



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

ANNUAL REPORT 2010年報

Contents

目錄

CORPORATE INFORMATION	公司資料
CHAIRMAN'S STATEMENT	主席報告
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論及分析
CORPORATE GOVERNANCE REPORT	企業管治報告
PROFILE OF DIRECTORS AND SENIOR MANAGEMENT	董事及高級管理層簡介
DIRECTORS' REPORT	董事會報告
INDEPENDENT AUDITOR'S REPORT	獨立核數師報告
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	綜合全面損益表
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況表
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	綜合權益變動表
CONSOLIDATED STATEMENT OF CASH FLOWS	綜合現金流量表
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	綜合財務報表附註
FINANCIAL SUMMARY	財務概要

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive director

Ms. Wai Siu Kee (*Chairman*)
Ms. Poon Lai Ming
Mr. Lee Man Yan
Mr. Kung Phong

Independent non-executive director

Mr. Wong Kai Tung, Tony
Mr. Wan Chi Keung, Aaron *BBS JP*
Mr. Heng Kwoo Seng (*resigned on 30 June 2010*)
Mr. Heng Victor Ja Wei (*appointed on 30 June 2010*)

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

In Hong Kong:

Hang Seng Bank
Chiyu Bank
HSBC

In the PRC:

Bank of China

董事會

執行董事

衛少琦女士 (*主席*)
潘麗明女士
李文恩先生
龔鈞先生

獨立非執行董事

王啟東先生
尹志強先生 *BBS 太平紳士*
邢詒春先生 (*辭任於 2010 年 6 月 30 日*)
邢家維先生 (*委任於 2010 年 6 月 30 日*)

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

香港：

恒生銀行
集友銀行
滙豐銀行

中國：

中國銀行

Corporate Information

公司資料

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
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>

核數師

德勤 • 關黃陳方會計師行
執業會計師

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
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

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Chairman's Statement

主席報告

BUSINESS REVIEW

For the year ended 31 December 2010, the Group recorded a revenue of HK\$2,138.8 million, increased by 52.4% over last year; and a net profit of HK\$457.5 million, representing a substantial increase of 95.7% over last year. The handbag business contributed a net profit of HK\$100.8 million while the chemical business generated a net profit of HK\$356.7 million.

As to the handbag business, because the European and US market was weak, the Group continuously paid effort in developing new clients, enhancing product design and adopting effective cost controls, coupled with many years of experience in the market, the revenue from handbag business increased by 17.3% over last year. This has brought stable profit to the Group.

For the chemical business, with the third production line being fully operated in last year, as well as a strong recovery in the PRC domestic market, chemical business recorded a turnover of HK\$1,285.3 million for the year ended 31 December 2010, representing 90.2% increase over last year whereas net profit for the period rose by 181.1% to HK\$356.7 million. The main reasons for a significant increase in net profit were substantial increase in productivity and products price. It resulted in a substantial increase in gross profit margin from 29.5% for last year to 44.5% for current year. Such excellent performance not only generated considerable profit contribution to the Group, but also laid a good foundation for the future business expansion.

PROSPECTS

On 26 January 2011, the Group made an announcement in which the Company made an application to the Stock Exchange for the approval of the Proposed Spin-off of handbag business by the way of distribution in specie to the existing shareholders without raising any new fund. The Proposed Spin-off will enable the management team of the Company to continue to focus on building its core business, thereby enhancing the decision-making process and its responsiveness to market changes. The Proposed Spin-off is subject to the approval by Hong Kong Stock Exchange.

業務回顧

截至2010年12月31日止年度，本集團錄得營業額21.388億港元，較去年上升52.4%，純利為4.575億港元，較去年大幅增長95.7%；其中手袋業務純利貢獻為1.008億港元；而化工業務則錄得純利3.567億港元。

手袋業務方面，由於歐美消費市場疲弱，本集團惟努力透過開發新客戶、增強產品設計及成本控制，加上在市場上多年的經驗，手袋業務收入比去年上升17.3%，亦為本集團帶來穩定利潤。

化工業務方面，隨著三條生產線於本年全面投產，以及中國內需市場的強勁復甦，截至2010年12月31日止年度，化工業務錄得營業額12.853億港元，較去年上升90.2%；純利則上升181.1%至3.567億港元。純利大幅上升，主要由於產能及產品售價顯著增加，以致其毛利率由去年29.5%大幅增加至44.5%。化工業務的卓越表現，不但為集團帶來可觀的利潤貢獻，亦為未來化工業務擴展上，奠下良好的基礎。

展望

本集團於2011年1月26日發出公告，已向聯交所申請批准，無需集資下向現有集團股東以分派股份之方式分拆手袋業務。是次分拆建議將容許本集團之管理團隊專注發展其核心業務，因而提高決策過程之效率及其對市場變動之應變能力。有關分拆將有待香港聯合交易所進一步審批。

Chairman's Statement

主席報告

Expecting the handbag market to stabilise, the Company will focus on developing the China domestic market, in order to widen the market segment. In spite of a severe shortage of labour in China and the pressure of Renminbi currency appreciation, the handbag business will be full of challenges in the coming year. Nevertheless, the Group will strive to design various styles of products to meet market needs, explore new customers, enhance the production processes and reinforce internal controls in a bid to increase its profitability.

Furthermore, chemical business will continue to expand and to focus on the PRC domestic market. The forth production line will commence production in March 2011, where the output is expected to increase by 40,000 tons of chloromethane products and 60,000 dry tons caustic soda, as such the total yearly production capacity will reach 160,000 tons of chloromethane products, 220,000 dry tons caustic soda and 120,000 tons hydrogen peroxide. As to the new product, the Group will develop perchloroethylene to increase its product varieties. The Group will construct a chemical products pier in Changshu for our own use to lower the logistic costs of the Group. Moreover, the Group has entered into a land use rights transfer agreement with the Ruichang City Government to obtain the state-owned land use rights to an area of around 1,241 mu, for medium to long term development.

The management will, as it has always been, execute step-by-step the established market policies and strategies for business development and be fully devoted to generate favourable returns for the shareholders.

APPRECIATION

We thank all our customers, suppliers and all members of our management team and staff for their loyalty, dedication, and contribution during the period under review.

On behalf of the Board

Wai Siu Kee

Chairman

Hong Kong, 21 February 2011

預期手袋市場漸趨穩定，公司將致力發展中國內銷市場，以擴闊市場空間。儘管面對國內勞工市場緊張、以及人民幣升值壓力，管理團隊將會加倍努力，設計更多迎合市場的款式、開拓新客戶、改善生產流程及加強內部監控，期望來年取得更好利潤。

另化工業務將繼續擴大其產能及穩守中國內銷市場。第四條甲烷氯化物生產線將於2011年3月投產，預期可增加4萬噸甲烷氯化物及6萬噸乾噸燒碱生產量，而總年產量將達到16萬噸甲烷氯化物、22萬噸乾噸燒碱及12萬噸過氧化氫。為使產品更多元化，於新產品方面，將有四氯乙烯。集團將於常熟興建自用化工碼頭，以有效降低集團的物流成本。此外，集團已向江西省瑞昌市政府簽訂土地轉讓協議購入約1,241畝之國有土地使用權，以作中長期發展。

一如以往，管理層將按步就班，務實執行既定市場方針及業務擴展策略，努力不懈地為股東帶來可觀的回報。

鳴謝

本人謹代表董事會向各客戶、供應商、集團所有管理層成員及員工在過去一年之忠誠、辛勤與貢獻，深表謝意。

代表董事會

主席

衛少琦

香港，2011年2月21日

Management Discussion and Analysis

管理層討論及分析

RESULTS OF OPERATION

Revenue and net profit attributable to equity holders of the Company for the year ended 31 December 2010 was HK\$2,138.8 million and HK\$457.5 million representing an increase of 52.4% and 95.7% respectively, as compared to HK\$1,403.4 million and HK\$233.8 million respectively for the last year. The basic earnings per share for the year 31 December 2010 was HK\$55.5 cents as compared to HK\$28.3 cents for the year ended 31 December 2009. These excellent achievements are the results of tremendous growth of our chemical business and the efforts of our staff.

Handbag business

For the year ended 31 December 2010, the handbag business has achieved a revenue of HK\$853.5million and a net profit of HK\$100.8 million, representing an increase of 17.3% in revenue and a slight decrease of 5.7% in net profit, as compared to HK\$727.6million and HK\$106.9million respectively for the year ended 31 December 2009. Its net profit margin was 11.8% for the year ended 31 December 2010 and was fairly stable as compared to the year ended 31 December 2009. Same as previous years, the handbag business was able to maintain a stable profit and cash contribution through continuing enhancement of products design and production flows, further strengthening the customers base, and adopting more effective cost controls measures.

Chemical business

For the year ended 31 December 2010, the chemical business has achieved a revenue of HK\$1,285.3million and a net profit of HK\$356.7million, representing an increase of 90.2% and 181.1% respectively, as compared to HK\$675.9 million and HK\$126.9 million respectively for the last financial year. The increase in revenue was mainly due to the increased selling price of our main products, methylene chloride and chloroform ("CMS"), as well as the full year commercial operation of our 1st, 2nd and 3rd CMS production lines with total actual output of approximately 148,000 tons for the current financial year (2009: approx. 119,000 tons). At 31 December 2010, our new 4th CMS production lines with designed capacity of 40,000 tons per annum was in the final stage of installation and it is expected to start its commercial operation in March 2011.

經營業績

截至2010年12月31日止年度的收入及股東應佔純利分別為21.388億港元及4.575億港元，與去年的14.034億港元及2.338億港元比較，分別增加52.4%及95.7%。截至2010年12月31日止年度的每股基本盈利為55.5港仙，截至2009年12月31日止年度則為28.3港仙。此等卓越成績來自化工業務的大幅增長及有賴全體員工努力。

手袋業務

截至2010年12月31日止年度，手袋業務錄得收入8.535億港元及純利1.008億港元，與截至2009年12月31日止年度分別7.276億港元及1.069億港元比較，收入增加17.3%，純利則稍減5.7%。截至2010年12月31日止年度邊際純利11.8%，與截至2009年12月31日止年度比較相當穩定。與上年一樣，手袋業務透過持續提升產品設計及生產流程、進一步鞏固客戶基礎及採取更有效的成本控制措施，保持穩定利潤及現金貢獻。

化工業務

截至2010年12月31日止年度，化工業務錄得收入12.853億港元及純利3.567億港元，與上個財政年度分別6.759億港元及1.269億港元比較，分別增加90.2%及181.1%。收入增加主要由於本集團主要產品二氯甲烷及三氯甲烷（「甲烷氯化物」）售價上升，以及本集團第一、第二及第三條甲烷氯化物生產線全年投產，本財政年度實際總產量達約148,000噸（2009年：約119,000噸）。於2010年12月31日，本集團設計年產能40,000噸的第四條新甲烷氯化物生產線已處於最後的安裝階段，預期將於2011年3月投產。

Management Discussion and Analysis

管理層討論及分析

During the year, the average selling price of our main chemical products, methylene chloride and chloroform, was increased by more than 80% to approximately RMB4,970 and RMB4,920 respectively due to the keen market demand. Raw materials which mainly include salt and methanol are the largest items of our chemical production costs and their purchase price were maintained at a fairly stable level throughout the year. As a result, the gross profit margin of our chemical business was significantly increased to 44.5% for the year ended 31 December 2010 as compared with 29.5% for the year ended 31 December 2009.

Chemical Business-Distribution and selling expenses and administrative expenses

The distribution and selling expenses and administrative expenses of our chemical business increased by approximately 25.8% and 303.8% from HK\$35.7 million and HK\$26.1 million for the year ended 31 December 2009 to HK\$44.9 million and HK\$105.4 million for the year ended 31 December 2010, respectively as a result of the expansion and the increase in the revenue of chemical business during the year. The distribution and selling expenses and administrative expenses represented about 11.7% of the revenue for the year ended 31 December 2010, and was comparable to 9.2% for the year ended 31 December 2009.

Chemical Business-Finance costs

The finance costs incurred for the chemical business was HK\$8.8 million for the year ended 31 December 2010 as compared to HK\$11.4 million for the year ended 31 December 2009. The decrease was mainly due to the decrease in average amount of outstanding bank and other borrowings and interest rates during the year.

INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover of the Group maintained at a stable level of 38 days for the year ended 31 December 2010 as compared to 44 days for the year ended 31 December 2009.

Due to the stringent credit control, the average collection period was controlled within a favourable level of 34 days for the year ended 31 December 2010 as compared to 36 days for the year ended 31 December 2009 which is in line with the normal credit terms of 0 days to 90 days granted by the Group to its customers.

The Group's creditors' turnover days were 58 days for the year ended 31 December 2010 as compared to 66 days for the year ended 31 December 2009 which is in line with the normal credit terms of 30 days to 90 days granted by the suppliers to the group.

年內，由於市場需求殷切，本集團主要化工產品二氯甲烷及三氯甲烷的平均售價上升80%以上，分別上升至約人民幣4,970元及人民幣4,920元。原材料(主要包括鹽及甲醇)採購價於年內維持於頗穩定水平，而原材料為本集團化工生產成本內的最大項目。因此，截至2010年12月31日止年度，化工業務的邊際毛利大幅上升至44.5%，截至2009年12月31日止年度則為29.5%。

化工業務 - 分銷及銷售開支以及行政費用

由於化工業務年內擴充及收入增加，化工業務的分銷及銷售開支以及行政費用分別由截至2009年12月31日止年度3,570萬港元及2,610萬港元增加約25.8%及303.8%至2010年12月31日止年度的4,490萬港元及1.054億港元。分銷及銷售開支以及行政費用佔截至2010年12月31日止年度收入約11.7%，與截至2009年12月31日止年度的9.2%相近。

化工業務 - 融資成本

截至2010年12月31日止年度，化工業務產生的融資成本為880萬港元，截至2009年12月31日止年度則為1,140萬港元。融資成本減少主要由於年內未償還銀行及其他借款的平均數減少及利率下降所致。

存貨、應收賬款及應付賬款周轉率

截至2010年12月31日止年度，本集團存貨周轉率維持於38天的穩定水平，截至2009年12月31日止年度則為44天。

由於採取嚴格信貸控制，截至2010年12月31日止年度平均收賬期控制於頗理想的34天，截至2009年12月31日止年度則為36天，與本集團給予客戶的正常除賬期0至90天一致。

截至2010年12月31日止年度，本集團應付賬款周轉日數為58天，截至2009年12月31日止年度則為66天，與供應商給予本集團的正常除賬期30至90天一致。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2010, the total equity of the Group was HK\$1,377 million (2009: HK\$925 million), the Group's current assets were HK\$870 million (2009: HK\$361 million) and current liabilities were HK\$828 million (2009: HK\$595 million). As at 31 December 2010, the Group had bank balances of HK\$393 million which was placed as short term deposits with major leading banks in Hong Kong and the PRC.

The Group generally finances its operations with internally generated cash flows while part of the capital expenditure of the chemical business was financed by credit facilities provided by its principal bankers in Hong Kong and the PRC. As at 31 December 2010, the Group had outstanding bank borrowings of HK\$521 million (2009: HK\$372 million). Due to the completion of chemical production facilities and decrease in capital expenditure, the Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) has significantly decreased from 0.33 as at 31 December 2009 to 0.09 as at 31 December 2010.

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 for expansion.

HUMAN RESOURCES

At 31 December 2010, the Group had a workforce of more than 5,500 people and 700 people for its respective handbag and chemical business. The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staffs are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

流動資金、財務資源及資本結構

於2010年12月31日，本集團之權益總額為13.77億港元(2009：9.25億港元)；流動資產達8.70億港元(2009：3.61億港元)，而流動負債則為8.28億港元(2009：5.95億港元)。於2010年12月31日，本集團之銀行結存約3.93億港元。銀行結存乃存放於香港及中國主要銀行作短期存款。

本集團一般以內部產生的現金流量作為業務的營運資金，而部份化工業務的資本性支出則動用中港兩地主要往來銀行提供的信貸備用額。於2010年12月31日，本集團的未償還銀行借款為5.21億港元(2009：3.72億港元)。由於化工業務之生產設施已竣工，隨著資本性支出的減少，本集團的淨資本負債比率(借款總額減現金結餘除以股東權益)由2009年12月31日的0.33已大幅減少至2010年12月31日的0.09。

本集團的流動資金狀況保持穩健，且具備充裕的現金及可供動用的銀行備用額以應付集團的承擔、營運資金需要，並作為日後投資以擴充化工業務所需。

人力資源

於2010年12月31日，本集團員工於手袋及化工業務分別超過5,500名及700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。員工薪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。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The board of directors (the "Board") of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests. During the year under review, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited, 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 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 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2004. 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 year ended 31 December 2010. The Model Code also applies to other specified senior management of the Group.

企業管治常規

本公司致力保持高水準之企業管治。本公司董事會(「董事會」)相信，對本集團成長及對保障及提高股東權益，完善及合理的企業管治常規實在不可或缺。除下文所述者外，本公司於回顧年度內一直遵守香港聯合交易所有限公司證券上市規則「(上市規則)」附錄14所載之企業管治常規守則(「守則」)。

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。守則之條文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。

董事之證券交易

本公司已於2004年採納上市規則附錄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」)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2010年12月31日止年度內均遵守標準守則所載之規定標準。標準守則亦適用於本集團之特定高級管理層。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

Composition and role

The Board comprises:

Executive Directors:

Ms. Wai Siu Kee (*Chairman*)
Ms. Poon Lai Ming
Mr. Lee Man Yan
Mr. Kung Phong

Independent Non-executive Directors:

Mr. Wong Kai Tung, Tony
Mr. Wan Chi Keung, Aaron *BBS JP*
Mr. Heng Kwoo Seng (*resigned on 30 June 2010*)
Mr. Heng Victor Ja Wei (*appointed on 30 June 2010*)

The Board comprises of four executive directors (one of whom is the Chairman) and three independent non-executive directors. The three independent non-executive directors represent more than one-third of the Board. In addition, three of the independent non-executive directors possess appropriate legal, professional accounting qualifications and financial management expertise.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

The independent non-executive directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation or confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The independent non-executive directors are explicitly identified in all of the Company's corporate communications.

董事會

架構及角色

董事會包括：

執行董事：

衛少琦女士 (*主席*)
潘麗明女士
李文恩先生
龔鈞先生

獨立非執行董事：

王啟東先生
尹志強先生 *BBS 太平紳士*
邢詒春先生 (*辭任於 2010 年 6 月 30 日*)
邢家維先生 (*委任於 2010 年 6 月 30 日*)

董事會包括 4 位執行董事 (其中 1 位為主席) 及 3 位獨立非執行董事。3 位獨立非執行董事佔董事會成員三分之一以上。此外，3 位獨立非執行董事分別具適當之法律、專業會計師資格及財務管理經驗。

董事會主要著眼於本集團之整體策略及發展。董事會亦監察本集團之財務表現及經營業務之內部監控。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均合乎上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第 3.13 條規定所作出之年度獨立性確認函。而獨立非執行董事均可在本公司所有企業通訊內明確識別。

Corporate Governance Report

企業管治報告

The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are provided with adequate information in a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the year under review, board meetings were held and the individual attendance of each director is set out below:

主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。開會通知最少於常務會議14天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。草擬的會議紀錄亦會於合理時間內送交各董事省閱，方予確認。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。

於回顧年度內，已召開董事會，各董事出席情況詳列如下：

Name of director	董事姓名	Number of board meetings attended 出席董事會會議次數
Ms. WAI Siu Kee	衛少琦女士	14/15
Ms. POON Lai Ming	潘麗明女士	4/15
Mr. LEE Man Yan	李文恩先生	13/15
Mr. KUNG Phong	龔鈞先生	7/15
Mr. WONG Kai Tung, Tony	王啟東先生	5/15
Mr. HENG Kwoo Seng	邢詒春先生	3/13
Mr. WAN Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS 太平紳士</i>	5/15
Mr. HENG Victor Ja Wei	邢家維先生	2/2

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee was established in 2001 and its current members include:

Mr. HENG Victor Ja Wei (*appointed on 30 June 2010*) (*Chairman*)
 Mr. WONG Kai Tung, Tony
 Mr. WAN Chi Keung, Aaron *BBS JP*
 Mr. HENG Kwo Seng (*resigned on 30 June 2010*)

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in legal, business and accounting on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference which describe the authority and duties of the Audit Committee were adopted in 2001 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2010.

During the year, three Audit Committee meetings were held and the individual attendance of each member is set out below:

審核委員會

審核委員會於2001年成立，其現時成員包括：

邢家維先生(於2010年6月30日委任)(主席)
 王啟東先生
 尹志強先生 *BBS 太平紳士*
 邢詒春先生(於2010年6月30日辭任)

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之法律、商業及會計專業。審核委員會之架構及成員符合上市規則第3.21條之規定。為符合守則條文，描述審核委員會權限及職責之職權範圍已於2001年被採納，職權範圍全文已刊載於本公司網頁內。

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及效能。審核委員會並為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及效能。

審核委員會已與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匯報等事項進行討論，其中包括審閱截止2010年12月31日止年度之會計賬目。

年內，共召開3次審核委員會會議，個別成員的出席情況詳列如下：

Name of member	成員姓名	Number of attendance	出席次數
Mr. HENG Victor Ja Wei	邢家維先生	1/1	1/1
Mr. WONG Kai Tung, Tony	王啟東先生	2/2	2/2
Mr. HENG Kwo Seng	邢詒春先生	1/1	1/1
Mr. WAN Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS 太平紳士</i>	2/2	2/2

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee was established in 2005 and the current members include:

Mr. HENG Victor Ja Wei (*appointed on 30 June 2010*) (*Chairman*)
Mr. WONG Kai Tung, Tony
Mr. WAN Chi Keung, Aaron *BBS JP*
Mr. HENG Kwoo Seng (*resigned on 30 June 2010*)

All members of the Remuneration Committee are independent non-executive directors. The Remuneration Committee advises the Board on the Group's overall policy and structure for the remuneration of directors and senior management. The Remuneration Committee ensures that no director or any of his associate is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee were adopted in 2005 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

The Remuneration Committee has met during the year to determine the policy for the remuneration of directors and assess performance of executive directors and certain senior management and all members have attended in the meeting.

AUDITORS' REMUNERATION

For the year ended 31 December 2010, the auditors of the Company only provided audit services to the Company.

薪酬委員會

薪酬委員會於2005年成立，現時成員包括：

邢家維先生(於2010年6月30日委任)(主席)
王啟東先生
尹志強先生*BBS太平紳士*
邢詒春先生(於2010年6月30日辭任)

所有薪酬委員會成員均為獨立非執行董事。薪酬委員會為本集團董事及高級管理層之薪酬之整體政策及架構向董事會作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。為符合守則條文，薪酬委員會的職權範圍已於2005年被採納，並已刊載於本公司網頁內。

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鉤之酬金。

薪酬委員會已於本年度開會以釐定董事之酬金政策及評估執行董事及若干高級管理層之表現，所有成員均有出席會議。

核數師薪酬

於截止2010年12月31日止年度，本公司的核數師只向本公司提供核數服務。

Corporate Governance Report

企業管治報告

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Group and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to executive management the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management function within an established framework.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2010, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

INVESTOR RELATIONS AND COMMUNICATION

The Board is committed to providing clear and full information about the Group's performance to shareholders through the publication of interim results and annual results in a timely manner. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the website of the Company.

The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders dispatched together with the annual report.

內部監控

董事會全面負責本集團之內部監控系統及檢討其是否有效。董事會致力實行有效及完善之內部監控系統以保障股東利益及本集團資產。董事會已指派執行管理層在設定之範圍內實行內部監控系統及檢討所有相關財政、營運、遵守法則監控及風險管理功能。

董事的職責

董事須負責編制各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編制截止2010年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策，採納合適的香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及在持續進行有關業務之基準而編制。董事並須負責保存適當之會計紀錄，以能合理準確地披露本集團任何時候之財務狀況。

與投資者交流及溝通

董事會致力透過刊發中期業績及年度業績，適時地將本集團之表現清晰及全面地提供予股東。除發送通函、通告及財務報告予股東，股東亦可透過本公司網頁獲取額外資訊。

股東週年大會提供一個良好的平台讓股東向董事會發表及交流意見。本公司發出不少於21天之通告以鼓勵股東出席股東週年大會。主席、董事及外聘核數師均會列席會議以便回答本公司業務上之提問。

各重大獨立事項(包括個別董事之選任)均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函會與年報一併寄發予股東。

Profile of Directors and Senior Management

董事及高級管理層簡介

EXECUTIVE DIRECTORS

Ms. WAI Siu Kee, aged 66, is the chairman of the Company who joined the Group since its establishment in 1976. Ms. Wai has more than 45 years of experience in the manufacturing industry. She is responsible for the development of corporate strategies, corporate planning and overall management of the Group and in particular the marketing and development of the business of the Group.

Ms. POON Lai Ming, aged 55, joined the Group in 1976. She has over 32 years of experience in the handbag industry. She is responsible for the overall management and the operation of the Group's handbag manufacturing activities in the PRC.

Mr. LEE Man Yan, aged 33, is an executive director of the Group and general manager of Jiangsu Lee & Man Chemical Ltd. He is in charge of the corporate and strategic planning of the chemical business segment, and is responsible for the procurement, staff recruitment, public relations and management operations of the chemical business. He graduated from the University of British Columbia, Canada with a bachelor's degree in commerce. He joined the Group in 2000. Mr. Lee is a son of Ms. Wai Siu Kee, the Group's chairman.

Mr. KUNG Phong, aged 39, is an executive director and deputy general manager of the Group. He joined the Group in 2008 and has over 14 years of experience in business development as well as extensive knowledge in sales and marketing in both PRC and Hong Kong. He is responsible for the management and development of the handbag business of the Group. Mr. Kung is the spouse of Ms. Lee Man Ching, the director of sales of the Group and a son-in-law of Ms. Wai Siu Kee, the Group's chairman.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Kai Tung, Tony, aged 68, has been a practicing lawyer in Hong Kong since 1968 and has also been admitted as a solicitor in England and Wales. He is currently a consultant at Messrs. Hastings & Co., Solicitors and Notaries.

Mr. WAN Chi Keung, Aaron BBS, JP, aged 61. He holds a Master Degree in Business Administration of the Chinese University of Hong Kong, also an associate of the Institution of Business Agents, a member of the Land Institute (London), an associate of the Chartered Institute of Arbitrators and a fellow of The Institute of Administrative Accounting. He is engaged in the business of property valuation and property auction and has over 29 years of related experience.

執行董事

衛少琦女士，66歲，本公司之主席，於本集團在1976年成立時加入。衛女士於製造業積逾45年經驗。彼負責本集團之策略及策劃以至集團整體管理之發展，尤其整體業務之市場推廣及發展。

潘麗明女士，55歲，於1976年加入本集團。彼擁有逾32年手袋業經驗，負責本集團在中國之手袋製造業務之整體管理及營運。

李文恩先生，33歲，本集團執行董事及江蘇理文化工有限公司總經理。彼負責本集團化工業務之整體策略規劃，並負責化工機械物料採購，人事聘任，維繫與國內政府機構關係及日常營運管理工作。彼畢業於加拿大英屬哥倫比亞大學，持有商學士學位，於2000年加入本集團。李先生為本集團主席衛少琦女士之子。

龔飭先生，39歲，本集團執行董事兼副總經理，於2008年加入本集團。彼擁有超過14年業務發展經驗，並對中國及香港之銷售及市場推廣富有廣泛知識。彼負責本集團手袋業務之管理及發展。龔先生為本集團營業董事李文禎女士之配偶及本集團主席衛少琦之女婿。

獨立非執行董事

王啟東先生，68歲，自1968年以來為香港之執業律師，亦為英格蘭及威爾斯執業事務律師。彼現任希仕廷律師行之顧問。

尹志強先生 BBS, 太平紳士，61歲。彼持有香港中文大學工商管理碩士學位，亦為英國商業經紀學會會員、英國倫敦土地學會會員、英國皇家仲裁學會會員及英國管理會計師學會之資深會員。彼從事物業估值及物業拍賣業務，並具有超過29年相關經驗。

Profile of Directors and Senior Management

董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

Mr. HENG Victor Ja Wei, aged 33, is a partner of Morison Heng, Chartered Accountants and Certified Public Accountants in Hong Kong. He is a member of the Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants. He has worked in China Fire Safety Enterprise Group Limited (stock code: 0445) whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited in the capacity of an independent non-executive director.

SENIOR MANAGEMENT

Handbag Business

Ms. LEE Man Ching, aged 36, is the director of sales of the Group. She joined the Group in 2007 and has over 12 years of experience in sales and marketing. She is responsible for the Group's handbag business by leading the sales force in serving major OEM clients. Ms. Lee is the daughter of Ms. Wai Siu Kee, the Group's chairman and the spouse of Mr. Kung Phong, the executive director of the Group.

Mr. NG Yu Hung, aged 56, is the senior manager of the Group. He joined the Group in 1977. He has over 34 years of experience in the handbag industry. He is responsible for the marketing and development of the Group's handbag business in the European market.

Mr. CHIU Shun King, aged 48, is the production manager of the Group. He joined the Group in 1984 and has over 25 years of experience in the handbag industry. He is responsible for production planning and overall production management of the Group's factory in Gao Bu Industrial Park.

Ms. WONG Yuet Ming, aged 46, is the financial controller and company secretary of the Group. She joined the Group in 2004 and has over 22 years of experience in the field of auditing and accounting. She holds a master's degree in business administration from the University of Surrey, United Kingdom. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. She is responsible for the supervision and management of the Group's financial matters.

獨立非執行董事(續)

邢家維先生，33歲，為香港華利信會計師事務所之合夥人，亦為英國特許公認會計師公會會員及香港會計師公會會員。彼於香港聯合交易所有限公司主板上市的中國消防企業集團有限公司(股份代號：0445)工作，出任獨立非執行董事。

高級管理層

手袋業務

李文禎女士，36歲，本集團營業董事，於2007年加入本集團。彼擁有超過12年的銷售及市場推廣經驗，帶領銷售隊伍負責本集團手袋業務主要的OEM客戶。李女士為本集團主席衛少琦之女及本集團執行董事龔鈺先生之配偶。

伍于鴻先生，56歲，本集團之高級經理，於1977年加入本集團。彼擁有逾34年手袋業經驗，負責本集團手袋業務在歐洲市場推廣及業務發展。

趙順景先生，48歲，本集團生產經理，於1984年加入本集團。彼擁有逾25年手袋業經驗，負責本集團在高步工業城之廠房生產計劃及整體生產管理。

王月明女士，46歲，本集團財務總監兼公司秘書，於2004年加入本集團。彼擁有逾22年核數及會計經驗，持有英國倫敦蘇里大學之工商管理碩士學位。彼為英國特許公認會計師公會之資深會員，亦為香港會計師公會會員。彼負責本集團之財務監督及管理。

Profile of Directors and Senior Management

董事及高級管理層簡介

SENIOR MANAGEMENT (CONTINUED)

Handbag Business (Continued)

Ms. TSUI Chin Wai, Jennifer, aged 46, is the sales manager of the Group. She joined the Group in 1990. She graduated from the State University of New York with a master's degree in business administration. She is responsible for the sales and marketing of the Group's handbag business in the European market.

Ms. TAI Miu Fong, aged 46, is the senior manager of the group. She joined the Group in 2003 and has over 15 years of experience in marketing and development. She is responsible for the sales and marketing of the Group's handbag business in the United States and European market.

Mr. CHAN Kam Bun, aged 62 is the business manager of the Group. He joined the Group in 1982 and has over 44 years of experience in the handbag business. He is responsible for the handbag business development of the Group.

Chemical Business

Mr YANG Zuo Ning, aged 49, is the Deputy General Manager of Jiangsu Lee & Man Chemical Ltd. He joined the Group in 2006. He is a national acclaimed senior engineer and has 28 years of production experience in chlor-alkali industries. He is responsible for the production supervision, corporate strategic planning and general management of Jiangsu Lee & Man Chemical Ltd.

Mr LAM Hiu Fung, aged 40, is the deputy financial controller of the Group. He joined the Group in 2005 and has 17 years of experience in financial management. He holds a bachelor's degree in Accountancy from City University of Hong Kong and a master's degree in International Business from the Chinese University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is responsible for the supervision on the financial matters, tax issues and general management of the chemical business.

Mr. HUI Jun, Dan, aged 56, is the sales director of the Group's chemical business. He joined the Group in 2005 and has over 29 years experience in sales, marketing and business development in overseas and PRC enterprises. He is responsible for developing the Company's sales strategies, exploring potential markets and logistics management of Jiangsu Lee & Man Chemical Ltd.

高級管理層(續)

手袋業務(續)

徐展慧女士，46歲，本集團營業經理，於1990年加入本集團。彼畢業於紐約州立大學，持有工商管理學碩士學位。彼負責本集團手袋業務在歐洲市場之銷售及市場推廣。

戴妙芳女士，46歲，本集團高級經理，於2003年加入本集團。彼擁有逾15年市場推廣經驗，負責本集團手袋業務在美國及歐洲市場之銷售及市場推廣。

陳鑫彬先生，62歲，本集團業務經理，於1982年加入本集團。彼擁有逾44年手袋業經驗，負責本集團之手袋業務發展。

化工業務

楊作寧先生，49歲，江蘇理文化工有限公司副總經理，於2006年加入本集團。楊先生持有國家高級工程師職稱，彼擁有28年氯鹼化工生產技術之經驗。彼負責江蘇理文化工有限公司之生產監督、整體策略策劃及日常管理工作。

林曉峰先生，40歲，本集團副財務總監，於2005年加入本集團。彼擁有17年財務管理經驗，持有香港城市理工大學會計學學士及香港中文大學國際商業碩士學位。彼為英國特許公認會計師公會之資深會員，亦為香港會計師公會會員。彼負責本集團化工業務之財務監督，稅務及日常管理。

許俊先生，56歲，本集團化工業務之銷售總監，於2005年加入本集團。彼曾任職於海外及國內多家企業，擁有逾29年之銷售，市場推廣及業務發展工作經驗，彼負責江蘇理文化工有限公司之銷售策略，業務拓展及物流管理工作。

Profile of Directors and Senior Management

董事及高級管理層簡介

SENIOR MANAGEMENT (CONTINUED)

Chemical Business (Continued)

Dr. TSE Man Kin, aged 39, is the Business Development Manager of Jiangsu Lee & Man Chemical Ltd. He joined the Group in 2008 and has 16 years of experience in chemical research and research management. He holds a Ph. D in Chemistry from the Chinese University of Hong Kong and is a member of the American Chemical Society. He is responsible for the research and development of the chemical business.

高級管理層 (續)

化工業務 (續)

謝文健博士，39歲，江蘇理文化工有限公司業務發展經理，於2008年加入本集團。謝先生擁有16年化學研究及研發管理經驗，持有香港中文大學化學博士學位及為美國化學學會成員。彼負責本集團化工業務之研發工作。

Directors' Report

董事會報告

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 36 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 31.

An interim dividend of HK\$0.09 per share amounting to HK\$74,250,000 in total was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK\$0.13 per share to the shareholders on the register of members on 9 May 2011, amounting to HK\$107,250,000 in total, and the retention of the remaining profit for the year of HK\$350,293,000.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 27 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment were revalued as of 31 December 2010. The revaluation resulted in (i) a surplus over book values by HK\$22,083,000 which has been credited to other comprehensive income and accumulated in asset revaluation reserve, and (ii) a deficit over book values by HK\$65,000 which has been debited directly to profit or loss.

董事會謹此提呈截至2010年12月31日止年度之董事會報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。其主要附屬公司之業務概況載於財務報表附註36。

業績及分派

本集團截至2010年12月31日止年度之業績載於第31頁之綜合全面收益表。

年內已向股東派發中期股息每股9港仙總額74,250,000港元。

董事建議派發末期股息每股13港仙予於2011年5月9日名列股東名冊之股東，總額為107,250,000港元，年內保留溢利之保留額為350,293,000港元。

股本

本公司股本之詳情載於綜合財務報表附註27。

物業、廠房及設備

本集團之物業、廠房及設備已於2010年12月31日進行重估。因重估產生(i)超出賬面值之盈餘為22,083,000港元，已直接計入其他全面收益及累計於資產重估儲備中；及(ii)低於帳面值的虧損為65,000港元，已直接計入損益。

Directors' Report

董事會報告

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$157,044,000 for the purpose of expanding its business, mostly relating to its chemical product division. Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

DIRECTORS

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

Executive directors

Ms. Wai Siu Kee (*Chairman*)

Ms. Poon Lai Ming

Mr. Lee Man Yan

Mr. Kung Phong

Independent non-executive directors

Mr. Wong Kai Tung, Tony

Mr. Wan Chi Keung, Aaron JP

Mr. Heng Kwoo Seng (*resigned on 30 June 2010*)

Mr. Heng Victor Ja Wei (*appointed on 30 June 2010*)

In accordance with the provisions of the Company's Articles of Association, Ms. Poon Lai Ming and Mr. Wong Kai Tung, Tony will retire by rotation and, being eligible, will offer themselves for re-election.

Besides, Mr. Heng Victor Ja Wei will retire at the forthcoming annual general meeting and being eligible, will offer himself for re-election as director.

The term of office of each of the other independent non-executive directors is the period up to his retirement as required by the Company's Articles of Association.

物業、廠房及設備(續)

年內本集團添置約157,044,000港元之物業、廠房及設備主要為擴充本集團之化工產品業務。上述及本集團物業、廠房及設備於年內變動之詳情載於綜合財務報表附註13。

董事

於本年度及截至本報告日止，本公司之董事為：

執行董事

衛少琦女士(*主席*)

潘麗明女士

李文恩先生

龔鈞先生

獨立非執行董事

王啟東先生

尹志強先生 *BBS* 太平紳士

邢詒春先生 (*於2010年6月30日辭任*)

邢家維先生 (*於2010年6月30日委任*)

根據本公司組織章程細則，潘麗明小姐及王啟東先生均須告退，惟彼等均有資格並願意膺選連任。

除此以外，邢家維先生須於應屆之股東週年大會告退，惟彼有資格並願意膺選連任。

獨立非執行董事之任期，直至其須根據本公司組織章程細則之規定退任為止。

Directors' Report

董事會報告

DIRECTORS' SERVICE CONTRACTS

Ms. Wai Siu Kee and Ms. Poon Lai Ming have each entered into a service agreement with the Company on 1 September 2008 for a period of 3 years, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

Mr. Lee Man Yan has entered into a service agreement with the Company for a period of three years commencing 16 August 2010, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

Mr. Kung Phong has entered into a service agreement with the Company for an initial period of three years commencing 20 August 2009, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2010, the interests and short positions of directors and chief executives and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong (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 Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事之服務合約

衛少琦女士及潘麗明女士各自於2008年9月1日與本公司訂立服務協議，為期3年，此後一直存續，除非及直至任何一方向另一方發出三個月事前書面通知予以終止為止。

李文恩先生已與本公司訂立服務協議，年期由2010年8月16日起計為期3年，此後一直存續，除非及直至任何一方向另一方發出三個月事前書面通知予以終止為止。

龔飭先生已與本公司訂立服務協議，年期由2008年8月20日起計初步為期3年，此後一直存續，除非及直至任何一方向另一方發出三個月事前書面通知予以終止為止。

董事於股份及相關股份中之權益

於2010年12月31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、相關股份或債權證中，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：

Directors' Report

董事會報告

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

董事於股份及相關股份中之權益(續)

(a) Long positions in shares of the Company

(a) 於本公司股份之好倉

Ordinary shares of HK\$0.10 each of the Company

本公司每股0.1港元之普通股

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	所持已發行普通股數目	佔本公司已發行股本百分比
Lee Man Yan	Held by controlled corporation	618,750,000	75%
李文恩	由受控法團持有	(note)	

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

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

(b) Share options

(b) 購股權

Name of director	Capacity	Number of ordinary shares subject to options granted	Percentage of the issued share capital of the Company
董事姓名	身份	所授出購股權之普通股數目	佔公司已發行股本之百分比
Lee Man Yan	Beneficial Owner	82,500,000	10%
李文恩	全權受益人		

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

(c) 於本公司相聯法團之股份好倉

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

Directors' Report

董事會報告

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

(c) Long positions in shares of the associated corporations of the Company (Continued)

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, none of the directors or the chief executive, 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.

SHARE OPTIONS

A share option scheme as detailed in note 28 to the consolidated financial statements was adopted by the Company on 14 December 2001, under which the directors or the chief executive of the Company or their associates may be granted options to subscribe for shares in the Company.

The following table discloses movements of the Company's share options during the year ended 31 December, 2010:

董事於股份及相關股份中之權益 (續)

(c) 於本公司相聯法團之股份好倉 (續)

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，概無本公司董事或最高行政人員或彼等之聯繫人於本公司或其任何相聯法團之股份、相關股份或債權證中，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。

購股權

本公司於 2001 年 12 月 14 日採納一項購股權計劃 (詳情請載於綜合財務報表附註 28) 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。

於 2010 年 12 月 31 日年內本公司購股權變動如下呈列：

Directors' Report

董事會報告

SHARE OPTIONS (CONTINUED)

購股權(續)

Director 董事	Date of grant 授出日期	Exercise price 行使價 HK\$ 港元	Exercisable period 行使期	Number of share options 購股權數目				
				Outstanding at 1.1.2010 於2010年1月 1日尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed/ cancelled during the year 年內到期 ／取消	Outstanding at 31.12.2010 於2010年12月 31日尚未行使
Lee Man Yan	23.4.2010	6.69	23.4.2011-22.4.2015	-	27,500,000	-	-	27,500,000
李文思	23.4.2010	6.69	23.4.2012-22.4.2015	-	27,500,000	-	-	27,500,000
	23.4.2010	6.69	23.4.2013-22.4.2015	-	27,500,000	-	-	27,500,000
Total		總數		-	82,500,000	-	-	82,500,000
Exercisable at 31 December 2010		於2010年12月31日可行使		-				-

The options granted on 23 April 2010 may be exercised in accordance with the following terms of the share option scheme as to:

於2010年4月23日授出股權可根據以下購股權計劃之條款行使：

- (i) up to one-third of the options (i.e. options for an aggregate of 27,500,000 shares) will be exercisable from 23 April 2011 to 22 April 2015 (both dates inclusive) if the net profit after taxation ("Net Profit") for the financial year ended 31 December 2010 equals or exceeds 115% of the Net Profit for the financial year ended 31 December 2009;
- (i) 如截至2010年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤115%，則最多三分之一的購股權(即累計共27,500,000股購股權)將可於2011年4月23日至2015年4月22日(包括首尾兩天)內行使。
- (ii) up to two-thirds of the options (i.e. options for an aggregate of 55,000,000 shares) will be exercisable from 23 April 2012 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2011 equals or exceeds 130% of the Net Profit for the financial year ended 31 December 2009;
- (ii) 如截至2011年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤130%，則最多三分之二的購股權(即累計55,000,000股購股權)將可於2012年4月23日至2015年4月22日(包括首尾兩天)內行使：

Directors' Report

董事會報告

SHARE OPTIONS (CONTINUED)

- (iii) all of the options (i.e. options for an aggregate of 82,500,000 shares) will be exercisable from 23 April 2013 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2012 equals or exceeds 145% of the Net Profit for the financial year ended 31 December 2009;
- (iv) to the extent any options have not become exercisable by 23 April 2014 (i.e. options for an aggregate of 82,500,000 shares), they will be exercisable from 23 April 2014 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2013 equals or exceeds 160% of the Net Profit for the financial year ended 31 December 2009.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2010, shareholders (other than directors and chief executive 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 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 were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

購股權 (續)

- (iii) 如截至2012年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤145%，則全部購股權(即累計共82,500,000股購股權)將可於2013年4月23日至2015年4月22日(包括首尾兩天)內行使；
- (iv) 倘若任何購股權(即累計共82,500,000股購股權)直至2014年4月23日並未能獲得行使權，如截至2013年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤160%，則全部購股權將可於2014年4月23日至2015年4月22日(包括首尾兩天)內行使。

購買股份或債券之安排

除上文購股權權益所披露外，本公司、其控股公司、或其任何附屬公司或同系集團附屬公司於本期間任何時間內，概無參與任何安排，使本公司董事藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

主要股東

於2010年12月31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，擁有根據證券及期貨條例第XV部第2及3分部已向本公司披露、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0.1港元之普通股

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Name of shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東名稱	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
Fortune Star	Beneficial owner 實益擁有人	618,750,000	75%

Other than disclosed above, as at 31 December 2010, the Company has not been notified by any persons (other than directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision 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 36 of the SFO.

CONNECTED TRANSACTIONS

Details of the related party transactions for the year are set out in note 33 to the consolidated financial statements which are also the discloseable connected transaction pursuant to Listing Rules. In the opinion of the independent non-executive directors, these transactions entered into by the Group were:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there was no available comparison, on terms that were fair and reasonable so far as the shareholders of the Company were concerned; and
- (iii) either (a) in accordance with the terms of the agreements; or (b) where there were no such agreements, on terms no less favourable than those available to or from independent third parties.
- (iv) within the relevant cap amounts as agreed by the Stock Exchange.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

主要股東(續)

Name of shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東名稱	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
Fortune Star	Beneficial owner 實益擁有人	618,750,000	75%

除上文所披露，於2010年12月31日，概無任何其他人士(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。

關連交易

根據上市規則，有關本年度須予披露之關連交易之詳情載於綜合財務報表附註33。各獨立非執行董事認為，本集團進行該等交易乃：

- (i) 在本集團日常及一般業務中進行；
- (ii) 按(a)正常商業條款；或(b)當無可比較例子，其條款對本公司股東而言乃屬公平合理；
- (iii) 按(a)協議條款；或(b)當無此等協議時，不遜於給予或自獨立第三者所得之條款；及
- (iv) 所涉及金額不超過與聯交所議定之有關最高限額。

除上文所披露外，並無任何其它交易須按上市規則之要求須予披露為關連交易。

Directors' Report

董事會報告

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Connected transactions", no contracts of significance to which the Company, its holding company or any of its fellow subsidiaries and subsidiaries was a party and in which a director of the Company had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 27% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 9% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers were approximately 31% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 9% of the Group's total purchases.

None of the directors, their associates or any shareholders which, to the knowledge of the directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the five largest customers of the Group.

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

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

PRE-EMPTIVE RIGHTS

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

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

董事於重大合約中之權益

除「關連交易」一段所披露外，本公司、其控股公司或其任何同系集團附屬公司於年終或年內任何時間概無參與訂立與本公司董事有直接或間接重大權益之重要合約。

主要客戶及供應商

年內本集團五大客戶之累計銷貨佔本集團之總營業額約27%，而本集團最大客戶之銷貨佔本集團總營業額約9%。

年內本集團之五大供應商之累計購貨約佔本集團總購貨額31%，而本集團最大供應商之購貨佔本集團總購貨約9%。

概無董事、彼等之聯繫人或董事所知擁有本公司已發行股本5%以上之任何股東，擁有本集團五大客戶任何股本權益。

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回本公司之上市證券。

優先購股權

本公司之組織章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

委任獨立非執行董事

根據上市規則第3.13條之指引，每名獨立非執行董事已向本公司確認其年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

Directors' Report

董事會報告

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme are set out in note 28 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2010.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 39 to the consolidated financial statements.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Wai Siu Kee

CHAIRMAN

Hong Kong, 21 February 2011

酬金政策

本集團僱員之酬金政策由薪酬委員會設立，乃按僱員之功績、專業資格及才能而釐定。

本公司董事之酬金由薪酬委員會按本公司之經營業績、其個人之工作表現及相對之市場狀況而釐定。

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵，計劃詳情載於綜合財報表附註28。

足夠公眾持股量

本公司於截至2010年12月31日止整個年度內皆保持足夠公眾持股量。

報告期後事項

報告期後重要事項詳情載於綜合財務報表附註39。

核數師

有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會上提呈。

代表董事會

主席

衛少琦

香港，2011年2月21日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF LEE & MAN HOLDING LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Lee & Man Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 123, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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.

致理文集團有限公司股東

(於開曼群島註冊成立之有限公司)

本核數師行已審核載於第31頁至第123頁理文集團有限公司(「貴公司」)及其附屬公司(「統稱為 貴集團」)之綜合財務報表，此等財務報表包括於2010年12月31日之綜合財務狀況表，與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔之責任

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之披露規定編制真實及公平之綜合財務報表，及落實其認為編制綜合財務報表所必要之有關內部監控，以使綜合財務報表並無因欺詐或錯誤而導致之重大錯誤陳述。

核數師之責任

本核數師行之責任是根據本行之審核結果，對該等綜合財務報表作出意見，並根據雙方協議條款，僅向整體股東報告，而不作其他用途。本核數師行概不就本報告之內容向任何其他人士負責或承擔任何責任。本核數師行已根據香港會計師公會頒佈的香港審計準則進行審核工作。該等準則要求我們遵守道德規範並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY (CONTINUED)

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 the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 21 February 2011

核數師之責任 (續)

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之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有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編制真實及公平之綜合財務報表相關的內部監控，以因應不同情況設計適當之審核程序，但並非為對公司之內部監控是否有效而作出意見。審核工作亦包括評價董事所採用之會計政策之合適性及所作出之會計評估之合理性，以及評價綜合財務報表之整體呈報方式。

本核數師行相信，本行所獲得之審核憑證是充足和適當地為本行之審核意見提供基礎。

意見

本核數師行認為，本綜合財務報表足以真實並公平地反映 貴集團於2010年12月31日之財務狀況及 貴集團截至該日止年度之溢利及現金流量，並已根據香港財務報告準則及香港公司條例之披露規定而妥善編制。

德勤 • 關黃陳方會計師行

執業會計師

香港，2011年2月21日

Consolidated Statement of Comprehensive Income

綜合全面損益表

For the year ended 31 December 2010 截至2010年12月31日止年度

		Notes 附註	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Revenue	收入	5	2,138,808	1,403,428
Cost of sales	銷售成本		(1,333,105)	(983,753)
Gross profit	毛利		805,703	419,675
Other income	其他收入		13,755	7,409
Selling and distribution costs	銷售及分銷成本		(78,195)	(60,497)
General and administrative expenses	行政費用		(201,251)	(108,484)
Interest on bank borrowings wholly repayable within five years	利息支出 – 須於五年內全部償還之銀行借款		(10,480)	(13,792)
Profit before taxation	除稅前溢利		529,532	244,311
Income tax expense	所得稅支出	7	(71,989)	(10,488)
Profit for the year	年內溢利	8	457,543	233,823
Other comprehensive income	其他全面收益			
Surplus arising on revaluation of property, plant and equipment	因重估物業、廠房及設備而產生之盈餘		22,083	10,704
Recognition of deferred tax liability arising on revaluation of property, plant and equipment	因重估物業、廠房及設備而產生之遞延稅項負債		(3,111)	(426)
Exchange differences arising from translation	因換算而產生的滙兌差額		40,667	35
Share of reserve of a jointly controlled entity	應佔合營公司儲備		161	-
Other comprehensive income for the year	年內其他全面收益		59,800	10,313
Total comprehensive income for the year	年內全面收益總額		517,343	244,136
Earnings per share (HK cents)	每股盈利(港仙)	10	55.5	28.3

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2010 於2010年12月31日

	Notes 附註	2010 HK\$'000 千港元	2009 HK\$'000 千港元 (restated) (經重列)
Non-current assets			
Property, plant and equipment	13	1,257,403	1,147,156
Prepaid lease payments	14	55,855	55,766
Investment properties	15	26,341	22,408
Intangible assets	16	8,323	8,480
Deposits paid for the acquisition of property, plant and equipment		29,598	12,841
Interest in a jointly controlled entity	17	4,706	-
Defined benefit assets	32	4,538	4,250
		1,386,764	1,250,901
Current assets			
Inventories	18	168,072	108,375
Prepaid lease payments	14	1,235	1,210
Trade and other receivables	19	304,323	178,387
Derivative financial instruments	20	-	704
Tax recoverable		2,824	-
Restricted bank balances	21	-	1,705
Bank balances and cash	21	393,385	70,638
		869,839	361,019
Current liabilities			
Trade and other payables	22	313,530	293,991
Derivative financial instruments	20	530	-
Amounts due to related companies	23	6,955	8,911
Taxation payable		27,884	3,631
Bank borrowings-due within 1 year	24	479,577	288,832
		828,476	595,365
Net current assets (liabilities)		41,363	(234,346)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,428,127	1,016,555
Non-current liabilities			
Bank borrowings-due after 1 year	24	41,808	83,616
Other long term payables	25	-	1,676
Deferred taxation	26	8,917	6,008
		50,725	91,300
NET ASSETS		1,377,402	925,255
Capital and reserves			
Share capital	27	82,500	82,500
Reserves		1,294,902	842,755
		1,377,402	925,255

32

The consolidated financial statements on pages 31 to 123 were approved and authorised for issue by the Board of Directors on 21 February 2011 and are signed on its behalf by:

Wai Siu Kee
衛少琦
Chairman
主席

第31頁至第123頁所載之財務報表已於2011年2月21日經董事會通過及授權刊發，並由下列董事代表簽署：

Lee Man Yan
李文恩
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2010 截至2010年12月31日止年度

		Share capital	Share premium	Asset revaluation reserve	Non-distributable reserve	Translation reserve	Share options reserve	Special reserve	Accumulated profits	Total
		股本	股份溢價	重估儲備	不可分派儲備	匯兌儲備	購股權儲備	特別儲備	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note i) (附註)			(note ii) (附註)		
At 1 January 2009	於2009年1月1日	82,500	20,307	69,848	-	35,014	-	(67,990)	578,565	718,244
Profit for the year	年內溢利	-	-	-	-	-	-	-	233,823	233,823
Other comprehensive income for the year	年內其他全面收益	-	-	10,278	-	35	-	-	-	10,313
Total comprehensive income for the year	年內全面收益總額	-	-	10,278	-	35	-	-	233,823	244,136
Realised on depreciation of property, plant and equipment	物業、廠房及設備之折舊變現	-	-	(5,598)	-	-	-	-	5,598	-
Realised on disposal of property, plant and equipment	出售物業、廠房及設備變現	-	-	(387)	-	-	-	-	387	-
Deferred tax liability reversed on realisation of depreciation of property, plant and equipment	於物業、廠房及設備之折舊變現的遞延稅項負債撥回	-	-	538	-	-	-	-	(538)	-
Deferred tax liability reversed on realisation of disposal of property, plant and equipment	於出售物業、廠房及設備變現中的遞延稅項負債撥回	-	-	48	-	-	-	-	(48)	-
Dividends recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	(37,125)	(37,125)
At 31 December 2009	於2009年12月31日	82,500	20,307	74,727	-	35,049	-	(67,990)	780,662	925,255
Profit for the year	年內溢利	-	-	-	-	-	-	-	457,543	457,543
Other comprehensive income for the year	年內其他全面收益	-	-	18,972	-	40,828	-	-	-	59,800
Total comprehensive income for the year	年內其他全面收益總額	-	-	18,972	-	40,828	-	-	457,543	517,343
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎之付款	-	-	-	-	-	66,804	-	-	66,804
Realised on depreciation of property, plant and equipment	物業、廠房及設備之折舊變現	-	-	(8,198)	-	-	-	-	8,198	-
Realised on disposal of property, plant and equipment	出售物業、廠房及設備變現	-	-	(170)	-	-	-	-	170	-
Deferred tax liability reversed on realisation of depreciation of property, plant and equipment	於物業、廠房及設備之折舊變現的遞延稅項負債撥回	-	-	956	-	-	-	-	(956)	-
Deferred tax liability reversed on realisation of disposal of property, plant and equipment	於出售物業、廠房及設備變現中的遞延稅項負債撥回	-	-	22	-	-	-	-	(22)	-
Dividends recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	(132,000)	(132,000)
Transfer to non-distributable reserve fund	轉入不可分派儲備基金	-	-	-	59,575	-	-	-	(59,575)	-
At 31 December 2010	於2010年12月31日	82,500	20,307	86,309	59,575	75,877	66,804	(67,990)	1,054,020	1,377,402

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2010 截至2010年12月31日止年度

notes:

- (i) According to the relevant laws in the People's Republic of China ("PRC"), wholly foreign-owned enterprises in the PRC are required to transfer at least 10% of their net profits after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The non-distributable reserve fund can be used to offset the previous years' losses, if any. The non-distributable reserve fund is non-distributable other than upon liquidation.
- (ii) The special reserve of the Group represents:
- (a) the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired pursuant to a group reorganisation in December 2001; and
- (b) the special reserve of a subsidiary, Lee & Man Development Company Limited ("Lee & Man Development"), which represents the difference between the nominal value of the share capital issued by Lee & Man Development and the nominal amount of the share capital of subsidiaries acquired by it pursuant to a group organisation in 1993.

附註：

- (i) 根據中華人民共和國(「中國」)相關法律，在中國的外資企業須結轉最少10%除稅後溢利(根據中國會計規定釐定)至不可分派儲備，直至儲備結餘達到註冊資本50%。結轉該儲備必須在分派股息給股東前。不可分派儲備可用作抵消過往年度虧損(如有)。除清盤外，不可分派儲備是不得分派。
- (ii) 本集團之特別儲備乃：
- (a) 本公司透過2001年12月之集團重組所收購之附屬公司之股本面值與本公司已發行股本面值之差額；及
- (b) 附屬公司Lee & Man Development Company Limited(「理文發展」)之特別儲備乃其根據一項於1993年之集團重組所收購附屬公司之股本面值與理文發展已發行股本面值之差額。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010 截至2010年12月31日止年度

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	529,532	244,311
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	104,218	66,351
Share-based payment expense	股份支付開支	66,804	–
Interest on bank borrowings wholly repayable within five years	須於五年內全部償還之銀行貸款	10,480	13,792
Release of prepaid lease payments	預付租賃款攤銷	1,217	1,066
Amortisation of intangible assets	無形資產攤銷	1,019	800
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	542	227
Fair value changes on derivative financial instruments	衍生金融工具公允價值之變動	(70)	(704)
Impairment loss recognised in respect of trade receivables	應收貿易帳款減值虧損	204	369
Deficit arising on revaluation of property, plant and equipment	重估廠房及設備所產生之虧損	65	15
(Reversal of) write-down of inventories	存貨跌價(回撥)/準備	(3,114)	1,386
Interest income	利息收入	(1,701)	(291)
Change in fair value of investment properties	投資物業公允價值之變動	(1,374)	125
Recovery of doubtful debt	收回壞賬	(6)	–
Operating cash flows before movements in working capital	未計營運資金變動前之經營業務現金流量	707,816	327,447
(Increase) decrease in inventories	存貨(增加)減少	(56,583)	16,359
Increase in trade and other receivables	應收貿易及其他款項增加	(126,134)	(41,042)
Increase in defined benefit assets	界定利益資產增加	(288)	(398)
Increase in trade and other payables	應付貿易及其他款項增加	62,369	49,216
Increase (decrease) in derivative financial instruments	衍生金融工具之增加(減少)	1,304	(508)
(Decrease) increase in amounts due to related companies	應付關連公司款項(減少)增加	(1,956)	4,780
Cash generated from operations	經營業務所得現金	586,528	355,854
Hong Kong Profits Tax paid	已付香港所得稅	(13,418)	(8,874)
Profits Tax paid for other jurisdictions	已付其他司法權區所得稅	(37,757)	(56)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	535,353	346,924

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010 截至2010年12月31日止年度

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購置物業、廠房及設備	(112,217)	(135,987)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	(106,612)	(87,444)
Investment in a jointly controlled entity	投資一間合營公司	(4,545)	-
Decrease (increase) in restricted bank balances	有限制銀行存款減少(增加)	1,705	(1,705)
Interest received	已收利息	1,701	291
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	178	157
Increase in prepaid lease payments	預付租賃款增加	-	(7,501)
Purchase of intangible assets	購置無形資產	-	(921)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所耗現金淨額	(219,790)	(233,110)
FINANCING ACTIVITIES	融資活動		
Bank borrowings raised	新籌集銀行借款	327,638	248,784
Repayment of bank borrowings	償還銀行借款	(178,586)	(304,619)
Dividends paid	已付股息	(132,000)	(37,125)
Interest paid	已付利息	(10,480)	(13,792)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所耗)現金淨額	6,572	(106,752)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目增加淨額	322,135	7,062
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及等同現金項目	70,638	63,469
EFFECT OF CHANGES IN EXCHANGE RATE	匯率變動之影響	612	107
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	於年終之現金及等同現金項目	393,385	70,638

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands under the Companies Law (Revised) Chapter 22 of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Fortune Star Tradings Limited ("Fortune Star"), a company which is incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the section "Corporate Information" to the annual report.

The functional currency of the Company is United States dollars ("US dollars"), the consolidated financial statements are presented in Hong Kong dollars ("HK dollars") as the Company is listed in Hong Kong.

The Company acts as an investment holding company and the principal activities of its principal subsidiaries are set out in note 36.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and revised Standards and Interpretations applied in the current year

In the current year, the Group has applied the following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements

1. 一般資料

本公司根據開曼群島公司法(經修訂)第22章於開曼群島註冊成立為一家獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。其最終控股公司為 Fortune Star Tradings Ltd. (「Fortune Star」)，一間於英屬維爾京群島註冊成立之公司。本公司註冊辦事處及主要營業地點於本年報「公司資料」中披露。

本公司之功能貨幣為美金。由於本公司於香港上市，因此綜合財務報表以港元列示。

本公司為一間投資控股公司。其主要附屬公司之主要業務載於附註36。

2. 應用新訂及經修訂香港財務報告準則

於年內應用的新訂及經修訂準則及詮釋

於本年度，本集團已應用以下由香港會計師公會頒佈的新訂及經修訂準則及詮釋。

香港財務報告準則第2號(修訂)	集團以現金支付以股份結算的付款交易
香港財務報告準則第3號 (2008年經修訂)	業務合併
香港會計準則第27號 (2008年經修訂)	合併和單獨財務報表

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and revised Standards and Interpretations applied in the current year (continued)

HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK-Int 5	Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the application of the new and revised Standards and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則 (續)

於年內應用的新訂及經修訂準則及詮釋 (續)

香港會計準則第39號(修訂)	合資格對沖項目
香港財務報告準則(修訂)	於2009年頒佈的香港財務報告準則改進
香港財務報告準則(修訂)	對香港財務報告準則第5號的修訂作為於2008年頒佈的香港財務報告準則改進的一部分
香港(國際財務報告詮釋委員會)－詮釋第17號	分派予擁有人的非現金資產
香港－詮釋第5號	財務報表之呈列－借款人對於載有即時還款條款之有期貨款的分類

除下文所述者外，採納新訂及經修訂準則及詮釋對本集團當前或過往會計期間之綜合財務報表及披露並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Amendments to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group reassessed the classification of its unexpired leasehold land in accordance with the provisions set out in the amendments to HKAS 17. The application of the amendments to HKAS 17 does not affect the classification of the Group's leasehold land.

Hong Kong Interpretation 5 Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Hong Kong Interpretation 5 Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ("HK Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

2. 應用新訂及經修訂香港財務報告準則 (續)

修訂香港會計準則第17號－租賃

作為二零零九年發佈之「香港財務報告準則之改進」之一部分，對香港會計準則第17號「租賃」有關土地租賃之分類要求作出了修訂。香港會計準則第17號修訂前，承租人須將土地租賃歸類為經營租賃，並在綜合財務狀況表內列為預付租賃款。修訂已經刪除有關要求。經修訂後，土地之租賃將按照香港會計準則第17號之一般原則被歸類，即根據與租賃資產所有權相關之風險和報酬歸於出租人或承租人之程度釐定。本集團根據修訂香港會計準則第17號之條文，去重新評估未到期之租賃土地的分類。應用修訂香港會計準則第17號不影響到本集團土地租賃之分類。

香港詮釋第5號「財務報表之呈列－借款人對於載有即時還款條款之有期貨款的分類」

香港詮釋第5號財務報表之呈列－借款人對於載有即時還款條款之有期貨款的分類（「香港詮釋第5號」）澄清貸款人應載有賦予貸款人無條件權利隨時要求還款之條文（「可隨時要求還款之條文」）之定期貸款分類為流動負債。本集團已於本年度首次應用香港詮釋第5號。香港詮釋第5號須追溯應用。

為符合香港詮釋第5號載規定，本集團已更改分類具有可隨時要求償還條文之定期貸款的會計政策。於過往年度，該等定期貸款分類乃根據載於貸款協議所載定預定還款日期釐定。根據香港詮釋第5號，具有可隨時要求償還條文之定期貸款則須分類為流動負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Hong Kong Interpretation 5 Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (continued)

As at 31 December 2010, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK\$211,460,000 (2009: HK\$70,234,000) have been reclassified from non-current liabilities to current liabilities. The application of HK Int 5 has had no impact on the reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities (see note 38).

The effects of the above changes in accounting policies on the financial position of the Group as at 31 December 2009 are as follows:

2. 應用新訂及經修訂香港財務報告準則 (續)

香港詮釋第5號「財務報表之呈列－借款人對於載有即時還款條款之有期貨款的分類」(續)

於2010年12月31日，賬面總值為211,460,000港元(2009年：70,234,000港元)之銀行貸款(須於報告期間結算日後一年後償還，但載有可隨時要求償還條文)已分類為流動負債。應用香港詮釋第5號並無對當前及過往年度所呈報損益構成影響。

在金融負債到期日分析中(見附註38)，該等定期貸款於最早時間範圍內呈列。

以上會計政策的改變對於本集團於2009年12月31日的財務狀況之影響如下：

	As at 31/12/2009 (originally stated) 於 31/12/2009 (原先呈列)	Adjustments 調整	As at 31/12/2009 (restated) 於 31/12/2009 (經重列)
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		Increase (decrease) 增加 (減少)	
Current liabilities			
Bank Borrowings	218,598	70,234	288,832
Non-current liabilities			
Bank Borrowings	153,850	(70,234)	83,616
	372,448	—	372,448

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Hong Kong Interpretation 5 Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (continued)

The above changes in accounting policies have no impact on the financial position of the Group as at 1 January 2009 because the Group's facilities on that date did not include any repayment on demand clause. As such, the consolidated statement of financial position as at 1 January 2009 is not presented.

New and revised Standards and Interpretations issued but not yet effective

The Group has not early applied the following new and revised Standards and Interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 ¹
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ²
HKFRS 9	Financial Instruments ³
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁴
HKAS 24 (as revised in 2009)	Related Party Disclosures ⁵
HKAS 32 (Amendments)	Classification of Rights Issues ⁶
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁵
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁷

2. 應用新訂及經修訂香港財務報告準則 (續)

香港詮釋第5號「財務報表之呈列－借款人對於載有即時還款條款之有期貨款的分類」(續)

由於本集團截至2009年1月1日止的信貸並沒有載有即時還款條款之有期貨款，以上會計準則對本集團截至2009年1月1日止的財務狀況並無影響。

已頒佈但仍未生效的新訂及經修訂準則或詮釋

本集團並未提早應用下列已頒佈但仍未生效的新訂及經修訂準則或詮釋。

香港財務報告準則(修訂)	2010年頒佈的香港財務報告準則的改進 ¹
香港財務報告準則第7號(修訂)	披露－轉讓金融資產 ²
香港財務報告準則第9號	金融工具 ³
香港會計準則第12號(修訂)	遞延稅項：撥回相關資產 ⁴
香港會計準則第24號(2009年經修訂)	關聯人士披露 ⁵
香港會計準則第32號(修訂)	供股的分類 ⁶
香港(國際財務報告詮釋委員會)－詮釋第14號(修訂)	最少資金需求的預付款項 ⁵
香港(國際財務報告詮釋委員會)－詮釋第19號	以權益工具抵消金融負債 ⁷

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and revised Standards and Interpretations issued but not yet effective (continued)

- 1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
- 2 Effective for annual periods beginning on or after 1 July 2011.
- 3 Effective for annual periods beginning on or after 1 January 2013.
- 4 Effective for annual periods beginning on or after 1 January 2012.
- 5 Effective for annual periods beginning on or after 1 January 2011.
- 6 Effective for annual periods beginning on or after 1 February 2010.
- 7 Effective for annual periods beginning on or after 1 July 2010.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

2. 應用新訂及經修訂香港財務報告準則 (續)

已頒佈但仍未生效的新訂及經修訂準則或詮釋(續)

- 1 於2010年7月1日或2011年1月1日(如適用)或之後開始的年度期間生效。
- 2 於2011年7月1日或之後開始的年度期間生效。
- 3 於2013年1月1日或之後開始的年度期間生效。
- 4 於2012年1月1日或之後開始的年度期間生效。
- 5 於2011年1月1日或之後開始的年度期間生效。
- 6 於2010年2月1日或之後開始的年度期間生效。
- 7 於2010年7月1日或之後開始的年度期間生效。

香港財務報告準則第9號金融工具(2009年11月頒佈)引進有關金融資產分類和計量之新規定。香港財務報告準則第9號金融工具(2009年11月經修訂)增添有關金融負債及取消確認之規定。

- 香港財務報告準則第9號規定，屬香港會計準則第39號金融工具：確認和計量範圍以內之所有已確認金融資產其後均須按攤銷成本或公平值計量。特別是，於旨在收回合約現金流量之業務模式內所持有及其合約現金流量僅為償還本金及尚未償還本金之利息之債務投資，於其後會計期間結束時一般按攤銷成本計量。所有其他債務投資及股本投資於其後會計期間結束時均按其公平值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and revised Standards and Interpretations issued but not yet effective (continued)

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The amendments to HKAS 12 titled Deferred Tax: Recovery of Underlying Assets mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors anticipate that the application of the amendments to HKAS 12 has no significant impact on deferred tax recognised for investment properties that are measured using the fair value model.

The directors of the Company anticipate that the application of the other new and revised standards or interpretations will have no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則 (續)

已頒佈但仍未生效的新訂及經修訂準則或詮釋(續)

- 關於金融負債，大部分顯著變動與指定為按公平值透過損益列賬的金融負債有關。尤其是，根據香港財務報告準則第9號，就指定為按公平值透過損益列賬之金融負債而言，由該項負債之信貸風險變動引起之金融負債公平值變動金額於其他全面收益呈列，除非於其他全面收益呈列該項負債信貸風險變動之影響將會導致或擴大損益之會計錯配。由金融負債之信貸風險引起之公平值變動其後不會於損益重新分類。而之前根據香港會計準則第39號之規定，指定為按公平值於損益列賬之金融負債之所有公平值變動金額均於損益中確認。

香港財務報告準則第9號於2013年1月1日或之後開始之年度期間生效，准予提早應用。

香港會計準則第12號遞延稅項：撥回相關資產的修訂主要是關於根據香港會計準則第40號投資物業以公平值模式計量的投資物業的遞延稅計量。按照修訂，就使用公平值模式計量的投資物業的遞延稅項負債及遞延稅項資產計量而言，除非在部份情況下假定被駁回，投資物業的賬面值乃假設將透過銷售收回。董事預期應用香港會計準則第12號的修訂不會對就使用公平值模式計量的投資物業確認遞延稅項產生的重大影響。

本公司董事預期，應用其他新訂及經修訂準則或詮釋對綜合財務報表並不會有重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain property, plant and equipment, investment properties and financial instruments, which are measured at revalued amounts or fair values as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3. 主要會計政策

綜合財務報表乃根據會計師公會頒佈之香港財務報告準則編制。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露事項。

綜合財務報表乃按歷史成本基準編制，惟若干按重估金額或公允值計算之物業、廠房及設備以及金融工具則除外，其會計政策於下文解釋。歷史成本均按交易貨品時的代價公允值。

主要會計政策如下。

綜合基準

綜合財務報表包括本公司及其附屬公司。若本公司有權控制該實體之財務及經營政策，以從其活動中獲取利益則視為擁有控制權。

年內收購或出售附屬公司之業績乃由收購生效日期起計或計至出售生效日期止（倘適用）計入綜合全面收益表。

倘需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

所有集團內交易、結餘、收入及支出均於綜合賬目時對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Jointly controlled entity

Joint venture arrangement that involves the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as a jointly controlled entity.

The results and assets and liabilities of a jointly controlled entity are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in a jointly controlled entity is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entity. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a jointly controlled entity. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group' consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

3. 主要會計政策(續)

合營公司

合營公司指涉及成立合營方對實體經濟活動有共同控制權之獨立實體之合營企業安排。

合營公司之業績及資產與負債按權益會計法計入綜合財務表。根據權益會計法，於合營公司之投資在最初於綜合財務狀況報表按成本列賬，及期後按本集團應佔合營公司損益及其他全面收益調整列賬。倘本集團應佔合營公司之虧損相等於或超出其於該合營公司之權益（即包括任何長期權益，本質上為部份本集團於合營公司的淨投資），則本集團終止確認其應佔之進一步虧損。僅會於本集團於本集團產生法定或推定責任或代表該合營公司支付款項之情況下，方會確認額外虧損。

應用香港會計準則第39號的規定，以釐定集團投資在一家合營公司是否需要確認任何減值虧損。在需要時，該投資餘下的原賬面值會根據香港會計準則第36號「資產減值」為單一資產作出減值測試，並以其可收回金額（使用價值及公允價值之較高者減銷售成本）及其賬面值之間之差額。任何減值虧損會確認為投資部份的原賬面值。有關可取回金額之投資期後增加時，任何減值虧損回撥會按香港會計準則第36號確認。

倘集團實體與本集團合營公司進行交易，與合營公司交易所產生的損益於集團綜合報表確認，但只限於有關投資合營公司而與集團無關。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognised when goods are delivered and title has passed.

Service income is recognised when services are rendered.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment, including land and building held for use in production or supply of goods or services or for administrative purposes but other than construction in progress, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and amortisation and any subsequent accumulated impairment loss. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at costs less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策(續)

收入確認

收入按已收或應收代價之公允值計量，即日常業務過程中已提供貨物或服務扣除折扣及銷售有關稅項後之應收款項。

貨物銷售於貨物付運及擁有權轉移後確認。

服務收入於提供服務後確認。

當經濟利益流入本集團及收益金額可準確量度時，有關金融資產之利息收入予以確認。金融資產之利息收入乃以時間為基準按未償還本金及適用實際利率累計，而實際利率為透過金融資產之預期可用年期將估計日後所收現金實際折讓至該資產之賬面淨值之比率。

物業、廠房及設備

除在建工程外，物業、廠房及設備乃按重估值(指有關資產於重估當日按其評估之公允值減去其後之累計折舊及攤銷及任何減值虧損)於資產負債表中列示。重估乃按照足夠之守則進行，以確保其賬面值與於報告期末之公允值並無重大差額。

在建工程指正在建造以供生產或自用的物業、廠房及設備。在建工程按成本減任何已確認減值虧損列賬。在建工程於完成後並可供用於擬定用途時分類至物業、廠房及設備的適當類別。此等資產的折舊基準與其他物業資產相同，乃於資產可供用於擬定用途時開始計提。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Any surplus arising on revaluation of property, plant and equipment is recognised in other comprehensive income and accumulated in asset revaluation reserve, except to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent depreciation of the revalued assets, the attributable revaluation reserve is transferred to accumulated profits on a straight-line basis over the useful life of the assets, and, upon disposal and retirement, the remaining revaluation surplus attributable to that asset is transferred to accumulated profits.

Depreciation and amortisation is provided to write off the valuation of buildings and leasehold improvements over their estimated useful lives, using the straight-line method.

Depreciation is provided to write off the valuation of other property, plant and equipment over their estimated useful lives, using the reducing balance method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策(續)

物業、廠房及設備(續)

因重估物業、廠房及設備而產生之盈餘確認於其他全面收益及累計於資產重估儲備，除非有關資產於過往曾因重估虧絀而在綜合全面損益中確認為費用，則現時之重估盈餘將撥作收入，惟不能超過以往之累計虧絀。因重估一項資產令其賬面淨值減少至超過於過往重估該資產之資產重估儲備結餘(如有)時，差額計入綜合全面收益表中。於重估資產日後折舊時，有關重估儲備會在資產使用年限期間以直線法轉入累計溢利中。經重估資產日後之出售、棄用及折舊，其應佔重估盈餘乃轉入累計溢利中。

樓宇及租賃物業裝修之折舊及攤銷，乃按其估計可使用年期，以直線法撇銷其估值。

其他物業、廠房及設備之折舊乃按其估計可使用年期以遞延減值法撇銷其估值。

估計可使用年期、剩餘價值及折舊方法報告期結束時審閱，任何估計變動的影響按前瞻基準入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟效益時取消確認。資產出售確認產生之任何收益或虧損按該項目之出售所得款項淨額與賬面值間之差額計算，計入綜合全面收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 主要會計政策(續)

投資物業

投資物業指為收取租金及／或資本增值而持有之物業。

投資物業於初次確認時按成本計值，當中包括任何直接應佔開支。初次確認後，投資物業採用公允值模式按公允值計量。投資物業公允值變動產生之收益或虧損計入其產生期間之損益賬。

當出售或永久停止使用投資物業，或預期出售投資物業不會帶來日後經濟利益時，則不再確認投資物業。不再確認資產產生之任何收益或虧損(按出售所得款項淨額與資產之賬面值之差額計算)計入不再確認項目之年度之綜合全面收益表中。

租賃

凡租賃之條款規定擁有權所附帶之一切風險及回報實質上轉移至承租人者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

本集團作為承租人

經營租約之付款乃按相關租約年期以直線法確認。因訂立一項經營租約作為獎勵之已收及應收福利乃以直線法按租約年期確認作租金費用減少。或然租金於產生之會計期間計入損益。

當簽訂經營租賃而收取之租金優惠時，該租金優惠於負債確認。所有租金優惠之利益會扣取租金費用以直線基準入賬，除非其他基準更能代表使用租賃資產時得到的經濟效益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (continued)

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment.

To the extent the allocation of the lease payments can be made reliably, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to each element have been transferred to the Group. Interest in leasehold land that is classified as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it incurred.

3. 主要會計政策(續)

租賃(續)

租賃土地及樓宇

就租約分類而言，租賃土地及樓宇中土地及樓宇部分會獲分開考慮，除非未能於土地及樓宇部分可靠地分配租賃付款，於此情況下，所有租賃均會一般視為融資租賃並按物業、廠房及設備入賬。

倘能可靠地分配租金，集團評核每部份分類為融資或經營租賃會按評估每部份之所有重要的風險之回報已轉到集團為準。入賬列作經營租賃之租賃土地權益於合併財務狀況表呈列為「預付租賃款項」，並於租期內以直線基準攤銷。

無形資產

獨立收購之無形資產

獨立收購及有限使用年限之無形資產，按成本減任何累計攤銷及任何累計減損列賬，使用年期有限之無形資產會於估計使用年限內，按直線法作攤銷撥備。

不再確認無形資產產生之盈虧按出售所得淨額及資產賬面值之差額計量，並於資產不再確認時在綜合全面收益表確認。

科研發展支出

科研活動支出均於發生當期確認為支出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as revaluation increase under that standard.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and state-managed retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

有形及無形資產減值

本集團於每個報告期末審閱其有形及無形資產之賬面值，判斷是否有任何跡象顯示該等資產蒙受任何減值虧損。倘存在任何該等跡象，將估計資產之可收回價值，以釐定減值虧損之程度(如有)。倘估計資產之可收回價值低於其賬面值，則該資產之賬面值須減低至其可收回價值。減值虧損會即時確認為支出，除非相關資產乃按重估值列賬，則減值虧損根據該準則視為重估減值。

倘減值虧損其後撥回，則該資產之賬面值須增加至其經修訂之估計可收回價值，惟所增加之賬面值不得超過於過往年度並無就該資產確認任何減值虧損下而釐定之賬面值。減值虧損撥回會即時確認為收入，除非相關資產乃按重估值列賬，則減值虧損撥回根據該準則視為重估升值。

存貨

存貨乃按成本或可變現淨值兩者之較低者入賬。成本乃按加權平均法計算。

退休福利成本

根據香港強制性公積金計劃條例規定之強制性公積金計劃(「強積金計劃」)及國家管理退休福利計劃之付款於僱員提供服務使其可享有供款時計入為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefit costs (continued)

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses which exceed 10% of the greater of the present value of the defined benefit obligations and the fair value of plan assets at the end of the previous reporting period are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the present fair value of plan assets as adjusted for unrecognised actuarial gains and losses, and as reduced by the defined benefit obligation. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策(續)

退休福利成本(續)

就界定利益退休福利計劃而言，提供福利之成本乃按照預估單位利益法釐定，並於每個報告期末進行精算估值。精算估值產生之盈虧倘超出界定利益責任之現值與計劃資產之公允值兩者之較高者10%，則有關盈虧須在參與計劃之僱員之預期剩餘平均工作年期內攤銷。倘有關福利已獲授予，過往之服務成本會即時確認入賬，否則則按直線法在平均年期內攤銷，直至經修訂之利益獲授予為止。

在綜合財務狀況表內確認之退休福利責任呈示計劃資產之公允值，並已為未確認之精算估值盈虧作出調整及已扣減界定利益責任。據此計算之任何資產乃受限於未確認之精算虧損及過往服務成本，加上計劃之可退回現值及未來供款之削減。

外幣

於編制各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易當日之適用匯率換算為功能貨幣(即該實體經營所在主要經濟地區之貨幣)記賬。於各報告期末，以外幣定值之貨幣項目均按報告期末之適用匯率重新換算。按公允值列賬之非貨幣項目若以外幣定值，於釐定公允值當日之適用匯率重新換算。非貨幣項目若以外幣之歷史成本計量則不會重新換算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

From 1 January 2010 onwards, on the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. 主要會計政策(續)

外幣(續)

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益表確認。除本公司外國業務淨投資內的貨幣項目產生之匯兌差額以外，其匯兌差額會於綜合財務報表確認為其他全面收入，並於出售該業務時從權益轉作損益。按公允值列賬之非貨幣項目於重新換算時產生之匯兌差額於該期間之損益表確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於報告期末之適用匯率換算為本公司之列賬貨幣（即港元），而其他收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論。於此情況下，則採用於換算當日之適用匯率。所產生之匯兌差額（如有）乃確認為其他全面收益及累計於權益中（匯兌儲備）。

由2010年1月1日開始，在出售海外業務時（出售集團整份海外業務投資或失去控制權之出售附屬公司，並包括海外業務，出售失去控制權之合營公司或出售失去重大影響力的聯營公司並包括海外業務），所有累計於權益之匯兌差額且與本公司擁有人應佔權益有關會轉入收益表。此外有關出售部份附屬公司且不會引致集團失去附屬公司控制權，按比例份額之累計匯兌差額會再分配到非控股權益及不會於收益表中確認。於其他部分出售（聯營或合營公司之部份出售且不引致集團失去重要影響或集體控制），按比例份額之累計匯兌差額會重新分類至收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale for which the commencement date for capitalisation is on or after 1 January 2009, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策(續)

借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售之借貸成本會撥充該等資產成本部分，其資本化開始日期為2009年1月1日起，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產之特定借貸作短期投資賺取之投資收入，於合資格資本化之借貸成本中扣除。

所有借貸成本均於產生期間在綜合全面收益表確認並計入融資成本。

稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

即期應付稅項根據該年度的應課稅溢利計算。應課稅溢利有別於綜合全面收益表內所呈報的溢利，此乃由於其並無計入其他年度的應課稅或可扣稅收支項目，亦無計入日後的毋須課稅及不可扣稅的項目。本集團的即期稅項負債乃按已於各報告期末訂定或大致訂定的稅率計算。

遞延稅項乃就綜合財務報表內的資產與負債賬面值與計算應課稅溢利所採用的相應稅基間的差額確認。遞延稅項負債一般就所有應課稅暫時性差額予以確認，而遞延稅項資產則於可能動用應課稅溢利以抵銷可扣稅的暫時性差額予以確認。倘因初步確認一項既不影響應課稅溢利亦不影響會計溢利的交易的其他資產與負債而產生暫時性差額(業務合併除外)，則有關資產與負債不予確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in a jointly controlled entity, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債乃就於附屬公司及聯營公司的投資所產生的應課稅暫時性差額確認，惟倘本集團能控制暫時性差額的撥回以及暫時性差額有機會不會於可見將來撥回除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值乃於各報告期末進行檢討，並於不大可能動用足夠應課稅溢利以收回全部或部分資產時予以扣減。

遞延稅項按預期於清償負債或變現資產的期間內應用的稅率，以報告期末已生效或實質上已生效之稅率(及稅法)為基準計算。

遞延稅項負債及資產的計算，反映了本集團於報告期末所預期對收回或償還其資產及負債之賬面值的方式所產生的稅務結果。遞延稅項於損益內確認，惟倘遞延稅項涉及於其他全面收益或直接在股本權益確認項目，則遞延稅項亦會分別於其他全面收益或直接在股本權益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment transactions

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. 主要會計政策(續)

以股份為基礎的付款交易

以股本結算以股份為基礎的付款交易

所獲服務之公平值乃參考購股權於授出日期之公平值釐定，在購股權歸屬期以直線法作開支，並於權益(購股權儲備)作相應增加。

於呈報期末，本集團條訂其對預期最終歸屬購股權數目的估計。歸屬期內修訂估算之影響(如有)於損益內確認，並對購股權儲備相應作出調整。

購股權獲行使時，先前於購股權儲備中確認之款項將撥入股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日仍未行使，則先前於購股權儲備中確認之款項將撥入累計溢利。

金融工具

金融資產及金融負債乃當某集團實體成為工具合同條文之訂約方時在綜合財務狀況負債表確認。

金融資產及金融負債按公允值初步計量。收購或發行金融資產及金融負債直接應佔之交易成本(於損益表按公允值計算之金融資產及金融負債除外)乃於初步確認時加入金融資產或金融負債之公允值或自金融資產或金融負債之公允值內增加或扣除(倘適用)。收購按公允值計算之金融資產或金融負債直接應佔之交易成本即時於損益表內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

The Group's financial assets are mainly loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, restricted bank balances and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. 主要會計政策(續)

金融資產

本集團之金融資產主要為貸款及應收款項。所有定期購入或出售之金融資產於交易日確認或取消確認。定期購入或出售乃指按市場規則或約定所設定之既定時間內規定交收資產而購入或出售金融資產。

實際利率法

實際利率法乃計算金融資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃將估計日後現金收入(包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他所有溢價或折價)按金融資產之預期使用年期，或較短期間(倘合適)實際貼現之利率。

除按公允值計入損益的金融資產外，債務工具之利息收入按實際利率基準確認於淨收益或虧損中。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生性質金融資產，而其在活動市場並無報價。於初步確認後的每個報告期末，貸款及應收款項(包括應收貿易賬款及其他款項，有限制銀行存款及銀行結餘)採用實際利息法按攤銷成本減任何已識別減值虧損入帳(請參閱下文之金融資產減值虧損會計政策)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period ranged 0 to 90 days and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

3. 主要會計政策(續)

金融資產(續)

金融資產減值

金融資產(持作買賣的投資除外)於每個報告期末接受減值跡象評估。在客觀證據顯示金融資產的預計未來現金流量於原確認該金融資產後發生一項或多項事件而受到影響，則金融資產出現減值。

就貸款及應收款而言，減值之客觀證據可包括：

- 發行人或對手方出現重大財政困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；或
- 因為財務困難以致金融資產失去市場。

就若干類別的金融資產(如應收貿易賬款)評估為不會個別減值的資產，會於其後彙集一併接受減值評估。應收款項組合出現的客觀減值證據，可能包括本集團過往的付款記錄、組合內超過0-90日平均信貸期的還款數目上升，以及國家或地方經濟狀況出現明顯變動導致拖欠應收款項。

就按攤銷成本計值之金融資產而言，當出現客觀證據顯示資產已減值時，於損益表中確認減值虧損，減值金額為資產之賬面值與預期未來現金流之現值(以金融資產之現有實際利率折算)間之差異。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

3. 主要會計政策(續)

金融資產(續)

金融資產減值(續)

與所有金融資產有關之減值虧損會直接於金融資產之賬面值中作出扣減，惟應收貿易及其他款項除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收貿易及其他款項被視為不可收回時，其將於撥備賬內撇銷，原先已撇銷之金額於其後撥回，乃於損益表中計入。

就按攤銷成本計量之金融資產而言，倘減值虧損額於隨後期間有所減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值不得超過未確認減值時之已攤銷成本。

金融負債及權益

集團實體發行之金融負債及股本工具乃根據合同安排之性質與金融負債及股本工具之定義分類。

股本工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本集團之金融負債一般分類為按公允值計入損益的金融負債及其他金融負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis other than those financial liabilities at FVTPL, of which the interest expense is included in net gains or losses.

Other financial liabilities

The Group's other financial liabilities mainly include trade and other payables, amounts due to related companies, bank borrowings and other long term payables. They are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

Derivative financial instruments

Derivatives that are not designated and effective as hedging instruments are classified as held for trading.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. 主要會計政策(續)

金融負債及權益(續)

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息開支之方法。實際利率乃將估計日後現金支出按金融負債之預期使用年期，或較短期間(倘適用)實際折現之利率。

利率開支按實際利率基準確認。按公允值計入損益資產除外，其利息支出計入淨收益或虧損中。

其他金融負債

金融負債主要包括應付貿易賬款及其他應付款項，應付關連公司款項，銀行借款及其他長期應付款。其後採用實際利息法按攤銷成本計量。

股本工具

本公司所發行的股本工具於扣除直接發行成本後按已收所得款項入賬。

衍生金融工具

沒有指定和有效地作為對沖工具的衍生產品均視為作買賣交易的持有。

衍生工具最初按衍生合約訂立日期的公允值確認，其後於每個報告期末重新計量其公允值。所產生的盈虧即時在損益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策(續)

取消確認

金融資產於收取資產現金流量的權利屆滿時，或金融資產被轉讓且本集團已轉出金融資產所有權絕大部分風險及回報時取消確認。

於取消確認金融資產時，該項資產的賬面值與已收及應收代價總和之間的差額於損益表確認。倘集團仍保留已轉出資產所有權絕大部份風險及回報時，集團於收款時繼續確認抵押借款。

於取消確認金融資產時(並非全數取消確認，例如：當集團保留期權以購回部份已轉讓資產或保留剩餘之權益而不會導致保留擁有權之絕大部份風險及回報，以及集團保留控制權)，集團按轉讓當日之相對公允值作基準，將金融資產其較早前的賬面值，在持續參與下其繼續確認之部份與其不再確認之部份之間分配。分配到不再確認部份的賬面值及該不再確認部份所收到的代價總額，及所分配之任何累計利潤或虧損之間的差額，在其他全面收益內被確認為利潤或虧損，在其他全面收益內確認與累計利潤或虧損是按照該等部份相對公允值的基準下，在持續確認的部份與不再確認的部份之間進行分配。

金融負債於有關合約訂明的特定責任獲解除、取消或屆滿時取消確認。已取消確認金融負債的賬面值與已付及應付代價之間的差額在損益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make various estimates based on past experience, expectations of the future and other information. The key sources of estimation uncertainty at the end of the reporting period that can significantly affect the carrying amounts of assets and liabilities recognised in the consolidated financial statements within the next financial year are disclosed below.

Impairment loss on trade receivables

The assessment of the impairment loss on trade receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness of each customer. If the financial conditions of the Group's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Impairment is made based on the estimation of the future cash flow discounted at the original effective rate to calculate the present value. As at 31 December 2010, the carrying value of trade receivables (net of impairment loss) and bills receivables was approximately HK\$241,091,000 (2009: approximately HK\$153,943,000).

Write-down of inventories

Management reviews the inventories listing at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in operation. Allowance was made by reference to the latest market value for those inventories identified. Where the net realisable value is less than the cost, a material write down may arise. As at 31 December 2010, the carrying amount of inventories (net of allowances) was approximately HK\$168,072,000 (2009: approximately HK\$108,375,000).

4. 估計不確定性之主要來源

於應用本集團之會計政策(如附註3所述)時,本公司董事須根據過往經驗、預期未來狀況及其他資料作出各方面之估計。主要於下一個財務年度內可影響綜合財務報表內的資產及負債的確認數額之估計不確定性之主要來源概述如下。

應收貿易款項之減值虧損

本集團應收貿易款項之減值虧損之評估以可收回性、賬齡分析及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷,包括各客戶之現時信譽。倘本集團客戶財務狀況日趨惡化,削弱其付款能力,則須提撥額外準備。減值乃按估計日後現金流量以原來實際利率貼現以計算現值。於2010年12月31日,應收貿易款項之賬面值(扣除減值虧損後)及應收票據款項約241,091,000港元(2009:約153,943,000港元)。

存貨跌價準備

本集團管理層於各個報告期末審閱存貨清單,並對確認為不再適合用於生產之過時及滯銷庫存品進行撥備。撥備乃參照最近期之市場價值就該等已識別存貨計提準備。於2010年12月31日,存貨之賬面值(扣除準備後)約168,072,000港元(2009:約108,375,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Income taxes

As at 31 December 2010, deferred tax asset in relation to unused tax losses of approximately HK\$42,238,000 (2009: approximately HK\$37,976,000) was not recognised in the consolidated statement of financial position due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the expectation for future profit streams changes, a recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

4. 估計不確定性之主要來源 (續)

所得稅

由於未來溢利之流入不可預測，於2010年12月31日，有關未動用稅項虧損之遞延稅項資產約42,238,000港元（2009：約37,976,000港元）並無於本集團之財務狀況表中確認。遞延稅項資產之變現主要有賴於是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利乃多於預期溢利，遞延稅項資產可能會予以實質撥回，而該未來溢利會於有關撥回發生期間之綜合收益表內確認。

5. REVENUE

Manufacture and sales of	製造及銷售
– handbags	– 手袋
– chemical products	– 化工產品

5. 收入

2010 HK\$'000 千港元	2009 HK\$'000 千港元
853,539	727,555
1,285,269	675,873
2,138,808	1,403,428

6. SEGMENT INFORMATION

(a) Operating segments

Information reported to the Chairman of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold.

The Group's operating and reportable segments under HKFRS 8 Operating Segments are Handbags and Chemical products.

6. 分部資料

(a) 經營分部

銷售商品種類是作為呈報分部資料的劃分基礎，向本集團主席，作為主要經營決策者呈報資料，以進行資源分配及評估分部表現。

根據香港財務報告準則第8號經營分部本集團之營運及可報告分部為手袋及化工產品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

6. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

Principal activities are as follows:

- Handbags – Manufacture and sales of handbags
- Chemical products – Manufacture and sales of chloromethane products, caustic soda and hydrogen peroxide

Information regarding the above segments is reported below.

Segment revenues and results

6. 分部資料(續)

(a) 經營分部(續)

以下概要了本集團每個可報告分部的業務詳情：

- 手袋 – 製造及銷售手袋
- 化工產品 – 製造及銷售甲烷氯化物、燒鹼及過氧化氫

上述分部資料現呈報如下：

分部收入及業績

		Handbags 手袋 HK\$'000 千港元	Chemical products 化工產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2010	截至2010年 12月31日止年度			
REVENUE – external sales	收入 – 外部銷售	853,539	1,285,269	2,138,808
Segment profit	分部溢利	112,799	428,952	541,751
Central administration costs	中央行政費用			(1,739)
Interest on bank borrowings wholly repayable within five years	利息支出 – 須於五年內全部償還之銀行借款			(10,480)
Profit before taxation	除稅前溢利			529,532

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

6. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

Segment revenues and results (continued)

		Handbags	Chemical	Total
		手袋	化工產品	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
For the year ended	截至2009年			
31 December 2009	12月31日止年度			
REVENUE – external sales	收入—外部銷售	727,555	675,873	1,403,428
Segment profit	分部溢利	119,865	139,400	259,265
Other income	其他收入			3
Central administration costs	中央行政費用			(1,165)
Interest on bank borrowings wholly repayable within five years	利息支出—須於五年內全部償還之銀行借款			(13,792)
Profit before taxation	除稅前溢利			244,311

6. 分部資料(續)

(a) 經營分部(續)

分部收入及業績(續)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs and finance costs. This is the measure reported to the Chairman for the purposes of resource allocation and performance assessment.

可呈報分部的會計政策與本集團會計政策相同(附註3所述)。分部溢利指各分部應佔溢利，不包括中央行政成本及融資成本的分配。此乃向本集團主席呈報的方法，以進行資源分配及評估分部表現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

6. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Handbags	手袋	471,311	406,883
Chemical products	化工產品	1,784,931	1,204,673
Total segment assets	分部資產總額	2,256,242	1,611,556
Unallocated	未予分配資產	361	364
Consolidated assets	綜合資產	2,256,603	1,611,920

Segment liabilities

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Handbags	手袋	258,156	266,201
Chemical products	化工產品	620,394	419,903
Total segment liabilities	分部負債總額	878,550	686,104
Unallocated	未予分配負債	651	561
Consolidated liabilities	綜合負債	879,201	686,665

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets.
- all liabilities are allocated to reportable segments other than corporate liabilities.

6. 分部資料(續)

(a) 經營分部(續)

分部資產及負債

以下為本集團資產及負債按可呈報分部之分析：

分部資產

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Handbags	471,311	406,883
Chemical products	1,784,931	1,204,673
Total segment assets	2,256,242	1,611,556
Unallocated	361	364
Consolidated assets	2,256,603	1,611,920

分部負債

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Handbags	258,156	266,201
Chemical products	620,394	419,903
Total segment liabilities	878,550	686,104
Unallocated	651	561
Consolidated liabilities	879,201	686,665

監控分部之間的分部表現及分配資源的目的：

- 除中央資產外，所有資產均分配至可呈報分部；及
- 除中央負債外，所有負債均分配至可呈報分部。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

6. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

Other segment information

Amounts included in the measurement of segment profit or loss, or segment assets:

2010

Addition to non-current assets (note)	非流動資產添置(備註)			
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	16,362	87,856	104,218
Release of prepaid lease payments	預付租賃款項攤銷	490	727	1,217
Amortisation of intangible assets	無形資產攤銷	-	1,019	1,019
Impairment loss recognised in respect of trade receivables	應收帳款的減值虧損	204	-	204
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	62	480	542
Gain on fair value changes on derivative financial instruments	衍生金融工具公平值的變動收益	(70)	-	(70)
Reversal of write-down of inventories	存貨減值回撥	(3,114)	-	(3,114)
Recovery of doubtful debt	收回壞賬	(6)	-	(6)

6. 分部資料(續)

(a) 經營分部(續)

其他分部資料

計入計算分部損益或分部資產的款項：

2010

	Handbags 手袋 HK\$'000 千港元	Chemical products 化工產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
	7,579	154,739	162,318
	16,362	87,856	104,218
	490	727	1,217
	-	1,019	1,019
	204	-	204
	62	480	542
	(70)	-	(70)
	(3,114)	-	(3,114)
	(6)	-	(6)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

6. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

Other segment information (continued)

2009

		Handbags 手袋 HK\$'000 千港元	Chemical products 化工產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Addition to non-current assets (note)	非流動資產添置(備註)	3,603	224,529	228,132
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	15,383	50,968	66,351
Release of prepaid lease payments	預付租賃款項攤銷	490	576	1,066
Amortisation of intangible assets	無形資產攤銷	–	800	800
Impairment loss recognised in respect of trade receivables	應收帳款的減值虧損	255	114	369
Loss on disposal of property, plant and equipment	出售物業、廠房 及設備虧損	66	161	227
Write-down (reversal of write-down) of inventories	存貨減值撥備/ (回撥)	5,252	(3,866)	1,386
Gain on fair value changes on derivative financial instruments	衍生金融工具 公平值的變動收益	(704)	–	(704)

note: Non-current assets excluded defined benefit assets.

備註：非流動資產並不包括界定利益資產。

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

主要產品及服務的收入

本集團主要產品及服務收入分析如下：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Handbags	手袋	853,539	727,555
Chemical products	化工產品	1,285,269	675,873
		2,138,808	1,403,428

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

6. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China ("PRC") and the United States of America ("USA").

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

6. 分部資料(續)

(b) 地區資料

本集團業務分佈於香港、中華人民共和國(中國)及美國。

本集團來自外部客戶之收入及按資產的地區劃分之非流動資產詳情如下：

	Revenue from external customers		Non-current assets (note)	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Hong Kong	19,461	14,250	1,567	1,779
PRC	1,291,811	673,748	1,354,273	1,222,403
USA	457,729	367,139	45	61
Canada	31,927	26,557	-	-
The Netherlands	76,782	87,332	-	-
Italy	65,380	57,283	-	-
The United Kingdom	47,967	43,076	-	-
Germany	14,390	15,726	-	-
Other European countries	30,023	45,364	-	-
South American countries	28,914	27,499	-	-
Other Asian countries	74,082	44,650	26,341	22,408
Others	342	804	-	-
	2,138,808	1,403,428	1,382,226	1,246,651

note: Non-current assets excluded defined benefit assets.

備註：非流動資產並不包括界定利益資產。

Information about major customers

The directors are not aware of any customer that individually contributed over 10% of the consolidated revenue from external customers for both years.

關於主要客戶資料

董事並未知悉有任何個別客戶同於兩個財務年度內，其貢獻超過集團外部客戶收入之10%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

7. INCOME TAX EXPENSE

The charge comprises:	支出包括：
Current tax:	本年度稅項：
Hong Kong Profits Tax	香港所得稅
Other jurisdictions Income Tax	其他司法權區所得稅
Deferred tax (note 26):	遞延稅項(附註26)：
Current year	本年度

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

According to the 50:50 onshore/offshore arrangement between the Group and the Inland Revenue Department in Hong Kong, certain profit of the Group is not subject to tax.

PRC

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the relevant laws and regulations in the PRC, one of the Group's PRC subsidiaries is exempted from PRC income tax for two years starting from 2008, followed by a 50% reduction for the next three years. These tax holidays and concessions expire in 2012.

7. 所得稅支出

2010	2009
HK\$'000	HK\$'000
千港元	千港元
9,488	11,015
62,703	59
72,191	11,074
(202)	(586)
71,989	10,488

香港

香港所得稅乃根據該年度之估計應課稅溢利按 16.5% 稅率計算。

根據本集團與香港稅務局訂立之 50 : 50 非離岸／離岸安排，本集團之若干盈利毋須繳稅。

中國

根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司之稅率由 2008 年 1 月 1 日起為 25%。

根據中國相關法律及條例，本集團其中一間位於中國之附屬公司自 2008 年起豁免兩年中國企業所得稅，而隨後三年則享有減半稅優惠。此稅務優惠待遇將有效至 2012 年止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

7. INCOME TAX EXPENSE (CONTINUED)

Other jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in relevant jurisdictions.

The charge for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	529,532	244,311
Tax at the domestic income tax rate of 25% (2009: 16.5%) (note)	按本地所得稅率 25% 之稅項 (2009: 16.5%) (附註)	132,383	40,311
Tax effect of expenses not deductible in determining taxable profit	釐定應課稅溢利時不可扣稅支出之稅務影響	18,848	1,623
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利時毋須課稅收入之稅務影響	(427)	(71)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,178	630
Tax effect of profit not subject to tax under 50:50 arrangement	按 50:50 溢利比例基準之稅務影響	(12,151)	(9,100)
Effect of tax exemption granted to a PRC subsidiary	中國附屬公司豁免稅金之影響	(62,649)	(21,756)
Effect of different tax rates of subsidiaries operating in other jurisdictions	其他司法權區的稅率差異之影響	(5,081)	91
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	(112)	(1,240)
Income tax expense for the year	年內所得稅支出	71,989	10,488

Note: This represents the domestic income tax rate of the jurisdiction where a substantial portion of the Group's operation is based. During the year ended 31 December 2010, a substantial part of the Group's operation is based in the PRC, of which the domestic income tax rate is 25%. During the year ended 31 December 2009, a substantial part of the Group's operation is based in Hong Kong, of which the domestic income tax rate is 16.5%.

Details of deferred taxation at the end of the reporting period and during the year are set out in note 26.

7. 所得稅支出(續)

其他司法權區

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

年內稅項開支與綜合全面收益表所列除稅前溢利對賬如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	529,532	244,311
Tax at the domestic income tax rate of 25% (2009: 16.5%) (note)	按本地所得稅率 25% 之稅項 (2009: 16.5%) (附註)	132,383	40,311
Tax effect of expenses not deductible in determining taxable profit	釐定應課稅溢利時不可扣稅支出之稅務影響	18,848	1,623
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利時毋須課稅收入之稅務影響	(427)	(71)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,178	630
Tax effect of profit not subject to tax under 50:50 arrangement	按 50:50 溢利比例基準之稅務影響	(12,151)	(9,100)
Effect of tax exemption granted to a PRC subsidiary	中國附屬公司豁免稅金之影響	(62,649)	(21,756)
Effect of different tax rates of subsidiaries operating in other jurisdictions	其他司法權區的稅率差異之影響	(5,081)	91
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	(112)	(1,240)
Income tax expense for the year	年內所得稅支出	71,989	10,488

附註：此代表集團較重部份之經營的該司法權區本地所得稅率。於2010年12月31日期間，集團較重部份之經營是在中國，因此本地所得稅率為25%。於2009年12月31日期間，集團較重部份之經營是在香港，因此本地所得稅率為16.5%。

遞延稅項於報告期末及於年內之詳情載於附註26。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

8. PROFIT FOR THE YEAR**8. 年內溢利**

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year has been arrived at after charging:	年內溢利已扣除：		
Directors' emoluments (note 11)	董事薪酬(附註11)	70,583	3,227
Other staff costs	其他職員成本	224,513	176,731
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	2,743	2,114
Total staff costs	員工成本總額	297,839	182,072
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,217	1,066
Amortisation of intangible asset	無形資產攤銷	1,019	800
Auditors' remuneration	核數師酬金	1,553	1,190
Cost of inventories recognised as expenses (including reversal of write-down of inventories of HK\$3,114,000 (2009: write-down of inventories of HK\$1,386,000))	已確認為支出的存貨成本(包括存貨減值回撥\$311.4萬港元(2009: 存貨減值撥備\$138.6萬港元))	1,333,105	983,753
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	104,218	66,351
Impairment loss recognised in respect of trade receivables (included in selling and distribution costs)	應收帳款的減值虧損(包括在銷售及分銷成本內)	204	369
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	542	227
Loss on fair value changes on investment properties	投資物業的公平值變動之虧損	-	125
Deficit arising on revaluation of property, plant and equipment	重估物業、廠房及設備產生之虧損	65	15
Net exchange loss	匯兌淨虧損	5,104	1,098
Research and development cost recognised as expenses	已確認為支出的研發成本	2,043	629
and after crediting:	並已計入：		
Interest income	利息收入	1,701	291
Recovery of doubtful debt	收回壞賬	6	-
Gain on fair value changes on investment properties	投資物業的公平值變動之收益	1,374	-
Gain on fair value changes on derivative financial instruments	衍生金融工具的公平值變動之收益	70	704

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

9. DIVIDENDS

Dividends recognised as distributions during the year:	年內已確認分派之股息：
Final dividend of HK\$0.07 per share for the year ended 31 December 2009	截至2009年12月31日止年度 末期股息每股7.0港仙
Interim dividend of HK\$0.09 per share for the year ended 31 December 2010	截至2010年12月31日止年度 中期股息每股9.0港仙
Final dividend of HK\$0.015 per share for the year ended 31 December 2008	截至2008年12月31日止年度 末期股息每股1.5港仙
Interim dividend of HK\$0.03 per share for the year ended 31 December 2009	截至2009年12月31日止年度 中期股息每股3.0港仙

9. 股息

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
	57,750	–
	74,250	–
	–	12,375
	–	24,750
	132,000	37,125

A final dividend of HK\$0.13 (2009: HK\$0.07) per share for the year ended 31 December 2010 has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

董事會已建議派發截至2010年12月31日止年度之末期股息每股13.0港仙(2009: 7.0港仙)，惟須待股東於週年大會上批准。

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year of HK\$457,543,000 (2009: HK\$233,823,000) and 825,000,000 (2009: 825,000,000) shares in issue during the year.

The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for 2010. Diluted earnings per share is not presented because there is no dilutive effect on earnings per share.

10. 每股盈利

每股基本盈利乃按年內溢利457,543,000港元(2009: 233,823,000港元)除以年內已發行股份825,000,000股(2009: 825,000,000股)而計算。

由於2010年行使價超出普通股平均市價，故計算每股攤薄盈利時並無假設行使本公司之購股權。由於並沒有攤薄每股盈利，因此每股攤薄盈利並沒有呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

11. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 8 (2009: 7) directors were as follows:

11. 董事酬金

已付或應付予8位(2009: 7位)董事之酬金如下:

		Other emoluments				Total
		Salaries and other benefits	Retirement benefit schemes contributions	Share-based performance related incentive	Other performance related incentive payments	
Fees	薪金及其他福利	退休福利計劃供款	以股份為基礎之相關表現獎金	其他表現相關獎金	合計	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	
Year ended 31.12.2010	截至2010年12月31日止年度					
<i>Executive directors</i>	<i>執行董事</i>					
Wai Siu Kee	衛少琦	-	1,170	-	-	1,170
Poon Lai Ming	潘麗明	-	537	10	58	605
Lee Man Yan	李文恩	-	1,200	12	66,804	68,016
Kung Phong	龔紡	-	540	12	-	552
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Wong Kai Tung, Tony	王啟東	80	-	-	-	80
Wan Chi Keung, Aaron JP	尹志強	80	-	-	-	80
Heng Kwoo Seng (resigned on 30.6.2010)	邢詒春 (辭任於2010年6月30日)	40	-	-	-	40
Heng Victor Ja Wei (appointed on 30.6.2010)	邢家維 (委任於2010年6月30日)	40	-	-	-	40
		240	3,447	34	66,804	70,583

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

11. DIRECTORS' EMOLUMENTS (CONTINUED)

11. 董事酬金(續)

		Other emoluments 其他酬金				Total 合計
		Salaries and other benefits	Retirement benefit schemes contributions	Share-based performance related incentive	Other performance related incentive payments	
	Fees 袍金	Salaries and other benefits 薪金及 其他福利	Retirement benefit schemes contributions 退休福利 計劃供款	Share-based performance related incentive 以股份為基礎之 相關表現獎金	Other performance related incentive payments 其他表現 相關獎金	
	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
Year ended 31.12.2009	截至2009年12月31日止年度					
<i>Executive directors</i>	<i>執行董事</i>					
Wai Siu Kee	衛少琦	-	1,170	5	-	1,175
Poon Lai Ming	潘麗明	-	696	12	58	766
Lee Man Yan	李文恩	-	502	12	-	514
Kung Phong	龔紡	-	540	12	-	552
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Wong Kai Tung, Tony	王啟東	80	-	-	-	80
Wan Chi Keung, Aaron JP	尹志強	80	-	-	-	80
Heng Kwoo Seng (reappointed on 8.4.2009)	邢詒春 (再次委任於2009年4月8日)	60	-	-	-	60
		220	2,908	41	58	3,227

note: The share-based performance related incentive was determined in recognition of the director's outstanding performance in development and management of the chemical products business which has contributed a significant growth in the Group's profit and as an incentive for his continuing commitment and contribution to the Group in future. Other performance related incentive payments were determined with regards to individual performance. No directors waived any emoluments in the year ended 31 December 2010.

附註：以股份為基礎之表現相關獎金乃按董事在發展及管理化工產品業務的出色表現，以致本集團利潤大幅上升及作為對他將來為集團持續作出貢獻的獎勵。其他表現相關獎金乃按個人表現而釐定。截至2010年12月31日止年度並無股東放棄任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2009: two) were directors of the Company whose emoluments are disclosed in note 11 above. The emoluments of the remaining three (2009: three) individuals were as follows:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	2,112	2,040
Contributions to retirement benefits schemes	退休福利計劃供款	36	36
Discretionary bonus payments	表現相關獎金	280	339
		2,428	2,415

The emoluments were within the following band:

		2010	2009
		Number of employees	Number of employees
		僱員數目	僱員數目
HK\$Nil to HK\$1,000,000	截至 1,000,000 港元	3	3

12. 僱員酬金

在本集團5位最高薪酬之人士中，包括2位(2009：2位)本公司董事，其薪酬已載於上文附註11。而其餘3位(2009：3位)最高薪酬人士之酬金如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	2,112	2,040
Contributions to retirement benefits schemes	退休福利計劃供款	36	36
Discretionary bonus payments	表現相關獎金	280	339
		2,428	2,415

酬金介乎下列幅度：

		2010	2009
		Number of employees	Number of employees
		僱員數目	僱員數目
HK\$Nil to HK\$1,000,000	截至 1,000,000 港元	3	3

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

13. PROPERTY, PLANT AND EQUIPMENT**13. 物業、廠房及設備**

		Land and buildings	Furniture fixtures and equipment	Leasehold improvements	Motor vehicles	Plant and machinery	Construction in progress	Total
		土地及樓宇	傢俬、裝置 及設備	租賃 物業裝修	汽車	廠房及機器	在建工程	合計
		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
VALUATION/COST	估值/成本							
At 1 January 2009	於2009年1月1日	123,658	9,975	9,008	3,384	574,878	263,822	984,725
Currency realignment	滙兌調整	65	3	-	2	1,187	567	1,824
Additions	添置	-	1,210	317	580	91,852	122,694	216,653
Disposals	出售	-	(73)	-	(94)	(217)	-	(384)
Transfer	轉撥	17,996	-	-	-	343,317	(361,313)	-
Adjustment arising on revaluation	因重估產生之調整	(5,622)	(2,117)	14	(491)	(47,446)	-	(55,662)
At 31 December 2009	於2009年12月31日	136,097	8,998	9,339	3,381	963,571	25,770	1,147,156
Currency realignment	滙兌調整	1,638	41	11	30	33,119	1,284	36,123
Additions	添置	-	3,933	2,177	933	1,947	148,054	157,044
Disposals	出售	-	(34)	-	(206)	(480)	-	(720)
Transfer	轉撥	1,951	84	-	-	59,533	(61,568)	-
Adjustment arising on revaluation	因重估產生之調整	3,349	(2,359)	(125)	(798)	(82,267)	-	(82,200)
At 31 December 2010	於2010年12月31日	143,035	10,663	11,402	3,340	975,423	113,540	1,257,403
DEPRECIATION	折舊							
At 1 January 2009	於2009年1月1日	-	-	-	-	-	-	-
Provided for the year	本期撥備	10,869	2,065	938	907	51,572	-	66,351
Eliminated on revaluation	重估時對銷	(10,869)	(2,065)	(938)	(907)	(51,572)	-	(66,351)
At 31 December 2009	於2009年12月31日	-	-	-	-	-	-	-
Provided for the year	本年度撥備	12,232	2,179	1,125	851	87,831	-	104,218
Eliminated on revaluation	重估時對銷	(12,232)	(2,179)	(1,125)	(851)	(87,831)	-	(104,218)
At 31 December 2010	於2010年12月31日	-	-	-	-	-	-	-
CARRYING VALUE	賬面值							
At 31 December 2010	於2010年12月31日	143,035	10,663	11,402	3,340	975,423	113,540	1,257,403
At 31 December 2009	於2009年12月31日	136,097	8,998	9,339	3,381	963,571	25,770	1,147,156

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a reducing balance method at the following rates per annum except for the buildings and leasehold improvements which are depreciated on a straight-line at the rate of 5% per annum:

Furniture, fixtures and equipment	20%
Motor vehicles	25%
Plant and machinery (handbags segment)	20%
Plant and machinery (chemical products segment)	5%-10%

The carrying values of the Group's property interests comprises buildings on land under medium-term land use rights in the PRC.

The Group's property, plant and equipment were revalued as of 31 December 2010 by Sallmanns (Far East) Limited, an independent firm of professional property, plant and machinery valuers, on the fair market value in continued use basis.

The net surplus of HK\$22,018,000 (2009: HK\$10,689,000) arising on the above revaluation has been dealt with as follows:

- (i) a surplus of HK\$22,083,000 (2009: HK\$10,704,000) has been credited to the asset revaluation reserve; and
- (ii) a deficit of HK\$65,000 (2009: HK\$15,000) has been dealt with in the profit or loss.

13. 物業、廠房及設備(續)

除樓宇及租賃物業裝修之折舊乃以直線法按年率5%折舊外，上述物業、廠房及設備項目乃以其遞減結餘按下列年率折舊：

傢俬、裝置及設備	20%
汽車	25%
廠房及機器(手袋分部)	20%
廠房及機器(化工分部)	5% - 10%

本集團物業權益的帳面值指在中國境內享有中期土地使用權土地上的建築物。

本集團之物業、廠房及設備，於2010年12月31日由獨立專業物業、廠房及機器估值師，西門(遠東)有限公司，按繼續使用基準上以公允市值重估。

因上述重估而產生的淨盈餘22,018,000港元(2009：10,689,000港元)已處理入賬如下：

- (i) 22,083,000港元(2009：10,704,000港元)盈餘已撥入資產重估儲備；及
- (ii) 65,000港元之虧絀(2009：15,000港元)已計入損益表內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

If the above property, plant and equipment had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation at the following amounts:

		Land and buildings	Furniture, fixtures and equipment	Leasehold improvements	Motor vehicles	Plant and machinery	Construction in progress	Total
		土地及樓宇	傢俬、裝置及設備	租賃物業裝修	汽車	廠房及機器	在建工程	合計
		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
Cost	成本	149,943	28,781	18,225	9,238	1,145,706	113,540	1,465,433
Accumulated depreciation and amortisation	累計折舊及攤銷	(63,697)	(21,898)	(11,665)	(7,424)	(190,411)	-	(295,095)
Net book value	賬面淨值							
At 31 December 2010	於2010年12月31日	86,246	6,883	6,560	1,814	955,295	113,540	1,170,338
At 31 December 2009	於2009年12月31日	89,790	5,530	5,071	1,766	945,791	25,770	1,073,718

13. 物業、廠房及設備(續)

倘上述之物業、廠房及設備並無進行重估，其將會按歷史成本減去累計折舊以下列數額於綜合財務報表呈列：

78

14. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold land in the PRC under medium-term lease.

14. 預付租賃款項

本集團之預付租賃款項是指中國境內之中期租賃土地。

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Analysed for reporting purposes as:	分析呈報如下：		
Non-current asset	非流動資產	55,855	55,766
Current asset	流動資產	1,235	1,210
		57,090	56,976

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

15. INVESTMENT PROPERTIES**15. 投資物業**

		HK\$'000 千港元
FAIR VALUE	公允值	
At 1 January 2009	於2009年1月1日	21,785
Currency realignment	滙兌調整	748
Decrease in fair value recognised in profit or loss	公允值減少於損益表確認	(125)
At 31 December 2009	於2009年12月31日	22,408
Currency realignment	滙兌調整	2,559
Increase in fair value recognised in profit or loss	公允值增加於損益表確認	1,374
At 31 December 2010	於2010年12月31日	26,341

The fair value of the Group's investment properties at 31 December 2010 has been arrived at on the basis of a valuation carried out on that date by Jones Lang LaSalle Sallmanns Limited, an independent firm of professional property valuer, on the basis of open market value in existing use. A surplus of HK\$1,374,000 (2009: deficit of HK\$125,000) has been dealt with in the profit or loss.

The carrying value of investment properties shown above comprises:

本集團位於泰國之投資物業權益之公允值於2010年12月31日由獨立專業物業估值師，仲量聯行西門有限公司按其現有用途之公開市場價值基準重估。1,374,000港元盈餘(2009: 125,000港元虧損)已計入收益表中。

以上呈列之投資物業帳面值包括：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
- freehold land in Thailand	位於泰國永久業權土地	12,598	9,422
- buildings on freehold land in Thailand	位於泰國永久業權土地上之樓宇	13,743	12,986
		26,341	22,408

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

16. INTANGIBLE ASSETS

16. 無形資產

THE GROUP	本集團	Technical knowhow 技術知識 HK\$'000 千港元
COST		
At 1 January 2009	於2009年1月1日	5,670
Addition	添置	3,977
Currency realignment	滙兌調整	12
At 31 December 2009	於2009年12月31日	9,659
Addition	添置	568
Currency realignment	滙兌調整	360
At 31 December 2010	於2010年12月31日	10,587
AMORTISATION		
At 1 January 2009	於2009年1月1日	378
Provided for the year	本年度攤銷	800
Currency realignment	滙兌調整	1
At 31 December 2009	於2009年12月31日	1,179
Provided for the year	本年度攤銷	1,019
Currency realignment	滙兌調整	66
At 31 December 2010	於2010年12月31日	2,264
CARRYING VALUE		
At 31 December 2010	於2010年12月31日	8,323
At 31 December 2009	於2009年12月31日	8,480

The technical knowhow was acquired from third parties. It is amortised on a straight-line basis over its estimated useful life of ten years.

有關技術知識乃購自第三方。其於十年之估計使用年限內，按直線法攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

17. INTEREST IN A JOINTLY CONTROLLED ENTITY**17. 投資合營公司**

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Cost of unlisted investment in a jointly controlled entity	在一家非上市合營公司投資成本	4,545	–
Share of reserve	所佔儲備	161	–
		4,706	–

As at 31 December 2010, the Group had interest in the following jointly controlled entity, which is registered and operates in the PRC as sino-foreign enterprise:

於2010年12月31日，本集團投資以下合營公司，乃在中國註冊及經營的中外合資企業：

Name of entity 公司名稱	Class of capital held 股本級別	Proportion of registered capital attributable to the Group 本集團持有的註冊資本比例		Principal activity 主要業務
		2010	2009	
常熟東港置業有限公司	Paid-in capital 實繳股本	50%	–	Provision of port facilities 提供港口設施

The summarised financial information in respect of the Group's interest in the jointly controlled entity which is accounted for using the equity method is set out below:

有關本集團投資合營公司之財務資料，按權益會計法入賬，概述如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Current assets	流動資產	3,783	–
Non-current assets	非流動資產	1,089	–
Current liabilities	流動負債	(166)	–
Other comprehensive income for the year	年內其他全面收益	161	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

18. INVENTORIES

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

18. 存貨

2010 HK\$'000 千港元	2009 HK\$'000 千港元
95,395	58,153
45,822	38,410
26,855	11,812
168,072	108,375

During the year ended 31 December 2010, there was an increase in the net realisable value of raw materials due to market shortage of the relevant raw materials. As a result, a reversal of write-down of inventories of approximately HK\$3,114,000 has been recognised and included in cost of sales.

於2010年12月31日期間，由於市場對有關原材料的需求短缺，以致原材料可變現淨值增加。因此，存貨回撥約3,114,000港元已確認及包括在銷售成本。

19. TRADE AND OTHER RECEIVABLES

Trade receivables	應收貿易款
Less: allowance for doubtful debts	壞賬準備
Bills receivables	應收票據款
Bills receivables discounted with recourse	附追溯權之已貼現票據
Prepayment and deposits	預付款及訂金
Other receivables	其他應收款項
Total trade and other receivables	應收貿易及其他款項

19. 應收貿易及其他款項

2010 HK\$'000 千港元	2009 HK\$'000 千港元
100,322	84,129
(350)	(360)
99,972	83,769
108,732	25,900
32,387	44,274
241,091	153,943
60,268	22,667
2,964	1,777
304,323	178,387

The Group generally allows its trade customers an average credit period ranged from 0 to 90 days.

本集團一般給予貿易客戶之除賬期平均為0至90天。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Included in the balance are trade and bills receivables of HK\$241,091,000 (2009: HK\$153,943,000). The aged analysis of trade and bills receivables based on the invoice date at the end of the reporting period 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

The following amounts of trade receivables, bills receivables and other receivables are denominated in currencies other than the functional currency of the relevant group entities.

Euro	歐羅
Renminbi ("RMB")	人民幣
HK dollars	港元

19. 應收貿易及其他款項(續)

應收貿易及其他款項包括應收貿易款項及票據約241,091,000港元(2009: 153,943,000港元)。應收貿易款項及票據於報告期末之賬齡分析如下:

2010	2009
HK\$'000	HK\$'000
千港元	千港元
208,015	101,216
25,635	38,313
4,317	12,970
3,124	1,444
241,091	153,943

以下應收貿易款、應收票據及其他款項均以相關集團個體的功能貨幣以外的貨幣記賬。

2010	2009
HK\$'000	HK\$'000
千港元	千港元
12,791	15,029
472	317
2,285	2,770
15,548	18,116

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Before accepting any new customer, the Group assesses the potential customer's credit quality by investigating its historical credit record. During the year, the Group provided allowance for doubtful debts of approximately HK\$204,000 (2009: HK\$369,000) for individual debts which are doubtful to be recovered under the management's credit review with reference to the credit terms of individual customers. It is the practice of the Group to make specific provision for individual debts which were regarded as doubtful in its collectability. No general provision will be made.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of approximately HK\$8,110,000 (2009: HK\$10,378,000) which were past due at the reporting date but for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality of the relevant customers and the directors believe that the amounts are still recoverable as there are continuing subsequent settlement. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

0-30 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
Total	合計

19. 應收貿易及其他款項(續)

於接納任何新客戶前，本集團透過調查其過往之信貸紀錄評估客戶之潛在信貸質量。本集團根據管理層參考個別客戶的信貸期而作出信貸檢討下，已就個別客戶之應收款項作出呆賬撥備約204,000港元(2009: 369,000港元)。當應收款項被視為不可收回，本集團的做法便會作出特別呆賬撥備。而不會作一般呆賬撥備。

於報告日賬面值約8,110,000港元(2009: 10,378,000港元)的應收貿易款已過期，由於對信貸質數並無重大改變而本集團認為該款項仍可收回，故並無就減值虧損作撥備。本集團並無持有該款項之抵押品。

已過期而未減值的應收貿易款項賬齡如下：

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
	133	1,311
	1,226	6,972
	4,282	651
	2,469	1,444
	8,110	10,378

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結餘
Impairment losses recognised on receivables	應收賬款的減值
Amount written off as uncollectible	不能收回之金額
Amount recovered during the year	年內已收回之金額
Exchange realignment	滙兌調整
Balance at end of the year	年終結餘

At 31 December 2010, the carrying amount of the bills receivables pledged for the bills discounted with recourse, as disclosed in note 24, was approximately HK\$32,387,000 (2009: HK\$44,274,000).

Bills receivables discounted with recourse represent bills receivables already discounted to banks with recourse with a maturity period of 45 to 90 days. The Group retains all the risks and rewards of such bills and accordingly, the Group recognised the full amount of the discount proceeds as liabilities as set out in note 24.

19. 應收貿易及其他款項(續)

壞賬撥備之變動如下

2010	2009
HK\$'000	HK\$'000
千港元	千港元
360	1,355
204	369
(212)	(1,364)
(6)	–
4	–
350	360

於2010年12月31日，約32,387,000港元(2009：44,274,000港元)之應收票據款用作附有追溯權的票據貼現之擔保，已載於附註24。

附追溯權之已貼現票據指給予銀行附追溯權之已貼現票據，並於45日至90日內到期。本集團承受及享有該等票據之一切風險及回報，因此，本集團將已貼現票據所得款項之全數金額確認為負債，已載於附註24。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

20. DERIVATIVE FINANCIAL INSTRUMENTS

The amount represents the fair value of foreign exchange contracts held by the Group with terms stated as follows:

Notional amount 概念金額		Maturity 到期日	Exchange rate 兌換率
As at 31 December 2010	於2010年12月31日		
Sell EUR965,606	出售 965,606 歐羅	09.03.2011	1 EURO: 1.26600 USD
As at 31 December 2009	於2009年12月31日		
Sell EUR927,288	出售 927,288 歐羅	27.01.2010	1 EURO: 1.50445 USD
Sell EUR1,500,000	出售 1,500,000 歐羅	15.03.2010	1 EURO: 1.46195 USD

The derivatives are measured at fair value as at the end of the reporting period. They are used to hedge against the exchange rate fluctuation of Euro against USD.

20. 衍生金融工具

金額呈示本集團持有外幣兌換合約之公允值，其條款列載如下：

衍生合約於報告期末是按公允值計量。該合約是用於對沖歐羅對美金之外匯差異。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

21. RESTRICTED BANK BALANCES/BANK BALANCES AND CASH

The restricted bank balances at 31 December 2009 represented deposits placed with China Construction Bank in respect of the Group's bills payables. The restricted bank balances carried fixed interest rate of 1.98% per annum. The restricted bank balances were released upon the settlement of relevant bills payables during the year ended 31 December 2010.

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The deposits carry prevailing market interest rate which ranges from 0.2% to 1.91% (2009: 0.1% to 1%) per annum.

The following amounts of bank and cash are denominated in the foreign currencies other than the functional currency of the relevant group entities.

Euro	歐羅
RMB	人民幣
HK dollars	港元
US dollars	美元

21. 有限制銀行存款／銀行結餘及現金

於2009年12月31日之有限制存款乃存放於中國建設銀行用作開出承兌匯票。受限制銀行存款享有1.98%的固定年息率。於2010年12月31日期間，相關承兌匯票作結算時，該受限制銀行存款已經釋出。

銀行結餘及現金包括本集團持有之現金及原本為3個月或少於3個月到期之短期銀行存款。該等存款按市場平均年息率0.2%至1.91%（2009：0.1%至1%）計息。

以下銀行及現金結餘均以相關集團個體的功能貨幣以外的貨幣記賬。

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
		1,230	1,439
		2,259	2,577
		56,036	28,520
		1,458	2,024
		60,983	34,560

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

22. TRADE AND OTHER PAYABLES

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

Included in trade and other payables are trade and bills payables of HK\$150,838,000 (2009: HK\$138,074,000). The aged analysis of trade and bills payables at the end of the reporting period 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 and accruals	其他應付款及應付費用

The following amounts of trade and other payables are denominated in currencies other than the functional currency of the relevant group entities.

RMB	人民幣
HK dollars	港元
US dollars	美元

22. 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至90天。

應付貿易及其他款項包括應付貿易款項約150,838,000港元(2009: 138,074,000港元)，應付貿易款項於報告期末之賬齡分析如下：

2010 HK\$'000 千港元	2009 HK\$'000 千港元
80,433	88,508
33,009	22,905
29,291	21,843
8,105	4,818
150,838	138,074
162,692	155,917
313,530	293,991

以下應付貿易賬款及其他款項均以相關集團個體的功能貨幣以外的貨幣記賬。

2010 HK\$'000 千港元	2009 HK\$'000 千港元
52,918	51,575
29,731	28,078
6,825	119
89,474	79,772

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

23. AMOUNTS DUE TO RELATED COMPANIES

Capital Nation Investments Limited ("Capital Nation")	
Lee & Man Paper Manufacturing Limited 理文造紙有限公司 ("Lee & Man Paper")	

Capital Nation is beneficially owned by Ms. Lee Man Lai who is a daughter of Mr. Lee Wan Keung, the controlling shareholder of the Company's ultimate holding company, Fortune Star. Lee & Man Paper is beneficially owned by Mr. Lee Wan Keung.

The amounts are unsecured, non-interest bearing, repayable on demand and aged within 90 days.

23. 應付關連公司款項

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
	926	1,040
	6,029	7,871
	6,955	8,911

Capital Nation 由本公司最終控股公司 Fortune Star 之控股股東李運強先生之女兒李文麗實益擁有。理文造紙有限公司由李運強先生實益擁有。

有關款項為無抵押、不計息、需應要求償還及賬齡為90天。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

24. BANK BORROWINGS**24. 銀行借款**

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Bank loans	銀行借款	427,487	267,728
Bank import loans	銀行入口單借款	61,511	60,446
Advances drawn on bills discounted with recourse	附追溯權之已貼現票據墊款	32,387	44,274
		521,385	372,448
Carrying amount repayable:	需償還帳面值：		
Within one year	應要求或1年內	268,117	218,598
More than one year, but not exceeding two years	超出1年但不超出2年	41,808	41,808
More than two years but not more than five years	超出2年但不超出5年	-	41,808
		309,925	302,214
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	毋須於報告期間結算日後一年內 償還但具有可隨時要求償還 條文之銀行借貸賬面值 (在流動負債下列示)	211,460	70,234
		521,385	372,448
Less: Amounts due within one year shown under current liabilities	減：1年內的流動負債	(479,577)	(288,832)
Amounts shown under non-current liabilities	在非流動負債下列示	41,808	83,616
Analysed as:	分析為：		
Secured	有抵押	32,387	44,274
Unsecured	無抵押	488,998	328,174
		521,385	372,448

Advances drawn on bills receivables discounted with recourse represent the Group's bank borrowings secured by bills discounted to banks with recourse as disclosed in note 19.

As at 31 December 2010, the Group had available banking facilities of approximately HK\$1,188,579,000 (2009: HK\$837,889,000) of which HK\$521,385,000 (2009: HK\$372,448,000) was utilised.

附追溯權之已貼現票據墊款指本集團給予銀行附追溯權之已貼現票據，作為銀行借貸之擔保(見附註19)。

於2010年12月31日，本集團可用之銀行備用信貸額約1,188,579,000港元(2009：837,889,000港元)，其中521,385,000(2009：372,448,000港元)已被動用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

24. BANK BORROWINGS (CONTINUED)

The exposure of the Group's fixed-rate borrowings and variable-rate borrowings is as follows:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Fixed-rate borrowings (all within one year)	定息借款 (在一年內)	-	12,500
Variable-rate borrowings	浮息借款	521,385	359,948
		521,385	372,448

The ranges of effective interest rates per annum on the Group's borrowings are as follows:

		2010	2009
Effective interest rate:	實際利率：		
Fixed-rate borrowings	定息借款	N/A 不適用	5.04%
Variable-rate borrowings	浮息借款	0.8% to 2% over HIBOR or LIBOR 香港同業拆息或 倫敦同業拆息	0.6% to 3% over HIBOR or LIBOR 香港同業拆息或 倫敦同業拆息

The following amounts of bank borrowings are denominated in currencies other than the functional currency of the relevant group entities.

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
US dollars	美元	144,066	124,800
Euro	歐羅	1,232	5,457
HK dollars	港元	107,923	108,971
		253,221	239,228

24. 銀行借款(續)

本集團之定息借款及浮息借款分析如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Fixed-rate borrowings (all within one year)	定息借款 (在一年內)	-	12,500
Variable-rate borrowings	浮息借款	521,385	359,948
		521,385	372,448

本集團借款之實際利率範圍如下：

		2010	2009
Effective interest rate:	實際利率：		
Fixed-rate borrowings	定息借款	N/A 不適用	5.04%
Variable-rate borrowings	浮息借款	0.8% to 2% over HIBOR or LIBOR 香港同業拆息或 倫敦同業拆息	0.6% to 3% over HIBOR or LIBOR 香港同業拆息或 倫敦同業拆息

本集團除去以相關實體功能貨幣列值外之銀行借款呈列如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
US dollars	美元	144,066	124,800
Euro	歐羅	1,232	5,457
HK dollars	港元	107,923	108,971
		253,221	239,228

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

25. OTHER LONG TERM PAYABLES

These represent amounts payable for construction projects and acquisition and installation of equipment for the Group's chemical operation. The balance was repayable after one year from 31 December 2009 in accordance with the respective agreements. The balance repayable within one year from the end of the reporting period was included in other payables under current liabilities.

At 31 December 2010, the entire balance was repayable within one year.

26. DEFERRED TAXATION

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years.

25. 其他長期應付款

其他長期應付款項為建築項目及購買及安裝化學產品設備之應付款項。款項將於由2009年12月31日起計一年後按有關協議償還。於一年內需償還的款項已包括在流動負債之其他應付款項中。

於2010年12月31日，餘額於一年內償還。

26. 遞延稅項

本年度及過往報告期間已確認之主要遞延稅項負債及資產及其變動概述如下：

		Revaluation of property, plant and equipment
		物業、廠房 及設備重估
		HK\$'000
		千港元
At 1 January 2009	於2009年1月1日	6,168
Credit to profit or loss	計入損益	(586)
Charge to other comprehensive income	計入其他全面收益	426
At 31 December 2009	於2009年12月31日	6,008
Credit to profit or loss	計入損益	(202)
Charge to other comprehensive income	計入其他全面收益	3,111
At 31 December 2010	於2010年12月31日	8,917

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

26. DEFERRED TAXATION (CONTINUED)

At the end of the reporting period, the Group had unutilised tax losses of HK\$42,238,000 (2009: HK\$37,976,000) available to offset against future profits. No deferred tax asset has been recognised in respect of these unused tax losses due to the unpredictability of future profit streams. Tax losses of HK\$31,832,000 may be carried forward indefinitely while the remaining tax losses of HK\$10,406,000 from PRC subsidiaries may be carried forward for five years.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation liability has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of a PRC subsidiary amounting to HK\$507,154,000 (2009: HK\$127,346,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

27. SHARE CAPITAL

Ordinary shares of HK\$0.10 each:	每股面值0.1港元之普通股：		
Authorised:	法定：		
At 1 January 2009, 31 December 2009 and 31 December 2010	於2009年1月1日、2009年12月31日 及2010年12月31日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 January 2009, 31 December 2009 and 31 December 2010	於2009年1月1日、2009年12月31日 及2010年12月31日	825,000,000	82,500

There was no movement in the Company's share capital for both years.

26. 遞延稅項(續)

於報告期末，本集團尚未動用但可用作抵消未來課稅溢利之稅項虧損為42,238,000港元(2009：37,976,000港元)。由於未來溢利之流入不可預測，有關稅項虧損並無確認為遞延稅項資產。稅項虧損可無限期結轉。稅項虧損31,832,000港元可無限期結轉，而餘下來自中國附屬公司之稅項虧損10,406,000港元則可結轉五年。

根據中華人民共和國企業所得稅法，從2008年1月1日起，中國境內附屬公司宣派之股息均需繳納預提所得稅。由於本集團能夠控制撥回暫時性差額的時間，暫時性差額於可見將來極可能不會撥回，故本綜合財務報表並無就應佔中國境內附屬公司所產生累計溢利共507,154,000港元(2009：127,346,000港元)的暫時性差額計提遞延稅項撥備。

27. 股本

Number of ordinary shares	Amount
普通股份數目	金額
	HK\$'000
	千港元

本公司之股本於兩個年度並無變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

28. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 December 2001 for the purpose of providing incentives to directors and eligible persons. The Scheme remained in force for a period of 10 years from adoption of such scheme and expired on 13 December 2010.

Under the Scheme, the Company's board of directors could at their discretion grant options to (i) any director, employee or consultant of the Company or a company in which the Company holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Company or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Company or an Affiliate; or (iv) any customer, supplier or adviser as may be determined by the directors of the Company from time to time to subscribe for the shares of the Company.

Options granted must be taken up within 21 days of the date of grant. The maximum number of shares of the Company in respect of which options might be granted under the Scheme were not to exceed 10% of the issued share capital of the Company any point in time. The maximum number of the shares of the Company in respect of which options might be granted to any individual in any 12-month period were not to exceed 1% of the shares of the Company in issue on the last date of such 12-month period unless approval of the shareholders of the Company was obtained in accordance with the Listing Rules.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it could be exercised) as may be determined by the directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Options could be granted without initial payment. The exercise price was to equal to the highest of (i) nominal value of the shares of the Company; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

28. 購股權計劃

本公司根據一項於2001年12月14日通過之決議案，已採納購股權計劃（「計劃」），以獎勵董事及合適人士。計劃從採納後10年內有效，並於2010年12月13日屆滿。

根據計劃，本公司董事會（「董事會」）可酌情向(i)本集團、本集團擁有股本權益之公司或該公司之附屬公司（「聯屬公司」）之任何董事、僱員或業員；或(ii)受益人包括本集團或其聯屬公司之任何董事、僱員或業員之任何全權信託；或(iii)由本集團或其聯屬公司之任何董事、僱員或業員實益擁有之公司；或(iv)由董事會於不時決定之任何客戶、供應商或業員授予購股權以認購本公司股份（「股份」）。

獲授予之購股權必須於獲授日起計21天內接納。有關根據計劃所授出之購股權所涉及之股份數目，在任何時候最高不得超過本公司已發行股本之10%。除非根據上市規則獲得本公司股東批准，否則於任何12個月期間授予任何個別人士之購股權之最高股份數目，不得超過於該12個月期間之最後一日已發行股份之1%。

購股權可於董事會釐定之有關期間（該期間將由發行有關購股權起計10年內，並包括購股權可予行使前必須持有之最短期限（如有）內行使。購股權可在毋須作出初期付款之情況下授出，並可按下述三項中之最高者作為行使價格(i)股份之面值；(ii)股份於授出購股權當日聯交所每日報價表所列之每股收市價；及(iii)股份於緊貼授出日期前5個交易日在聯交所之每日報價表所列之平均每股收市價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

28. SHARE OPTION SCHEME (CONTINUED)

No options were granted by the Company under the Scheme during the year ended 31 December 2009.

The following table discloses movements of the Company's share options during the year ended 31 December 2010:

Director 董事	Date of grant 授出日期	Exercise price HK\$ 行使價 港元	Exercisable period 行使期	Number of share options 購股權數目			Lapsed/ cancelled during the year 年內到期 /取消	Outstanding at 31.12.2010 於2010年 12月31日 尚未行使
				Outstanding at 1.1.2010 於2010年1月 1日尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使		
Lee Man Yan 李文恩	23.4.2010	6.69	23.4.2011-22.4.2015	-	27,500,000	-	-	27,500,000
	23.4.2010	6.69	23.4.2012-22.4.2015	-	27,500,000	-	-	27,500,000
	23.4.2010	6.69	23.4.2013-22.4.2015	-	27,500,000	-	-	27,500,000
Total 總數				-	82,500,000	-	-	82,500,000
Exercisable at 31 December 2010			於2010年12月31日可行使	-				-

28. 購股權計劃(續)

於2009年12月31日期間，本公司並無根據計劃授出購股權。

於2010年12月31日年內本公司購股權變動如下呈列：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

28. SHARE OPTION SCHEME (CONTINUED)

The options granted on 23 April 2010 may be exercised in accordance with the following terms of the share option scheme as to:

- (i) up to one-third of the options (i.e. options for an aggregate of 27,500,000 shares) will be exercisable from 23 April 2011 to 22 April 2015 (both dates inclusive) if the net profit after taxation ("Net Profit") for the financial year ended 31 December 2010 equals or exceeds 115% of the Net Profit for the financial year ended 31 December 2009;
- (ii) up to two-thirds of the options (i.e. options for an aggregate of 55,000,000 shares) will be exercisable from 23 April 2012 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2011 equals or exceeds 130% of the Net Profit for the financial year ended 31 December 2009;
- (iii) all of the options (i.e. options for an aggregate of 82,500,000 shares) will be exercisable from 23 April 2013 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2012 equals or exceeds 145% of the Net Profit for the financial year ended 31 December 2009;
- (iv) to the extent any options have not become exercisable by 23 April 2014 (i.e. options for an aggregate of 82,500,000 shares), they will be exercisable from 23 April 2014 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2013 equals or exceeds 160% of the Net Profit for the financial year ended 31 December 2009.

At 31 December 2010, the number of shares in respect of which options had been granted and remained outstanding under the Scheme represented 10% (2009: nil) of the issued share capital at that date.

28. 購股權計劃(續)

於2010年4月23日授出股權可根據以下購股權計劃之條款行使：

- (i) 如截至2010年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤115%，則最多三分之一的購股權(即累計共27,500,000股購股權)將可於2011年4月23日至2015年4月22日(包括首尾兩天)內行使。
- (ii) 如截至2011年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤130%，則最多三分之二的購股權(即累計55,000,000股購股權)將可於2012年4月23日至2015年4月22日(包括首尾兩天)內行使；
- (iii) 如截至2012年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤145%，則全部購股權(即累計共82,500,000股購股權)將可於2013年4月23日至2015年4月22日(包括首尾兩天)內行使；及
- (iv) 倘若任何購股權(即累計共82,500,000股購股權)直至2014年4月23日並未能獲得行使權，如截至2013年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤160%，則全部購股權將可於2014年4月23日至2015年4月22日(包括首尾兩天)內行使。

於2010年12月31日，有關已授出購股權的股份數目及在計劃下尚未行使代表10%(2009：無)在此日期已發行股本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

28. SHARE OPTION SCHEME (CONTINUED)

The total fair value of the share options granted under the Scheme during the year ended 31 December 2010 is approximately HK\$163,430,000, calculated using the Binomial Model (the "Model"). The inputs into the Model and the estimated fair value of the share options are as follows:

		Share options with an exercisable period from 購股權之行使期由 23.4.2011 to 22.4.2015	Share options with an exercisable period from 購股權之行使期由 23.4.2012 to 22.4.2015	Share options with an exercisable period from 購股權之行使期由 23.4.2013 to 22.4.2015
Share price at date of grant	於授出日期之股價	HK\$6.69	HK\$6.69	HK\$6.69
Exercise price	行使價	HK\$6.69	HK\$6.69	HK\$6.69
Expected volatility	預期波幅	53.62% per annum	53.62% per annum	53.62% per annum
Expected life of share options	購股權預期年期	5 years	5 years	5 years
Expected dividend yield	預期股息率	4.75%	4.75%	4.75%
Risk-free rate	無風險年利率	2.03%	2.03%	2.03%
Fair value of share option	購股權之公允價值	HK\$1.78	HK\$2.02	HK\$2.15

Fair values of ordinary share were estimated by the directors with reference to the valuation carried out by an independent firm of professional valuers.

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 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.

The risk free interest rate was estimated based on the yield of 5-year exchange fund note issued by the Hong Kong Monetary Authority as of the grant date.

28. 購股權計劃 (續)

於2010年12月31日所授出購股權之公允價值為約163,430,000港元，採用二項式模型釐定（「模型」）。模型內容及購股權之估計公允價值呈列如下：

普通股之公允價值按董事估計並以獨立第三方估值師的估價作參考。

預期波幅按本公司過去五年公司股價之歷史波幅釐定。模式所採用預期年期已就不可轉讓、行使限制及行為考慮之影響按管理層最佳估計調整。

無風險利率按香港金融管理局之五年期外匯基金債券率於授出日期估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

28. SHARE OPTION SCHEME (CONTINUED)

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Share option expense of approximately HK\$66,804,000 was recognised in the general and administrative expenses of the consolidated statement of comprehensive income for the year ended 31 December 2010, calculated with reference to the vesting period.

29. OPERATING LEASES

Minimum lease payments paid under operating leases in respect of office premises during the year	年內有關辦公室物業經營租約之最低租賃付款
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At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	於第二至第五年內

The commitments for operating lease payments represent rentals payable by the Group for office properties. Leases are negotiated for an average term of two years. Rentals are based on the terms specified in the lease agreements.

28. 購股權計劃(續)

變數及假設用作計算購股權之公允價值乃按董事最佳估計。購股權價值由主觀假設之不同變數而變更。

購股權支出約66,804,000港元已於截至2010年12月31日止年度之綜合全面收益表中的行政費用確認，並以歸屬期間參考計算。

29. 經營租約

2010 HK\$'000 千港元	2009 HK\$'000 千港元
2,658	1,907

於報告期末，本集團就不可註銷經營租約之未來最低租賃付款承擔如下：

2010 HK\$'000 千港元	2009 HK\$'000 千港元
30	33
-	-
30	33

經營租賃付款承擔指本集團就其辦公室物業應付之租金。租賃之平均租期為兩年，租金乃根據租賃協議內之指定條款釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

30. OTHER COMMITMENT

At the end of the reporting period, the Group had commitments for future consultancy fee payments under non-cancellable contracts which fall due as follows:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	180	598
In the second to fifth year inclusive	於第二至第五年內	630	199
		810	797

30. 其他承擔

於報告期末，本集團持有不可撤銷的顧問費支出合約，其到期日如下：

31. CAPITAL COMMITMENTS

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於綜合財務報表中撥備之資本性支出		
– the acquisition of property, plant and equipment	購置物業、廠房及設備	17,471	20,853
– the acquisition of land use rights	購入土地使用權	23,075	22,288

31. 資本承擔

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

32. RETIREMENT BENEFIT SCHEMES

Defined benefit scheme

The Group is a member of a defined benefit scheme which was open to qualified employees of companies under the control of Fortune Star. In December 2000, all the then existing members of the defined benefit scheme were enrolled into a MPF Scheme and their accrued benefits for the past services under the defined benefit scheme were frozen as at 30 November 2000. The defined benefit scheme was closed to new employees from December 2000 onwards.

Under the defined benefit scheme, employees are entitled to retirement benefits varying between 0 and 100% of their salary as at 30 November 2000 multiplied by the pensionable service up to 30 November 2000 on attainment of a retirement age of 55. No other post-retirement benefits are provided.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 December 2010 by HSBC Life (International) Limited. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The main actuarial assumptions used were as follows:

Discount rate	貼現率
Expected return on plan assets	計劃資產預期回報
Expected rate of salary increases	薪酬預期增幅

The actuarial valuation shows that the market value of plan assets at 31 December 2010 was HK\$9,705,000 (2009: HK\$9,936,000) and that the actuarial value of these assets represented 140% (2009: 130%) of the benefits that were accrued to members.

32. 退休福利計劃

界定利益計劃

本集團為一項界定利益計劃之成員，該計劃專為集團公司之合資格僱員而設。於2000年12月，界定利益計劃當時之所有成員已登記加入強積金計劃，其於界定利益計劃下過往服務之累積利益已於2000年11月30日被凍結，界定利益計劃亦由2000年12月起不再接受新僱員加入。

根據界定利益計劃，僱員於年屆55歲退休之齡時，可收取之退休福利乃相等於其於2000年11月30日之薪酬之0%至100%不等，並乘以截至2000年11月30日止之應計算退休金之服務年資。本集團並未提供其他退休後福利。

計劃資產及界定利益承擔現值之最近期精算評估乃由匯豐人壽保險(國際)有限公司於2010年12月31日作出評估。界定利益承擔現值、相關之現時服務成本及過往服務成本乃採用預估單位利益法計算。

所採用之主要精算假設如下：

	2010 Per annum 年率	2009 Per annum 年率
Discount rate	0%	0%
Expected return on plan assets	3%	3%
Expected rate of salary increases	0%	0%

精算評估顯示計劃資產於2010年12月31日之市值為9,705,000港元(2009: 9,936,000港元)，而該等資產之精算價值乃相當於計劃成員應得利益之140%(2009: 130%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

32. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The credit recognised in the profit or loss in respect of the defined benefit scheme is as follows:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Interest cost	利息成本	-	-
Expected return on plan assets	計畫資產預期回報	(288)	(398)
Contributions	供款	-	-
Net actuarial losses	精算淨虧損	-	-
Total, included in other income	合計，已包括其他收入	(288)	(398)

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit retirement benefit plan is as follows:

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Present value of funded defined benefit obligations	界定利益承擔款項之現值	6,908	7,622
Fair value of plan assets	計畫資產之公平價值	(9,705)	(9,936)
		(2,797)	(2,314)
Net actuarial losses not recognised	未確認之精算虧損	(1,741)	(1,936)
Defined benefit asset	界定利益承擔產生之淨資產	(4,538)	(4,250)

32. 退休福利計劃(續)

界定利益計劃(續)

在綜合全面收益表內就界定利益計劃已確認之開支如下：

	2010	2009
	HK\$'000	HK\$'000
	千港元	千港元
Interest cost	-	-
Expected return on plan assets	(288)	(398)
Contributions	-	-
Net actuarial losses	-	-
Total, included in other income	(288)	(398)

已列入綜合財務狀況表中本集團於界定利益退休福利計劃之承擔所產生之數額如下：

	2010	2009
	HK\$'000	HK\$'000
	千港元	千港元
Present value of funded defined benefit obligations	6,908	7,622
Fair value of plan assets	(9,705)	(9,936)
	(2,797)	(2,314)
Net actuarial losses not recognised	(1,741)	(1,936)
Defined benefit asset	(4,538)	(4,250)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

32. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

Movements in the present value of the funded defined benefit obligations in the current year were as follows:

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Opening balance	期初結餘	7,622	8,571
Interest cost	利息成本	-	-
Benefit paid	已付利益	(714)	(949)
Actuarial losses	精算虧損	-	-
Closing balance	期末結餘	6,908	7,622

Movements in the fair value of the plan assets in the current year were as follows:

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Opening balance	期初結餘	9,936	10,403
Expected return on plan assets	計畫資產預期回報	288	398
Benefit paid	已付利益	(714)	(949)
Actuarial gains	精算收益	195	84
Closing balance	期末結餘	9,705	9,936

The major categories of plan assets at the end of the reporting period are as follows:

		Fair value of plan assets 計畫資產之公允值	
		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Debt instruments	債券	9,385	9,876
Cash	現金	320	60
		9,705	9,936

32. 退休福利計劃(續)

界定利益計劃(續)

年內界定利益承擔現值變動如下：

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Opening balance	7,622	8,571
Interest cost	-	-
Benefit paid	(714)	(949)
Actuarial losses	-	-
Closing balance	6,908	7,622

年內計畫資產之公允值變動如下：

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Opening balance	9,936	10,403
Expected return on plan assets	288	398
Benefit paid	(714)	(949)
Actuarial gains	195	84
Closing balance	9,705	9,936

計畫資產之主要分類及預期回報率於報告期末分類如下：

		Fair value of plan assets 計畫資產之公允值	
		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Debt instruments	債券	9,385	9,876
Cash	現金	320	60
		9,705	9,936

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

32. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected return is based on historical return trends and analysis predictions of the market for the asset in the next twelve months.

The expected return on plan assets for the year was HK\$288,000 (2009: HK\$398,000).

The plan assets do not include any equity shares in the Company or property held by the Group.

The history of experience adjustments is as follows:

		2010 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Present value of defined benefit obligations	界定利益 承擔現值	6,908	7,622	8,571
Fair value of plan assets	計劃資產之公允值	(9,705)	(9,936)	(10,403)
Surplus	盈餘	(2,797)	(2,314)	(1,832)
Actuarial losses on plan liabilities	計劃負債精算虧損	-	-	1,383
Actuarial gain on plan assets	計劃資產精算收益	(195)	(84)	(98)

Defined contribution scheme

The Group operates a MPF Scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,000 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees. The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The PRC subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

32. 退休福利計劃(續)

界定利益計劃(續)

整體之預期回報率乃持有之不同類別計劃資產預期回報之加權平均。董事對預期回報之評估乃基於以往回報記錄及市場對資產於未來十二個月之預計分析。

本年度計劃資產之實際回報為288,000港元(2009: 398,000港元)。

計劃資產之公平價值並無包含本公司之股本權益或本集團持有之物業。

過往調整實況如下：

界定供款計劃

本集團為所有合資格的僱員設立一項強積金計劃。該計劃之資產與本集團之資產分開持有，並由受託人控制。本集團向強積金計劃供款1,000港元或有關每月薪酬成本之5%(以較低者為準)，而僱員之供款比率相同。本集團之中國附屬公司之僱員均為中國政府管理之國營退休福利計劃之成員，該等中國附屬公司須按薪酬開支之若干百分比向退休福利計劃供款，本集團對有關退休福利計劃之責任是作出指定之供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

33. RELATED PARTY TRANSACTIONS AND BALANCES

The Group had significant transactions and balances with related parties (see note 23) during the year and at the end of the reporting period as follows:

33. 關連交易及結餘

本集團與關連人士於年內所進行之重大交易及於報告期末之結餘(附註23)如下:

Name of related party	Relationship	Nature of transactions	2010 HK\$'000 千港元	2009 HK\$'000 千港元
關連方名稱	關係	交易性質		
Connected parties				
關連人士				
Capital Nation	A company beneficially owned by Ms. Lee Man Lai, a daughter of Mr. Lee Wan Keung 由李運強先生之女兒李文麗實益擁有之公司	Corrugated cardboard and carton boxes purchased 購買瓦楞紙板及紙箱	4,089	4,093
Lee & Man Realty Investment Limited 理文置業有限公司	A company beneficially owned by Mr. Lee Man Yan and Mr. Lee Wan Keung 由本公司董事李文恩先生及李運強先生實益擁有之公司	Licence fee paid 已付使用權費	1,555	828
Lee & Man Paper Manufacturing Limited 理文造紙有限公司	A company beneficially owned by Mr. Lee Wan Keung 由李運強先生實益擁有之公司	Electricity and steam fee paid 已付發電及蒸氣費	59,666	53,093
		Fuel expense paid 已付燃料費	215	197
		Rental expense paid 已付租金	912	762
		Sales of chemical products 銷售化工產品	10,738	7,583

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

Short-term employee benefits	短期福利
Post-employment benefits	退休福利
Share-based payment performance related incentive	以股份為基礎之表現相關獎勵金

33. 關連交易及結餘(續)

董事及其他主要管理層成員於年內之酬金如下：

2010 HK\$'000 千港元	2009 HK\$'000 千港元
9,518	8,770
130	137
66,804	–
76,452	8,907

34. NON-CASH TRANSACTIONS

During the year, purchases of property, plant and equipment and intangible assets of HK\$91,221,000 and HK\$568,000 (2009: HK\$144,183,000 and HK\$3,056,000), respectively, were settled through transfer of deposits paid.

34. 非貨幣性交易

年內，購置物業、廠房及設備及無形資產分別為91,221,000港元及568,000港元(2009年：144,183,000港元及3,056,000港元)是由往年度的已付訂金轉入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

35. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY

The summarised financial information of the Company is as follows:

35. 本公司之財務資料匯總

本公司之財務資料概述如下：

		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
ASSETS	資產		
Investments in subsidiaries	於附屬公司之投資	281,951	215,147
Amount due from a subsidiary	附屬公司欠款	610,383	731,750
Prepayments	預付款項	172	172
Bank balances	銀行結餘	20,189	191
		912,695	947,260
LIABILITIES	負債		
Amount due to a subsidiary	欠附屬公司款項	-	163,041
Other payables	其他應付款	651	561
Bank borrowings	銀行借款	70,246	80,428
		70,897	244,030
		841,798	703,230
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	82,500	82,500
Reserves (note)	儲備(附註)	759,298	620,730
		841,798	703,230

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

35. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

note:

Reserves

		Share premium	Contributed surplus	Share options reserve	Accumulated profits	Total
		股份溢價	實繳盈餘	購股權儲備	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於2009年1月1日	20,307	112,338	–	327,621	460,266
Profit for the year	年內溢利	–	–	–	197,589	197,589
Dividends (note 9)	股息(附註9)	–	–	–	(37,125)	(37,125)
At 31 December 2009	於2009年12月31日	20,307	112,338	–	488,085	620,730
Profit for the year	年內溢利	–	–	–	203,764	203,764
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎之付款	–	–	66,804	–	66,804
Dividends (note 9)	股息(附註9)	–	–	–	(132,000)	(132,000)
At 31 December 2010	於2010年12月31日	20,307	112,338	66,804	559,849	759,298

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in December 2001 and the nominal value of the Company's shares issued for the acquisition.

35. 本公司之財務資料匯總(續)

附註：

儲備

		Share premium	Contributed surplus	Share options reserve	Accumulated profits	Total
		股份溢價	實繳盈餘	購股權儲備	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於2009年1月1日	20,307	112,338	–	327,621	460,266
Profit for the year	年內溢利	–	–	–	197,589	197,589
Dividends (note 9)	股息(附註9)	–	–	–	(37,125)	(37,125)
At 31 December 2009	於2009年12月31日	20,307	112,338	–	488,085	620,730
Profit for the year	年內溢利	–	–	–	203,764	203,764
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎之付款	–	–	66,804	–	66,804
Dividends (note 9)	股息(附註9)	–	–	–	(132,000)	(132,000)
At 31 December 2010	於2010年12月31日	20,307	112,338	66,804	559,849	759,298

本公司之實繳盈餘乃本公司透過2001年12月之集團重組所收購之附屬公司之有形資產淨值總和與本公司因該收購而發行之股本面值之差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at 31 December 2010 and 2009 are as follows:

36. 主要附屬公司

本公司於2009年12月31日及2010年12月31日之主要附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued and fully paid share capital/ paid-in capital 已發行及繳足股本面值/ 實繳股本	Attributable equity interest 所佔權益		Principal activities # 主要業務 #
			2010	2009	
Lee & Man Development Company Limited 理文發展有限公司	British Virgin Islands 英屬維爾京群島	Shares – US\$90 股份 –90美元	100%	100%	Investment holding 投資控股
Lee & Man Chemical Limited 理文化工有限公司	British Virgin Islands 英屬維爾京群島	Shares – US\$1 股份 –1美元	100%	100%	Investment holding 投資控股
Lee & Man Company Limited 理文洋行有限公司	Hong Kong 香港	Ordinary shares – HK\$1,000,000 普通股份 – 1,000,000 港元 Non-voting deferred shares – HK\$1,000,000 無投票權遞延股份 –1,000,000 港元	100%	100%	Manufacture and sales of handbags 製造及銷售手袋
Lee & Man Handbag Manufacturing Company Limited 理文手袋廠有限公司	Hong Kong 香港	Ordinary shares – HK\$10,000 普通股份 – 10,000 港元 Non-voting deferred shares – HK\$500,000 無投票權遞延股份 – 500,000 港元	100%	100%	Manufacture and sales of handbags 製造及銷售手袋

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

36. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊 成立地點	Nominal value of issued and fully paid share capital/ paid-in capital 已發行及 繳足股本面值/ 實繳股本	Attributable equity interest 所佔權益		Principal activities # 主要業務 #
			2010	2009	
Dongguan Lee Wai Handbag Manufacturing Company Limited 東莞利偉手袋有限公司	PRC 中國	Paid-in capital – HK\$6,000,000 (2009: HK\$900,000) 實繳股本 – 6,000,000 港元 (2009 : 900,000 港元)	100%	100%	Manufacture and sales of handbags 製造及銷售手袋
Lee & Man Management Company Limited 理文管理有限公司	Hong Kong 香港	Ordinary shares – HK\$2 普通股份 – 2 港元	100%	100%	Provision of management and administration services 提供管理及行政服務
Lee & Man (International) Investment Limited ("Lee & Man International") 理文(國際)投資有限公司 (「理文(國際)」)	Hong Kong 香港	Ordinary shares – HK\$100 普通股份 – 100 港元	100%	100%	Investment holding 投資控股
Jiangsu Lee & Man Chemical Limited 江蘇理文化工有限公司	PRC 中國	Paid-in capital – US\$48,750,000 實繳股本 – 48,750,000 美元	100%	100%	Manufacture and sales of chloromethane products, caustic soda and hydrogen peroxide 生產及銷售甲烷氯化物、燒碱及過氧化氫
Guangdong Lee & Man Chemical R&D Limited 廣東理文化工研發有限公司	PRC 中國	Paid-in capital – US\$2,020,000 實繳股本 – 2,020,000 美元	100%	100%	Research and development of chemical products 化工研發

The principal activities are carried out in the PRC and Hong Kong.

主要業務均在中國及香港進行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Only Lee & Man Development Company Limited and Lee & Man Chemical Limited are directly held by the Company.

The deferred shares of the above entities practically carry no rights to participate in profits or surplus assets or to receive notice of or to attend or vote at any general meeting of the respective companies or to participate in any distribution on winding up.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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

37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the bank loans disclosed in note 24, net of bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debts.

36. 主要附屬公司(續)

只有理文發展有限公司及理文化工有限公司由本公司直接持有。

遞延股份並無權利參與分派溢利或盈餘資產或接收各有關公司任何股東大會之通告或出席大會或於會上投票或參與清盤之任何分派。

董事認為上表載列之本公司附屬公司，乃主要影響本集團之業績或資產之公司。董事認為若提供其他附屬公司之詳情將導致篇幅冗長。

附屬公司於年終或年內任何時間概無任何未贖回之債務證券。

37. 資本風險管理

本集團進行資本管理，以確保本集團旗下各實體能夠持續經營業務，同時透過優化債務及股本結餘爭取股東回報最大化。本集團的整體策略自上年度保持不變。

本集團的資本結構包括淨負債(載於在附註24中已扣除銀行結餘及現金後的銀行借款)本公司權益持有人應佔權益(包含已發行股本及各項儲備)。

本公司董事按持續基準審閱資本架構。作為是項審閱的部分，董事會考慮資本成本及各類資本的相關風險。根據董事的建議，本集團將透過派付股息、發行新股及購回股份以及發行新債或贖回現有債項以平衡其整體資本架構。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS

38a. Categories of financial instruments

Financial assets	金融資產
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值項目)
Derivative financial instruments	衍生金融工具
Financial liabilities	金融負債
Financial liabilities at amortised cost	按攤銷成本的金融負債
Derivative financial instruments	衍生金融工具

38b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, restricted bank balances, bank balances, trade and other payables, derivative financial instruments, amounts due to related companies, bank borrowings and other long-term payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

38. 金融工具

38a. 金融工具之類別

2010	2009
HK\$'000	HK\$'000
千港元	千港元
635,434	227,055
-	704
728,215	611,524
530	-

38b. 財務風險管理目標及政策

本公司之主要金融工具包括應收貿易及其他款項、有限制銀行存款、銀行結餘、應付貿易及其他款項、應付關連公司款項、銀行借款及其他長期應付款項。該等金融工具詳情於相關附註披露。該等金融工具的相關風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時及有效地採取適當之措施。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)

38b. Financial risk management objectives and policies (continued)

Market risk

(i) Currency risk

The Group mainly operates in Hong Kong and the PRC and the exposure in exchange rate risks mainly arises from fluctuations of foreign currencies, including Euro, HK dollars and RMB against the functional currency of the relevant group entities. Material transactions and balances that are not denominated in the functional currency of the relevant entities give rise to foreign currency exposure as follows:

- (i) Euro-in terms of sales revenue, bank balances and cash and bank borrowings
- (ii) HK dollars and RMB-in terms of expenses, bank balances and cash and capital expenditure.

Exchange rate fluctuations and market trend have always been the concern of the Group. As HK dollars are linked with US dollars, the Group does not have material exchange risk on this currency pair. The Group entered into several foreign exchange forward contracts to partially hedge its currency risk.

38. 金融工具(續)

38b. 財務風險管理目標及政策(續)

市場風險

(i) 貨幣風險

本集團主要於香港及中國經營業務，匯兌風險是由外幣兌換集團相關功能貨幣時匯率波動所產生，包括歐羅、港元和人民幣為。以外幣列值並對集團產生匯兌風險的重大交易及結餘如下：

- (i) 歐羅—源於銷售收入，銀行結餘及現金及借款
- (ii) 港元及人民幣—源於費用，銀行結餘及現金及資本性支出。

本集團一向關注匯率波動及市場趨勢。由於港元與美元掛鈎，本集團於該貨幣上並無重大風險。本集團透過訂立外幣兌換合約對沖部份匯率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)

38b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

At the end of the reporting period, the carrying amount of the Group's monetary assets and liabilities denominated in currencies other than the functional currency of the relevant group entities are as follows:

Assets	資產
Euro	歐羅
RMB	人民幣
HK dollars	港元
US dollars	美元
Liabilities	負債
Euro	歐羅
RMB	人民幣
HK dollars	港元
US dollars	美元

38. 金融工具(續)

38b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

於報告期末，本集團除去以相關實體功能貨幣列值外之貨幣資產及負債，其帳面值如下：

	2010	2009
	HK\$'000	HK\$'000
	千港元	千港元
Assets		
Euro	14,021	16,468
RMB	2,731	2,894
HK dollars	58,321	31,290
US dollars	1,458	2,024
Liabilities		
Euro	1,232	5,457
RMB	52,918	51,575
HK dollars	137,654	138,090
US dollars	144,066	124,919

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)

38b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the functional currency of the relevant group entities (including Euro, RMB, HK dollars and US dollars) against the above foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items other than those denominated in HK dollars but held by entities whose functional currency is US dollars because HK dollars are linked to US dollars. The sensitivity analysis adjusts their translation at the period end for a 5% change in foreign currency rates. A strengthening of the functional currency of the relevant group entities against the above foreign currencies would give rise to the following impact to profit for the year and vice versa.

38. 金融工具(續)

38b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感性分析

下表詳細載列就本集團內相關集團實體功能貨幣(包括人民幣、港元及美元)兌換上述外幣時上升及下降5%之敏感度。當向高級管理人員申報內部外匯風險時及呈報管理層對以外幣匯率可能變動進行評估時採用之影響率為5%。敏感度分析僅包括以外幣列值之未償還貨幣項目及於年終以外幣匯率5%之變動進行換算調整。當相關集團實體之功能貨幣兌換上述外幣處於5%強勢時，將令年度溢利有所影響，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)**38b. Financial risk management objectives and policies (continued)****Market risk (continued)***(i) Currency risk (continued)*

Sensitivity analysis (continued)

Monetary assets and liabilities: 貨幣性資產及負債	
Increase (decrease) on profit for the year	年度溢利增加(減少)
– Euro	– 歐羅
– RMB	– 人民幣
– HK dollars	– 港元
– US dollars	– 美元

Derivative financial instruments: 衍生金融工具	
Increase (decrease) on profit for the year	增加(減少)於年內溢利之
– Euro	– 歐羅

(ii) Interest rate risk

The Group's cash flow interest rate risks mainly relate to its variable rate borrowings (see note 24 for details of these borrowings). The Group's bank balances also have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors consider the Group's exposure to fair value interest rate risk in relation to its short term fixed-rate bank deposits is not significant as interest bearing bank balances are within short maturity periods.

The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

38. 金融工具(續)**38b. 財務風險管理目標及政策(續)****市場風險(續)***(i) 貨幣風險(續)*

敏感性分析(續)

2010 HK\$'000 千港元	2009 HK\$'000 千港元
(639)	(551)
2,509	2,434
–	8
7,130	6,145
27	(35)

(ii) 利率風險管理

本集團之現金流利率風險主要由於銀行借款附帶浮動利息(借款詳情載於附註24)，而銀行結餘亦因現行市場利率波動而須面對現金流利率風險影響。本公司董事認為本集團面對之利率風險並不顯著，因為該等付息銀行結餘均於短期內到期。

本集團目前並無任何針對利率風險的利率對沖政策。本公司董事持續監測本集團面對之利率風險，並認為如有需要將考慮對沖利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)

38b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates on its variable rate borrowings and bank balances at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout both years in the case of instruments that have floating rates. 10 basis point and 50 basis point increase or decrease are used by the management for the assessment of the possible change in interest rates of variable rate bank balances and variable rate borrowings, respectively.

If interest rates had been 10 basis point higher or lower and all other variables were held constant, the Group's profit for the year ended 31 December 2010 would increase or decrease by HK\$86,000 (2009: HK\$55,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank balances.

If interest rates had been 50 basis point higher or lower and all other variables were held constant, the Group's profit for the year ended 31 December 2010 would decrease or increase by HK\$2,607,000 (2009: HK\$1,800,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

38. 金融工具(續)

38b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險管理(續)

敏感性分析

以下敏感性分析是按浮息銀行借款及存款於報告期末的利率風險。浮息銀行借款及存款乃假設於報告期末的結餘為全年結餘來編製分析。10基點及50基點的增減是管理層作分別對浮動利率的銀行存款及借款有關利率變動可能性的評估時使用。

倘利率增加或減少10個基數點且所有其他可變因素維持不變，則本集團截至2010年12月31日止年度之溢利將增加或減少約86,000港元(2009: 55,000港元)，此由於銀行結餘附帶浮動利息而令本集團面對利率風險。

倘利率增加或減少50個基數點且所有其他可變因素維持不變，則本集團截至2010年12月31日止年度之溢利將減少或增加約2,607,000港元(2009: 1,800,000港元)。由於銀行借款附帶浮動利息而令本集團面對利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)

38b. Financial risk management objectives and policies (continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group is also exposed to concentration of credit risk as a substantial portion of its sales is generated from a limited number of customers. At 31 December 2010, the top five customers of the Group accounted for about 54% (2009: 53%) of the Group's trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management reviews the recoverable amount of each individual trade debt at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

38. 金融工具(續)

38b. 財務風險管理目標及政策(續)

信貸風險

本集團所面對的可導致本集團綜合財務報表的每類金融資產賬值產生財務虧損之最大信貸風險乃是交易對方或債務人未能履行責任。由於本集團大部份銷售收入由有限客戶產生，本集團須面對信貸集中之風險。於2010年12月31日，集團首五位客戶佔應收帳款總額約54%(2009：53%)。為將信貸風險降至最低，本集團管理層已委任一組人員負責釐定信貸額度、信貸批核及其他監察程序以確保已採取適當跟進行動收回過期債務。此外，本集團於各個報告期末檢討各項個別貿易債項之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本公司之信貸風險已大幅降低。

本集團之銀行存款之信貸風險有限，由於對方均是國際信貸評級機構評定為高信貸評級之銀行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)

38b. Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the Group's liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The Group also has available banking facilities (note 24) of approximately HK\$667,194,000 (2009: HK\$465,441,000) to meet its short-term working capital requirements. The management monitors the utilisation of bank borrowings and ensure compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent the interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

38. 金融工具(續)

38b. 財務風險管理目標及政策(續)

流動資金風險

在管理流動資金風險時，本集團監控及保持管理層認為足夠的現金及現金等值項目水平，為本集團的業務營運提供資金並減輕現金流量波動的影響。本集團及本公司依靠銀行借款作為流動資金之主要來源。本集團有可動用之銀行備用信貸額(附註24)約港幣667,194,000元(2009: 465,441,000港元)。管理層監控銀行借款的使用狀況及確保遵守貸款契約。

下表詳列本集團金融負債的合約到期日，乃根據本集團可能被要求還款的最早日期金融負債的未貼現現金流量編製。具體而言，載有按要求償還條文之銀行貸款，被包括在最早時限之內，不論銀行是否選擇行使其權利。其他非衍生金融負債之到期日根據商定的還款日期計算。該表列有利息及本金之現金流量。於報告期末，某程度上其利息流為浮動利率，而其未貼現金額則根據利率曲線計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)**38. 金融工具(續)****38b. Financial risk management objectives and policies (continued)****38b. 財務風險管理目標及政策(續)****Liquidity risk (continued)****流動資金風險(續)**

		Weighted average effective interest rate	On demand or 0-30 days	31-60 days	61-90 days	91-365 days	Total undiscounted		Carrying amount
							Over 365 days	cash flows	
		加權平均 實際利率	應要求或 0-30天	31-60天	61-90天	91-365天	超過 365天	未貼現 現金流量	總量
		%	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
As at 31 December 2010	於2010年12月31日								
Non-derivative financial liabilities	非金融財務負債								
Non-interest bearing	無息負債	-	156,085	20,559	19,848	10,337	-	206,829	206,829
Variable interest rate instruments	帶浮息工具	1.78	431,575	-	-	49,499	42,552	523,626	521,386
			587,660	20,559	19,848	59,836	42,552	730,455	728,215
Derivative financial instruments	衍生金融工具								
- gross settlement	結算								
Foreign exchange forward contracts	外匯遠期合約								
- inflow	流入	-	-	-	(19)	-	-	(19)	(19)
- outflow	流出	-	-	-	549	-	-	549	549
			-	-	530	-	-	530	530

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)**38. 金融工具(續)****38b. Financial risk management objectives and policies (continued)****38b. 財務風險管理目標及政策(續)****Liquidity risk (continued)****流動資金風險(續)**

		Weighted average effective interest rate	On demand or 0-30 days	31-60 days	61-90 days	91-365 days	Total undiscounted Over 365 days	cash flows	Carrying amount
		加權平均 實際利率 %	應要求或 0-30天 HK\$'000 千港元	31-60天 HK\$'000 千港元	61-90天 HK\$'000 千港元	91-365天 HK\$'000 千港元	超過 365天 HK\$'000 千港元	未貼現 現金流量 HK\$'000 千港元	總量 HK\$'000 千港元
As at 31 December 2009	於2009年12月31日								
Non-derivative financial liabilities	非衍生金融負債								
Non-interest bearing	無息負債	-	124,584	40,137	21,704	50,975	1,676	239,076	239,076
Fixed interest rate instruments	定息工具	5.04	-	-	-	13,130	-	13,130	12,500
Variable interest rate instruments	帶浮息工具	2.21	231,192	-	-	46,566	85,464	363,222	359,948
			355,776	40,137	21,704	110,671	87,140	615,428	611,524
Derivative financial instruments	衍生金融工具								
- gross settlement	結算								
Foreign exchange forward contracts	外匯遠期合約								
- inflow	流入	-	(10,882)	-	(17,105)	-	-	(27,987)	(27,987)
- outflow	流出	-	10,423	-	16,860	-	-	27,283	27,283
			(459)	-	(245)	-	-	(704)	(704)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)

38b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Bank loans with a repayment on demand clause are included in the "on demand or 0-30 days" time band in the above maturity analysis. As at 31 December 2010, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$287,046,000 (2009: HK\$80,428,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid within one to five years after the reporting date of 31 December 2010 in accordance with the scheduled repayment dates set out in the loan agreements. The table that follows summarises the maturity analysis of bank loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements.

		Weighted average effective interest rate	0-30 days	31-60 days	61-90 days	91-365 days	Total		Carrying amount
							Over undiscounted 365 days	cash flows	
		加權平均 實際利率	0-30天	31-60天	61-90天	91-365天	超過 365天	未貼現 現金流量	總量
		%	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
As at 31 December 2010	於2010年12月31日								
Bank loans	銀行借款	2.07	1,419	1,419	16,495	58,454	220,652	298,439	287,046
As at 31 December 2009	於2009年12月31日								
Bank loans	銀行借款	2.23	155	145	150	11,497	73,804	85,751	80,428

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

38. 金融工具(續)

38b. 財務風險管理目標及政策(續)

流動資金風險(續)

具有可隨時要求償還條文之銀行借貸在上述日期分析計入「應要求或0-30天」之時間範圍內。於2010年12月31日，該等銀行借貸之未貼現本金額合共為287,046,000港元(2009: 80,428,000港元)。計及本集團之財務狀況後，董事不相信銀行可能行使其要求即時還款之酌情權。董事相信，該等銀行借貸將於2010年12月31日報告日期後一年內至五年根據貸款協議所載預定還款日期償還。下表總括具有可隨時要求償還條文之銀行借貸，按貸款協議所載同意還款日期之到期分析。

以上金額包括非衍生金融負債之浮動利率工具有可能會變動，倘浮動利率變動與在報告期末估計的利率有所不同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)

38c. Fair value

The fair value of financial assets and financial liabilities is determined as follows:

- the fair value of financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The directors of the Group consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. 金融工具(續)

38c. 公允值

金融資產及金融負債之公允值按以下方式釐定：

- 金融資產及金融負債之公允值(衍生工具除外)，乃按貼現現金流量分析之公認定價模式；及
- 外匯遠期合約的計量是匹配合約年期的市場利率而產生遠期匯率和回報曲線而成。

董事認為，按攤銷成本列入綜合財務報表之金融資產及金融負債之賬面值與其公允值相若。

下表提供按於初步確認後按公允價值計量之金融工具之分析，按公允價值之可識別程度分為第一至第三級。

- 第一級公允價值計量為該等根據同類資產或負債於活躍市場之報價(未經調整)得出結果。
- 第二級公允價值計量為該等根據第一級內所報價格以外，就資產或負債觀察得出之輸入數據(不論為直接觀察得出(即價格)或經接觀察得出(即自價格衍生)得出之結果)。
- 第三級公允價值計量為該等使用估值技術得出之結果，估值技術包括並非根據可觀察市場數據得出之資產及負債輸入數據(不可觀察之輸入數據)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至2010年12月31日止年度

38. FINANCIAL INSTRUMENTS (CONTINUED)**38c. Fair value (continued)**

		31 December 2010			
		2010年12月31日			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
31 December 2010	2010年12月31日				
Financial liabilities at FVTPL	按公允價值計入損益的金融負債				
Derivative financial instruments	衍生金融工具	–	530	–	530
31 December 2009	2009年12月31日				
Financial assets at FVTPL	按公允價值計入損益的金融負債				
Derivative financial instruments	衍生金融工具	–	704	–	704

These were no transfers between Levels in the current year.

於年內每級並沒有轉讓。

39. EVENTS AFTER THE REPORTING PERIOD

- On 18 January 2011, Lee & Man International entered into a project agreement with the government of Ruichang City, Jiangxi Province of the PRC ("Ruichang City Government"), for development of the Group's chemical business in Ruichang City ("Project Agreement").

Pursuant to the Project Agreement, the Group and the Ruichang City Government entered into a land use rights transfer agreement whereby the Ruichang City Government agreed to grant the Group state-owned land use rights to an area of around 1,241 mu located in the Ruichang City, for an aggregate consideration of RMB24,820,000 (approximately HK\$29,287,600).

- On 26 January 2011, the Company announced that Heng Sing Holdings Limited ("Heng Sing"), a wholly owned subsidiary of the Group incorporated on 4 January 2011 in the Cayman Islands, had submitted a listing application to the Stock Exchange for the listing of the ordinary shares of Heng Sing on the Main Board of the Stock Exchange. Details of this are included in an announcement of the Company published on 26 January 2011.

38. 金融工具(續)**38c. 公允值****31 December 2010****2010年12月31日**

	Level 1	Level 2	Level 3	Total
	第一級	第二級	第三級	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元

31 December 2010	2010年12月31日				
Financial liabilities at FVTPL	按公允價值計入損益的金融負債				
Derivative financial instruments	衍生金融工具	–	530	–	530
31 December 2009	2009年12月31日				
Financial assets at FVTPL	按公允價值計入損益的金融負債				
Derivative financial instruments	衍生金融工具	–	704	–	704

These were no transfers between Levels in the current year.

於年內每級並沒有轉讓。

39. 報告期後事項

- 於2011年1月18日，理文(國際)已向江西省瑞昌市政府(「瑞昌市政府」)簽訂項目協議，以在瑞昌市發展化工業務。(「項目協議」)

根據項目協議，集團與瑞昌市政府訂立土地使用權轉讓協議，據此，瑞昌市政府同意向集團出讓位於瑞昌市面積約1,241畝土地之國有土地使用權，總代價合共為人民幣24,820,000元(約29,287,600港元)

- 於2011年1月26日，本公司發出公告，恒勝控股有限公司(「恒勝」)，一間於2011年1月4日在開曼群島註冊成立之本集團全資附屬公司，已向聯交所遞交上市申請表格，將予發行之恒勝普通股份在聯交所主板上市及買賣。詳情已包括在2011年1月26日本公司刊登的公告中。

Financial Summary

財務概要

		Year ended 31 December				
		截至12月31日止年度				
		2006	2007	2008	2009	2010
		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					
Revenue	營業額	689,247	784,721	1,064,177	1,403,428	2,138,808
Profit before taxation	除稅前溢利	112,307	118,399	91,600	244,311	529,532
Income tax expenses	所得稅支出	(10,442)	(11,963)	(10,038)	(10,488)	(71,989)
Profit for the year	年內溢利	101,865	106,436	81,562	233,823	457,543
		At 31 December				
		於12月31日				
		2006	2007	2008	2009	2010
		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	資產總額	650,922	1,016,089	1,466,490	1,611,920	2,256,603
Total liabilities	負債總額	(101,547)	(373,217)	(748,246)	(686,665)	(879,201)
Net assets	資產淨額	549,375	642,872	718,244	925,255	1,377,402

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