



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)

ANNUAL REPORT 2009年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Ms. WAI Siu Kee (*Chairman*)
Ms. POON Lai Ming
Mr. LEE Man Yan
Mr. KUNG Phong
Mr. WAN Chi Keung, Aaron *BBS JP**
Mr. HENG Kwoo Seng* (*reappointed on 8 April 2009*)
Mr. WONG Kai Tung, Tony*

* *Independent non-executive director*

COMPANY SECRETARY

Ms. WONG Yuet Ming

REGISTERED OFFICE

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

PRINCIPAL OFFICE

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

PRINCIPAL BANKERS

Hang Seng Bank, Hong Kong
Chiyu Bank, Hong Kong
Bank of China, PRC

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

董事會

衛少琦女士 (*主席*)
潘麗明女士
李文恩先生
龔鈞先生
尹志強先生 *BBS 太平紳士**
邢詒春先生* (*再次委任於 2009 年 4 月 8 日*)
王啟東先生*

* *獨立非執行董事*

公司秘書

王月明女士

註冊辦事處

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

總辦事處

香港九龍觀塘
敬業街 61-63 號
利維大廈 8 樓

主要往來銀行

恒生銀行，香港
集友銀行，香港
中國銀行，中國

核數師

德勤 • 關黃陳方會計師行
執業會計師

Corporate Information

公司資料

PRINCIPAL SHARE REGISTRAR

Butterfield 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>

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

卓佳秘書商業服務有限公司
香港
皇后大道東 28 號
金鐘匯中心 26 樓

網址

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

Chairman's Statement

主席報告

BUSINESS REVIEW

For the year ended 31 December 2009, the Group recorded a revenue of HK\$1,403.4 million, increased by 31.9% over last year; and a net profit of HK\$233.8 million, representing a substantial increase of 186.7% over last year. The handbag business contributed a net profit of HK\$103 million, with the second phase production line fully operated in the middle of the year, our chemical business has migrated from capital investment stage into a profit generating stage and finally contributed a huge profit of HK\$130 million to the Group.

As the European and US market remained sluggish, the revenue from handbag business inevitably dropped by 19.3% over last year. Nevertheless, the Group was able to maintain a stable profit through effective cost control, enhancing product design, developing more styles of products and developing new clients as the main direction.

For the chemical business, the Group captured the opportunities arising from a strong recovery in the PRC domestic market, and the business successfully, as expected, generated a remarkable profit to the Group. This has laid a sound foundation for the expansion of chemical business in the future.

PROSPECTS

The current handbag market is still weak and together with a severe shortage of labour in China, 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, develop new clients and reinforce internal controls, so as to maintain a stable profit.

Chemical business will continue to focus on the PRC domestic market. In the coming year, the Group will devote much efforts in optimizing internal operating system and cost control, with the aim of generating higher profit.

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 reasonable returns for the shareholders.

業務回顧

截至2009年12月31日止年度，本集團錄得營業額14.034億港元，較去年上升31.9%，純利為2.338億港元，較去年大幅增長186.7%；其中手袋業務純利貢獻為1.03億港元，由於化工業務已由資金投資期轉為利潤收成期，隨着二期生產線於年中全面投產，終為本集團帶來1.30億港元的龐大淨利潤。

歐美市場持續疲弱，手袋業務收入亦無可避免的比去年下降19.3%，惟本集團努力透過有效的成本控制，增強產品設計，開發更多款式及開拓新客戶為主要方向，加上在市場上多年的經驗，本集團手袋業務於本年度仍能保持穩定利潤。

至於化工業務，本集團已藉著中國內需市場強勁復甦所帶來的機遇，按預期成功地為集團帶來不俗的利潤貢獻，亦為未來化工業務擴展上，奠下良好的基礎。

展望

現時手袋市場仍然疲弱，加上國內勞工市場出現嚴重緊張，來年手袋業務將會充滿挑戰，儘管如此，本集團將會加倍努力，設計更多迎合市場的款式，開發新客戶，加強內部監控，以盡量維持穩健的盈利。

另化工業務將繼續穩守中國內銷市場，來年本集團將致力於優化內部業務系統及透過成本控制以創造更高的利潤貢獻。

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合理的回報。

Chairman's Statement

主席報告

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, 7 April 2010

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，2010年4月7日

Management Discussion and Analysis

管理層討論及分析

RESULTS OF OPERATION

Turnover and net profit attributable to equity holders of the Company for the year ended 31 December 2009 was HK\$1,403.4 million and HK\$233.8 million, representing an increase of 31.9% and 186.7%, as compared to HK\$1,064 million and HK\$82 million, respectively, for last year. The basic earnings per share for the year was HK28.3 cents when compared with HK9.9 cents for last year.

The increase in turnover was mainly attributable to the increase in the Group's sales of chemical products due to the result of 2nd phase chemical production line fully operated in the middle of the year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2009, the total equity of the Group was HK\$925 million (2008: HK\$718 million), the Group's current assets were HK\$361 million (2008: HK\$329 million) and current liabilities were HK\$525 million (2008: HK\$572 million). As at 31 December 2009, the Group had bank balances of HK\$71 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 with credit facilities provided by its principal bankers in Hong Kong and the PRC. As at 31 December 2009, the Group had outstanding bank borrowings of HK\$372 million (2008: HK\$427 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 0.51 as at 31 December 2008 to 0.33 as at 31 December 2009.

As per our company policy, the Group only provided corporate guarantee instead of assets as collaterals for all bank borrowings. Hence, the Group chose to finance part of its chemical business's expenditure in the form of one year short term revolving loans. Since these loans could be utilized continuously, with steady and strong cash flows generated from operating activities and also with unutilized bank facilities of HK\$465 million, the Group's financial position is strong enough to meet its capital commitments and working capital requirements.

經營業績

截至2009年12月31日止年度的營業額及股東應佔純利分別為14.034億港元及2.338億港元，較去年的10.64億港元及0.82億港元，分別增加31.9%及186.7%。本年度的每股盈利為28.3港仙，去年則為9.9港仙。

營業額上升主要歸因於本集團化工業務第二期生產線於年中全面投產。

流動資金、財務資源及資本結構

於2009年12月31日，本集團之權益總額為9.25億港元(2008：7.18億港元)；流動資產達3.61億港元(2008：3.29億港元)，而流動負債則為5.25億港元(2008：5.72億港元)。於2009年12月31日，本集團之銀行結存約0.71億港元。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2009年12月31日，本集團的未償還銀行借款為3.72億港元(2008：4.27億港元)。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2008年12月31日的0.51已大幅減少至2009年12月31日的0.33。

所有銀行借款，本集團均按一貫政策，只提供公司擔保，而不以資產作任何借款抵押，故此，部份化工業務的支出，選用循環借款形式，屬一年期的短期借款；由於該借款均可循環連續性使用，而化工及手袋業務均有穩定及強勁的現金來源，再加上本集團仍有4.65億港元之未動用銀行備用信貸，因此，本集團資金狀況穩健，足以應付集團的資本承擔及營運資金需要。

Management Discussion and Analysis

管理層討論及分析

HUMAN RESOURCES

At 31 December 2009, the Group had a workforce of more than 5,000 people. 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.

The Company has a share option scheme under which the executive directors and employees of the Company and its subsidiaries may be granted options to subscribe for ordinary shares in the Company. Up to 31 December 2009 no option was granted under the scheme.

人力資源

於2009年12月31日，本集團員工超過5,000名。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定，除基本薪金外並按員工表現發放花紅。

本公司有一項購股權計劃。據此，本公司及其附屬公司之執行董事及僱員均可獲授認購本公司普通股份之購股權。截至2009年12月31日止，此計劃並無授出購股權。

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 2009. 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2009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. HENG Kwo Seng (*reappointed on 8 April 2009*)

Mr. WAN Chi Keung, Aaron *BBS JP*

Mr. WONG Kai Tung, Tony

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：

邢詒春先生 (*再次委任於2009年4月8日*)

尹志強先生 *BBS 太平紳士*

王啟東先生

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	Attendance rate 出席率
Ms. WAI Siu Kee	衛少琦女士	8/8	100%
Ms. POON Lai Ming	潘麗明女士	5/8	63%
Mr. LEE Man Yan	李文恩先生	6/8	75%
Mr. KUNG Phong	龔鈞先生	6/8	75%
Mr. HENG Kwo Seng	邢詒春先生	2/2	100%
Mr. WAN Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS 太平紳士</i>	2/2	100%
Mr. WONG Kai Tung, Tony	王啟東先生	2/2	100%

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 Kwo Seng (*Chairman*)

Mr. WAN Chi Keung, Aaron *BBS JP*

Mr. WONG Kai Tung, Tony

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 2009.

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

Name of member	成員姓名	Number of attendance	出席次數
Mr. HENG Kwo Seng	邢詒春先生	3/3	
Mr. WAN Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS 太平紳士</i>	3/3	
Mr. WONG Kai Tung, Tony	王啟東先生	3/3	

審核委員會

審核委員會於2001年成立，其現時成員包括：

邢詒春先生 (*主席*)

尹志強先生 *BBS 太平紳士*

王啟東先生

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2009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：

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 Kwo Seng (*Chairman*)
Mr. WAN Chi Keung, Aaron *BBS JP*
Mr. WONG Kai Tung, Tony

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 2009, 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：

邢詒春先生 (*主席*)
尹志強先生 *BBS 太平紳士*
王啟東先生

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2009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 2009, 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疇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2009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 65, 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 54, 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 32, 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 38, 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. WAN Chi Keung, Aaron BBS, JP, aged 60. 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，65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，54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，32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。

龔鈞先生，38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

尹志強先生 BBS, 太平紳士，60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 Kwo Seng, aged 62, is the managing partner of Morison Heng, Chartered Accountants and Certified Public Accountants in Hong Kong. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He has worked with a number of companies listed on The Stock Exchange of Hong Kong Limited either in the capacity of company secretary or as an independent non-executive director.

Mr. WONG Kai Tung, Tony, aged 67, 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.

SENIOR MANAGEMENT

Handbag Business

Ms. LEE Man Ching, aged 35, 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 55, 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 47, 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 45, 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)

邢詒春先生，62歲，為香港華利信會計師事務所之執行合夥人，亦為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員。他曾替若干於香港聯合交易所有限公司上市之公司工作，出任公司秘書或獨立非執行董事。

王啟東先生，67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。

高級管理層

手袋業務

李文禎女士，35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，55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，47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，45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 45, 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 45, 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 61 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 48, 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 39, 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 55, 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，45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，45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，61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，48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，39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，55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 38, 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，38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 2009.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 37 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2009 are set out in the consolidated statement of comprehensive income on page 28.

An interim dividend of HK\$0.03 per share amounting to HK\$24,750,000 in total was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK\$0.07 per share to the shareholders on the register of members on 24 May 2010, amounting to HK\$57,750,000 in total, and the retention of the remaining profit for the year of HK\$151,323,000.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28 to the consolidated financial statements.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 29 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment were revalued as of 31 December 2009. The revaluation resulted in (i) a surplus over book values by HK\$10,704,000 which has been credited to other comprehensive income and accumulated in asset revaluation reserve, and (ii) a deficit over book values by HK\$15,000 which has been debited directly to profit or loss.

董事會謹此提呈截至2009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37。

業績及分派

本集團截至2009年12月31日止年度之業績載於第28頁之綜合全面收益表。

年內已向股東派發中期股息每股3港仙總額24,750,000港元。

董事建議派發末期股息每股7港仙予於2010年5月24日名列股東名冊之股東，總額為57,750,000港元，年內保留溢利之保留額為151,323,000港元。

股本

本公司股本之詳情載於綜合財務報表附註28。

購股權

本公司購股權計劃之詳情載於綜合財務報表附註29。

物業、廠房及設備

本集團之物業、廠房及設備已於2009年12月31日進行重估。因重估產生(i)超出賬面值之盈餘為10,704,000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15,000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\$216,653,000 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 15 to the consolidated financial statements.

Furthermore, at 31 December 2009, the Group had paid deposits of approximately HK\$87,444,000 to acquire property, plant and equipment for its chemical production plant in Jiangsu, the People's Republic of China. Details of the capital commitments are set out in note 32 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. Wan Chi Keung, Aaron *BBS JP*

Mr. Heng Kwo Seng (*reappointed on 8 April 2009*)

Mr. Wong Kai Tung, Tony

In accordance with the provisions of the Company's Articles of Association, Mr. Lee Man Yan and Mr. Wan Chi Keung, Aaron *BBS JP* retire by rotation and, being eligible, offer themselves for re-election.

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216,653,000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15。

此外，於2009年12月31日，本集團為其於中國江蘇之化工廠房支付約87,444,000港元之訂金購置物業、廠房及設備。資本承擔詳情載於綜合財務報表附註32。

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

尹志強先生 *BBS 太平紳士*

邢詒春先生 (*再次委任於2009年4月8日*)

王啟東先生

根據本公司組織章程細則，李文恩先生及尹志強先生 *BBS 太平紳士* 均須告退，惟彼等均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. 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 an initial period of three years commencing 16 August 2004, 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 2008, 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 2009, 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 Companies (the "Model Code") of the Results Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange 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2004年8月16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。

龔鈞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2009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

Ordinary shares of HK\$0.10 each of the Company

(a) 於本公司股份之好倉

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)	(附註)

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

(b) 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)	

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.

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。

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.

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。

Directors' Report

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

A share option scheme as detailed in note 29 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. No options were granted by the Company under the scheme since its adoption.

Other than 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 2009, 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

Name of shareholders	Capacity	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 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%
DJE Investment S.A.	Investment manager (note) 投資經理(附註)	43,406,000	5.26%

Note: The long position of 43,406,000 shares were held by DJE Investment S.A. which was controlled by DJE Kapital AG, which in turn was controlled by Dr. Jens Alfred Karl Ehrhardt.

購買股份或債券之安排

本公司於2001年12月14日採納一項購股權計劃(詳情載於綜合財務報表附註29)，據此本公司之董事或最高行政人員或彼等之聯繫人可獲授予購股權以認購本公司股份。自計劃採納以來，本公司並無根據計劃授出購股權。

除上文所披露外，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2009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

Name of shareholders	Capacity	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 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%
DJE Investment S.A.	Investment manager (note) 投資經理(附註)	43,406,000	5.26%

附註：由 DJE Kapital AG 控制的 DJE Investment S.A. 持有 43,406,000 股股份之好倉，而 DJE Kapital AG 則由 Dr. Jens Alfred Karl Ehrhardt 控制。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Other than disclosed above, as at 31 December 2009, 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 336 of the SFO.

CONNECTED TRANSACTIONS

Details of the related party transactions for the year are set out in note 34 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)

除上文所披露，於2009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34。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) 所涉及金額不超逾與聯交所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 31% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 8% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers were approximately 40% 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.

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31%，而本集團最大客戶之銷貨佔本集團總營業額約8%。

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40%。

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。

Directors' Report

董事會報告

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.

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 29 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2009.

AUDITORS

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

On behalf of the Board

Wai Siu Kee

Chairman

Hong Kong, 7 April 2010

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。

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29。

足夠公眾持股量

本公司於截至2009年12月31日止整個年度內皆保持足夠公眾持股量。

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，2010年4月7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 28 to 103, which comprise the consolidated statement of financial position as at 31 December 2009, 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 notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 as to 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28頁至第103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2009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之香港財務報告準則及香港公司條例之披露規定編制及真實而公平地呈列此等綜合財務報表。該等責任包括設計、實施及執行與編制及真實而公平地呈列綜合財務報表相關之內部監控，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；選擇及應用合適之會計政策；以及作出對有關情況而言屬合理之會計估計。

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之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 and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the 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 2009 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, 7 April 2010

核數師之責任(續)

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。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及真實並公平地呈列綜合財務報表相關之內部監控，以設計適當之審核程序，但並非為對公司之內部監控效能發表意見。審核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2009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，2010年4月7日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2009 截至2009年12月31日止年度

		Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Revenue	收入	6	1,403,428	1,064,077
Cost of sales	銷售成本		(983,753)	(825,855)
Gross profit	毛利		419,675	238,222
Other income	其他收入		7,409	15,542
Selling and distribution costs	銷售及分銷成本		(60,497)	(45,418)
General and administrative expenses	行政費用		(108,484)	(107,660)
Finance costs	融資成本	8	(13,792)	(9,086)
Profit before taxation	除稅前溢利		244,311	91,600
Income tax expense	所得稅支出	9	(10,488)	(10,038)
Profit for the year	年內溢利	10	233,823	81,562
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		10,704	11,024
(Recognition) reversal 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的(確認)及回撥		(426)	540
Effect of change in tax rate	稅率變動之影響		-	160
Exchange differences arising from translation	因換算而產生的滙兌差額		35	23,336
Other comprehensive income for the year	年內其他全面收益		10,313	35,060
Total comprehensive income for the year	年內全面收益總額		244,136	116,622
Earnings per share (HK cents)	每股盈利(港仙)	12	28.3	9.9

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2009 於2009年12月31日

		Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,147,156	984,725
Prepaid lease payments	預付租賃款項	16	55,766	49,438
Investment properties	投資物業	17	22,408	21,785
Intangible assets	無形資產	18	8,480	5,292
Deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及設備 之已付訂金		12,841	72,636
Defined benefit assets	界定利益資產	33	4,250	3,852
			1,250,901	1,137,728
Current assets	流動資產			
Inventories	存貨	19	108,375	126,120
Prepaid lease payments	預付租賃款項	16	1,210	1,036
Trade and other receivables	應收貿易及其他款項	20	178,387	138,137
Derivative financial instruments	衍生金融工具	21	704	–
Restricted bank balances	有限制銀行存款	22	1,705	–
Bank balances and cash	銀行結餘及現金	22	70,638	63,469
			361,019	328,762
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他款項	23	293,991	263,218
Derivative financial instruments	衍生金融工具	21	–	508
Amounts due to related companies	應付關連公司款項	24	8,911	4,131
Taxation payable	應付稅項		3,631	1,487
Bank borrowings – due within 1 year	銀行借款 – 1年內到期	25	218,598	302,303
			525,131	571,647
Net current liabilities	流動負債淨值		(164,112)	(242,885)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,086,789	894,843
Non-Current Liabilities	非流動負債			
Bank borrowings – due after 1 year	銀行借款 – 1年後到期	25	153,850	124,800
Other long term payables	其他長期應付款項	26	1,676	45,631
Deferred taxation	遞延稅項	27	6,008	6,168
			161,534	176,599
NET ASSETS	資產淨值		925,255	718,244
Capital and reserves	資本及儲備			
Share capital	股本	28	82,500	82,500
Reserves	儲備		842,755	635,744
TOTAL EQUITY	權益總額		925,255	718,244

The consolidated financial statements on pages 28 to 103 were approved and authorised for issue by the Board of Directors on 7 April 2010 and are signed on its behalf by:

Wai Siu Kee
衛少琦
Chairman
主席

第28頁至第103頁所載之財務報表已於2010年4月7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 2009 截至2009年12月31日止年度

		Share capital	Share premium	Asset revaluation reserve 資產 重估儲備	Translation reserve 匯兌儲備	Special reserve 特別儲備	Accumulated profits 累計溢利	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note) (附註)	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2008	於2008年1月1日	82,500	20,307	63,339	11,678	(67,990)	533,038	642,872
Profit for the year	年內溢利	-	-	-	-	-	81,562	81,562
Other comprehensive income for the year	年內其他 全面收益	-	-	11,724	23,336	-	-	35,060
Total comprehensive income for the year	年內全面 收益總額	-	-	11,724	23,336	-	81,562	116,622
Realised on depreciation of property, plant and equipment	物業、廠房及設備 之折舊變現	-	-	(5,073)	-	-	5,073	-
Realised on disposal of property, plant and equipment	出售物業、廠房 及設備變現	-	-	(142)	-	-	142	-
Dividends recognised as distribution	已確認分派 之股息	-	-	-	-	-	(41,250)	(41,250)
At 31 December 2008	於2008年12月31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

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2009 截至2009年12月31日止年度

notes:

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：

本集團之特別儲備乃：

- (i) 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
- (ii) 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 2009 截至2009年12月31日止年度

		2009	2008
		HK\$'000	HK\$'000
		千港元	千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	244,311	91,600
Adjustments for:	調整:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	66,351	35,484
Interest expenses	利息支出	13,792	9,086
Write-down of inventories	存貨跌價準備	1,386	6,503
Release of prepaid lease payments	預付租賃款攤銷	1,066	1,036
Amortisation of intangible asset	無形資產攤銷	800	384
Impairment loss recognised in respect of trade receivables	應收貿易帳款減值虧損	369	1,355
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	227	158
Change in fair value of investment properties	投資物業公允值之變動	125	872
Deficit arising on revaluation of property, plant and equipment	重估廠房及設備所產生之虧損	15	-
Fair value changes on derivative financial instruments	衍生金融工具公允值之變動	(704)	508
Interest income	利息收入	(291)	(679)
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	327,447	146,307
Decrease (increase) in inventories	存貨減少(增加)	16,359	(26,308)
Increase in trade and other receivables	應收貿易及其他款項增加	(41,042)	(3,886)
Increase in defined benefit assets	界定利益資產增加	(398)	(397)
Increase in trade and other payables	應付貿易及其他款項增加	49,216	48,974
Decrease in derivative financial instruments	衍生金融工具之減少	(508)	-
Increase in amounts due to related companies	應付關連公司款項增加	4,780	2,644
Cash generated from operations	經營業務所得現金	355,854	167,334
Hong Kong Profits Tax paid	已付香港所得稅	(8,874)	(12,620)
Interest paid	已付利息	(13,792)	(9,086)
Profits Tax paid for other jurisdictions	已付其他司法權區所得稅	(56)	(35)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	333,132	145,593
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購置物業、廠房及設備	(135,987)	(279,306)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	(87,444)	(72,636)
Increase in prepaid lease payments	預付租賃款增加	(7,501)	-
(Increase) decrease in restricted bank balances	有限制銀行存款(增加)減少	(1,705)	4,737
Purchase of intangible assets	購置無形資產	(921)	-
Interest received	已收利息	291	679
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	157	122
NET CASH USED IN INVESTING ACTIVITIES	投資活動所耗現金淨額	(233,110)	(346,404)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2009 截至2009年12月31日止年度

		2009	2008
		HK\$'000	HK\$'000
		千港元	千港元
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行借款	(304,619)	(81,956)
Dividends paid	已付股息	(37,125)	(41,250)
Bank borrowings raised	新籌集銀行借款	248,784	341,303
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所耗)所得現金淨額	(92,960)	218,097
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目增加淨額	7,062	17,286
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及等同現金項目	63,469	46,858
EFFECT OF CHANGES IN EXCHANGE RATE	匯率變動之影響	107	(675)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	於年終之現金及等同現金項目	70,638	63,469

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009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 Ltd. ("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 37.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In light of the fact that the Group's current liabilities exceeded its current assets by approximately HK\$164 million as at 31 December 2009, in preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group including its existing resources, available banking facilities (note 25) and future operating cash flows, and are satisfied that the Group will have sufficient working capital to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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37。

2. 編製綜合財務報表之基準

鑒於本集團於2009年12月31日之流動負債大於其流動資產約1.64億港元，於編製綜合財務報表時，本公司董事已充分考慮本集團未來之流動資金，並相信憑藉現有資源、可動用之銀行信貸額度(附註25)及未來經營業務所得之現金流，本集團將有足夠之營運資金全數償還將到期之債務。因此，綜合財務報表已按持續經營的基準而編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

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

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

3. 應用新訂及經修訂香港財務報告準則

於本年度，本集團已應用以下由香港會計師公會（「香港會計師公會」）頒佈的新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）。

香港會計準則第1號 (2007經修訂)	財務報表的呈列
香港會計準則第23號 (2007經修訂)	借貸成本
香港會計準則第32號 及第1號(修訂)	可沽金融工具及清盤時產生的責任
香港財務報告準則 第1號及香港會計 準則第27號(修訂)	於附屬公司、共同控制 實體或聯營公司投資 的成本
香港財務報告準則 第2號(修訂)	歸屬條件及註銷
香港財務報告準則 第7號(修訂)	金融工具的披露改進
香港財務報告準則第8號	經營分類
香港(國際財務報告 詮釋委員會)–詮釋 第9號及香港會計 準則第39號(修訂)	嵌入式衍生工具
香港(國際財務報告詮釋 委員會)–詮釋第13號	客戶忠誠計劃
香港(國際財務報告詮釋 委員會)–詮釋第15號	房地產建築協議
香港(國際財務報告詮釋 委員會)–詮釋第16號	對沖海外業務 投資淨額
香港(國際財務報告詮釋 委員會)–詮釋第18號	從客戶轉讓資產
香港財務報告準則(修訂)	於2008年頒佈的香港財務 報告準則改進，惟於 2009年7月1日或其後 開始的年度期間生效 的香港財務報告準則 第5號的修訂除外
香港財務報告準則(修訂)	於2009年頒佈有關修訂 香港會計準則第39號 第80段的香港財 務報告準則改進

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

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

HKAS 1 (Revised 2007) has introduced a number of terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments (see note 7), nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

The adoption of the other new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

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

3. 應用新訂及經修訂香港財務報告準則 (續)

香港會計準則第1號(2007年經修訂)引入多項詞彙變動(包括對綜合財務報表標題作出修訂)·及多項對綜合財務報表呈列及披露方式的變更。

應用香港財務報告準則第8號並無導致本公司應呈報分部須予重新劃分(見附註7)·而採納香港財務報告準則第8號亦無改變分部間盈利或虧損的計量基準。

香港財務報告準則第7號之修訂本擴大有關以公允值計量的財務工具的按公允值計量的披露規定。本集團並沒有提供該等修訂所載過渡性條款中擴大有關公允值計量之披露之比較資料。

採納新訂及經修訂香港財務報告準則對本集團當前或過往會計期間之綜合財務報表並無重大影響。

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、修訂本或詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKAS 24 (Revised)	Related Party Disclosures ⁶
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Right Issues ⁴
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁵
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁷
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁵

- ¹ Effective for annual periods beginning on or after 1 July 2009.
- ² Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
- ³ Effective for annual periods beginning on or after 1 January 2010.
- ⁴ Effective for annual periods beginning on or after 1 February 2010.
- ⁵ Effective for annual periods beginning on or after 1 July 2010.
- ⁶ Effective for annual periods beginning on or after 1 January 2011.
- ⁷ Effective for annual periods beginning on or after 1 January 2013.

3. 應用新訂及經修訂香港財務報告準則 (續)

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 ¹
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 ²
香港會計準則第24號(經修訂)	關聯人士披露 ⁶
香港會計準則第27號(經修訂)	合併和單獨財務報表 ¹
香港會計準則第32號(修訂)	供股的分類 ⁴
香港會計準則第39號(修訂)	合資格對沖項目 ¹
香港財務報告準則第1號(修訂)	首次採納者的額外豁免 ³
香港財務報告準則第1號(修訂)	首次採納香港財務報告準則第7號之披露對比較數字之有限豁免 ⁵
香港財務報告準則第2號(修訂)	集團之以現金支付以股份結算付款交易 ³
香港財務報告準則第3號(經修訂)	業務合併 ¹
香港財務報告準則第9號	金融工具 ⁷
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 ⁶
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 ¹
香港(國際財務報告詮釋委員會) – 詮釋第19號	用權益工具抵消金融負債 ⁵

- ¹ 於2009年7月1日或之後開始的年度期間生效。
- ² 於2009年7月1日及2010年1月1日(如適用)或之後開始的年度期間生效之修訂。
- ³ 於2010年1月1日或之後開始的年度期間生效。
- ⁴ 於2010年2月1日或之後開始的年度期間生效。
- ⁵ 於2010年7月1日或之後開始的年度期間生效。
- ⁶ 於2011年1月1日或之後開始的年度期間生效。
- ⁷ 於2013年1月1日或之後開始的年度期間生效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (CONTINUED)

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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.

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 and by the Hong Kong Companies Ordinance.

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.

3. 應用新訂及經修訂香港財務報告準則 (續)

採納香港財務報告準則第3號(經修訂)可能對收購日期為2010年1月1日或之後的業務合併的本集團會計處理方法造成影響。香港會計準則第27號(經修訂)將會影響母公司投資於附屬公司的所有者權益出現變動時的會計處理方法。

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

4. 主要會計政策

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。

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及香港公司條例規定之適用披露事項。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

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

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 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.

4. 主要會計政策(續)

綜合基準(續)

所有集團內交易、結餘、收入及支出均於綜合賬目時對銷。

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

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 cost less any recognised impairment loss. 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.

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.

Freehold land is not amortised.

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.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

4. 主要會計政策(續)

物業、廠房及設備(續)

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。

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。

永久業權土地並無攤銷。

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，以直線法攤銷其估值。

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攤銷其估值。

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。資產取消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)於該項目取消確認之年度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 2009 截至2009年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Transfer from owner-occupied property to investment property carried at fair value

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to accumulated profits.

Investment properties

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

On initial recognition, investment properties are 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.

Prepaid lease payments

Prepaid lease payments are carried at cost and amortised over the lease term on a straight-line basis.

4. 主要會計政策(續)

物業、廠房及設備(續)

按公允價值列帳之自用物業轉至投資物業

當物業、廠房及設備因已証實終止自用而變為投資物業時，其賬面值與公允價值的差額於轉移日確認於其他全面收入及累計於物業重估儲備中。相關重估儲備於日後資產出售或報廢時將直接轉入累計溢利。

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。

於初次確認時，投資物業按成本計值，當中包括任何直接應佔開支。初次確認後，投資物業採用公允價值模式按公允價值計量。投資物業公允價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。

預付租賃款項

預付租賃款項乃按成本列示並按租賃年期以直線法攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense 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.

4. 主要會計政策(續)

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。

根據經營租賃之應付租金乃按相關租賃年期以直線法於損益表扣除。作為促使訂立經營租賃的已收及應收利益乃以直線法按租賃年期確認作租金支出減少。

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 2009 截至2009年12月31日止年度

4. 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 other standard.

Inventories

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

4. 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價值列賬，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價值列賬，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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefit costs

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

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 amount 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.

4. 主要會計政策(續)

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。

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金額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。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 each 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.

Exchange differences arising on the settlement of monetary items, and on the translation 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 in the consolidated financial statements 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).

4. 主要會計政策(續)

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。

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(滙兌儲備)。

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綜合財務報表附註

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4. 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.

4. 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。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 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.

4. 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於股本權益內確認。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised in the 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 fair value through profit or loss are recognised immediately in profit or loss.

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.

4. 主要會計政策(續)

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。

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之金融資產外,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。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

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).

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
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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.

4. 主要會計政策(續)

金融資產(續)

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(請參閱下文的金融資產減值虧損會計政策)。

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
- 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。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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

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.

4. 主要會計政策(續)

金融資產(續)

金融資產減值(續)

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。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity (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.

4. 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。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

4. 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, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and recognise a collateralised borrowing for proceeds received.

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.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, 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.

4. 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。

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。

5. 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4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。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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 2009, the carrying value of trade receivables (net of impairment loss) and bills receivables was approximately HK\$153,943,000 (2008: approximately HK\$125,156,000).

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 2009, the carrying amount of inventories (net of allowances) was approximately HK\$108,375,000 (2008: approximately HK\$126,120,000).

Income taxes

As at 31 December 2009, deferred tax asset in relation to unused tax losses of approximately HK\$36,469,000 (2008: approximately HK\$40,172,000) 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.

5. 估計不確定性之主要來源(續)

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2009年12月31日，應收貿易款項之賬面值(扣除減值虧損後)約153,943,000港元(2008：約125,156,000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2009年12月31日，存貨之賬面值(扣除準備後)約108,375,000港元(2008：約126,120,000港元)。

所得稅

由於未來溢利之流入不可預測，於2009年12月31日，有關未動用稅項虧損之遞延稅項資產約36,469,000港元(2008：約40,172,000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。

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6. REVENUE

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

6. 收入

2009 HK\$'000 千港元	2008 HK\$'000 千港元
727,555	901,240
675,873	162,837
1,403,428	1,064,077

7. SEGMENT INFORMATION

(a) Operating segments

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, the Chairman, for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

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

Principal activities are as follows:

Handbags	– Manufacture and sales of handbags
Chemical products	– Manufacture and sales of chloromethane products and caustic soda

Information regarding the above segments is reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

7. 分部資料

(a) 經營分部

本集團已自2009年1月1日起採納香港財務報告準則第8號「經營分類」。香港財務報告準則第8號要求以集團的主要營運決策者，集團主席，在對分部作資源分配及評核其表現上所定期審閱的有關集團不同部門的內部報告作為確認經營分類的基準。相反，過往準則香港會計準則第14號「分類報告」則要求實體採用風險及回報方法，確認兩組分部（業務及地區）而實體的「向主要管理人員報告的內部財務報告機制」僅作為分辨該等分部的起點。根據香港會計準則第14號，本集團的主要呈報分部方式為業務分部。相比於根據香港會計準則第14號釐定的呈報分部，應用香港財務報告準則第8號並無導致本集團的呈報分部須重新指定，而採納香港財務報告準則第8號亦無改變分部溢利的計算基準。

根據香港財務報告準則第8號本集團之營運及可報告分部為手袋及化工產品。

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及燒碱

上述分部資料現呈報如下，而往年度金額已根據香港財務報告準則第8號規定重新呈列。

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綜合財務報表附註

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7. SEGMENT INFORMATION (CONTINUED)**(a) Operating segments (continued)****Segment revenues and results**

		Chemical		
		Handbags	products	Total
		手袋	化工產品	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
For the year ended 31 December 2009	截至2009年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	119,866	139,399	259,265
Other income	其他收入			3
Central administration costs	中央行政費用			(1,165)
Finance costs	融資成本			(13,792)
Profit before tax	除稅前溢利			244,311

Segment revenues and results

		Chemical		
		Handbags	products	Total
		手袋	化工產品	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
For the year ended 31 December 2008	截至2008年12月31日止年度			
REVENUE – external sales	收入—外部銷售	901,240	162,837	1,064,077
Segment profit (loss)	分部溢利(虧損)	114,770	(12,512)	102,258
Other income	其他收入			–
Central administration costs	中央行政費用			(1,572)
Finance costs	融資成本			(9,086)
Profit before tax	除稅前溢利			91,600

7. 分部資料(續)**(a) 經營分部(續)****分部收入及業績**

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

7. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 4. Segment profit (loss) represents the profit earned by (loss from) 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.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment which is received by the Chairman for resource allocation and performance assessment:

Segment assets

Handbags	手袋
Chemical products	化工產品
Total segment assets	分部資產總額
Unallocated	其他資產
Consolidated assets	綜合資產

Segment liabilities

Handbags	手袋
Chemical products	化工產品
Total segment liabilities	分部負債總額
Unallocated	其他負債
Consolidated liabilities	綜合負債

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

- all assets are allocated to reportable segments other than assets of the Company.
- all liabilities are allocated to reportable segments other than liabilities of the Company.

7. 分部資料(續)

(a) 經營分部(續)

可呈報分部的會計政策與本集團會計政策附註4相同。分部溢利指各分部應佔溢利(虧損)，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。

分部資產及負債

以下為本集團的資產及負債按可呈報分部的分析，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：

分部資產

2009 HK\$'000 千港元	2008 HK\$'000 千港元
406,884	414,837
1,204,673	1,051,395
1,611,557	1,466,232
363	258
1,611,920	1,466,490

分部負債

2009 HK\$'000 千港元	2008 HK\$'000 千港元
266,201	307,414
419,903	440,044
686,104	747,458
561	788
686,665	748,246

監控分部之間的分部表現及分配資源的目的：

- 除本公司資產外，所有資產均分配至可呈報分部；及
- 除本公司負債外，所有負債均分配至可呈報分部。

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For the year ended 31 December 2009 截至2009年12月31日止年度

7. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

Other segment information

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

2009

		Handbags	Chemical	Total
		手袋	化工產品	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Addition to non-current assets (note)	非流動資產添置(附註)	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(撥回)	5,252	(3,866)	1,386
Gain on fair value changes on derivative financial instruments	衍生金融工具公允值的變動收益	704	-	704

7. 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：

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7. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

2008

		Handbags	Chemical	Total
		手袋	化工產品	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Addition to non-current assets (note)	非流動資產添置(附註)	5,041	348,316	353,357
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	14,493	20,991	35,484
Release of prepaid lease payments	預付租賃款項攤銷	490	546	1,036
Amortisation of intangible assets	無形資產攤銷	–	384	384
Impairment loss recognised in respect of trade receivables	應收帳款的減值虧損	1,355	–	1,355
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	158	–	158
Write-down of inventories	存貨減值撥備	2,637	3,866	6,503
Loss on fair value changes on derivative financial instruments	衍生金融工具公允值的變動虧損	508	–	508

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

主要產品及服務的收入

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

本集團主要產品及服務收入分析如下：

		2009	2008
		HK\$'000	HK\$'000
		千港元	千港元
Handbags	手袋	727,555	901,240
Chemical products	化工產品	675,873	162,837
		1,403,428	1,064,077

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7. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

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

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

7. 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」)、美國及泰國。

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		Non-current assets (note)	
		external customers			
		來自外部客戶的收入		非流動資產(備註)	
		2009	2008	2009	2008
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	13,423	26,856	1,779	1,961
PRC	中國	671,789	163,921	1,222,403	1,110,020
USA	美國	367,139	459,602	61	110
Canada	加拿大	26,557	28,061	-	-
The Netherlands	荷蘭	87,332	82,299	-	-
Italy	意大利	57,283	49,891	-	-
The United Kingdom	英國	43,076	120,433	-	-
Germany	德國	15,726	33,259	-	-
Other European countries	其他歐洲國家	45,364	39,860	-	-
South American countries	南美國家	27,328	28,574	-	-
Other Asian countries	其他亞洲國家	48,411	31,321	22,408	21,785
		1,403,428	1,064,077	1,246,651	1,133,876

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。

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7. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information (continued)

Information about major customers

Revenue from customers contributing over 10% of the Group's total sales are as follows:

	2009	2008
	HK\$'000	HK\$'000
	千港元	千港元
Customer A (i) 客戶 A (i)	- (ii)	152,785

- (i) Revenue from handbags
 (ii) The corresponding revenue did not contribute over 10% of the Group's total sales.

7. 分部資料(續)

(b) 地區資料(續)

主要客戶的資料

客戶收入超過本集團總銷售額之10%如下：

	2009	2008
	HK\$'000	HK\$'000
	千港元	千港元
客戶 A (i)	- (ii)	152,785

- (i) 手袋收入
 (ii) 未能超過本集團總銷售額10%的相應收入。

8. FINANCE COSTS

	2009	2008
	HK\$'000	HK\$'000
	千港元	千港元
Interest on:		
Bank borrowings wholly repayable within five years	12,544	9,086
Bank borrowings not wholly repayable within five years	1,248	-
	13,792	9,086

8. 融資成本

	2009	2008
	HK\$'000	HK\$'000
	千港元	千港元
利息支出：		
須於五年內全部償還之銀行借款	12,544	9,086
不須於五年內全部償還之銀行借款	1,248	-
	13,792	9,086

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9. 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
Underprovision in prior years:	往年度少撥備之稅項：
Hong Kong	香港
Other jurisdictions	其他司法權區
Deferred tax (note 27):	遞延稅項(附註27)：
Current year	本年度

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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. No provision for PRC income tax has been made in the consolidated financial statements as this PRC subsidiary was exempted from PRC income tax during the year.

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

9. 所得稅支出

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	11,015	9,906
Other jurisdictions Income Tax	59	67
	11,074	9,973
Underprovision in prior years:		
Hong Kong	-	55
Other jurisdictions	-	10
	-	65
Deferred tax (note 27):		
Current year	(586)	-
	10,488	10,038

於2008年6月26日，香港立法會通過2008年收入條例草案，把公司利得稅稅率由17.5%調減至16.5%，由2008/2009課稅起生效。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。由於此附屬公司豁免企業所得稅，故本年綜合報表中並無預提中國企業所得稅。

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

9. INCOME TAX EXPENSE (CONTINUED)

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

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Profit before taxation	除稅前溢利	244,311	91,600
Tax at the domestic income tax rate of 16.5% (2008: 16.5%)	按本地所得稅率 16.5%之稅項(2008: 16.5%)	40,311	15,114
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	2,209	2,699
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	(71)	(130)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	630	2,308
Tax effect of profit not subject to tax under 50:50 arrangement (note)	按50:50溢利比例基準 之稅務影響(附註)	(9,100)	(10,103)
Effect of tax exemption granted to a PRC subsidiary	中國附屬公司豁免稅金 之影響	(21,756)	-
Underprovision of profits tax in Hong Kong and other jurisdictions	往年度在香港及其他司法權區 少撥備之所得稅	-	65
Effect of different tax rates of subsidiaries operating in other jurisdictions	其他司法權區的 稅率變動之影響	91	167
Utilisation of tax losses previously not recognised	動用過往未確認 之稅項虧損	(1,240)	(82)
Reversal of deferred tax liabilities	遞延稅項的回撥	(586)	-
Income tax expense for the year	年內所得稅支出	10,488	10,038

note: 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.

Details of deferred taxation at the end of the reporting period and during the year are set out in note 27.

9. 所得稅支出(續)

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：

附註：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。

遞延稅項於報告期末及於年內之詳情載於附註27。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

10. PROFIT FOR THE YEAR**10. 年內溢利**

		2009	2008
		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 13)	董事薪酬(附註13)	3,227	2,850
Other staff costs	其他職員成本	176,731	187,169
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	2,114	2,047
Total staff costs	員工成本總額	182,072	192,066
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,066	1,036
Amortisation of intangible assets	無形資產攤銷	800	384
Auditors' remuneration	核數師酬金	1,190	1,079
Cost of inventories recognised as expenses (including write-down of inventories of HK\$1,386,000 (2008: HK\$6,503,000))	已確認為支出的存貨成本(包括存貨減值撥備138.6萬港元(2008: 650.3萬港元))	983,753	825,855
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	66,351	35,484
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)	369	1,355
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	227	158
Change in fair value of investment properties	投資物業的公允值變動	125	872
Loss on fair value changes on derivative financial instruments	衍生金融工具的公允值虧損	-	508
Deficit arising on revaluation of property, plant and equipment	重估物業、廠房及設備產生之虧損	15	-
Net exchange loss	匯兌淨虧損	1,098	-
Research and development cost recognised as expenses	已確認為支出的研發成本	629	-
and after crediting:	並已計入：		
Interest income	利息收入	291	679
Net exchange gain	匯兌淨收益	-	5,623
Gain on fair value changes on derivative financial instruments	衍生金融工具公允值的變動收益	704	-

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綜合財務報表附註

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11. DIVIDENDS

Dividends recognised as distributions during the year:	年內已確認分派之股息：
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
Final dividend of HK\$0.025 per share for the year ended 31 December 2007	截至2007年12月31日止年度 末期股息每股2.5港仙
Interim dividend of HK\$0.025 per share for the year ended 31 December 2008	截至2008年12月31日止年度 中期股息每股2.5港仙

A final dividend of HK\$0.07 (2008: HK\$0.015) per share for the year ended 31 December 2009 has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

11. 股息

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
	12,375	–
	24,750	–
	–	20,625
	–	20,625
	37,125	41,250

董事會已建議派發截至2009年12月31日止年度之末期股息每股7.0港仙(2008: 1.5港仙)，惟須待股東於週年大會上批准。

12. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year of HK\$233,823,000 (2008: HK\$81,562,000) and 825,000,000 (2008: 825,000,000) shares in issue during the year.

12. 每股盈利

每股基本盈利乃按年內溢利233,823,000港元(2008: 81,562,000港元)除以年內已發行股份825,000,000股(2008: 825,000,000股)而計算。

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For the year ended 31 December 2009 截至2009年12月31日止年度

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 7 (2008: 7) directors were as follows:

13. 董事酬金

已付或應付予7位(2008: 7位)董事之酬金如下:

		Other emoluments				Total
		Retirement		Performance	Total	
		Salaries and other benefits	benefit schemes contributions	related incentive payments		
		Fees	Salaries and other benefits	Retirement benefit schemes contributions	Performance related incentive payments	Total
		袍金	薪金及其他福利	退休福利計劃供款	表現相關獎金	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
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	龔鈺	–	540	12	–	552
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Wan Chi Keung, Aaron JP	尹志強	80	–	–	–	80
Heng Kwo Seng (reappointed on 8.4.2009)	邢詒春 (再次委任於2009年4月8日)	60	–	–	–	60
Wong Kai Tung, Tony	王啟東	80	–	–	–	80
		220	2,908	41	58	3,227

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

13. DIRECTORS' EMOLUMENTS (CONTINUED)**13. 董事酬金(續)**

		Other emoluments 其他酬金				Total
		Salaries and other benefits	Retirement benefit schemes contributions	Performance related incentive payments		Total
		Fees 袍金	薪金及 其他福利	退休福利 計劃供款	表現 相關獎金	合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 31.12.2008	截至2008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	12	–	1,182
Poon Lai Ming	潘麗明	–	696	12	58	766
Lee Man Yan	李文慧	–	502	12	–	514
Kung Phong (appointed on 20.8.2008)	龔紡 (委任於2008年8月20日)	–	197	4	–	201
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Wan Chi Keung, Aaron JP	尹志強	80	–	–	–	80
Heng Kwoo Seng (resigned on 30.4.2008 and reappointed on 8.4.2009)	邢詒春 (辭任於2008年4月30日及 再次委任於2009年4月8日)	27	–	–	–	27
Wong Kai Tung, Tony	王啟東	80	–	–	–	80
		187	2,565	40	58	2,850

note: The performance related incentive payments were determined with regards to the Group's operating results, individual performance and comparable market statistics. No directors waived any emoluments in the year ended 31 December 2009.

附註：表現相關獎金乃按本公司經營業績、個人表現及相對市場統計而釐定。截至2009年12月31日止年度並無股東放棄任何酬金。

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14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2008: two) were directors of the Company whose emoluments are disclosed in note 13 above. The emoluments of the remaining three (2008: three) individuals were as follows:

		2009	2008
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	2,040	2,706
Contributions to retirement benefits schemes	退休福利計劃供款	36	24
Discretionary bonus payments	表現相關獎金	339	288
		2,415	3,018

The emoluments were within the following bands:

		2009	2008
		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	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	–	1

14. 僱員酬金

在本集團5位最高薪酬之人士中，包括2位(2008：2位)本公司董事，其薪酬已載於上文附註13。而其餘3位(2008：3位)最高薪酬人士之酬金如下：

酬金介乎下列幅度：

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15. PROPERTY, PLANT AND EQUIPMENT

15. 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 2008	於2008年1月1日	110,817	8,320	8,605	3,803	340,301	174,462	646,308
Currency realignment	滙兌調整	294	72	-	86	26,016	12,311	38,779
Additions	添置	-	3,683	-	513	47,991	295,414	347,601
Disposals	出售	-	(12)	-	-	(268)	-	(280)
Transfer	轉撥	30,803	-	-	-	187,562	(218,365)	-
Transferred to investment property	轉出至投資物業	(23,223)	-	-	-	-	-	(23,223)
Adjustment arising on revaluation	因重估產生之調整	4,967	(2,088)	403	(1,018)	(26,724)	-	(24,460)
At 31 December 2008	於2008年12月31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
DEPRECIATION	折舊							
At 1 January 2008	於2008年1月1日	-	-	-	-	-	-	-
Provided for the year	本期撥備	8,592	2,498	835	993	22,566	-	35,484
Eliminated on revaluation	重估時對銷	(8,592)	(2,498)	(835)	(993)	(22,566)	-	(35,484)
At 31 December 2008	於2008年12月31日	-	-	-	-	-	-	-
Provided for the year	本年度撥備	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	-	-	-	-	-	-	-
CARRYING VALUE	賬面值							
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
At 31 December 2008	於2008年12月31日	123,658	9,975	9,008	3,384	574,878	263,822	984,725

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For the year ended 31 December 2009 截至2009年12月31日止年度

15. 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 2009 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\$10,689,000 (2008: HK\$11,024,000) arising on the above revaluation has been dealt with as follows:

- (i) a surplus of HK\$10,704,000 (2008: HK\$11,024,000) has been credited to the asset revaluation reserve; and
- (ii) a deficit of HK\$15,000 (2008: nil) has been dealt with in the profit or loss.

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:

15. 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2009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10,689,000港元(2008：11,024,000港元)已處理入賬如下：

- (i) 10,704,000港元(2008：11,024,000港元)盈餘已撥入資產重估儲備；及
- (ii) 15,000港元之虧絀(2008：無)已計入損益表內。

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：

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For the year ended 31 December 2009 截至2009年12月31日止年度

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**15. 物業、廠房及設備(續)**

		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	146,208	25,043	16,038	8,645	1,047,441	25,770	1,269,145
Accumulated depreciation and amortisation	累計折舊及攤銷	(56,418)	(19,513)	(10,967)	(6,879)	(101,650)	-	(195,427)
Net book value	賬面淨值							
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
At 31 December 2008	於2008年12月31日	78,290	6,619	5,383	2,198	559,680	263,822	915,992

16. PREPAID LEASE PAYMENTS**16. 預付租賃款項**

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

本集團之預付租賃款項是指中國境內之中期租賃土地。

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		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Analysed for reporting purposes as:	分析呈報如下:		
Non-current asset	非流動資產	55,766	49,438
Current asset	流動資產	1,210	1,036
		56,976	50,474

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17. INVESTMENT PROPERTIES**17. 投資物業**

		HK\$'000 千港元
FAIR VALUE	公允值	
Transfer from property, plant and equipment and at 1 January 2008	於2008年1月1日 從物業、廠房及設備轉入	23,223
Currency realignment	滙兌調整	(566)
Change in fair value	公允值變動	(872)
At 31 December 2008	於2008年12月31日	21,785
Currency realignment	滙兌調整	748
Change in fair value	公允值變動	(125)
At 31 December 2009	於2009年12月31日	22,408

The investment properties situated in Thailand were revalued as of 18 December 2009 by Thai Property Appraisal Lynn Philips Co., Ltd., an independent firm of professional property valuer, on the basis of open market value in existing use. A deficit of HK\$125,000 (2008: HK\$872,000) has been dealt with in the profit or loss. In the opinion of the directors, there is no material fluctuation on the valuation of the investment properties between 18 December 2009 and 31 December 2009.

本集團位於泰國之投資物業權益於2009年12月18日由獨立專業物業估值師·Thai Property Appraisal Lynn Philips Co., Ltd.按其現有用途之公開市場價值基準重估。125,000港元(2008: 872,000港元)虧損已計入收益表中。本集團董事認為於2009年12月18日至2009年12月31日期間,投資物業的估值並無重大變動。

The carrying value of investment properties shown above comprises:

以上呈列之投資物業帳面值包括:

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
- freehold land in Thailand	位於泰國永久業權土地	9,422	9,001
- buildings on freehold land in Thailand	位於泰國永久業權土地上之樓宇	12,986	12,784
		22,408	21,785

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For the year ended 31 December 2009 截至2009年12月31日止年度

18. INTANGIBLE ASSETS

18. 無形資產

THE GROUP	本集團	Technical knowhow 技術知識 HK\$'000 千港元
COST	成本	
At 1 January 2008	於2008年1月1日	–
Addition	添置	5,756
Currency realignment	滙兌調整	(86)
At 31 December 2008	於2008年12月31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
AMORTISATION	攤銷	
At 1 January 2008	於2008年1月1日	–
Provided for the year	本年度攤銷	384
Currency realignment	滙兌調整	(6)
At 31 December 2008	於2008年12月31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
CARRYING VALUE	帳面值	
At 31 December 2009	於2009年12月31日	8,480
At 31 December 2008	於2008年12月31日	5,292

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。

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19. INVENTORIES

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

19. 存貨

2009	2008
HK\$'000	HK\$'000
千港元	千港元
58,153	52,867
38,410	41,372
11,812	31,881
108,375	126,120

20. 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
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

20. 應收貿易及其他款項

2009	2008
HK\$'000	HK\$'000
千港元	千港元
84,129	70,662
(360)	(1,355)
83,769	69,307
70,174	55,849
153,943	125,156
14,922	11,151
9,522	1,830
178,387	138,137

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

At 31 December 2009, the carrying amount of the bills receivables pledged as security for the bills discounted with recourse, as disclosed in note 25, was HK\$44,274,000 (2008: HK\$47,028,000).

Included in the balance are trade and bills receivables of HK\$153,943,000 (2008: HK\$125,156,000). The aged analysis of trade and bills receivables based on the invoice date at the end of the reporting period is as follows:

本集團一般給予貿易客戶之賒賬期平均為0至90天。

於2009年12月31日，44,274,000港元（2008：47,028,000港元）之應收票據用作附有追溯權的票據貼現之抵押（附註25）。

應收貿易及其他款項包括應收貿易款項及票據約153,943,000港元（2008：125,156,000港元），應收貿易款項及票據於報告期末之賬齡分析如下：

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20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Less than 30 days	少於30天
31 – 60 days	31至60天
61 – 90 days	61至90天
Over 90 days	90天以上

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

Before accepting any new customer, the Group assesses the potential customer's credit quality by investigating its historical credit record and then defines its credit limit. During the year, the Group has provided allowance for doubtful debts of HK\$369,000 (2008: HK\$1,355,000) for certain receivables aged over 90 days. The Group generally makes provision against debts which aged over 90 days because historical experience is such that receivables that aged over 90 days are generally not recoverable. However, included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$10,378,000 (2008: HK\$20,255,000) 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 Group believes that the amounts are still recoverable as there are continuing subsequent settlement. The Group does not hold any collateral over these balances.

20. 應收貿易及其他款項(續)

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Less than 30 days	101,216	77,696
31 – 60 days	38,313	32,162
61 – 90 days	12,970	11,278
Over 90 days	1,444	4,020
	153,943	125,156

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。

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Euro	9,573	2,782
Renminbi ("RMB")	317	633
HK dollars	2,770	2,175
	12,660	5,590

於接納任何新客戶前，本集團透過調查其過往之信貸記錄評估客戶之潛在信貸質量並界定該客戶之信貸限額。本集團已就若干逾90日之應收款項作出呆賬撥備369,000港元(2008: 1,355,000港元)。本集團已參考該應收款項其後的還款模式來為所有賬齡為九十日以上的應收款項悉數準備。於報告日帳面值10,378,000港元(2008: 20,255,000港元)的應收貿易帳款已過期，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。

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20. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

20. 應收貿易及其他款項(續)

已過期而未減值的應收貿易款項賬齡如下：

2009	2008
HK\$'000	HK\$'000
千港元	千港元
1,311	5,722
6,972	8,647
651	1,926
1,444	3,960
10,378	20,255

21. DERIVATIVE FINANCIAL INSTRUMENTS

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

Notional amount 概念金額

As at 31 December 2009

Sell EUR927,288
Sell EUR1,500,000

於2009年12月31日

出售 927,288 歐羅
出售 1,500,000 歐羅

Maturity 到期日

27.01.2010 1 EURO: 1.50445 USD
15.03.2010 1 EURO: 1.46195 USD

Exchange rate 兌換率

As at 31 December 2008

Sell EUR1,500,000

於2008年12月31日

出售 1,500,000 歐羅

31.03.2009 1 EURO: 1.300 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.

21. 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。

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22. RESTRICTED BANK BALANCES/BANK BALANCES AND CASH

The restricted bank balances at 31 December 2009 represents 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 will be released upon the settlement of relevant bills payables.

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 an average market interest rate of 0.1% (2008: 1.0%) 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.

22. 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。當相關承兌匯票作結算時，該受限制銀行存款便會釋出。

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0.1% (2008：1.0%)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。

		2009	2008
		HK\$'000	HK\$'000
		千港元	千港元
Euro	歐羅	1,439	684
RMB	人民幣	2,563	1,606
HK dollars	港元	28,520	26,364
		32,522	28,654

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23. 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\$138,074,000 (2008: HK\$87,592,000). 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.

Euro	歐羅
RMB	人民幣
Japanese Yen	日圓
HK dollars	港元

23. 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。貿易購貨之平均賒賬期為30至90天。

應付貿易及其他款項包括應付貿易款項約138,074,000港元(2008: 87,592,000港元)，應付貿易款項於報告期末之賬齡分析如下：

2009	2008
HK\$'000	HK\$'000
千港元	千港元
88,508	40,170
22,905	26,007
21,843	17,491
4,818	3,924
138,074	87,592
155,917	175,626
293,991	263,218

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。

2009	2008
HK\$'000	HK\$'000
千港元	千港元
–	827
51,575	47,092
–	10,773
28,078	37,553
79,653	96,245

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綜合財務報表附註

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24. AMOUNTS DUE TO RELATED COMPANIES

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

The above related companies are beneficially owned by Mr. Lee Wan Keung, the controlling shareholder of the Company's ultimate holding company, Fortune Star. The amounts are unsecured, non-interest bearing, repayable on demand and aged within 90 days.

24. 應付關連公司款項

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
	1,040	1,170
	7,871	2,961
	8,911	4,131

以上關連公司均由本公司最終控股公司 Fortune Star 之控股股東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。

25. BANK BORROWINGS

Bank loans 銀行借款
Bank import loans 銀行入口單借款
Bills discounted with recourse 附追溯權之貼現票據

Carrying amount repayable: 需償還帳面值：
Within one year 應要求或1年內
More than one year, but not exceeding two years 超出1年但不超出2年
More than two years but not more than five years 超出2年但不超出5年
More than five years 超出5年

Less: Amounts due within one year shown under current liabilities 減：1年內的流動負債

Analysed as: 分析為：

Secured 有抵押
Unsecured 無抵押

25. 銀行借款

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
	267,728	285,229
	60,446	94,846
	44,274	47,028
	372,448	427,103
	218,598	302,303
	57,395	41,184
	90,736	83,616
	5,719	–
	372,448	427,103
	(218,598)	(302,303)
	153,850	124,800
	44,274	47,028
	328,174	380,075
	372,448	427,103

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25. BANK BORROWINGS (CONTINUED)

As at 31 December 2009, the Group had available banking facilities of approximately HK\$837,889,000 (2008: HK\$767,663,000) of which HK\$372,448,000 (2008: HK\$427,103,000) was utilised.

As at 31 December 2008, the directors of the Company, Ms. Wai Siu Kee and Mr. Lee Man Yan has provided personal guarantee in support of bank borrowings to the extent of HK\$56,550,000 (2009: nil).

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

Fixed-rate borrowings (all within one year)	定息借款
Variable-rate borrowings	浮息借款

2009 HK\$'000 千港元	2008 HK\$'000 千港元
12,500	79,229
359,948	347,874
372,448	427,103

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

Effective interest rate:	實際利率：	2009	2008
Fixed-rate borrowings	定息借款	5.04% Per annum 年率	6.13% to 6.90% Per annum 年率
Variable-rate borrowings	浮息借款	0.6% to 3% 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

本集團借款之實際利率範圍如下：

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

	As at 31 December 2009	As at 31 December 2008
USD 美元 HK\$'000	124,800	254,119
EUR 歐羅 HK\$'000	5,457	7,781
HKD 港元 HK\$'000	108,971	139,499

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：

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26. 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 is repayable after one year from the end of the reporting period in accordance with the respective agreements. The balance repayable within one year from the end of the reporting period is included in other payables under current liabilities.

27. DEFERRED TAXATION

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

26. 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。款項將於由報告期末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。

27. 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：

		Accelerated tax depreciation 加速 稅務折舊 HK\$'000 千港元	Revaluation of property, plant and equipment 物業、廠房 及設備重估 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2008	於2008年及1月1日	124	6,868	(124)	6,868
Effect of a change in tax rate	稅率變動之影響	(7)	(160)	7	(160)
Credit to other comprehensive income	計入其他全面收益	-	(540)	-	(540)
At 31 December 2008	於2008年12月31日	117	6,168	(117)	6,168
Credit to profit or loss	計入損益	-	(586)	-	(586)
Charge to other comprehensive income	計入其他全面收益	-	426	-	426
At 31 December 2009	於2009年12月31日	117	6,008	(117)	6,008

At the end of the reporting period, the Group had unutilised tax losses of HK\$37,180,000 (2008: HK\$40,883,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK\$711,000 (2008: HK\$711,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$36,469,000 (2008: HK\$40,172,000) due to the unpredictability of future profit streams. Tax losses of HK\$29,558,000 may be carried forward indefinitely while the remaining tax losses of HK\$7,622,000 from PRC subsidiaries may be carried forward for five years.

於報告期末，本集團尚未動用但可用作抵扣未來課稅溢利之稅項虧損為37,180,000港元(2008: 40,883,000港元)。其中就該虧損確認了711,000港元(2008: 711,000港元)之遞延稅項資產。由於未來溢利之流入不可預測，餘下之36,469,000港元(2008: 40,172,000港元)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29,558,000港元可無限期結轉，而餘下來自中國附屬公司之稅項虧損7,622,000港元則可結轉五年。

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27. DEFERRED TAXATION (CONTINUED)

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\$127,346,000 (2008: nil) 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.

28. 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 2008, 31 December 2008
and 31 December 2009 於2008年1月1日、2008年12月31日
及2009年12月31日

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

5,000,000,000	500,000
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Issued and fully paid: 發行及繳足：

At 1 January 2008, 31 December 2008
and 31 December 2009 於2008年1月1日、2008年12月31日
及2009年12月31日

825,000,000	82,500
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There was no movement in the Company's share capital for both years.

本公司之股本於兩個年度並無變動。

27. 遞延稅項(續)

根據中華人民共和國企業所得稅法，從2008年1月1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127,346,000港元(2008：無)的暫時性差額計提遞延稅項撥備。

28. 股本

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29. 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 will remain in force for a period of 10 years from adoption of such scheme and will expire on 13 December 2010.

Under the Scheme, the Board of Directors of the Company (the "Directors") may at their discretion grant options to (i) any director, employee or consultant of the Group or a company in which the Group 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 Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any customer, supplier or adviser as may be determined by the Directors from time to time to subscribe for the shares of the Company (the "Shares").

Options granted must be taken up within 21 days of the date of grant. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company at any point in time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been 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 can be exercised) as may be determined by the Directors (which shall be less than ten years from the date of issue of the relevant option). Options may be granted without initial payment. The exercise price is equal to the highest of (i) nominal value of the Shares; (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.

No options were granted by the Company under the Scheme since its adoption.

29. 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。

自計劃採納以來，本公司並無根據計劃授出購股權。

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30. 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

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.

31. 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:

Within one year

一年內

In the second to fifth year inclusive

於第二至第五年內

30. 經營租約

2009	2008
HK\$'000	HK\$'000
千港元	千港元

318	1,491
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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：

2009	2008
HK\$'000	HK\$'000
千港元	千港元

33	304
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-	138
---	-----

33	442
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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。

31. 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：

2009	2008
HK\$'000	HK\$'000
千港元	千港元

598	598
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199	797
------------	-----

797	1,395
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For the year ended 31 December 2009 截至2009年12月31日止年度

32. CAPITAL COMMITMENTS

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
– the acquisition of land use rights	購入土地使用權

32. 資本承擔

2009 HK\$'000 千港元	2008 HK\$'000 千港元
20,853	110,331
22,288	28,506

33. 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 Group. 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 2009 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.

33. 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2009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。

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33. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

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 2009 was HK\$9,936,000 (2008: HK\$10,403,000) and that the actuarial value of these assets represented 130% (2008: 121%) of the benefits that were accrued to members.

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

Interest cost	利息成本
Expected return on plan assets	計畫資產預期回報
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

33. 退休福利計劃(續)

界定利益計劃(續)

所採用之主要精算假設如下：

2009 Per annum 年率	2008 Per annum 年率
0%	0%
3%	4%
0%	0%

精算評估顯示計劃資產於2009年12月31日之市值為9,936,000港元(2008: 10,403,000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130%(2008: 121%)。

在綜合全面收益表內就界定利益計劃已確認之開支如下：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
-	-
(398)	(397)
-	-
-	-
(398)	(397)

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For the year ended 31 December 2009 截至2009年12月31日止年度

33. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

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:

Present value of funded defined benefit obligations	界定利益承擔 款項之現值
Fair value of plan assets	計劃資產之公平價值
Net actuarial losses not recognised	未確認之精算虧損
Defined benefit asset	界定利益承擔產生之淨資產

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

Opening balance	期初結餘
Interest cost	利息成本
Benefit paid	已付利益
Actuarial losses	精算虧損
Closing balance	期末結餘

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

Opening balance	期初結餘
Expected return on plan assets	計畫資產預期回報
Benefit paid	已付利益
Actuarial gains	精算收益
Closing balance	期末結餘

33. 退休福利計劃(續)

界定利益計劃(續)

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：

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Present value of funded defined benefit obligations	7,622	8,571
Fair value of plan assets	(9,936)	(10,403)
Net actuarial losses not recognised	(1,936)	(2,020)
Defined benefit asset	(4,250)	(3,852)

年內界定利益承擔現值變動如下：

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Opening balance	8,571	7,188
Interest cost	-	-
Benefit paid	(949)	-
Actuarial losses	-	1,383
Closing balance	7,622	8,571

年內計劃資產之公允值變動如下：

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Opening balance	10,403	9,908
Expected return on plan assets	398	397
Benefit paid	(949)	-
Actuarial gains	84	98
Closing balance	9,936	10,403

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33. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

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

Debt instruments	債券
Cash	現金

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\$398,000 (2008: HK\$397,000).

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

33. 退休福利計劃(續)

界定利益計劃(續)

計劃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 計劃資產之公允值

2009	2008
HK\$'000	HK\$'000
千港元	千港元
9,876	10,101
60	302
9,936	10,403

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398,000港元(2008: 397,000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。

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For the year ended 31 December 2009 截至2009年12月31日止年度

33. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The history of experience adjustments is as follows:

		2009 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Present value of defined benefit obligations	界定利益 承擔現值	7,622	8,571	7,188
Fair value of plan assets	計劃資產之公允值	(9,936)	(10,403)	(9,908)
Surplus	盈餘	(2,314)	(1,832)	(2,720)
Actuarial losses (gains) on plan liabilities	計劃負債精算虧損(收益)	-	1,383	(756)
Actuarial gain on plan assets	計劃資產精算收益	(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.

33. 退休福利計劃(續)

界定利益計劃(續)

過往調整實況如下：

	2009 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Present value of defined benefit obligations	7,622	8,571	7,188
Fair value of plan assets	(9,936)	(10,403)	(9,908)
Surplus	(2,314)	(1,832)	(2,720)
Actuarial losses (gains) on plan liabilities	-	1,383	(756)
Actuarial gain on plan assets	(84)	(98)	-

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。

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34. RELATED PARTY TRANSACTIONS AND BALANCES

The Group had significant transactions and balances with related parties (see note 24) during the year and at the end of the reporting period as follows:

34. 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24)如下：

Name of related party	Relationship	Nature of transactions	2009 HK\$'000 千港元	2008 HK\$'000 千港元
關連方名稱	關係	交易性質		
Connected parties				
關連人士				
Capital Nation Investments Limited	A company beneficially owned by Mr. Lee Wan Keung 由李運強先生實益擁有之公司	Corrugated cardboard and carton boxes purchased 購買瓦楞紙板及紙箱	4,093	10,280
		Management fee income received 管理費收入	–	27
Lee and Man Manufacturing Co. Ltd. 理文製造廠有限公司	A company beneficially owned by Ms. Lee Marina Man Wai, sister of Mr. Lee Man Yan, a director of the Company 由本公司董事李文恩先生之姊李文慧女士實益擁有之公司	Management fee income received 管理費收入	–	87
		Licence fee received 已收使用權費	–	186
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	828	843
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	53,093	14,930
		Fuel expense paid 已付燃料費	197	–
		Rental expense paid 已付租金	762	–
		Sales of caustic soda 銷售燒鹼	7,583	386

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34. 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

34. 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：

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
	8,770	7,327
	137	127
	8,907	7,454

35. NON-CASH TRANSACTIONS

During the year, purchases of property, plant and equipment and intangible assets of HK\$144,183,000 and HK\$3,056,000 (2008: HK\$15,026,000 and HK\$5,292,000), respectively, were settled through transfer of deposits paid in the prior year.

35. 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144,183,000港元及3,056,000港元(2008年：15,026,000港元及5,292,000港元)是由往年度的已付訂金轉入。

36. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY

The summarised financial information of the Company is as follows:

	資產		負債
ASSETS	Investments in subsidiaries	於附屬公司之投資	LIABILITIES
	Amount due from a subsidiary	附屬公司欠款	Amount due to a subsidiary
	Prepayments	預付款項	Other payables
	Bank balances	銀行結餘	Bank borrowings
			資本及儲備
			Share capital
			Reserves (note)
			儲備(附註)

36. 本公司之財務資料匯總

本公司之財務資料概述如下：

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
	215,147	215,147
	731,750	608,192
	172	172
	191	87
	947,260	823,598
	163,041	280,044
	561	788
	80,428	–
	244,030	280,832
	703,230	542,766
	82,500	82,500
	620,730	460,266
	703,230	542,766

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For the year ended 31 December 2009 截至2009年12月31日止年度

36. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

note:

Reserves

		Share premium	Contributed surplus	Accumulated profits	Total
		股份溢價	實繳盈餘	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2008	於2008年1月1日	20,307	112,338	345,443	478,088
Profit for the year	年內溢利	–	–	23,428	23,428
Dividends (note 11)	股息(附註11)	–	–	(41,250)	(41,250)
At 31 December 2008	於2008年12月31日	20,307	112,338	327,621	460,266
Profit for the year	年內溢利	–	–	197,589	197,589
Dividends (note 11)	股息(附註11)	–	–	(37,125)	(37,125)
At 31 December 2009	於2009年12月31日	20,307	112,338	488,085	620,730

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.

36. 本公司之財務資料匯總(續)

附註：

儲備

		Share premium	Contributed surplus	Accumulated profits	Total
		股份溢價	實繳盈餘	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2008	於2008年1月1日	20,307	112,338	345,443	478,088
Profit for the year	年內溢利	–	–	23,428	23,428
Dividends (note 11)	股息(附註11)	–	–	(41,250)	(41,250)
At 31 December 2008	於2008年12月31日	20,307	112,338	327,621	460,266
Profit for the year	年內溢利	–	–	197,589	197,589
Dividends (note 11)	股息(附註11)	–	–	(37,125)	(37,125)
At 31 December 2009	於2009年12月31日	20,307	112,338	488,085	620,730

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。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at 31 December 2009 and 2008 are as follows:

37. 主要附屬公司

本公司於2008年12月31日及2009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 #
			2009	2008	
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

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For the year ended 31 December 2009 截至2009年12月31日止年度

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

37. 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 #
			2009	2008	
Dongguan Lee Wai Handbag Company Limited 東莞利偉手袋有限公司	PRC 中國	Paid-in capital – HK\$900,000 (2008: nil) 實繳股本 – 900,000 港元 (2008 : 無)	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 理文(國際)投資有限公司	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 (2008: US\$44,903,710) 實繳股本 – 48,750,000 美元 (2008 : 44,903,710 美元)	100%	100%	Manufacture and sales of chloromethane products and caustic soda 生產及銷售甲烷氯化物及燒碱
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 (2008: US\$910,000) 實繳股本 – 2,020,000 美元 (2008 : 910,000 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。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

37. 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.

38. 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 maximizing the return to stakeholders 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 25 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.

37. 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。

38. 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權益持有人回報最大化。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25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。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

39. FINANCIAL INSTRUMENTS

39a. 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

39b. 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, 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.

39. 金融工具

39a. 金融工具之類別

2009	2008
HK\$'000	HK\$'000
千港元	千港元
227,055	189,800
704	–
611,524	668,467
–	508

39b. 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 2009 截至2009年12月31日止年度

39. FINANCIAL INSTRUMENTS (CONTINUED)

39b. 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, Japanese Yen, 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) Japanese Yen-in terms of capital expenditure, bank balances and cash
- (iii) 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.

39. 金融工具(續)

39b. 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華人民共和國(「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、日圓、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) 日圓—源於資本性支出，銀行結餘及現金
- (iii) 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。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

39. FINANCIAL INSTRUMENTS (CONTINUED)

39b. 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
Liabilities	負債
Euro	歐羅
RMB	人民幣
Japanese Yen	日圓
HK dollars	港元

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 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.

39. 金融工具(續)

39b. 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：

	2009	2008
	HK\$'000	HK\$'000
	千港元	千港元
Assets		
Euro	11,716	3,466
RMB	2,880	2,239
HK dollars	31,290	28,539
Liabilities		
Euro	5,457	9,116
RMB	51,575	47,403
Japanese Yen	-	10,773
HK dollars	138,090	177,911

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。

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綜合財務報表附註

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39. FINANCIAL INSTRUMENTS (CONTINUED)

39b. 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

- RMB	- 人民幣
- Euro	- 歐羅
- Japanese Yen	- 日圓
- HK dollars	- 港元

Derivative financial instruments: 衍生金融工具

(Decrease) increase on profit for the year (減少)增加於年內溢利之

- Euro	- 歐羅
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(ii) Interest rate risk

The Group's cash flow interest rate risks mainly relate to its variable rates borrowings (see note 25 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.

39. 金融工具(續)

39b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

Sensitivity analysis (續)

2009 HK\$'000 千港元	2008 HK\$'000 千港元
2,435	2,258
(278)	257
-	539
782	752
(35)	25

(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25)，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。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

39. FINANCIAL INSTRUMENTS (CONTINUED)

39b. 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 2009 would increase or decrease by HK\$70,000 (2008: HK\$63,000). 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 2009 would decrease or increase by HK\$1,800,000 (2008: HK\$1,739,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

39. 金融工具(續)

39b. 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2009年12月31日止年度之溢利將減少或增加約70,000港元(2008: 63,000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2009年12月31日止年度之溢利將減少或增加約1,800,000港元(2008: 1,739,000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。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

39. FINANCIAL INSTRUMENTS (CONTINUED)

39b. 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 2009, the top five customers of the Group accounted for about 53% (2008: 43%) 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.

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 25) of approximately 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.

39. 金融工具(續)

39b. 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2009年12月31日，集團首五位客戶佔應收帳款總額約53%(2008: 43%)。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。

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。於2009年12月31日，本集團及本公司有可動用之銀行備用信貸額(附註25)約港幣465,441,000元。管理層監控銀行借款的使用狀況及確保遵守貸款契約。

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綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

39. FINANCIAL INSTRUMENTS (CONTINUED)

39b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

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. 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.

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or 0 - 30 days 應要求或 0 - 30天	31 - 60 days 31 - 60天	61 - 90 days 61 - 90天	91 - 365 days 91 - 365天	Over 365 days 超過 365天	Total undiscounted cash flows 未貼現 現金流量		Carrying amount 總量 HK\$'000 千港元
								HK\$'000 千港元	HK\$'000 千港元	
As at 31 December 2009	於2009年12月31日									
Non-derivative financial liabilities	非金融財務負債									
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	136,020	14,626	-	56,987	157,255	364,888	359,948	
			260,604	54,763	21,704	121,092	158,931	617,094	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)	

39. 金融工具(續)

39b. 財務風險管理目標及政策(續)

流動資金風險(續)

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，並列有利息及本金現金流量。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 2009 截至2009年12月31日止年度

39. FINANCIAL INSTRUMENTS (CONTINUED)**39. 金融工具(續)****39b. Financial risk management objectives and policies (continued)****39b. 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 加權平均 實際利率 %	On demand or 0 - 30 days 應要求或 0 - 30天 HK\$'000 千港元	31 - 60 days 31 - 60天 HK\$'000 千港元	61 - 90 days 61 - 90天 HK\$'000 千港元	91 - 365 days 91 - 365天 HK\$'000 千港元	Over 365 days 超過 365天 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流量 HK\$'000 千港元	Carrying amount 總量 HK\$'000 千港元
As at 31 December 2008	於2008年12月31日								
Non-derivative financial liabilities	非衍生金融負債								
Non-interest bearing	無息負債	-	103,902	28,550	16,172	47,110	45,630	241,364	241,364
Fixed interest rate instruments	定息工具	6.36	-	22,916	-	60,147	-	83,063	79,229
Variable interest rate instruments	帶浮息工具	2.54	192,614	-	-	31,996	127,984	352,594	347,874
			296,516	51,466	16,172	139,253	173,614	677,021	668,467
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	-	-	-	(7,188)	-	-	(7,188)	(7,188)
- outflow	流出	-	-	-	7,696	-	-	7,696	7,696
			-	-	508	-	-	508	508

39c. Fair value**39c. 公允值**

The fair value of financial assets and financial liabilities is determined as follows:

金融資產及金融負債之公允值按以下方式釐定：

- 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.

- 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，採用當前可供觀察現行市場交易所得之價格釐定；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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2009 截至2009年12月31日止年度

39. FINANCIAL INSTRUMENTS (CONTINUED)

39c. Fair value (continued)

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.

39d. Fair value measurements recognised in the statement of financial position

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).

39. 金融工具(續)

39c. 公允值(續)

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。

39d. 於財務狀況表確認之公平價值計量

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)。

	31 December 2009			
	2009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	
Financial assets at FVTPL 按公允價值計入損益的金融資產				
Derivative financial instruments 衍生金融工具	-	704	-	704

Financial Summary

財務概要

		9 months ended 31 December 截至12月 31日止九個月		Year ended 31 December 截至12月31日止年度			
		2005 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2009 HK\$'000 千港元	
RESULTS	業績						
Revenue	營業額	531,965	689,247	784,721	1,064,177	1,403,428	
Profit before taxation	除稅前溢利	95,945	112,307	118,399	91,600	244,311	
Income tax expenses	所得稅支出	(8,648)	(10,442)	(11,963)	(10,038)	(10,488)	
Profit for the period/year	年/期內溢利	87,297	101,865	106,436	81,562	233,823	
		At 31 December 於12月31日					
		2005 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2009 HK\$'000 千港元	
ASSETS AND LIABILITIES	資產及負債						
Total assets	資產總額	561,271	650,922	1,016,089	1,466,490	1,611,920	
Total liabilities	負債總額	(86,092)	(101,547)	(373,217)	(748,246)	(686,665)	
Net assets	資產淨額	475,179	549,375	642,872	718,244	925,255	

LEE & MAN HOLDING LIMITED

8th Floor, 61- 63 King Yip Street
Kwun Tong, Kowloon, Hong Kong
Tel: 2319 9888 Fax: 2319 9333

理文集團有限公司

香港九龍觀塘敬業街61- 63號利維大廈8樓
電話：2319 9888 傳真：2319 9333