



LEE & MAN HOLDING LIMITED
理文集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：746

INTERIM REPORT 2008 中期報告

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Corporate Information

公司資料

BOARD OF DIRECTORS

Ms. WAI Siu Kee (*Chairman*)
Ms. POON Lai Ming
Ms. LEE Marina Man Wai (*resigned on 30th April 2008*)
Mr. LEE Man Yan
Mr. KUNG Phong (*appointed on 20th August 2008*)
Mr. HENG Kwoo Seng* (*resigned on 30th April 2008*)
Mr. WAN Chi Keung, Aaron JP *
Mr. WONG Kai Tung, Tony *

* *Independent non-executive director*

COMPANY SECRETARY

Ms. WONG Yuet Ming

REGISTERED OFFICE

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

PRINCIPAL OFFICE

8th Floor, Liven House
61-63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Standard Chartered Bank (HK) Ltd

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

董事會

衛少琦女士 (*主席*)
潘麗明女士
李文慧 (*辭任於2008年4月30日*)
李文恩先生
龔鈞先生 (*委任於2008年8月20日*)
邢詒春先生* (*辭任於2008年4月30日*)
尹志強先生，*太平紳士**
王啟東先生*

* *獨立非執行董事*

公司秘書

王月明女士

註冊辦事處

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

總辦事處

香港
九龍
觀塘
敬業街61-63號
利維大廈8樓

主要往來銀行

恒生銀行有限公司
渣打銀行(香港)有限公司

核數師

德勤 • 關黃陳方會計師行
執業會計師

Corporate Information

公司資料

PRINCIPAL SHARE REGISTRAR

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Secretaries Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

WEBSITE

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

主要股份過戶登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東28號
金鐘匯中心26樓

網址

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

Interim Results

中期業績

The board of directors (the "Board") of Lee & Man Holding Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

理文集團有限公司(「本公司」)董事會(「董事會」)欣然公布，本公司及其附屬公司(「本集團」)截至2008年6月30日止6個月之未經審核簡明綜合業績連同比較數字如下：

簡明綜合收益表

截至2008年6月30日止6個月

			Six months ended 30 June	
			截至6月30日止6個月	
			2008	2007
			(Unaudited)	(Unaudited)
			(未經審核)	(未經審核)
			HK\$'000	HK\$'000
			千港元	千港元
		<i>Notes</i>		
		<i>附註</i>		
Turnover	營業額	2	464,309	387,766
Cost of sales	銷售成本		(352,558)	(276,699)
Gross profit	毛利		111,751	111,067
Other income	其他收入		4,453	4,255
Distribution costs	銷售費用		(18,604)	(13,290)
Administrative expenses	行政費用		(37,275)	(42,778)
Interest on bank borrowings wholly repayable within five years	須於五年內全數償還之銀行借款利息		(1,518)	(162)
Profit before taxation	除稅前溢利		58,807	59,092
Income tax expenses	所得稅支出	3	(5,206)	(5,959)
Profit for the period	期內溢利	4	53,601	53,133
Dividends recognised as distributions during the period	期內已確認為分派之股息	5	20,625	28,875
Interim dividend of HK2.5 cents (2007: HK2.5 cents) per share declared after the balance sheet date	結算日後宣派之中期股息每股2.5港仙(2007: 2.5港仙)	5	20,625	20,625
Earnings per share	每股盈利	6	HK6.5 cents 港仙	HK6.4 cents 港仙

Interim Results

中期業績

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2008

簡明綜合資產負債表

於2008年6月30日

			30.6.2008	31.12.2007
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
			HK\$'000	HK\$'000
		Notes	千港元	千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	7	746,398	646,308
Prepaid lease payments	預付租賃款項		50,022	48,234
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金		100,566	20,900
Defined benefit assets	界定利益資產		3,455	3,455
			900,441	718,897
CURRENT ASSETS	流動資產			
Inventories	存貨	8	128,943	106,315
Prepaid lease payments	預付租賃款項		1,037	997
Trade and other receivables	應收貿易及其他款項	9	158,693	136,131
Restricted bank balance	有限制銀行存款		5,114	4,737
Bank balances and cash	銀行結餘及現金		32,256	49,012
			326,043	297,192
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付貿易及其他款項	10	207,010	205,750
Amounts due to related companies	應付關連公司款項		5,404	1,487
Taxation payable	應付稅項		6,680	4,104
Bank borrowings due within 1 year	銀行借款—一年內到期		92,755	67,054
Bank overdrafts	銀行透支		5,144	2,154
			316,993	280,549
NET CURRENT ASSETS	流動資產淨值		9,050	16,643
TOTAL ASSETS LESS CURRENT LIABILITIES	資產減流動負債合計		909,491	735,540
NON-CURRENT LIABILITY	非流動負債			
Bank borrowings due after 1 year	銀行借款—一年後到期		206,000	85,800
Deferred taxation	遞延稅項		7,290	6,868
			213,290	92,668
NET ASSETS	資產淨值		696,201	642,872
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	11	82,500	82,500
Reserves	儲備		613,701	560,372
			696,201	642,872

Interim Results

中期業績

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2008

簡明綜合現金流量表

截至2008年6月30日止6個月

		Six months ended 30 June	
		截至6月30日止6個月	
		2008	2007
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Net cash from operating activities	經營業務所得現金淨額	48,995	50,490
Net cash used in investing activities	投資活動所耗現金淨額	(185,288)	(172,534)
Net cash from financing activities	融資活動所得現金淨額	115,260	3,984
Net decrease in cash and cash equivalents	現金及等同現金項目減少淨額	(21,033)	(118,060)
Cash and cash equivalents at beginning of the period	期初之現金及等同現金項目	46,858	205,249
Effect on changes in exchange rate	匯率變動之影響	1,287	-
Cash and cash equivalents at end of the period	期終之現金及等同現金項目	27,112	87,189
Analysis of the balances of cash and cash equivalents	現金及等同現金項目結餘分析		
Bank balances and cash	銀行結餘及現金	32,256	87,189
Bank overdrafts	銀行透支	(5,144)	-
		27,112	87,189

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008

簡明綜合權益變動表

截至2008年6月30日止6個月

		Share capital	Share premium	Asset revaluation reserve	Translation reserve	Special reserve	Accumulated profits	Total
		股本	股份溢價	重估儲備	匯兌儲備	特別儲備	累計溢利	合計
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2008	於2008年1月1日	82,500	20,307	63,339	11,678	(67,990)	533,037	642,871
Deficit arising on revaluation of property, plant and equipment	物業、廠房及設備之重估虧絀	-	-	-	-	-	-	-
Deferred tax liability arising on revaluation of property, plant and equipment	由重估物業、廠房及設備所產生之遞延稅項負債	-	-	(422)	-	-	-	(422)
Recognised for defined benefit assets	界定利益資產確認	-	-	-	-	-	-	-
Exchange differences arising on translation of foreign operations	海外業務之匯兌差額	-	-	-	20,776	-	-	20,776
Net income (expense) recognised directly in equity	直接於權益確認之收益(支出)	-	-	(422)	20,776	-	-	20,354
Realised on depreciation of property, plant and equipment	物業、廠房及設備之折舊變現	-	-	(2,669)	-	-	2,669	-
Realised on disposal of property, plant and equipment	出售物業、廠房及設備變現	-	-	(135)	-	-	135	-
Profit for the period	本期溢利	-	-	-	-	-	53,601	53,601
Total recognised income and expenses for the period	本期確認之收入及支出總額	-	-	(3,226)	20,776	-	56,405	73,955
Dividends	股息	-	-	-	-	-	(20,625)	(20,625)
At 30 June 2008	於2008年6月30日	82,500	20,307	60,113	32,454	(67,990)	568,817	696,201

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2008

簡明綜合權益變動表(續)

截至2008年6月30日止6個月

		Share capital	Share premium	Asset revaluation reserve	Reserves on defined benefit assets	Translation reserve	Special reserve	Accumulated profits	Total
		股本	股份溢價	重估儲備	資產儲備	匯兌儲備	特別儲備	累計溢利	合計
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2007	於2007年1月1日	82,500	20,307	38,881	-	2,270	(67,990)	473,407	549,375
Deficit arising on revaluation of property, plant and equipment	物業、廠房及 設備之重估虧絀	-	-	(108)	-	-	-	-	(108)
Deferred tax liability arising on revaluation of property, plant and equipment	由重估物業、廠房及 設備所產生之 遞延稅項負債	-	-	(300)	-	-	-	-	(300)
Recognised for defined benefit assets	界定利益資產確認	-	-	-	(1,491)	-	-	-	(1,491)
Exchange differences arising on translation of foreign operations	海外業務之匯兌差額	-	-	-	-	2,038	-	-	2,038
Net income (expense) recognised directly in equity	直接於權益確認之 收益(支出)	-	-	(408)	(1,491)	2,038	-	-	139
Realised on depreciation of property, plant and equipment	物業、廠房及 設備之折舊變現	-	-	(1,127)	-	-	-	1,127	-
Realised on disposal of property, plant and equipment	出售物業、廠房及 設備變現	-	-	(15)	-	-	-	15	-
Profit for the period	本期溢利	-	-	-	-	-	-	53,133	53,133
Total recognised income and expenses for the period	本期確認之 收入及支出總額	-	-	(1,550)	(1,491)	2,038	-	54,275	53,272
Dividends	股息	-	-	-	-	-	-	(28,875)	(28,875)
At 30 June 2007	於2007年6月30日	82,500	20,307	37,331	(1,491)	4,308	(67,990)	498,807	573,772

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2008

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the 2007 annual report.

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the financial statements contained in the 2007 annual report except for the adoption of the new standards, amendments or interpretations issued by the HKICPA which are mandatory for the annual periods beginning 1 January 2008. The adoption of these standards, amendments or interpretations has no material effect on the Group's financial position or results of operations.

The Group has not early adopted the new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

簡明綜合財務報表附註

截至2008年6月30日止6個月

1. 編製基準

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則及香港會計師公會頒布之香港會計準則第34號「中期財務報告」之適用規定所編製而成。

本未經審核簡明綜合中期財務報表應與2007年報一併閱覽。

編製本簡明綜合中期財務報表所採用的會計政策，與2007年報所載財務報表所採用者一致，惟採納香港會計師公會頒布必須於2008年1月1日開始之年度期間生效之新準則、修訂及詮釋則除外。採納此等新準則、修訂及詮釋對本集團之財務狀況或經營業績概無重大影響。

本集團並無提早採納已頒布但尚未生效之新準則、修訂及詮釋。本公司董事預期，採用該等新準則、修訂及詮釋將不會對本集團之業績及財務狀況產生重大影響。

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2. BUSINESS AND GEOGRAPHICAL SEGMENTS

No business segment analysis is provided as over 90% of the Group's turnover and contribution to results were derived from the manufacture and sales of handbags for both periods.

An analysis of the Group's revenue and contribution to operating results by geographical segments based on customers location, irrespective of the origin of the goods, is presented below:

Geographical segments

		Sales revenue by geographical market 按地區市場之銷售收入		Contribution to profit before taxation 除稅前溢利貢獻	
		Six months ended 30 June 截至6月30日止6個月		Six months ended 30 June 截至6月30日止6個月	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
North America	北美洲	245,528	227,407	30,118	33,858
Europe	歐洲	168,226	137,552	24,101	25,789
Asia	亞洲	26,258	10,247	4,242	1,861
South America	南美洲	18,418	9,233	2,245	1,492
Others	其他地區	5,879	3,327	895	214
		464,309	387,766	61,601	63,214
Surplus arising on revaluation of property, plant and equipment	重估物業、廠房及設備所產生之盈餘			-	196
Unallocated corporate expenses	未分配公司開支			(1,643)	(5,019)
Interest income	利息收入			366	863
Interest on bank borrowings wholly repayable within five years	須於五年內全數償還之銀行借款利息			(1,517)	(162)
Profit before taxation	除稅前溢利			58,807	59,092
Income tax expenses	所得稅支出			(5,206)	(5,959)
Profit for the period	期內溢利			53,601	53,133

Since the goods sold to various geographical markets were mainly produced from the same production facilities, analysis of assets and liabilities by geographical market is not presented.

2. 業務及地區分類

由於本集團超過 90% 之營業額及業績貢獻均源自期內手袋之製造及銷售，按業務分類之分析並無提供。

本集團按客戶所在地區（不論貨品之來源地）劃分之收入及經營業績貢獻，呈列如下：

地區分類

		Sales revenue by geographical market 按地區市場之銷售收入		Contribution to profit before taxation 除稅前溢利貢獻	
		Six months ended 30 June 截至6月30日止6個月		Six months ended 30 June 截至6月30日止6個月	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
North America	北美洲	245,528	227,407	30,118	33,858
Europe	歐洲	168,226	137,552	24,101	25,789
Asia	亞洲	26,258	10,247	4,242	1,861
South America	南美洲	18,418	9,233	2,245	1,492
Others	其他地區	5,879	3,327	895	214
		464,309	387,766	61,601	63,214
Surplus arising on revaluation of property, plant and equipment	重估物業、廠房及設備所產生之盈餘			-	196
Unallocated corporate expenses	未分配公司開支			(1,643)	(5,019)
Interest income	利息收入			366	863
Interest on bank borrowings wholly repayable within five years	須於五年內全數償還之銀行借款利息			(1,517)	(162)
Profit before taxation	除稅前溢利			58,807	59,092
Income tax expenses	所得稅支出			(5,206)	(5,959)
Profit for the period	期內溢利			53,601	53,133

由於銷往不同地區市場之產品乃主要產自相同之生產設施，按地區市場劃分之資產及負債分析並無呈列。

Interim Results

中期業績

3. INCOME TAX EXPENSES

The charge represents Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the period.

A substantial portion of the Group's profits neither arises in, nor is derived from, Hong Kong and therefore is not subject to Hong Kong Profits Tax.

4. PROFIT FOR THE PERIOD

3. 所得稅支出

稅項支出乃按期內估計應課稅溢利按 16.5% 計算之香港利得稅。

本集團大部份溢利因非產自或源自香港而毋須繳納香港利得稅。

4. 期內溢利

Six months ended 30 June 截至 6 月 30 日止 6 個月

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Profit for period has been arrived at after charging:	期內溢利已扣除：		
Staff costs (including directors' remuneration)	職員成本(包括董事酬金)	90,123	72,154
Amortisation of prepaid lease payments	預付租賃款項攤銷	514	488
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	11,076	6,634
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	75	651
and after crediting:	並已計入：		
Interest income	利息收入	366	863
Surplus arising on revaluation of property, plant and equipment	重估物業、廠房及設備所產生之盈餘	-	196

5. INTERIM DIVIDEND

A final dividend for the year ended 31 December 2007 of HK2.5 cents (year ended 31 December 2006 HK3.5 cents) per share was paid to shareholders during the period, and was reflected in the condensed consolidated statement of changes in equity.

The Board has declared that an interim dividend of HK2.5 cents (2007: HK2.5 cents) per share be paid to shareholders whose names appear in the Register of Members on 19 September 2008.

5. 中期股息

期內，2007年12月31日止年度每股2.5港仙(2006年12月31日止年度：3.5港仙)之末期股息已支付予股東，並於簡明綜合權益變動表內反映。

董事會宣布派付每股2.5港仙(2007：2.5港仙)之中期股息予於2008年9月19日名列股東名冊內之股東。

Interim Results

中期業績

6. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the period of HK\$53,601,000 (2007: HK\$53,133,000) and 825,000,000 (2007: 825,000,000) shares in issue during the period.

7. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent HK\$201 million (2007: HK\$198 million) on property, plant and equipment to expand its chemical operations.

8. INVENTORIES

Raw materials and consumables	原材料及耗用品
Work in progress	在製品
Finished goods	製成品

All inventories were carried at cost at the balance sheet date.

9. TRADE AND OTHER RECEIVABLES

The Group generally allows an average credit period ranged from 30 to 90 days to its trade customers.

Included in trade and other receivables are trade and bills receivables of HK\$139,683,000 (31.12.2007: HK\$123,893,000). The aged analysis of trade and bills receivables at the balance sheet date is as follows:

6. 每股盈利

每股基本盈利乃按期內溢利 53,601,000 港元 (2007: 53,133,000 港元) 除以已發行股份 825,000,000 股 (2007: 825,000,000 股) 而計算。

7. 添置物業、廠房及設備

期內，本集團就物業、廠房及設備耗資 2.01 億港元 (2007: 1.98 億港元)，以擴展化工業務。

8. 存貨

	30.6.2008 HK\$'000 千港元	31.12.2007 HK\$'000 千港元
	55,124	57,467
	48,874	41,167
	24,945	7,681
	128,943	106,315

所有存貨乃以結算日之成本記賬。

9. 應收貿易及其他款項

本集團一般給予貿易客戶之賒賬期平均 30 天至 90 天。

應收貿易及其他款項包括應收賬款及票據 139,683,000 港元 (31.12.2007: 123,893,000 港元)，應收賬款及票據於結算日之賬齡分析如下：

Interim Results

中期業績

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Less than 30 days	少於30天
31 – 60 days	31至60天
61 – 90 days	61至90天
Over 90 days	90天以上
Prepayment and deposits	預付款及訂金
Other receivables	其他應收款

The fair value of the Group's trade and other receivables as at 30 June 2008 approximates to the corresponding carrying amount.

10. TRADE AND OTHER PAYABLES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days to 90 days.

Included in trade and other payables are trade and bills payables of HK\$96,063,000 (31.12.2007: HK\$94,048,000). The aged analysis of trade and bills payables at the balance sheet date is as follows:

Less than 30 days	少於30天
31 – 60 days	31至60天
61 – 90 days	61至90天
Over 90 days	90天以上
Other payables	其他應付款

The fair value of the Group's trade and other payables as at 30 June 2008 approximates to the corresponding carrying amount.

9. 應收貿易及其他款項 (續)

30.6.2008	31.12.2007
HK\$'000	HK\$'000
千港元	千港元
79,227	85,843
48,197	22,756
5,682	8,530
6,577	6,764
139,683	123,893
11,236	6,233
7,774	6,005
158,693	136,131

於2008年6月30日，本集團之應收貿易及其他款項之公平值與其賬面值相若。

10. 應付貿易及其他款項

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付金額。貿易購貨之平均除賬期為30天至90天。

應付貿易及其他款項包括應付賬款及票據約96,063,000港元(31.12.2007: 94,048,000港元)，應付賬款及票據於結算日之賬齡分析如下：

30.6.2008	31.12.2007
HK\$'000	HK\$'000
千港元	千港元
63,995	53,621
17,763	33,425
12,307	5,781
1,998	1,221
96,063	94,048
110,947	111,702
207,010	205,750

於2008年6月30日，本集團之應付貿易及其他款項之公平值與其賬面值相若。

Interim Results

中期業績

11. SHARE CAPITAL

		Number of ordinary shares 普通股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each:	每股面值 0.10 港元之普通股：		
Authorised:	法定：		
At 30 June 2008 and 31 December 2007	於 2008 年 6 月 30 日及 2007 年 12 月 31 日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 30 June 2008 and 31 December 2007	於 2008 年 6 月 30 日及 2007 年 12 月 31 日	825,000,000	82,500

11. 股本

12. CAPITAL COMMITMENTS

		30.6.2008 HK\$'000 千港元	31.12.2007 HK\$'000 千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:	已訂約但未於簡明綜合財務報表中 撥備之購資本性支出：		
– the acquisition of property, plant and equipment	– 購置物業、廠房及設備	186,323	101,595
– the acquisition of land use right	– 購入土地使用權	26,160	26,462

12. 資本承擔

Interim Results

中期業績

13. CONNECTED AND RELATED PARTY TRANSACTIONS

The Group had significant transactions with related parties, some of which are also deemed to be connected persons pursuant to the Listing Rules, during the period as follows:

13. 關連交易

本集團與相關各方，當中包括根據上市規則同時被界定為關連人士於期內所進行之重大交易如下：

Name of party 關連方名稱	Relationship 關係	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
			2008 HK\$'000 千港元	2007 HK\$'000 千港元
Connected parties 關聯人士				
Capital Nation Investments Limited	A company under controlled by Mr. Lee Wan Keung, the associate of the Group 由本集團之聯繫人李運強先生持控之公司	Corrugated cardboard and carton boxes purchased 購買瓦楞紙板及紙箱	6,046	2,254
		Management fee income received 管理費收入	19	23
Lee And Man Manufacturing Co. Ltd. 理文製造廠有限公司	A company beneficially owned by Ms. Lee Marina Man Wai, a director of the Company 由本公司董事李文慧女士實益擁有之公司	Management fee income received 管理費收入	41	64
		Licence fee received 已收使用權費	176	322
Lee & Man Realty Investment Limited 理文置業有限公司	A company beneficially owned by Mr. Lee Man Yan, a director of the Company and Mr. Lee Wan Keung 由李文恩先生(本公司董事)及李運強先生實益擁有之公司	Licence fee paid 已付使用權費	427	447
Jiangsu Lee & Man Paper Manufacturing Co. Ltd 江蘇理文造紙有限公司	A wholly owned subsidiary of Lee & Man Paper Manufacturing Limited, its Chairman and director is Mr Lee Wan Keung, an associate of the Group 為理文造紙有限公司全資擁有的附屬公司，其主席及董事為本集團之聯繫人李運強先生	Electricity & steam services fees paid 已付發電及蒸氣服務費	2,447	-

Interim Results

中期業績

13. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

The remuneration of directors and other members of key management during the period was as follows:

		Six months ended 30 June 截至6月30日止6個月	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Short-term benefits	短期福利	3,502	3,590
Post-employment benefits	退休福利	63	66
		3,565	3,656

14. REVIEW OF INTERIM ACCOUNTS

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK2.5 cents per share for the six months ended 30 June 2008 to shareholders whose names appear on the Register of Members on 19 September 2008. It is expected that the interim dividend will be paid around 26 September 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 16 September 2008 to 19 September 2008, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 12 September 2008.

13. 關連交易(續)

董事及其他主要管理層成員於期內之酬金如下：

14. 審閱中期賬目

本簡明綜合中期財務報表乃未經審核，但已由審核委員會審閱。

中期股息

董事會議決宣派截至2008年6月30日止6個月之中期股息每股2.5港仙予於2008年9月19日名列於股東名冊內之股東。預期中期股息將於2008年9月26日派付予股東。

暫停辦理股份過戶登記

本公司將於2008年9月16日至2008年9月19日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於2008年9月12日下午4時前送達本公司之股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

Business Review and Outlook

業務回顧及展望

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2008, turnover of the Group and profit attributable to shareholders amounted to HK\$464 million and HK\$53.6 million respectively, representing an increase of 19.7% and 0.9% respectively over the corresponding period last year.

The United States market continued to be the largest market for the Group's products. Sales to the North America, Europe and other market constituted 52.9%, 36.2% and 10.9% of the Group's turnover whereas 58.6%, 35.5% and 5.9% were shared respectively for the same period of last year.

During the period under review, the Group focused on development of European market which has successfully narrowed the sales gap between European and United States markets closer to a presetting goal. Moreover, with various measures of continuous upgrading in product design, further strengthening in co-operations with international well-known branded customers and rigorous control on costs, the Group has been able to maintain its steady results in its handbag business.

The first phase of the chemical production plant in Changshu City of Jiangsu Province has smoothly commenced its trial production during June 2008. For the second phase construction, plant facilities is under installation and is planned to start trial production in about the first quarter of 2009. It is expected that the chemical sector will generate profit to the Group in 2009. It is anticipated that handbag business will maintain a steady growth in the coming year and will continue to generate steady source of revenue for the Group. Without significant influence on core operation of handbag business, the Group plans to devote more resources in developing the chemical business. The Group will be fully confident in the prospect of diversifying businesses and will try to enhance the shareholders' value in future.

業務回顧及展望

截至2008年6月30日止6個月，本集團之營業額及股東應佔溢利分別為4.64億港元及5,360萬港元，比去年同期分別上升19.7%及0.9%。

美國仍然為本集團產品之最大市場。產品銷售往北美洲佔本集團營業額52.9%，歐洲佔36.2%，其他市場共佔10.9%；上年度同期則分別佔58.6%、35.5%及5.9%。

期內，本集團致力開拓歐洲市場，已成功將歐美的銷售差距拉近至預定目標，並不斷提升產品設計，進一步加強與國際知名品牌客戶之合作關係，加上嚴謹控制成本，手袋業務之業績保持平穩。

本集團於江蘇省常熟市投建之化工廠，第一期生產綫已於六月中順利試產，而第二期廠房設施正在進行中，計劃於2009年首季可正式試產。預期化工業務將對2009年集團利潤作出貢獻。展望來年手袋業務將維持穩健增長，繼續為本集團提供穩定的收入來源；在不影響手袋核心業務前提下，本集團擬定投放更多資源擴展化工業務。本集團對多元化業務前景充滿信心，並將努力為股東提升本集團之價值。

Management Discussion and Analysis

管理層討論及分析

RESULTS OF OPERATION

For the six months ended 30 June 2008, turnover of the Group and profit attributable to shareholders were HK\$464 million and HK\$53.6 million respectively, representing an increase of 19.7% and 0.9%, as compared to HK\$388 million and HK\$53.13million, for the corresponding period last year. The earnings per share for the period was HK 6.5 cents which is at a similar level of the same period last year.

Facing the cost pressures of increasing raw materials costs, rise in wages in the PRC, appreciation of the Renminbi and fierce competition in handbag industry during the period, the Group has undertaken the effective cost control measurement which enable it to maintain a steady growth in operating results.

CAPITAL STRUCTURE AND LIQUIDITY

The total equity of the Group as at 30 June 2008 was HK\$696 million (31.12.2007: HK\$643 million). As at 30 June 2008, the Group had current assets of HK\$326 million (31.12.2007: HK\$297 million) and current liabilities of HK\$317 million (31.12.2007: HK\$281 million). The current ratio was 1.03 as at 30 June 2008 as compared to 1.06 at 31 December 2007.

The Group generally finances its operation with internally generated cash flows and credit facilities provided by its principal bankers in Hong Kong and the PRC. As at 30 June 2008, the Group had outstanding bank borrowings of HK\$304 million (31.12.2007: HK\$155 million). These bank loans were secured by corporate guarantees provided by the Company. The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) increased from 0.16 as at 31 December 2007 to 0.39 as at 30 June 2008 as a result of the capital expenditure spent for chemical business during the period.

As at 30 June 2008, the Group had a net cash surplus of HK\$27 million (31.12.2007: HK\$47 million) and most of the cash balance was deposited in the leading banks in Hong Kong and the PRC.

The Group's liquidity position remains strong and the Group possesses sufficient cash and available banking facilities to meet its commitments, working capital requirements and future investments.

經營業績

截至2008年6月30日止6個月，本集團之營業額及股東應佔溢利分別為4.64億港元及5,360萬港元，較去年同期之3.88億港元及5,313萬港元，分別上升19.7%及0.9%。本期之每股盈利為6.5港仙，與去年同期相若。

面對期內原材料成本上漲，國內工資上升，人民幣升值及手袋業內嚴峻競爭之成本壓力下，本集團已採取有效的成本控制措施，使經營業績能保持穩定增長。

資本結構及流動資金

於2008年6月30日，本集團之權益總額為6.96億港元(31.12.2007: 6.43億港元)於2008年6月30日，本集團之流動資產為3.26億港元(31.12.2007: 2.97億港元)，而流動負債則為3.17億港元(31.12.2007: 2.81億港元)。2008年6月30日之流動比率為1.03，2007年12月31日則為1.06。

本集團一般以內部產生之現金流量及香港國內主要往來銀行提供之信貸備用額作為業務之營運資金。於2008年6月30日，本集團的未償還銀行貸款為3.04億港元(31.12.2007: 1.55億港元)。該銀行借貸由本公司提供公司擔保作為抵押。因期內化工業務的資本性開支，集團之淨資本負債比率(借貸總額減現金及現金等同項目除以股東權益)由2007年12月31日的0.16增至2008年6月30日的0.39。

於2008年6月30日，本集團之淨現金盈餘為0.27億港元(31.12.2007: 0.47億港元)，而大部份現金結餘存於本港及國內之主要銀行。

本集團之流動資金狀況保持穩健，且具備充裕之現金及可供動用之銀行備用額以應付集團之承擔、營運資金需要及日後投資。

Management Discussion and Analysis

管理層討論及分析

PLEDGE OF ASSETS

As at 30 June 2008, the Group did not have any assets pledged for general facilities.

EMPLOYEES

At 30 June 2008, the Group had a workforce of more than 6,000 people. The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staff are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

The Company has a share option scheme under which the executive directors and employees of the Company and its subsidiaries may be granted options to subscribe for ordinary shares in the Company. Up to 30 June 2008, no option was granted under the scheme.

資產抵押

於2008年6月30日，本集團並無抵押任何資產以作一般信貸。

僱員

於2008年6月30日，本集團員工超過6,000名。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定，除基本薪金外並按員工表現發放花紅。

本公司有一項購股權計劃。據此，本公司及其附屬公司之執行董事及僱員均可獲授認購本公司普通股份之購股權。截至2008年6月30日止，此計劃並無授出購股權。

Other Information

其他資料

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2008, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, were as follows:

(a) Long positions in shares of the Company

Ordinary shares of HK\$0.10 each of the Company.

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股份數目	佔本公司已發行股本百分比
Mr. Lee Man Yan 李文恩先生	Held by controlled corporation 由受控法團持有	618,750,000 (Note) (附註)	75%

Note: These shares are held by Fortune Star Tradings Limited ("Fortune Star").

董事於股份、相關股份及債權證中之權益

於2008年6月30日，本公司董事及最高行政人員及彼等之聯繫人於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司(「聯交所」)、或已記錄於根據證券及期貨條例第352條須存置之登記冊、或已根據聯交所證券上市規則(「上市規則」)之上市公司董事進行證券交易之標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司股份之好倉

本公司每股0.10港元之普通股

Number of issued ordinary shares held	Percentage of the issued share capital of the Company
所持已發行普通股份數目	佔本公司已發行股本百分比
618,750,000 (Note) (附註)	75%

附註：上述股份乃由 Fortune Star Tradings Ltd. (「Fortune Star」) 持有。

Other Information 其他資料

(b) Long positions in shares of the associated corporations of the Company

Name of director 董事姓名	Capacity 身份	Number of associated company 相聯法團名稱	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the Issued shares of the associated company 佔相聯法團已發行股份之百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 全權受益人	Fortune Star	45 (Note) (附註)	45%

Note: As Fortune Star owns more than 50% of the Company, Fortune Star is an associated corporation of the Company under the SFO. The entire issued share capital of Fortune Star is owned by Mr. Lee Man Yan, a Director, as to 45% and Mr. Lee Wan Keung as to the remaining 55%. Ms. Wai Siu Kee is a director of Fortune Star.

Other than disclosed above, as at 30 June 2008, none of the directors or the chief executives, or any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) 於本公司相聯法團之股份好倉

附註：由於 Fortune Star 擁有本公司 50% 以上權益，根據證券及期貨條例，Fortune Star 為本公司之相聯法團。Fortune Star 之全部已發行股本由董事李文恩先生持有 45% 及李運強先生持有餘下之 55%，衛少琦女士為 Fortune Star 之董事。

除上文所披露，於 2008 年 6 月 30 日，本公司董事或最高行政人員於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及聯交所、或根據證券及期貨條例第 352 條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

Other Information

其他資料

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

A share option scheme was adopted by the Company on 14 December 2001, under which the directors or chief executives of the Company or their associates may be granted options to subscribe for shares in the Company. No options were granted by the Company under the scheme since its adoption.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2008, shareholders (other than directors and chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東姓名	身份	所持已發行普通股份數目	佔本公司已發行股本百分比
Fortune Star	Beneficial owner 實益擁有人	618,750,000	75.00%
Value Partners Limited 惠理基金管理公司	Investment manager (Note) 投資經理(附註)	50,662,000	6.14%

Note: The long position of 50,662,000 shares were held by Value Partners Limited which was wholly owned by Value Partners Group Limited ("VPGL"). Cheah Capital Management Limited which holds 35.65% interest in VPGL, which in turn is wholly owned by Cheah Company Limited ("CCL"). Hang Seng Bank Trustee International Limited was the trustee of a discretionary trust of CCL. By virtue of the SFO, Mr. Cheah Cheng Hye, being the founder of the Trust and Ms. To Hau Yin as his spouse is deemed to be interested in the interest held by Value Partners Limited.

Other than disclosed above, as at 30 June 2008, the Company has not been notified by any person (other than directors or chief executives of the Company) who had an interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

董事購入股份或債權證之權利

本公司於2001年12月14日採納一項購股權計劃，據此本公司之董事或最高行政人員或彼等之聯繫人可獲授予購股權以認購本公司股份。自計劃採納以來，本公司並無根據計劃授出購股權。

主要股東

於2008年6月30日，股東(本公司董事或最高行政人員除外)於本公司之股份及相關股份中，擁有已根據證券及期貨條例第XV部第2及3分部向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

好倉

本公司每股0.10港元之普通股

附註：由惠理基金管理公司持有之50,662,000股股份之好倉，為惠理集團有限公司(「VPGL」)所全資擁有。由於Cheah Capital Management Limited持有VPGL 35.65%權益，並為Cheah Company Limited(「CCL」)所全資擁有，而恒生銀行信託國際有限公司為CCL一項全權信託之受託人，按證券及期貨條例之規範下，該信託之創立人謝清海先生及其配偶杜巧賢女士被視為持有惠理基金管理公司所持有之權益。

除上文所披露，於2008年6月30日，概無任何人士(本公司董事或最高行政人員除外)通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

Other Information

其他資料

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2008.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2008 except where stated and explained below.

The Group has an Executive Chairman. No individual has been appointed as a chief executive officer. The Executive Chairman with the assistance of the Group's senior management team oversees and manages the Group's business. Other functions normally undertaken by a chief executive officer of a company are delegated to members of the Group's senior management team. This structure deviates from the code provision A2.1 of Code that requires the roles of the chairman and the chief executive officer to be separate and not performed by the same individual. The Board has considered this matter carefully and decided not to adopt the code provision. The Board believes that the current management structure has been effective in facilitating the operation and development of the Group and its business for a considerable period of time and that the necessary checks and balances consistent with sound corporate governance practices are in place. Accordingly, the Board does not consider it necessary to change the current management structure. However, the Board will review the management structure from time to time to ensure it continues to meet these objectives.

購買、出售或贖回本公司之上市證券

於截至2008年6月30日止6個月期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

證券交易之標準守則

本公司已採納標準守則作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至2008年6月30日止6個月期間內均遵守標準守則所載之規定標準。

企業管治

除下文所述者外，本公司於截至2008年6月30日止6個月內一直遵守上市規則附錄14所載之企業管治常規守則（「守則」）。

本集團設有一位執行主席。並無任何人士獲委任為行政總裁。執行主席在本集團高級管理層協助下監督管理本集團之業務。其他一般由行政總裁處理之職務則由本集團高級管理層負責。守則條文A2.1規定主席及行政總裁之職務需要清楚劃分，且不可由同一人擔任，而本集團之管理架構與此有所偏離。董事會已仔細考慮有關事宜，並決定不採納有關守則條文。董事會相信現行管理架構在過往一直有效地推動本集團及其業務之營運及發展，並已建立符合完善企業管治常規所需之審查及制衡機制。因此，董事會並不認為本集團應改變現有管理架構。然而，董事會將不時檢討管理架構，以確保其持續達致有關目標。

Other Information 其他資料

AUDIT COMMITTEE

The Audit Committee of the Company comprised of three independent non-executive directors namely, Mr. Heng Kwo Seng (resigned on 30 April 2008), Mr. Wan Chi Keung, Aaron JP and Mr. Wong Kai Tung, Tony.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 June 2008.

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee had been established with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr. Heng Kwo Seng (resigned on 30 April 2008), Mr. Wan Chi Keung, Aaron JP and Mr. Wong Kai Tung, Tony. All members of the remuneration committee are independent non-executive directors.

審核委員會

本公司之審核委員會由3位獨立非執行董事邢詒春(已於2008年4月30日辭任)、尹志強先生太平紳士及王啟東先生組成。

審核委員會已與本集團之管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務申報等事宜進行討論，其中包括審閱本集團截至2008年6月30日止6個月的未經審核中期業績。

薪酬委員會

為符合守則，本公司已成立薪酬委員會，清楚說明委員會的權限及職責。薪酬委員會成員包括邢詒春先生(已於2008年4月30日辭任)、尹志強先生太平紳士及王啟東先生，全部均為獨立非執行董事。

On behalf of the Board
Wai Siu Kee
Chairman

Hong Kong, 25 August 2008

代表董事會
主席
衛少琦

香港，2008年8月25日

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