

LEE & MAN HANDBAGS HOLDING LIMITED

理文手袋集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：1488

ANNUAL REPORT 2011 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive director

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

Independent non-executive director

Mr. So Wing Keung
Mr. Heng Victor Ja Wei
Mr. Tsang Hin Man Terence

COMPANY SECRETARY

Ms. Wong Yuet Ming

REGISTERED OFFICE

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

PRINCIPAL OFFICE IN HONG KONG

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

PRINCIPAL BANKERS

In Hong Kong:

Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Chiyu Banking Corporation Ltd.

董事會

執行董事

衛少琦女士 (主席)
龔鈞先生
李文禎女士
潘麗明女士

獨立非執行董事

蘇永強先生
邢家維先生
曾憲文先生

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

香港總辦事處

香港
九龍
觀塘
敬業街61–63號
利維大廈8樓

主要往來銀行

香港：

恒生銀行有限公司
香港上海滙豐銀行有限公司
集友銀行有限公司

Corporate Information 公司資料

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

COMPLIANCE ADVISER

CIMB Securities (HK) Limited

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
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.leemanhandbags.com>

核數師

德勤•關黃陳方會計師行
執業會計師

合規顧問

聯昌國際證券(香港)有限公司

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東28號
金鐘匯中心26樓

網址

<http://www.leemanhandbags.com>

Chairman's Statement

主席報告

BUSINESS REVIEW

On 27 June 2011, the Group completed its spin-off with its shares successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited by way of introduction. The spin-off not only enabled the management team of the Group to focus on the development of handbag business, but also provided investors with a clearer and an independent view on the operating and financial position of the handbag business.

For the year ended 31 December 2011, the Group recorded revenue of HK\$874 million, slightly increased by 2.4% over the last year; and a net profit of HK\$107 million which was in line with the last year. Gross profit margin and net profit margin for the year were 26.1% and 12.3% respectively.

Although the US and European markets remained weak with the European sovereign debt crisis not yet been resolved and the overseas economy as a whole has suffered; the Group, leveraging on the persistent efforts made by the management to strengthen the development of mid-high end products, has achieved a steady growth of revenue for the year. As to the production cost, even in the face of a substantial increase in the wages level in the PRC and surging prices in raw materials, the Group was able to maintain a stable net profit through effective and stringent cost control, the implementation of production process optimization project and the improvement of product design.

PROSPECTS

Despite the uncertainty of economic prospects in Europe and U.S, the Group expects the market demand for handbag products remains stable. The Group will strive to diversify its product designs, strengthen the development of high-end products, enhance the production processes, reinforce internal controls and implement tight control over the cost in order to generate stable profit for the Group.

業務回顧

本集團於2011年6月27日成功在香港聯合交易所主板以介紹形式分拆上市。是次分拆上市將令本集團之管理團隊能集中發展手袋業務，並使投資者更清晰獨立了解手袋業務之營運及財政狀況。

截至2011年12月31日止年度，本集團錄得營業額8.74億港元，較去年同期上升2.4%，年內溢利為1.07億港元，與去年同期相約。而毛利率及淨利潤率分別為26.1%及12.3%。

縱使歐美市場持續疲弱，歐債危機尚未解決，外圍整體經濟飽受困擾，本集團全賴管理層致力加強開發中高檔產品，以致年內營業額仍可獲得穩定增長。於生產成本方面，面對國內工資大幅上升及原材料價格上漲的情況下，惟本集團努力透過有效嚴緊的成本控制，推行優化生產作業流程，及增強產品設計，使年內淨利潤得以保持穩定。

展望

儘管歐美經濟前景暫不明朗，本集團預期市場對手袋產品之需求仍會保持穩定。因此，本集團將加倍努力，設計多樣化產品款式，加強開發高檔產品，改善生產流程，加強內部監控，並致力嚴控成本，為集團提供穩定利潤。

Chairman's Statement

主席報告

APPRECIATION

On behalf of the Board, I would like to extend our sincere gratitude to our shareholders, customers and business partners for their persistent support throughout the year. In addition, I would also like to take this opportunity to thank all colleagues and staff for their persistent contribution to the Group.

On behalf of the Board

Wai Siu Kee

Chairman

Hong Kong, 27 February 2012

鳴謝

本人謹代表董事會，向本集團股東、客戶及業務夥伴於本年度給予鼎力支持衷心致意。此外，本人亦藉此機會感謝各位員工努力不懈為本集團作出貢獻。

代表董事會

主席

衛少琦

香港，2012年2月27日

Management Discussion and Analysis

管理層討論及分析

RESULTS OF OPERATION

Revenue and net profit attributable to equity holders of the Company for the year ended 31 December 2011 was HK\$874 million and HK\$107 million representing an increase of 2.4% and decrease of 0.6% respectively, as compared to HK\$854 million and HK\$108 million respectively for the last year. The basic earnings per share for the year ended 31 December 2011 was HK\$13.0 cents as compared to HK\$13.1 cents for the last year.

Revenue

The Group recorded revenue of HK\$874 million for the year ended 31 December 2011, slightly increased by 2.4% as compared to HK\$854 million for the last year. Although the external economy as a whole was seriously affected by the factors of the sluggish performance of the European and US market, the lingering European sovereign debt crisis and the catastrophic earthquake in Japan, the Group, leveraging on the unrelenting efforts made by the management to strengthen the development of midhigh end products, maintained a stable growth in revenue for the year.

Cost of sales

With the increase in revenue during the year, the cost of sales of our Group also increased from approximately HK\$614 million for the year ended 31 December 2010 to approximately HK\$646 million for the year ended 31 December 2011, showing an increase of approximately 5.2%. Furthermore, the percentage of cost of sales to the total revenue for the year was 73.9%, increased by 1.9 percentage points as compared to 72.0% for the last year. Such increase was mainly attributable to the increase in labour costs and raw material costs resulted from the high inflation in PRC for the first half of 2011.

Selling and distribution costs

Selling and distribution costs incurred for the year ended 31 December 2011 was HK\$28 million, decreased by approximately HK\$5 million as compared to approximately HK\$33 million for the year ended 31 December 2010, representing a decrease of approximately 16.8%, primarily due to higher provision made for trade compensation during last year.

經營業績

截至2011年12月31日止年度，本集團收入及年內股東應佔溢利分別為8.74億港元及1.07億港元，較去年同期的8.54億港元及1.08億港元，分別增加2.4%及減少0.6%。截至2011年12月31日每股基本盈利為13.0港仙，去年同期為13.1港仙。

收入

本集團收入截至2011年12月31日止年度為8.74億港元，較去年同期的8.54億港元增加2.4%。縱使歐美市場持續疲弱，歐債危機尚未解決，以及日本大地震影響下，外圍整體經濟飽受困擾，本集團全賴管理層致力加強開發中高檔產品，以致年內營業額仍可保持穩定增長。

銷售成本

隨著年內收入增加，本集團銷售成本亦由截至2010年12月31日止年度的6.14億港元增加至截至2011年12月31日止年度的6.46億港元，上升約5.2%。年內銷售成本佔本集團總收入約73.9%，與去年同期的72.0%比較，增加1.9個百分點，此增幅主要由於在2011上半年中國通脹高企導致勞工成本及原材料成本顯著上漲所致。

銷售及分銷成本

本集團銷售及分銷成本截至2011年12月31日止年度為2,800萬港元，較去年同期的3,300萬港元減少500萬港元，下降約16.8%。銷售及分銷成本的減少是由於去年客戶賠償撥備金額較高所致。

Management Discussion and Analysis

管理層討論及分析

Administrative expenses

Administrative expenses incurred for the year ended 31 December 2011 was HK\$78 million, decreased by approximately HK\$18 million as compared to approximately HK\$96 million for year ended 31 December 2010, representing a decrease of approximately 18.9%, primarily as a result of change in accounting policy and the management's insistent effort in cost control during the year.

Finance costs

Interest expenses incurred for the year ended 31 December 2011 was HK\$11 million, increase by approximately HK\$1.5 million as compared to approximately HK\$9.5 million for year ended 31 December 2010. Such increase in interest expenses was mainly attributable to the increase in average bank interest rates during the year.

INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover days of the Group was 57 days for the year ended 31 December 2011 as compared to 45 days for the year ended 31 December 2010. Inventory turnover days increased by 12 days, largely attributed to 2012 Chinese new year ahead, increased inventory for shipments in the first quarter of 2012.

The average collection period of the Group was 67 days for the year ended 31 December 2011 as compared to 56 days for the year ended 31 December 2010 which is in line with the normal credit terms of 7 days to 90 days granted by the Group to its customers. The increase in average collection period was resulted from the higher sales amount generated in December 2011.

The Group's creditors' turnover days were 44 days for the year ended 31 December 2011 as compared to 50 days for the year ended 31 December 2010 which is in line with the normal credit terms of 7 days to 60 days granted by the suppliers to the group.

行政費用

本集團行政費用截至2011年12月31日止年度為7,800萬港元，較去年同期的9,600萬港元減少1,800萬港元，下降約18.9%。行政費用的減少主要是年內會計制度變更及管理層致力控制費用所致。

融資成本

本集團利息開支截至2011年12月31日止年度為1,100萬港元，較去年同期的950萬港元增加150萬港元。利息開支的增加主要是年內平均銀行利率上升所致。

存貨、應收賬款及應付賬款周轉期

截至2011年12月31日止年度，本集團存貨周轉期為57天，截至2010年12月31日止年度則為45天。存貨周轉天數增加12天，主要是因2012年春節提前，增加存貨以作首季出貨之準備。

截至2011年12月31日止年度平均收賬期67天，截至2010年12月31日止年度則為56天，與本集團給予客戶的正常除賬期7天至90天一致。收款期增加主要是2011年12月份除銷貨款較多所致。

截至2011年12月31日止年度，本集團應付賬款周轉日數為44天，截至2010年12月31日止年度則為50天，與供應商給予本集團的正常除賬期7天至60天一致。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' equity of the Group as at 31 December 2011 was HK\$243 million (2010: HK\$147 million). As at 31 December 2011, the Group had current assets of HK\$353 million (2010: HK\$293 million) and current liabilities of HK\$222 million (2010: HK\$253 million). The current ratio was 1.59 as at 31 December 2011 as compared to 1.16 at 31 December 2010.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong. As at 31 December 2011, the Group had outstanding bank borrowings of HK\$106 million (2010: HK\$126 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 31 December 2011, the Group maintained bank balances and cash of HK\$55 million (2010: HK\$56 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) decreased from 0.47 as at 31 December 2010 to 0.21 as at 31 December 2011.

The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

HUMAN RESOURCES

At 31 December 2011, 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.

流動資金、財務資源及資本結構

於2011年12月31日，本集團的股東權益總額為2.43億港元(2010：1.47億港元)。於2011年12月31日，本集團的流動資產達3.53億港元(2010：2.93億港元)，而流動負債則為2.22億港元(2010：2.53億港元)。於2011年12月31日的流動比率為1.59，而於2010年12月31日則為1.16。

本集團一般以內部產生的現金流，以及中港兩地主要往來銀行提供的信貸備用額作為業務的營運資金。於2011年12月31日，本集團的未償還銀行借貸為1.06億港元(2010：1.26億港元)。該等銀行貸款由本公司若干附屬公司提供的公司擔保作為抵押。於2011年12月31日本集團銀行結餘及現金5,500萬港元(2010：5,600萬港元)。本集團的淨負債對權益比率(借貸總額減現金及現金等價物除以股東權益)由2010年12月31日的0.47下降至2011年12月31日為0.21。

本集團具備充裕的現金及可供動用的銀行備用額，以應付集團的資本承擔及營運資金需要。

人力資源

於2011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。

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 who also acts as the 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 2011. 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 2011. 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而彼亦被委任為行政總裁。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2011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2011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 director

Ms. Wai Siu Kee (*Chairman*)

Mr. Kung Phong

Ms. Lee Man Ching

Ms. Poon Lai Ming

Independent non-executive director

Mr. So Wing Keung

Mr. Heng Victor Ja Wei

Mr. Tsang Hin Man Terence

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)

龔鈞先生

李文禎女士

潘麗明女士

獨立非執行董事

蘇永強先生

邢家維先生

曾憲文先生

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

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

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

Corporate Governance Report

企業管治報告

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

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

During the year under review, four 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4次董事會，各董事出席情況詳列如下：

Name of director	董事姓名	Number of board meetings attended 出席董事會會議次數
Ms. WAI Siu Kee	衛少琦女士	4
Mr. KUNG Phong	龔鈺先生	3
Ms. LEE Man Ching	李文禎女士	3
Ms. POON Lai Ming	潘麗明女士	2
Mr. SO Wing Keung	蘇永強先生	2
Mr. HENG Victor Ja Wei	邢家維先生	2
Mr. TSANG Hin Man Terence	曾憲文先生	2

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee was established in 2011 and its current members include:

Mr. HENG Victor Ja Wei (*Chairman*)
Mr. SO Wing Keung
Mr. TSANG Hin Man Terence

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 2011 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 objectiveness 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 2011.

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

審核委員會

審核委員會於2011年成立，其現時成員包括：

邢家維先生(主席)
蘇永強先生
曾憲文先生

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2011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2011年12月31日止年度之會計賬目。

年內，共召開3次審核委員會會議，個別成員的出席情況詳列如下：

Name of member	成員姓名	Number of attendance	出席次數
Mr. HENG Victor Ja Wei	邢家維先生	3	3
Mr. SO Wing Keung	蘇永強先生	3	3
Mr. TSANG Hin Man Terence	曾憲文先生	3	3

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee was established in 2011 and the current members include:

Mr. HENG Victor Ja Wei (*Chairman*)

Mr. SO Wing Keung

Mr. TSANG Hin Man Terence

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 2011 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 2011, the auditors of the Company only provided audit services to the Company.

薪酬委員會

薪酬委員會於2011年成立，現時成員包括：

邢家維先生(主席)

蘇永強先生

曾憲文先生

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2011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2011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。

Profile of Directors and Senior Management

董事及高級管理層簡介

EXECUTIVE DIRECTOR

Ms. WAI Siu Kee, aged 67, Chairman and Chief Executive Officer of the Group who is also one of the founders of our Group. She is also the chairman of Lee & Man Chemical Company Limited (Stock Code: 0746). Ms. Wai has more than 46 years of experience in the manufacturing industry. She is responsible for the development of corporate strategies, corporate planning and overall management of our Group and in particular the marketing and development of the business of our Group. Ms. Wai is the honorary permanent president of the Hong Kong Baptist University Foundation.

Mr. KUNG Phong, aged 40, an Executive Director and Managing Director of the Group. He joined the Group in 2008 and has over 12 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.

Ms. LEE Man Ching, aged 37, an Executive Director and Director of Sales of the Group. She joined the Group in 2007 and has over 13 years of experience in sales and marketing. Ms. Lee is responsible for the merchandising and marketing functions of our Group. 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.

Ms. POON Lai Ming, aged 56, an Executive Director of the Group. She joined the Group in 1976 and has over 35 years of experience in the handbag industry. Ms. Poon is responsible to provide operational advisory services to the factory in China.

執行董事

衛少琦女士，67歲，本集團主席兼行政總裁，並為本集團創始人之一。彼同時是理文化工有限公司主席(股份代號：0746)。衛女士於製造業積逾46年經驗。彼負責本集團的企業策略、企業策劃及集團整體管理的發展，尤其是本集團業務的市場推廣及發展。彼現擔任香港浸會大學基金永遠榮譽主席。

龔鈞先生，40歲，本集團執行董事兼董事總經理。彼於2008年加入本集團，擁有超過12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。

李文禎女士，37歲，本集團執行董事及營業董事。彼於2007年加入本集團，擁有超過13年的銷售及市場推廣經驗。彼負責本集團營業及市場推廣的工作。李女士為本集團主席衛少琦之女及本集團執行董事龔鈞先生之配偶。

潘麗明女士，56歲，本集團執行董事。彼於1976年加入本集團，擁有逾35年手袋業經驗。潘女士負責本集團在中國之手袋製造業廠提供營運意見服務。

Profile of Directors and Senior Management 董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SO Wing Keung, aged 60, an Independent Non-Executive Director of the Group. He is the managing director of Sweda Limited. Mr. So obtained a master's degree in materials engineering from the Yanshan University. Currently, Mr. So is the president of Hong Kong Watch Manufacturers Association, an alternate member of the General Committee of Federation of Hong Kong Industries, an executive committee member of Hong Kong Electronic Industries Association and the vice-president of The Mirror. Mr. So is also a member of Chinese People's Political Consultative Committee of Hunan.

Mr. HENG Victor Ja Wei, aged 34, an Independent Non-Executive Director of the Group. He is a partner of Morison Heng, Certified Public Accountants. He holds a master of science degree of the Imperial College of Science, Technology and Medicine, the University of London. He is a member of The Association of Chartered Certified Accountants and member of The Hong Kong Institute of Certified Public Accountants. Mr. Heng serves as an independent non-executive director in China Fire Safety Enterprise Group Limited (Stock Code: 0445) and Lee & Man Chemical Company Limited (Stock Code: 0746).

Mr. TSANG Hin Man Terence, aged 49, an Independent Non-Executive Director of the Group. He has been admitted as a solicitor in Hong Kong since 1993 and he is currently the sole proprietor of Tsang & Co., H.M. Mr. Tsang obtained a bachelor's degree in science from the University College London, the University of London. He also holds a bachelor's degree in law from the Polytechnic of Central London (now known as the University of Westminster).

獨立非執行董事

蘇永強先生，60歲，本公司獨立非執行董事。彼為時運達有限公司的董事總經理。彼擁有燕山大學材料工程碩士學位。目前，蘇先生為香港表廠商會會長、香港工業總會總務委員會候補成員、香港電子業商會執行委員會成員及The Mirror的副總裁。彼亦為湖南省政協委員會委員。

邢家維先生，34歲，本公司獨立非執行董事。彼為華利信會計師事務所的合夥人。彼擁有英國倫敦大學帝國理工學院理學碩士學位。彼為英國特許公認會計師公會會員及香港會計師公會會員。彼於中國消防企業集團有限公司(股份代號：0445)及理文化工有限公司(股份代號：0746)出任獨立非執行董事。

曾憲文先生，49歲，本公司獨立非執行董事。彼自1993年於香港獲得律師資格，現時為曾憲文律師事務所的唯一擁有人。曾先生擁有倫敦大學的倫敦大學學院理學學士學位。彼亦擁有Polytechnic of Central London(現稱威斯敏斯特大學)法律學士學位。

Profile of Directors and Senior Management 董事及高級管理層簡介

SENIOR MANAGEMENT

Mr. NG Yu Hung, aged 57, Senior Manager of the Group. He joined the Group in 1977. Mr. Ng 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. Ng Yu Hung is the brother of Mr. Ng Yu Kuen, one of the senior management staff of the Group.

Mr. CHIU Shun King, aged 49, Production Manager of the Group. He joined the Group in 1984 and has over 26 years of experience in the handbag industry. He is responsible for production planning and overall production management of Gao Bu factory in China.

Ms. WONG Yuet Ming, aged 47, Company Secretary of the Group. She is also the executive director, financial controller and company secretary of Lee & Man Chemical Company Limited (Stock Code: 0746). She joined the Group in 2004 and has over 22 years of experience in the field of auditing and accounting. She holds a master's degree in business administration from the University of Surrey, United Kingdom. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. She is responsible for managing and overseeing compliance and reporting obligations of our Group.

Ms. TSUI Chin Wai, Jennifer, aged 47, Merchandising 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 in 1989. In 1990, Ms. Tsui obtained a Bachelor's degree in science, majoring in applied chemistry from the Hong Kong Baptist College (now known as Hong Kong Baptist University). She is responsible for the sales and marketing of our business in the European market.

Ms. YU Siu Mui, aged 40, Senior Manager of the Group. She joined the Group in 2001 as merchandiser. She graduated from the Chinese University of Hong Kong with a bachelor's degree in business administration in 1994. She has over 9 years of experience in marketing and development. She is responsible for the sales and marketing of our business in the United States and European market.

高級管理層

伍于鴻先生，57歲，本集團的高級經理。彼於1977年加入本集團。伍先生擁有逾33年手袋業經驗。彼負責本集團在歐洲市場的推廣及發展業務。伍于鴻先生為伍于權先生(本集團的高級管理人員之一)的胞兄。

趙順景先生，49歲，本集團生產經理，於1984年加入本集團。彼擁有逾26年手袋業經驗，負責本集團中國高埗工廠的生產計劃及整體生產管理。

王月明女士，47歲，本集團公司秘書。彼同時是理文化工有限公司(股份代號：0746)的執行董事，財務總監及公司秘書。彼於2004年加入本集團，擁有逾22年核數及會計經驗，持有英國倫敦蘇里大學之工商管理碩士學位。彼為英國特許公認會計師公會之資深會員，亦為香港會計師公會會員。彼負責管理及監控本集團合規及申報責任。

徐展慧女士，47歲，本集團營業經理。彼於1990年加入本集團。彼於1989年畢業於紐約州立大學，持有工商管理學碩士學位。於1990年，徐女士獲得香港浸會學院(現稱香港浸會大學)理學士學位，主修應用化學。彼負責本集團在歐洲市場的銷售及市場推廣業務。

余小梅女士，40歲，本集團高級經理。彼於2001年加入本集團任營業員。彼於1994年畢業於香港中文大學，持有工商管理學士學位。彼擁有逾9年市場推廣及開發經驗，負責本集團在美國及歐洲市場的銷售及市場推廣業務。

Profile of Directors and Senior Management 董事及高級管理層簡介

SENIOR MANAGEMENT (CONTINUED)

Mr. CHAN Kam Bun, aged 63, Manager of the Group. He joined the Group in 1996 as manager and has over 15 years of experience in the handbag business. He is responsible to co-ordinate the production activity in Gao Bu factory in China.

Mr. NG Yu Kuen, aged 54, Senior Manager of the Group. He joined the Group in 2009 and has over 20 years of experience in administration and management. He is responsible to co-ordinate the production activity in Liu Wu factory in China. Mr. Ng Yu Kuen is the brother of Mr. Ng Yu Hung, one of our senior management staff.

高級管理層(續)

陳鑫彬先生，63歲，本集團經理。彼於1996年加入本集團任經理，並擁有逾15年的手袋業務經驗，負責協調中國高埗工廠的生產活動。

伍于權先生，54歲，本集團高級經理。彼於2009年加入本集團，擁有逾20年行政及管理經驗，負責協調中國劉屋工廠的生產活動。伍于權先生為伍于鴻先生（本集團高級管理人員之一）的胞弟。

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 2011.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements.

The entities in the Group are principally engaged in the manufacture and sale of handbags (the "Handbags Business") and were previously subsidiaries of Lee and Man Chemical Company Limited (formerly known as Lee & Man Holdings Limited) ("LM"). Pursuant to a group reorganisation whereby the Company was interspersed between Lee & Man Development Limited, which is the intermediate holding company of the Handbags Business, and its shareholder, the Company became a holding company of the Group on 18 May 2011.

On 22 June 2011, LM effected a spin-off of the Company by way of a distribution in specie of the entire issued share capital of the Company to the LM shareholders on a pro rata basis (the "Spin-off"). On 27 June 2011, the Company's shares were also listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of an introduction.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2011 are set out in the consolidated statement of comprehensive income on page 28.

An interim dividend of HK3 cents per share amounting to HK\$24,750,000 in total was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK5 cents per share to the shareholders on the register of members on 9 May 2012, amounting to HK\$41,250,000 in total, and the retention of the remaining profit for the year of HK\$41,047,000.

董事會謹此提呈截至2011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32。

主要從事製造和銷售手袋業務(「手袋業務」)的本公司附屬公司過往由理文化工有限公司(前稱理文集團有限公司(「理文」)，為香港聯合交易所有限公司(「聯交所」)上市公司)持有。根據理順本集團架構以籌備本公司股份於聯交所上市的集團重組，本公司由理文發展(手袋業務當時之控股公司)及理文持有。本公司於2011年5月18日成為本集團之控股公司。

於2011年6月22日，理文透過按比例向理文股東實物分派本公司之全部已發行股本分拆本公司(「分拆」)。於2011年6月27日，本公司之股份亦透過介紹上市方式於聯交所上市。

業績及分派

本集團截至2011年12月31日止年度之業績載於第28頁之綜合全面收益表。

年內已向股東派發中期股息每股3港仙總額24,750,000港元。

董事建議派發末期股息每股5港仙予於2012年5月9日名列股東名冊之股東，總額為41,250,000港元，年內保留溢利之保留額為41,047,000港元。

Directors' Report

董事會報告

CLOSURE OF REGISTER OF MEMBERS

In relation to the AGM

The annual general meeting (the "AGM") of the Company is scheduled to be held on Monday, 30 April 2012. For ascertaining shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 26 April 2012 to Monday, 30 April 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Wednesday, 25 April 2012.

In relation to the proposed final dividend

The board of directors of the Company has resolved to recommend the payment of a final dividend of HK5 cents per share in cash for the year ended 31 December 2011 to shareholders whose names appear on the register of members of the Company on Wednesday, 9 May 2012 subject to the approval of the shareholders of the Company at the AGM. For ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 7 May 2012 to Wednesday, 9 May 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 4 May 2012.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 25 to the consolidated financial statements.

暫停辦理股東登記手續

就股東週年大會而言

本公司謹訂於2012年4月30日(星期一)舉行股東週年大會(「股東週年大會」)。為確定股東有權出席股東週年大會並於會上投票之資格,本公司將於2012年4月26日(星期四)至2012年4月30日(星期一)(包括首尾兩天)暫停辦理股東登記,期間將不會辦理股份過戶手續。為確保符合出席股東週年大會並於會上投票之資格,所有填妥之過戶表格連同有關股票,必須於2012年4月25日(星期三)下午4時正前交回本公司之股份過戶登記分處卓佳秘書商務有限公司,地址為香港灣仔皇后大道東28號金鐘匯中心26樓,辦理登記手續。

就擬派末期股息而言

本公司董事會議決建議待本公司股東於股東週年大會上批准後,向於2012年5月9日(星期三)名列本公司股東名冊之股東,以現金派發截至2011年12月31日止年度之末期股息每股5港仙。為確定股東享有領取擬派末期股息之資格,本公司將於2012年5月7日(星期一)至2012年5月9日(星期三)(包括首尾兩天)暫停辦理股東登記,期間將不會辦理股份過戶手續。為確保符合領取擬派末期股息之資格,所有填妥之過戶表格連同有關股票,必須於2012年5月4日(星期五)下午4時正前交回本公司之股份過戶登記分處卓佳秘書商務有限公司,地址為香港灣仔皇后大道東28號金鐘匯中心26樓,辦理登記手續。

股本

本公司股本之詳情載於綜合財務報表附註25。

Directors' Report

董事會報告

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of HK\$8,578,000 for the purpose of expanding its business. 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.

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*) (*appointed on 4 January 2011*)
Mr. Kung Phong (*appointed on 4 January 2011*)
Ms. Lee Man Ching (*appointed on 18 May 2011*)
Ms. Poon Lai Ming (*appointed on 18 May 2011*)

Independent non-executive directors

Mr. So Wing Keung (*appointed on 18 May 2011*)
Mr. Heng Victor Ja Wei (*appointed on 18 May 2011*)
Mr. Tsang Hin Man Terence (*appointed on 18 May 2011*)

In accordance with the provisions of the Company's Articles of Association, Ms. Wai Siu Kee, Mr. Kung Phong, Ms. Lee Man Ching, Ms. Poon Lai Ming, Mr. So Wing Keung, Mr. Heng Victor Ja Wei and Mr. Tsang Hin Man Terence will retire at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Ms. Wai Siu Kee, Mr. Kung Phong, Ms. Lee Man Ching, Ms. Poon Lai Ming, have each entered into a service agreement with the Company on 18 May 2011 for an initial term of 3 years, which shall continue thereafter unless and until terminated by either party giving to the other not less than 3 months' notice in writing or payment of salary in lieu of notice to terminate the service contract.

物業、廠房及設備

年內本集團添置約8,578,000港元之物業、廠房及設備主要為擴充本集團之業務。上述及本集團物業、廠房及設備於年內變動之詳情載於綜合財務報表附註14。

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)(於2011年1月4日委任)
龔飭先生(於2011年1月4日委任)
李文禎女士(於2011年5月18日委任)
潘麗明女士(於2011年5月18日委任)

獨立非執行董事

蘇永強先生(於2011年5月18日委任)
邢家維先生(於2011年5月18日委任)
曾憲文先生(於2011年5月18日委任)

根據本公司組織章程細則，衛少琦女士、龔飭先生、李文禎女士、潘麗明女士、蘇永強先生、邢家維先生及曾憲文先生均須於應屆之股東週年大會告退，惟彼等均有資格並願意膺選連任。

董事之服務合約

衛少琦女士、龔飭先生、李文禎女士及潘麗明女士各自於2011年5月18日與本公司訂立服務協議，為期3年，此後一直存續，除非及直至任何一方向另一方發出三個月事前書面通知或代通知金予以終止為止。

Directors' Report

董事會報告

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2011, 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 of Hong Kong (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the Securities and Future Ordinance (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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Prior to the Spin-off, the directors of the Company were entitled to participate in a share option scheme adopted by LM (the "LM Share Option Scheme"), details of which are set out in LM's annual report for the year ended 31 December 2011. No share option was granted under the LM Share Option Scheme since its inception.

In addition, on 18 May 2011, the Company has also adopted a share option scheme (the "Handbag Share Option Scheme") in which the Company's directors and employees are entitled to participate, details of which are set out in note 26 to the consolidated financial statements. No share option was granted under the Handbag Share Option Scheme since its inception.

Save as above, during the year neither the Company nor 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.

董事於股份及相關股份中之權益

於2011年12月31日，概無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。

購買股份或債券之安排

分拆進行之前，本公司董事有權參與由理文採納的一項購股權計劃(「理文購股權計劃」)，有關詳情載於理文截至2011年12月31日止年度年報。自理文購股權計劃開始以來，概無據此授出任何購股權。

此外，於2011年5月18日，本公司亦已採納一項購股權計劃(「手袋購股權計劃」)，本公司董事及僱員有權參與該計劃，有關詳情載於綜合財務報表附註26。自手袋購股權計劃開始以來，概無據此授出任何購股權。

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

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS

At 31 December 2011, shareholders (other than directors and chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholders	Capacity	Number of issued ordinary shares held	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
Full Gold	Beneficial owner (note 1) 實益擁有人(附註1)	618,750,000	75%
DJE Investment S.A.	Investment manager (note 2) 基金經理(附註2)	60,822,000	7.4%

Note 1: The long position of 618,750,000 shares were held by Full Gold Trading Limited which was owned by each of Mr. Lee Wan Keung and Mr. Lee Man Yan as to 55% and 45% respectively. Ms. Wai Siu Kee and Ms. Lee Man Ching are the directors of Full Gold.

Note 2: The long position of 60,822,000 shares were held by DJE Investment S.A. which was controlled by DJE Kapital AG, which in turn was controlled by Dr. Jens Alfred Karl Ehrhardt.

主要股東

於2011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

Number of issued ordinary shares held	Percentage of the issued share capital of the Company
所持已發行普通股數目	佔本公司已發行股本之百分比

618,750,000 75%

60,822,000 7.4%

附註1：618,750,000股股份之好倉是由Full Gold持有，其已發行股本是由李運強先生及李文恩先生各自持有55%及45%。而衛少琦女士及李文禎女士均為Full Gold之董事。

附註2：60,822,000股股份之好倉由DJE Kapital AG控制的DJE Investment S.A.持有，而DJE Kapital AG則由Dr. Jens Alfred Karl Ehrhardt控制。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Long positions (continued)

Other than disclosed above, as at 31 December 2011, the Company has not been notified by any persons (other than directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

CONNECTED TRANSACTIONS

Details of the related party transactions for the year are set out in note 30 to the consolidated financial statements which are also the discloseable connected transaction pursuant to Listing Rules. In the opinion of the independent non-executive directors, these transactions entered into by the Group were:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there was no available comparison, on terms that were fair and reasonable so far as the shareholders of the Company were concerned;
- (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.

主要股東(續)

好倉(續)

除上文所披露，於2011年12月31日，概無任何其他人士(本公司董事或最高行政人員除外)通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

關連交易

根據上市規則，有關本年度須予披露之關連交易之詳情載於綜合財務報表附註30。各獨立非執行董事認為，本集團進行該等交易乃：

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

除上文所披露外，並無任何其它交易須按上市規則之要求須予披露為關連交易。

Directors' Report

董事會報告

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 46% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 13% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers were approximately 16% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 4% of the Group's total purchases.

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

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

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

PRE-EMPTIVE RIGHTS

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

董事於重大合約中之權益

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

主要客戶及供應商

年內本集團五大客戶之累計銷貨佔本集團之總營業額約46%，而本集團最大客戶之銷貨佔本集團總營業額約13%。

年內本集團之五大供應商之累計購貨約佔本集團總購貨額16%，而本集團最大供應商之購貨佔本集團總購貨約4%。

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

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回本公司之上市證券。

優先購股權

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

Directors' Report

董事會報告

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

EMOLUMENT POLICY

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

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

The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme are set out in note 26 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2011.

AUDITOR

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

On behalf of the Board

WAI SIU KEE

Chairman

Hong Kong, 27 February 2012

委任獨立非執行董事

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

酬金政策

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

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

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵，計劃詳情載於綜合財報表附註26。

足夠公眾持股量

本公司於截至2011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，2012年2月27日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF LEE & MAN HANDBAGS HOLDING LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Lee & Man Handbags Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 98, which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致理文手袋集團有限公司股東
(於開曼群島註冊成立之有限公司)

本核數師行已審核載於第28頁至第98頁理文手袋集團有限公司(「貴公司」)及其附屬公司(「統稱為貴集團」)之綜合財務報表，此等財務報表包括於2011年12月31日之綜合財務狀況表，與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例之披露規定編製真實及公平之綜合財務報表，及落實其認為編製綜合財務報表所必要之有關內部監控，以使綜合財務報表並無因欺詐或錯誤而導致之重大錯誤陳述。

核數師之責任

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

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY (CONTINUED)

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

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

OPINION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 27 February 2012

核數師之責任(續)

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

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

意見

本核數師行認為，本綜合財務報表足以真實並公平地反映 貴集團於2011年12月31日之財務狀況及 貴集團截至該日止年度之溢利及現金流量，並已根據香港財務報告準則及香港公司條例之披露規定而妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港，2012年2月27日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2011 截至2011年12月31日止年度

		Notes 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元 (restated) (重列)
Revenue	收入	6	873,815	853,539
Cost of sales	銷售成本		(646,120)	(614,445)
Gross profit	毛利		227,695	239,094
Other income	其他收入		11,576	8,642
Selling and distribution costs	銷售及分銷成本		(27,690)	(33,279)
General and administrative expenses	行政費用		(77,535)	(95,603)
Listing expenses	上市費用		(14,565)	—
Finance costs	融資成本		(1,509)	(1,707)
Profit before taxation	除稅前溢利		117,972	117,147
Income tax expense	所得稅支出	8	(10,925)	(9,471)
Profit for the year	年內溢利	9	107,047	107,676
Other comprehensive (expense) income	其他全面(支出)收益			
Exchange differences arising from translation	因換算而產生的 匯兌差額		(758)	2,661
Total comprehensive income for the year	年內全面收益總額		106,289	110,337
Earnings per share (HK cents)	每股盈利(港仙)	11	13.0	13.1

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2011 於2011年12月31日

	Notes 附註	31.12.2011 HK\$'000 千港元	31.12.2010 HK\$'000 千港元 (restated) (重列)	1.1.2010 HK\$'000 千港元 (restated) (重列)	
NON-CURRENT ASSETS	非流動資產				
Property, plant and equipment	物業、廠房及設備	14	56,522	57,809	60,658
Prepaid lease payments	預付租賃款項	15	24,573	17,760	18,250
Investment properties	投資物業	16	25,082	26,341	22,408
Deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金		1,738	1,094	451
Defined benefit assets	界定利益資產	29	4,816	4,538	4,250
Deferred tax asset	遞延稅項資產	24	503	625	576
			113,234	108,167	106,593
CURRENT ASSETS	流動資產				
Inventories	存貨	17	117,411	82,684	69,904
Prepaid lease payments	預付租賃款項	15	394	490	490
Trade and other receivables	應收貿易及其他款項	18	180,490	150,616	118,446
Derivative financial instruments	衍生金融工具	19	—	—	704
Amount due from immediate holding company	應收控股公司款項		—	—	163,041
Tax recoverable	可收回稅項		—	2,824	—
Bank balances and cash	銀行結餘及現金	20	54,763	56,290	48,833
			353,058	292,904	401,418
CURRENT LIABILITIES	流動負債				
Trade and other payables	應付貿易及其他款項	21	107,323	123,499	108,339
Derivative financial instruments	衍生金融工具	19	—	530	—
Amount due to a related company	應付關連公司款項	22	629	926	1,041
Tax payable	應付稅項		8,213	2,481	3,585
Bank borrowings	銀行借款	23	106,305	125,853	150,345
			222,470	253,289	263,310
NET CURRENT ASSETS	流動資產淨值		130,588	39,615	138,108
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		243,822	147,782	244,701
NON-CURRENT LIABILITY	非流動負債				
Deferred tax liability	遞延稅項負債	24	519	583	553
NET ASSETS	資產淨值		243,303	147,199	244,148
CAPITAL AND RESERVES	資本及儲備				
Share capital	股本	25	82,500	1	1
Reserves	儲備		160,803	147,198	244,147
			243,303	147,199	244,148

The consolidated financial statements on pages 28 to 98 were approved and authorised for issue by the Board of Directors on 27 February 2012 and are signed on its behalf by:

Wai Siu Kee
衛少琦
Chairman
主席

Kung Phong
龔飭
Director
董事

第28頁至第98頁所載之綜合財務報表已於2012年2月27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 2011 截至2011年12月31日止年度

		Share capital	Asset revaluation reserve	Translation reserve	Special reserve	Accumulated profits	Total
		股本	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
		千港元	千港元	千港元	千港元	千港元	千港元
					(note)		
					(附註)		
At 1 January 2010 (originally stated)	於2010年1月1日 (原列)	1	65,698	3,468	29,372	202,655	301,194
Effects of a change in accounting policy (note 3)	會計政策變更之影響 (附註3)	—	(59,057)	—	—	2,011	(57,046)
At 1 January 2010 (restated)	於2010年1月1日 (重列)	1	6,641	3,468	29,372	204,666	244,148
Profit for the year	本年溢利	—	—	—	—	107,676	107,676
Other comprehensive income for the year	本年其他全面收益	—	—	2,661	—	—	2,661
Total comprehensive income for the year	本年全面收益總額	—	—	2,661	—	107,676	110,337
Dividends recognised as distributions	已確認分派之股息	—	—	—	—	(207,286)	(207,286)
At 31 December 2010 (restated)	於2010年12月31日 (重列)	1	6,641	6,129	29,372	105,056	147,199
Profit for the year	本年溢利	—	—	—	—	107,047	107,047
Other comprehensive income for the year	本年其他全面收益	—	—	(758)	—	—	(758)
Total comprehensive income for the year	本年全面收益總額	—	—	(758)	—	107,047	106,289
Issue of shares upon the group reorganisation	集團重組時發行之股份	82,499	—	—	(82,499)	—	—
Deemed contribution from shareholder	視為股東投入額	—	—	—	14,565	—	14,565
Dividends recognised as distributions	已確認分派之股息	—	—	—	—	(24,750)	(24,750)
At 31 December 2011	於2011年12月31日	82,500	6,641	5,371	(38,562)	187,353	243,303

Note:

The special reserve of the Group represents:

- (i) the difference between the nominal value of the share capital issued by LM Development and the nominal amount of the share capital of subsidiaries acquired by it pursuant to a group organisation in 1993;
- (ii) the difference between the nominal value of the share capital of a subsidiary, Lee & Man Development Limited ("LM Development") acquired pursuant to a group reorganisation in June 2011 and the nominal value of the share capital issued by the Company; and
- (iii) the expenses borne by shareholder for the listing of the Company.

附註:

本集團之特別儲備指:

- (i) 理文發展已發行股本面值與根據集團重組於1993年所收購之多間附屬公司之股本面值之差額;
- (ii) 根據集團重組於2011年6月所收購之一間附屬公司理文發展有限公司(「理文發展」)之股本面值與本公司已發行股本面值之差額;及
- (iii) 就本公司上市由股東承擔之開支。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011 截至2011年12月31日止年度

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元 (restated) (重列)
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	117,972	117,147
Adjustments for:	調整:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	9,907	10,456
Interest expenses	利息支出	1,509	1,707
Release of prepaid lease payments	釋出預付租賃款項	543	490
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(186)	(22)
Fair value changes on derivative financial instruments	衍生金融工具公平值之變動	494	(70)
Impairment loss recognised in respect of trade receivables	應收貿易帳款減值虧損	430	204
Write-down (reversal of write-down) of inventories	存貨跌價(回撥)準備	3,229	(3,114)
Interest income	利息收入	(231)	(45)
Change in fair value of investment properties	投資物業公平值之變動	—	(1,374)
Retirement benefit gain	退休福利計劃收益	(278)	(288)
Listing expenses	上市費用	14,565	—
Operating cash flows before movements in working capital	營運資金變動前之經營業務現金流量	147,954	125,091
Increase in inventories	存貨增加	(37,956)	(9,666)
Increase in trade and other receivables	應收貿易及其他款項增加	(30,304)	(32,374)
(Decrease) increase in trade and other payables	應付貿易及其他款項(減少)增加	(16,175)	15,160
(Decrease) increase in derivative financial instrument	金融衍生工具(減少)增加	(1,024)	1,304
Decrease in amount due to a related company	應付關連公司減少	(297)	(115)
Cash generated from operations	經營業務所得現金	62,198	99,400
Hong Kong Profits Tax paid	已付香港所得稅	(1,590)	(13,418)
Profits Tax paid for other jurisdictions	已付其他司法權區所得稅	(721)	—
Interest paid	已付利息	(1,509)	(1,707)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	58,378	84,275

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011 截至2011年12月31日止年度

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
			(restated)
			(重列)
INVESTING ACTIVITIES	投資活動		
Advances to immediate holdings company	直接控股公司貸款	—	(120,768)
Purchase of property, plant and equipment	購置物業、廠房及設備	(7,484)	(7,578)
Payment for land use rights	土地使用權支出	(6,993)	—
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	(1,738)	(643)
Repayment from immediate holding company	直接控股公司還款	—	76,523
Interest received	已收利息	231	45
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	188	27
NET CASH USED IN INVESTING ACTIVITIES	投資活動所耗現金淨額	(15,796)	(52,394)
FINANCING ACTIVITIES	融資活動		
Dividend paid	已付股息	(24,750)	—
Bank borrowings raised	新籌集銀行借款	31,592	75,853
Repayment of bank borrowings	償還銀行借款	(51,140)	(100,345)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所耗現金淨額	(44,298)	(24,492)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目(減少)增加淨額	(1,716)	7,389
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及等同現金項目	56,290	48,833
EFFECT OF CHANGES IN EXCHANGE RATE	匯率變動之影響	189	68
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	於年終之現金及等同現金項目	54,763	56,290

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands on 4 January 2011 under the Companies Law (Revised) Chapter 22 of the Cayman 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 subsidiaries of the Company that are principally engaged in the manufacture and sale of handbags (the "Handbags Business") were previously held by Lee and Man Chemical Company Limited (formerly known as Lee & Man Holdings Limited) ("LM"), a listed company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Pursuant to a group reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Stock Exchange, the Company was interspersed between LM Development, the then holding company of the Handbags Business, and LM. The Company became the holding company of the Group on 18 May 2011 (the "Reorganisation").

On 22 June 2011, LM effected a spin-off of the Company by way of a distribution in specie of the entire issued share capital of the Company to the LM shareholders on a pro rata basis (the "Spin-off"). On 27 June 2011, the Company's shares were also listed on the Stock Exchange by way of an introduction.

As at 31 December 2011, the Company's parent and ultimate holding company is Full Gold Trading Limited ("Full Gold"), a company incorporated in the British Virgin Islands ("BVI"). Its immediate holding company was LM before 22 June 2011. Its ultimate controlling party is Mr. Lee Wan Keung.

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

The Company acts as an investment holding company. The Group is principally engaged in the manufacture and sale of handbags.

1. 一般事項

本公司根據開曼群島公司法(經修訂)第22章於2011年1月4日於開曼群島註冊成立為一家獲豁免有限公司。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。

主要從事製造和銷售手袋業務(「手袋業務」)的本公司附屬公司過往由理文化工有限公司(前稱理文集團有限公司(「理文」),為香港聯合交易所有限公司(「聯交所」)上市公司)持有。根據理順本集團架構以集團重組籌備本公司股份於聯交所上市,本公司由理文發展(手袋業務當時之控股公司)及理文持有。本公司於2011年5月18日成為本集團之控股公司(「重組」)。

於2011年6月22日,理文透過按比例向理文股東實物分派本公司之全部已發行股本分拆本公司(「分拆」)。於2011年6月27日,本公司之股份亦透過介紹上市方式於聯交所上市。

於2011年12月31日本公司現時的最終控股公司為Full Gold Trading Limited,此為一家於英屬維爾京群島註冊成立的公司。於2011年6月22日以前其直接控股公司為理文。其最終控股方為李運強先生。

本公司的功能貨幣為美元(「美元」)。由於本公司於香港上市,故其綜合財務報表乃以港元(「港元」)呈列。

本公司為一間投資控股公司。本集團主要從事製造及銷售手袋業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Reorganisation involved the interspersing of the Company between LM and LM Development. Accordingly, the consolidated financial statements have been prepared as if the Company had always been the holding company of the Group. The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the year ended 31 December 2010 and 2011 have been prepared as if the current group structure had been in existence throughout both years or since the respective dates of establishment of the relevant entities now comprising the Group where this is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2010 has been prepared to present the assets and liabilities of the entities now comprising the Group which were in existence at such date.

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/CHANGES IN ACCOUNTING POLICIES

New and revised Standards and Interpretations applied in the current year

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

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised 2009)	Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

2. 財務資料的呈列基準

該重組透過理文及理文發展進行。因此，綜合財務報表已予編製，猶如本公司一直為本集團的控股公司。本集團於截至2010年及2011年12月31日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表已予編製，猶如現有集團架構於整個期間或自本集團旗下現有相關實體各自之註冊成立／成立日期起（以較短期間為準）已存在。本集團於2010年12月31日之綜合財務狀況表已予編製，已呈列於該等日期已存在之本集團旗下現有相關實體之資產及負債。

3. 應用香港財務報告準則（「香港財務報告準則」）／會計政策變更

本年度應用新訂及經修訂香港財務報告準則

於本年度，本集團已應用以下由香港會計師公會頒佈的新訂及經修訂準則及詮釋。

香港財務報告準則（修訂）	2010年頒佈的香港財務報告準則的改進
香港會計準則第24號（2009年修訂）	關聯人士披露
香港會計準則第32號（修訂）	供股的分類
香港（國際財務報告詮釋委員會）— 詮釋第14號（修訂）	最少資金需求的預付款項
香港（國際財務報告詮釋委員會）— 詮釋第19號	以權益工具抵消金融負債

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to HK (IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement

The Interpretation addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of HKAS 19; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions. The application of the amendments has not had material effect on the Group's consolidated financial statements.

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Changes in accounting policies

During the year, the Group has changed its accounting policy relating to its property, plant and equipment as follow.

Prior to the change, the Group used to measure its property, plant and equipment using the revaluation model. The management of the Group consider that measuring property, plant and equipment at cost model provides more relevant information about the Group's financial performance to the economic decision-making needs of users as most of the companies engaging businesses in the manufacturing and sales of handbags in Hong Kong adopt the same model in measuring the property, plant and equipment. As a result, the Group has decided to state it at cost, less any accumulated depreciation and accumulated impairment losses. This change in accounting policy has been applied retrospectively in accordance with HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

3. 應用香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

香港(國際財務報告詮釋委員會)－詮釋第14號(修訂)最少資金需求的預付款項

此詮釋說明未來供款之退款或扣減何時可根據香港會計準則第19號第58段被視為可動用；最低資金需求如何影響可供扣減之未來供款；及最低資金需求何時會產生負債。該等修訂現時容許以預付最低資金供款之方式確認資產。此修訂之應用並未對本集團之綜合財務報表造成重大影響。

於本年度應用新訂及經修訂香港財務報告準則並未對本集團於目前及過往年度之財務表現及財務狀況及/或此等綜合財務報表所載列之披露造成重大影響。

會計政策變更

於本年度，本集團對其有關物業、廠房及設備之會計政策作出如下變更。

於進行變更前，本集團利用重估模型計量其物業、廠房及設備。本集團之管理層認為，按成本模型計量物業、廠房及設備可為需要作出經濟決策的使用者提供更多本集團財務表現的相關資料，因為香港大多數從事手袋製造及銷售的公司均採用相同模型以計量物業、廠房及設備。因此，本集團決定將其以成本減任何累計折舊及累計減值虧損列賬。此項會計政策變更已根據香港會計準則第8號「會計政策、會計估計變更和差錯」追溯應用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies (Continued)

The effect of this change in accounting policy for the current year and the prior year are as follows:

The effect on the Group's results for the current year and prior year

3. 應用香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

會計政策變更(續)

上述會計政策變更對本年度及過往年度業績之影響呈列如下：

對集團本年度及過往年度業績之影響

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Increase in gain on disposal of property, plant and equipment included in other income	出售物業、廠房及設備收益於其他收入增加	133	22
Decrease in loss on disposal of property, plant and equipment included in administrative expenses	出售物業、廠房及設備虧損於行政費用中減少	—	62
Decrease in depreciation of property, plant and equipment include in cost of sales	物業、廠房及設備折舊於銷售成本中減少	8,223	5,819
Decrease in deficit arising on revaluation of property, plant and equipment included in administrative expenses	物業、廠房及設備重估虧損於行政費用中減少	107	65
Decrease in depreciation of property, plant and equipment included in administrative expenses	物業、廠房及設備折舊於行政費用中減少	19	87
Decrease in deferred tax credit	遞延稅項抵免減少	(699)	(545)
Increase in profit for the year	年內溢利增加	7,783	5,510
Decrease in surplus arising on revaluation of property, plant and equipment	物業、廠房及設備重估盈餘減少	(20,118)	(14,431)
Decrease in deferred tax liability arising on revaluation surplus of property, plant and equipment	物業、廠房及設備重估中確認遞延稅項負債之減少	1,710	1,198
Decrease in other comprehensive income for the year	年內其他全面收益減少	(18,408)	(13,233)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Impact on basic earnings per share

		2011	2010
		HK cents	HK cents
		港仙	港仙
Figures before adjustments	調整前數字	12.1	12.4
Adjustment arising from change in accounting policy in relation to property, plant and equipment	有關物業、廠房及設備之會計政策變更所產生之調整	0.9	0.7
Figures after adjustments	調整後數字	13.0	13.1

The effect on the Group's financial position as at 1 January 2010 and 31 December 2010

3. 應用香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

每股基本盈利之影響

	2011	2010
	HK cents	HK cents
	港仙	港仙
Figures before adjustments	12.1	12.4
Adjustment arising from change in accounting policy in relation to property, plant and equipment	0.9	0.7
Figures after adjustments	13.0	13.1

上述會計政策變更對本集團於2010年1月1日及2010年12月31日之財務狀況之影響

		As at		As at	As at		As at
		1.1.2010	Adjustments	1.1.2010	31.12.2010	Adjustments	31.12.2010
		(originally stated) 於	調整	(restated) 於	(originally stated) 於	調整	(restated) 於
		1.1.2010	調整	1.1.2010	31.12.2010	調整	31.12.2010
		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
Property, plant and equipment	物業、廠房及設備	123,147	(62,489)	60,658	128,674	(70,865)	57,809
Deferred tax liabilities	遞延稅項負債	(5,420)	4,867	(553)	(6,054)	5,471	(583)
Deferred tax assets	遞延稅項資產	—	576	576	—	625	625
Total effects on net assets	對資產淨值的影響總額	117,727	(57,046)	60,681	122,620	(64,769)	57,851
Accumulated profits	累計盈餘	202,655	2,011	204,666	103,017	2,039	105,056
Asset revaluation reserve	資產重估儲備	65,698	(59,057)	6,641	73,449	(66,808)	6,641
Total effects on equity	對權益的影響總額	268,353	(57,046)	211,307	176,466	(64,769)	111,697

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGES IN ACCOUNTING POLICIES (CONTINUED)

New and revised Standards and Interpretations issued but not yet effective

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

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets ¹
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁵
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets ⁴
HKAS 19 (Revised 2011)	Employee Benefits ²
HKAS 27 (Revised 2011)	Separate Financial Statements ²
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ⁶
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

3. 應用香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早採納下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第7號(修訂本)	披露—轉讓金融資產 ¹
香港財務報告準則第7號(修訂本)	披露—抵銷金融資產及金融負債 ²
香港財務報告準則第9號(修訂本)及香港財務報告準則第7號	強制性生效日期及過渡披露 ³
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	聯合安排 ²
香港財務報告準則第12號	披露於其他實體的權益 ²
香港財務報告準則第13號	公平值計量 ²
香港會計準則第1號(修訂本)	呈列其他全面收入項目 ⁵
香港會計準則第12號(修訂本)	遞延稅項—收回相關資產 ⁴
香港會計準則第19號(2011年修訂)	僱員福利 ²
香港會計準則第27號(2011年修訂)	獨立財務報表 ²
香港會計準則第28號(2011年修訂)	於聯營公司及合營公司的投資 ²
香港會計準則第32號(修訂本)	抵銷金融資產及金融負債 ⁶
香港(國際財務報告詮釋委員會)—詮釋第20號	露天礦場生產階段的剝採成本 ²

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綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

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

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the application of the amendments to HKAS 12 has no significant impact on deferred tax recognised for investment properties that are measured using the fair value model.

3. 應用香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

- ¹ 於2011年7月1日或之後開始之年度期間生效。
- ² 於2013年1月1日或之後開始之年度期間生效。
- ³ 於2015年1月1日或之後開始之年度期間生效。
- ⁴ 於2012年1月1日或之後開始之年度期間生效。
- ⁵ 於2012年7月1日或之後開始之年度期間生效。
- ⁶ 於2014年1月1日或之後開始之年度期間生效。

香港會計準則第12號之修訂遞延稅項－收回相關資產

香港會計準則第12號之修訂為香港會計準則第12號之一般原則提供例外情況，訂明遞延稅項資產及遞延稅項負債的計量應反映實體預期收回資產之賬面值之方式所帶來之稅務後果。具體而言，根據此修訂，就計量遞延稅項而言，根據香港會計準則第40號投資物業利用公平值模式計量的投資物業被假定透過銷售收回，除非此假定在若干情況下被駁回。

香港會計準則第12號之修訂於2012年1月1日或其後開始之年度期間生效。董事預計，應用香港會計準則第12號之修訂不會對就利用公平值模型計量之投資物業確認之遞延稅項造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKAS 19 (Revised 2011) Employee Benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the “corridor approach” permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to HKAS 19 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013. The application of the amendments to HKAS 19 will have impact on amounts reported in respect of the Groups’ defined benefit plans as the Group will change its accounting policies on the recognition of actuarial gains and losses and past service costs. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

3. 應用香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

香港會計準則第19號(2011年修訂本)僱員福利

香港會計準則第19號之修訂改變定額福利計劃和終止福利之會計處理方式。最重大的轉變與定額福利責任和計劃資產的會計處理方式有關。該修訂規定於定額福利責任以及計劃資產的公平值出現轉變時予以確認，及因此取消香港會計準則第19號過往版本允許的「緩衝區法」。此修訂規定所有精算估值盈虧須即時透過其他全面收益確認，以令於綜合財務狀況表確認之淨退休金資產或負債可反映計劃虧絀或盈餘之全面價值。

香港會計準則第19號之修訂於2013年1月1日或之後開始之年度期間生效，除若干例外情況外須追溯應用。董事預期，香港會計準則第19號之修訂將於本集團於2013年1月1日開始之年度期間之綜合財務報表中採納，而應用香港會計準則第19號之修訂可能影響就本集團之定額福利計劃呈報之金額。然而，董事仍未對應用此修訂之影響進行詳細分析，因此未能量化該影響的範圍。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

4. 主要會計政策

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

綜合財務報表乃按歷史成本基準編製，惟若干按公平值計算之投資物業及金融工具則除外，其會計政策於下文解釋。歷史成本均按交易貨品時的代價公平值。

主要會計政策如下。

綜合基準

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

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

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

所有集團內交易、結餘、收入及支出均於綜合賬目時對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

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

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

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

Property, plant and equipment

Property, plant and equipment, including buildings, held for use in the production of goods or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

4. 主要會計政策(續)

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。

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

物業、廠房及設備

物業、廠房及設備(包括持有作貨物生產或行政用途的樓宇)乃於綜合財務狀況表按成本減累計折舊及累計減值虧損入賬(如有)。

物業、廠房及設備按其估計可使用年期，以其估計餘值按直線法計算，確認折舊並撇銷成本。估計可使用年期、餘值及折舊方法於每一報告期間審閱，任何估計變動的影響按前瞻基準入賬。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

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

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

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

Leasing

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

The Group as lessee

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

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

4. 主要會計政策(續)

投資物業

投資物業指為收取租金及／或資本增值而持有之物業。

投資物業於初次確認時按成本計值，當中包括任何直接應佔開支。初次確認後，投資物業採用公平值模式釐訂公平值。就投資物業公平值變動所產生之收益或虧損，均計入發生當期之損益內。

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，則取消確認投資物業。取消確認資產所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)計入當期取消確認項目之損益內。

租賃

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

本集團作為承租人

經營租約之付款乃按相關租約年期以直線法確認。除非另有系統性基準，更能代表其租賃資產的經濟利益被消耗之時間模式。經營租賃所產生的或然租金於發生當期列作開支。

當訂立經營租賃時收到租金優惠，該等優惠於負債確認。所有租金優惠以直線法確認為遞減租金開支，除非另有系統性基準，更能代表其租賃資產的經濟利益被消耗之時間模式。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (continued)

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. 主要會計政策(續)

租賃(續)

租賃土地及樓宇

租賃土地及樓宇當租賃包括土地及樓宇部份時，本集團以評估與各部份擁有權有關的絕大部份風險及回報是否已轉移至本集團為基礎，評估如何將各部份分類為融資或經營租賃，除非肯定兩部分均為經營租賃，則於該情況下，整項租賃乃分類為經營租賃。尤其，最低租賃款項(包括任何一次性預付款項)乃以租約開始時，於土地及樓宇部份之間進行分配，比例為以租賃權益於土地部份及樓宇部份的相對公平值而定。

倘租賃款項能夠可靠分配時，則入賬列作經營租約的租賃土地權益乃於綜合財務狀況表列作「預付租賃款項」，並以直線法於租期內攤銷，除了那些被歸類入賬為公平值模型下的投資物業。當租賃款項無法於土地及樓宇部份之間可靠分配時，則整份租約一般分類為融資租約及入賬列作物業、廠房及設備。

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。可變現淨值指存貨之估計售價減所有估計完成成本及銷售之所需費用。

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4. 主要會計政策(續)

Retirement benefit costs

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

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

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

Foreign currencies

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

4. 主要會計政策(續)

退休福利成本

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

就界定利益退休福利計劃而言，提供福利之成本乃按照預估單位利益法釐定，並於每個報告期末進行精算估值。精算估值產生之盈虧倘超出界定利益責任之現值與計劃資產之公平值兩者之較高者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。

在綜合財務狀況表內確認之退休福利責任呈示計劃資產之公平值，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

於編製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日期之適用匯率換算為功能貨幣(即該實體經營所在主要經濟活動之貨幣)記賬。於報告期末，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。非貨幣項目乃按外幣歷史成本計量而無須重新換算。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale (for which the commencement date for capitalisation is on or after 1 January 2010), are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

4. 主要會計政策(續)

外幣(續)

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額會於產生期間於損益內確認，而以公平值計量之非貨幣性項目所產生的匯兌差額，均於期內損益中確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於報告期末之適用匯率換算為本集團之列賬貨幣(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，則採用於交易當日之適用匯率。所產生之匯兌差額(如有)乃於其他全面收益及累計權益內確認(匯兌儲備)。

借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售之借貸成本會撥充該等資產成本部分(其資本化開始日期為2010年1月1日起)，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產之特定借貸作短期投資賺取之投資收入，於合資格資本化之借貸成本中扣除。

所有借貸成本均於產生期間於損益內確認並計入融資成本。

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綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

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

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

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

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

4. 主要會計政策(續)

稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

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

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and the deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Share-Based Payment Transactions

Equity-Settled Share-Based Payment Transactions

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

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

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

4. 主要會計政策(續)

稅項(續)

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

遞延稅項負債及資產的計算，反映了本集團於報告期末所預期對收回或償還其資產及負債之賬面值的方式所產生的稅務結果。

當期及遞延稅項於損益內確認，惟倘遞延稅項涉及於其他全面收益或直接在股本權益確認項目，則當期及遞延稅項亦會分別於其他全面收益或直接於股本權益內確認。就業務合併原會計處理方式所產生當期稅項或遞延稅項，其稅務影響均計入業務合併會計處理賬內。

以股份為基礎的付款交易

以股本結算以股份為基礎的付款交易

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

於呈報期末，本集團修訂其對預期最終歸屬購股權數目的估算。歸屬期內修訂原先估算之影響(如有)於損益內確認，令累計開支反映修訂估算，對購股權儲備相應作出調整。

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

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

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

Financial assets

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

Effective interest method

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

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

4. 主要會計政策(續)

金融工具

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

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增加或扣除(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。其分類取決於最初金融資產的性質及用途。所有定期購入或出售之金融資產於交易日確認或取消確認。定期購入或出售乃指按市場規則或約定所設定之既定時間內規定交收資產而購入或出售金融資產。

實際利率法

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

債務工具之利息收入按實際利率基準確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

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

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been affected.

For loans and receivables, objective evidence of impairment could include:

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

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生性質金融資產，而其在活動市場並無報價。於初步確認後的每個報告期末，貸款及應收款項(包括應收貿易賬款及其他款項、銀行結餘及現金)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)。

貸款及應收款項減值

貸款及應收款項於每個報告期末接受評估。在客觀證據顯示預計未來現金流量於原確認後發生一項或多項事件而受到影響，則貸款及應收款項將被考慮減值。

就貸款及應收款而言，減值之客觀證據可包括：

- 發行人或對手方出現重大財政困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of loans and receivables (continued)

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

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

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)

金融工具(續)

金融資產(續)

貸款及應收款項減值(續)

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

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。

與所有貸款及應收款項有關之減值虧損會直接於貸款及應收款項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內確認。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。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with 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. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

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, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Group's financial liabilities mainly include trade and other payables, amount due to a related company and bank borrowings. They are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

4. 主要會計政策(續)

金融工具(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金融或股本工具合同安排之性質與金融負債及股本工具之定義分類。

股本權益工具為帶有集團資產剩餘權益(經扣除其所有負債)之任何合約。集團發行之股本權益工具(扣除直接發行成本)乃按所得款項確認入賬。

實際利率法

實際利率法乃計算金融負債之攤銷成本以及分配相關期間之利息收入之方法。實際利率乃按金融負債之預計年期或適用的較短期間內準確貼現估計未來收取之現金至初次確認時之賬面淨值之利率。

利率開支按實際利率基準確認。

金融負債

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

股本工具

本集團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。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derivative financial instruments

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

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

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. 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)

金融工具(續)

衍生金融工具

沒有指定和有效地作為對沖工具的衍生產品均視為作買賣交易的持有。

衍生工具最初按衍生合約訂立日期的公平值確認，其後於每個報告期末重新計量其公平值。所產生的盈虧即時於損益內確認。

取消確認

只從資產現金流量之合同權利屆滿時，或金融資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則本集團將取消確認該金融資產。

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內確認。

倘於本集團之責任獲解除、取消或到期，本集團則取消確認金融負債。取消確認之財務負債賬面值與已付及應付代價之差額將於損益內確認。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make various estimates based on past experience, expectations of the future and other information. The key sources of estimation uncertainty at the end of the reporting period that can significantly affect the carrying amounts of assets and liabilities recognised in the consolidated financial statements within the next financial year are disclosed below.

Impairment loss on trade receivables

The assessment of the impairment loss on trade receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness of each customer. If the financial conditions of the Group's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Impairment is made based on the estimation of the future cash flow discounted at the original effective rate to calculate the present value. As at 31 December 2011, the carrying value of trade receivables (net of impairment loss) and bills receivables was approximately HK\$177,171,000 (2010: approximately HK\$143,815,000).

Write-down of inventories

Management reviews the inventories listing at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in operation. Allowance was made by reference to the latest market value for those inventories identified. Where the net realisable value is less than the cost, a material write down may arise. As at 31 December 2011, the carrying amount of inventories (net of allowances) was approximately HK\$117,411,000 (2010: approximately HK\$82,684,000).

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。主要於下一個財務年度內可影響綜合財務報表內的資產及負債的確認數額之估計不確定性之主要來源概述如下。

應收貿易款項之減值虧損

本集團應收貿易款項之減值虧損之評估以可收回性、賬齡分析及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷,包括各客戶之現時信譽。倘本集團客戶財務狀況日趨惡化,削弱其付款能力,則須提撥額外準備。減值乃按估計日後現金流量以原來實際利率貼現以計算現值。於2011年12月31日,應收貿易款項之賬面值(扣除減值虧損後)及應收票據款項約177,171,000港元(2010:約143,815,000港元)。

存貨跌價準備

本集團管理層於各個報告期末審閱存貨清單,並對確認為不再適合用於生產之過時及滯銷庫存品進行撥備。撥備乃參照最近期之市場價值就該等已識別存貨計提準備。於2011年12月31日,存貨之賬面值(扣除準備後)約117,411,000港元(2010:約82,684,000港元)。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Income taxes

As at 31 December 2011, a deferred tax asset in relation to unused tax losses of approximately HK\$30,831,000 (2010: approximately HK\$31,834,000) was not recognised in the consolidated statement of financial position due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the expectation for future profit streams changes, a recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

6. REVENUE

Revenue represents revenue arising on the manufacture and sale of handbags.

7. SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers ("CODMs"), being the executive directors of the Company, in order to allocate resources to segments and to assess their performance. The CODMs review the Group's profit as a whole, which is generated solely from the manufacture and sale of handbags and determined in accordance with the Group's accounting policies, for performance assessment. Therefore no separate segment information is prepared by the Group.

The Group's operations are located in the United States of America ("USA"), the Europe, Hong Kong and the People's Republic of China ("PRC"). Sales to the largest customer contributed to 13.1% (2010: 16.7%) of the Group's total turnover.

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2011年12月31日，有關未動用稅項虧損之遞延稅項資產約30,831,000港元(2010：約31,834,000港元)並無於本集團之綜合財務狀況表中確認。遞延稅項資產之變現主要有賴於是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利乃多於預期溢利，遞延稅項資產可能會予以實質撥回，而該未來溢利會於有關撥回發生期間於損益內確認。

6. 收入

收入指製造及銷售手袋所產生的收入。

7. 分部資料

香港財務報告準則第8號規定經營分部應以內部報告有關本集團的構成要素作分類，而本集團主要營運決策人(「主要營運決策人」，即本公司執行董事會定期檢閱內部報告，以作出資源分配及評核分部表現。主要營運決策人檢討本集團的整體溢利，而本集團溢利僅來自生產及銷售手袋，並按照本集團的會計政策評估表現。因此，本集團並無編製任何獨立分部資料。

本集團業務分佈於美國、歐洲、香港及中華人民共和國(「中國」)。最大客戶之銷售額佔本集團總營業額之13.1%(2010：16.7%)。

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7. SEGMENT INFORMATION (CONTINUED)

Revenue from customers from sales of handbags of the corresponding years contributing over 10% of the total sales of the Group are as follows:

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C

* *The corresponding revenue did not contribute over 10% of the total sales of the Group*

The Group's investment properties are located in Thailand. The rest of the Group's non-current assets, other than defined benefit assets and deferred tax assets, are located in the PRC.

The Group's revenue from external customers by geographical location during the year is as follows:

7. 分部資料(續)

超過本集團總銷售額10%的手袋銷售客戶，相應年度銷售收入如下：

	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Customer A	114,414	N/A*
Customer B	N/A*	142,214
Customer C	N/A*	88,267

* 相應的收入不超過集團總銷售額的10%。

本集團的投資物業位於泰國。其餘的非流動資產，除界定利益資產外及遞延稅項資產，則位於中國。

年內本集團來自外部客戶之收入及按地區劃分詳情如下：

		Revenue from external customers 來自外部客戶的收入	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Hong Kong	香港	28,132	19,461
PRC	中國	32,084	12,392
USA	美國	368,867	457,729
Canada	加拿大	46,122	31,927
The Netherlands	荷蘭	53,969	76,782
Italy	意大利	97,238	65,380
The United Kingdom	英國	43,566	47,967
Germany	德國	27,036	14,390
Other European countries	其他歐洲國家	52,438	30,023
South American countries	南美國家	40,933	28,914
Other Asian countries	其他亞洲國家	83,430	68,574
		873,815	853,539

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8. INCOME TAX EXPENSE

8. 所得稅支出

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元 (restated) (重列)
The charge comprises:	支出包括：		
Current tax:	本年度稅項：		
Hong Kong Profits Tax	香港所得稅	10,822	9,488
PRC Enterprise Income Tax	中國企業所得稅	718	—
Other jurisdictions income tax	其他司法權區所得稅	13	2
		11,553	9,490
Overprovision in prior year	前年度多提稅項：		
Hong Kong Profits Tax	香港所得稅	(686)	—
Deferred tax (<i>note 24</i>):	遞延稅項 (<i>附註24</i>):		
Current year	本年度	58	(19)
		10,925	9,471

Hong Kong

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

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

PRC

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards.

香港

香港利得稅乃根據該兩個年度之估計應課稅溢利按16.5%稅率計算。

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

中國

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

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8. INCOME TAX EXPENSE (CONTINUED)

Other jurisdictions

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

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

8. 所得稅支出(續)

其他司法權區

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

年內稅務開支與綜合全面收益表的除稅前利潤對賬如下：

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
			(restated)
			(重列)
Profit before taxation	除稅前溢利	117,972	117,147
Tax at the domestic income tax rate of 16.5%	按本地所得稅率 16.5% 之稅項	19,465	19,329
Tax effect of expenses not deductible in determining taxable profit	釐定應課稅溢利時不可扣稅支出之稅務影響	2,949	83
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利時毋須課稅收入之稅務影響	(185)	(272)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	83	219
Tax effect of profit not subject to tax under 50:50 arrangement	按 50:50 安排下毋須應稅溢利之稅務影響	(10,700)	(9,814)
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	(239)	(74)
Effect of different tax rate of subsidiaries operating in other jurisdictions	其他司法權區的稅率差異之影響	238	—
Overprovision for tax in prior year	過往年度多撥備之稅項	(686)	—
Income tax expense for the year	年內所得稅支出	10,925	9,471

Details of deferred taxation at the end of the reporting period and during the year are set out in note 24.

遞延稅項於報告期末及於年內之詳情載於附註 24。

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9. PROFIT FOR THE YEAR**9. 年內溢利**

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元 (restated) (重列)
Profit for the year has been arrived at after charging (crediting):	年內溢利已扣除(計入):		
Directors' emoluments (note 12)	董事薪酬(附註12)	1,532	2,723
Other staff costs	其他職員成本	217,762	191,977
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款 (董事除外)	986	950
Total staff costs	員工成本總額	220,280	195,650
Release of prepaid lease payments	釋出預付租賃款項	543	490
Auditors' remuneration	核數師酬金	992	520
Cost of inventories recognised as expenses (including write-down of inventories of HK\$3,229,000 (2010: reversal of write-down of inventories of HK\$3,114,000))	已確認為支出的存貨 成本(包括存貨減值 撥備3,229,000港元 (2010: 存貨減值撥回 3,114,000港元))	646,120	614,445
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	9,907	10,456
Impairment loss recognised in respect of trade receivables (included in selling and distribution costs)	應收帳款減值(包含在 銷售及分銷成本中)	430	204
Net exchange loss	匯兌淨虧損	7,993	8,248
Recovery of doubtful debt	收回已撥的呆壞帳	—	(6)
Gain on fair value changes on investment properties	投資物業公平值變動之 收益	—	(1,374)
Loss (gain) on fair value changes on derivative financial instruments	衍生金融工具公平值 變動之虧損(收益)	494	(70)
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備收益	(186)	(22)
Interest income	利息收入	(231)	(45)

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10. DIVIDENDS

The Company did not declare nor pay any dividend during the year ended 31 December 2010. However, LM Development, the directly owned subsidiary, declared the following dividends to LM during the year ended 31 December 2010.

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Dividends recognised as distributions during the year:	年內已確認分派之股息：		
Interim dividend of HK3 cents per share for the year ended 31 December 2011 declared by the Company	截至2011年12月31日止年度中期股息每股3港仙	24,750	—
Interim dividend for the year ended 31 December 2010 declared by LM Development to its then shareholders	截至2010年12月31日止年度由理文發展宣派中期股息予當時股東	—	207,286
		24,750	207,286

10. 股息

截至2010年12月31日止年度本公司並無宣佈或派發任何股息。而其直接擁有的附屬公司理文發展，截至2010年12月31日止年度已宣派以下股息予理文。

A final dividend of HK5 cents per share for the year ended 31 December 2011 has been proposed by the directors and is subject to approval by the Company's shareholders in annual general meeting.

董事會已建議派發截至2011年12月31日止年度之末期股息每股5港仙，惟須持本公司之股東於週年大會上批准。

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year of HK\$107,047,000 (2010: HK\$107,676,000 (restated)) and 825,000,000 (2010: 825,000,000) shares.

11. 每股盈利

每股基本盈利乃按年內溢利107,047,000港元(2010: 107,676,000港元(重列))除以825,000,000股(2010: 825,000,000股)而計算。

The number of shares for calculating basic earnings per share for both years is determined on the basis that the Reorganisation had been completed on 1 January 2010. Diluted earnings per share is not presented because there were no dilutive ordinary shares in issue during the years.

用作計算兩個年度之每股基本盈利之股份數目乃基於重組已於2010年1月1日完成的基準釐定。由於該兩個年度概無已發行攤薄普通股，因此並無呈列每股攤薄盈利。

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12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 7 (2010: 4) directors were as follows:

12. 董事酬金

已付或應付予7位(2010: 4位)董事之酬金如下:

		Other emoluments				Total
		Salaries and other benefits	Retirement benefit schemes contributions	Performance related incentive payments		
		Fees	Salaries and other benefits	Retirement benefit schemes contributions	Performance related incentive payments	Total
		袍金	薪金及其他福利	退休福利計劃供款	其他表現相關獎金	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 31.12.2011	截至2011年12月31日止年度					
<i>Executive directors</i>	<i>執行董事</i>					
Wai Siu Kee	衛少琦	—	614	—	—	614
Kung Phong	龔飭	—	202	6	—	208
Lee Man Ching	李文禎	—	284	6	—	290
Poon Lai Ming	潘麗明	—	189	6	—	195
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Heng Victor Ja Wei	邢家維	75	—	—	—	75
So Wing Keung	蘇永強	75	—	—	—	75
Tsang Hin Man Terrence	曾憲文	75	—	—	—	75
		225	1,289	18	—	1,532
Year ended 31.12.2010	截至2010年12月31日止年度					
<i>Executive directors</i>	<i>執行董事</i>					
Wai Siu Kee	衛少琦	—	1,170	—	—	1,170
Kung Phong	龔飭	—	540	12	—	552
Lee Man Ching	李文禎	—	384	12	—	396
Poon Lai Ming	潘麗明	—	537	10	58	605
		—	2,631	34	58	2,723

Note: Performance related incentive payments were determined with regards to individual performance. No directors waived any emoluments in the year ended 31 December 2011.

附註: 其他表現相關獎金乃按個人表現而釐定。截至2011年12月31日止年度, 並無董事放棄任何酬金。

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13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2010: two) were directors of the Company whose emoluments are disclosed in note 12 above. The emoluments of the remaining four (2010: three) individuals were as follows:

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	3,118	2,112
Contributions to retirement benefits schemes	退休福利計劃供款	48	36
Discretionary bonus payments	表現相關獎金	373	280
		3,539	2,428

The emoluments were within the following band:

		2011	2010
		Number of employees	Number of employees
		僱員數目	僱員數目
HK\$Nil to HK\$1,000,000	截至1,000,000港元	4	3

13. 僱員酬金

在本集團5位最高薪酬之人士中，包括1位(2010：2位)本公司董事，其薪酬已載於上文附註12。而其餘4位(2010：3位)最高薪酬人士之酬金如下：

酬金介乎下列幅度：

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14. PROPERTY, PLANT AND EQUIPMENT**14. 物業、廠房及設備**

		Buildings	Furniture, fixtures and equipment	Leasehold improvements	Motor vehicles	Plant and machinery	Total
		樓宇	傢俬、裝置及設備	租賃物業裝修	汽車	廠房及機器	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
COST	成本						
At 1 January 2010 (originally stated)	於2010年1月1日 (原列)	89,682	8,052	9,339	2,652	13,422	123,147
Effects of a change in accounting policy	會計政策變更之影響	7,369	15,099	6,699	4,363	29,045	62,575
At 1 January 2010 (restated)	於2010年1月1日 (重列)	97,051	23,151	16,038	7,015	42,467	185,722
Currency realignment	匯兌調整	—	2	11	—	25	38
Additions	添置	—	3,800	2,176	171	1,431	7,578
Disposals	出售	—	(300)	—	(157)	(235)	(692)
At 31 December 2010 (restated)	於2010年12月31日 (重列)	97,051	26,653	18,225	7,029	43,688	192,646
Currency realignment	匯兌調整	—	10	14	—	26	50
Additions	添置	—	1,825	3,778	173	2,802	8,578
Disposals	出售	—	(296)	—	(155)	(1,200)	(1,651)
At 31 December 2011	於2011年12月31日	97,051	28,192	22,017	7,047	45,316	199,623
DEPRECIATION	折舊						
At 1 January 2010 (originally stated)	於2010年1月1日 (原列)	—	—	—	—	—	—
Effects of a change in accounting policy	會計政策變更之影響	53,872	18,826	10,967	6,042	35,357	125,064
At 1 January 2010 (restated)	於2010年1月1日 (重列)	53,872	18,826	10,967	6,042	35,357	125,064
Currency realignment	匯兌調整	—	1	1	—	2	4
Provided for the year	本年度撥備	4,853	2,316	698	463	2,126	10,456
Written back on disposals	出售時撇帳	—	(294)	—	(157)	(236)	(687)
At 31 December 2010 (restated)	於2010年12月31日 (重列)	58,725	20,849	11,666	6,348	37,249	134,837
Currency realignment	匯兌調整	—	3	—	—	3	6
Provided for the year	本年度撥備	4,853	1,966	793	371	1,924	9,907
Written back on disposals	出售時撇帳	—	(294)	—	(155)	(1,200)	(1,649)
At 31 December 2011	於2011年12月31日	63,578	22,524	12,459	6,564	37,976	143,101
NET BOOK VALUE	賬面淨值						
At 31 December 2011	於2011年12月31日	33,473	5,668	9,558	483	7,340	56,522
At 31 December 2010 (restated)	於2010年12月31日 (重列)	38,326	5,804	6,559	681	6,439	57,809
At 1 January 2010 (restated)	於2010年1月1日 (重列)	43,179	4,325	5,071	973	7,110	60,658

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line method at the following rates per annum:

Buildings and leasehold improvements	5%
Furniture, fixtures and equipment	20%
Motor vehicles	25%
Plant and machinery	20%

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

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

The Group was in the process of obtaining the land use right certificates with carrying amount of HK\$4,062,000 as at 31 December 2010. The Group obtained all land use right certificates during the year.

14. 物業、廠房及設備(續)

上述物業、廠房及設備項目之折舊乃以直線法按下列年率折舊:

樓宇及租賃物業裝修	5%
傢俬、裝置及設備	20%
汽車	25%
廠房及機器	20%

本集團物業權益的帳面值指在中國境內享有中期土地使用權土地上的建築物。

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。

31.12.2011 HK\$'000 千港元	31.12.2010 HK\$'000 千港元	1.1.2010 HK\$'000 千港元
24,573	17,760	18,250
394	490	490
24,967	18,250	18,740

於2010年12月31日，本集團正申請取得賬面值為4,062,000港元的土地使用權證。本集團於年內取得所有土地使用權證。

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16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2010	於2010年1月1日	22,408
Currency realignment	匯兌調整	2,559
Increase in fair value recognised in profit or loss	公平值減少於損益內確認	1,374
At 31 December 2010	於2010年12月31日	26,341
Currency realignment	匯兌調整	(1,259)
At 31 December 2011	於2011年12月31日	25,082
At 31 December 2010	於2010年12月31日	26,341
At 1 January 2010	於2010年1月1日	22,408

The fair value of the Group's investment properties at 31 December 2011 was arrived at on the basis of a valuation carried out on that date by Thai Property Appraisal Lynn Philips Co., Ltd., an independent firm of professional property valuer, on the basis of open market value in existing use, which was approximated to the fair value as at 31 December 2010. Fair value gain of HK\$1,374,000 was recognised in the profit or loss for the year ended 31 December 2010.

本集團位於泰國之投資物業權益之公平值於2011年12月31日由獨立專業物業估值師·Thai Property Appraisal Lynn Philips Co., Ltd., 按其現有用途之公開市場價值基準重估，其公平值與2010年12月31日相若。1,374,000港元的公平值收益已於2010年12月31日止年度於損益內確認。

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17. INVENTORIES

		31.12.2011	31.12.2010	1.1.2010
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Raw materials	原材料	45,265	34,940	31,007
Work in progress	半成品	52,075	37,209	31,803
Finished goods	製成品	20,071	10,535	7,094
		117,411	82,684	69,904

17. 存貨**18. TRADE AND OTHER RECEIVABLES**

		31.12.2011	31.12.2010	1.1.2010
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Trade receivables	應收貿易賬款	132,184	91,277	60,078
Less: allowance for doubtful debts	減：呆壞帳準備	(663)	(233)	(246)
		131,521	91,044	59,832
Bills receivables	應收票據	45,650	52,771	56,656
		177,171	143,815	116,488
Prepayment and deposits	預付款及訂金	2,260	5,810	1,063
Other receivables	其他應收款項	1,059	991	895
Total trade and other receivables	應收貿易及其他款項合計	180,490	150,616	118,446

18. 應收貿易及其他款項

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

The aged analysis of trade and bills receivables based on the invoice date at the end of the reporting period is as follows:

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Less than 30 days	少於30天	89,902	110,755
31–60 days	31至60天	49,037	25,619
61–90 days	61至90天	31,341	4,317
Over 90 days	90天以上	6,891	3,124
		177,171	143,815

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

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Euro	歐元	—	12,791
Renminbi ("RMB")	人民幣	3,075	472
HK dollars	港元	975	2,285
		4,050	15,548

18. 應收貿易及其他款項(續)

應收賬款及票據於報告期末按發票日期之賬齡分析如下：

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

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

Before accepting any new customer, the Group assesses the potential customer's credit quality by investigating its historical credit record and then defines its credit limit. The Group generally allows its trade customers an average credit period ranging from 7 to 90 days. During the year, the Group has provided allowance for doubtful debts of HK\$430,000 (2010: HK\$204,000) for certain receivables. Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$26,556,000 (2010: HK\$7,977,000) which were past due at the reporting date but for which the Group has not provided for impairment loss. 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.

Aging 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

18. 應收貿易及其他款項(續)

於接納任何新客戶前，本集團透過調查其過往之信貸紀錄評估客戶之潛在信貸質量繼而決定其信貸額度。本集團一般給予貿易客戶之除賬期平均為7至90天。於年內，本集團已就個別客戶之應收款項作出呆賬撥備約430,000港元(2010: 204,000港元)。於報告日賬面值約26,556,000港元(2010: 7,977,000港元)的應收貿易賬款已過期，由於相關客戶之信貸質素並無重大改變且持續結賬，本集團認為該等款項仍可收回，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。

逾期而未減值的應收貿易款項賬齡如下：

	2011 HK\$'000 千港元	2010 HK\$'000 千港元
	104	—
	7,081	1,226
	15,986	4,282
	3,385	2,469
	26,556	7,977

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement in the allowance for doubtful debts

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Balance at beginning of the year	年初結餘	233	246
Impairment losses recognised on receivables	應收賬款的減值	430	204
Amount written off as uncollectible	不能收回之撇賬金額	—	(211)
Amount recovered during the year	年內已收回之金額	—	(6)
Balance at end of the year	年終結餘	663	233

At 31 December 2011, the carrying amount of the bills receivables pledged as security for the bills discounted with recourse, as disclosed in note 23, was HK\$Nil (2010: HK\$14,343,000).

19. DERIVATIVE FINANCIAL INSTRUMENTS

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

Notional amount		Maturity	Exchange rate
概念金額		到期日	兌換率
As at 31 December 2011	於2011年12月31日		
Nil	無		
As at 31 December 2010	於2010年12月31日		
Sell EUR965,606	沽965,606 歐元	09.03.2011	1 EURO(歐元): 1.26600 USD(美元)

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

18. 應收貿易及其他款項(續)

呆壞賬撥備之變動如下

	2011	2010
	HK\$'000	HK\$'000
	千港元	千港元
Balance at beginning of the year	233	246
Impairment losses recognised on receivables	430	204
Amount written off as uncollectible	—	(211)
Amount recovered during the year	—	(6)
Balance at end of the year	663	233

於2011年12月31日，並無(2010：14,343,000港元)應收票據款作為附有追溯權票據貼現之擔保，已載於附註23。

19. 衍生金融工具

本集團持有之外幣兌換合約，其公平值金額及條款列載如下：

衍生合約於報告期末是按公平值計量。該合約是用於對沖歐元對美金之外匯波動。

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20. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The deposits carry prevailing market interest rates which range from 0.05% to 0.86% (2010: 0.2% to 1.02%) per annum.

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

20. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及原本為3個月或少於3個月到期之短期銀行存款。該等存款按市場平均年息率0.05%至0.86% (2010 : 0.2%至1.02%) 計息。

以下銀行及現金結餘均以相關集團個體的功能貨幣以外的貨幣記賬。

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Euro	歐元	128	1,230
RMB	人民幣	14,406	2,258
HK dollars	港元	15,502	35,908
		30,036	39,396

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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 7 to 60 days.

Included in trade and other payables are trade and bills payables of HK\$70,494,000 (2010: HK\$86,014,000). The aged analysis of trade and bills payables at the end of the reporting period is as follows:

		31.12.2011	31.12.2010	1.1.2010
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Less than 30 days	少於30天	43,187	26,583	37,574
31–60 days	31至60天	22,764	30,969	20,448
61–90 days	61至90天	2,125	25,765	21,111
Over 90 days	90天以上	2,418	2,697	1,842
		70,494	86,014	80,975
Other payables	其他應付款	237	1,292	1,060
Accruals	應付費用	36,592	36,193	26,304
		107,323	123,499	108,339

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

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
RMB	人民幣	33,893	52,918
HK dollars	港元	30,277	29,686
		64,170	82,604

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。貿易購貨之平均賒賬期為7至60天。

應付貿易及其他款項包括應付貿易款項約70,494,000港元(2010: 86,014,000港元)。應付貿易款項於報告期末之賬齡分析如下:

以下應付貿易賬款及其他款項均以相關集團個體的功能貨幣以外的貨幣記賬。

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22. AMOUNT DUE TO A RELATED COMPANY

Capital Nation Investments Limited ("Capital Nation")

Capital Nation is beneficially owned and controlled by Ms. Lee Rosanna Man Lai who is the daughter of Mr. Lee Wan Keung ("Mr. Lee"), the controlling shareholder of the Company's ultimate holding company, Full Gold.

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

22. 應付關連公司款項

31.12.2011 HK\$'000 千港元	31.12.2010 HK\$'000 千港元	1.1.2010 HK\$'000 千港元
629	926	1,104

Capital Nation由本公司最終控股公司Full Gold之控股股東李運強先生(「李先生」)之女兒李文麗女士實益擁有。

有關款項為無抵押、不計息、需應要求償還及賬齡為90天內。

23. BANK BORROWINGS

Bank loans 銀行借款
Bank import loans 銀行入口借款
Bills discounted with recourse 附追溯權之票據貼現

Analysed as: 分析為：

Secured 有抵押
Unsecured 無抵押

As at 31 December 2011, the Group had available banking facilities of approximately HK\$412,174,000 (2010: HK\$420,081,000) of which HK\$106,305,000 (2010: HK\$125,853,000) was utilised.

All of the Group's borrowings are variable rate borrowings as at 31 December 2011 and 2010.

23. 銀行借款

31.12.2011 HK\$'000 千港元	31.12.2010 HK\$'000 千港元	1.1.2010 HK\$'000 千港元
50,000	50,000	50,000
56,305	61,510	60,446
—	14,343	39,899
106,305	125,853	150,345
—	14,343	39,899
106,305	111,510	110,446
106,305	125,853	150,345

於2011年12月31日，本集團可用之銀行備用信貸額約412,174,000港元(2010：420,081,000港元)，其中106,305,000港元(2010：125,853,000港元)已被動用。

於2010年及2011年12月31日，本集團所有借款均為浮息借款。

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23. BANK BORROWINGS (CONTINUED)

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

		2011	2010
Effective interest rate:	實際利率：		
Variable-rate borrowings	浮息借款	0.8% to 1.25% over HIBOR or LIBOR 香港或倫敦 同業拆息	0.8% to 1.25% over HIBOR or LIBOR 香港或倫敦 同業拆息

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

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Euro	歐元	—	1,232
HK dollars	港元	97,421	107,923
		97,421	109,155

23. 銀行借款(續)

本集團借款之實際年利率範圍如下：

		2011	2010
Effective interest rate:	實際利率：		
Variable-rate borrowings	浮息借款	0.8% to 1.25% over HIBOR or LIBOR 香港或倫敦 同業拆息	0.8% to 1.25% over HIBOR or LIBOR 香港或倫敦 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：

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Euro	歐元	—	1,232
HK dollars	港元	97,421	107,923
		97,421	109,155

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24. DEFERRED TAXATION

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

		Revaluation of property, plant and equipment	Accelerated (accounting) tax depreciation	Total
		物業、廠房及 設備重估	遞增 稅項折舊	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2010 (originally stated)	於2010年1月1日 (原列)	5,420	—	5,420
Effects of change in accounting policy	會計政策變更之影響	(5,420)	(23)	(5,443)
At 1 January 2010 (restated)	於2010年1月1日(重列)	—	(23)	(23)
Credit to profit or loss	計入損益	—	(19)	(19)
At 31 December 2010 (restated)	於2010年12月31日(重列)	—	(42)	(42)
Charge to profit or loss	計入損益	—	58	58
At 31 December 2011	於2011年12月31日	—	16	16

24. 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。

The following is the analysis of the deferred tax balances for financial reporting purposes:

作為財務匯報，遞延稅項結餘分析如下：

		2011 HK\$'000 千港元	2010 HK\$'000 千港元 (restated) (重列)	2009 HK\$'000 千港元 (restated) (重列)
Deferred tax liabilities	遞延稅項負債	519	583	553
Deferred tax assets	遞延稅項資產	(503)	(625)	(576)
		16	(42)	(23)

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24. DEFERRED TAXATION (CONTINUED)

At the end of the reporting period, the Group had unutilised tax losses of HK\$30,890,000 (2010: HK\$31,834,000) available to offset against future profits. Tax losses of HK\$30,890,000 (2010: HK\$30,814,000) may be carried forward indefinitely. As at 31 December 2010, the remaining tax losses of approximately HK\$1,020,000 from the PRC subsidiary might be carried forward for five years.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiary amounting to HK\$2,563,000 (2010: nil) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

25. SHARE CAPITAL

Ordinary shares of HK\$0.10 each:

Authorised:

At 4 January 2011 (date of incorporation) (note (i))

Increase in authorised share capital (note (ii))

At 31 December 2011

Issued and fully paid:

At 4 January 2011 (date of incorporation) (note (iii) and (iv))

Issue of shares (note (iv))

At 31 December 2011

每股面值0.1港元之普通股：

法定：

於2011年1月4日(公司成立日期)(附註(i))

增加法定資本(附註(ii))

於2011年12月31日

發行及繳足：

於2011年1月4日(公司成立日期)(附註(iii)及(iv))

發行股份(附註(iv))

於2011年12月31日

24. 遞延稅項(續)

於報告期末，本集團尚未動用但可用作抵扣未來課稅溢利之稅項虧損為30,890,000港元(2010：31,834,000港元)。稅項虧損可無限期結轉。稅項虧損30,890,000港元(2010：30,814,000港元)之可無限期結轉，而於2010年12月31日餘下來自中國附屬公司之稅項虧損約1,020,000港元則可結轉五年。

根據中華人民共和國企業所得稅法，從2008年1月1起，中國境內附屬公司宣派之股息均需繳納預提所得稅。由於本集團能夠控制撥回暫時性差額的時間，暫時性差額於可見將來極可能不會撥回，故本綜合財務報表並無就應佔中國境內附屬公司所產生累計溢利共2,563,000港元(2010：零港元)的暫時性差額計提遞延稅項撥備。

25. 股本

		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 4 January 2011 (date of incorporation) (note (i))	於2011年1月4日(公司成立日期)(附註(i))	1,000,000	100
Increase in authorised share capital (note (ii))	增加法定資本(附註(ii))	4,999,000,000	499,900
At 31 December 2011	於2011年12月31日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 4 January 2011 (date of incorporation) (note (iii) and (iv))	於2011年1月4日(公司成立日期)(附註(iii)及(iv))	100,000	10
Issue of shares (note (iv))	發行股份(附註(iv))	824,900,000	82,490
At 31 December 2011	於2011年12月31日	825,000,000	82,500

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25. SHARE CAPITAL (CONTINUED)

For the purpose of the preparation of the consolidated statements of financial position, the balance of the share capital at 31 December 2010 represents the issued share capital of LM Development of HK\$698 (equivalent to US\$90), comprising 90 ordinary shares of US\$1 each.

Notes:

- (i) The Company was incorporated on 4 January 2011 with an authorised share capital of HK\$100,000 divided into 1,000,000 ordinary shares of HK\$0.1 each.
- (ii) Pursuant to a shareholder resolution passed on 18 May 2011, the authorised share capital of the Company was increased from HK\$100,000 to HK\$500,000,000 by the creation of 4,999,000,000 new ordinary shares of HK\$0.1 each.
- (iii) On 4 January 2011, a total of 100,000 ordinary shares of HK\$0.1 each in the Company were issued to LM at nil-paid.
- (iv) On 18 May 2011, pursuant to the Reorganisation, the Company acquired the entire issued share capital of LM Development by (a) issuing 824,900,000 ordinary shares of HK\$0.1 each to LM and (b) crediting as fully paid the 100,000 ordinary shares of HK\$0.1 each in the Company then held by LM.

26. SHARE OPTION SCHEME

The share option scheme of the Company (the "Scheme") was adopted pursuant to a resolution passed on 18 May 2011 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 17 May 2021.

25. 股本(續)

就綜合財務狀況表編製而言，於2010年12月31日的股本結餘指理文發展的已發行股本698港元(相等於90美元)，由90股每股面值1美元的普通股組成。

附註：

- (i) 本公司於2011年1月4日註冊成立，法定股本為100,000港元，分為1,000,000股每股面值0.1港元的普通股。
- (ii) 根據於2011年5月18日通過的股東決議案，本公司的法定股本藉增設4,999,000,000股每股面值0.1港元的新普通股，由100,000港元增至500,000,000港元。
- (iii) 於2011年1月4日，理文獲發行本公司合共100,000股每股面值0.1港元的未繳股款普通股。
- (iv) 於2011年5月18日，根據重組，本公司藉著(a)向理文發行824,900,000股每股面值0.1港元的普通股及(b)將理文於當時所持的本公司100,000股每股面值0.1港元的普通股入賬列為繳足，購入理文發展全部已發行股本。

26. 購股權計劃

本公司根據一項於2011年5月18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2021年5月17日屆滿。

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26. SHARE OPTION SCHEME (CONTINUED)

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

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

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

No share options were granted during the year.

26. 購股權計劃(續)

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、僱員或顧問；或(ii)受益人包括本集團或其聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本集團或其聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)由董事會於不時決定之任何客戶、供應商或顧問授予購股權以認購本公司股份。

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

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

本年內並無根據計劃授出購股權。

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27. OPERATING LEASES

The Group as lessee

Minimum lease payments paid under operating leases in respect of office premises during the year

年內有關辦公室物業經營租約之最低租賃付款

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year
In the second to fifth year inclusive

一年內
於第二至第五年內

Operating lease payments represent rentals for the Company's office. The lease is for a term of two years and rental is fixed throughout the lease period.

27. 經營租約

集團為承租人

2011	2010
HK\$'000	HK\$'000
千港元	千港元
1,687	1,663

於報告期末，本集團就不可註銷經營租約之未來最低租賃付款承擔如下：

2011	2010
HK\$'000	HK\$'000
千港元	千港元
1,065	—
333	—
1,398	—

經營租賃付款指本公司辦公室之租金。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。

28. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:

— the acquisition of property, plant and equipment

已訂約但未於財務報表內反映之資本性支出：

— 添置物業、廠房及設備

28. 資本承擔

2011	2010
HK\$'000	HK\$'000
千港元	千港元
793	32

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29. RETIREMENT BENEFIT SCHEMES

Defined benefit scheme

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 December 2011 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:

		2011	2010
		Per annum	Per annum
		年率	年率
Expected return on plan assets	計劃資產預期回報	3%	3%

The actuarial valuation shows that the market value of plan assets at 31 December 2011 was HK\$9,237,000 (2010: HK\$9,705,000) and that the actuarial value of these assets represented 144% (2010: 130%) of the benefits that were accrued to members. The surplus at 31 December 2011 of HK\$2,809,000 (2010: HK\$2,225,000) is to be cleared over the estimated remaining service period of the current membership of 7 years (2010: 8 years)

29. 退休福利計劃

界定利益計劃

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

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

計劃資產及界定利益承擔現值之最近期精算評估乃由匯豐人壽保險(國際)有限公司於2011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：

精算評估顯示計劃資產於2011年12月31日之市值為9,237,000港元(2010: 9,705,000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144%(2010: 130%)。於2011年12月31日之盈餘為2,809,000港元(2010: 2,225,000港元)將於現有會籍的七年(2010: 八年)估計剩餘服務年期內結算。

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29. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The credit recognised in other income in respect of the defined benefit scheme is as follows:

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Expected return on plan assets	計劃資產預期回報	(278)	(288)

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

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Present value of funded defined benefit obligations	界定利益承擔款項之現值	6,428	7,480
Fair value of plan assets	計劃資產之公平價值	(9,237)	(9,705)
		(2,809)	(2,225)
Net actuarial losses not recognised	未確認之精算虧損	(2,007)	(2,313)
Defined benefit asset	界定利益承擔產生之淨資產	(4,816)	(4,538)

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

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Opening balance	期初結餘	7,480	8,194
Benefit paid	已付利益	(920)	(714)
Actuarial gains	精算收益	(132)	—
Closing balance	期末結餘	6,428	7,480

29. 退休福利計劃(續)

界定利益計劃(續)

在綜合全面收益表內就界定利益計劃已確認之收入如下：

	2011	2010
	HK\$'000	HK\$'000
	千港元	千港元
Expected return on plan assets	(278)	(288)

已列入綜合財務狀況表中本集團於界定利益退休福利計劃之承擔所產生之數額如下：

	2011	2010
	HK\$'000	HK\$'000
	千港元	千港元
Present value of funded defined benefit obligations	6,428	7,480
Fair value of plan assets	(9,237)	(9,705)
	(2,809)	(2,225)
Net actuarial losses not recognised	(2,007)	(2,313)
Defined benefit asset	(4,816)	(4,538)

年內界定利益承擔現值變動如下：

	2011	2010
	HK\$'000	HK\$'000
	千港元	千港元
Opening balance	7,480	8,194
Benefit paid	(920)	(714)
Actuarial gains	(132)	—
Closing balance	6,428	7,480

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綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

29. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

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

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Opening balance	期初結餘	9,705	9,936
Expected return on plan assets	計劃資產預期回報	278	288
Benefit paid	已付利益	(920)	(714)
Actuarial gains	精算收益	174	195
Closing balance	期末結餘	9,237	9,705

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

		Fair value of plan assets 計劃資產之公平值	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Debt instruments	債券	8,222	9,385
Cash	現金	1,015	320
		9,237	9,705

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

29. 退休福利計劃(續)

界定利益計劃(續)

年內界定利益承擔公平值變動如下：

	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Opening balance	9,705	9,936
Expected return on plan assets	278	288
Benefit paid	(920)	(714)
Actuarial gains	174	195
Closing balance	9,237	9,705

計劃資產之主要分類於報告期末呈列如下：

		Fair value of plan assets 計劃資產之公平值	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Debt instruments	債券	8,222	9,385
Cash	現金	1,015	320
		9,237	9,705

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。

計劃資產之公平價值並無包含本公司之股本權益或本集團持有之物業。

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29. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The history of experience adjustments is as follows:

		2011 HK\$'000 千港元	2010 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Present value of defined benefit obligations	界定利益 承擔現值	6,428	7,480	8,194	8,571	7,188
Fair value of plan assets	計劃資產之公平值	(9,237)	(9,705)	(9,936)	(10,403)	(9,908)
Surplus	盈餘	(2,809)	(2,225)	(1,742)	(1,832)	(2,720)
Actuarial losses on plan liabilities	計劃負債精算虧損	132	—	—	1,383	756
Actuarial gains on plan assets	計劃資產精算收益	(174)	(195)	(84)	(98)	—

Defined contribution scheme

The Group also 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 Group is 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.

29. 退休福利計劃(續)

界定利益計劃(續)

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。

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綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

30. RELATED PARTY TRANSACTIONS AND BALANCES

Save as the balances with related parties as disclosed in note 22, the group had related party transactions during the year as follows:

30. 關連交易及結餘

除附註22所披露關連方結餘外，本集團於年內所進行之關連交易如下：

Name of related party	Relationship	Nature of transactions	2011 HK\$'000 千港元	2010 HK\$'000 千港元
關連方名稱	關係	交易性質		
Lee & Man Chemical (H.K.) Limited	A company beneficially owned and controlled by Mr. Lee (<i>note</i>)	Management fee income received	8	—
理文化工(香港)有限公司	由李先生實益擁有及控制之公司(附註)	已收管理費		
Capital Nation	A company beneficially owned and controlled by Ms. Lee Rosanna Man Lai, a daughter of Mr. Lee	Corrugated cardboard and carton boxes purchased	3,425	4,089
	由李先生之女兒李文麗女士實益擁有及控制之公司	購買瓦楞紙板及紙箱		
Lee & Man Realty Investment Limited	A company beneficially owned and controlled by Mr. Lee	Licence fee paid	1,555	1,555
理文置業有限公司	由李先生實益擁有及控制之公司	已付使用權費		

Note: Lee & Man Chemical (H.K.) Limited is the subsidiary of LM. Before the Reorganisation in June, 2011, this company and the companies comprising the Group at that time were both subsidiaries of LM.

附註： 理文化工(香港)有限公司為理文之附屬公司。於2011年6月重組前，該公司及其他本集團成員公司於當時均為理文之附屬公司。

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綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

30. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Short-term employee benefits	短期福利	5,783	4,841
Post-employment benefits	退休福利	91	70
		5,874	4,911

31. NON-CASH TRANSACTIONS

During the year, purchases of property, plant and equipment of HK\$1,094,000 (2010: HK\$310,000), were settled through transfer of deposits paid.

During the year ended 31 December 2010, interim dividends of HK\$207,286,000, payable to the former immediate holding company was settled through current account.

30. 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：

31. 非現金交易

年內，購置物業、廠房及設備分別為1,094,000港元(2010年：310,000港元)是由往年度的已付訂金轉入。

於截至2010年12月31日止年度內，透過往來賬結算應付早前的直接控股公司之中期股息為207,286,000港元。

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綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at 31 December 2011 and 2010 are as follows:

32. 本公司主要附屬公司

本公司主要附屬公司於2010年及2011年12月31日之詳情如下：

Name of company 公司名稱	Place and date of incorporation/ establishment 成立地點及日期/ 註冊成立	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔股本權益		Principal activities 主要業務
			2011	2010	
Directly owned 直接擁有					
Lee & Man Development Company Limited 理文發展有限公司	BVI 15 September 1992 英屬維爾京群島 1992年9月15日	Ordinary US\$90 普通股90美元	100%	100%	Investment holding 投資控股
Indirectly owned 間接擁有					
Lee & Man Company Limited 理文洋行有限公司	Hong Kong 21 November 1978 香港 1978年11月21日	Ordinary HK\$1,000,000 普通股1,000,000港元 Non-voting deferred HK\$1,000,000 無投票權遞延股份 1,000,000港元	100%	100%	Manufacture and sale 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 20 August 1976 香港 1976年8月20日	Ordinary HK\$10,000 普通股10,000港元 Non-voting deferred HK\$500,000 無投票權遞延股份 500,000港元	100%	100%	Manufacture and sale of handbags 製造及銷售手袋
Well Known Associates Limited	BVI 2 August 2001 英屬維爾京群島 2001年8月2日	Ordinary US\$1 普通股1美元	100%	100%	Investment holding 投資控股
Catini Bags, Inc	USA 25 September 2001 美國 2001年9月25日	Ordinary US\$1,000 普通股1,000美元	100%	100%	Trading of handbags 手袋貿易
Catini Bags (Hong Kong) Limited	Hong Kong 7 November 2001 香港 2001年11月7日	Ordinary HK\$2 普通股2港元	100%	100%	Dormant 不活躍公司

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

32. 本公司主要附屬公司(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 成立地點及日期/ 註冊成立	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Attributable equity interest held by the Group 本集團持有之應佔股本權益		Principal activities 主要業務
			2011	2010	
Lee & Man Management Company Limited 理文管理有限公司	Hong Kong 24 November 1992 香港 1992年11月24日	Ordinary HK\$2 普通股2港元	100%	100%	Provision of management and administration services 提供管理及行政服務
Lee & Man Luggage Limited 理文旅行箱有限公司	Hong Kong 25 June 1992 香港 1992年6月25日	Ordinary HK\$2 普通股2港元	100%	100%	Dormant 不活躍公司
Lee & Man Handbag (Thailand) Company Limited	Thailand 11 November 1997 泰國 1997年11月11日	Ordinary Baht 30,000,000 普通股 30,000,000泰銖	100%	100%	Property holding in Thailand 於泰國持有物業
Lee Wai Handbag Manufacturing Company Limited 利偉手袋廠有限公司	Hong Kong 23 March 2009 香港 2009年3月23日	Ordinary HK\$1 普通股1港元	100%	100%	Investment holding 投資控股
東莞利偉手袋有限公司 Dongguan Lee Wai Handbag Co. Ltd* ("Dongguan Lee Wai") (note) (「東莞利偉」)(附註)	PRC 25 September 2009 中華人民共和國 2009年9月25日	Registered HK\$6,000,000 註冊資本 6,000,000港元	100%	100%	Manufacture and sale of handbags 製造及銷售手袋
Deluxe Handbag Manufacturing Company Limited 卓展手袋廠有限公司	Hong Kong 22 February 2011 香港 2011年2月22日	Ordinary HK\$1 普通股1港元	100%	—	Investment holding 投資控股

* For identification purposes only

* 僅供識別

Note: Dongguan Lee Wai is registered in the form of a wholly-owned foreign investment enterprise.

附註：東莞利偉是以外商獨資企業形式註冊。

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

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

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

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

33. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes the bank borrowings disclosed in note 23, net of bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

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

32. 本公司主要附屬公司(續)

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

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

附屬公司於年終或年內任何時間概無任何未贖回之債務證券。

33. 資本風險管理

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

本集團的資本結構包括淨負債(載於在附註23中已扣除銀行結餘及現金後的銀行借款)及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、發行新股及發行新債以平衡其整體資本架構。

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34. FINANCIAL INSTRUMENTS

34a. Categories of financial instruments

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

34. 金融工具

34a. 金融工具之類別

31.12.2011	31.12.2010	1.1.2010
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
232,651	201,064	329,132
—	—	704
177,665	214,048	233,546
—	530	—

34b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances, trade and other payables, derivative financial instruments, amount due to a related company 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.

34b. 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、銀行結餘、應付貿易及其他款項、衍生金融工具、應付關連公司款項及銀行借款。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。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (continued)

Market risk

(i) Currency risk

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

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

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

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

市場風險

(i) 貨幣風險

本集團主要於香港及中國經營業務，匯兌風險是由外幣兌換集團相關功能貨幣時匯率波動所產生，包括歐元、港元和人民幣等。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 – 於銷售收入，銀行結餘及借款
- (ii) 港元及人民幣 – 於費用，銀行結餘及資本性支出及銀行借款。

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

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

At the end of the reporting period, the carrying amount of the Group's monetary assets and liabilities (excluding those in HK\$ for entities with US dollars as functional currency) denominated in currencies other than the functional currency of the relevant group entities are as follows:

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Assets			
Euro	資產 歐元	128	14,021
RMB	人民幣	17,481	2,731
Liabilities			
Euro	負債 歐元	—	1,232
RMB	人民幣	33,893	52,918

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2010: 5%) increase and decrease in the functional currency of the relevant group entities against the above foreign currencies. 5% (2010: 5%) is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

於報告期末，本集團除去以相關實體功能貨幣列值外之貨幣資產及負債(以港幣列值而其功能貨幣為美金之實體除外)，其帳面值如下：

敏感性分析

下表詳述本集團在並無對沖風險的情況下，有關集團實體之功能貨幣兌其有關外幣上升及下降5%(2010: 5%)的敏感度。5%(2010: 5%)為對內部主要管理人員匯報外幣風險時採用的敏感度比率，為管理層就外幣匯率的合理可能變動作出的評估。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34. 金融工具(續)

34b. Financial risk management objectives and policies (continued)

34b. 財務風險管理目標及政策(續)

Market risk (continued)

市場風險(續)

(i) Currency risk (continued)

(i) 貨幣風險(續)

Sensitivity analysis (continued)

敏感性分析(續)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items other than those denominated in HK dollars but held by entities whose functional currency is US dollars because HK dollars are linked to US dollars. The sensitivity analysis adjusts their translation at the end of the reporting period for a 5% (2010: 5%) change in foreign currency rates. A strengthening of the above foreign currencies against the functional currency of the relevant group entities would give rise to the following impact to profit for the year and vice versa.

敏感度分析只包括以外幣計值的未償付貨幣項目及衍生財務工具，並於結算日調整其匯率或衍生財務工具之公平值，以反映外幣匯率的5%(2010: 5%)變動。在上述基準下，當有關集團實體之功能貨幣兌外幣升值時，將對當年溢利產生以下影響，反之亦然。

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Monetary assets and liabilities:	貨幣性資產及負債：		
Increase (decrease) on profit for the year	年度溢利增加(減少)		
— Euro	— 歐元	6	639
— RMB	— 人民幣	(821)	(2,509)
Derivative financial instruments:	衍生金融工具：		
Decrease on profit for the year	年度溢利減少		
— Euro	— 歐元	—	(27)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. 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 rate borrowings (see note 23 for details of these borrowings). The Group's bank balances also have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors consider the Group's exposure to fair value interest rate risk in relation to its short term fixed-rate bank deposits is not significant as interest bearing bank balances are within short maturity periods.

The Group currently does not have any interest rate hedging policy in relation to fair value 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 end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout both years in the case of instruments that have floating rates. 10 basis points and 50 basis points (2010: 10 basis points and 50 basis points) increase or decrease are used by the management for the assessment of the reasonably possible change in interest rates of variable rate bank balances and variable rate borrowings, respectively.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團之現金流利率風險主要由於銀行借款附帶浮動利息(借款詳情載於附註23)，而銀行結餘亦因現行市場利率波動而須面對現金流利率風險影響。本公司董事認為本集團面對之利率風險並不顯著，因為該等付息銀行結餘均於短期內到期。

本集團目前並無任何針對利率風險的利率對沖政策。本公司董事持續監測本集團面對之利率風險，並認為如有需要將考慮對沖利率風險。

敏感性分析

以下敏感性分析是按浮息銀行借款及存款於報告期末的利率風險。浮息銀行借款及存款乃假設於報告期末的結餘為全年結餘來編製分析。10基點及50基點(2010: 10基點及50基點)的增減是管理層作分別對浮動利率的銀行存款及借款有關利率變動可能性的評估時使用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis (continued)

If interest rates had been 10 basis points (2010: 10 basis points) higher or lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2011 would increase or decrease by HK\$54,000 (2010: HK\$57,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank balances.

If interest rates had been 50 basis points (2010: 50 basis points) higher or lower and all other variables were held constant, the Group's profit for the year ended 31 December 2011 would decrease or increase by HK\$270,000 (2010: HK\$285,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感性分析(續)

倘利率增加或減少10個基數點(2010: 10個基數點)且所有其他可變因素維持不變,則本集團截至2011年12月31日止年度之溢利將增加或減少約54,000港元(2010: 57,000港元),此由於銀行結餘附帶浮動利息而令本集團面對利率風險。

倘利率增加或減少50個基數點(2010: 50個基數點)且所有其他可變因素維持不變,則本集團截至2011年12月31日止年度之溢利將減少或增加約270,000港元(2010: 285,000港元)。由於銀行借款附帶浮動利息而令本集團面對利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (continued)

Credit risk

As at 31 December 2011, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group is also exposed to concentration of credit risk as a substantial portion of its sales is generated from a limited number of customers. At 31 December 2011, the top five customers of the Group accounted for about 53% (2010: 64%) of the Group's trade receivables.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank deposits is limited because the counterparties are banks with good reputation.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

信貸風險

於2011年12月31日，本集團所面對的可導致本集團綜合財務狀況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2011年12月31日，集團首五位客戶佔應收帳款總額約53% (2010: 64%)。

為將信貸風險降至最低，本集團管理層已委任一組人員負責釐定信貸額度、信貸批核及其他監察程序以確保已採取適當跟進行動收回過期債務。此外，本集團於各個報告期末檢討各項個別貿易債項之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本公司之信貸風險已大幅降低。

本集團之銀行存款之信貸風險有限，由於對方均評定為高信貸評級之銀行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The Group also has available banking facilities (note 23) to meet its short-term working capital requirements. The management monitors the utilisation of bank borrowings and ensure compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. 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 maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent the interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

流動資金風險

在管理流動資金風險時，本集團監控及保持管理層認為足夠的現金及現金等值項目水平，為本集團的業務營運提供資金並減輕現金流量波動的影響。本集團及本公司依靠銀行借款作為流動資金之主要來源。本集團有充足可動用之銀行備用信貸額(附註23)以應付短期資金需求。管理層監控銀行借款的使用狀況及確保遵守貸款契約。

下表詳列本集團金融負債的合約到期日，乃根據本集團可能被要求還款的最早日期金融負債的未貼現現金流量編製。其他非衍生金融負債之到期日根據商定的還款日期計算。該表列有利息及本金之現金流量。於報告期末，某程度上其利息流為浮動利率，而其未貼現金額則根據利率曲線計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

34. FINANCIAL INSTRUMENTS (CONTINUED)**34. 金融工具(續)****34b. Financial risk management objectives and policies (continued)****34b. 財務風險管理目標及政策(續)****Liquidity risk (continued)****流動資金風險(續)**

		Weighted average effective interest rate	On demand or 0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	應要求或 0-30天 HK\$'000 千港元	31-60天 HK\$'000 千港元	61-90天 HK\$'000 千港元	91-365天 HK\$'000 千港元	超過 365天 HK\$'000 千港元	未貼現 現金流 HK\$'000 千港元	賬面值 HK\$'000 千港元
As at 31 December 2011		於2011年12月31日							
Non-derivative financial liabilities		非金融財務負債							
Non-interest bearing	無息負債	—	40,966	26,253	2,694	1,447	—	71,360	71,360
Variable interest rate instruments	帶浮息工具	1.25	99,762	—	6,665	—	—	106,427	106,305
			140,728	26,253	9,359	1,447	—	177,787	177,665
As at 31 December 2010		於2010年12月31日							
Non-derivative financial liabilities		非金融財務負債							
Non-interest bearing	無息負債	—	52,144	18,518	16,322	1,211	—	88,195	88,195
Variable interest rate instruments	帶浮息工具	1.21	125,980	—	—	—	—	125,980	125,853
			178,124	18,518	16,322	1,211	—	214,175	214,048
Derivative financial instruments — gross settlement		衍生金融工具 — 結算							
Foreign exchange forward contracts	外匯遠期合約								
— inflow	— 流入	—	—	—	(19)	—	—	(19)	(19)
— outflow	— 流出	—	—	—	549	—	—	549	549
			—	—	530	—	—	530	530

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

34. FINANCIAL INSTRUMENTS (CONTINUED)

34c. Fair value

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

- the fair value of financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The directors of the Group consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

34d. Fair value measurement recognised in the combined statements of financial position

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

34. 金融工具(續)

34c. 公平值

金融資產及金融負債之公平值按以下方式釐定：

- 金融資產及金融負債之公平值(衍生工具除外)，乃按貼現現金流量分析之公認定價模式；及
- 外匯遠期合約的計量是匹配合約年期的市場利率而產生遠期匯率和回報曲線而成。

董事認為，按攤銷成本列入綜合財務報表之金融資產及金融負債之賬面值與其公平值相若。

34d. 在合併財務狀況表確認之公平價值計量

下表提供按於初步確認後按公平價值計量之金融工具之分析，按公平價值之可識別程度分為第一至第三級。

- 第一級公平價值計量為該等根據同類資產或負債於活躍市場之報價(未經調整)得出結果。
- 第二級公平價值計量為該等根據第一級內所報價格以外，就資產或負債觀察得出之輸入數據(不論為直接觀察得出(即價格)或間接觀察得出(即自價格衍生)得出之結果。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至2011年12月31日止年度

34. FINANCIAL INSTRUMENTS (CONTINUED)**34. 金融工具(續)****34d. Fair value measurement recognised in the combined statements of financial position (continued)****34d. 在合併財務狀況表確認公平價值計量(續)**

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

- 第三級公平價值計量為該等使用估值技術得出之結果，估值技術包括並非根據可觀察市場數據得出之資產及負債輸入數據(不可觀察之輸入數據)。

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
31 December 2011	2011年12月31日				
Financial liabilities at FVTPL	按公平價值計入損益的金融負債				
Derivative financial instruments	衍生金融工具	—	—	—	—
31 December 2010	2010年12月31日				
Financial liabilities at FVTPL	按公平價值計入損益的金融負債				
Derivative financial instruments	衍生金融工具	—	530	—	530

These were no transfers between 3 levels in the current and prior years.

於本年及往年度，三個級別間並無轉讓。

Financial Summary

財務概要

Year ended 31 December

截至 12 月 31 日止年度

		2008	2009	2010	2011
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)	(restated)	(restated)	
		千港元	千港元	千港元	千港元
		(重列)	(重列)	(重列)	
RESULTS	業績				
Revenue	營業額	901,240	727,555	853,539	873,815
Profit before taxation	除稅前溢利	115,364	122,091	117,147	117,972
Income tax expenses	所得稅支出	(8,916)	(9,526)	(9,471)	(10,925)
Profit for the year	年內溢利	106,448	112,565	107,676	107,047

At 31 December

於 12 月 31 日

		2008	2009	2010	2011
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)	(restated)	(restated)	
		千港元	千港元	千港元	千港元
		(重列)	(重列)	(重列)	
RESULTS	業績				
ASSETS AND LIABILITIES	資產及負債				
Total assets	資產總額	635,320	507,435	401,071	466,292
Total liabilities	負債總額	(304,467)	(263,310)	(253,872)	(222,989)
Net assets	資產淨額	330,853	244,125	147,199	243,303

Statement of Financial Position of the Company

本公司財務狀況表

SUMMARISED FINANCIAL INFORMATION OF THE COMPANY

The summarised statement of financial position of the Company as at 31 December 2011 is as follows:

本公司之財務資料匯總

本公司於2011年12月31日之財務狀況表概述如下：

		2011 HK\$'000 千港元
ASSETS	資產	
Investments in subsidiaries	附屬公司投資	1
Prepayments	預付費用	172
Bank balances	銀行結餘	172
		345
LIABILITY	負債	
Other payables	其他應付款	285
		60
CAPITAL AND RESERVES	資本及儲備	
Share capital	股本	82,500
Reserves (note)	儲備(附註)	(82,440)
		60

note:

附註：

Reserves

儲備

		Accumulated profit 累計溢利 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 4 January 2011 (date of incorporation)	於2011年1月4日(成立日期)	—	—	—
Profit for the period	期內溢利	24,809	—	24,809
Dividends	股息	(24,750)	—	(24,750)
Recognition upon issuance of share capital for acquisition of the subsidiaries	收購附屬公司時發行股本確認	—	(82,499)	(82,499)
At 31 December 2011	於2011年12月31日	59	(82,499)	(82,440)

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