	571,360
Bank deposit with maturity over three months	存款期超過三個月之銀行存款		**–**	35,385
Cash and cash equivalents	現金及現金等價物	24	**1,795,744**	2,024,289
			5,054,669	3,925,772
Current liabilities	流動負債			
Trade payables	貿易應付賬款	25	**819,131**	577,949
Other payables and accrued charges	其他應付賬款及應計費用		**563,497**	371,957
Income tax payable	應繳所得稅		**250,612**	199,295
Bank loan – unsecured	銀行貸款－無抵押	26	**6,998**	11,281
			1,640,238	1,160,482
Net current assets	流動資產淨值		**3,414,431**	2,765,290
Total assets less current liabilities	總資產減流動負債		**4,861,178**	3,888,568

CONSOLIDATED BALANCE SHEET 綜合資產負債表

AS AT 31 DECEMBER 2011 於二零一一年十二月三十一日

		Note 附註	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Financed by:	資金來源：			
Share capital	股本	27	**164,096**	163,789
Reserves	儲備	29	**3,871,771**	2,960,543
Equity attributable to owners of the Company	本公司擁有人應佔權益		**4,035,867**	3,124,332
Non-controlling interests	非控制性權益		**195,759**	183,271
Total equity	總權益		**4,231,626**	3,307,603
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	30	**605,879**	556,622
License fee payables	應付特許使用權費	31	**4,138**	3,460
Deferred income tax liabilities	遞延所得稅負債	32	**19,445**	5,171
Other non-current liabilities	其他非流動負債		**90**	15,712
			629,552	580,965
Total equity and non-current liabilities	總權益及非流動負債		**4,861,178**	3,888,568

Chen Ying-Chieh
陳英杰
Director
董事

Chang Chih-Kai
張智凱
Director
董事

BALANCE SHEET

資產負債表

AS AT 31 DECEMBER 2011

於二零一一年十二月三十一日

		Note 附註	**2011 二零一一年 HK$'000 千港元**	2010 二零一零年 HK$'000 千港元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	18	**368,822**	360,635
Current assets	流動資產			
Other receivables	其他應收賬款		**285**	334
Amount due from a subsidiary	應收一間附屬公司賬款	19	**1,209,941**	1,049,623
Cash and cash equivalents	現金及現金等價物	24	**150**	353
			1,210,376	1,050,310
Current liabilities	流動負債			
Accrued charges	應計費用		**58,498**	23,439
			58,498	23,439
Net current assets	流動資產淨值		**1,151,878**	1,026,871
Total assets less current liabilities	總資產減流動負債		**1,520,700**	1,387,506
Financed by:	資金來源：			
Share capital	股本	27	**164,096**	163,789
Reserves	儲備	29	**750,725**	651,383
Total equity	總權益		**914,821**	815,172
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	30	**605,879**	556,622
Other non-current liabilities	其他非流動負債		**–**	15,712
			605,879	572,334
Total equity and non-current liabilities	總權益及非流動負債		**1,520,700**	1,387,506

Chen Ying-Chieh
陳英杰
Director
董事

Chang Chih-Kai
張智凱
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2011

截至二零一一年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔			
		Share capital 股本	Reserves 儲備	Non-controlling interests 非控制性權益	Total 總計
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
At 1 January 2010	於二零一零年一月一日	163,789	2,039,109	39,027	2,241,925
Profit for the year	年內盈利	–	595,510	16,101	611,611
Currency translation differences	貨幣匯兌差額	–	84,333	2,568	86,901
Total comprehensive income	全面收益總額	–	679,843	18,669	698,512
Acquisition of subsidiaries	收購附屬公司	–	–	129,611	129,611
Partial acquisition and disposal of subsidiaries	收購及出售附屬公司部份股份	–	(197)	197	–
Dividends	股息	–	(180,173)	(4,233)	(184,406)
Transfer of warrants from liability to equity (Note 30)	認股權證由負債轉撥至權益(附註30)	–	363,370	–	363,370
Share-based payment expense	以股份為基礎之付款開支	–	58,589	–	58,589
Write-back of unclaimed dividends	撥回未領取股息	–	2	–	2
Total transactions with owners	與擁有人交易總額	–	241,591	125,575	367,166
At 31 December 2010	於二零一零年十二月三十一日	163,789	2,960,543	183,271	3,307,603
Profit for the year	年內盈利	–	933,063	11,668	944,731
Currency translation differences	貨幣匯兌差額	–	144,513	4,500	149,013
Total comprehensive income	全面收益總額	–	1,077,576	16,168	1,093,744
Dividends	股息	-	(231,106)	(3,680)	(234,786)
Issue of shares upon exercise of share options	於行使購股權時發行股份	307	18,696	–	19,003
Share-based payment expense	以股份為基礎之付款開支	–	46,061	–	46,061
Write-back of unclaimed dividends	撥回未領取股息	–	1	–	1
Total transactions with owners	與擁有人交易總額	307	(166,348)	(3,680)	(169,721)
At 31 December 2011	於二零一一年十二月三十一日	164,096	3,871,771	195,759	4,231,626

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2011

截至二零一一年十二月三十一日止年度

		Note 附註	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Operating activities	經營活動			
Cash generated from operations	營運產生之現金	33	**609,946**	1,156,650
Income tax paid	已付所得稅		**(367,311)**	(264,359)
Net cash generated from operating activities	經營活動產生之現金淨額		**242,635**	892,291
Investing activities	投資活動			
Dividend received from an associated company	已收一間聯營公司股息		**550**	582
Interest received	已收利息		**63,143**	37,151
Payment for land use rights	土地使用權付款		**–**	(3,820)
Purchase of fixed assets	購置固定資產		**(391,693)**	(272,968)
Proceeds from disposal of fixed assets	出售固定資產收款		**2,171**	4,080
Decrease in bank deposit with maturity over three months	存款期超過三個月之銀行存款減少		**35,385**	42,615
Acquisition of license rights	收購特許使用權		**(1,966)**	(4,532)
Acquisition of additional interest in an available-for-sale financial asset	收購可出售金融資產之額外權益		**(15,313)**	(29,559)
Net cash outflow from acquisition of subsidiaries	收購附屬公司之現金流出淨額		**(15,000)**	(2,758)
Net cash used in investing activities	投資活動所用之現金淨額		**(322,723)**	(229,209)
Financing activities	融資活動			
Dividends paid	已付股息		**(231,106)**	(180,173)
Dividends paid to non-controlling interest of subsidiaries	已付附屬公司非控制性權益股息		**(3,680)**	(4,233)
Interest paid	已付利息		**(22,244)**	(20,608)
Proceeds from issue of shares upon exercise of share options	於行使購股權時發行股份之收款		**19,003**	–
New bank loans raised	新籌借銀行貸款		**–**	88,920
Repayment of bank loans	償還銀行貸款		**(3,974)**	(122,899)
Decrease in pledged bank deposit	已抵押銀行存款減少		**–**	2,915
Net cash used in financing activities	融資活動所用之現金淨額		**(242,001)**	(236,078)
(Decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)／增加		**(322,089)**	427,004
Cash and cash equivalents as at 1 January	於一月一日之現金及現金等價物		**2,024,289**	1,544,851
Effect of foreign exchange rate changes	匯率變動影響		**93,544**	52,434
Cash and cash equivalents as at 31 December	於十二月三十一日之現金及現金等價物	24	**1,795,744**	2,024,289

1 GENERAL INFORMATION

Daphne International Holdings Limited (the "Company") and its subsidiaries (together the "Group") is principally engaged in the manufacturing, distribution and retailing of footwear, apparel and accessories in China and export sales with major market in the United States of America (the "US").

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

These consolidated accounts have been approved for issue by the Board of Directors on 19 March 2012.

2 PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

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

The preparation of accounts in conformity with HKFRSs 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 accounts, are disclosed in Note 4.

(i) Standards and amendments effective and adopted by the Group in 2011

HKAS 24 (Revised) "Related Party Disclosures" amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous years.

1 一般資料

達芙妮國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)於中國從事製造、分銷及零售鞋類產品、服飾及配件業務,及主要外銷至美利堅合眾國(「美國」)。

本公司為於開曼群島註冊成立之有限公司,其股份於香港聯合交易所有限公司上市。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

此綜合賬目已於二零一二年三月十九日經董事會批准刊行。

2 主要會計政策

編製此綜合賬目時所採用之主要會計政策載於下文。除另有註明外,該等政策貫徹應用於全部列示之年份。

(a) 編製基準

綜合賬目乃按照香港會計師公會頒佈之所有適用香港財務報告準則(「香港財務報告準則」)編製。綜合賬目乃按歷史成本法編製,並就重估可出售金融資產及按公平價值計入損益之金融資產及金融負債作出調整。

編製符合香港財務報告準則之賬目需要運用若干關鍵會計估計。管理層亦須在應用本集團之會計政策時作出判斷。涉及高度判斷或複雜性之範疇,或對綜合賬目屬重大假設及估計之範疇於附註4內披露。

(i) 於二零一一年生效及為本集團採納之準則及修訂

香港會計準則第24號(經修訂)「關聯方披露」對關聯方之釋義作出修訂並釐清其涵義。有關修訂可能會導致獲識別為報告實體之關聯方之該等人士出現變更。本集團已根據經修訂之釋義重新評估其關聯方之識別,結論為經修訂之釋義對本集團於本年度及以往年度之關聯方披露並無任何重大影響。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

(i) Standards and amendments effective and adopted by the Group in 2011 (Continued)

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

Amendments to HKFRS 7 "Financial Instruments: Disclosures" (as part of the improvements to HKFRSs issued in 2010) requires disclosures in respect of the description of collateral held as security and of other credit enhancements and their financial effect of the amount that best represents the maximum exposure to credit risk. The disclosures about the Group's financial instruments are consistent with the amended disclosures requirements. These amendments do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements in the current and previous years.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial period beginning 1 January 2011 but are not currently relevant to the Group.

HKAS 32 (Amendment)	Financial Instruments: Presentation – Classification of Rights Issues
HKFRS 1 (Amendment)	First-time Adoption of HKFRSs – Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to HKFRSs 2010	Amendments published in 2010

2 主要會計政策(續)

(a) 編製基準(續)

(i) 於二零一一年生效及為本集團採納之準則及修訂(續)

香港會計準則第24號(經修訂)亦引進適用於(在本集團與交易對方均受政府、政府機關或同類機構的共同控制、聯合控制或重大影響之情況下)與有關聯方交易之簡化披露規定。由於本集團並非與政府有關之實體,因此該等新披露對本集團而言並不相干。

香港財務報告準則第7號「金融工具:披露」之修訂(作為於二零一零年發佈之香港財務報告準則之改進之一部分)規定披露證券及其他信貸促進物之抵押品詳情,並披露最能夠代表最大信貸風險之財務影響數字。本集團就金融工具之披露符合經修訂之披露規定。該等修訂對於本年度及過往年度財務報表內已確認數額之分類、確認及計量並無重大影響。

下列新訂準則、準則修訂及詮釋須於二零一一年一月一日開始之財務期間首次強制應用,惟目前與本集團無關。

香港會計準則第32號(修訂本)	金融工具:呈列–供股之分類
香港財務報告準則第1號(修訂本)	首次採納香港財務報告準則–對香港財務報告準則第7號首次採納者作出披露之比較之有限豁免
香港(國際財務報告詮釋委員會)–詮釋第14號(修訂本)	預付最低資金規定
香港(國際財務報告詮釋委員會)–詮釋第19號	以股本工具抵銷財務負債
二零一零年香港財務報告準則之改進	於二零一零年頒佈之修訂

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

(ii) Standards, amendments and interpretations to existing standards that have been issued but are not yet effective nor been adopted by the Group in 2011

HKAS 1 (Amendments)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income [3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets [2]
HKAS 19 (2011)	Employee Benefits [4]
HKAS 27 (2011)	Separate Financial Statements [4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures [4]
HKAS 32 (Amendments)	Financial Instrument: Presentation – Offsetting Financial Assets and Financial Liabilities [5]
HKFRS 1 (Amendments)	First-time Adoption of HKFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [1]
HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Transfer of Financial Assets [1]
HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities [4]
HKFRS 9 (Amendments)	Financial Instruments [6]
HKFRS 10	Consolidated Financial Statements [4]
HKFRS 11	Joint Arrangements [4]
HKFRS 12	Disclosure of Interests in Other Entities [4]
HKFRS 13	Fair Value Measurement [4]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine [4]

1 Effective for accounting periods beginning on or after 1 July 2011
2 Effective for accounting periods beginning on or after 1 January 2012
3 Effective for accounting periods beginning on or after 1 July 2012
4 Effective for accounting periods beginning on or after 1 January 2013
5 Effective for accounting periods beginning on or after 1 January 2014
6 Effective for accounting periods beginning on or after 1 January 2015

The adoption of the above new/revised HKFRSs will affect the presentation and disclosure of the accounts and management anticipates that there will be no significant impact on the results and the financial position of the Group.

2 主要會計政策(續)

(a) 編製基準(續)

(ii) 於二零一一年已頒佈但尚未生效而本集團亦未有採納之準則、現有準則修訂及詮釋

香港會計準則第1號(修訂本)	財務報告之呈列–其他全面收益項目之呈列[3]
香港會計準則第12號(修訂本)	遞延稅項:收回相關資產[2]
香港會計準則第19號(二零一一年)	僱員福利[4]
香港會計準則第27號(二零一一年)	獨立財務報表[4]
香港會計準則第28號(二零一一年)	於聯營公司及合營企業之投資[4]
香港會計準則第32號(修訂本)	金融工具:呈列–抵銷金融資產及金融負債[5]
香港財務報告準則第1號(修訂本)	首次採納香港財務報告準則–嚴重惡性通脹及移除首次採納者之已訂日期[1]
香港財務報告準則第7號(修訂本)	金融工具:披露–轉移金融資產[1]
香港財務報告準則第7號(修訂本)	金融工具:披露–抵銷金融資產及金融負債[4]
香港財務報告準則第9號(修訂本)	金融工具[6]
香港財務報告準則第10號	綜合財務報表[4]
香港財務報告準則第11號	聯合安排[4]
香港財務報告準則第12號	披露於其他實體之權益[4]
香港財務報告準則第13號	公平價值之計量[4]
香港(國際財務報告詮釋委員會)–詮釋第20號	露天礦場生產階段之剝採成本[4]

1 於二零一一年七月一日或之後開始之會計期間生效
2 於二零一二年一月一日或之後開始之會計期間生效
3 於二零一二年七月一日或之後開始之會計期間生效
4 於二零一三年一月一日或之後開始之會計期間生效
5 於二零一四年一月一日或之後開始之會計期間生效
6 於二零一五年一月一日或之後開始之會計期間生效

採納以上新訂/經修訂香港財務報告準則或會對賬目之呈列和披露構成影響,管理層預期這對本集團之業績及財務狀況不會構成任何重大影響。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation

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

(i) Subsidiaries

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

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred 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. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired is recorded as goodwill. If this 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 statement of comprehensive income.

2 主要會計政策(續)

(b) 綜合賬目

綜合賬目包括本公司及其所有附屬公司截至十二月三十一日止之賬目。

(i) 附屬公司

附屬公司為所有本集團有權監管其財務及營運政策之實體，一般持有佔過半數投票權之股權。於評估本集團是否控制另一實體時，會考慮目前可行使或可轉換之潛在投票權存在與否及其影響。附屬公司由其控制權轉讓予本集團之日起全面綜合入賬，並由該控制終止之日起終止綜合入賬。

本集團採用會計收購法計算業務合併。收購附屬公司的轉讓代價為所轉讓資產、所產生負債及本集團所發行股本權益的公平價值。所轉讓代價包括或然代價安排產生的任何資產或負債的公平價值。收購相關成本於產生時列為開支。於業務合併時所收購的可辨別資產及所承擔的負債及或然負債，初步按收購日的公平價值計量。按逐項收購基準，本集團以公平價值或非控制性權益按比例應佔被收購方資產淨值，確認被收購方非控制性權益。

於附屬公司的投資乃以成本減減值的方法入賬。成本會調整以反映因或然代價修訂產生的代價變動。成本亦包括投資的直接應佔費用。附屬公司之業績由本公司按股息及應收款項入賬。

過剩的轉讓代價，即被收購方的任何非控制性權益金額及任何先前於被收購方的股本權益於收購日期的公平價值超出所收購之可辨別資產淨值之公平價值的差額乃列作商譽。倘在廉價購入的情況下，該數額低於所收購附屬公司資產淨值之公平價值，則有關差額將直接在全面收益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (Continued)

(i) Subsidiaries (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with owners of the Group. For purchases from non-controlling interests, the difference between 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.

When the Group ceases to have control or significant influence, any retained interest in the equity is remeasured to its fair value, with the change in carrying amount recognised in profit and loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate 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 and loss.

(iii) Associated company

An associated company is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associated company is accounted for using the equity method of accounting and is initially recognised at cost.

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 are classified to profit and loss where appropriate.

2 主要會計政策(續)

(b) 綜合賬目(續)

(i) 附屬公司(續)

集團內公司之間的交易、交易的結餘及未變現收益予以對銷。未變現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

(ii) 非控制性權益交易

本集團將其與非控制性權益進行的交易視為與本集團擁有人之間進行的交易。向非控制性權益採購，所支付的任何代價與所收購的附屬公司資產淨值賬面值相關部分的差額，於權益中入賬。向非控制性權益進行出售所產生的盈虧亦於權益入賬。

倘本集團不再擁有控制權或重大影響力，其於該實體之任何保留權益按其公平價值重新計量，而賬面值變動則於損益中確認。就其後入賬列作聯營公司或金融資產之保留權益而言，公平價值指初始賬面值。此外，先前於其他全面收益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益內確認之金額重新分類為溢利或虧損。

(iii) 聯營公司

聯營公司指本集團對其行使重大影響力惟並非控制之公司，一般持有佔其投票權20%至50%之股權。於聯營公司之投資按權益會計法入賬，初步按成本值確認。

倘於聯營公司之所有權權益減少，而重大影響力獲保留，則先前於其他全面收益內確認之金額僅有一定比例部分重新分類為溢利或虧損(如適用)。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (Continued)

(iii) Associated company (Continued)

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

(c) Foreign currency translation

(i) Functional and presentation currency

Each of the Group's entities determines its own functional currency and items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated accounts are presented in Hong Kong dollar ("HKD"), which is different from the Company's functional currency of Renminbi ("RMB"). The directors consider that the presentation of consolidated accounts in HKD will facilitate the interpretation and understanding of financial information of the Group.

(ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated profit and loss account within finance costs. All other foreign exchange gains and losses are presented in the consolidated profit and loss account within other (losses)/gains – net.

2 主要會計政策(續)

(b) 綜合賬目(續)

(iii) 聯營公司(續)

本集團應佔其聯營公司之收購後盈利或虧損乃於綜合損益表確認，而應佔收購後儲備變動則於儲備確認。累計收購後變動以撇銷投資賬面值調整。倘本集團應佔聯營公司之虧損相等於或超出其於該聯營公司之權益(包括任何其他無抵押長期應收賬款)，則本集團不會進一步確認虧損，除非本集團已代表該聯營公司承擔責任或作出付款。

(c) 外幣換算

(i) 功能及呈報貨幣

本集團實體各自釐定其功能貨幣。本集團各實體之賬目內包括之項目乃以有關實體業務所在主要經濟環境之貨幣(「功能貨幣」)計量。綜合賬目以有別於本公司功能貨幣(人民幣)之港元列值。董事認為，以港元列示綜合賬目有助詮釋及理解本集團之財務資料。

(ii) 交易及結餘

外幣交易乃以交易日期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計值之貨幣資產及負債產生之匯兌收益及虧損會於損益表確認。

與借貸、現金及現金等價物有關之匯兌收益及虧損於綜合損益表內財務成本中呈列。所有其他匯兌收益及虧損於綜合損益表內其他(虧損)／收益－淨額中呈列。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation (Continued)

(ii) Transactions and balances (Continued)

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

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

(iii) 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:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each profit and loss account are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

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

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

2 主要會計政策(續)

(c) 外幣換算(續)

(ii) 交易及結餘(續)

以外幣計值並列作可出售之貨幣證券公平價值變動根據證券攤銷成本變動而產生之匯兌差額與證券賬面值其他變動分析。有關攤銷成本變動之匯兌差額於損益表確認，而賬面值其他變動則於權益確認。

非貨幣金融資產及負債之匯兌差額於損益表確認為公平價值收益或虧損之一部分。非貨幣金融資產(如分類為可出售權益)之匯兌差額列入權益之可出售儲備。

(iii) 集團公司

功能貨幣有別於呈報貨幣之所有集團內部實體(並不涉及嚴重通脹經濟體系之貨幣)之業績及財務狀況會按以下方式換算為呈報貨幣：

- 各資產負債表所呈報資產及負債按該資產負債表日期之收市匯率換算；
- 各損益表內之收入及開支按平均匯率換算；及
- 所有由此產生之匯兌差額確認為一項獨立之權益項目。

於綜合賬目時，換算海外業務投資淨額以及借貸及設定對沖該等投資之其他貨幣工具所產生之匯兌差額於股東權益內處理。當部分出售或售出海外業務時，已計入權益之匯兌差額會於綜合損益表確認為出售收益或虧損一部分。

收購海外實體產生之商譽及公平價值調整均列作該海外實體之資產及負債，並按收市匯率換算。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(d) 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 of the Company that make strategic decisions.

(e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

(ii) License rights

Separately acquired license rights are stated at historical cost less accumulated amortisation and accumulated impairment losses, if any. They are initially measured as the fair value of the consideration given to acquire the license at the time of the acquisition. The consideration given represents expected variable payments based on predetermined criteria on future revenues from the licensed business that can be reliably estimated at the time of the acquisition.

License rights are amortised on a straight-line basis over the period of the rights of 7 to 30 years. Amortisation is included in general and administrative expenses in the consolidated profit and loss account.

2 主要會計政策(續)

(d) 分部報告

經營分部之申報方式與向主要經營決策者提供之內部報告一致。本公司執行董事已獲辨識為負責分配資源及評估經營分部業績的主要經營決策者，並作出策略性決定。

(e) 無形資產

(i) 商譽

商譽指收購成本超過於收購日期本集團應佔所收購附屬公司之可識別資產淨值之公平價值。收購附屬公司之商譽包括在無形資產內。獨立確認之商譽會每年進行減值測試，並按成本值減累計減值虧損(如有)列賬。商譽之減值虧損不會撥回。出售某個實體之收益或虧損包括與被出售實體有關之商譽之賬面值。

就減值測試而言，商譽會分配至現金產生單位。商譽分配至預期可從產生商譽之業務合併中受惠之一組或多組現金產生單位。

(ii) 特許使用權

單獨收購之特許使用權按歷史成本值減累計攤銷及累計減值虧損(如有)列賬，初步按收購時就收購特許使用權所付代價之公平價值計量。所付代價指根據特許業務未來收益之預設條件而釐定且於收購當時能可靠估算之預計可變付款。

特許使用權於權利使用年期7至30年內以直線法攤銷。攤銷計入綜合損益表之一般及行政開支內。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets (Continued)

(iii) Trademarks

Separately acquired trademarks are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Trademarks acquired in a business combination are recognised initially at fair value at the acquisition date and subsequently carried at the amount initially recognised less accumulated amortisation and accumulated impairment losses, if any. Amortisation of trademarks that have definite useful lives is calculated using the straight-line method to allocate the costs of acquired trademarks and patents over their estimated useful lives of 20 years. Amortisation is included in general and administrative expenses in the consolidated profit and loss account.

(f) Land use rights

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Cost mainly represents the consideration paid for the right to use the land on which various plants and buildings are situated for a period of 10 to 50 years from the date the respective right was granted. Amortisation of land use rights is calculated on a straight-line basis over the period of the rights.

(g) Fixed assets

Fixed assets, comprise buildings, leasehold improvements, construction-in-progress, plant and machinery, furniture, fixtures and equipment and motor vehicles, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses to their residual values over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

2 主要會計政策(續)

(e) 無形資產(續)

(iii) 商標

單獨收購的商標按成本扣除累計攤銷及減值虧損(如有)列值。於企業合併時所收購的商標最初按於收購日的公平價值列值，其後按其初始列值數額扣除累計攤銷及減值虧損(如有)列值。有特定使用年限的商標的攤銷以直線法計算，於20年的估計可使用年期內攤分已收購商標及專利的成本。攤銷計入綜合損益表之一般及行政開支內。

(f) 土地使用權

土地使用權按成本值減累計攤銷及累計減值虧損(如有)列賬。成本值主要指就廠房及樓宇所在地之土地使用權而已支付之代價，而有關土地使用權由授出日期起計為期10至50年。攤銷土地使用權乃按使用權期間以直線法計算。

(g) 固定資產

固定資產包括樓宇、租賃物業裝修、在建工程、廠房及機器、傢俱、固定裝置與設備及汽車，按歷史成本值減累計折舊及累計減值虧損(如有)列賬。歷史成本值包括收購有關項目之直接應佔開支。

本集團僅於資產未來可能產生之經濟利益將流入本集團以及能可靠計量該項目成本時，將其後成本列入資產賬面值或確認為獨立資產(視情況而定)。更換部分之賬面值會解除確認。所有於財政期間產生之其他維修及保養費用在損益表列支。

固定資產於其估計可使用年期按足以撇減其成本值減去累計減值虧損至剩餘價值之折舊率以直線法折舊，所使用之主要年率如下：

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(g) Fixed assets (Continued)

Buildings	Over the terms of the lease or 50 years, whichever is shorter
Leasehold improvements	Over the terms of the lease or 1 to 5 years, whichever is shorter
Plant and machinery	20%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

Construction-in-progress represents fixed assets under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings and the costs of plant and machinery. No depreciation is charged on construction-in-progress until such time as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to fixed assets and depreciated in accordance with the policy stated above.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(h)).

Gains or losses on disposals of fixed assets, the difference between the net sales proceeds and the carrying amount of the relevant assets, are recognised in the profit and loss account.

(h) Impairment of assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. 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). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

2 主要會計政策(續)

(g) 固定資產(續)

樓宇	按租賃年期或50年(以較短者為準)
租賃物業裝修	按租賃年期或1至5年(以較短者為準)
廠房及機器	20%
傢俱、固定裝置及設備	20%
汽車	20%

在建工程指興建中及有待安裝之固定資產，乃按成本值減累計減值虧損(如有)列賬。成本值包括樓宇之建造成本及廠房及機器之成本。於有關資產完工及可作擬定用途前，不會就在建工程作出折舊。當有關資產可予使用時，成本值將根據上述政策轉撥為固定資產及計提折舊。

於各個結算日，本集團會檢討資產之剩餘價值及可使用年期，並作出適當調整。

倘資產之賬面值超過其估計可收回金額，則即時撇減其賬面值至其可收回金額(附註2(h))。

出售固定資產之收益或虧損為出售收款淨額與有關資產賬面值之差額，會於損益表內確認。

(h) 資產減值

具無限可用年期或尚未可供使用之資產毋須攤銷，惟每年進行一次減值測試。須攤銷之資產於出現顯示可能無法收回賬面值之事件或狀況變動時進行檢討。倘資產賬面值超出其可收回金額，則會按該款額確認減值虧損。可收回金額為資產公平價值減出售成本或使用價值(以較高者為準)。評估減值時，資產乃按可個別識別現金流量(現金產生單位)之最低層次組合。已出現減值之資產(除商譽外)於各結算日檢討是否可能撥回減值。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets

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.

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

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

(ii) 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 maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables comprise trade receivables and other receivables (Note 2(k)), deposits and cash and cash equivalents (Note 2(l)) in the balance sheet.

(iii) 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 management intends to dispose of the investment within 12 months of the balance sheet date.

2 主要會計政策(續)

(i) 金融資產

分類

本集團將其金融資產分類為：按公平價值計入損益之金融資產、貸款及應收賬款，以及可出售金融資產。分類視乎購入金融資產之目的而定。管理層於初步確認時釐定其金融資產之分類。

(i) 按公平價值計入損益之金融資產

按公平價值計入損益之金融資產為持作買賣金融資產。倘收購旨在於短期內出售，則分類為此金融資產類別。除非指定作對沖用途，否則衍生工具分類為持作買賣類別。屬於此類別之資產分類為流動資產。

(ii) 貸款及應收賬款

貸款及應收賬款為並無於活躍市場掛牌而有固定或可釐定款額之非衍生金融資產。貸款及應收賬款計入流動資產，惟到期日為結算日起計12個月以後者除外。此等貸款及應收賬款分類為非流動資產。貸款及應收賬款包括於資產負債表之貿易應收賬款及其他應收賬款(附註2(k))、按金及現金及現金等價物(附註2(l))。

(iii) 可出售金融資產

可出售金融資產為指定列入此類別或並無分類為任何其他類別之非衍生工具。除非管理層有意於結算日起計12個月內出售投資，否則可出售金融資產計入非流動資產。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (Continued)

Recognition and measurement

Regular 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 profit and loss account. 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 carried at amortised cost using the effective interest method.

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

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

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as gains and losses from available-for-sale financial assets.

Dividends on available-for-sale equity instruments are recognised in the profit and loss account as part of other income when the Group's right to receive payments is established.

2 主要會計政策(續)

(i) 金融資產(續)

確認及計量

金融資產之定期買賣於買賣日期確認，買賣日期即本集團承諾買賣資產之日期。投資首先按公平價值加非按公平價值計入損益之所有金融資產之交易成本確認。按公平價值計入損益之金融資產初步按公平價值確認，而交易成本則於損益表支銷。自投資收取現金流量之權利屆滿或轉讓，且本集團已轉讓所有權絕大部分風險及回報時，將會解除確認金融資產。可出售金融資產及按公平價值計入損益之金融資產其後按公平價值列賬。貸款及應收賬款以實際利率法按攤銷成本列賬。

由於被分類為按公平價值計入損益之金融資產之公平價值變動而產生之收益或虧損，均於產生期間在損益表列作其他(虧損)／收益－淨額。按公平價值計入損益之金融資產之股息收入於確立本集團收取款項之權利時，在損益表確認為其他收入之一部分。

證券公平價值之變動，會就該證券之已攤銷成本變動產生之匯兌差額及該證券賬面值之其他變動進行分析。貨幣證券之匯兌差額於損益表確認，而非貨幣證券之匯兌差額則於權益中確認。分類為可出售之貨幣證券及非貨幣證券公平價值之變動均於權益中確認。

當分類為可出售之證券售出或減值時，已於權益確認之累計公平價值調整計入損益表，列作可出售金融資產之收益或虧損。

可出售股本工具之股息於確立本集團收取款項之權利時，在損益表確認為其他收入之一部分。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (Continued)

Recognition and measurement (Continued)

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

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. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities 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 the profit and loss account – is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment test on trade receivables is described in Note 2(k).

(j) Inventories

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

2 主要會計政策(續)

(i) 金融資產(續)

確認及計量(續)

上市金融資產公平價值以現行買入價計算。倘金融資產之市場並不活躍(及就非上市證券而言),本集團以估值方法確定公平價值,包括採用近期公平交易、參考大致相同之其他工具、貼現現金流量分析及期權定價模式,盡量採用市場數據及盡可能減少依賴視個別實體而定之數據。

本集團於每個結算日評估有否客觀證據顯示金融資產或一組金融資產已減值。就分類為可出售之股本證券而言,若證券之公平價值大幅或長期降至低於其成本值,則顯示證券有減值跡象。倘可出售金融資產出現任何該等跡象,累計虧損(按收購成本與現行公平價值間差額減早前於損益表確認之金融資產任何減值虧損計量)自權益中剔除及於損益表確認。於損益表確認之股本工具減值虧損,不會透過損益表回撥。貿易應收賬款之減值測試載於附註2(k)。

(j) 存貨

存貨包括原材料、在製品及製成品,按成本值或可變現淨值兩者之較低者入賬。成本值按加權平均法計算,包括物料成本、直接工資、其他直接成本及有關生產之經常開支(根據一般營運能力),惟不包括借貸成本。可變現淨值按日常業務之估計售價減適用之不定額銷售開支釐定。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(k) Trade and other receivables

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

(l) Cash and cash equivalents

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

(m) Trade payables

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

(n) Borrowings

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

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

2 主要會計政策(續)

(k) 貿易及其他應收賬款

貿易及其他應收賬款初步按公平價值確認，其後以實際利率法按攤銷成本，扣除減值撥備計算。貿易及其他應收賬款乃於有客觀憑證證明本集團將無法根據應收賬款原訂條款收回所有到期款項時，確立減值撥備。債務人出現重大財務困難、債務人可能破產或進行財務重組及欠繳或未能償還款項，均被視為貿易應收賬款出現減值之指標。撥備款額乃資產賬面值與按原有實際利率貼現之估計未來現金流量現值之差額，虧損撥備金額於損益表確認。當貿易應收賬款被證實為不可收回時，其將在貿易及其他應收賬款減值撥備中予以撇銷。倘日後收回過往所撇銷之金額，將把有關金額計入損益表。

(l) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款、定期存款及其他原訂於三個月或以內到期之短期高流通量投資，以及銀行透支。銀行透支於資產負債表內之流動負債列作借貸。

(m) 貿易應付賬款

貿易應付賬款首先按公平價值確認，其後以實際利率法按攤銷成本計量。

(n) 借貸

借貸初步以公平價值確認(扣除所產生交易成本)。借貸其後以攤銷成本列賬；收款(扣除交易成本)與贖回價值之間之差額，乃以實際利率法於借貸期間在損益表確認。

借貸歸類為流動負債，除非本集團有無條件權利將債項還款期延長至結算日起計最少12個月後則除外。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(o) Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holders, where the number of shares that would be issued on conversion and the value of the consideration that would be received do not vary, are accounted for as compound financial instruments which contain both a liability and an equity component.

At initial recognition, the liability component of the convertible bonds is determined using a market interest rate for an equivalent non-convertible bond. The remainder of the proceeds is allocated to the conversion option as equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion or maturity. The equity component is recognised in equity, net of any tax effects.

When the bond is converted, the relevant equity component and the carrying amount of the liability component at the time of conversion are transferred to share capital and share premium for the shares issued. When the bond is redeemed, the relevant equity component is transferred to retained profits.

(p) Current and deferred income taxes

Income taxes for the year comprise current and deferred tax. Income tax is recognised in the profit and loss account except that it relates to items recognised directly in equity and in which case it is recognised in equity. 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/places where the Company and its subsidiaries and associated company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策(續)

(o) 可換股債券

可換股債券可按持有人選擇兌換為權益股本，在兌換時將發行之股份數目及將收取之代價價值不會改變，並列作包含負債及權益部份之複合金融工具入賬。

於首次確認時，可換股債券之負債部份按相等之不可換股債券的市場息率釐定。所得款項餘額分配為兌換撰擇權之權益部份。有關發行複合金融工具之交易成本按所得款項之比例分配至負債及權益部份。

負債部份其後按攤銷成本列賬，並以實際利率法計算，直至獲兌換或到限期時為止。權益部份於扣除任何稅項影響後於權益確認。

當債券獲兌換時，有關權益部份以及於兌換時負債部份之賬面值轉入所發行股份之股本及股份溢價。當債券獲贖回時，有關權益部份轉入保留盈利。

(p) 當期及遞延所得稅

本年度所得稅包括當期及遞延稅項。所得稅於損益表確認，除與直接於權益確認之項目相關之所得稅會於權益中確認。當期所得稅開支按本公司及其附屬公司及聯營公司經營所在及產生應課稅收入之國家／地方於結算日訂明或實際訂明之稅法計算。管理層定期評估就適用稅項法規有待詮釋的情況的稅項申報情況，並在適當情況下按預期將支付予稅務機構的款額為基準確定撥備。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(p) Current and deferred income taxes (Continued)

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

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

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

(q) Employee benefits

(i) Pension obligations

The Group participates in a number of defined contribution retirement schemes in Hong Kong, Taiwan and various cities in Mainland China where the Group operates.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to separately administered funds on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 主要會計政策(續)

(p) 當期及遞延所得稅(續)

遞延所得稅乃就資產與負債之稅基及其於綜合賬目中之賬面值兩者之暫時差額，以負債法確認。然而，倘遞延所得稅乃產生自於(業務合併除外)初步確認資產或負債之交易，而交易當時並無影響會計或應課稅盈利或虧損，則不會列賬。遞延所得稅乃以於結算日實施或大致上實施之稅率及法例釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

遞延所得稅資產按可能出現可用作抵銷暫時差額之日後應課稅盈利之程度來確認。

本集團就於附屬公司及一間聯營公司之投資所產生之暫時差額作出遞延所得稅撥備，除非本集團可控制撥回暫時差額之時間，且暫時差額不大可能於可預見將來撥回則屬例外。

(q) 僱員福利

(i) 退休金責任

本集團於業務所在地香港、台灣及中國多個城市參與多項定額供款退休計劃。

定額供款計劃為本集團按強制、合約或自願方式向獨立管理基金作出定額供款之退休金計劃。如基金並無足夠資產支付所有僱員於本期間及過往期間提供服務而享有之有關僱員服務福利，本集團亦無法定或推定責任支付進一步供款。於到期支付時，供款確認為僱員福利開支及以可全數取得供款前已退出該計劃之僱員供款扣減。預付供款確認為資產，惟以現金退款或日後付款扣減為限。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits (Continued)

(ii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan under which the Group entities receive services from employees as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and retaining an employee of the Group entity over a specific period). Non-market vesting conditions are included in assumptions about the number of share options that are expected to vest. The total amount expensed 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 share options that are expected to vest based on non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the profit and loss account with a corresponding adjustment to equity.

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

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses with reference to a number of factors including the Group's operating results, individual and market performance and directors' discretion. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策(續)

(q) 僱員福利(續)

(ii) 以股份為基礎之補償

本集團推行一項以權益結算以股份為基礎之補償計劃，據此，僱員向本集團實體提供服務以作為獲授本集團股本工具(購股權)之代價。授出購股權而取得僱員服務之公平價值乃確認為開支。於歸屬期內列作開支之總金額乃參照已授出購股權之公平價值釐定，不包括任何非市場服務及表現歸屬條件(例如盈利能力、銷售增長目標及於指定年限留聘本集團實體之僱員)之影響。非市場歸屬條件包括在預期可予歸屬之購股權數目之假設。支銷總金額於歸屬期間內確認，即達成所有規定歸屬條件之期間。於各結算日，公司會根據非市場歸屬條件修訂其估計預期可予歸屬之購股權數目，並於損益表確認修訂原來估計數字(如有)之影響，以及對權益作相應調整。

當購股權獲行使時，已收之收款扣除任何直接應佔交易成本，乃計入股本(面值)及股份溢價中。

(iii) 花紅計劃

本集團參考多項因素就花紅確認負債及開支，包括本集團之經營業績、個人及市場表現及董事之酌情決定。於出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(r) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made. Provisions for restructuring comprise lease termination penalties, employee termination payments and anticipated loss on disposal of relevant assets. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow of economic resources 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 obligation 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 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.

(s) Revenue recognition

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

Revenue is recognised when it is probable that future economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Revenue from sales of goods manufactured or traded is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

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

2 主要會計政策(續)

(r) 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能涉及經濟資源流失，並能可靠地衡量涉及金額，則確認有關撥備。重組撥備包括租賃終止罰款、僱員離職付款及出售相關資產之預期虧損。不會就未來經營虧損確認撥備。

倘有多項類似責任，於釐定履行有關責任而引致經濟資源流出之可能性時，會整體考慮該等責任類別。即使同一責任類別所包含任何一個項目之資源流出之可能性極低，仍須確認撥備。

撥備乃按履行該責任預計所需開支以除稅前貼現率計算之現值計量，有關貼現率反映當時市場對貨幣時間值及該責任特定風險之評估。因時間流逝而增加之撥備確認為利息支出。

(s) 收入確認

收入包括本集團在日常業務過程中銷售產品和服務所得收入之已收或應收代價之公平價值。所示收入已扣除適用增值稅、退貨、回扣及折扣，並已撇銷本集團內部銷售。

當未來經濟利益可能流入本集團，而該金額能可靠地計量，則確認收入。

銷售所製造或貿易貨品之收入於擁有權之大部分風險與回報轉移時確認，一般為貨品送抵客戶及所有權轉移時。

利息收入以實際利率法按時間比例確認。倘一筆應收賬款出現減值，本集團會將賬面值減至其按有關金融工具原有實際利率貼現之估計未來現金流量而設定之可收回款額，並繼續解除貼現作為利息收入。已減值貸款之利息收入採用原有實際利率確認。

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition (Continued)

Government incentives are recognised where there is reasonable assurance that the incentives will be received and all attaching conditions will be complied with.

Franchise and royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

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

Vendor rebate is recognised when the rights to receive payments are established in accordance with the terms of agreements with vendors.

Handling income is recognised when the services are rendered.

Operating lease rental income is recognised on a straight-line basis over the periods of the leases.

(t) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases (net of any incentives received from the lessor), including upfront payment made for leasehold land use rights, are charged to the profit and loss account on a straight-line basis over the lease periods.

(u) Dividend distribution

Dividend distribution to the owners of the Company is recognised as a liability in the Group's accounts in the period in which the dividends are approved by the board of directors and the owners of the Company.

3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to manage certain risk exposure when necessary. As at 31 December 2011, the Group did not have any outstanding derivative financial instruments.

2 主要會計政策(續)

(s) 收入確認(續)

政府補貼於合理確認將可收取補貼及所有隨附條件均獲遵守之情況下確認。

專營權及特許權收入根據有關協議規定按累算基準確認。

股息收入於收取股息之權利確立時確認。

賣方回扣於按照與賣方訂立之協議條款收取款項之權利確立時確認。

手續費收入於提供服務時確認。

經營租賃租金收入於租賃期內按直線法確認。

(t) 經營租賃

凡有關資產擁有權之絕大部分風險及回報由出租公司保留之租賃均以經營租賃方式入賬。經營租賃之付款減任何自出租公司獲取之優惠(包括就租賃土地使用權支付之首期款項)在租賃期內以直線法在損益表中支銷。

(u) 股息分派

向本公司擁有人分派之股息乃於董事會及本公司擁有人批准股息之期間在本集團賬目確認為負債。

3 財務風險管理

本集團業務面對多項財務風險:外匯風險、現金流量及公平價值利率風險、信貸風險及流動資金風險。本集團之整體風險管理計劃針對金融市場之難以預測性,並尋求減低對本集團財務表現構成之潛在不利影響。本集團於必要時會使用衍生金融工具管理若干風險。於二零一一年十二月三十一日,本集團並無任何衍生金融工具。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign exchange risk

The Group mainly operates in China with transactions primarily settled in RMB, HKD and United States dollar (USD). The Group is exposed to foreign exchange risk arising from future commercial transactions and recognised financial assets (mainly bank balances and trade receivables) denominated in currencies other than the functional currency of the Group's entities to which they relate.

To manage foreign exchange risk arising from commercial transactions, recognised assets and liabilities, the Group may use forward foreign exchange contracts when major fluctuation in the relevant foreign currency is anticipated.

As at 31 December 2011, the post-tax profit of the Group would have been decreased by approximately HK$819,000 (2010: HK$5,803,000) if RMB had strengthened by 5% against HKD and USD mainly resulted from foreign exchange losses on translation of HKD and USD denominated monetary assets with all other variables held constant.

(b) Cash flow and fair value interest rate risk

The Group is exposed to cash flow interest rate risk mainly arising from bank deposits and short-term bank loan bearing interest at floating rates. The Group is exposed to fair value interest rate risk arising from the convertible bonds bearing interest at fixed rates. Management intend to draw short-term bank loans as to increase flexibility in financing. The Group will review whether bank loans bearing fixed or floating rates should be drawn from time to time with reference to the trend of changes in interest rates. The Group did not enter into any interest rate swaps to hedge its exposure to interest rate risks.

As at 31 December 2011, the post-tax profit of the Group would have been increased/decreased by approximately HK$17,887,000 (2010: HK$20,484,000) if the interest rates had been increased/decreased by 100 basis points with all other variables held constant.

3 財務風險管理(續)

(a) 外匯風險

本集團之交易主要於中國進行，並主要以人民幣、港元及美元結算。本集團所承擔之外匯風險來自未來商業交易及確認以本集團實體相關功能貨幣以外之貨幣計值之金融資產(主要為銀行結餘及貿易應收賬款)。

為管理商業交易及已確認資產及負債之外匯風險，本集團於預期相關外幣出現大幅波動時或會使用遠期外匯合約。

於二零一一年十二月三十一日，倘人民幣兌港元及美元升值5%，在所有其他可變動因素維持不變下，由於換算港元及美元計值貨幣資產及負債之外匯虧損，本集團之除稅後盈利將減少約819,000港元(二零一零年：5,803,000港元)。

(b) 現金流量及公平價值利率風險

本集團所承擔之現金流量利率風險主要來自按浮動利率計息之銀行存款及短期銀行借貸。本集團所承擔之公平價值利率風險乃來自按固定利率計息之可換股債券。管理層擬提取短期銀行貸款以增加資金之靈活性。本集團將不時參考利率變動趨勢以檢討是否應提取按固定利率或浮動利率計息之銀行貸款。本集團並無訂立任何利率掉期以對沖所承擔之利率風險。

於二零一一年十二月三十一日，倘利率增加／減少100基點，而所有其他可變動因素維持不變，本集團之除稅後盈利將增加／減少約17,887,000港元(二零一零年：20,484,000港元)。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk

The Group has no significant concentration of credit risk. The carrying amounts of trade receivables, other receivables, rental deposits and bank balances stated in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets.

The majority of the Group's trade and other receivables arose from credit sales to trading customers. The Group has policies in place to evaluate and monitor the credit terms and payment history of its customers to ensure recoverability of trade debts. The Group also reviews the balance of trade receivables at each balance sheet date to ensure that adequate provision for uncollectible receivables was made.

Rental deposits are mainly placed with various landlords in Mainland China, Taiwan and Hong Kong and are due to refund upon the expiry of the tenancy agreements and handover of the leased premises. During the year, the Group did not experience significant defaults by the landlords.

As at 31 December 2011 and 31 December 2010, substantially all the Group's bank balances and term deposits with banks were held in registered financial institutions located in Mainland China, Hong Kong and Taiwan which management assessed and believed are of acceptable credit quality. The Group has a policy to limit the credit exposure to any financial institution and management does not expect any significant loss arising from non-performance by these counterparties.

During the years ended 31 December 2011 and 31 December 2010, the Group placed with registered financial institutions a number of principal-protected structured deposits which are interest rate-linked principal protected investments and management has the option of termination at any time with the counterparties. Management believes that there is no significant credit risk with respect to such structured deposits as they were made with registered financial institutions of no history of default. As at 31 December 2011 and 31 December 2010, the Group did not hold structured deposits.

3 財務風險管理(續)

(c) 信貸風險

本集團並無高度集中之信貸風險。本集團有關其金融資產之最大信貸風險反映於綜合資產負債表所載貿易應收賬款、其他應收賬款、租金按金及銀行結餘之賬面值。

本集團大部分貿易應收賬款及其他應收賬款來自貿易客戶之信貸銷售。本集團已有政策評估及監控客戶之信貸期及付款記錄，以確保收回貿易應收賬款。本集團亦於各結算日審視貿易應收賬款之結餘，確保就未能收回之應收款項作出充足撥備。

租金按金主要給予中國大陸、台灣及香港之多名業主，並於租賃協議屆滿及交還租賃物業時可予退還。年內，本集團並無遭遇重大業主違約事件。

於二零一一年十二月三十一日及二零一零年十二月三十一日，本集團絕大部份銀行結餘及定期銀行存款乃存放於中國大陸、香港及台灣之註冊金融機構，而管理層已評估該等機構之信貸質素並相信其信貸質素屬可接納。本集團有政策限制其承受任何金融機構之信貸風險，管理層並不預期會承擔該等交易對手不履約所產生的任何損失。

截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度，本集團向註冊金融機構存放多筆保本結構性存款。該等結構性存款為利率掛勾保本投資，而管理層有權選擇隨時向對方終止。管理層相信，該等結構性存款並無重大信貸風險，因乃於並無拖欠記錄的註冊金融機構存放。於二零一一年十二月三十一日及二零一零年十二月三十一日，本集團並無持有結構性存款。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due.

The Group measures and monitors its liquidity through the maintenance of prudent ratio regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group also maintains a healthy level of liquid assets and banking facilities to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. As at 31 December 2011, the Group had unutilised banking facilities of HK$173,580,000 (2010: HK$214,880,000).

The contractual maturity of the Group's financial liabilities based on the undiscounted cash flows is as follows:

3 財務風險管理(續)

(d) 流動資金風險

流動資金風險指本集團無力履行現有到期付款責任之風險。

本集團在整體資產、負債、貸款及承擔之流動結構方面維持審慎之比率，以計量及監控其流動資金狀況。此外，本集團將流動資產及銀行融資維持於穩健水平，確保在日常業務中隨時備有充裕之現金以應付任何預期之外的重大現金需求。於二零一一年十二月三十一日，本集團之未動用銀行融資為173,580,000港元(二零一零年：214,880,000港元)。

本集團金融負債根據非貼現現金流量計算之合約到期日如下：

		Within 3 months 三個月內 HK$'000 千港元	Between 3 and 6 months 三個月至六個月 HK$'000 千港元	Between 6 months and 1 year 六個月至一年 HK$'000 千港元	Between 1 year and 5 years 一年至五年 HK$'000 千港元	Total 總計 HK$'000 千港元
At 31 December 2011	**於二零一一年十二月三十一日**					
Trade payables	**貿易應付賬款**	**819,131**	**–**	**–**	**–**	**819,131**
Other payables	**其他應付賬款**	**556,116**	**–**	**–**	**–**	**556,116**
Bank loan – unsecured	**銀行貸款－無抵押**	**6,998**	**–**	**–**	**–**	**6,998**
License fee payables	**應付特許使用權費**	**–**	**–**	**–**	**4,138**	**4,138**
Non-current liabilities	**非流動負債**	**–**	**–**	**–**	**90**	**90**
Convertible bonds	**可換股債券**	**–**	**–**	**–**	**676,665**	**676,665**
Interest on convertible bonds	**可換股債券利息**	**10,573**	**10,573**	**10,573**	**30,661**	**62,380**
		1,392,818	**10,573**	**10,573**	**711,554**	**2,125,518**
At 31 December 2010	於二零一零年十二月三十一日					
Trade payables	貿易應付賬款	577,949	–	–	–	577,949
Other payables	其他應付賬款	364,881	–	–	–	364,881
Bank loan – unsecured	銀行貸款－無抵押	11,281	–	–	–	11,281
License fee payables	應付特許使用權費	–	–	–	3,460	3,460
Non-current liabilities	非流動負債	–	–	–	15,712	15,712
Convertible bonds	可換股債券	–	–	–	648,725	648,725
Interest on convertible bonds	可換股債券利息	10,136	10,136	10,136	49,668	80,076
		964,247	10,136	10,136	717,565	1,702,084

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern as well as maximising returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the objectives, policies or processes of capital risk management during the years ended 31 December 2011 and 31 December 2010.

The Group monitors capital using a net gearing ratio, which is net debt (being total of bank loans and convertible bonds, less total cash and bank balances) divided by equity attributable to owners of the Company. The net gearing ratios as at the balance sheet dates were as follows:

3 財務風險管理(續)

(e) 資本風險管理

本集團資本風險管理之主要目標為保障本集團之持續經營能力及盡量提高股東價值及其他持份者之利益。

本集團管理其資本架構，並就經濟狀況變動作出調整。本集團可能調整向股東派發之股息、向股東退還資本或發行新股份以維持或調整資本結構。於截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度內，有關目標、政策或程序並無變動。

本集團採用淨負債比率(即淨債務(銀行貸款及可換股債券總額減現金及銀行餘額)除以本公司擁有人應佔權益)監察資本。於結算日之淨負債比率如下：

		2011 **二零一一年** **HK$'000** **千港元**	2010 二零一零年 HK$'000 千港元
Bank loan – unsecured	銀行貸款－無抵押	**6,998**	11,281
Convertible bonds	可換股債券	**605,879**	556,622
Less: Cash and bank balances	減：現金及銀行餘額	**(1,795,744)**	(2,059,674)
Net debt	淨債務	**(1,182,867)**	(1,491,771)
Equity attributable to owners of the Company	本公司擁有人應佔權益	**4,035,867**	3,124,332
		Net cash淨現金	Net cash淨現金

The Group has a net cash as at both 31 December 2011 and 31 December 2010. The Group's strategy is to maintain a solid capital base to support the operation and development of its business in the long term.

於二零一一年十二月三十一日及二零一零年十二月三十一日，本集團有淨現金。本集團之策略為維持穩建之資本基礎，以支持其業務之長期營運及發展。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Impairment of non-financial assets

The Group tests annually whether goodwill has suffered any impairment (Note 15). Other non-financial assets including property, plant and equipment, leasehold land and land use rights and other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

(b) Income tax

The Group is subject to income taxes in several jurisdictions. Judgment is required in determining the provision for income taxes. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. 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 provisions in the period in which such determination is made.

Deferred income tax assets relating to temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against the temporary differences or tax losses can be utilised. Deferred income tax liabilities on temporary differences relating to undistributed profits of certain of the Group's subsidiaries in Mainland China are not recognised as the Company controls the dividend policy of these subsidiaries and management expects it is probable that profits will not be distributed from these subsidiaries to their foreign holding companies in the foreseeable future. Management reassessed its expectation at each balance sheet date.

4 重要會計估計及判斷

本集團基於過往經驗及其他因素，包括經考慮有關情況後合理預期日後將發生之事件，持續作出估計及判斷。

本集團會對未來作出估計及假設。誠如其界定涵義，所產生之會計估計甚少與有關之實際結果相同。有重大風險會對下個財政年度之資產及負債之賬面值造成大幅調整之估計及假設論述如下。

(a) 非金融資產減值

本集團每年測試商譽是否有任何減值(附註15)。其他非金融資產包括物業、廠房及設備、租賃土地及土地使用權及其他無形資產，在有事項或事態變化顯示未能收回賬面值時進行覆檢。可收回金額乃按使用價值計算法或公平價值減出售成本計算。該等計算法需要判斷及估計。

(b) 所得稅

本集團須繳納數個司法權區之所得稅，決定所得稅撥備時須作出重大判斷。日常業務中有多項無法確定最終稅項之交易及計算。倘最終稅務結果與初步記錄款額有別，差額將影響作出確定期間之當期及遞延所得稅撥備。

倘管理層預期可能出現日後應課稅盈利而須動用暫時差額或稅項虧損，即會確認與暫時差額及稅項虧損相關之遞延所得稅資產。本集團並無就若干中國大陸附屬公司之未分派盈利確認暫時差額之遞延所得稅負債，因該等附屬公司之股息政策乃由本公司控制，而管理層預期該等附屬公司在可見未來向其海外控股公司分派盈利之機會甚微。管理層於各結算日重新評定其預期。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Depreciation and amortisation

Management determines the estimated useful lives and related depreciation/amortisation charges for the Group's fixed assets and intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation/amortisation charges where useful lives are different to previously estimated, or 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/amortisation expense in future periods.

(d) Net realisable value of inventories

Net realisable value of inventories is the estimated selling prices in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in economic conditions in places where the Group operates and changes in customer taste and competitor actions in response to changes in market conditions. Management reassesses these estimates at each balance sheet date.

(e) Fair value estimation of available-for-sale financial assets

Financial instruments carried at fair value are measured according to the levels of the fair value hierarchy defined as follows:

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – 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); and

(iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At 31 December 2011 and 31 December 2010, all the Group's available-for-sale financial assets were measured by level 3 of the fair value measurement hierarchy.

4 重要會計估計及判斷(續)

(c) 折舊及攤銷

管理層就本集團透過使用固定資產及無形資產，而於將來獲得的經濟利益，釐定其估計可使用年期及有關折舊／攤銷費用。管理層將於可使用年期有別於過往估計情況下修訂折舊／攤銷費用，或將會撇除或撇減已棄置或出售之技術上陳舊或非策略資產。實際經濟年期或會不同於估計可使用年期。定期審閱會使折舊年期出現變動，因而使未來期間之折舊／攤銷開支出現變動。

(d) 存貨之可變現淨值

存貨之可變現淨值乃於日常業務過程中之估計售價減估計出售開支。此等估計乃根據現時市況及製造及出售性質類似產品之過往經驗而作出，可能會因本集團經營地點之經濟狀況轉變及因應客戶品味及競爭對手就市況轉變所作出之行動而有重大變化。管理層於各結算日重新評估有關估計。

(e) 可出售金融資產公平價值估計

按公平價值列賬之金融工具乃根據以下界定之公平價值層級計量：

(i) 第1層－相同資產或負債於活躍市場的報價(未作調整)；

(ii) 第2層－為第一層報價以外，其他直接(即價格)或間接(即從價格推衍)可觀察的有關資產或負債的資料；及

(iii) 第3層－並非根據可觀察的市場數據的資產或負債的資料(即無法觀察的資料)。

於二零一一年十二月三十一日及二零一零年十二月三十一日，本集團所有可出售金融資產乃按第3層公平價值計量層級計量。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Fair value estimation of available-for-sale financial assets (Continued)

The fair value of available-for-sale financial assets is determined by using various valuation techniques. The Group uses its judgement to select a variety of methods such as discounted cash flow and fair value of net assets attributable to the Group. The assumptions adopted on projected cash flow are based on management's best estimates and valuation of material assets of the investee by external appraiser was referenced.

4 重要會計估計及判斷(續)

(e) 可出售金融資產公平價值估計(續)

可出售金融資產之公平價值以各種估值技巧釐定。本集團以其判斷選擇各種方法(例如折現現金流模式及本集團應佔資產淨值之公平價值)。就預期現金流所採納之假設乃基於管理層之最佳估計而得出,並參考外聘估值師就被投資公司之重大資產所作估值。

5 SEGMENT INFORMATION

The Group is principally engaged in the manufacturing, distribution and retailing of footwear, apparel and accessories.

The chief operating decision-maker ("CODM") has been identified as the executive directors. CODM assesses the performance of the business from a business unit perspective, i.e. core brands business, other brands business and manufacturing business and allocate resources accordingly.

During the year, to better reflect management's perspective on segment information, CODM have assessed and redefined the reportable segments such that core brands business (i.e. self-owned brands business, "Daphne" and "Shoebox", in Mainland China), other brands business (i.e. other self-owned and licensed brands business) and manufacturing business are reported. The comparative figures have been restated to conform with the current year's presentation.

CODM assesses the performance of the operating segments based on a measure of segment results before finance costs, amortisation of intangible assets and unallocated corporate income and expenses. Certain corporate overhead expenses, including management fee, rental and utilities were reallocated among individual segments based on estimated consumption.

Revenue from external customers are after elimination of inter-segment revenue. Inter-segment revenue is charged in accordance with terms determined and agreed mutually by relevant parties. Revenue from external customers of core brands business and other brands business is mainly derived from Mainland China, Taiwan and Hong Kong and revenue from external customers of manufacturing business is mainly derived from United States of America. None of the customers accounted for 10% or more of the total turnover of the Group during both years ended 31 December 2011 and 31 December 2010.

5 分部資料

本集團主要從事製造、分銷及零售鞋類產品、服飾及配件業務。

主要經營決策者已認定為執行董事。主要經營決策者已按業務分部,即核心品牌業務、其他品牌業務及製造業務評核業務表現,並將資源作相應分配。

年內,為反映管理層對分部資料之觀點,主要經營決策者已評核並將可申報分部重新界定,故按核心品牌業務(即在中國大陸之自有品牌業務「達芙妮」及「鞋櫃」)、其他品牌業務(即其他自有品牌及代理品牌業務)及製造業務申報。比較數字已予重列,以對應本年度之呈列方式。

主要經營決策者根據分部業績(未計入財務費用、無形資產攤銷及未分配企業收入及開支)之計量,評核經營分部之業務表現。若干企業經常開支(包括管理費、租金及水電開支)乃根據估計使用量於各分部間重新分配。

對外客戶收益已抵銷分部間收益。分部間之收益乃按經雙方協定及釐定之條款支取。核心品牌業務及其他品牌業務之對外客戶收益主要源自中國大陸、台灣及香港,而製造業務之對外客戶收益主要源自美利堅合眾國。截至二零一一年十二月三十一日及二零一零年十二月三十一日止兩個年度,概無客戶佔本集團總營業額10%或以上。

5 SEGMENT INFORMATION (CONTINUED)

The Group's non-current assets, excluding available-for-sale financial assets and deferred income tax assets, are mainly located in Mainland China.

5 分部資料(續)

本集團之非流動資產(可出售金融資產及遞延所得稅資產除外)主要位於中國大陸。

		Year ended 31 December 2011 截至二零一一年十二月三十一日止年度					
		Core brands business 核心品牌業務 HK$'000 千港元	Other brands business 其他品牌業務 HK$'000 千港元	Manufacturing business 製造業務 HK$'000 千港元	Inter-segment elimination 分部間對銷 HK$'000 千港元	Unallocated 未分配 HK$'000 千港元	Group 本集團 HK$'000 千港元
Revenue from external customers	對外客戶收益	7,597,051	529,552	450,159	–	–	8,576,762
Inter-segment revenue	分部間收益	74,014	–	1,003,111	(1,077,125)	–	–
Total segment revenue	總分部收益	7,671,065	529,552	1,453,270	(1,077,125)	–	8,576,762
Segment results	分部業績	1,555,120	(64,576)	108,111	(20,636)	–	1,578,019
Amortisation of intangible assets	無形資產攤銷						(6,643)
Unallocated corporate income	未分配企業收入						3,000
Unallocated corporate expenses	未分配企業開支						(205,809)
Finance costs	財務成本						(46,907)
Share of profit of an associated company	應佔一間聯營公司盈利						421
Profit before income tax	除所得稅前盈利						1,322,081
Amortisation of intangible assets	無形資產攤銷	–	6,643	–	–	–	6,643
Amortisation of land use rights	土地使用權攤銷	591	–	1,020	–	–	1,611
Depreciation of fixed assets	固定資產折舊	146,597	14,127	16,878	–	–	177,602
Fair value loss on available-for-sale financial assets	可出售金融資產之公平價值虧損	–	–	–	–	61,872	61,872
Capital expenditure	資本開支	317,464	36,664	39,531	–	–	393,659
Segment assets	分部資產	4,969,060	658,967	613,546	–	–	6,241,573
Goodwill	商譽	15,079	974	–	–	–	16,053
Other intangible assets	其他無形資產	–	113,873	–	–	–	113,873
		4,984,139	773,814	613,546	–	–	6,371,499
Interest in an associated company	於一間聯營公司之權益						3,359
Available-for-sale financial assets	可出售金融資產						16,624
Deferred income tax assets	遞延所得稅資產						106,469
Unallocated corporate assets	未分配企業資產						3,465
Total assets	總資產						6,501,416
Segment liabilities	分部負債	1,130,010	139,014	316,843	–	–	1,585,867
Deferred income tax liabilities	遞延所得稅負債						19,445
Convertible bonds	可換股債券						605,879
Unallocated corporate liabilities	未分配企業負債						58,599
Total liabilities	總負債						2,269,790

5 SEGMENT INFORMATION (CONTINUED) 5 分部資料(續)

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度				
		Core brands business 核心品牌業務 HK$'000 千港元	Other brands business 其他品牌業務 HK$'000 千港元	Manufacturing business 製造業務 HK$'000 千港元	Inter-segment elimination 分部間對銷 HK$'000 千港元	Group 本集團 HK$'000 千港元
Revenue from external customers	對外客戶收益	5,646,545	409,680	567,615	–	6,623,840
Inter-segment revenue	分部間收益	50,020	20,666	594,516	(665,202)	–
Total segment revenue	總分部收益	5,696,565	430,346	1,162,131	(665,202)	6,623,840
Segment results	分部業績	1,006,193	(86)	51,564	5,576	1,063,247
Amortisation of intangible assets	無形資產攤銷					(7,171)
Unallocated corporate income	未分配企業收入					3,095
Unallocated corporate expenses	未分配企業開支					(87,501)
Fair value loss on derivative financial instrument – warrants	衍生金融工具–認股權證之公平價值虧損					(77,328)
Finance costs	財務成本					(44,799)
Share of profit of an associated company	應佔一間聯營公司盈利					618
Profit before income tax	除所得稅前盈利					850,161
Amortisation of intangible assets	無形資產攤銷	–	7,171	–	–	7,171
Amortisation of land use rights	土地使用權攤銷	753	–	640	–	1,393
Depreciation of fixed assets	固定資產折舊	106,359	11,063	16,234	–	133,656
Capital expenditure	資本開支	232,266	16,445	32,609	–	281,320
Segment assets	分部資產	3,733,052	477,137	582,296	–	4,792,485
Goodwill	商譽	15,079	933	–	–	16,012
Other intangible assets	其他無形資產	–	113,877	–	–	113,877
		3,748,131	591,947	582,296	–	4,922,374
Interest in an associated company	於一間聯營公司之權益					3,338
Available-for-sale financial assets	可出售金融資產					63,183
Deferred income tax assets	遞延所得稅資產					56,388
Unallocated corporate assets	未分配企業資產					3,767
Total assets	總資產					5,049,050
Segment liabilities	分部負債	780,467	86,868	272,958	–	1,140,293
Deferred income tax liabilities	遞延所得稅負債					5,171
Convertible bonds	可換股債券					556,622
Unallocated corporate liabilities	未分配企業負債					39,361
Total liabilities	總負債					1,741,447

6 OTHER INCOME 6 其他收入

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Interest income	利息收入	**63,143**	37,151
Government incentives	政府補貼	**35,569**	30,488
Franchise and royalty income	特許權及專營權收入	**7,588**	6,283
Income derived from an available-for-sale financial asset	來自可出售金融資產之收入	**3,000**	3,000
Vendor rebate	賣方回扣	**1,001**	957
Handling income	手續費收入	**919**	662
Gross rental income	租金收入總額	**1,010**	350
Others	其他	**9,124**	9,978
		121,354	88,869

7 OTHER (LOSSES)/GAINS – NET 7 其他(虧損)／收益－淨額

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Fair value loss on available-for-sale financial assets	可出售金融資產之公平價值虧損	**(61,872)**	–
Loss on disposal of fixed assets	出售固定資產之虧損	**(13,558)**	(12,392)
Net exchange gain	匯兌收益淨額	**1,227**	14,628
Net gain on early termination of a license right	提早終止特許使用權之收益淨額	**–**	9,493
		(74,203)	11,729

8 FINANCE COSTS 8 財務成本

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Interest on convertible bonds	可換股債券利息	**45,451**	41,583
Interest on a bank loan	銀行貸款利息	**263**	677
Interest on license fee payables	應付特許使用權費利息	**625**	1,827
Interest on other non-current liabilities	其他非流動負債利息	**568**	712
		46,907	44,799

9 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging/(crediting) the following:

9 除所得稅前盈利

除所得稅前盈利已扣除／(計入)下列各項：

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Amortisation of land use rights	土地使用權攤銷	**1,611**	1,393
Amortisation of license rights	特許使用權攤銷	**2,873**	3,774
Amortisation of trademarks	商標攤銷	**3,770**	3,397
Auditors' remuneration	核數師酬金	**6,067**	5,769
Cost of inventories sold including provision for slow-moving inventories of HK$48,024,000 (2010: write-back of provision of HK$16,835,000)	售出存貨成本，包括滯銷存貨撥備48,024,000港元(二零一零年：撥備撥回16,835,000港元)	**2,765,217**	2,410,482
Depreciation of fixed assets	固定資產折舊	**177,602**	133,656
Employee benefits expense (Note 14)	僱員福利開支(附註14)	**1,219,393**	836,555
Operating lease rentals (including concessionaire fees) in respect of land and buildings	土地及樓宇之經營租賃租金(包括商場特許銷售費)	**1,686,332**	1,313,866
Net provision for/(write-back of) impairment of trade receivables	貿易應收賬款減值撥備／(撥備回撥)淨額	**423**	(156)

10 INCOME TAX EXPENSE

10 所得稅開支

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Current tax	當期稅項	**409,100**	248,030
Under provision in prior years	過往年度撥備不足	**1,215**	1,654
Deferred tax (Note 32)	遞延稅項(附註32)	**(32,965)**	(11,134)
		377,350	238,550

10 INCOME TAX EXPENSE (CONTINUED)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable domestic tax rates of the Group entities as follows:

10 所得稅開支(續)

本集團有關除所得稅前盈利之所得稅與假若採用本集團實體之適用當地稅率而計算之理論稅項之差額如下：

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Profit before income tax	除所得稅前盈利	**1,322,081**	850,161
Less: Share of profit of an associated company	減：應佔一間聯營公司盈利	**(421)**	(618)
		1,321,660	849,543
Income tax calculated at domestic tax rates applicable to profits in the respective countries/places	按有關國家／地區所產生盈利適用之當地稅率計算之所得稅	**302,019**	193,763
Tax concessions	稅項減免	**(126)**	(56)
Deferred tax assets previously not recognised	過往未確認之遞延稅項資產	**(536)**	–
Income not subject to tax	毋須繳稅收入	**(6,575)**	(11,167)
Expenses not deductible for tax purposes	不可扣稅開支	**39,020**	41,998
Tax losses for which no deferred tax assets recognised	未確認遞延稅項資產之稅項虧損	**1,026**	672
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	**(147)**	(3,019)
Under provision in prior years	過往年度撥備不足	**1,215**	1,654
Derecognition of previously recognised deferred income tax assets	終止確認過往已確認之遞延所得稅資產	**177**	2,733
Withholding taxes on royalties and profits appropriated by subsidiaries in Mainland China	專營權費及中國大陸附屬公司分派盈利之預扣稅	**41,277**	11,972
Income tax expense	所得稅開支	**377,350**	238,550

The weighted average domestic tax rate was 23% (2010: 23%).

加權平均地方稅率為23%(二零一零年：23%)。

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year. Income tax on profits arising outside Hong Kong has been calculated on the estimated assessable profit for the year at the rates of income tax prevailing in the countries/places in which the Group operates.

年內香港利得稅乃按估計應課稅盈利之16.5%(二零一零年：16.5%)計算。香港以外地區之盈利所得稅已根據年內估計應課稅盈利，按本集團業務所在國家／地區之現行所得稅率計算。

10 INCOME TAX EXPENSE (CONTINUED)

Provision for China corporate income tax was calculated based on the statutory tax rate of 25% (2010: 25%) on the assessable income of each of the Group's entities except that certain subsidiaries of the Company operating in China are eligible for certain tax exemptions and concessions including tax holiday and reduced corporate income tax rate during the year. Accordingly, the China corporate income tax for such subsidiaries has been provided for after taking into account of these tax exemptions and concessions.

Pursuant to the China corporate income tax laws, 10% withholding tax is levied on all foreign investors, except that only 5% is levied for foreign investors which are incorporated in Hong Kong, in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 31 December 2007. As at 31 December 2011, temporary differences relating to the undistributed profits on the Group's subsidiaries in Mainland China amounted to approximately HK$1,974,720,000 (31 December 2010: HK$1,486,648,000) with deferred income tax liabilities of approximately HK$98,852,000 (31 December 2010: HK$74,332,000) not recognised. The Company has pre-determined a dividend declaration policy in respect of its foreign-invested subsidiaries established in Mainland China and deferred income tax liabilities are provided to the extent that profits are expected to be distributed by the subsidiaries in the foreseeable future.

Pursuant to the China corporate income tax laws, withholding tax at a reduced rate of 7% by treaty is applied to the Group's entities incorporated in Hong Kong for royalties received or receivable.

10 所得稅開支(續)

年內，中國企業所得稅乃就本集團旗下各實體的應課稅收入按法定稅率25%(二零一零年：25%)計算撥備，惟本公司在中國營運之若干附屬公司合資格享有若干稅項豁免及寬減，包括免稅期及降低企業所得稅率。因此，此等附屬公司之中國企業所得稅已於計及此等稅項豁免及寬減後作出撥備。

根據中國企業所得稅法，所有海外投資者須就外資企業於二零零七年十二月三十一日後所賺取盈利之股息分派，繳納10%之預扣稅，惟於香港註冊成立之海外投資者則僅須繳納5%之預扣稅。於二零一一年十二月三十一日，有關本集團中國附屬公司未分派盈利之暫時差額約為1,974,720,000港元(二零一零年十二月三十一日：1,486,648,000港元)及未確認之遞延所得稅負債約98,852,000港元(二零一零年十二月三十一日：74,332,000港元)。本公司已就於中國大陸成立之外資附屬公司預先設定股息分派政策，並在預期溢利將於可見將來由附屬公司分派時計提遞延所得稅負債撥備。

根據中國企業所得稅法，本集團於香港註冊成立之實體，須就已收或應收專營權費按經條約寬減之7%稅率繳納預扣稅。

11 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company is dealt with in the accounts of the Company to the extent of HK$251,031,000 (2010: HK$187,984,000).

11 本公司擁有人應佔盈利

於本公司賬目內處理之本公司擁有人應佔盈利為251,031,000港元(二零一零年：187,984,000港元)。

12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company of HK$933,063,000 (2010: HK$595,510,000) and the weighted average of 1,638,204,932 (2010: 1,637,892,384) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the adjusted profit attributable to owners of the Company of HK$978,514,000 (2010: HK$637,093,000) and the adjusted weighted average of 1,873,549,453 (2010: 1,865,789,759) ordinary shares after taking into consideration of conversion of the convertible bonds and exercise of share options and warrants.

12 每股盈利

每股基本盈利乃根據本公司擁有人應佔本集團盈利933,063,000港元(二零一零年:595,510,000港元)及年內已發行普通股加權平均數1,638,204,932股(二零一零年:1,637,892,384股)計算。

每股攤薄盈利經計及兌換可換股債券及行使購股權及認股權證後,根據經調整本公司擁有人應佔盈利978,514,000港元(二零一零年:637,093,000港元)及經調整普通股加權平均數1,873,549,453股(二零一零年:1,865,789,759股)計算。

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Profit attributable to owners of the Company	本公司擁有人應佔盈利	**933,063**	595,510
Interest on convertible bonds	可換股債券之利息	**45,451**	41,583
Adjusted profit attributable to owners of the Company	經調整本公司擁有人應佔盈利	**978,514**	637,093

		2011 二零一一年 Number of shares 股份數目	2010 二零一零年 Number of shares 股份數目
Weighted average number of ordinary shares in issue	已發行普通股加權平均數目	**1,638,204,932**	1,637,892,384
Effect of conversion of convertible bonds	兌換可換股債券之影響	**178,510,572**	178,510,572
Effect of exercise of share options	行使購股權之影響	**10,394,297**	49,386,803
Effect of exercise of warrants	行使認股權證之影響	**46,439,652**	–
Weighted average number of ordinary shares adjusted for effect of dilution	就攤薄影響而調整之普通股加權平均數	**1,873,549,453**	1,865,789,759

For the year ended 31 December 2011, 5,100,000 share options outstanding are anti-dilutive and are ignored in the calculation of diluted earnings per share since the exercise prices of the share options were higher than the average market prices during the year.

由於購股權的行使價較該年內之平均市價為高,因此於計算截至二零一一年十二月三十一日止年度之每股攤薄盈利時,並無將5,100,000份未行使而具反攤薄作用之購股權計算在內。

For the year ended 31 December 2010, the warrants are anti-dilutive and are ignored in the calculation of diluted earnings per share.

認股權證具反攤薄作用,因此於計算截至二零一零年十二月三十一日止年度之每股攤薄盈利時並無計算在內。

13 DIVIDENDS

13 股息

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Interim dividend, paid, of HK8.0 cents (2010: HK6.0 cents) per ordinary share	已付中期股息每股普通股8.0港仙（二零一零年：6.0港仙）	**131,031**	98,274
Final dividend, proposed, of HK9.0 cents (2010: HK6.0 cents) per ordinary share	擬派末期股息每股普通股9.0港仙（二零一零年：6.0港仙）	**147,795**	98,274
		278,826	196,548

At a meeting held on 19 March 2012, the Board proposed a final dividend of HK9.0 cents per share in respect of the year ended 31 December 2011 to be approved by the shareholders at the forthcoming annual general meeting. The proposed dividend is not reflected as a dividend payable in these accounts but will be reflected as an appropriation of retained profits for the year ending 31 December 2012.

於二零一二年三月十九日舉行之會議上，董事會建議就截至二零一一年十二月三十一日止年度派發末期股息每股9.0港仙，將於應屆股東週年大會上向股東提呈批准。此建議股息於賬目內並不列作應派股息，惟會列作截至二零一二年十二月三十一日止年度之保留盈利分配。

14 EMPLOYEE BENEFITS EXPENSE

14 僱員福利開支

Employee benefits expense, including directors' emoluments, represents:

僱員福利開支（包括董事酬金）指：

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Wages, salaries, allowances and bonuses	工資、薪金、津貼及花紅	**1,127,416**	747,051
Defined contribution pension costs (Note (a))	定額供款退休金成本（附註(a)）	**45,916**	30,915
Share-based payment expense	以股份為基礎之付款開支	**46,061**	58,589
		1,219,393	836,555

(a) Defined contribution pension costs

As at both 31 December 2011 and 31 December 2010, no forfeited contribution is available to reduce the contribution payable in the future.

Contributions payable as at 31 December 2011 of approximately HK$9,226,000 (2010: HK$5,811,000) are included in other payables and accrued charges.

(a) 定額供款退休金成本

於二零一一年十二月三十一日及二零一零年十二月三十一日，並無可供扣減未來應付供款之沒收供款。

於二零一一年十二月三十一日，約9,226,000港元（二零一零年：5,811,000港元）之應付供款已計入其他應付賬款及應計費用。

14 EMPLOYEE BENEFITS EXPENSE (CONTINUED)

(b) Directors' emoluments

The remuneration of each director of the Company for the year ended 31 December is set out below:

14 僱員福利開支(續)

(b) 董事酬金

於截至十二月三十一日止年度，本公司各董事之薪酬如下：

2011 Name of director	二零一一年 董事姓名	Fees 袍金 HK$'000 千港元	Salaries 薪金 HK$'000 千港元	Defined contribution pension costs 定額供款退休金成本 HK$'000 千港元	Discretionary bonuses 酌情花紅 HK$'000 千港元	Share-based payment expense 以股份為基礎之付款開支 HK$'000 千港元	Total 總計 HK$'000 千港元
Mr Chen Ying-Chieh	陳英杰先生	–	4,160	19	11,053	9,351	24,583
Mr Chang Chih-Kai	張智凱先生	–	1,869	–	5,625	3,799	11,293
Mr Chang Chih-Chiao	張智喬先生	–	1,869	–	5,625	3,215	10,709
Mr Chen Hsien Min	陳賢民先生	3,461	513	14	30,000	7,014	41,002
Mr Chen Tommy Yi-Hsun	陳怡勳先生	–	988	7	7,500	2,446	10,941
Mr Hsiao Hsi-Ming	蕭溪明先生	72	–	–	–	–	72
Mr Huang Shun-Tsai	黃順財先生	72	–	–	–	–	72
Mr Kuo Jung-Cheng	郭榮振先生	72	–	–	–	–	72
Mr Lee Ted Tak Tai	李德泰先生	121	–	–	–	–	121
		3,798	9,399	40	59,803	25,825	98,865

2010 Name of director	二零一零年 董事姓名						
Mr Chen Ying-Chieh	陳英杰先生	–	4,010	22	5,750	13,396	23,178
Mr Chang Chih-Kai	張智凱先生	–	804	6	2,077	5,442	8,329
Mr Chang Chih-Chiao	張智喬先生	–	806	–	2,077	4,605	7,488
Mr Chen Hsien Min	陳賢民先生	–	3,994	22	5,750	10,047	19,813
Mr Hsiao Hsi-Ming	蕭溪明先生	72	–	–	–	–	72
Mr Huang Shun-Tsai	黃順財先生	72	–	–	–	–	72
Mr Kuo Jung-Cheng	郭榮振先生	72	–	–	–	–	72
		216	9,614	50	15,654	33,490	59,024

During the year ended 31 December 2011, a discretionary bonus of HK$30,000,000 was approved to be payable to Mr Chen Hsien Min upon his retirement.

於截至二零一一年十二月三十一日止年度，已批准於陳賢民先生退任時向彼支付酌情花紅30,000,000港元。

14 EMPLOYEE BENEFITS EXPENSE (CONTINUED)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include five (2010: four) directors whose emoluments are presented above. The salaries and bonuses and share-based payment expense payable to the remaining one individual during the year ended 31 December 2010 were HK$4,001,000 and HK$2,800,000 respectively.

No emoluments have been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No directors or the five highest paid individuals waived or agreed to waive any emoluments during the year.

14 僱員福利開支(續)

(c) 五名最高薪人士

於本年度，本集團五名最高薪人士包括五名(二零一零年：四名)董事，其酬金詳情已於上文披露。於截至二零一零年十二月三十一日止年度應付其餘一名人士之薪金及花紅及以股份為基礎之付款開支分別為4,001,000港元及2,800,000港元。

本集團並無向董事或五名最高薪人士支付任何酬金，作為吸引彼等加入本集團，或作為加入本集團時之獎勵或離職補償。年內，各董事或五名最高薪人士均無放棄或同意放棄任何酬金。

15 INTANGIBLE ASSETS

15 無形資產

		Group 本集團			
		Goodwill 商譽 HK$'000 千港元 (Note) (附註)	License rights 特許使用權 HK$'000 千港元	Trademarks 商標 HK$'000 千港元	Total 總計 HK$'000 千港元
Cost	成本值				
At 1 January 2010	於二零一零年一月一日	25,685	15,154	–	40,839
Exchange adjustment	匯兌調整	26	1,036	2,072	3,134
Additions	添置	–	7,992	–	7,992
Acquisition of subsidiaries	收購附屬公司	907	36,816	71,760	109,483
Termination of a license right	終止特許使用權	–	(15,154)	–	(15,154)
At 31 December 2010	於二零一零年十二月三十一日	26,618	45,844	73,832	146,294
Exchange adjustment	匯兌調整	41	1,837	3,180	5,058
Additions	添置	–	1,966	–	1,966
At 31 December 2011	於二零一一年十二月三十一日	26,659	49,647	77,012	153,318
Accumulated amortisation and impairment	累計攤銷及減值				
At 1 January 2010	於二零一零年一月一日	10,606	3,358	–	13,964
Exchange adjustment	匯兌調整	–	50	99	149
Amortisation for the year	本年度攤銷	–	3,774	3,397	7,171
Acquisition of subsidiaries	收購附屬公司	–	281	–	281
Termination of a license right	終止特許使用權	–	(5,160)	–	(5,160)
At 31 December 2010	於二零一零年十二月三十一日	10,606	2,303	3,496	16,405
Exchange adjustment	匯兌調整	–	120	224	344
Amortisation for the year	本年度攤銷	–	2,873	3,770	6,643
At 31 December 2011	於二零一一年十二月三十一日	10,606	5,296	7,490	23,392
Net book value	賬面淨值				
At 31 December 2011	於二零一一年十二月三十一日	16,053	44,351	69,522	129,926
At 31 December 2010	於二零一零年十二月三十一日	16,012	43,541	70,336	129,889

15 INTANGIBLE ASSETS (CONTINUED)

Note: Goodwill is allocated to the Group's cash-generating unit ("CGU") identified according to the operating segment. The Group performs impairment tests on goodwill annually, or more frequently if there is any indication that it may be impaired, by comparing the recoverable amount to the carrying amount as at the balance sheet date. The recoverable amount of the CGU was determined based on value-in-use calculations. These calculations used cash flow projections based on financial budgets approved by management covering a three-year period. The pre-tax discount rate and the estimated weighted average annual sales growth rate after the 3-year budgeted period applied to the cash flow projections was approximately 20% and ranged from 10% to 20% respectively. The budgeted gross profit margin and net profit margin were determined by the management for the CGU based on past performance and its expectations for market development. Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount significantly.

15 無形資產(續)

附註： 商譽乃分配至根據經營分部劃分之本集團現金產生單位(「現金產生單位」)。本集團就商譽每年(或如出現可能減值之任何跡象，則更頻繁)作減值測試，方法為於結算日將可收回金額與賬面值作比較。現金產生單位之可收回金額乃按使用價值而釐定。該計算乃使用根據管理層批准之三年財政預算之現金流量預測計算。在預測三年財政預算期後現金流量時所使用之除稅前貼現率及估計加權平均年度銷售增長率分別為約20%及10%至20%。現金產生單位之預算毛利率及純利率乃由管理層按過往表現及其對市場發展之預期而釐定。管理層相信，倘上述任何關鍵假設出現任何合理可預見變更，均不會導致商譽之賬面值大幅超逾其可收回金額。

16 LAND USE RIGHTS

16 土地使用權

		Group 本集團	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Cost	成本值		
At 1 January	於一月一日	**71,299**	62,568
Exchange adjustment	匯兌調整	**3,139**	2,479
Additions	添置	**–**	3,820
Transferred from fixed assets	轉自固定資產	**–**	2,432
At 31 December	於十二月三十一日	**74,438**	71,299
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	**20,963**	19,070
Exchange adjustment	匯兌調整	**668**	500
Amortisation for the year	本年度攤銷	**1,611**	1,393
At 31 December	於十二月三十一日	**23,242**	20,963
Net book value	賬面淨值		
At 31 December	於十二月三十一日	**51,196**	50,336
At 1 January	於一月一日	**50,336**	43,498

As at both 31 December 2011 and 31 December 2010, all land use rights were held outside Hong Kong on leases of between 10 to 50 years.

於二零一一年十二月三十一日及二零一零年十二月三十一日，所有土地使用權均於香港以外以租賃持有，為期10至50年。

17 FIXED ASSETS 17 固定資產

Group 本集團

		Buildings 樓宇 HK$'000 千港元	Leasehold improvements 租賃物業裝修 HK$'000 千港元	Construction-in-progress 在建工程 HK$'000 千港元	Plant and machinery 廠房及機器 HK$'000 千港元	Furniture, fixtures and equipment 傢俱、固定裝置及設備 HK$'000 千港元	Motor vehicles 汽車 HK$'000 千港元	Total 總計 HK$'000 千港元
Cost	成本值							
At 1 January 2010	於二零一零年一月一日	413,443	342,363	14,298	138,310	148,051	42,214	1,098,679
Exchange adjustment	匯兌調整	15,886	15,506	1,535	5,359	5,737	1,598	45,621
Additions	添置	36,324	145,201	45,608	7,852	32,274	5,709	272,968
Acquisition of subsidiaries	收購附屬公司	–	8,794	–	–	3,110	339	12,243
Transfer	轉撥	778	4,321	(5,247)	–	148	–	–
Transferred to land use rights	轉入土地使用權	–	–	(2,432)	–	–	–	(2,432)
Disposals	出售	–	(57,584)	–	(5,085)	(14,093)	(5,168)	(81,930)
At 31 December 2010	於二零一零年十二月三十一日	466,431	458,601	53,762	146,436	175,227	44,692	1,345,149
Exchange adjustment	匯兌調整	21,366	18,155	2,090	6,838	7,823	2,033	58,305
Additions	添置	24,255	211,381	32,787	11,601	62,043	7,602	349,669
Transfer	轉撥	35,131	2,984	(43,257)	–	5,142	–	–
Disposals	出售	–	(180,244)	–	(3,825)	(9,512)	(1,732)	(195,313)
At 31 December 2011	於二零一一年十二月三十一日	547,183	510,877	45,382	161,050	240,723	52,595	1,557,810
Accumulated depreciation	累計折舊							
At 1 January 2010	於二零一零年一月一日	69,641	233,592	–	120,632	83,290	30,930	538,085
Exchange adjustment	匯兌調整	2,770	10,274	–	4,730	3,275	1,129	22,178
Acquisition of subsidiaries	收購附屬公司	–	3,909	–	–	1,765	164	5,838
Charge for the year	本年度折舊	9,750	92,873	–	6,277	20,438	4,318	133,656
Disposals	出售	–	(43,416)	–	(4,929)	(12,251)	(4,862)	(65,458)
At 31 December 2010	於二零一零年十二月三十一日	82,161	297,232	–	126,710	96,517	31,679	634,299
Exchange adjustment	匯兌調整	3,803	10,421	–	5,968	4,216	1,423	25,831
Charge for the year	本年度折舊	12,280	118,390	–	8,176	33,393	5,363	177,602
Disposals	出售	–	(166,357)	–	(3,762)	(7,926)	(1,539)	(179,584)
At 31 December 2011	於二零一一年十二月三十一日	98,244	259,686	–	137,092	126,200	36,926	658,148
Net book value	賬面淨值							
At 31 December 2011	於二零一一年十二月三十一日	448,939	251,191	45,382	23,958	114,523	15,669	899,662
At 31 December 2010	於二零一零年十二月三十一日	384,270	161,369	53,762	19,726	78,710	13,013	710,850

18 INVESTMENTS IN SUBSIDIARIES 18 於附屬公司之投資

		Company 本公司	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Unlisted investments, at cost	非上市投資，按成本值	**368,822**	360,635

The following is a list of the principal subsidiaries as at 31 December 2011:

下表載列於二零一一年十二月三十一日之主要附屬公司：

Name 名稱	Place of incorporation/ operation 註冊成立／營運地點	Particulars of issued/paid-up capital 已發行／繳足股本詳情	Interest held 所持權益 %	Principal activities 主要業務
Aee International Ltd. [b] 愛意精品鞋業(上海)有限公司[b]	China 中國	US$8,580,000 8,580,000美元	59.96	Distribution of footwear and accessories 分銷鞋類產品及配件
Alldevelop Holdings Limited	British Virgin Islands 英屬處女群島	1 share of US$1 each 1股每股面值1美元之股份	100	Investment holding 投資控股
Cheng Lin Shuyang Shoes Co. Ltd. [b] 承霖鞋業沭陽有限公司[b]	China 中國	US$500,000 500,000美元	100	Processing of footwear 加工鞋類產品
Colossus Asia Limited 鉅實亞洲有限公司	Hong Kong 香港	100 ordinary shares of HK$1 each 100股每股面值1港元之普通股	59.96	Retail distribution of footwear and accessories 零售分銷鞋類產品及配件
Dafu Footwear Co., Ltd. Hanjiang Putian City [a] 莆田市涵江大福鞋業有限公司[a]	China 中國	US$3,180,000 3,180,000美元	90	Manufacture of footwear 製造鞋類產品
Dasheng Footwear Co., Ltd. Putian City [b] 莆田市涵江大盛鞋業有限公司[b]	China 中國	US$4,285,700 4,285,700美元	100	Manufacture of footwear 製造鞋類產品
Da Shunda Commercial and Trading Co., Ltd. [b] 大順達商貿有限公司[b]	China 中國	RMB50,000,000 50,000,000人民幣	59.96	Trading of footwear and accessories 買賣鞋類產品及配件
Daphne Korea Co. Ltd.	Korea 韓國	KRW300,000,000 300,000,000韓圜	100	Research and development of fashion design 研發時尚設計

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED) 18 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ operation 註冊成立／營運地點	Particulars of issued/paid-up capital 已發行／繳足股本詳情	Interest held 所持權益 %	Principal activities 主要業務
Daphne Marketing Co., Ltd. 展昕貿易股份有限公司	Taiwan 台灣	NTD300,000,000 300,000,000新台幣	92	Retail distribution of footwear and accessories 零售分銷鞋類產品及配件
Daxin Footwear Co., Ltd. Putian City [b] 莆田市涵江大欣鞋業有限公司[b]	China 中國	US$1,500,000 1,500,000美元	100	Processing of footwear 加工鞋類產品
Daxing Shoe Material Co., Ltd. Hanjiang Putian City [b] 莆田市涵江大興鞋材有限公司[b]	China 中國	US$1,499,925 1,499,925美元	100	Manufacture of footwear 製造鞋類產品
Despina Fashion (Shanghai) Co., Ltd. [b] 黛比娜時裝(上海)有限公司[b]	China 中國	RMB20,000,000 20,000,000人民幣	100	Distribution of apparel and accessories 分銷服飾及配件
Full Pearl International Limited 富珍國際有限公司	British Virgin Islands 英屬處女群島	3,294 shares of US$1 each 3,294股每股面值1美元之股份	59.96	Investment holding and trading of footwear and accessories 投資控股及買賣鞋類產品及配件
Fuzhou Da Yue Footwear Co. Ltd. [b] 撫州大躍鞋業有限公司[b]	China 中國	US$300,000 300,000美元	100	Processing of footwear 加工鞋類產品
Gentlefit Trading Limited 祥田貿易有限公司	Hong Kong 香港	100 ordinary shares of HK$1 each; 13,055,667 non-voting deferred shares of HK$1 each [d] 100股每股面值1港元之普通股；13,055,667股每股面值1港元之無投票權遞延股份[d]	100	Export trading of footwear, investment and trademarks holding 鞋類產品出口貿易、投資及持有商標
Guang Ze Da Yi Footwear Co., Ltd. [b] 光澤大億鞋業有限公司[b]	China 中國	US$300,000 300,000美元	100	Processing of footwear 加工鞋類產品
Jiangxi Dachuan Footwear Co., Ltd. [b] 江西大川鞋業有限公司[b]	China 中國	US$1,400,000 1,400,000美元	100	Processing of footwear 加工鞋類產品

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED) 18 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ operation 註冊成立／營運地點	Particulars of issued/paid-up capital 已發行／繳足股本詳情	Interest held 所持權益 %	Principal activities 主要業務
Jiangxi Da Qian Footwear Co. Ltd. [b] 江西大千鞋業有限公司[b]	China 中國	US$300,000 300,000美元	100	Processing of footwear 加工鞋類產品
Modern City Development Limited 成田發展有限公司	Hong Kong 香港	100 ordinary shares of HK$1 each; 10,000 non-voting deferred shares of HK$1 each [d] 100股每股面值1港元之普通股；10,000股每股面值1港元之無投票權遞延股份[d]	100	Investment holding 投資控股
Prime Success (BVI) Limited	British Virgin Islands 英屬處女群島	5,000,000 shares of US$0.01 each 5,000,000股每股面值0.01美元之股份	100	Investment holding 投資控股
Putian Hanjiang Footwear Co., Ltd. [a] 莆田市涵江鞋業有限公司[a]	China 中國	US$6,000,000 6,000,000美元	75	Manufacture of footwear 製造鞋類產品
Shanghai Guang Wei Industry & Commerce Co., Ltd. [a] 上海光偉實業有限公司[a]	China 中國	US$4,600,000 4,600,000美元	87.8	Manufacture of footwear 製造鞋類產品
Shoebox Holdings Limited 鞋櫃控股有限公司	Hong Kong 香港	HK$10,000 ordinary shares of HK$1 each 10,000股每股面值1港元之普通股	95	Investment and trademarks holding 投資及持有商標
Taizhou Rong Wei Shoes Co. Ltd. [b] 泰州榮偉鞋業有限公司[b]	China 中國	US$1,000,000 1,000,000美元	100	Processing of footwear 加工鞋類產品
Victoria Success Investment Co., Ltd. [b] 永恩投資(集團)有限公司[b]	China 中國	US$30,000,000 30,000,000美元	100	Distribution of footwear and accessories and investment holding 分銷鞋類產品及配件以及投資控股
Victoria Success (Shanghai) Limited [b] 永恩實業(上海)有限公司[b]	China 中國	US$23,000,000 23,000,000美元	100	Manufacture of footwear 製造鞋類產品

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

18 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ operation 註冊成立／營運地點	Particulars of issued/paid-up capital 已發行／繳足股本詳情	Interest held 所持權益 %	Principal activities 主要業務
Victoria Success Shoes (Suqian) Co. Ltd. (b) 永恩鞋業(宿遷)有限公司(b)	China 中國	RMB3,000,000 3,000,000人民幣	100	Processing of footwear 加工鞋類產品
Winson Union Limited 永信聯有限公司	Hong Kong 香港	10,000 ordinary shares of HK$1 each 10,000股每股面值1港元之普通股	100	Investment holding 投資控股
Yangzhou Quanwei Industry & Commerce Co., Ltd. (b) 揚州銓偉實業有限公司(b)	China 中國	US$700,570 700,570美元	100	Processing of footwear 加工鞋類產品
Zhumadian Victoria Success Footwear Co., Ltd. (b) 駐馬店永恩鞋業有限公司(b)	China 中國	US$500,000 500,000美元	100	Processing of footwear 加工鞋類產品
鞋櫃商貿有限公司(b)	China 中國	RMB250,000,000 250,000,000人民幣	95	Distribution of footwear, apparel and accessories 分銷鞋類產品、服飾及配件
全泰商貿(福建)有限公司(b)	China 中國	RMB5,121,975 5,121,975人民幣	100	Distribution of footwear, apparel and accessories 分銷鞋類產品、服飾及配件

Notes:

(a) These companies were established in China in the form of equity joint ventures.

(b) These companies were established in China in the form of wholly foreign-owned enterprises.

(c) Other than investment in Prime Success (BVI) Limited and Full Pearl International Limited which are held directly by the Company, all subsidiaries shown above are held indirectly by the Company.

(d) The non-voting deferred shares practically carry no rights to dividends, nor rights to receive notice, nor rights to attend and vote at any general meeting of the respective companies, nor rights to participate in any distribution on winding up.

(e) None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

附註：

(a) 該等公司為於中國成立之合資企業。

(b) 該等公司為於中國成立之全外資企業。

(c) 除於Prime Success (BVI) Limited及富珍國際有限公司之投資乃由本公司直接持有外，上列所有其他附屬公司均由本公司間接持有。

(d) 無投票權遞延股份實際上無權收取有關公司之股息或接收該公司任何股東大會通告或出席股東大會並於會上投票。於有關公司清盤時亦無權參與任何分派。

(e) 各附屬公司於年終或年內任何時間概無任何未償還債務證券。

19 AMOUNT DUE FROM A SUBSIDIARY – COMPANY

The amount due from a subsidiary is unsecured, interest-free and repayable on demand.

19 應收一間附屬公司賬款－本公司

應收一間附屬公司賬款乃無抵押、免息，並須應要求償還。

20 INTEREST IN AN ASSOCIATED COMPANY

20 於一間聯營公司之投資

		Group 本集團	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Share of net asset	應佔資產淨值	**3,359**	3,338
Unlisted investment, at cost	非上市投資，按成本值	**2,340**	2,340

Details of the associated company as at 31 December 2011 are as follows:

於二零一一年十二月三十一日，聯營公司之詳情如下：

Name 名稱	**Place of incorporation/ operation 註冊成立／營運地點**	**Particulars of paid-up capital 已繳足股本詳情**	**Interest held indirectly 所持間接權益 %**	**Principal activity 主要業務**
Dayong Shoe Material Co., Ltd. Hanjiang Putian City 莆田市涵江大永鞋業有限公司	China 中國	RMB5,457,000 5,457,000人民幣	30	Manufacture of shoe materials 製造鞋類物料

A summary of financial information of the associated company is as follows:

聯營公司之財務資料摘要如下：

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Assets	資產	**10,691**	11,316
Liabilities	負債	**439**	965
Revenues	收入	**13,990**	12,479
Profit	盈利	**1,404**	2,061

21 AVAILABLE-FOR-SALE FINANCIAL ASSETS

21 可出售金融資產

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
Unlisted equity investments, at fair value (Note (a))	非上市股本投資，按公平價值（附註(a)）	**16,624**	33,624
Unlisted redeemable convertible preferred shares, at fair value (Note (b))	非上市可贖回可換股優先股，按公平價值（附註(b)）	**–**	29,559
		16,624	63,183

Available-for-sale financial assets are denominated in the following currencies

可出售金融資產乃按下列貨幣計值：

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
USD	美元	**–**	29,559
RMB	人民幣	**16,624**	33,624
		16,624	63,183

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
At 1 January	於一月一日	**63,183**	33,624
Addition	添置	**15,313**	29,559
Fair value loss on available-for-sale financial assets	可出售金融資產之公平價值虧損	**(61,872)**	–
At 31 December	於十二月三十一日	**16,624**	63,183

21 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Notes:

(a) Included in the unlisted equity investments are 30% interests in an equity joint venture in Mainland China with a carrying value of HK$16,000,000 (2010: HK$33,000,000). Since the Group has no significant influence in the operational and financial decisions of the investee, the directors considered the investment as an available-for-sale financial asset. The Group has signed an agreement with the major shareholder of the investee to secure an annual payment of HK$3,000,000 for the year in lieu of the profit sharing based on equity interest held. During the year ended 31 December 2011, a fair value loss of HK$17,000,000 was recognised for the unlisted equity investment.

(b) During the year ended 31 December 2011, the Group made an additional investment of HK$15,313,000 in an unlisted redeemable convertible preferred shares of which the total cost of investment amounted to HK$44,872,000. As at 31 December 2011, the directors considered the financial position and prospect of the unlisted redeemable convertible preferred shares and determined the fair value of it to be nil. A fair value loss of HK$44,872,000 was charged to the profit and loss accounts.

21 可出售金融資產(續)

附註：

(a) 非上市股本投資包括中國大陸一間合資企業之30%權益，賬面值為16,000,000港元(二零一零年：33,000,000港元)。由於本集團不能對被投資公司之營運及財務決策行使重大影響力，故董事視該投資為可出售金融資產。本集團與被投資公司之主要股東簽立協議，每年收取3,000,000港元之款項，以代替按所持股權分成盈利。於截至二零一一年十二月三十一日止年度，已就非上市股本投資確認17,000,000港元公平價值虧損。

(b) 於截至二零一一年十二月三十一日止年度，本集團於非上市可贖回可換股優先股額外投資15,313,000港元，總投資成本為44,872,000港元。於二零一一年十二月三十一日，董事考慮到非上市可贖回可換股優先股之財務狀況及前景，判定其公平價值為零。公平價值虧損44,872,000港元已於損益表內支銷。

22 INVENTORIES

22 存貨

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
Raw materials	原材料	**44,097**	39,057
Work-in-progress	在製品	**70,662**	43,505
Finished goods	製成品	**1,943,767**	1,001,746
		2,058,526	1,084,308

Inventories are stated net of provisions for impairment of HK$146,143,000 (2010: HK$94,260,000) as at 31 December 2011.

於二零一一年十二月三十一日，存貨乃按扣除存貨減值撥備146,143,000港元(二零一零年：94,260,000港元)列賬。

23 TRADE RECEIVABLES

23 貿易應收賬款

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
Trade receivables	貿易應收賬款	**276,217**	212,151
Less: Provision for impairment of receivables	減：應收賬款減值撥備	**(1,914)**	(1,721)
Trade receivables – net	貿易應收賬款－淨額	**274,303**	210,430

23 TRADE RECEIVABLES (CONTINUED)

Movement of provision for impairment of trade receivables is as follows:

23 貿易應收賬款(續)

貿易應收賬款減值撥備之變動載列如下：

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
At 1 January	於一月一日	**1,721**	2,057
Provision for impairment	減值撥備	**580**	–
Write-back of provision for impairment	減值撥備撥回	**(157)**	(156)
Receivables written off during the year as uncollectible	年內撇銷列作不可收回之應收賬款	**(230)**	(180)
At 31 December	於十二月三十一日	**1,914**	1,721

The ageing analysis of trade receivables by invoice date is as follows:

按發票日期計算之貿易應收賬款賬齡分析如下：

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
0 – 30 days	0至30日	**215,865**	193,902
31 – 60 days	31至60日	**40,294**	11,066
61 – 90 days	61至90日	**9,762**	2,331
91 – 120 days	91至120日	**4,422**	1,677
121 – 180 days	121至180日	**1,974**	430
181 – 360 days	181至360日	**818**	895
Over 360 days	360日以上	**1,168**	129
		274,303	210,430

23 TRADE RECEIVABLES (CONTINUED)

As at 31 December 2011, trade receivables of HK$237,077,000 (2010: HK$175,479,000) were neither past due nor impaired. These related to a number of independent customers for whom there was no relevant history of default. The ageing analysis by past due date of trade receivables that were past due but not impaired is as follows:

23 貿易應收賬款(續)

於二零一一年十二月三十一日，貿易應收賬款237,077,000港元(二零一零年：175,479,000港元)並未逾期及出現減值。該等款項乃關於多名並無違約記錄之獨立客戶。按逾期日劃分已逾期但無減值之貿易應收賬款賬齡分析如下：

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
Not past due	尚未逾期	**237,077**	175,479
1 – 30 days past due	逾期1至30日	**18,669**	27,136
31 – 60 days past due	逾期31至60日	**10,006**	3,448
61 – 90 days past due	逾期61至90日	**4,034**	1,617
91 – 120 days past due	逾期91至120日	**1,735**	1,376
121 – 180 days past due	逾期121至180日	**1,357**	894
181 – 360 days past due	逾期181至360日	**1,425**	421
Over 360 days past due	逾期360日以上	**–**	59
		274,303	210,430

The carrying amounts of trade receivables are denominated in the following currencies:

貿易應收賬款之賬面值以下列貨幣計值：

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK$'000 千港元	HK$'000 千港元
RMB	人民幣	**226,529**	145,705
USD	美元	**36,574**	59,153
New Taiwan dollar ("NTD")	新台幣	**10,855**	5,489
HKD	港元	**345**	83
		274,303	210,430

The carrying value of trade receivables approximated its fair value. The Group generally allows an average credit period of 30 to 60 days to its trade customers other than major and long standing customers with whom specific extended terms will be agreed between the Group and the relevant counter parties.

貿易應收賬款之賬面值與其公平價值相若。本集團一般給予購貨客戶平均30至60日信貸期，惟主要及長期客戶之特別延長信貸期則由本集團與有關客戶雙方協定。

24 CASH AND CASH EQUIVALENTS 24 現金及現金等價物

		Group 本集團		Company 本公司	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	**2011 二零一一年 HK$'000 千港元**	2010 二零一零年 HK$'000 千港元
Cash at banks and in hand	銀行存款及手頭現金	**723,715**	396,622	**150**	353
Deposits with banks within three months of maturity	存款期為三個月以內之銀行存款	**1,072,029**	1,627,667	**–**	–
		1,795,744	2,024,289	**150**	353

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

現金及現金等價物之賬面值以下列貨幣計值：

		Group 本集團		Company 本公司	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	**2011 二零一一年 HK$'000 千港元**	2010 二零一零年 HK$'000 千港元
RMB	人民幣	**1,639,018**	1,744,407	**–**	–
HKD	港元	**72,710**	89,809	**143**	259
USD	美元	**63,848**	181,367	**7**	94
NTD	新台幣	**19,894**	7,625	**–**	–
Korean Won	韓圜	**244**	898	**–**	–
Others	其他	**30**	183	**–**	–
		1,795,744	2,024,289	**150**	353

As at 31 December 2011, the weighted average effective interest rate of the Group's bank deposits within three months of maturity was 1.49% (2010: 1.31%) per annum.

於二零一一年十二月三十一日，本集團存款期為三個月以內之銀行存款之加權平均實際年利率為1.49厘（二零一零年：1.31厘）。

RMB is not a freely convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of the Mainland China is subject to the rules and regulations of exchange control promulgated by the government of the Mainland China.

人民幣不可於國際市場自由兌換。將人民幣兌換為外幣及匯出中國大陸須受中國政府頒佈之外匯管制規則及法規限制。

25 TRADE PAYABLES

The ageing analysis of trade payables, including trade balances due to related parties (Note 35(a)) by invoice date, is as follows:

25 貿易應付賬款

按發票日期計算之貿易應付賬款(包括應付關聯方之貿易結餘(附註35(a)))賬齡分析如下：

		Group 本集團	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
0 – 30 days	0至30日	**592,334**	315,781
31 – 60 days	31至60日	**157,978**	199,075
61 – 90 days	61至90日	**46,896**	28,489
91 – 120 days	91至120日	**14,650**	15,416
121 – 180 days	121至180日	**3,448**	6,238
181 – 360 days	181至360日	**3,351**	5,212
Over 360 days	360日以上	**474**	7,738
		819,131	577,949

26 BANK LOAN – UNSECURED

As at both 31 December 2011 and 2010, the Group's unsecured bank loan was denominated in NTD and repayable within one year. The carrying value of the bank loan approximated its fair value.

As at 31 December 2011, the effective interest rate of the bank loan was 2.8% (2010: 2.8%) per annum.

As at 31 December 2011, the Company has given guarantees to various banks to secure general banking facilities granted to certain subsidiaries amounting to HK$168,895,000 (2010: HK$199,264,000) and no such facilities were utilised.

26 銀行貸款－無抵押

於二零一一年及二零一零年十二月三十一日，本集團之無抵押銀行貸款以新台幣計值，須於一年內償還。該銀行貸款之賬面值與其公平價值相若。

於二零一一年十二月三十一日，該銀行貸款之實際利率為每年2.8厘(二零一零年：2.8厘)。

於二零一一年十二月三十一日，本公司就若干附屬公司獲授一般銀行融資168,895,000港元(二零一零年：199,264,000港元)向多家銀行提供擔保，而截至當日概無動用該筆融資。

27 SHARE CAPITAL

27 股本

		Group and Company 本集團及本公司 Number of ordinary shares of HK$0.10 each 每股面值0.10港元之普通股數目	HK$'000 千港元
Authorised:	法定：		
At 1 January 2010, 31 December 2010 and 31 December 2011	於二零一零年一月一日、二零一零年十二月三十一日及二零一一年十二月三十一日	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2010 and 31 December 2010	於二零一零年一月一日及二零一零年十二月三十一日	1,637,892,384	163,789
Issue of shares upon exercise of share options (Note (a))	於購股權獲行使時發行（附註(a)）	3,070,000	307
At 31 December 2011	於二零一一年十二月三十一日	1,640,962,384	164,096

Notes:

(a) During the year ended 31 December 2011, share options were exercised by employees to subscribe for 3,070,000 shares at the exercise price of HK$6.19 per share. The total proceeds were HK$19,003,000.

(b) There were no movements in the share capital of the Company during the year ended 31 December 2010.

附註：

(a) 截至二零一一年十二月三十一日止年度，購股權獲僱員行使，按行使價每股6.19港元認購3,070,000股股份。總收款為19,003,000港元。

(b) 截至二零一零年十二月三十一日止年度，本公司股本並無任何變動。

28 EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the share option scheme adopted and amended on 29 May 2003 and 7 December 2009 respectively, the Company may grant share options to eligible persons including the executive and non-executive directors, employees and consultants employed by the Group. The share options are generally valid for a period of ten years and will lapse if the grantees leave the Group before the share options are exercisable. The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

The total number of shares which may be issued upon exercise of all share options to be granted under the share option scheme must not in aggregate exceed 10% of the shares of the Company in issue on 17 June 2008, the date of approval of the refreshment of the scheme mandate limit by shareholders of the Company after the adoption of the share option scheme on 29 May 2003. The Company may grant up to 163,789,238 share options, representing 10% of the shares of the Company in issue as at the date of refreshment of the scheme mandate limit.

28 以權益結算以股份為基礎之付款交易

根據分別於二零零三年五月二十九日及二零零九年十二月七日採納及修訂之購股權計劃，本公司可向合資格參與者，包括執行董事及非執行董事、僱員及本集團聘用之顧問授出購股權。購股權有效期一般為十年，而倘被授方於購股權可行使前不再任職於本集團，購股權即告失效。本集團並無法定或推定責任以現金購回或結清購股權。

根據購股權計劃授出之全部購股權獲行使時可予發行之股份總數，合共不得超過二零零八年六月十七日（即二零零三年五月二十九日採納購股權計劃後本公司股東批准更新計劃授權限額當日）本公司已發行股份之10%。本公司可授出163,789,238份購股權，相當於更新計劃授權限額當日本公司已發行股份之10%。

28 EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

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

28 以權益結算以股份為基礎之付款交易(續)

尚未行使之購股權數目及其加權平均行使價之變動如下：

		2011 二零一一年		2010 二零一零年	
		Weighted average exercise price 加權平均行使價 HK$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均行使價 HK$ 港元	Number of share options 購股權數目
At 1 January	於一月一日	**6.23**	**68,125,000**	–	–
Granted	授出	**8.01**	**3,800,000**	6.23	69,625,000
Exercised	行使	**6.19**	**(3,070,000)**	–	–
Lapsed	失效	**6.45**	**(2,780,000)**	6.19	(1,500,000)
At 31 December	於十二月三十一日	**6.33**	**66,075,000**	6.23	68,125,000

Details of the share options outstanding at year-end are as follows:

於年結日尚未行使之購股權詳情如下：

Grant date 授出日期		Note 附註	Exercise price 行使價 HK$ 港元	Number of share options 購股權數目 2011 二零一一年	2010 二零一零年
27 January 2010	二零一零年一月二十七日	(a)	6.19	**60,675,000**	66,025,000
22 July 2010	二零一零年七月二十二日	(b)	7.61	**1,600,000**	2,100,000
27 January 2011	二零一一年一月二十七日	(a)	7.84	**2,500,000**	–
19 August 2011	二零一一年八月十九日	(a)	8.35	**1,000,000**	–
28 October 2011	二零一一年十月二十八日	(c)	8.30	**300,000**	–
				66,075,000	68,125,000

Notes:

(a) As at 31 December 2011, included 32,000,000 (2010: 40,000,000) share options granted to directors of the Company, 15% of the share options will vest on each of the five anniversary dates of the date of grant and 25% of the share options will vest, subject to certain performance targets determined by the board of directors of the Company, on the fifth anniversary of the date of grant.

附註：

(a) 於二零一一年十二月三十一日，32,000,000份(二零一零年：40,000,000份)授予本公司董事之購股權，由授出日期起計五個週年日每年歸屬15%，其餘25%須待本公司董事會將予釐定之若干表現目標達成後，於授出日期起計第五個週年日歸屬。

28 EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

As at 31 December 2011, included 12,000,000 share options granted to an ex-director and consultant of the Company, 15% of the share options will vest on each of the four anniversary dates of the date of grant and 40% of the share options will vest on the fifth anniversary of the date of grant.

As at 31 December 2011, included 20,175,000 (2010: 21,025,000) share options granted to employees of the Group, 20% of the share options will vest on each of the five anniversary dates of the date of grant.

(b) As at 31 December 2011, included 1,000,000 (2010: 1,000,000) share options granted to an employee of the Group, one-fifth of the share options will vest on each anniversary with the first tranche starting on 1 April 2011.

As at 31 December 2011, included 600,000 (2010: 1,100,000) share options granted to employees of the Group, one-third of the share options will vest on each anniversary with the first tranche starting on 1 April 2011.

(c) As at 31 December 2011, included 300,000 share options granted to an employee of the Group, one-third of the share options will vest on each of the three anniversary dates of the date of grant.

Fair value of share options and assumptions

The fair value of services received in return for share options granted was measured by reference to the fair value of share options granted. The weighted average fair value of the share options granted during the year was HK$2.88 (2010: HK$2.29) per share option which was determined using the Binomial Options Pricing Model with significant inputs into the model as follows:

28 以權益結算以股份為基礎之付款交易(續)

於二零一一年十二月三十一日，12,000,000份授予本公司前董事及顧問之購股權，由授出日期起計四個週年日每年歸屬15%，其餘40%於授出日期起計第五個週年日歸屬。

於二零一一年十二月三十一日，20,175,000份(二零一零年：21,025,000份)授予本集團僱員之購股權，將於授出日期起計五個週年日每年歸屬20%。

(b) 於二零一一年十二月三十一日，1,000,000份(二零一零年：1,000,000份)授予本集團一名僱員之購股權，將於二零一一年四月一日起每個週年日歸屬五分之一。

於二零一一年十二月三十一日，600,000份(二零一零年：1,100,000份)授予本集團僱員之購股權，將於二零一一年四月一日起每個週年日歸屬三分之一。

(c) 於二零一一年十二月三十一日，300,000份授予本集團一名僱員之購股權，將於授出日期起計三個週年日每年歸屬三分之一。

購股權公平價值及假設

就授出購股權而收取之服務之公平價值乃參照所授出購股權之公平價值計量。於年內授出之購股權之公平價值加權平均數為2.88港元(二零一零年：2.29港元)，乃按二項式期權定價模式釐定，該模式之主要輸入數據如下：

		2011 二零一一年	2010 二零一零年
Weighted average share price at measurement date	於計量日期之加權平均股價	**HK$7.92港元**	HK$5.84港元
Weighted average option exercise price	加權平均購股權行使價	**HK$8.01港元**	HK$6.23港元
Expected annualised volatility	預期年度化波幅	**37.26%**	37.26%
Weighted average risk-free rate	加權無風險利率	**2.30%**	2.80%
Expected option life	預期購股權年期	**10 years年**	10 years年
Weighted average expected dividend yield	預期加權平均孳息率	**2.39%**	1.34%

Expected annualised volatility was determined by using the historical volatility of the Company's share price over the previous three to five years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

預期年度化波幅乃使用本公司於過去三至五年之股價波幅而釐定。該模式所用之預期年期已按管理層之最佳估計就不可轉讓性、行使限制及行為考慮之影響予以調整。

29 RESERVES 29 儲備

		Group 本集團										
		Share premium	Capital redemption reserve	Capital reserve	Convertible bonds capital reserve	Warrants capital reserve	Share-based payment reserve	Translation reserve	Merger reserve	Statutory reserves	Retained profits	Total
		股份溢價	股本贖回儲備	股本儲備	可換股債券資本儲備	認股權證資本儲備	以股份為基礎之付款儲備	匯兌儲備	合併儲備	法定儲備	保留盈利	總計
		HK$'000 千港元	HK$'000 千港元 (Note (a)) (附註(a))	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 (Note (b)) (附註(b))	HK$'000 千港元 (Note (c)) (附註(c))	HK$'000 千港元	HK$'000 千港元
At 1 January 2010	於二零一零年一月一日	24,505	2,882	–	26,178	–	–	185,426	322	80,561	1,719,235	2,039,109
Currency translation differences	貨幣匯兌差額	–	–	–	–	–	–	84,294	–	–	–	84,294
Profit appropriations	盈利分配	–	–	–	–	–	–	–	–	2,754	(2,754)	–
Share of an associated company's reserve	應佔一間聯營公司儲備	–	–	–	–	–	–	39	–	13	(13)	39
Profit for the year	年內盈利	–	–	–	–	–	–	–	–	–	595,510	595,510
Dividends	股息	–	–	–	–	–	–	–	–	–	(180,173)	(180,173)
Partial acquisition and disposal of subsidiaries	收購及出售附屬公司部份股份	–	–	(197)	–	–	–	–	–	–	–	(197)
Write-back of unclaimed dividends	撥回未領取股息	–	–	–	–	–	–	–	–	–	2	2
Share-based payment expense	以股份為基礎之付款開支	–	–	–	–	–	58,589	–	–	–	–	58,589
Transfer of warrants from liability to equity	認股權證從負債轉撥至權益	–	–	–	–	363,370	–	–	–	–	–	363,370
At 31 December 2010	於二零一零年十二月三十一日	24,505	2,882	(197)	26,178	363,370	58,589	269,759	322	83,328	2,131,807	2,960,543
Currency translation differences	貨幣匯兌差額	–	–	–	–	–	–	144,362	–	–	–	144,362
Profit appropriations	盈利分配	–	–	–	–	–	–	–	–	15,163	(15,163)	–
Share of an associated company's reserve	應佔一間聯營公司儲備	–	–	–	–	–	–	151	–	12	(12)	151
Profit for the year	年內盈利	–	–	–	–	–	–	–	–	–	933,063	933,063
Dividends	股息	–	–	–	–	–	–	–	–	–	(231,106)	(231,106)
Write-back of unclaimed dividends	撥回未領取股息	–	–	–	–	–	–	–	–	–	1	1
Share-based payment expense	以股份為基礎之付款開支	–	–	–	–	–	46,061	–	–	–	–	46,061
Transfer upon lapse of share options	於購股權失效時轉撥	–	–	–	–	–	(2,456)	–	–	–	2,456	–
Issue of shares upon exercise of share options	於行使購股權時發行股份	25,523	–	–	–	–	(6,827)	–	–	–	–	18,696
At 31 December 2011	於二零一一年十二月三十一日	50,028	2,882	(197)	26,178	363,370	95,367	414,272	322	98,503	2,821,046	3,871,771

29 RESERVES (CONTINUED) 29 儲備(續)

		Company 本公司								
		Share premium	Capital redemption reserve	Contributed surplus	Convertible bonds capital reserve	Warrants capital reserve	Translation reserve	Share-based payment reserve	Retained profits	Total
		股份溢價	股本贖回儲備	繳入盈餘	可換股債券資本儲備	認股權證資本儲備	匯兌儲備	以股份為基礎之付款儲備	保留盈利	總計
		HK$'000 千港元	HK$'000 千港元 (Note (a)) (附註(a))	HK$'000 千港元 (Note (d)) (附註(d))	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
At 1 January 2010	於二零一零年一月一日	24,505	2,882	152,891	26,178	–	2,003	–	9,458	217,917
Currency translation differences	貨幣匯兌差額	–	–	–	–	–	3,694	–	–	3,694
Profit for the year	年內盈利	–	–	–	–	–	–	–	187,984	187,984
Dividends	股息	–	–	–	–	–	–	–	(180,173)	(180,173)
Write-back of unclaimed dividends	撥回未領取股息	–	–	–	–	–	–	–	2	2
Share-based payment expense	以股份為基礎之付款開支	–	–	–	–	–	–	58,589	–	58,589
Transfer of warrants from liability to equity	認股權證從負債轉撥至權益	–	–	–	–	363,370	–	–	–	363,370
At 31 December 2010	於二零一零年十二月三十一日	24,505	2,882	152,891	26,178	363,370	5,697	58,589	17,271	651,383
Currency translation differences	貨幣匯兌差額	–	–	–	–	–	14,659	–	–	14,659
Profit for the year	年內盈利	–	–	–	–	–	–	–	251,031	251,031
Dividends	股息	–	–	–	–	–	–	–	(231,106)	(231,106)
Write-back of unclaimed dividends	撥回未領取股息	–	–	–	–	–	–	–	1	1
Share-based payment expense	以股份為基礎之付款開支	–	–	–	–	–	–	46,061	–	46,061
Transfer upon lapse of share options	於購股權失效時轉撥	–	–	–	–	–	–	(2,456)	2,456	–
Issue of shares upon exercise of share options	於行使購股權時發行股份	25,523	–	–	–	–	–	(6,827)	–	18,696
At 31 December 2011	於二零一一年十二月三十一日	50,028	2,882	152,891	26,178	363,370	20,356	95,367	39,653	750,725

29 RESERVES (CONTINUED)

Notes:

(a) Capital redemption reserve

The capital redemption reserve represents the nominal amount of shares repurchased by the Company in 1999.

(b) Merger reserve

The merger reserve represents the difference between the aggregate nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the share capital issued by the Company as consideration for the acquisition pursuant to the corporate reorganisation in 1995.

(c) Statutory reserves

As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the statutory reserves and enterprise expansion fund, at rates determined by their respective boards of directors. The statutory reserves can be utilised to offset prior year losses or be utilised for the issuance of bonus shares, whilst the enterprise expansion fund can be utilised for the development of business operations. When the statutory reserves reach an amount equal to 50% of the registered capital of the Company's subsidiaries, further appropriation is optional.

(d) Contributed surplus

The contributed surplus of the Company represents the difference between the aggregate net assets of the subsidiaries acquired by the Company under the corporate reorganisation in 1995 and the nominal amount of the Company's shares issued for the acquisition.

(e) Distributable reserves

The Company's reserves available for distribution to its owners of the Company comprise share premium, contributed surplus, fair value adjustment of warrant capital reserve, translation reserve, share-based payment reserve and retained profits. Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to owners subject to the provisions of its Articles of Association and provided that immediately following the distribution or the payment of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares. In accordance with the Company's Articles of Association, dividends shall be payable out of the profits or other reserves, including the share premium, of the Company.

29 儲備(續)

附註：

(a) 股本贖回儲備

股本贖回儲備指本公司於一九九九年購回股份之面值。

(b) 合併儲備

合併儲備指附屬公司於被本公司收購當日之股本面值總額與本公司根據一九九五年公司重組作為收購代價所發行股本面值兩者之差額。

(c) 法定儲備

根據中國大陸法規，本公司於中國大陸成立及經營之附屬公司須將其稅後盈利(經抵銷上一年度虧損後)之一部份撥入法定儲備及企業發展基金，撥款比例由附屬公司各自之董事會釐定。法定儲備可用作抵銷上一年度虧損或用作發行紅股，而企業發展基金可用作發展業務營運。法定儲備達到本公司附屬公司註冊資本50%後，可選擇不再撥款。

(d) 繳入盈餘

本公司之繳入盈餘指本公司根據一九九五年公司重組收購附屬公司之資產淨值總額與本公司因收購而發行之股份面值兩者之差額。

(e) 可供分派儲備

本公司可供分派予本公司擁有人之儲備包括股份溢價、繳入盈餘、認股權證資本公平價值調整儲備、匯兌儲備、以股份為基礎之付款儲備及保留盈利。根據開曼群島公司法(經修訂)，本公司之股份溢價可用作向擁有人分派或支付股息，惟須受公司組織章程細則之條文所規限，而緊隨作出分派或派付股息後，本公司必須能於日常業務過程中償還到期債項。股份溢價亦可以繳足紅股形式分派。根據本公司之公司組織章程細則，股息須以本公司之盈利或其他儲備(包括股份溢價)支付。

30 CONVERTIBLE BONDS AND WARRANTS

On 12 June 2009, the Company issued unlisted and unsecured RMB denominated USD settled convertible bonds due in 2014 (the "Bonds") and unlisted warrants to subscribe 100 million new shares of the Company (the "Warrants") in an aggregate principal amount of RMB550,000,000.

The terms of the Bonds and the Warrants are summarised below:

(a) the Bonds bear interest of 3.125% per annum on the outstanding principal amount of the Bonds and the interests are payable by the Company semi-annually in arrears;

(b) the Bonds are convertible at the option of the bondholders into fully paid ordinary shares on or after the issue date of the Bonds up to 12 June 2014 at a conversion price of HK$3.50 per share, subject to certain adjustments pursuant to the terms of the agreement entered with the bondholders;

(c) 178,510,572 conversion shares will be issued upon full conversion of the Bonds based on the initial conversion price of HK$3.50 per share;

(d) the Bonds are redeemable on maturity at a value equal to the USD equivalent of the aggregate of 100% of the outstanding RMB principal amount and all amounts accrued thereon;

(e) the exercise price of the Warrants is HK$4.00 per warrant and it is denominated at RMB3.49792 per warrant pursuant to the amendment deed dated 25 August 2010; and

(f) the Warrants can be exercised at any time during the period commencing from the issue date of the Warrants up to 12 June 2014.

At the issuance of the Bonds, a liability component representing the 5-year 3.125% straight debt and an equity component representing the convertible option of HK$3.50 per share were recognised at fair value. Upon issuance of the Warrants, a derivative financial instrument was recognised at fair value. On 25 August 2010, upon the execution of an amendment deed by the Company with the warrant holder to fix the exercise price of the Warrants at RMB 3.49792 per warrant, the derivative financial instrument was derecognised and the carrying amount of it was transferred to warrants capital reserve.

30 可換股債券及認股權證

於二零零九年六月十二日，本公司發行人民幣計值美元結算於二零一四年到期之非上市及無抵押可換股債券(「債券」)及可認購100,000,000股本公司新股份之非上市認股權證(「認股權證」)，本金總額為550,000,000人民幣。

債券及認股權證之條款概述如下：

(a) 債券按未兌換本金額以年利率3.125厘計息。本公司將每半年延付利息；

(b) 債券持有人可選擇於債券發行日期起至二零一四年六月十二日止按兌換價每股3.50港元(可根據債券持有人所訂立協議之條款作出若干調整)兌換債券為已繳足普通股；

(c) 債券按最初兌換價每股3.50港元獲悉數兌換後將發行178,510,572股兌換股份；

(d) 債券可於到期時按相等於尚未兌換人民幣本金額之100%及全部應計款項總和價值之美元等值金額贖回；

(e) 認股權證之行使價為每份認股權證4.00港元，其後根據日期為二零一零年八月二十五日之修訂契約更改為每份認股權證3.49792人民幣；及

(f) 認股權證可由認股權證發行日期起至二零一四年六月十二日止期間隨時行使。

發行債券時，負債部份(即按3.125厘計息之五年期債項)及權益部份(即每股3.50港元之兌換權)乃按公平價值確認。發行認股權證時，按公平價值確認衍生金融工具。於二零一零年八月二十五日，在本公司與認股權證持有人簽署修訂契約以將認股權證行使價定為每份認股權證3.49792人民幣後，衍生金融工具已予終止確認，其賬面值亦已轉撥入認股權證資本儲備。

30 CONVERTIBLE BONDS AND WARRANTS (CONTINUED)

Movements of the liability component of the Bonds are as follows:

30 可換股債券及認股權證(續)

債券之負債部份變動如下：

		Group and Company 本集團及本公司	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
At 1 January	於一月一日	**556,622**	515,625
Exchange adjustment	匯兌調整	**24,506**	19,155
Interest expense	利息開支	**24,751**	21,842
At 31 December	於十二月三十一日	**605,879**	556,622

During both years ended 31 December 2011 and 31 December 2010, no Bonds were redeemed, converted or purchased and cancelled and no Warrants were exercised.

於截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度，概無債券被贖回、兌換或購買及註銷，亦無認股權證被行使。

31 LICENSE FEE PAYABLES

License fee payables were recognised based on a discount rate of approximately 20% per annum on the minimum guaranteed amount at the date of inception of the obligation, which was determined by reference to the Group's weighted average cost of capital.

As at 31 December 2011 and 31 December 2010, all license fees were payable in one to five years from the balance sheet date and the carrying value of the license fee payables approximated its estimated fair value.

31 應付特許使用權費

應付特許使用權費於開始承擔責任當日按最低保證款額以貼現年率約20%確認，該貼現率乃經參考本集團之加權平均資金成本釐定。

於二零一一年十二月三十一日及二零一零年十二月三十一日，所有特許使用權費應於結算日起計一至五年內支付，而應付特許使用權費之賬面值與其估計公平價值相若。

32 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using the applicable tax rates.

The movement in net deferred income tax assets is as follows:

32 遞延所得稅

遞延所得稅採用負債法就暫時差額按適用稅率作全數計算。

遞延所得稅資產淨值之變動如下：

		Group 本集團	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
At 1 January	於一月一日	**51,217**	38,569
Exchange adjustment	匯兌調整	**2,842**	1,514
Credited to profit and loss account (Note 10)	計入損益表(附註10)	**32,965**	11,134
At 31 December	於十二月三十一日	**87,024**	51,217

Deferred income tax assets are recognised for tax loss to be carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2011, the Group has unrecognised tax losses of HK$89,770,000 (2010: HK$129,077,000) to be carried forward against future taxable income, including HK$4,968,000 (2010: HK$53,945,000) and HK$67,577,000 (2010: HK$68,522,000) that will expire within the next five years and in five to ten years, respectively.

本公司就將予結轉之稅項虧損確認遞延所得稅資產，惟僅以有關稅項抵免可能透過日後之應課稅盈利實現者為限。於二零一一年十二月三十一日，本集團有可結轉與未來之應課稅收入對銷之未確認稅項虧損89,770,000港元(二零一零年：129,077,000港元)，包括4,968,000港元(二零一零年：53,945,000港元)及67,577,000港元(二零一零年：68,522,000港元)分別於未來五年內及五至十年到期。

32 DEFERRED INCOME TAX (CONTINUED)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

32 遞延所得稅(續)

年內，遞延稅項資產及負債(在同一徵稅司法權區之結餘抵銷前)之變動如下：

Deferred income tax assets 遞延所得稅資產		Group 本集團									
		Provisions 撥備		Decelerated tax depreciation 減速稅項折舊		Tax losses 稅項虧損		Others 其他		Total 總計	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
At 1 January	於一月一日	**48,957**	35,185	**4,866**	5,839	**2,305**	–	**260**	442	**56,388**	41,466
Exchange adjustment	匯兌調整	**2,381**	1,411	**218**	179	**456**	60	**27**	11	**3,082**	1,661
Credited/(charged) to profit and loss account	計入／(扣除自)損益表	**29,129**	12,361	**543**	(1,152)	**16,579**	2,245	**748**	(193)	**46,999**	13,261
At 31 December	於十二月三十一日	**80,467**	48,957	**5,627**	4,866	**19,340**	2,305	**1,035**	260	**106,469**	56,388

Deferred income tax liabilities 遞延所得稅負債		Group 本集團							
		Accelerated tax depreciation 加速稅項折舊		Withholding tax on undistributed profits 未分派盈利預扣稅		Others 其他		Total 總計	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
At 1 January	於一月一日	**4,404**	2,897	**560**	–	**207**	–	**5,171**	2,897
Exchange adjustment	匯兌調整	**226**	141	**–**	–	**14**	6	**240**	147
Charged to profit and loss account	扣除自損益表	**1,689**	1,366	**12,087**	560	**258**	201	**14,034**	2,127
At 31 December	於十二月三十一日	**6,319**	4,404	**12,647**	560	**479**	207	**19,445**	5,171

33 CONSOLIDATED CASH FLOW STATEMENT

33 綜合現金流量表

Reconciliation of profit before income tax to cash generated from operations

除所得稅前盈利與營運產生之現金之對賬

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Profit before income tax	除所得稅前盈利	**1,322,081**	850,161
Amortisation	攤銷	**8,254**	8,564
Depreciation	折舊	**177,602**	133,656
Fair value loss on derivative financial instrument – warrants	衍生金融工具公平價值虧損－認股權證	**–**	77,328
Fair value loss on available-for-sale financial assets	可出售金融工具公平價值虧損	**61,872**	–
Loss on disposal of fixed assets	出售固定資產之虧損	**13,558**	12,392
Interest income	利息收入	**(63,143)**	(37,151)
Finance costs	財務成本	**46,907**	44,799
Share-based payment expense	以股份為基礎之付款開支	**46,061**	58,589
Net write-back on termination of a license right	終止特許使用權收益淨額	**–**	(9,493)
Share of profit of an associated company	應佔一間聯營公司盈利	**(421)**	(618)
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	**1,612,771**	1,138,227
Increase in inventories	存貨增加	**(928,227)**	(103,823)
Increase in trade receivables, other receivables, deposits and prepayments	貿易應收賬款、其他應收賬款、按金及預付款項增加	**(470,270)**	(106,164)
Increase in trade payables, other payables, accrued charges and other non-current liabilities	貿易應付賬款、其他應付賬款、應計費用及其他非流動負債增加	**395,672**	228,410
Cash generated from operations	營運產生之現金	**609,946**	1,156,650

34 COMMITMENTS

(a) Capital commitments for purchase of land use rights and fixed assets

34 承擔

(a) 購買土地使用權及固定資產之資本承擔

		Group 本集團	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Authorised but not contracted	已授權但未訂約	**172,493**	13,246
Contracted but not provided for	已訂約但未撥備	**26,823**	25,679
		199,316	38,925

(b) Commitments under operating leases

As at 31 December 2011, the Group had future aggregate minimum lease payments in respect of various production plants and facilities, warehouses, offices and distribution outlets under non-cancellable operating leases as follows:

(b) 經營租賃承擔

於二零一一年十二月三十一日，本集團就多間生產廠房及設施、倉庫、辦公室及分銷店之不可撤銷經營租賃之未來最低付款總額如下：

		Group 本集團	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Not later than one year	一年內	**1,044,885**	686,065
Later than one year and not later than five years	一年後及五年內	**1,225,781**	703,016
Later than five years	五年後	**46,586**	30,941
		2,317,252	1,420,022

Payment obligations in respect of operating leases on properties with contingent rent vary with respect to gross revenues are not included as future minimum lease payments.

就收入總額收取或然租金之物業經營租賃之應付租金，並未計入未來最低付款總額內。

The Company did not have any material commitments as at 31 December 2011 (2010: nil).

於二零一一年十二月三十一日，本公司並無任何重大承擔(二零一零年：無)。

35 RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances disclosed elsewhere in these accounts, the Group entered into the following related party transactions during the year:

(a) Transactions and balances with related companies

		Transactions 交易		Balance at year end 年結日之結餘	
		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元	**2011 二零一一年 HK$'000 千港元**	2010 二零一零年 HK$'000 千港元
Purchases and subcontracting services from:	向下列各方採購及分包契約服務：				
An associated company	一間聯營公司	**1,196**	2,218	**134**	806
Investee companies	被投資公司	**17,659**	2,519	**7,191**	590

Purchases of shoe materials and footwear from the associated company and investee companies, were conducted in the normal course of the Group's business. The terms of transactions were determined and agreed between the Group and the counter parties and all balances due were repayable according to trade terms.

向聯營公司及被投資公司採購鞋類物料及鞋類產品乃於本集團日常業務過程中進行。交易條款乃經本集團與交易方協定後釐定，而所有應付結餘亦按照貿易條款支付。

(b) Key management personnel compensation

		2011 二零一一年 HK$'000 千港元	2010 二零一零年 HK$'000 千港元
Salaries, allowances and bonuses	薪金、津貼及花紅	**96,843**	42,507
Defined contribution pension costs	定額供款退休金成本	**150**	321
Share-based payment expense	以股份為基礎之付款開支	**35,873**	44,193
		132,866	87,021

FIVE-YEAR FINANCIAL SUMMARY 五年財務概要

		For the years ended 31 December 截至十二月三十一日止年度				
		2011	2010	2009	2008	2007
		二零一一年	二零一零年	二零零九年	二零零八年	二零零七年
		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
Results	**業績**					
Turnover	營業額	**8,576,762**	6,623,840	5,831,994	5,289,297	3,853,580
Gross profit	毛利	**5,243,777**	3,800,841	3,207,078	2,787,386	1,829,779
Profit before income tax	除所得稅前盈利	**1,322,081**	850,161	633,543	666,267	530,018
Profit for the year attributable to:	以下各方應佔年內盈利：	**944,731**	611,611	400,659	497,177	388,720
Owners of the Company	本公司擁有人	**933,063**	595,510	393,838	492,920	384,383
Non-controlling interests	非控制性權益	**11,668**	16,101	6,821	4,257	4,337
Basic earnings per share (HK cents)	每股基本盈利(港仙)	**56.96**	36.36	24.05	30.09	23.47
Dividend per share (HK cents)	每股股息(港仙)	**17.0**	12.0	8.0	5.5	5.0

		As at 31 December 於十二月三十一日				
		2011	2010	2009	2008	2007
		二零一一年	二零一零年	二零零九年	二零零八年	二零零七年
		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
Assets and liabilities	**資產及負債**					
Total assets	總資產	**6,501,416**	5,049,050	3,940,808	2,962,361	2,361,901
Total liabilities	總負債	**2,269,790**	1,741,447	1,698,883	1,071,063	954,719
Total equity attributable to:	以下各方應佔總權益：	**4,231,626**	3,307,603	2,241,925	1,891,298	1,407,182
Owners of the Company	本公司擁有人	**4,035,867**	3,124,332	2,202,898	1,854,533	1,373,084
Non-controlling interests	非控制性權益	**195,759**	183,271	39,027	36,765	34,098

ANNUAL REPORT

DAPHNE INTERNATIONAL HOLDINGS LIMITED
達芙妮國際控股有限公司

www.daphneholdings.com