



**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 2008年報**

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

Ms. WAI Siu Kee (*Chairman*)  
Ms. POON Lai Ming  
Ms. LEE Marina Man Wai (*resigned on 30 April 2008*)  
Mr. LEE Man Yan  
Mr. KUNG Phong (*appointed on 20 August 2008*)  
Mr. WAN Chi Keung, Aaron JP\*  
Mr. HENG Kwoo Seng\* (*resigned on 30 April 2008, 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  
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  
李文慧女士 (*辭任於2008年4月30日*)\*  
李文恩先生  
龔鈞先生 (*委任於2008年8月20日*)\*  
尹志強先生 *太平紳士*\*  
邢詒春先生\* (*辭任於2008年4月30日, 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  
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 2008, the Group recorded a revenue of HK\$1,064 million, representing an increase of 35.6% over last year, and a net profit of HK\$82 million, with HK\$100 million from our handbag business. However, our chemical sector recorded a loss of HK\$18 million during the year, thus resulted in a decrease of 23.4% in the total net profit of the Group as compared with last year.

Since the Group has always emphasized the enhancement of its design department, the development of various product styles and new clients, together with years of market experience, our handbag sector has suffered only a slight decrease in profit in the face of the financial tsunami.

Moreover, the Group's first phase of chemical production plant commenced production in May 2008, representing one third of the total production capacity, and the second phase production line, representing two third of the total production capacity, is expected to commence production in June 2009. To prepare for the production of the second phase, sales and production staff have been trained for the second phase since August 2008. Therefore, though the second phase has not commenced production yet, a major portion of its operation costs has been paid since last year. In addition, 2 months' raw material reserve is necessary for the chemical production plants, but, in the fourth quarter of last year, the global economy slowed down, with significant falling product prices. Based on the abovementioned two factors, a loss in our chemical business was recorded.

### 業務回顧

截至2008年12月31日止年度，本集團錄得營業額10.64億港元，較去年增長35.6%，純利為0.82億港元，其中手袋業務純利為1億港元，但由於化工業務於年內錄得0.18億港元的虧損，引致本集團整體利潤較去年下降23.4%。

本集團在手袋業務向以增強設計部，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，即使面對金融海嘯，本集團在手袋業務的盈利只輕微下跌。

另本集團化工業務於2008年5月開始第一期的生產。第一期佔總產能1/3，第二期佔總產能2/3。第二期的生產線預期於2009年6月投產，由於要為二期的投產作好準備，於2008年8月，已開始培訓二期的銷售及生產人員，故此，二期尚未投產，其大部份的營運成本已由去年開始支付。此外，化工工廠需有2個月的原料儲備，但在去年第4季，全球經濟下滑，貨價暴跌，基於以上兩個因素，引致化工業務錄得虧損。

# Chairman's Statement

## 主席報告

### PROSPECTS

The current handbag market is still sluggish. The Group will double its effort in its handbag business, in the design of various product styles to meet market needs, and in developing new clients, with the aim of maintaining a stable profit.

It is intended that the second phase of the chemical production plant will commence production in June 2009, to triple our production capacity from the current level. With the stability of the price of raw material and the sale price, and with only a slight increase of the operation costs of the second phase upon its commencement of production, as sufficient sales staff having been made available and sufficient production staff having been trained during the first phase, our chemical sector will bring profits for the Group in 2009. We anticipate such sector will make favourable returns for our shareholders in the coming year.

### APPRECIATION

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

On behalf of the Board

**Wai Siu Kee**  
*Chairman*

Hong Kong, 21 April 2009

### 展望

現時手袋市場仍然疲弱，本集團在手袋業務上會加倍努力，設計更多迎合市場的款式，開發新客戶，希望盡量維持穩健的盈利。

化工業務第二期的生產線準備在2009年6月底投產，於投產後，產能將較現時提高兩倍。由於現時原料及售價已穩定，而且第二期投產後的營運成本只有輕微的增加，因在一期時已準備好足夠的銷售人員及培訓好足夠的生產員工，所以，2009年化工業務將會為本集團帶來利潤，故展望來年將會為股東帶來不俗的回報。

### 鳴謝

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

代表董事會  
主席  
衛少琦

香港，2009年4月21日

# Management Discussion and Analysis

## 管理層討論及分析

### RESULTS OF OPERATION

During the year, the Group sustained a business growth in turnover by 35.6% to HK\$1,064 million (2007: HK\$785 million). Due to the loss incurred by the chemical business, profit attributable to equity holders dropped by 23.4% to HK\$82 million (2007: HK\$106 million). Basic earnings per share decreased by 23.3% to HK9.9 cents (2007: HK12.9 cents).

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2008, the total equity of the Group was HK\$718 million (2007: HK\$643 million), the Group's current assets were HK\$329 million (2007: HK\$297 million) and current liabilities were HK\$572 million (2007: HK\$281 million).

As at 31 December 2008, the Group had bank balances of HK\$63 million which was placed as short term deposits with major leading banks in Hong Kong and 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 2008, the Group had outstanding bank borrowings of HK\$427 million (2007: HK\$155 million). Due to capital expenditure in the chemical business, the Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) has increased from 0.16 as at 31 December 2007 to 0.51 as at 31 December 2008.

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 handbag business and also with unutilized bank facilities of 420 million, the Group's financial position is strong enough to meet its capital commitments and working capital requirements.

### 經營業績

年內，本集團營業額上升 35.6% 至 10.64 億港元 (2007：7.85 億港元)；由於化工業務錄得虧損，股東應佔溢利下跌 23.4% 至 0.82 億港元 (2007：1.06 億港元)。每股盈利下跌 23.3% 至 9.9 港仙 (2007：12.9 港仙)。

### 流動資金、財務資源及資本結構

於 2008 年 12 月 31 日，本集團之權益總額為 7.18 億港元 (2007：6.43 億港元)；流動資產達 3.29 億港元 (2007：2.97 億港元)，而流動負債則為 5.72 億港元 (2007：2.81 億港元)。

於 2008 年 12 月 31 日，本集團之銀行結存約 0.63 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 2008 年 12 月 31 日，本集團的未償還銀行借款為 4.27 億港元 (2007：1.55 億港元)。為應付化工業務的資本性支出，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 2007 年 12 月 31 日的 0.16 增加至 2008 年 12 月 31 日的 0.51。

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，而手袋業務仍然有穩定及強勁的現金來源，再加上本集團仍有 4.2 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 2008, 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 2008 no option was granted under the scheme.

### 人力資源

於2008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2008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 2008. 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2008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  
 Ms. LEE Marina Man Wai (*resigned on 30 April 2008*)  
 Mr. LEE Man Yan  
 Mr. KUNG Phong (*appointed on 20 August 2008*)

#### Independent Non-executive Directors:

Mr. HENG Kwoong Seng (*resigned on 30 April 2008, reappointed on 8 April 2009*)  
 Mr. WAN Chi Keung, Aaron 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  
 李文慧女士 (*辭任於2008年4月30日*)  
 李文恩先生  
 龔鈺先生 (*委任於2008年8月20日*)

#### 獨立非執行董事：

邢詒春先生 (*辭任於2008年4月30日，再次委任於2009年4月8日*)  
 尹志強先生 *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 period 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	6/6	100%
Ms. POON Lai Ming	潘麗明女士	3/6	50%
Ms. LEE Marina Man Wai	李文慧女士	2/6	33%
Mr. LEE Man Yan	李文恩先生	5/6	83%
Mr. KUNG Phong	龔鈺先生	2/6	33%
Mr. HENG Kwo Seng	邢詒春先生	1/2	50%
Mr. WAN Chi Keung, Aaron JP	尹志強先生太平紳士	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 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 2008.

During the period, 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	1/3	
Mr. WAN Chi Keung, Aaron JP	尹志強先生太平紳士	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2008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 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 2008, 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2008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 2008, 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2008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 64, is the chairman of the Company who joined the Group since its establishment in 1976. Ms. Wai has more than 44 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 53, joined the Group in 1976. She has over 31 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 31, 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 daily 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 37, is an executive director and deputy general manager of the Group. He joined the Group in 2008 and has over 13 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 JP**, aged 59, is 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 28 years of related experience.

### 執行董事

**衛少琦女士**，64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44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**，53歲，於1976年加入本集團。彼擁有逾31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**，31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，于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**，37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13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

**尹志強先生太平紳士**，59歲，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28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 61, 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 66, 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 34, is the director of sales of the Group. She joined the Group in 2007 and has over 11 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 54, is the senior manager of the Group. He joined the Group in 1977. He has over 33 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 46, is the production manager of the Group. He joined the Group in 1984 and has over 24 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 44, is the financial controller and company secretary of the Group. She joined the Group in 2004 and has over 21 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，61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，66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，34歲，本集團營業董事，於2007年加入本集團。彼擁有超過11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，54歲本集團之高級經理，於1977年加入本集團。彼擁有逾33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，46歲，本集團生產經理，於1984年加入本集團。彼擁有逾24年手袋業經驗，負責本集團在高步工業城之廠房之生產計劃及整體生產管理。

王月明女士，44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21年核數及會計經驗，持有英國倫敦蘇里大學之工商管理學碩士學位。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 44, 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 44, is the senior manager of the group. She joined the Group in 2003 and has over 14 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 60 is the business manager of the Group. He joined the Group in 1982 and has over 43 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 47, is the production director of Jiangsu Lee & Man Chemical Ltd. He joined the Group in 2006. He is a senior engineer and has 28 years of production experience in chlor-alkali industries. He is responsible for the supervision of production, corporate planning and management of Jiangsu Lee & Man Chemical Ltd.

**Mr LAM Hiu Fung**, aged 38, is the deputy financial controller of the Group. He joined the Group in 2005 and has 16 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 54, is the sales director of the Group's chemical business. He joined the Group in 2005 and has over 28 years experience in sales, marketing and business development in overseas and PRC enterprises. He is responsible for sales strategies, business development and management of Jiangsu Lee & Man Chemical Ltd.

### 高級管理層 (續)

#### 手袋業務 (續)

**徐展慧女士**，44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**，44歲，本集團高級經理，於2003年加入本集團。彼擁有逾14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**，60歲，本集團業務經理，於1982年加入本集團。彼擁有逾43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**，47歲，江蘇理文化工有限公司生產總監，於2006年加入本集團。楊先生持有高級工程師職稱，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、整體策劃及管理工作。

**林曉峰先生**，38歲，本集團副財務總監，於2005年加入本集團。彼擁有16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**，54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28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，業務拓展及管理工作。

# 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 2008.

### PRINCIPAL ACTIVITIES

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

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 27.

An interim dividend of HK\$0.025 per share amounting to HK\$20,625,000 in total was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK\$0.015 per share to the shareholders on the register of members on 1 June 2009, amounting to HK\$12,375,000, and the retention of the remaining profit for the year of HK\$48,562,000.

### SHARE CAPITAL

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

### SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 28 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment were revalued as of 31 December 2008. The revaluation resulted in a surplus over book values by HK\$11,024,000 which has been credited directly to asset revaluation reserve.

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$347,601,000 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 14 to the consolidated financial statements.

董事會謹此提呈截至2008年12月31日止年度之董事會報告及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司。其主要附屬公司之業務概況載於財務報表附註36。

### 業績及分派

本集團截至2008年12月31日止年度之業績載於第27頁之綜合收益表。

年內已向股東派發中期股息每股2.5港仙總額20,625,000港元。

董事建議派發末期股息每股1.5港仙予於2009年6月1日名列股東名冊之股東，總額為12,375,000港元，年內保留溢利之保留額為48,562,000港元。

### 股本

本公司股本之詳情載於綜合財務報表附註27。

### 購股權

本公司購股權計劃之詳情載於綜合財務報表附註28。

### 物業、廠房及設備

本集團之物業、廠房及設備已於2008年12月31日進行重估。因重估產生超出賬面值之盈餘為11,024,000港元，已直接計入資產重估儲備中。

年內本集團添置約347,601,000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、廠房及設備於年內其他變動之詳情載於綜合財務報表附註14。

# Directors' Report

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Furthermore, at 31 December 2008, the Group had paid deposits of approximately HK\$72,636,000 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 31 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  
 Ms. Lee Marina Man Wai (*resigned on 30 April 2008*)  
 Ms. Lee Man Yan  
 Mr. Kung Phong (*appointed on 20 August 2008*)

#### Independent non-executive directors

Mr. Wan Chi Keung, Aaron JP  
 Mr. Heng Kwo Seng (*resigned on 30th April 2008, reappointed on 8 April 2009*)  
 Mr. Wong Kai Tung, Tony

In accordance with the Company's Articles of Association, Mr. Kung Phong, Ms. Poon Lai Ming and Mr. Heng Kwo Seng retire by rotation and, being eligible, offer themselves for re-election.

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

### DIRECTORS' SERVICE CONTRACTS

Ms. Wai Siu Kee and Ms. Poon Lai Ming have entered into a service agreement with the Company on 1 September 2005 for a period of three years. They also have each entered into a renewed service agreement with the Company on 1 September 2008 for another three years, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

### 物業、廠房及設備(續)

此外，於2008年12月31日，本集團為其於中國江蘇之化工廠房支付約72,636,000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31。

### 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  
 李文慧女士(辭任於2008年4月30日)  
 李文恩先生  
 龔鈞先生(委任於2008年8月20日)

#### 獨立非執行董事

尹志強先生，太平紳士  
 邢詒春先生(辭任於2008年4月30日，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龔鈞先生、潘麗明女士及邢詒春先生均須告退，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。

### 董事之服務合約

衛少琦女士及潘麗明女士於2005年9月1日與本公司訂立服務協議，為期3年，彼兩位各自於2008年9月1日與本公司續約，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。

# Directors' Report

## 董事會報告

### DIRECTORS' SERVICE CONTRACTS (CONTINUED)

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 2008, the interests and short positions of directors and chief executives and their associates in the shares and underlying shares and debentures 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 Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange were as follows:

#### (a) Long positions in shares of the Company

Ordinary shares of HK\$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Lee Man Yan	Held by controlled company	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").

### 董事之服務合約(續)

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2008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：

#### (a) 於本公司股份之好倉

本公司每股0.1港元之普通股

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

# Directors' Report

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

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

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 李文恩	Beneficial owner 全權受益人	Fortune Star	45 (note) (附註)	45%

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

### 董事於股份及相關股份之權益 (續)

#### (b) 於本公司相聯法團之股份好倉

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

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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.

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

A share option scheme as detailed in note 28 to the consolidated financial statements was adopted by the Company on 14 December 2001, under which the directors or the chief executive of the Company or their associates may be granted options to subscribe for shares in the Company. No options were granted by the Company under the scheme since its adoption.

除上文所披露，概無本公司董事或最高行政人員或彼等之聯繫人於本公司或其任何相聯法團之股份、相關股份或債權證中，擁有根據證券及期貨條例第 XV 部第 7 及 8 分部已知會本公司及聯交所、或根據證券及期貨條例第 352 條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

### 購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 28），據此本公司之董事或最高行政人員或彼等之聯繫人可獲授予購股權以認購本公司股份。自計劃採納以來，本公司並無根據計劃授出購股權。

# Directors' Report

## 董事會報告

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES (CONTINUED)

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 2008, 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 Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

#### Long positions

Ordinary shares of HK\$0.10 each of the Company

### 購買股份或債券之安排(續)

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2008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	Percentage of the issued share capital of the Company
股東名稱	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
Fortune Star	Beneficial owner 實益擁有人	618,750,000	75%
Value Partners Limited 惠理基金管理公司	Investment manager (note) 投資經理(附註)	46,390,000	5.62%

*note:* The long position of 46,390,000 shares were held by Value Partners Limited which was wholly owned by Value Partners Group Limited ("VPGL"). Cheah Capital Management Limited which holds 35.65% interest in VPGL, which in turn was wholly owned by Cheah Company Limited ("CCL"). Hang Seng Bank Trustee International Limited was the trustee of a discretionary trust of CCL. By virtue of the SFO, Mr. Cheah Cheng Hye, being the founder of the Trust and Ms. To Hau Yin as his spouse were deemed to be interested in the interest held by Value Partners Limited.

*附註：* 由惠理基金管理公司持有46,390,000股股份之好倉，為惠理集團有限公司(「VPGL」)所全資擁有。由於Cheah Capital Management Limited持有VPGL 35.65%權益，並為Cheah Company Limited(「CCL」)所全資擁有，而恒生銀行信託國際有限公司為CCL一項全權信託之受託人，按證券及期貨條例之規範下，該信託之創立人謝清海先生及其配偶杜巧賢女士被視為持有惠理基金管理公司所持有之權益。



# Directors' Report

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Other than disclosed above, as at 31 December 2008, 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 provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### CONNECTED TRANSACTIONS

Details of the related party transactions for the year are set out in note 33 to the consolidated financial statements which are also the discloseable connected transactions 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 are fair and reasonable so far as the shareholders of the Company were concerned;
- (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; and
- (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.

### 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.

### 主要股東(續)

除上文所披露，於2008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

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

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

除上文所披露外，並無任何其它交易須按上市規則之要求須予披露為關連交易。

### 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。

# Directors' Report

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 40% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 14% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers were less than 26% of the Group's total purchases.

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

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

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

### PRE-EMPTIVE RIGHTS

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

### APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### 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 40%，而本集團最大客戶之銷貨佔本集團總營業額約 14%。

年內本集團之五大供應商之累計購貨佔本集團總購貨額少於 26%。

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

### 購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回本公司之上市證券。

### 優先購股權

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

### 委任獨立非執行董事

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



# Directors' Report

## 董事會報告

### EMOLUMENT POLICY

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

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

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

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2008.

### 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, 21 April 2009

### 酬金政策

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

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

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

### 足夠公眾持股量

本公司於截至2008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，2009年4月21日

# Independent Auditor's Report

## 獨立核數師報告

# Deloitte.

## 德勤

### TO THE MEMBERS OF LEE & MAN HOLDING LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Lee & Man Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 95, which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory 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27頁至第95頁理文集團有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，其包括於2008年12月31日之綜合資產負債表，與截至該日止年度之綜合收益表、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布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，以使綜合財務報表不存在由於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吾等之審核，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，而非作其他用途。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布之香港核數準則進行審核工作。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 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong, 21 April 2009

### 核數師之責任 (續)

審核涉及執行情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2008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，並已按照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，2009年4月21日

# Consolidated Income Statement

## 綜合收益表

For the year ended 31 December 2008 截至2008年12月31日止年度

		Notes 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Revenue	收入	6	<b>1,064,077</b>	784,721
Cost of sales	銷售成本		<b>(825,855)</b>	(563,467)
Gross profit	毛利		<b>238,222</b>	221,254
Other income	其他收入		<b>15,542</b>	12,808
Selling and distribution costs	銷售及分銷成本		<b>(45,418)</b>	(28,016)
General and administrative expenses	行政費用		<b>(107,660)</b>	(86,750)
Interest on bank borrowings wholly repayable within five years	須於五年內全數償還之 銀行借款利息		<b>(9,086)</b>	(897)
Profit before taxation	除稅前溢利		<b>91,600</b>	118,399
Income tax expenses	所得稅支出	8	<b>(10,038)</b>	(11,963)
Profit for the year	年內溢利	9	<b>81,562</b>	106,436
Dividends recognised as distributions during the year	年內已確認為 分派之股息	10	<b>41,250</b>	49,500
Earnings per share (HK cents)	每股盈利(港仙)	11	<b>9.9</b>	12.9

# Consolidated Balance Sheet

## 綜合資產負債表

At 31 December 2008 於2008年12月31日

	Notes 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
<b>Non-current assets</b>			
Property, plant and equipment	14	984,725	646,308
Prepaid lease payments	15	49,438	48,234
Investment properties	16	21,785	–
Intangible asset	17	5,292	–
Deposits paid for the acquisition of property, plant and equipment		72,636	20,900
Defined benefit assets	32	3,852	3,455
		<b>1,137,728</b>	718,897
<b>Current assets</b>			
Inventories	18	126,120	106,315
Prepaid lease payments	15	1,036	997
Trade and other receivables	19	138,137	136,131
Restricted bank balance	20	–	4,737
Bank balances and cash	20	63,469	49,012
		<b>328,762</b>	297,192
<b>Current liabilities</b>			
Trade and other payables	21	263,218	205,750
Derivative financial instruments	22	508	–
Amounts due to related companies	23	4,131	1,487
Taxation payable		1,487	4,104
Bank borrowings-due within 1 year	24	302,303	67,054
Bank overdrafts	24	–	2,154
		<b>571,647</b>	280,549
<b>Net current (liabilities) assets</b>		<b>(242,885)</b>	16,643
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>894,843</b>	735,540
<b>Non-current liabilities</b>			
Bank borrowings-due after 1 year	24	124,800	85,800
Other long term payables	25	45,631	–
Deferred taxation	26	6,168	6,868
		<b>176,599</b>	92,668
<b>NET ASSETS</b>		<b>718,244</b>	642,872
<b>Capital and reserves</b>			
Share capital	27	82,500	82,500
Reserves		635,744	560,372
		<b>718,244</b>	642,872

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The financial statements on pages 27 to 95 were approved and authorised for issue by the Board of Directors on 21 April 2009 and are signed on its behalf by:

**Wai Siu Kee**  
衛少琦  
Chairman  
主席

**Lee Man Yan**  
李文恩  
Director  
董事

第27頁至第95頁所載之財務報表已於2009年4月21日經董事會通過及授權刊發，並由下列董事代表簽署：

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2008 截至2008年12月31日止年度

		Share capital	Share premium	Asset revaluation reserve	Translation reserve	Special reserve	Accumulated profits	Total
		股本	股份溢價	重估儲備	匯兌儲備	特別儲備	累計溢利	合計
		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
				資產		(note)		
				重估儲備		(附註)		
At 1 January 2007	於2007年1月1日	82,500	20,307	38,881	2,270	(67,990)	473,407	549,375
Surplus arising on revaluation of property, plant and equipment	物業、廠房及設備之重估盈餘	-	-	32,083	-	-	-	32,083
Realised on depreciation of property, plant and equipment	物業、廠房及設備之折舊變現	-	-	(2,317)	-	-	2,317	-
Realised on disposal of property, plant and equipment	出售物業、廠房及設備變現	-	-	(378)	-	-	378	-
Deferred tax liability arising on revaluation of property, plant and equipment	由重估物業、廠房及設備所產生之遞延稅項負債	-	-	(4,930)	-	-	-	(4,930)
Exchange differences arising on translation	海外財務報表之匯兌差額	-	-	-	9,408	-	-	9,408
Net income recognised directly in equity	直接於權益確認之收益	-	-	24,458	9,408	-	2,695	36,561
Profit for the year	本期溢利	-	-	-	-	-	106,436	106,436
Total recognised income and expense for the year	本期確認之收入及支出總額	-	-	24,458	9,408	-	109,131	142,997
Dividends	股息	-	-	-	-	-	(49,500)	(49,500)
At 31 December 2007	於2007年12月31日	82,500	20,307	63,339	11,678	(67,990)	533,038	642,872
Surplus arising on revaluation of property, plant and equipment	物業、廠房及設備之重估盈餘	-	-	11,024	-	-	-	11,024
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	-
Reversal of deferred tax liability arising on revaluation of property, plant and equipment	由重估物業、廠房及設備所產生之遞延稅項負債	-	-	540	-	-	-	540
Effect of a change in tax rate	稅率變動之影響	-	-	160	-	-	-	160
Exchange differences arising on translation	海外財務報表之匯兌差額	-	-	-	23,336	-	-	23,336
Net income recognised directly in equity	直接於權益確認之收益	-	-	6,509	23,336	-	5,215	35,060
Profit for the year	本年度溢利	-	-	-	-	-	81,562	81,562
Total recognised income and expense for the year	本年度確認之收入及支出總額	-	-	6,509	23,336	-	86,777	116,622
Dividends	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

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2008 截至2008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 reorganisation 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 Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2008 截至2008年12月31日止年度

		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before taxation	除稅前溢利	<b>91,600</b>	118,399
Adjustments for:	調整:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>35,484</b>	12,756
Interest expenses	利息支出	<b>9,086</b>	897
Write-down of inventories	存貨跌價準備	<b>6,503</b>	2,015
Impairment loss recognised in respect of trade receivables	應收貿易帳款減值虧損	<b>1,355</b>	–
Release of prepaid lease payments	預付租賃款攤銷	<b>1,036</b>	986
Change in fair value of investment properties	投資物業公允值之變動	<b>872</b>	–
Fair value changes on derivative financial instruments	衍生金融工具公允值之變動	<b>508</b>	163
Amortisation of intangible asset	無形資產攤銷	<b>384</b>	–
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<b>158</b>	919
Interest income	利息收入	<b>(679)</b>	(2,087)
Surplus arising on revaluation of property, plant and equipment	重估廠房及設備所產生之盈餘	<b>–</b>	(6)
Operating cash flows before movements in working capital	未計營運資金變動前之經營業務現金流量	<b>146,307</b>	134,042
Increase in inventories	存貨增加	<b>(26,308)</b>	(18,719)
Increase in trade and other receivables	應收貿易及其他款項增加	<b>(3,886)</b>	(7,156)
Increase in defined benefit assets	界定利益資產增加	<b>(397)</b>	(178)
Increase in trade and other payables	應付貿易及其他款項增加	<b>48,974</b>	23,420
Increase in amounts due to related companies	應付關連公司款項增加	<b>2,644</b>	464
Cash generated from operations	經營業務所得現金	<b>167,334</b>	131,873
Hong Kong Profits Tax paid	已付香港所得稅	<b>(12,620)</b>	(10,360)
Interest paid	已付利息	<b>(9,086)</b>	(897)
Profits Tax paid for other jurisdictions	已付其他司法權區所得稅	<b>(35)</b>	–
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>	<b>145,593</b>	120,616
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Purchase of property, plant and equipment	購置物業、廠房及設備	<b>(279,306)</b>	(346,777)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	<b>(72,636)</b>	(13,353)
Decrease in restricted bank balance	有限制銀行存款減少	<b>4,737</b>	24,714
Interest received	已收利息	<b>679</b>	2,087
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	<b>122</b>	104
Increase in prepaid lease payments	預付租賃款增加	<b>–</b>	(20,714)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動所耗現金淨額</b>	<b>(346,404)</b>	(353,939)



# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2008 截至2008年12月31日止年度

		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Bank borrowings raised	新籌集銀行借款	<b>341,303</b>	152,854
Repayment of bank borrowings	償還銀行借款	<b>(81,956)</b>	(119)
Dividends paid	已付股息	<b>(41,250)</b>	(49,500)
		<hr/>	<hr/>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>融資活動產生現金淨額</b>	<b>218,097</b>	103,235
		<hr/>	<hr/>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>現金及等同現金項目增加(減少)淨額</b>	<b>17,286</b>	(130,088)
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>於年初之現金及等同現金項目</b>	<b>46,858</b>	175,798
		<hr/>	<hr/>
<b>EFFECT OF CHANGES IN EXCHANGE RATE</b>	<b>匯率變動之影響</b>	<b>(675)</b>	1,148
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>於年終之現金及等同現金項目</b>	<b>63,469</b>	46,858
		<hr/>	<hr/>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及等同現金項目結餘分析</b>		
Bank balances and cash	銀行結餘及現金	<b>63,469</b>	49,012
Bank overdrafts	銀行透支	<b>-</b>	(2,154)
		<hr/>	<hr/>
		<b>63,469</b>	46,858
		<hr/>	<hr/>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008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 as the Company is listed in Hong Kong.

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

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by approximately HK\$243 million as at 31 December 2008. As at 31 December 2008, the Group had bank borrowings of approximately HK\$427 million, of which approximately HK\$192 million originally due for repayment in 2009 were in breach of their covenants. Subsequent to the balance sheet date, the Group has received waiver letters from the bank which confirmed that it has agreed to waive the right to demand for immediate repayment of the loan balances of approximately HK\$192 million. Accordingly, the bank loans will be repaid in 2009 according to the original terms of repayment. The directors of the Company believe that these loan facilities will continue to be available and will not be withdrawn within the next twelve months from the balance sheet date.

### 1. 一般資料

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

本公司之功能貨幣為美金。由於本公司於香港上市,因此綜合財務報表以港元列示。

本公司為一間投資控股公司。其主要附屬公司之主要業務載於附註36。

### 2. 編製綜合財務報表之基準

鑒於本集團於二零零八年十二月三十一日之流動負債超過其流動資產約243,000,000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。於二零零八年十二月三十一日,本集團擁有銀行借款約427,000,000港元,其中原須於二零零九年償還之約192,000,000港元違反了契約條款。於結算日後,本集團收到由銀行發出之豁免函,確認銀行同意豁免要求即時償還貸款結存約192,000,000港元之權利。因此,銀行貸款將於二零零九年按原訂還款條款償還。本公司董事相信,該等銀行信貸將繼續生效且不會於結算日之後的未來十二個月內被撤回。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In light of the above, the directors of the Company have given careful consideration to the future liquidity of the Group and they are satisfied that with its existing resources, available banking facilities and future operating cash flows, 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.

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

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

### 2. 編製綜合財務報表之基準(續)

鑒於上述情況，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及未來經營業務之現金流量，本集團將有足夠之營運資金，在財務責任於可見將來到期時有能力全數償還有關款項。因此，綜合財務報表已按持續經營基準編製。

### 3. 採納新及經修訂之香港財務報告準則(「香港財務報告準則」)

本年度，本集團採用了下列由香港會計師公會頒佈之修訂及詮釋(「新香港財務報告準則」)，該等準則現正或經已生效。

香港會計準則第39號及香港財務報告準則第7號(經修訂)	財務資產重新分類
香港(國際財務報告詮釋委員會)–詮釋第11號	香港財務報告準則第2–集團及庫存股份交易
香港(國際財務報告詮釋委員會)–詮釋第12號	服務專營權安排
香港(國際財務報告詮釋委員會)–詮釋第14號	香港會計準則第19號–界定利益資產的限制、最少注資規定及其互相影響

採用新香港財務報告準則對如何編製及呈列現在或過往會計期間的業績及財務狀況並無重大影響。因此毋須對過往期間作出調整。

本集團並無提早採用下列已頒佈但尚未生效的新準則及經修訂準則、修訂或詮釋。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

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

HKFRSs (Amendments) HKAS 1 (Revised)	Improvements to HKFRSs <sup>1</sup> Presentation of Financial Statements <sup>2</sup>
HKAS 23 (Revised) HKAS 27 (Revised)	Borrowing Costs <sup>2</sup> Consolidated and Separate Financial Statements <sup>3</sup>
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>2</sup>
HKAS 39 (Amendment) HKFRS 1 & HKAS 27 (Amendments)	Eligible hedged items <sup>3</sup> Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>2</sup>
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations <sup>2</sup>
HKFRS 3 (Revised)	Business Combinations <sup>3</sup>
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments <sup>2</sup>
HKFRS 8 HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Operating Segments <sup>2</sup> Embedded Derivatives <sup>4</sup>
HK(IFRIC)-Int 13	Customer Loyalty Programmes <sup>5</sup>
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate <sup>2</sup>
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation <sup>6</sup>
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners <sup>3</sup>
HK(IFRIC)-Int 18	Transfer of Assets from Customers <sup>7</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>4</sup> Effective for annual periods ending on or after 30 June 2009

<sup>5</sup> Effective for annual periods beginning on or after 1 July 2008

<sup>6</sup> Effective for annual periods beginning on or after 1 October 2008

<sup>7</sup> Effective for transfers on or after 1 July 2009

### 3. 採納新及經修訂之香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則(修訂) 香港會計準則第1號(經修訂)	香港財務報告準則的改進 <sup>1</sup> 財務報表的呈列 <sup>2</sup>
香港會計準則第23號(經修訂) 香港會計準則第27號(經修訂)	借貸成本 <sup>2</sup> 綜合及獨立財務報表 <sup>3</sup>
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 <sup>2</sup>
香港會計準則第39號(修訂) 香港財務報告準則第1號及 香港會計準則第27號 (修訂)	合資格對沖項目 <sup>3</sup> 於附屬公司、共同控制 實體或聯營公司投資 的成本 <sup>2</sup>
香港財務報告準則第2號 (修訂)	歸屬條件及註銷 <sup>2</sup>
香港財務報告準則第3號 (經修訂)	業務合併 <sup>3</sup>
香港財務報告準則第7號 (修訂)	改進金融工具的披露 <sup>2</sup>
香港財務報告準則第8號 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)	經營分類 <sup>2</sup> 嵌入式衍生工具 <sup>4</sup>
香港(國際財務報告詮釋 委員會)-詮釋第13號	客戶忠誠計劃 <sup>5</sup>
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 <sup>2</sup>
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 <sup>6</sup>
香港(國際財務報告詮釋 委員會)-詮釋第17號	向擁有人分派非現金資 產 <sup>3</sup>
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 <sup>7</sup>

<sup>1</sup> 於二零零九年一月一日或其後開始的年度期間生效，惟香港財務報告準則第5號的修訂除外，其於二零零九年七月一日或其後開始的年度期間生效

<sup>2</sup> 於二零零九年一月一日或其後開始的年度期間生效

<sup>3</sup> 於二零零九年七月一日或其後開始的年度期間生效

<sup>4</sup> 於二零零九年六月三十日或其後開始的年度期間生效

<sup>5</sup> 於二零零八年七月一日或其後開始的年度期間生效

<sup>6</sup> 於二零零八年十月一日或其後開始的年度期間生效

<sup>7</sup> 對於二零零九年七月一日或其後的轉讓生效

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

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

The adoption 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. Other than as disclosed above and HKAS 23 (Revised), 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 results and the financial position of the Group.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain property, plant and equipment 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 income statement 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. 採納新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

應用香港財務報告準則第3號（經修訂）可能影響本集團對收購日期為二零一零年一月一日或之後的業務合併的會計處理法。香港會計準則第27號（經修訂）將影響本集團於附屬公司擁有權權益變動的會計處理法。本公司董事預期，應用其他新訂及經修訂準則、修訂或詮釋將不會對本集團業績及財務狀況構成重大影響。

### 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平值計算之物業、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布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 2008 截至2008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.

#### 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 balance sheet 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 balance sheet date.

Buildings under construction are stated at cost which includes all construction costs and other direct costs, attributable to the buildings under construction. They are not depreciated until completion of construction. Costs of completed buildings under construction are transferred to the category of buildings.

### 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平值計量，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

除在建中樓宇外，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平價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結算日之公平價值並無重大差額。

在建中樓宇乃按成本值入賬，成本值包括在建中樓宇應佔之所有建築成本及其他直接成本。在建中樓宇在落成前不作折舊。在建中樓宇落成後其成本將轉入樓宇類別內。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property, plant and equipment (continued)

Any surplus arising on revaluation of property, plant and equipment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is charged to the consolidated income statement 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 retained 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 derecognized 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 the consolidated income statement in the year in which the item is derecognized.

### 4. 主要會計政策(續)

#### 物業、廠房及設備(續)

因重估物業、廠房及設備而產生之盈餘撥作資產重估儲備。除非有關資產於過往曾因重估虧絀而在綜合收益表中確認為費用，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，以直線法撇銷其估值。

其他物業、廠房及設備之折舊乃按其估計可使用年期以遞延減值法撇銷其估值。

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收益表。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008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 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 consolidated income statement in the year in which the item is derecognized.

##### 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，其賬面值與公平值的差額於轉移日確認於物業重估儲備中。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，投資物業採用公平價值模式按公平價值計量。投資物業公平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 2008 截至2008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.

Rentals payable under operating leases are charged to profit or loss 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.

##### Impairment losses on tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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.

#### 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。因訂立一項經營租賃作為獎勵之已收及應收福利乃以直線法按租賃年期確認作租金支出減少。

##### 有形資產減值

本集團於每個結算日審閱其資產之賬面值，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值列賬，則減值虧損根據該準則視為重估減值。

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 the consolidated income statement when the asset is derecognised.

#### Inventories

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

#### Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme 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 each balance sheet date. 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 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.

### 4. 主要會計政策(續)

#### 無形資產減值

##### *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款項淨額及資產賬面值間差額計量，並於資產不再確認時在綜合收益表確認。

#### 存貨

存貨乃按成本或可變現淨值兩者之較低者入賬。成本乃按加權平均法計算。

#### 退休福利成本

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

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，並於每個結算日進行精算估值。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平值兩者之較高者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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Retirement benefit costs (continued)

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

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet 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 equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

### 4. 主要會計政策(續)

#### 退休福利成本(續)

在綜合資產負債表內確認之金額呈示計劃資產之公平值，並已為未確認之精算估值盈虧作出調整及已扣減界定利益責任。據此計算之任何資產乃受限於未確認之精算虧損及過往服務成本，加上計劃之可退回現值及未來供款之削減。

#### 外幣

於編制各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易當日之適用匯率換算為功能貨幣(即該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。按公平值列賬之非貨幣項目若以外幣定值，於釐定公平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作權益。按公平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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, 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 as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

#### Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the periods 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 income statement 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 balance sheet date.

Deferred tax is recognised on 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which 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)

#### 外幣(續)

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結算日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)乃確認作權益之獨立部份(匯兌儲備)。該等匯兌差額乃於海外業務被出售之期間內於損益表確認。

#### 借貸成本

所有借款成本乃於產生之期間在綜合收益表確認為財務成本開支。

#### 所得稅項

所得稅支出指現時應付稅項及遞延稅項之總和。

現時應付稅項乃根據年內應課稅溢利計算。應課稅溢利有別於綜合收益表所報溢利，因應課稅溢利不包括於其他年度應課稅或可扣稅之收入或開支項目，亦不包括綜合收益表內永遠毋須課稅或不可扣稅之項目。本集團之即期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項乃根據綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之間的差額而確認，並採用資產負債表負債法計入。遞延稅項負債一般就所有應課稅暫時差異確認，遞延稅項資產則於可扣減暫時差異有可能用以抵銷應課稅溢利時予以確認。倘暫時差異由初次確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債所產生，有關資產及負債不予以確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet 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 and financial liabilities at fair value through profit or loss) 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.

### 4. 主要會計政策(續)

#### 所得稅項(續)

遞延稅項負債須就投資於附屬公司所產生應課稅暫時差異予以確認，除非本集團可控制暫時差異回撥及暫時差異在可預見之將來可能不會撥回。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並在不可能有足夠應課稅溢利以收回全部或部份資產之金額時作調減。

遞延稅項按預期適用於清償負債或變現資產期間之稅率計算。遞延稅項在收益表內扣除或計入收益表，除非遞延稅項與關乎直接從權益扣除或直接計入權益之項目，在該情況下遞延稅項亦於權益中處理。

#### 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資產負債表確認。金融資產及金融負債按公平值初步計量。收購或發行金融資產及金融負債直接應佔之交易成本(於損益表按公平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平值或自金融資產或金融負債之公平值內扣除(倘適用)。收購按公平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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial assets (continued)

##### *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.

Interest income is recognised on an effective interest basis for debt instruments.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, 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).

### 4. 主要會計政策(續)

#### 金融資產(續)

##### *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。

就債務工具而言,利息收入按實際利率基準確認。

##### *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結算日,貸款及應收款項(包括應收貿易賬款及其他款項及銀行結餘)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)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial assets (continued)

##### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each balance sheet date. 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 impacted.

For loans and receivables, 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 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 trade and other receivables 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.

### 4. 主要會計政策(續)

#### 金融資產(續)

##### *金融資產減值*

金融資產(持作買賣的投資除外)於每個結算日接受減值跡象評估。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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### *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.

#### *Financial liabilities*

The Group's 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.

### 4. 主要會計政策(續)

#### 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。

#### *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。

#### 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Derivative financial instruments

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 each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

#### 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 and the cumulative gain or loss that had been recognised directly in equity 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 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.

### 4. 主要會計政策(續)

#### 衍生金融工具

衍生工具最初按衍生合約訂立日期的公平值確認，其後於每個結算日重新計量其公平值。所產生的盈虧即時在損益表確認。

#### 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 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 that can significantly affect the carrying amounts of assets and liabilities recognised in the consolidated financial statements within the next financial year are disclosed below.

#### Impairment loss on trade receivables

The assessment of the impairment loss on trade receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness of each customer. If the financial conditions of customers of the Group 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 2008, the carrying value of trade receivables (net of impairment loss) and bills receivables was HK\$125,156,000 (2007: HK\$123,893,000).

#### Write-down of inventories

Management reviews the inventories listing at each balance sheet date, 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 2008, the carrying amount of inventories (net of allowances) was HK\$126,120,000 (2007: HK\$106,315,000).

### 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。主要可影響於綜合財務報表確認數額之估計不確定性之主要來源概述如下。

#### 應收貿易款項之減值虧損

本集團應收貿易款項之減值虧損之評估以可收回性、賬齡分析及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷,包括各客戶之現時信譽。倘本集團客戶財務狀況日趨惡化,削弱其付款能力,則須提撥額外準備。減值乃按估計日後現金流量以原來實際利率貼現以計算現值。於2008年12月31日,應收貿易款項之賬面值(扣除減值虧損後)為125,156,000港元(2007: 123,893,000港元)。

#### 存貨跌價準備

本集團管理層於各個結算日審閱存貨清單,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2008年12月31日,存貨之賬面值(扣除準備後)為126,120,000港元(2007: 106,315,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Income taxes

As at 31 December 2008, deferred tax asset in relation to unused tax losses of HK\$39,426,000 (2007: HK\$26,655,000) was not recognised in the consolidated balance sheet 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 the consolidated income statement for the period in which such a recognition takes place.

### 6. REVENUE

### 5. 估計不確定性之主要來源 (續)

#### 所得稅

由於未來溢利之流入不可預測，於2008年12月31日，有關未動用稅項虧損之遞延稅項資產約39,426,000港元(2007：26,655,000港元)並無於本集團之資產負債表中確認。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。

### 6. 收入

		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Manufacturing and sales of	制造及銷售		
– handbags	– 手袋	<b>901,240</b>	784,721
– chemical products	– 化工產品	<b>162,837</b>	–
		<b>1,064,077</b>	784,721

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 7. SEGMENT INFORMATION

#### (a) Business segments

In previous years, geographical segment was reported as primary segment as the Group's revenue and contribution to results were solely derived from the manufacture and sales of handbags. Upon commencement of operation in chemical products in 2008, the Group's internal organisational and management structure and its system of internal financial reporting to the board of directors were changed on the basis of above two divisions. As a result of this change, the directors have determined that the business segment was reported as the primary segment since 2008 and that relevant business segment information for 2007 was presented for comparison purpose.

For management purposes, the Group's business is currently organised into two operating divisions - handbags and chemical products. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

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

Segmental information about the business is presented below.

### 7. 分部資料

#### (a) 業務分部

以前年度，本集團所有營業收入及業績貢獻均源自手袋製造及銷售，故只按地區分類呈報。自化工產品於2008年開始營運，本集團之內部組織及管理架構及向董事會呈報之內部財務報表系統均已轉為按以上兩個分部作基礎。因此，董事已決定自2008年以業務分部作為主要分部呈報基準而2007年相關業務分部資料一併呈列以作比較。

為便於管理，本集團目前分為二個營運部門—手袋及化工產品。此等部門乃本集團報告其主要分部資料的基準。

主要業務分為：

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鹼

此等業務分部資料呈列如下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**7. SEGMENT INFORMATION (CONTINUED)****(a) Business segments (continued)**

<b>For the year ended 31 December 2008</b>	<b>截至2008年 12月31日止年度</b>
CONSOLIDATED INCOME STATEMENT	綜合損益表
REVENUE-External sales	收入—外部銷售
RESULTS	業績
Segment results	分部業績
Unallocated income	未予分配公司收入
Unallocated expenses	未予分配公司支出
Change in fair value of investment properties	投資物業的公允價值 變動
Interest on bank borrowings wholly repayable within five years	須於五年內全數償還 之銀行借款利息
Profit before taxation	除稅前溢利
Income tax expense	所得稅支出
Profit for the year	除稅後溢利

**7. 分部資料(續)****(a) 業務分部(續)**

<b>Handbags</b> 手袋 <b>HK\$'000</b> 千港元	<b>Chemical products</b> 化工產品 <b>HK\$'000</b> 千港元	<b>Total</b> 綜合 <b>HK\$'000</b> 千港元
<b>901,240</b>	<b>162,837</b>	<b>1,064,077</b>
<b>122,763</b>	<b>(12,924)</b>	<b>109,839</b>
		<b>906</b>
		<b>(9,187)</b>
		<b>(872)</b>
		<b>(9,086)</b>
		<b>91,600</b>
		<b>(10,038)</b>
		<b>81,562</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**7. SEGMENT INFORMATION (CONTINUED)****7. 分部資料(續)****(a) Business segments (continued)****(a) 業務分部(續)**

		<b>Handbags</b>	<b>Chemical</b>	<b>Total</b>
		手袋	化工產品	綜合
		<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
		千港元	千港元	千港元
<b>As at 31 December 2008</b>	<b>於2008年12月31日</b>			
CONSOLIDATED BALANCE SHEET	綜合資產負債表			
ASSETS	資產			
Segment assets	分部資產	<b>354,776</b>	<b>1,012,869</b>	<b>1,367,645</b>
Unallocated corporate assets	未予分配公司資產			<b>98,845</b>
Consolidated total assets	綜合總資產			<b>1,466,490</b>
LIABILITIES	負債			
Segment liabilities	分部負債	<b>111,429</b>	<b>195,068</b>	<b>306,497</b>
Unallocated corporate liabilities	未予分配公司負債			<b>441,749</b>
Consolidated total liabilities	綜合總負債			<b>748,246</b>
OTHER INFORMATION	其他資料			
Write-down of inventories	存貨跌價準備	<b>2,637</b>	<b>3,866</b>	<b>6,503</b>
Capital expenditure	資本性支出	<b>3,189</b>	<b>417,048</b>	<b>420,237</b>
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>14,493</b>	<b>20,991</b>	<b>35,484</b>
Impairment loss on trade receivables	應收貿易帳款減值虧損	<b>1,355</b>	-	<b>1,355</b>
Release of prepaid lease payments	預付租地款攤銷	<b>490</b>	<b>546</b>	<b>1,036</b>
Amortisation of intangible asset	無形資產攤銷	-	<b>384</b>	<b>384</b>
Fair value changes on derivative financial instruments	衍生金融工具的公允值變動	<b>508</b>	-	<b>508</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**7. SEGMENT INFORMATION (CONTINUED)****(a) Business segments (continued)**

<b>For the year ended 31 December 2007</b>	<b>截至2007年 12月31日止年度</b>
CONSOLIDATED INCOME STATEMENT	綜合損益表
REVENUE-External sales	收入—外部銷售
RESULTS	業績
Segment results	分部業績
Unallocated income	未予分配公司收入
Unallocated expenses	未予分配公司支出
Surplus arising on revaluation of property, plant and equipment	重估物業、廠房及 設備產生之盈餘
Interest on bank borrowings wholly repayable within five years	須於五年內全數償還 之銀行借款利息
Profit before taxation	除稅前溢利
Income tax expense	所得稅支出
Profit for the year	除稅後溢利

**7. 分部資料(續)****(a) 業務分部(續)**

<b>Handbags</b> 手袋 <b>HK\$'000</b> 千港元	<b>Chemical products</b> 化工產品 <b>HK\$'000</b> 千港元	<b>Total</b> 綜合 <b>HK\$'000</b> 千港元
784,721	—	784,721
135,573	(10,548)	125,025
		2,419
		(8,154)
		6
		(897)
		118,399
		(11,963)
		106,436

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**7. SEGMENT INFORMATION (CONTINUED)****7. 分部資料(續)****(a) Business segments (continued)****(a) 業務分部(續)**

		<b>Handbags</b>	<b>Chemical</b>	<b>Total</b>
		手袋	化工產品	綜合
		<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
		千港元	千港元	千港元
<b>As at 31 December 2007</b>	<b>於2007年12月31日</b>			
CONSOLIDATED BALANCE SHEET	綜合資產負債表			
ASSETS	資產			
Segment assets	分部資產	372,893	542,732	915,625
Unallocated corporate assets	未予分配公司資產			100,464
Consolidated total assets	綜合總資產			1,016,089
LIABILITIES	負債			
Segment liabilities	分部負債	116,849	73,126	189,975
Unallocated corporate liabilities	未予分配公司負債			183,242
Consolidated total liabilities	綜合總負債			373,217
OTHER INFORMATION	其他資料			
Write down of inventories	存貨跌價準備	2,015	-	2,015
Capital expenditure	資本性支出	3,999	486,584	490,583
Depreciation of property, plant and equipment	物業、廠房及設備折舊	11,839	917	12,756
Release of prepaid lease payments	預付租地款攤銷	490	496	986
Fair value changes on derivative financial instruments	衍生金融工具的 公允值變動	163	-	163

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**7. SEGMENT INFORMATION (CONTINUED)****(b) Geographical segments**

		<b>Segment revenue by geographical market</b>	
		按地區市場之銷售收入	
		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
United States of America ("USA")	美國	<b>459,602</b>	380,611
Europe	歐洲	<b>325,742</b>	326,192
South America	南美洲	<b>28,574</b>	30,985
People's Republic of China ("PRC")	中國	<b>163,921</b>	–
Others	其他地區	<b>86,238</b>	46,933
		<b>1,064,077</b>	784,721

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

**7. 分部資料(續)****(b) 地區分部**

按資產所在地區劃分之分部資產賬面值及物業、廠房及設備之添置之分析如下：

		<b>Carrying amount of segment assets and reconciliation to total assets</b>		<b>Additions to property, plant and equipment</b>	
		分部資產之賬面值		物業、廠房及設備之添置	
		At 於	At 於	Year ended 年度止	
		<b>31.12.2008</b>	31.12.2007	<b>31.12.2008</b>	31.12.2007
		<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	<b>2,636</b>	25,146	<b>248</b>	434
The PRC	中國	<b>1,364,769</b>	888,539	<b>347,353</b>	3,974
USA	美國	<b>240</b>	1,940	–	88
Unallocated	未予分配	–	–	–	472,734
		<b>1,367,645</b>	915,625	<b>347,601</b>	477,230

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 8. INCOME TAX EXPENSES

### 8. 所得稅支出

		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
The charge comprises:	除稅前溢利		
Current tax:	本年度稅項：		
Hong Kong Profits Tax	香港所得稅	<b>9,906</b>	11,924
Other jurisdictions Profits Tax	其他司法權區所得稅	<b>67</b>	–
		<b>9,973</b>	11,924
Underprovision in prior years:	往年度少撥備之稅項：		
Hong Kong	香港	<b>55</b>	–
Other jurisdictions	其他司法權區	<b>10</b>	39
		<b>65</b>	39
		<b>10,038</b>	11,963

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% (2007: 17.5%) of the estimated assessable profit for the year.

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

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

於2008年6月26日，香港立法會通過了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課稅年度起生效。香港利得稅乃根據該年度之估計應課稅溢利按16.5%稅率計算(2007：17.5%)。

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

年內稅項開支與綜合收益表所列除稅前溢利對賬如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 8. INCOME TAX EXPENSES (CONTINUED)

### 8. 所得稅支出(續)

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Profit before taxation	除稅前溢利	<b>91,600</b>	118,399
Tax at the domestic income tax rate of 16.5% (2007: 17.5%)	按本地所得稅率 16.5%之稅項(2007: 17.5%)	<b>15,114</b>	20,720
Tax effect of expenses that are 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	<b>2,699</b>	3,254
Tax effect of income that is 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	<b>(130)</b>	(871)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>2,308</b>	787
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)	<b>(10,103)</b>	(11,924)
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	<b>65</b>	39
Effect of different tax rates in other jurisdictions	其他司法權區的 稅率變動之影響	<b>167</b>	-
Utilisation of tax losses not previously recognised	動用過往未確認 之稅項虧損	<b>(82)</b>	(42)
Income tax expense for the year	年內之所得稅支出	<b>10,038</b>	11,963

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 balance sheet date and during the year are set out in note 26.

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。

遞延稅項於結算日及於年內之詳情載於附註26。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**9. PROFIT FOR THE YEAR****9. 年內溢利**

		<b>2008</b>	2007
		<b>HK\$'000</b>	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 12)	董事酬金(附註12)	<b>2,850</b>	3,131
Other staff costs	其他職員成本	<b>187,169</b>	146,825
Retirement benefit schemes contributions (excluding directors)	其他退休福利計劃供款(董事除外)	<b>2,047</b>	913
Total staff costs	職員成本合計	<b>192,066</b>	150,869
Amortisation of prepaid lease payments	預付租賃款項攤銷	<b>1,036</b>	986
Amortisation of intangible asset	無形資產攤銷	<b>384</b>	-
Auditors' remuneration	核數師酬金	<b>1,079</b>	984
Cost of inventories recognised as expenses	存貨成本確認為費用	<b>825,855</b>	563,467
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>35,484</b>	12,756
Impairment loss recognised in respect of trade receivables (included in selling and distribution costs)	應收帳款減值虧損(包括在銷售及分銷成本)	<b>1,355</b>	-
Write down of inventories (included in cost of sales)	存貨跌價準備(包括在銷售成本)	<b>6,503</b>	2,015
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<b>158</b>	919
Change in fair value of investment properties	投資物業的公允值變動	<b>872</b>	-
Fair value changes on derivative financial instruments	衍生金融工具公允值變動	<b>508</b>	163
and after crediting:	並已計入：		
Interest income	利息收入	<b>679</b>	2,087
Net exchange gain	匯兌淨收益	<b>5,623</b>	5,601
Surplus arising on revaluation of property, plant and equipment	重估物業、廠房及設備所產生之盈餘	-	6

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 10. DIVIDENDS

Dividends recognised as distributions during the year:	年內已確認為分派之股息：
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
Final dividend of HK\$0.035 per share for the year ended 31 December 2006	截至2006年12月31日止年度 末期股息每股3.5港仙
Interim 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 中期股息每股2.5港仙

A final dividend of HK\$0.015 (2007: HK\$0.025) per share for the year ended 31 December 2008 has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

### 11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year of HK\$81,562,000 (2007: HK\$106,436,000) and 825,000,000 (2007: 825,000,000) shares in issue during the year.

### 10. 股息

	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Final dividend of HK\$0.025 per share for the year ended 31 December 2007	20,625	–
Interim dividend of HK\$0.025 per share for the year ended 31 December 2008	20,625	–
Final dividend of HK\$0.035 per share for the year ended 31 December 2006	–	28,875
Interim dividend of HK\$0.025 per share for the year ended 31 December 2007	–	20,625
	<b>41,250</b>	<b>49,500</b>

董事會已建議派發截止2008年12月31日止年度之末期股息每股1.5港仙(2007: 2.5港仙)，惟須待股東於週年大會上批准。

### 11. 每股盈利

每股基本盈利乃按年內溢利81,562,000港元(2007: 106,436,000港元)除以年內已發行股份825,000,000股(2007: 825,000,000股)而計算。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 7 (2007: 7) directors were as follows:

### 12. 董事酬金

已付或應付予7位(2007: 7位)董事之酬金如下:

		Other emoluments				Total
		其他酬金			合計	
		Salaries and other benefits	Retirement benefit contributions	Performance related incentive payments		Total
		薪金及其他福利	退休福利計劃供款	表現相關獎金	合計	
		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	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 31.12.2008	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	李文恩	–	502	12	–	514
Kung Phong (appointed on 20.8.2008)	龔鈺 (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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**12. DIRECTORS' EMOLUMENTS (CONTINUED)****12. 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 31.12.2007	截至2007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	–	660	12	110	782
Lee Marina Man Wai (resigned on 30.4.2008)	李文慧 (辭任於2008年4月30日)	–	450	9	–	459
Lee Man Yan	李文恩	–	456	12	–	468
<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	邢詒春	80	–	–	–	80
Wong Kai Tung, Tony	王啟東	80	–	–	–	80
		240	2,736	45	110	3,131

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 2008.

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2008年12月31日止年度並無股東放棄任何酬金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2007: two) were directors of the Company whose emoluments are disclosed in note 12 above. The emoluments of the remaining three (2007: three) individuals were as follows:

		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	<b>2,706</b>	2,376
Contributions to retirement benefits schemes	退休福利計劃供款	<b>24</b>	24
Discretionary bonus payments	表現相關獎金	<b>288</b>	169
		<b>3,018</b>	2,569

The emoluments were within the following bands:

		<b>2008</b>	2007
		<b>Number of employees</b>	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	<b>2</b>	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	<b>1</b>	1

### 13. 僱員酬金

在本集團5位最高薪酬之人士中，包括2位(2007：2位)本公司董事，其薪酬已載於上文附註12。而其餘3位(2007：3位)最高薪酬人士之酬金如下：

酬金介乎下列幅度：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Land and buildings	Furniture, fixtures and equipment	Leasehold improvements	Motor vehicles	Moulds	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	模具	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	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
VALUATION	估值								
At 1 January 2007	於2007年1月1日	102,241	7,556	8,502	3,178	99	14,354	7,342	143,272
Currency realignment	滙兌調整	1,030	24	-	41	-	20	6,381	7,496
Additions	添置	-	2,264	-	1,580	-	312,647	160,739	477,230
Disposals	出售	-	(81)	(578)	(94)	(99)	(171)	-	(1,023)
Adjustment arising on revaluation	因重估產生之調整	7,546	(1,443)	681	(902)	-	13,451	-	19,333
At 31 December 2007	於2007年12月31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 properties	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
DEPRECIATION	折舊								
At 1 January 2007	於2007年1月1日	-	-	-	-	-	-	-	-
Provided for the year	本期撥備	6,194	1,713	787	972	-	3,090	-	12,756
Eliminated on revaluation	重估時對銷	(6,194)	(1,713)	(787)	(972)	-	(3,090)	-	(12,756)
At 31 December 2007	於2007年12月31日	-	-	-	-	-	-	-	-
Provided for the year	本年度撥備	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	-	-	-	-	-	-	-	-
CARRYING VALUE	賬面值								
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
At 31 December 2007	於2007年12月31日	110,817	8,320	8,605	3,803	-	340,301	174,462	646,308

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 14. 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 basis at the rate of 5% per annum:

Furniture, fixtures and equipment	20%
Motor vehicles	25%
Moulds	33 <sup>1</sup> / <sub>3</sub> %
Plant and machinery (handbag segment)	20%
Plant and machinery (chemical segment)	5%-10%

The Group's property, plant and equipment were revalued as of 31 December 2008 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\$11,024,000 (2007: HK\$32,089,000) arising on the above revaluation has been dealt with as follows:

- (i) a surplus of HK\$11,024,000 (2007: HK\$32,083,000) has been credited to the asset revaluation reserve; and
- (ii) no surplus or deficit (2007: surplus of HK\$6,000) has been deal with in the consolidated income statement.

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:

### 14. 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%
模具	33 <sup>1</sup> / <sub>3</sub> %
廠房及機器(手袋分部)	20%
廠房及機器(化工分部)	5-10%

本集團之物業、廠房及設備，除設於泰國之物業權益外，均由獨立專業物業、廠房及機器估值師，西門(遠東)有限公司，於2008年12月31日以公平市值，並按有關資產將繼續使用作原來業務運作之基準重估。

因上述重估而產生的淨盈餘11,024,000港元(2007：32,089,000港元)已處理入賬如下：

- (i) 11,024,000港元(2007：32,083,000港元)盈餘已撥入資產重估儲備；及
- (ii) 無盈餘或虧絀(2007：6,000港元盈餘)已計入綜合收益表內。

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：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)****14. 物業、廠房及設備(續)**

		Land and buildings 土地 及樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Plant and machinery 廠房 及機器 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Cost	成本	128,145	24,322	16,025	8,381	612,744	263,822	1,053,439
Accumulated depreciation and amortisation	累計折舊及攤銷	(49,855)	(17,703)	(10,642)	(6,183)	(53,064)	-	(137,447)
Net book value	賬面淨值							
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
At 31 December 2007	於2007年12月31日	69,466	5,218	6,015	2,833	318,302	174,462	576,296

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
The carrying values of the Group's property interests comprises:	本集團物業權益之賬面值包括：		
- freehold land in Thailand	- 位於泰國永久業權土地	-	9,319
- buildings on freehold land in Thailand	- 位於泰國永久業權土地 上之樓宇	-	13,904
- buildings on land under medium- term land use rights in the PRC	- 位於中國享有中期 使用權土地上的樓宇	<b>123,658</b>	87,594
		<b>123,658</b>	110,817

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 15. PREPAID LEASE PAYMENTS

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

Analysed for reporting purposes as: 分析呈報如下：

Non-current asset	非流動資產
Current asset	流動資產

### 15. 預付租賃款項

本集團之預付租賃款項是指中國境內之中期租賃土地。

2008 HK\$'000 千港元	2007 HK\$'000 千港元
<b>49,438</b>	48,234
<b>1,036</b>	997
<b>50,474</b>	49,231

### 16. INVESTMENT PROPERTIES

FAIR VALUE	公允值	HK\$'000 千港元
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

The investment properties situated in Thailand were revalued as of 31 December 2008 by Thai Property Appraisal Lynn Philips Co., Ltd., an independent firm of professional property valuers, on the basis of open market value in existing use. A deficit of HK\$872,000 has been dealt with in the consolidated income statement.

The carrying value of investment properties shown above comprises:

- freehold land in Thailand	位於泰國永久業權土地
- buildings on freehold land in Thailand	位於泰國永久業權土地上之樓宇

### 16. 投資物業

本集團位於泰國之投資物業權益於2008年12月31日由獨立專業物業估價師，Thai Property Appraisal Lynn Philips Co., Ltd. 按其現有用途之公開市場價值基準重估。872,000港元虧損已計入綜合收益表中。

以上呈列之投資物業帳面值包括：

2008 HK\$'000 千港元
<b>9,001</b>
<b>12,784</b>
<b>21,785</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 17. INTANGIBLE ASSET

		<b>Technical knowhow</b> 技術知識 <b>HK\$'000</b> 千港元
<b>COST</b>	<b>成本</b>	
At 1 January 2007 and 31 December 2007	於2007年1月1日及2007年12月31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
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1 January 2007 and 31 December 2007	於2007年1月1日及2007年12月31日	–
Provided for the year	本年度撥備	384
Currency realignment	滙兌調整	(6)
At 31 December 2008	於2008年12月31日	378
<b>CARRYING VALUE</b>	<b>帳面值</b>	
At 31 December 2008	於2008年12月31日	5,292

### 17. 無形資產

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。

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

### 18. INVENTORIES

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

### 18. 存貨

	<b>2008</b> <b>HK\$'000</b> 千港元	2007 HK\$'000 千港元
Raw materials and consumables	<b>52,867</b>	57,467
Work in progress	<b>41,372</b>	41,167
Finished goods	<b>31,881</b>	7,681
	<b>126,120</b>	106,315

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 19. TRADE AND OTHER RECEIVABLES

Trade receivables	應收貿易款
Less: allowance for doubtful debts	壞賬準備
Bills receivables	應收票據款
Other receivables, prepayment and deposits	其他應收款，預付款及訂金
Total trade and other receivables	應收貿易及其他款項

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

At 31 December 2008, the carrying amount of the trade receivable pledged as security for the bills discounted with recourse, as disclosed in note 24, was HK\$47,028,000 (2007: HK\$3,557,000).

Included in the balance are trade and bills receivables of HK\$125,156,000 (2007: HK\$123,893,000). The aged analysis of trade and bills receivables at the balance sheet date is as follows:

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

### 19. 應收貿易及其他款項

2008	2007
HK\$'000	HK\$'000
千港元	千港元
<b>70,662</b>	95,739
<b>(1,355)</b>	—
<b>69,307</b>	95,739
<b>55,849</b>	28,154
<b>125,156</b>	123,893
<b>12,981</b>	12,238
<b>138,137</b>	136,131

本集團一般給予貿易客戶之賒賬期平均為0至90天。

於2008年12月31日，47,028,000港元(2007：3,557,000港元)之應收票據用作票據貼現之抵押(附註24)。

應收貿易及其他款項包括應收貿易款項及票據約125,156,000港元(2007：123,893,000港元)，應收貿易款項及票據於結算日之賬齡分析如下：

2008	2007
HK\$'000	HK\$'000
千港元	千港元
<b>77,696</b>	85,843
<b>32,162</b>	22,756
<b>11,278</b>	8,530
<b>4,020</b>	6,764
<b>125,156</b>	123,893
<b>11,151</b>	6,233
<b>1,830</b>	6,005
<b>138,137</b>	136,131

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 19. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

Euro	歐羅
RMB	人民幣
HK dollars	港元

Before accepting any new customer, the Group assesses the potential customer's credit quality by investigating their historical credit record and then defines the credit limit of that customer. The Group has provided allowance for doubtful debts of HK\$1,355,000 (2007: nil) for certain receivables over 90 days. It is the Group's policy to make provision against debts which normally aged over 90 days because historical experience is such that receivables that are past due beyond 90 days are generally not recoverable. However, included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$20,255,000 (2007: HK\$32,763,000) 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.

### 19. 應收貿易及其他款項(續)

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記賬，該等款項涉及貨幣風險。

2008	2007
HK\$'000	HK\$'000
千港元	千港元
<b>2,782</b>	6,397
<b>633</b>	3,735
<b>2,175</b>	4,785
<b>5,590</b>	14,917

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1,355,000港元(二零零七年：無)。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20,255,000港元(2007：32,763,000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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 19. 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

### 19. 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：

2008	2007
HK\$'000	HK\$'000
千港元	千港元
<b>5,722</b>	16,205
<b>8,647</b>	9,602
<b>1,926</b>	192
<b>3,960</b>	6,764
<b>20,255</b>	32,763

### 20. RESTRICTED BANK BALANCE/BANK BALANCES AND CASH

The restricted bank balance at 31 December 2007 represents performance bond deposits placed with Bank of China in respect of the Group's construction of chemical plants in Jiangsu Province, the PRC. The restricted bank balance has been released upon the completion of construction of chemical plants as at 31 December 2008.

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 1.0% (2007: 3.95%) per annum.

The following bank and cash are denominated in currencies other than the functional currency of the relevant group entities are as follow:

Euro	歐羅
RMB	人民幣
HK dollars	港元

### 20. 有限制銀行存款／銀行結餘及現金

於2007年12月31日的有限制銀行存款乃中國江蘇省化工廠之工程竣工滿意保證金並存放於中國銀行，於2008年12月31日，該有限制銀行存款已於化工廠房工程竣工後釋回。

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1.0% (2007: 3.95%)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記賬。

2008	2007
HK\$'000	HK\$'000
千港元	千港元
<b>684</b>	10,707
<b>1,606</b>	7,924
<b>26,364</b>	16,136
<b>28,654</b>	34,767

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 21. 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 payables of HK\$87,592,000 (2007: HK\$94,048,000). The aged analysis of trade payables at the balance sheet date is as follows:

Less than 30 days	少於30天	<b>40,170</b>	53,621
31-60 days	31至60天	<b>26,007</b>	33,425
61-90 days	61至90天	<b>17,491</b>	5,781
Over 90 days	90天以上	<b>3,924</b>	1,221
Other payables and accruals	其他應付款及應付費用	<b>175,626</b>	111,702
		<b>263,218</b>	205,750

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

		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Euro	歐羅	<b>827</b>	800
RMB	人民幣	<b>47,092</b>	56,193
Japanese Yen	日圓	<b>10,773</b>	12,989
HK dollars	港元	<b>37,553</b>	22,238
		<b>96,245</b>	92,220

### 21. 應付貿易及其他款項

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

應付貿易及其他款項包括應付貿易款項約87,592,000港元(2007: 94,048,000港元)，應付貿易款項於結算日之賬齡分析如下：

	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
	千港元	千港元
Less than 30 days	<b>40,170</b>	53,621
31-60 days	<b>26,007</b>	33,425
61-90 days	<b>17,491</b>	5,781
Over 90 days	<b>3,924</b>	1,221
Other payables and accruals	<b>175,626</b>	111,702
	<b>263,218</b>	205,750

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記賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 22. DERIVATIVE FINANCIAL INSTRUMENTS

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

#### Notional amount

概念金額

Sell EUR1,500,000  
出售 1,500,000 歐元

The derivatives are measured at fair value at the balance sheet date. The fair value of foreign exchange contract is determined based on forward rate obtained from banks for equivalent instruments at the balance sheet date. This is used to hedge against the exchange rate difference for Euro against USD.

### 23. AMOUNTS DUE TO RELATED COMPANIES

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

All of these 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 and repayable on demand.

### 22. 衍生金融工具

金額呈示本集團持有外幣兌換合約之公平值，其條款列載如下：

#### Maturity

到期日

#### Exchange rate

兌換率

31.03.2009 1 EURO: 1.300 USD  
31.03.2009 1 歐元: 1.300 美元

衍生合約於結算日是按公允值計量。外匯合約之公允值是按照銀行提供相等工具之遠期匯率。該合約是用於對沖歐羅對美金之外匯差異。

### 23. 應付關連公司款項

	2008	2007
	HK\$'000	HK\$'000
	千港元	千港元
Capital Nation Investments Limited	1,170	1,487
Lee & Man Paper Manufacturing Limited 理文造紙有限公司	2,961	—
	<b>4,131</b>	<b>1,487</b>

所有該等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、不計息及須應要求償還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 24. BANK BORROWINGS AND BANK OVERDRAFTS

### 24. 銀行借款及銀行透支

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Bank overdrafts	銀行透支	-	2,154
Bank loans	銀行借款	<b>285,229</b>	85,800
Bank import loans	銀行入口單借款	<b>94,846</b>	63,497
Bills discounted with recourse	附追索權之貼現票據	<b>47,028</b>	3,557
		<b>427,103</b>	155,008
Carrying amount repayable:	需償還帳面值：		
On demand or within one year	應要求或1年內	<b>302,303</b>	69,208
More than one year, but not exceeding two years	超出1年但不超出2年	<b>41,184</b>	17,160
More than two years but not more than five years	超出2年但不超出5年	<b>83,616</b>	68,640
		<b>427,103</b>	155,008
Less: Amounts due within one year shown under current liabilities	減：1年內的流動負債	<b>(302,303)</b>	(69,208)
		<b>124,800</b>	85,800
Analysed as:	分析為：		
Secured	有抵押	<b>47,028</b>	3,557
Unsecured	無抵押	<b>380,075</b>	151,451
		<b>427,103</b>	155,008

As at 31 December 2008, the Group had available banking facilities of approximately HK\$767,663,000 (2007: HK\$796,678,000) of which HK\$347,874,000 (2007: HK\$155,008,000) was utilised.

The directors of the Group, Ms. Wai Siu Kee and Mr. Lee Man Yan has provided personal guarantee to the Group for bank borrowing amounted to HK\$56,550,000 (2007: nil).

於2008年12月31日，本集團可用之銀行備用信貸額約767,663,000港元(2007：796,678,000港元)其中347,874,000(2007：155,008,000港元)已被動用。

本集團董事，衛少琦女士及李文恩先生已為集團之56,550,000港元(2007：無)銀行借款提供個人擔保。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 24. BANK BORROWINGS AND BANK OVERDRAFTS (CONTINUED)

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

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Fixed-rate borrowings (all within one year)	固定利率借款	<b>79,229</b>	–
Variable-rate borrowings	浮息借款	<b>347,874</b>	155,008
		<b>427,103</b>	155,008

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

		2008	2007
Effective interest rate:	實際利率：		
Fixed-rate borrowings	固定利率借款	<b>6.13% to 6.90%</b> per annum 年率	–
Variable-rate borrowings	浮息借款	<b>0.6% to 3% over HIBOR or LIBOR</b>	0.6% to 0.8% over Hong Kong Prime Rate, HIBOR or LIBOR 香港最優惠利率 香港同業拆息或 倫敦同業拆息

The Group's borrowings that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	Denominated in 定值			
	USD 美元 HK\$'000 千港元	EUR 歐元 HK\$'000 千港元	HKD 港元 HK\$'000 千港元	JPY 日圓 HK\$'000 千港元
As at 31 December 2008	254,119	7,781	139,499	–
As at 31 December 2007	85,800	–	2,154	63,498

### 24. 銀行借款及銀行透支(續)

本集團之定息借款及淨息借款分析如下：

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Fixed-rate borrowings (all within one year)	固定利率借款	<b>79,229</b>	–
Variable-rate borrowings	浮息借款	<b>347,874</b>	155,008
		<b>427,103</b>	155,008

本集團借款之實際利率範圍如下：

		2008	2007
Effective interest rate:	實際利率：		
Fixed-rate borrowings	固定利率借款	<b>6.13% to 6.90%</b> per annum 年率	–
Variable-rate borrowings	浮息借款	<b>0.6% to 3% over HIBOR or LIBOR</b>	0.6% to 0.8% over Hong Kong Prime Rate, HIBOR or LIBOR 香港最優惠利率 香港同業拆息或 倫敦同業拆息

本集團除去以相關實體功能貨幣列值外之銀行借款呈列如下：

	Denominated in 定值			
	USD 美元 HK\$'000 千港元	EUR 歐元 HK\$'000 千港元	HKD 港元 HK\$'000 千港元	JPY 日圓 HK\$'000 千港元
As at 31 December 2008	254,119	7,781	139,499	–
As at 31 December 2007	85,800	–	2,154	63,498

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 25. OTHER LONG TERM PAYABLES

Other long term payables represented the payables for construction projects and acquisition and installation of equipment for chemical products. The amount will be repayable after one year from the balance sheet date in accordance with the respective agreements.

### 26. DEFERRED TAXATION

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

### 25. 其他長期應付款

其他長期應付款項為建築項目及購買及安裝化學產品設備之應付款項。款項將於由結算日起計一年後按有關協議償還。

### 26. 遞延稅項

本年度及過往報告期間已確認之主要遞延稅項負債及資產及其變動概述如下：

		<b>Accelerated tax depreciation</b>	<b>Revaluation of property, plant and equipment</b>	<b>Tax losses</b>	<b>Total</b>
		加速 稅務折舊	物業、廠房 及設備重估	稅項虧損	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 2007	於2007年及1月1日	124	1,938	(124)	1,938
Charge to equity for the year	期內計入權益	-	4,930	-	4,930
At 31 December 2007	於2007年12月31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 equity for the year	年內計入權益	-	(540)	-	(540)
At 31 December 2008	於2008年12月31日	117	6,168	(117)	6,168

At the balance sheet date, the Group had unutilised tax losses of HK\$40,883,000 (2007: HK\$27,366,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK\$711,000 (2007: HK\$711,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$39,426,000 (2007: HK\$26,655,000) due to the unpredictability of future profit streams. Tax losses of HK\$29,280,000 may be carried forward indefinitely while the remaining tax losses of HK\$11,603,000 from PRC subsidiaries may be carried forward for five years.

於結算日，本集團尚未動用但可用作無扣未來課除溢利之稅項虧損為40,883,000港元(2007: 27,366,000港元)。其中就該虧損確認了711,000港元(2007: 711,000港元)之遞延除項資產。由於未來溢利之流入不可預測，餘下之39,426,000港元(2007: 26,655,000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29,280,000港元可無限期結轉，而餘下來自中國附屬公司之稅項虧損11,603,000港元則可結轉五年。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 27. SHARE CAPITAL

		Number of ordinary shares 普通股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each:	每股面值0.1港元之普通股：		
Authorised:	法定：		
At 1 January 2007, 31 December 2007 and 31 December 2008	於2007年1月1日、2007年12月31日 及2008年12月31日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 January 2007, 31 December 2007 and 31 December 2008	於2007年1月1日、2007年12月31日 及2008年12月31日	825,000,000	82,500

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。

### 28. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 December 2001 for the purpose of providing incentives to directors and eligible persons. The Scheme 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").

### 28. 購股權計劃

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 28. SHARE OPTION SCHEME (CONTINUED)

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. 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 balance sheet date, 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

### 28. 購股權計劃(續)

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。

### 29. 經營租約

2008 HK\$'000 千港元	2007 HK\$'000 千港元
<b>1,491</b>	1,620

於結算日，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：

2008 HK\$'000 千港元	2007 HK\$'000 千港元
<b>304</b>	282
<b>138</b>	367
<b>442</b>	649

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 29. OPERATING LEASES (CONTINUED)

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.

### 30. OTHER COMMITMENT

At the balance sheet date, 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

### 29. 經營租約(續)

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。

### 30. 其他承擔

於結算日，本集團持有不可撤銷的顧問費支出合約，其到期日如下：

2008	2007
HK\$'000	HK\$'000
千港元	千港元
598	199
797	–
<b>1,395</b>	199

### 31. 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

### 31. 資本承擔

2008	2007
HK\$'000	HK\$'000
千港元	千港元
110,331	101,595
<b>28,506</b>	26,462

### 32. RETIREMENT BENEFIT SCHEMES

#### Defined benefit scheme

The Group is a member of a defined benefit scheme which was open to qualified employees of companies under the 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.

### 32. 退休福利計劃

#### 界定利益計劃

本集團為一項界定利益計劃之成員，該計劃專為受 Fortune Star (見附註1) 控制之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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 32. RETIREMENT BENEFIT SCHEMES (CONTINUED)

#### Defined benefit scheme (continued)

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 2008 by HSBC Life (International) Limited. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The main actuarial assumptions used were as follows:

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

The actuarial valuation shows that the market value of plan assets at 31 December 2008 was HK\$10,403,000 (2007: HK\$9,908,000) and that the actuarial value of these assets represented 121% (2007: 138%) of the benefits that were accrued to members.

The credit recognised in the consolidated income statement 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

### 32. 退休福利計劃

#### 界定利益計劃

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2008年12月31日作出評估。界定利益承擔現值、相關之現時服務成本及過往服務成本乃採用預估單位利益法計算。

所採用之主要精算假設如下：

2008 Per annum 年率	2007 Per annum 年率
0%	3.45%
4%	4%
0%	0%

精算評估顯示計劃資產於2008年12月31日之市值為10,403,000港元(2007: 9,908,000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121%(2007: 138%)。

在綜合收益表內就界定利益計劃已確認之開支如下：

2008 HK\$'000 千港元	2007 HK\$'000 千港元
-	287
(397)	(465)
-	-
-	-
(397)	(178)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 32. RETIREMENT BENEFIT SCHEMES (CONTINUED)

#### Defined benefit scheme (continued)

The amount included in the consolidated balance sheet 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
Transfer out to other employers	轉往其他僱主
Actuarial losses (gains)	精算虧損(收益)
Closing balance	期末結餘

### 32. 退休福利計劃(續)

#### 界定利益計劃(續)

已列入綜合資產負債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：

2008 HK\$'000 千港元	2007 HK\$'000 千港元
<b>8,571</b>	7,188
<b>(10,403)</b>	(9,908)
<b>(1,832)</b>	(2,720)
<b>(2,020)</b>	(735)
<b>(3,852)</b>	(3,455)

年內界定利益承擔現值變動如下：

2008 HK\$'000 千港元	2007 HK\$'000 千港元
<b>7,188</b>	7,657
–	287
–	–
–	–
<b>1,383</b>	(756)
<b>8,571</b>	7,188



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 32. RETIREMENT BENEFIT SCHEMES (CONTINUED)

#### Defined benefit scheme (continued)

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
Contributions from the employers	僱主供款
Benefit paid	已付利益
Transfer out to other employers	轉往其他僱主
Actuarial gains	精算收益
Closing balance	期末結餘

The major categories of plan assets at the balance sheet date for each category 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\$397,000 (2007: HK\$465,000).

### 32. 退休福利計劃(續)

#### 界定利益計劃(續)

年內計劃資產之公平值變動如下：

	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Opening balance	9,908	9,443
Expected return on plan assets	397	465
Contributions from the employers	-	-
Benefit paid	-	-
Transfer out to other employers	-	-
Actuarial gains	98	-
Closing balance	10,403	9,908

計劃資產之主要分類及預期回報率於結算日分類如下：

#### Fair value of plan assets 計劃資產之公平值

	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Debt instruments	10,101	9,541
Cash	302	367
	10,403	9,908

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397,000港元(2007: 465,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 32. RETIREMENT BENEFIT SCHEMES (CONTINUED)

#### Defined benefit scheme (continued)

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

The history of experience adjustments is as follows:

		2008 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Present value of defined benefit obligations	界定利益 承擔現值	8,571	7,188	7,657
Fair value of plan assets	計劃資產之公平值	(10,403)	(9,908)	(9,443)
Surplus	盈餘	(1,832)	(2,720)	(1,786)
Actuarial losses (gains) on plan liabilities	計劃負債精算虧損(收益)	1,383	(756)	(358)
Actuarial gain on plan assets	計劃資產精算收益	(98)	-	(2)

#### Defined contribution scheme

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

### 32. 退休福利計劃(續)

#### 界定利益計劃(續)

計劃資產之公平價值並無包含本公司之股本權益或本集團持有之物業。

過往調整實況如下：

#### 界定供款計劃

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 33. RELATED PARTY TRANSACTIONS AND BALANCES

The Group had significant transactions and balances with related parties (see note 23) during the year and at the balance sheet date as follows:

### 33. 關連交易及結餘

本集團與相關各方，當中包括根據上市規則同時被界定為關連人士於年內所進行之重大交易及於年結日之結餘(附註23)如下：

Name of related party	Relationship	Nature of transactions	2008 HK\$'000 千港元	2007 HK\$'000 千港元
<b>Connected parties</b>				
<b>關連人士</b>				
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	10,280	5,326
		Management fee income received 管理費收入	27	46
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	127
		Licence fee received 已收使用權費	186	570
Lee & Man Realty Investment Limited 理文置業有限公司	A company beneficially owned by Mr. Lee Man Yan, a director of the Company, and Mr. Lee Wan Keung 由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	843	894
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	14,930	—
		Sales of caustic soda 銷售燒碱	386	—

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

Short-term employee benefits	短期福利
Post-employment benefits	退休福利

### 33. 關連交易及結餘(續)

董事及其他主要管理層成員於年內之酬金如下：

2008	2007
HK\$'000	HK\$'000
千港元	千港元
<b>7,327</b>	7,424
<b>127</b>	129
<b>7,454</b>	7,553

### 34. NON-CASH TRANSACTIONS

During the year, purchases of property, plant and equipment of HK\$15,026,000 (2007: HK\$43,953,000) were settled through transfer of deposits paid in the prior year.

In addition, acquisition of intangible assets of HK\$5,292,000 was settled through transfer of deposits paid in prior year.

### 34. 非貨幣性交易

年內，購置物業、廠房及設備中15,026,000港元(2007年：43,953,000港元)是由往年度的已付訂金轉入。

同時，5,292,000港元無形資產是由往年度的已付訂金轉入。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 35. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY

The summarised financial information of the Company is as follows:

		Note 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
<b>ASSETS</b>				
Investments in subsidiaries	資產 於附屬公司之投資		<b>215,147</b>	215,147
Amount due from a subsidiary	附屬公司欠款		<b>608,192</b>	345,608
Prepayments	預付款項		<b>172</b>	172
Bank balances	銀行結餘		<b>87</b>	427
			<b>823,598</b>	561,354
<b>LIABILITIES</b>				
Amount due to a subsidiary	負債 欠附屬公司款項		<b>280,044</b>	–
Other payables	其他應付款		<b>788</b>	766
			<b>280,832</b>	766
			<b>542,766</b>	560,588
<b>Capital and reserves</b>				
Share capital	資本及儲備 股本		<b>82,500</b>	82,500
Reserves	儲備	(a)	<b>460,266</b>	478,088
			<b>542,766</b>	560,588

### 35. 本公司之財務資料匯總

本公司之財務資料概述如下：

note:

(a) Reserves

附註：

(a) 儲備

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Accumulated profits 累計溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2007	於2007年1月1日	20,307	112,338	97,654	230,299
Profit for the year	期內溢利	–	–	297,289	297,289
Dividends (note 10)	股息(附註10)	–	–	(49,500)	(49,500)
At 31 December 2007	於2007年12月31日	20,307	112,338	345,443	478,088
Profit for the year	年內溢利	–	–	23,428	23,428
Dividends (note 10)	股息(附註10)	–	–	(41,250)	(41,250)
At 31 December 2008	於2008年12月31日	20,307	112,338	327,621	460,266

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.

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

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

Name of subsidiary	Place of incorporation	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	Principal activities #
附屬公司名稱	註冊成立地點		所佔權益	主要業務 #
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%	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%	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%	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%	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%	Provision of management and administration services 提供管理及行政服務

### 36. 主要附屬公司

本公司於2008年12月31日之主要附屬公司之詳情如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

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

### 36. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊 成立地點	Nominal value of issued and fully paid share capital/ paid-in capital 已發行及 繳足股本面值/ 實繳股本	Attributable equity interest 所佔權益	Principal activities # 主要業務 #
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%	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\$44,903,710 實繳股本 –44,903,710美元	100%	Manufacture and sales of chloromethane products and caustic soda 生產及銷售甲烷氯化物及燒碱

\* 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。

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

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。

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.

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。

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.

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。

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

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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while 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 24 net of bank balances and cash, and equity attributable to equity holders 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.

### 38. FINANCIAL INSTRUMENTS

#### 38a. Categories of financial instruments

<b>Financial assets</b>	<b>金融資產</b>
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)
<b>Financial liabilities</b>	<b>金融負債</b>
Financial liabilities at amortised cost	按攤銷成本的金融負債
Financial liabilities at fair value through profit or loss	按公允值計入損益之金融負債

### 37. 資本風險管理

本集團進行資本管理，以確保本集團旗下各實體能夠持續經營業務，同時透過優化債務及股本結餘爭取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24中已扣除銀行結餘及現金後的銀行借款)本公司權益持有人應佔權益(包含已發行股本及各項儲備)。

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

### 38. 金融工具

#### 38a. 金融工具之類別

	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
	千港元	千港元
	<b>189,800</b>	183,647
	<b>668,467</b>	250,585
	<b>508</b>	—

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 38. FINANCIAL INSTRUMENTS (CONTINUED)

#### 38b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances, trade and other payables, amounts due to related companies and bank borrowings. 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.

#### 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 on foreign currencies against the functional currency of the relevant group entities, including Euro, Japanese Yen, HK dollars and Renminbi ("RMB"). Material transactions and balances that are not denominated in the functional currency of the relevant entities give rise to foreign currency exposure to the Group as follows:

- (i) Euro-in terms of sales revenue, bank balances and cash and 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.

### 38. 金融工具(續)

#### 38b. 財務風險管理目標及政策

本公司之主要金融工具包括應收貿易及其他款項、有限制銀行存款、銀行結餘、應付貿易及其他款項、應付關連公司款項、銀行借款及銀行透支。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。

#### 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) 歐元—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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 38. FINANCIAL INSTRUMENTS (CONTINUED)

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

##### Market risk (continued)

##### (i) Currency risk (continued)

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 risk on such currency. The Group currently does not have a currency hedging policy but will consider hedging significant currency risk should the needs arise.

At the balance sheet date, the carrying amount of the Group's monetary assets and liabilities denominated in currencies other than the respective functional currency of the relevant group entities are as follows:

		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Assets</b>	<b>資產</b>		
Euro	歐元	<b>3,466</b>	17,104
RMB	人民幣	<b>2,239</b>	11,659
HK dollars	港元	<b>28,539</b>	20,921
<b>Liabilities</b>	<b>負債</b>		
Euro	歐元	<b>9,116</b>	800
RMB	人民幣	<b>47,403</b>	56,193
Japanese Yen	日圓	<b>10,773</b>	76,486
HK dollars	港元	<b>177,911</b>	25,876

### 38. 金融工具(續)

#### 38b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (i) 貨幣風險(續)

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。本集團現時並無貨幣對沖政策，但將考慮於需要時對沖重大貨幣風險。

於結算日，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：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 38. FINANCIAL INSTRUMENTS (CONTINUED)

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

##### Market risk (continued)

##### (i) Currency risk (continued)

##### Sensitivity analysis

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the functional currencies of the relevant group entities (includes RMB, Hong Kong dollars and US dollars) against the above foreign currencies. 5% is the sensitivity rate used when reporting foreign currencies risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items other than those denominated in HK dollars but held by entities whose functional currency is US dollar 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 currencies of the relevant group entities against the above foreign currencies would give rise to the following impact to profit (loss) for the year. For 5% weakening of functional currency of the group entity against the above foreign currencies, there would be an equal and opposite impact on the profit for the year:

		<b>2008</b>	2007
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Increase (decrease)	年度溢利增加		
on profit for the year	(減少)		
– RMB	– 人民幣	<b>2,258</b>	2,227
– Euro	– 歐元	<b>283</b>	(815)
– Japanese Yen	– 日圓	<b>539</b>	3,824
– HK dollars	– 港元	<b>752</b>	5

### 38. 金融工具(續)

#### 38b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (i) 貨幣風險(續)

##### 敏感性分析

下表詳細載列就本集團內相關集團實體功能貨幣(包括人民幣、港元及美元)兌換上述外幣時上升及下降5%之敏感度。當向高級管理人員申報內部外匯風險時及呈報管理層對以外幣匯率可能變動進行評估時採用之影響率為5%。敏感度分析僅包括以外幣列值之未償還貨幣項目及於年終以外幣匯率5%之變動進行換算調整。當相關集團實體之功能貨幣兌換上述外幣處於5%強勢時，將令年度溢利有所影響。至於各功能貨幣兌換有關貨幣處於5%弱勢時，則可能對年度溢利產生相等及相反影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 38. FINANCIAL INSTRUMENTS (CONTINUED)

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

##### Market risk (continued)

##### (ii) Interest rate risk

The Group's cash flow interest rate risks mainly relate to its variable rates borrowings (see note 24 for details of these borrowings). The Group's bank balances also have exposure to cash flow interest rate due to the fluctuation of the prevailing market interest rate on bank balances. The directors consider the Group's exposure of the short term fixed-rate bank deposits to fair value interest rate risk 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.

##### 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 balance sheet date 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. A 50 basis point increase or decrease is used by the management for the assessment of the possible change in interest rates.

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 2008 would decrease or increase by HK\$1,041,000 (2007: HK\$633,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings and bank balances.

### 38. 金融工具(續)

#### 38b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (ii) 利率風險管理

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，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，因為該等附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。

##### 敏感性分析

以下敏感性分析是按浮息銀行借款及存款於結算日的利率風險。浮息銀行借款及存款乃假設於結算日的結餘為全年結餘來編製分析。50 基點的增減是管理層作有關利率變動可能性的評估時使用。

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2008年12月31日止年度之溢利將減少或增加約1,041,000港元(2007: 633,000港元)。由於貸款及銀行結餘附帶浮動利息而令本集團面對利率風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

### 38. FINANCIAL INSTRUMENTS (CONTINUED)

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

##### Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. 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 2008, the top five customers of the Group accounted for about 43% (2007: 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, management reviews the recoverable amount of each individual trade debt at each balance sheet date 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 liquidity risk and in accordance with the basis of preparation of consolidated financial statements as disclosure in note 2, 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 following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. 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.

### 38. 金融工具(續)

#### 38b. 財務風險管理目標及政策(續)

##### 信貸風險

本集團所面對的可導致本集團綜合財務報表的每類金融資產賬值產生財務虧損之最大信貸風險乃是交易對方或債務人未能履行責任。由於本集團大部份銷售收入由有限客戶產生，本集團須面對信貸集中之風險。於2008年12月31日，集團首五位客戶佔應收帳款總額約43%(2007: 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，本集團於各個結算日檢討各項個別貿易債項之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本公司之信貸風險已大幅降低。

本集團之銀行存款之信貸風險有限，由於對方均是國際信貸評級機構評定為高信貸評級之銀行。

##### 流動資金風險

於流動資金風險管理方面及根據附註2編製綜合財務報表之基準所披露，管理層認為本集團監控及保持現金的水平能足以應付本集團日常運作及減少現金流波動的影響。集團管理層常密切監控本集團之流動資金風險，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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2008 截至2008年12月31日止年度

**38. FINANCIAL INSTRUMENTS (CONTINUED)****38b. Financial risk management objectives and policies (continued)****Liquidity risk (continued)**

		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	Total undiscounted cash flows 總量		Carrying amount 總量 HK\$'000 千港元
							Over 365 days 超過 365天 HK\$'000 千港元	未貼現 現金流量 HK\$'000 千港元	
<b>As at 31 December 2008</b>	<b>於2008年12月31日</b>								
Non-interest bearing	無息負債	-	103,902	28,550	16,680	47,110	45,630	241,872	241,872
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(Note) (備註)	192,614	-	-	31,996	127,984	352,594	347,874
			296,516	51,466	16,680	139,253	173,614	677,529	668,975
<b>As at 31 December 2007</b>	<b>於2007年12月31日</b>								
Non-interest bearing	無息負債	-	44,025	51,073	479	-	-	95,577	95,577
Variable interest rate instruments	帶浮息工具	5.93(Note) (備註)	6,002	291	1,633	68,397	99,779	176,102	155,008
			50,027	51,364	2,112	68,397	99,779	271,679	250,585

Note: The interest is based on the rates outstanding at the balance sheet dates.

備註：利息是按結算日之利率作基礎。

**38c. Fair value**

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

- the fair value of financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, the fair value of a non-option derivative is estimated using discounted cash flow analysis and the applicable yield curve.

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.

**38. 金融工具(續)****38b. 財務風險管理目標及政策(續)****流動資金風險(續)**

		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	Total undiscounted cash flows 總量		Carrying amount 總量 HK\$'000 千港元
							Over 365 days 超過 365天 HK\$'000 千港元	未貼現 現金流量 HK\$'000 千港元	
<b>As at 31 December 2008</b>	<b>於2008年12月31日</b>								
Non-interest bearing	無息負債	-	103,902	28,550	16,680	47,110	45,630	241,872	241,872
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(Note) (備註)	192,614	-	-	31,996	127,984	352,594	347,874
			296,516	51,466	16,680	139,253	173,614	677,529	668,975
<b>As at 31 December 2007</b>	<b>於2007年12月31日</b>								
Non-interest bearing	無息負債	-	44,025	51,073	479	-	-	95,577	95,577
Variable interest rate instruments	帶浮息工具	5.93(Note) (備註)	6,002	291	1,633	68,397	99,779	176,102	155,008
			50,027	51,364	2,112	68,397	99,779	271,679	250,585

備註：利息是按結算日之利率作基礎。

**38c. 公允值**

金融資產及金融負債之公允值按以下方式釐定：

- 金融資產及金融負債之公允值(衍生工具除外)，乃按貼現現金流量分析之公認定價模式，採用當前可供觀察現行市場交易所得之價格釐定；及
- 衍生金融工具之公允值乃參考有關銀行的報價釐定。若無可用報價，非權證衍生工具之公允值則按貼現現金流量分析及適用之回報曲線作估算。

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。



# Financial Summary

## 財務概要

		9 months		Year ended 31 December		
		Year ended 31 March 截至3月 31日止年度 2005 HK\$'000 千港元	ended 31 December 截至12月 31日止九個月 2005 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元
<b>RESULTS</b>	<b>業績</b>					
Revenue	營業額	942,045	531,965	689,247	784,721	<b>1,064,077</b>
Profit before taxation	除稅前溢利	159,001	95,945	112,307	118,399	<b>91,600</b>
Income tax expenses	所得稅支出	(12,197)	(8,648)	(10,442)	(11,963)	<b>(10,038)</b>
Profit for the year/period	年/期內溢利	146,804	87,297	101,865	106,436	<b>81,562</b>
Attributable to:	應佔：					
Equity holders of the Company	本公司權益持有人	133,586	87,297	101,865	106,436	<b>81,562</b>
Minority interests	少數股東權益	13,218	–	–	–	<b>–</b>
		146,804	87,297	101,865	106,436	<b>81,562</b>
		At 31 March 於3月31日 2005 HK\$'000 千港元	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
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	資產總額	520,083	561,271	650,922	1,016,089	<b>1,466,490</b>
Total liabilities	負債總額	(67,674)	(86,092)	(101,547)	(373,217)	<b>(748,246)</b>
Net assets	資產淨額	452,409	475,179	549,375	642,872	<b>718,244</b>
Assets attributable to equity holders of the Company	本公司權益持有人 應佔資產	452,409	475,179	549,375	642,872	<b>718,244</b>
Minority interests	少數股東權益	–	–	–	–	<b>–</b>
		452,409	475,179	549,375	642,872	<b>718,244</b>

**LEE & MAN HOLDING LIMITED**

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