

LEE & MAN CHEMICAL COMPANY LIMITED

理文化工有限公司

Stock Code 股份代號 : 746



**Together We Grow**





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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive director

Ms. Wai Siu Kee (*Chairman*)  
Mr. Lee Man Yan  
Mr. Yang Zuo Ning  
Ms. Wong Yuet Ming

#### Independent non-executive director

Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron BBS JP  
Mr. Heng Victor Ja Wai

### COMPANY SECRETARY

Ms. Wong Yuet Ming

### REGISTERED OFFICE

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

### HONG KONG OFFICE

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

### PRINCIPAL BANKERS

#### In Hong Kong:

The Hongkong and Shanghai Banking Corporation  
Hang Seng Bank Limited  
Chiyu Bank Corporation Ltd.  
Mizuho Bank Corporate Bank, Ltd.  
Australia and New Zealand Banking Group Ltd.  
Citibank, N.A., Hong Kong Branch  
DBS Bank (Hong Kong) Limited

#### In the PRC:

Bank of China Limited

### 董事會

#### 執行董事

衛少琦女士(*主席*)  
李文恩先生  
楊作寧先生  
王月明女士

#### 獨立非執行董事

王啟東先生  
尹志強先生BBS太平紳士  
邢家維先生

### 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：

香港上海滙豐銀行有限公司  
恒生銀行有限公司  
集友銀行有限公司  
瑞穗實業銀行有限公司  
澳新銀行，香港分行  
花旗銀行，香港分行  
星展銀行(香港)有限公司

#### 中國：

中國銀行有限公司

### AUDITORS

Deloitte Touche Tohmatsu  
Certified Public Accountants

### PRINCIPAL SHARE REGISTRAR

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

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

### WEBSITE

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

### 核數師

德勤 • 關黃陳方會計師行  
執業會計師

### 主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### 香港股份過戶登記分處

卓佳秘書商務有限公司  
香港  
皇后大道東28號  
金鐘匯中心26樓

### 網址

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

# Chairman's Statement

## 主席報告

### BUSINESS REVIEW

For the year ended 31 December 2012, the Group recorded a revenue of HK\$1,521 million, decreased by 15.9% as compared to last year; and a net profit of HK\$362 million for current year, representing a drop of 43.2% from last year (excluding the profit from discontinued handbag business).

The significant decrease in current year profit was mainly attributable to the sluggish global economy and PRC economic growth slowdown. The Group's main products demand fell amid the market oversupply. Product prices dropped sharply compared with last year, resulting in a decrease in profit margin.

During the year, there were significant fluctuations in products prices. As compared to last year, the average selling price per ton of our main chemical products, namely methylene chloride and chloroform, dropped sharply by approximately 44% and 54% respectively during the year whereas the by-product average selling price per ton rose by approximately 13%. In addition, the average purchase costs of raw materials, mainly including industrial crude salt and methanol, were stable.

As affected by above factors, gross profit margin of the Group for the year ended 31 December 2012 dropped from 46.7% last year to 34.3% and the net profit margin (excluding the profit from discontinued handbag business) decreased from 35.2% to 23.8%.

### PROSPECTS

For the coming year, the key business focus of the Group will remain on the construction of a new plant in Ruichang City, Jiangxi Province. The Group intends to spend about RMB1.9 billion for development of the fluorochemical downstream products in two phases. The first production line was originally planned to put into operation in the first half of 2013. Since the frequent rainstorms with record high rainfall during 2012 in Jiangxi province affected the progress of construction works, the expected date to commence operation for the production line will be postponed to the fourth quarter of 2013.

The project will be financed by internal funds and bank borrowings. As at 31 December 2012, the Group maintained bank balances and cash of approximately HK\$1.52 billion. The Group has sufficient cash and available banking facilities to meet its capital expenditure and working capital requirements.

### 業務回顧

截至2012年12月31日止年度，本集團錄得總營業額15.21億港元，較去年下降15.9%，而年內溢利為3.62億，較去年（不包括已終止手袋業務之利潤）下降43.2%。

年內溢利顯著減少，主要受環球經濟疲弱及國內經濟增長放緩影響下，集團主產品需求回落，市場出現供過於求，以致產品售價較去年度大幅下降，而邊際利潤亦隨着減少。

集團產品價格於年內大幅波動。與去年相比，集團主產品二氯甲烷及三氯甲烷於年內的平均每噸售價分別下跌約44%及54%；而副產品燒碱的平均每噸售價則上升約13%；此外，原材料（主要包括工業原鹽及甲醇）之平均採購成本亦大致平穩。

受上述因素影響，截至2012年12月31日止，集團毛利率由去年46.7%下降至34.3%而純利率（不包括已終止手袋業務之利潤）則由去年的35.2%下降至23.8%。

### 展望

明年集團業務重點仍是在江西省瑞昌市籌建新廠房，集團擬斥資約19億人民幣，分兩期全力發展氟化工下游產品。原計劃第一期生產線將於2013年上半年投產，但由於2012年降雨量為省紀錄以來之極值，暴雨頻頻下，影響了建築工程進度，預期該生產線將延至2013年第四季投產。

該項目資金將由內部資金及銀行借款組成。於2012年12月31日本集團銀行結餘及現金約15.2億港元。本集團已具備充裕的現金及可供動用的銀行備用額，以應付集團的資本性開支及營運資金的需要。



As always, our management team will leverage on our internal technical innovation and scientific research and development in a pragmatic and aggressive approach and continue its persistent efforts to make great strides in the business development of the Group and deliver fruitful rewards to the shareholders.

### 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, 18 March 2013

一如既往，管理層努力不懈，以務實進取的方向，並結合內部技術創新及科研開發，加速本集團實現跨越式發展，為股東帶來可觀的回報。

### 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的鼎力支持，表示衷心致意。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，2013年3月18日

# Management Discussion and Analysis

## 管理層討論及分析

### CONTINUING OPERATION – CHEMICAL BUSINESS

#### Results of Operation

Revenue and net profit attributable to equity holders of the Group for the year ended 31 December 2012 was HK\$1,521 million and HK\$362 million respectively, representing a significant decrease of 15.9% and 43.2%, as compared to HK\$1,808 million and HK\$637 million respectively for last year. The basic earnings per share was HK43.9 cents for the year ended 31 December 2012 and HK77.2 cents for last year.

#### Revenue

The significant decrease in revenue for the year was mainly attributable to the sluggish global economy and PRC economic growth slowdown, the demand for the Group's main products declined and its selling prices dropped substantially as compared to last year, which resulted in a decrease in profit margin.

During the year, there were significant fluctuations in products prices. As compared to last year, the average selling price per ton, excluding tax, of our main products, namely methylene chloride and chloroform, dropped sharply by approximately 44% and 54% to Rmb2,600 and Rmb2,500 respectively during the year whereas the by-product of caustic soda's average selling price per ton rose by approximately 13% to Rmb800. In addition, the average purchase costs of raw materials, mainly including industrial crude salt and methanol, remained stable. During the year, the Group maintained a stable production at full capacity and a satisfactory quality control.

As affected by the above factors, gross profit margin of the Group for the year ended 31 December 2012 dropped from 46.7% last year to 34.3% and the net profit margin decreased from 35.2% last year to 23.8%.

#### Selling and distribution expenses

Selling and distribution expenses incurred for the year ended 31 December 2012 was HK\$58.3 million, representing an increase by 2.5% as compared to HK\$56.9 million for last year. The selling and distribution expense represented about 3.8% of total revenue for the year, slightly increased by 0.7 percentage point as compared to 3.1% of last year. Such increase was attributable to the development of end-user customers and increase in sales channels. Along with increased shipments, liquid product packaging costs rose during the year.

### 持續經營業務－化工業務

#### 經營業績

截至2012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15.21億港元及3.62億港元，較去年18.08億港元及6.37億港元，分別顯著減少15.9%及43.2%。截至2012年12月31日止年度每股基本盈利為43.9港仙而去年為77.2港仙。

#### 收入

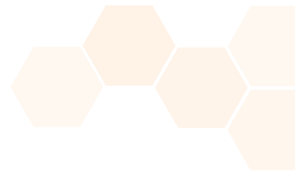
年內收入顯著減少，主要受環球經濟疲弱及國內經濟增長放緩影響下，集團主產品需求回落，市場出現供過於求，以致產品售價較去年大幅下降，而邊際利潤亦隨著減少。

集團產品價格於上年亦大幅波動。與上年比較，集團主產品二氯甲烷及三氯甲烷於年內的平均每噸售價（不含稅）為人民幣2,600及2,500；分別下跌約44%及54%；而副產品燒鹼的平均每噸售價則上升約13%至人民幣800。此外，原材料（主要包括工業原鹽及甲醇）之平均採購成本亦大致平穩。本集團於年內保持達至滿負荷的穩定生產及滿意的品質控制。

受上述因素影響，截至2012年12月31日止，集團毛利率由去年46.7%下降至34.3%及純利率則由去年35.2%下降至23.8%。

#### 銷售及分銷費用

銷售及分銷費用截至2012年12月31日止年度約5,830萬港元，較去年5,690萬港元，增加2.5%。銷售及分銷費用佔年內總收入約3.8%，與上年3.1%比較微升0.7個百分點。該上升是由於開拓終端客戶及增加銷售管道；隨著出貨量增加，液體產品包裝費用於年內有所上升。



### Administrative expenses

Administrative expenses incurred for the year ended 31 December 2012 was HK\$107 million, which decreased by HK\$32.2 million as compared to HK\$139 million last year. The administrative expenses accounted for about 7.0% of total revenue for the year with a slight decrease of 0.7% as compared to 7.7% last year. The expenses for current year included the pre-operating expenses of HK\$5 million for Jiangxi chemical plant and share option expense of 28.3 million (2011: HK\$62.4 million).

### Finance costs

The interest expenses incurred for the year ended 31 December 2012 was HK\$38.0 million, which increased by HK\$25.1 million as compared to HK\$12.9 million last year. Interest expenses rose during the year was mainly due to the increase in bank financing for the construction of a new production plant in Jiangxi. As at 31 December 2012, the total bank borrowings was HK\$1,417 million (31.12.2011: HK\$967 million). As at 31 December 2012, the Group maintained bank balances and cash of approximately HK\$1,520 million (31.12.2011: HK\$1,233 million) which is sufficient to enable the Group to meet its future capital expenditure and working capital requirements.

### INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover of the Group maintained at a stable level of 31 days for the year ended 31 December 2012 as compared to 34 days last year.

Due to the stringent credit control, the average collection period was controlled within a favourable level of 38 days for the year ended 31 December 2012 as compared to 34 days for last year which is in line with the normal credit terms of 7 days to 60 days granted by the Group to its customers.

The Group's creditors' turnover days were 18 days for the year ended 31 December 2012 as compared to 23 days for the last year which is in line with the normal credit terms of 7 days to 45 days granted by the suppliers to the group.

### 行政費用

行政費用截至2012年12月31日止年度為1.07億港元，與去年1.39億港元比較，減少3,220萬港元。行政費用占年內總收入約7.0%，較去年7.7%稍微下跌0.7%。年內費用包括建設江西化工廠前期開辦費用500萬港元及購股權費用2,830萬港元(2011：6,240萬港元)。

### 融資成本

利息支出截至2012年12月31日止年度為3,800萬港元，與去年1,290萬港元比較，增加2,510萬港元。年內利息支出上升，主要由於集團為籌建江西新廠房而增加銀行融資。於2012年12月31日銀行借款總額為14.17億港元(31.12.2011：9.67億港元)。於2012年12月31日本集團銀行現金結餘為15.20億港元(31.12.2012：12.33億港元)，足夠應付集團未來資本性開支及營運資金需要。

### 存貨、應收賬款及應付賬款周轉期

截至2012年12月31日止年度，本集團存貨周轉期為31天，與去年之34天比較，保持穩定水平。

集團採取嚴格信貸控制，截至2012年12月31日止年度平均收賬期控制於合理水平38天，去年為34天，與本集團給予客戶的正常賒賬期7天至60天一致。

截至2012年12月31日止年度，本集團應付賬款周轉天數為18天，去年為23天，與供應商給予本集團的正常賒賬期7天至45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 2012 was HK\$1,894 million (31.12.2011: HK\$1,659 million). As at 31 December 2012, the Group had current assets of HK\$1,771 million (31.12.2011: HK\$1,623 million) and current liabilities of HK\$390 million (31.12.2011: HK\$425 million). The current ratio was 4.5 as at 31 December 2012 as compared to 3.8 last year.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong and the PRC. As at 31 December 2012, the Group had outstanding bank borrowings of HK\$1,417 million (31.12.2011: HK\$967 million). These bank loans were secured by corporate guarantees provided by the Company and its certain subsidiaries. As at 31 December 2012, the Group maintained bank balances and cash of HK\$1,520 million (31.12.2011: HK\$1,233 million). The Group's net cash-to-equity ratio (cash and cash equivalents net of total bank borrowings over shareholders equity) as at 31 December 2012 was 0.05.

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

### EMPLOYEES

As at 31 December 2012, the Group had a workforce of about 1,000 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group. The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

### 流動資金、財務資源及資本結構

於2012年12月31日，本集團的股東權益總額為18.94億港元(31.12.2011：16.59億港元)。於2012年12月31日，本集團的流動資產達17.71億港元(31.12.2011：16.23億港元)，而流動負債則為3.90億港元(31.12.2011：4.25億港元)。於2012年12月31日的流動比率為4.5，而去年則為3.8。

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2012年12月31日，本集團的未償還銀行借款為14.17億港元(31.12.2011：9.67億港元)。該等銀行借款由本公司及其若干附屬公司提供的公司擔保作為抵押。於2012年12月31日本集團銀行結餘及現金15.20億港元(31.12.2011：12.33億港元)。本集團的淨現金對權益比率(現金及現金等價物減銀行借款總額除以股東權益)於2012年12月31日為0.05。

本集團保持著強勁的流動資金並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，營運資金需要及未來的投資發展。

### 僱員

於2012年12月31日，本集團有約1,000名員工。僱員薪酬維持於具競爭力水平，並會每年評估，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。本集團並無遭遇任何重大僱員問題，亦未曾因勞資糾紛令營運中斷，在招聘及挽留經驗豐富的員工方面亦不曾出現困難。本集團與僱員的關係良好。

# 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. On 1 April 2012, the Code on Corporate Governance Practices ("Former CG Code") contained in Appendix 14 to the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") was amended and renamed as Corporate Governance Code and Corporate Governance Report ("New CG Code"). The Board is committed to complying with the code provisions as stated in the New CG code to the extent that the directors of the Company ("Directors") consider it is applicable and practical to the Company.

The Company has complied with the code provision in the Former CG Code during the period from 1 January 2012 to 31 March 2012 and has complied with New CG Code during the period from 1 April 2012 to 31 December 2012, except for the following deviation:

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

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2004. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2012. 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。於2012年4月1日，香港聯合交易所證券上市規則(「上市規則」)附錄十四所載企業管治常規守則(「前企業管治守則」)經修訂及易名為企業管治守則及企業管治報告(「新企業管治守則」)。董事局承諾，在本公司董事(「董事」)認為適用於本公司及切實可行的前提下，遵守新企業管治守則所載的守則條文行事。

本公司已於2012年1月1日至2012年3月31日期間遵守前企業管治守則及於2012年4月1日至2012年12月31日期間遵守新企業管治守則的守則條文，惟下列者除外：

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

### 董事之證券交易

本公司已於2004年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至2012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. Lee Man Yan

Mr. Yang Zuo Ning

Ms. Wong Yuet Ming

#### Independent non-executive director

Mr. Wong Kai Tung, Tony

Mr. Wan Chi Keung, Aaron *BBS JP*

Mr. Heng Victor Ja Wei

The Board comprises 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.

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.

### 董事會

#### 架構及角色

董事會包括：

#### 執行董事

衛少琦女士(*主席*)

李文恩先生

楊作寧先生

王月明女士

#### 獨立非執行董事

王啟東先生

尹志強先生*BBS太平紳士*

邢家維先生

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。

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。

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, six full board meetings were held and the individual attendance of each director is set out below:

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，已召開六次全體董事會，各董事出席情況詳列如下：

Name of director	董事姓名	Number of board meetings attended 出席會議次數
Ms. Wai Siu Kee	衛少琦女士	6
Mr. Lee Man Yan	李文恩先生	6
Mr. Yang Zuo Ning	楊作寧先生	6
Ms. Wong Yuet Ming	王月明女士	6
Mr. Wong Kai Tung, Tony	王啟東先生	6
Mr. Wan Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS太平紳士</i>	6
Mr. Heng Victor Ja Wei	邢家維先生	6

#### APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Company has established the Nomination Committee with specific written terms of reference. It comprises 4 members, namely, Ms. Wai Siu Kee (Chairman of the Nomination Committee), Mr. Wong Kai Tung, Mr. Wan Chi Keung, Aaron and Mr. Heng Victor Ja Wei. For appointment of new Director, the background, experience, professional skills, availability to commit to the affairs of the Company and, in case of INED, the independence requirements set out in the Listing Rules, of the potential appointee will be taken into consideration.

Pursuant to the Articles of Association of the Company, all newly appointed director of the Company shall hold office until the next AGM and shall then be eligible for re-election. Every Director, including those appointed for a specific term shall be subject to retirement by rotation at least once every three years at the AGM. The retiring Directors shall be eligible for re-election.

The Company's circular to be despatched to shareholders of the Company will contain detailed information of the Directors standing for re-election.

#### 董事的委任及重選

本公司已成立提名委員會，並書面制定其職權範圍，成員共有四名，分別為衛少琦女士（提名委員會主席）、王啟東先生、尹志強先生及邢家維先生。在挑選合適的新董事時，會考慮其背景、經驗、專業技巧及於本公司之供職時間，至於獨立非執行董事，則需符合於上市規則內所列載之獨立性要求。

根據本公司的章程細則，每名獲董事局委任的新董事，他們的任期將直至下屆股東週年大會為止，並符合資格膺選連任。每位董事包括有指定任期之董事須最少每三年於股東週年大會上輪值退任一次。退任董事可獲重選連任。

本公司將於寄發予本公司股東的通函載有有關膺選連任董事的詳情。

# Corporate Governance Report

## 企業管治報告

### AUDIT COMMITTEE

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

Mr. Heng Victor Ja Wei (*Chairman*)  
Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in accounting, legal and business 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 new written terms of reference which describe the authority and duties of the Audit Committee were adopted in March 2012 to conform to the provisions of the New CG 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 2012.

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

### 審核委員會

審核委員會於2001年成立，其現時成員包括：

邢家維先生(主席)  
王啟東先生  
尹志強先生*BBS太平紳士*

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會計、法律及商業專業。審核委員會之架構及成員符合上市規則第3.21條之規定。為符合新訂企業管治守則條文，載列審核委員會權限及職責的書面職權範圍已於2012年3月被採納，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，其中包括審閱截至2012年12月31日止年度之會計賬目。

年內，共召開4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	4	4
Mr. Wong Kai Tung, Tony	王啟東先生	4	4
Mr. Wan Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS太平紳士</i>	3	3

## REMUNERATION COMMITTEE

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

Mr. Heng Victor Ja Wei (*Chairman*)  
Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*

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 new terms of reference of the Remuneration Committee were adopted in March 2012 to conform to the provisions of the New CG 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 2012, the auditors of the Company only provided audit services to the Company.

## 薪酬委員會

薪酬委員會於2005年成立，其現時成員包括：

邢家維先生(主席)  
王啟東先生  
尹志強先生*BBS太平紳士*

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。為符合新訂企業管治守則條文，薪酬委員會新訂的職權範圍已於2012年3月被採納，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

於截至2012年12月31日止年度，本公司的核數師只向本公司提供核數服務。

# Corporate Governance Report

## 企業管治報告

### NOMINATION COMMITTEE

The Nomination Committee was established in March 2012 and its current members include:

Ms. Wai Siu Kee (*Chairman*)  
Mr. Heng Victor Ja Wei  
Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*

The majority members are independent non-executive directors. The Nomination Committee has the duty of reviewing annually the board structure and composition.

The terms of reference of the Nomination Committee were adopted in March 2012 to confirm to the provision of the New CG Code, a copy of which is posted on the Company's website.

The Nomination Committee has met during the year to approve and adopt its terms of reference, all members have attended in the meeting.

### TRAINING FOR DIRECTORS

Each newly appointed Director receives comprehensive, formal and tailored induction on his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. There are also arrangements in place for providing continuing briefing and professional development to Directors at the Company's expenses whenever necessary.

The Company provides regular updates and presentations on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors at Board meetings or through emails.

The Directors are committed to complying with Code Provision A.6.5 of the New CG Code which came into effect on 1 April 2012 on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of training they received for the year ended 31 December 2012 to the Company. The type of training received is summarized below:

- reading regulatory updates; and
- attending seminars/forum/workshops relevant to the directors' duties.

### 提名委員會

提名委員會於2012年3月成立，現時成員包括：

衛少琦女士(*主席*)  
邢家維先生  
王啟東先生  
尹志強先生*BBS太平紳士*

其大部份成員均為獨立非執行董事。提名委員會有責任每年檢討董事會架構及組成。

提名委員會的職權範圍已於2012年3月被採納，並已刊載於本公司網頁內，以符合新訂企業管治守則的規定。

提名委員會已於本年度開會以通過採納其書面職權範圍，所有成員均有出席會議。

### 董事培訓

各新委任董事獲委任時均會獲得一項全面、正規及切合個人需要的入職指引，以確保彼等對本集團業務及運作有恰當的了解，並全面知悉其根據上市規則及有關法例規定下之職責及責任。在有需要時，本公司亦會安排向董事提供持續簡介及專業發展，費用由本公司承擔。

本公司就本集團業務發展及立法及監管環境之變動，於董事局會議內或通過發送電子郵件向董事提供定期更新及呈列。

董事承諾遵守由2012年4月1日起生效之新企業管治守則有關董事培訓之守則條文第A.6.5條，截至2012年12月31日止年度，全體董事均有參與發展及更新彼等知識及技能之持續專業發展，並已向本公司提供彼等所接受培訓的類型如下：

- 閱讀法例更新資料；及
- 出席有關董事職責的講座／研討會／工作坊。



### COMPANY SECRETARY

Ms. Wong Yuet Ming joined the Group in 2004 and has been the company secretary of the company since 2006. She is responsible for advising the Board on governance matters and facilitates induction and professional development of the Directors. The appointment and dismissal of the company secretary are subject to the Board approval in accordance with the Articles of Association. Pursuant to Rule 3.29 of the Listing Rules which came into effect on 1 January 2012, Ms. Wong has taken no less than 15 hours of relevant professional training in the year under review.

### INTERNAL CONTROLS

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

### DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2012, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

### 公司秘書

王月明女士於2004年加入本集團，自2006年起擔任本公司的公司秘書一職。彼負責就管治事宜向董事局提供意見，並安排董事的入職培訓及專業發展。公司秘書的委任及撤職須經董事局根據公司細則批准。於回顧年度內，根據於2012年1月1日起生效之上市規則第3.29條，王女士已接受不少於十五個小時之相關專業培訓。

### 內部監控

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

### 董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截至2012年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策，採納合適之香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及在持續進行有關業務之基準而編製。董事並須負責保存適當之會計紀錄，以能合理準確地披露本集團任何時候之財務狀況。



# Corporate Governance Report

## 企業管治報告

### SHAREHOLDERS' RIGHTS

The Company has only one class of shares. All shares have the same voting rights and are entitled to the dividends declared. The rights of the shareholders of the Company are set out in Company's Articles of Association.

Shareholders of the Company can: (i) convene an extraordinary general meeting; (ii) forward enquiries to the board of directors; (iii) forward proposals at shareholders' meetings and (iv) nominate Directors for election. Details of relevant procedures are available on the Company's website.

### INVESTOR RELATIONS AND COMMUNICATION

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

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

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

### CONSTITUTIONAL DOCUMENTS

There was no significant change in the Company's constitutional documents for the year ended 31 December 2012.

### 股東權利

本公司僅擁有一類股份，所有股份均擁有相同的投票權並可獲派已宣派之股息。本公司股東的權利載於本公司章程細則。

本公司股東可以(i)召開股東特別大會；(ii)向董事會提出查詢；及(iii)在股東大會上提出建議的程序；及(iv)提名候選董事；相關程序詳情可於本公司網站查閱。

### 與投資者交流及溝通

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

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

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

### 組織章程文件

本公司之組織章程文件於截至2012年12月31日止年度並無重大變動。

# Profile of Directors and Senior Management

## 董事及高級管理層簡介

### EXECUTIVE DIRECTOR

**Ms. WAI Siu Kee**, aged 68, Chairman of the Company who joined the Group since its establishment in 1976. She is also the founder, chairman and chief executive officer of Lee & Man Handbags Holding Limited (Stock Code: 1488). Ms. Wai has more than 47 years of experience in the manufacturing industry. She is responsible for the development of corporate strategies, corporate planning and overall management of the Group and in particular the marketing and development of the business of the Group. Ms. Wai is the honorary permanent president of the Hong Kong Baptist University Foundation.

**Mr. LEE Man Yan**, aged 35, an Executive Director and Managing Director of the Group. He is in charge of the corporate and strategic planning of the chemical business segment, and is responsible for the procurement, staff recruitment, public relations in the PRC and management operations of the chemical business. He graduated from the University of British Columbia, Canada with a bachelor's degree in commerce. He joined the Group in 2000. Mr. Lee is a son of Ms. Wai Siu Kee, the Group's Chairman. Mr. Lee is also a member of Chinese People's Political Consultative Committee of Jiangxi.

**Mr. YANG Zuo Ning**, aged 51, an Executive Director and Deputy Managing Director of the Group. He joined the Group in 2006. He is a national acclaimed senior engineer and has 30 years of production experience in chlor-alkali industries. He is responsible for the production supervision, corporate strategic planning and general management of Jiangsu Lee & Man Chemical Ltd.

**Ms. WONG Yuet Ming**, aged 48, an Executive Director, Financial Controller and Company Secretary of the Group. She is also the company secretary of Lee & Man Handbags Holding Limited (Stock Code:1488). She joined the Group in 2004 and has over 23 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. Ms. Wong is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. She is responsible for the supervision and management of the Group's financial matters.

### 執行董事

**衛少琦女士**，68歲，本集團主席，於本集團在1976年成立時加入。彼同時是理文手袋有限公司(股份代號：1488)的創始人、主席兼行政總裁。衛女士於製造業積逾47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。衛女士現擔任香港浸會大學基金永遠榮譽主席。

**李文恩先生**，35歲，本集團執行董事及董事總經理。彼負責本集團化工業務之整體策略規劃，並負責化工機械物料採購，人事聘任，維繫與中國政府機構關係及日常營運管理工作。彼畢業於加拿大英屬哥倫比亞大學，持有商學士學位。彼於2000年加入本集團。李先生為本集團主席衛少琦女士之兒子。李先生亦為江西省政協委員會委員。

**楊作寧先生**，51歲，本集團執行董事及董事副總經理。彼於2006年加入本集團。彼持有國家高級工程師職稱，擁有30年氯鹼化工生產技術之經驗。彼負責江蘇理文化工有限公司之生產監督、整體策略策劃及日常管理工作。

**王月明女士**，48歲，本集團執行董事、財務總監兼公司秘書。彼同時是理文手袋有限公司(股份代號：1488)的公司秘書。彼於2004年加入本集團，擁有逾23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。王女士為英國特許公認會計師公會之資深會員，亦為香港會計師公會會員。彼負責本集團之財務監督及管理。

# Profile of Directors and Senior Management

## 董事及高級管理層簡介

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. WONG Kai Tung, Tony**, aged 70, an Independent Non-Executive Director of the Group. He has been a practicing lawyer in Hong Kong since 1968 and has also been admitted as a solicitor in England and Wales. He is currently a consultant at Messrs. Hastings & Co., Solicitors and Notaries.

**Mr. WAN Chi Keung, Aaron** *BBS, JP*, aged 63, an Independent Non-Executive Director of the Group. He holds a Master Degree in Business Administration of the Chinese University of Hong Kong and a Master Degree in Buddhist studies of the University of Hong Kong, also an associate of the Institution of Business Agents, a member of the Land Institute (London), an associate of the Chartered Institute of Arbitrators and a fellow of The Institute of Administrative Accounting. He is engaged in the business of property valuation and property auction and has over 30 years of related experience.

**Mr. Heng Victor Ja Wei**, aged 35, 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), Matrix Holdings Limited (Stock Code:1005) and Lee & Man Handbags Holding Limited (Stock Code:1488) whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

### 獨立非執行董事

王啟東先生，70歲，本集團獨立非執行董事。彼自1968年以來為香港之執業律師，亦為英格蘭及威爾斯執業事務律師。彼現任希仕廷律師行之顧問。

尹志強先生 *BBS*，*太平紳士*，63歲，本集團獨立非執行董事。彼持有香港中文大學工商管理碩士學位及香港大學佛學碩士學位，亦為英國商業經紀學會會員、英國倫敦土地學會會員、英國皇家仲裁學會會員及英國管理會計師學會之資深會員。彼從事物業估值及物業拍賣業務，並具有超過30年相關經驗。

邢家維先生，35歲，本集團獨立非執行董事。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。彼於香港聯合交易所有限公司主板上市的中國消防企業集團有限公司(股份代號：0445)、美力時集團有限公司(股份代號：1005)及理文手袋集團有限公司(股份代號：1488)出任獨立非執行董事。

**SENIOR MANAGEMENT**

**Mr. LAM Hiu Fung**, aged 42, Deputy Financial Controller of the Group. He joined the Group in 2005 and has 19 years of experience in financial management. He holds a bachelor's degree in Accountancy from City University of Hong Kong and a master's degree in International Business from the Chinese University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is responsible for the supervision on the financial matters, tax issues and general management of Jiangsu Lee & Man Chemical Limited.

**Mr. HUI Jun, Dan**, aged 58, Sales Director of the Group. He joined the Group in 2005 and has over 31 years experience in sales, marketing and business development in overseas and PRC enterprises. He is responsible for developing the Company's sales strategies, exploring potential markets and logistics management of Jiangsu Lee & Man Chemical Ltd.

**Mr. XIA Xu Dong**, aged 38, Director of Production of Jiangsu Lee & Man Chemical Ltd. He joined the Group in 2006 and has 16 years of production experience in chlor-alkali industries. He is responsible for the production and general management of Jiangsu Lee & Man Chemical Ltd.

**Dr. TSE Man Kin**, aged 41, Director of Research & Development of the Group. He joined the Group in 2008 and has 18 years of experience in chemical research and research management. He holds a Ph.D in Chemistry from the Chinese University of Hong Kong and is a member of the American Chemical Society. He is responsible for the research and development of Jiangsu Lee & Man Chemical Ltd.

**Mr. WU Zeng Long**, aged 43, Director of Sales of Jiangsu Lee & Man Chemical Limited. He joined the Group in 2007 and has 20 years of experience in sales, marketing and business development. He holds a bachelor's degree in applied chemistry. He is responsible for sales and logistics activities of Jiangsu Lee & Man Chemical Ltd.

**Mr. CHEAH Ming Huat**, aged 40, Financial Controller of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2011 and has 15 years of experience in financial management. He is a fellow member of the Association of Chartered Certified Accountants and chartered accountant of Malaysian Institute of Accountants. He is responsible for the supervision on the financial matters, treasure management, internal control, tax issues and general management of Jiangxi Lee & Man Chemical Limited.

**高級管理層**

**林曉峰先生**，42歲，本集團副財務總監。彼於2005年加入本集團，擁有19年財務管理經驗。彼持有香港城市理工大學會計學學士及香港中文大學國際商業碩士學位。彼為英國特許公認會計師公會之資深會員，亦為香港會計師公會會員。彼負責江蘇理文化工有限公司之財務監督，稅務及日常管理。

**許俊先生**，58歲，本集團銷售總監。彼於2005年加入本集團，曾任職於海外及國內多家企業，擁有逾31年之銷售，市場推廣及業務發展工作經驗。彼負責江蘇理文化工有限公司之銷售策略，業務拓展及物流管理工作。

**夏旭東先生**，38歲，江蘇理文化工生產總監。彼於2006年加入本集團，擁有16年氯鹼行業生產技術之經驗。彼負責江蘇理文化工有限公司之生產及日常管理工作。

**謝文健博士**，41歲，研發部總監。彼於2008年加入本集團，擁有18年化學研究及研發管理經驗。彼持有香港中文大學化學博士學位及為美國化學學會成員。彼負責江蘇理文化工有限公司之研發工作。

**吳增龍先生**，43歲，江蘇理文化工銷售總監。彼於2007年加入本集團，擁有20年銷售管理、市場推廣、業務發展工作經驗。彼持有應用化學學士學位。彼負責江蘇理文化工有限公司之銷售及物流工作。

**謝銘軒先生**，40歲，江西理文化工財務總監。彼於2011年加入本集團，擁有15年財務管理經驗。彼為英國特許會計師公會之資深會員及馬來西亞會計師公會之註冊會計師資格。彼負責江西理文化工有限公司之財務監督，資金管理，內部監控，稅務及日常工作。

# Directors' Report

## 董事會報告

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2012.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is principally engaged in the manufacture and sale of chemical products.

The activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated statement of comprehensive income on page 29.

An interim dividend of HK8 cents per share amounting to HK\$66,000,000 in aggregate was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK8 cents per share to the shareholders on the register of members on 23 May 2013, amounting to HK\$66,000,000 in total, and the retention of the remaining profit for the year of HK\$229,937,000.

### SHARE CAPITAL

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

### PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$319,842,000 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 15 to the consolidated financial statements.

董事會謹此提呈截至2012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及集團主要從事生產及銷售化工產品。

其主要附屬公司之業務概況載於財務報表附註35。

### 業績及分派

本集團截至2012年12月31日止年度之業績載於第29頁之綜合全面收益表。

年內已向股東派發中期股息每股8港仙總額66,000,000港元。

董事建議派發末期股息每股8港仙予於2013年5月23日名列股東名冊之股東，總額為66,000,000港元，年內保留溢利之保留額為229,937,000港元。

### 股本

本公司股本之詳情載於綜合財務報表附註27。

### 物業、廠房及設備

年內本集團添置約319,842,000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15。



## 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*)  
Mr. Lee Man Yan  
Mr. Yang Zuo Ning  
Ms. Wong Yuet Ming

### Independent non-executive directors

Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*  
Mr. Heng Victor Ja Wei

In accordance with the provisions of the Company's Articles of Association, Ms. Wai Siu Kee and Mr. Wong Kai Tung will retire at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.

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

## DIRECTORS' SERVICE CONTRACTS

Ms. Wai Siu Kee has entered into a service agreement with the Company on 1 September 2011 for a period of 3 years, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

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

Mr. Yang Zuo Ning and Ms. Wong Yuet Ming have each renewed into a service agreement with the Company for a fixed term of one year commencing 27 June 2012, which will be terminated by either party by three months' prior written notice.

## 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*)  
李文恩先生  
楊作寧先生  
王月明女士

### 獨立非執行董事

王啟東先生  
尹志強先生*BBS太平紳士*  
邢家維先生

根據本公司組織章程細則，衛少琦女士及王啟東先生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。

獨立非執行董事之任期，直至其須根據本公司組織章程細則之規定退任為止。

## 董事之服務合約

衛少琦女士於2011年9月1日與本公司訂立服務協議，為期3年，此後一直存續，除非及直至任何一方向另一方發出三個月事前書面通知予以終止為止。

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

楊作寧先生及王月明女士各自於2012年6月27日與本公司重新訂立服務協議，為期1年，而任何一方向另一方發出三個月事前書面通知可予以終止。

# Directors' Report

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

### 董事於股份及相關股份中之權益

At 31 December 2012, the interests and short positions of directors and chief executives of the Company and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO") which have been notified of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

於2012年12月31日,本公司各董事及最高行政人員及彼等之聯繫人於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中,擁有並須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」)的有關權益或淡倉,或已記錄於證券及期貨條例第352條須存置之登記冊,或已根據聯交所證券上市規則(「上市規則」)之上市公司董事進行證券交易之標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下:

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

#### (a) 於本公司股份之好倉

Ordinary shares of HK\$0.10 each of the Company

本公司每股0.1港元之普通股

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 普通股數目	Percentage of the issued share capital of the Company 佔已發行股本百分比
Lee Man Yan 李文恩	Held by controlled corporation 由受控法團持有	618,750,000 (note) (附註)	75%

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

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

#### (b) Share options

#### (b) 購股權

Name of director 董事姓名	Capacity 身份	Number of ordinary shares subject to options granted 已授出購股權之普通股數目	Percentage of the issued share capital of the Company 佔已發行股本百分比
Lee Man Yan 李文恩	Beneficial Owner 實益擁有人	82,500,000	10%

**DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)****董事於股份及相關股份中之權益(續)****(c) Long positions in shares of the associated corporations of the Company****(c) 於本公司相聯法團之股份好倉**

Name of Director	Capacity	Name of associated company	Number of issued ordinary shares held	Percentage of the issued shares of the associated company
董事姓名	身份	相聯法團名稱	所持已發行普通股數目	佔相聯法團已發行股本百分比
Lee Man Yan 李文恩	Beneficial owner 實益擁有人	Fortune Star	45 (note) (附註)	45%

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

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

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

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

**SHARE OPTIONS**

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

**購股權**

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

Details of the share option scheme and movement of the share options during the year are set out in note 28 to the consolidated financial statements.

於年內本公司購股權計劃及購股權變動之詳情載於綜合財務報表附註 28。

**ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

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

**購買股份或債券之安排**

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



# Directors' Report

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS

At 31 December 2012, 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 股東姓名	Capacity 身份	Number of issued ordinary shares held 普通股數目	Percentage of the issued share capital of the Company 佔已發行股本百分比
Fortune Star	Beneficial owner 實益擁有人	618,750,000	75%

Other than disclosed above, as at 31 December 2012, 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 33 to the consolidated financial statements which are also the discloseable connected transaction pursuant to Listing Rules. In the opinion of the independent non-executive directors, these transactions entered into by the Group were:

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

於2012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

除上文所披露，於2012年12月31日，概無任何其他人士(本公司董事或最高行政人員除外)通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

### 關連交易

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

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

除上文所披露外，並無任何其它交易須按上市規則之要求須予披露為關連交易。



### 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 were less than 30% of total revenue.

The aggregate purchases during the year attributable to the Group's five largest suppliers were approximately 66% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 31% of the Group's total purchases.

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

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

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

### PRE-EMPTIVE RIGHTS

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

### APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### 董事於重大合約中之權益

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

### 主要客戶及供應商

年內本集團五大客戶之累計銷貨少於本集團之總營業額30%。

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66%，而本集團最大供應商之購貨佔本集團總購貨約31%。

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

### 購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回本公司之上市證券。

### 優先購股權

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

### 委任獨立非執行董事

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

# Directors' Report

## 董事會報告

### EMOLUMENT POLICY

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

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

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

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2012.

### 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, 18 March 2013

### 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務報表附註28。

### 足夠公眾持股量

本公司於截至2012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，2013年3月18日

# Independent Auditor's Report

## 獨立核數師報告

# Deloitte.

## 德勤

**TO THE MEMBERS OF LEE & MAN CHEMICAL COMPANY LIMITED**  
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Lee & Man Chemical Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 29 to 97, which comprise the consolidated statement of financial position as at 31 December 2012, 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.

致理文化有限公司股東  
(於開群島註冊成立之有限公司)

本核數師行已審核載於第29頁至第97頁理文化有限公司(「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2012年12月31日之綜合財務狀況表，與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### **董事就綜合財務報表須承擔之責任**

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

### **核數師之責任**

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

# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITY (CONTINUED)

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

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

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2012, 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 18 March 2013

### 核數師之責任(續)

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

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

### 意見

本核數師行認為，本綜合財務報表足以真實並公平地反映 貴集團於2012年12月31日之財務狀況及 貴集團截至該日止年度之溢利及現金流量，並已根據香港財務報告準則及香港公司條例之披露規定而妥善編制。

**德勤•關黃陳方會計師行**  
執業會計師

香港，2013年3月18日

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

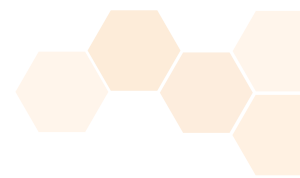
		Notes 附註	2012 HK\$'000 千港元	2011 HK\$'000 千港元
<b>Continuing operation</b>	<b>持續經營業務</b>			
Revenue	收入	5 & 6	<b>1,520,512</b>	1,808,348
Cost of sales	銷售成本		<b>(998,257)</b>	(963,084)
Gross profit	毛利		<b>522,255</b>	845,264
Other income	其他收入	7	<b>144,630</b>	55,298
Net gain (loss) from fair value changes on derivative financial instruments	衍生金融工具於公平值變動之淨收益(虧損)		<b>6,970</b>	(177)
Selling and distribution costs	銷售及分銷成本		<b>(58,312)</b>	(56,897)
General and administrative expenses	行政費用		<b>(106,788)</b>	(138,959)
Research and development cost	研發費用		<b>(51,433)</b>	(4,136)
Finance costs	融資成本	10	<b>(38,046)</b>	(12,853)
Share of (loss) profit of jointly controlled entities	應佔共同控制實體(虧損)利潤		<b>(325)</b>	7
Profit before taxation	除稅前溢利		<b>418,951</b>	687,547
Income tax expense	所得稅支出	8	<b>(57,014)</b>	(50,584)
Profit for the year from continuing operation	持續經營業務之年內溢利		<b>361,937</b>	636,963
<b>Discontinued operation</b>	<b>已終止經營業務</b>			
Profit for the year from discontinued operation	已終止經營業務之期內溢利	9	-	33,327
Gain arising from reclassification of translation reserve upon distribution in specie	實物分派時重列匯兌儲備所產生之收益	9	-	6,090
			-	39,417
<b>Profit for the year</b>	<b>年內溢利</b>	10	<b>361,937</b>	676,380
<b>Other comprehensive (expense) income</b>	<b>其他全面(支出)收益</b>			
Exchange differences arising from translation	因換算而產生的匯兌差額		<b>(2,116)</b>	71,957
Reclassification of translation reserve upon distribution in specie	實物分派時重列匯兌儲備		-	(6,090)
Share of reserve of jointly controlled entities	應佔共同控制實體儲備		-	221
Net adjustment on cash flow hedges	現金流對沖之調整淨額		<b>(4,503)</b>	(2,963)
Other comprehensive (expense) income for the year	年內其他全面(支出)收益		<b>(6,619)</b>	63,125
Total comprehensive income for the year	年內全面收益總額		<b>355,318</b>	739,505
Earnings per share from continuing and discontinued operations:	持續經營及已終止經營業務之每股盈利:	11		
- Basic (HK cents)	- 基本(港仙)		<b>43.9</b>	82.0
- Diluted (HK cents)	- 攤薄(港仙)		<b>43.9</b>	81.4
Earnings per share from continuing operation:	持續經營業務每股盈利:	11		
- Basic (HK cents)	- 基本(港仙)		<b>43.9</b>	77.2
- Diluted (HK cents)	- 攤薄(港仙)		<b>43.9</b>	76.7

## Consolidated Statement of Financial Position

## 綜合財務狀況表

(At 31 December 2012) (於2012年12月31日)

		Notes 附註	2012 HK\$'000 千港元	2011 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	<b>1,346,493</b>	1,124,535
Prepaid lease payments	預付租賃款項	16	<b>63,291</b>	45,454
Intangible assets	無形資產	17	<b>7,337</b>	8,443
Deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金		<b>205,970</b>	14,613
Deposit paid for land use right	土地使用權之已付訂金		<b>9,046</b>	3,045
Interests in jointly controlled entities	共同控制實體之權益	18	<b>25,047</b>	4,934
Loan to a jointly controlled entity	共同控制實體之貸款	21	<b>64,390</b>	9,400
			<b>1,721,574</b>	1,210,424
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	19	<b>76,253</b>	95,620
Prepaid lease payments	預付租賃款項	16	<b>941</b>	929
Trade and other receivables	應收貿易及其他款項	20	<b>160,038</b>	293,601
Amount due from a jointly controlled entity	應收共同控制實體款項	21	<b>6,211</b>	–
Derivative financial instruments	衍生金融工具	22	<b>6,941</b>	–
Bank balances and cash	銀行結餘及現金	23	<b>1,520,219</b>	1,233,108
			<b>1,770,603</b>	1,623,258
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付貿易及其他款項	24	<b>152,025</b>	190,234
Amounts due to related companies	應付關連公司款項	25	<b>6,989</b>	201
Taxation payable	應付稅項		<b>12,629</b>	14,738
Bank borrowings – due within 1 year	銀行借款 – 1年內到期	26	<b>218,826</b>	220,148
			<b>390,469</b>	425,321
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>1,380,134</b>	1,197,937
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>3,101,708</b>	2,408,361



		Notes 附註	2012 HK\$'000 千港元	2011 HK\$'000 千港元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Bank borrowings – due after 1 year	銀行借款 – 1年後到期	26	<b>1,198,130</b>	746,600
Derivative financial instruments	衍生金融工具	22	<b>9,739</b>	3,140
			<b>1,207,869</b>	749,740
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>1,893,839</b>	1,658,621
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	27	<b>82,500</b>	82,500
Reserves	儲備		<b>1,811,339</b>	1,576,121
			<b>1,893,839</b>	1,658,621

The consolidated financial statements on pages 29 to 97 were approved and authorised for issue by the Board of Directors on 18 March 2013 and are signed on its behalf by:

第29頁至第97頁所載之綜合財務報表已於2013年3月18日經董事會通過及授權刊發，並由下列董事代表簽署：

**Wai Siu Kee**  
衛少琦  
Chairman  
主席

**Lee Man Yan**  
李文恩  
Director  
董事



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

		Share capital	Share premium	Asset revaluation reserve	Non-distributable reserve	Safety fund reserve	Translation reserve	Hedging reserve	Share options reserve	Special reserve	Accumulated profits	Total
		股本	股份溢價	重估儲備	不可分派儲備	基本儲備	匯兌儲備	對沖儲備	購股權儲備	特別儲備	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note i)					(note ii)		
					(附註i)					(附註ii)		
At 1 January 2011	於2011年1月1日	82,500	20,307	6,642	59,575	-	75,877	-	66,804	(67,990)	1,055,583	1,299,298
Exchange differences arising from translation	因換算而產生的匯兌差額	-	-	-	-	-	71,957	-	-	-	-	71,957
Share of reserve of jointly controlled entities	應佔共同控制實體之儲備	-	-	-	-	-	221	-	-	-	-	221
Net adjustment on cash flow hedges	現金流對沖之調整淨額	-	-	-	-	-	-	(2,963)	-	-	-	(2,963)
Redclassification upon distribution in specie	於實物分派時重列	-	-	-	-	-	(6,090)	-	-	-	-	(6,090)
Other comprehensive income (expense) for the year	年內其他全面收益(支出)	-	-	-	-	-	66,088	(2,963)	-	-	-	63,125
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	676,380	676,380
Total comprehensive income (expense) for the year	年內全面收益(支出)總額	-	-	-	-	-	66,088	(2,963)	-	-	676,380	739,505
Recognition of equity-settled share-based payments	確認以股本結算為基礎之支出	-	-	-	-	-	-	-	62,370	-	-	62,370
Derecognition upon distribution in specie (Note 12)	於實物分派時取消確認(附註12)	-	-	(6,642)	-	-	-	-	-	(29,372)	(159,058)	(195,052)
Cash dividends recognised as distribution	確認分派之現金股息	-	-	-	-	-	-	-	-	-	(247,500)	(247,500)
Transfer to non-distributable reserve fund	轉入不可分派儲備基金	-	-	-	67,362	-	-	-	-	-	(67,362)	-
At 31 December 2011	於2011年12月31日	82,500	20,307	-	126,937	-	141,965	(2,963)	129,174	(97,362)	1,258,063	1,658,621
Exchange differences arising from translation	因換算而產生的匯兌差額	-	-	-	-	-	(2,116)	-	-	-	-	(2,116)
Net adjustment on cash flow hedges	現金流對沖之調整淨額	-	-	-	-	-	-	(4,503)	-	-	-	(4,503)
Other comprehensive expense for the year	年內其他支出總額	-	-	-	-	-	(2,116)	(4,503)	-	-	-	(6,619)
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	361,937	361,937
Total comprehensive (expense) income for the year	年內其他全面(支出)收益	-	-	-	-	-	(2,116)	(4,503)	-	-	361,937	355,318
Recognition of equity-settled share-based payments	確認以股本結算為基礎之支出	-	-	-	-	-	-	-	28,256	-	-	28,256
Cash dividends recognised as distribution	已確認分派之現金股息	-	-	-	-	-	-	-	-	-	(165,000)	(165,000)
Transfer to non-distributable reserve fund	轉入不可分派儲備基金	-	-	-	39,703	-	-	-	-	-	(39,703)	-
Recognition of safety fund reserve	安全基金儲備之確認	-	-	-	-	16,644	-	-	-	-	-	16,644
At 31 December 2012	於2012年12月31日	82,500	20,307	-	166,640	16,644	139,849	(7,466)	157,430	(97,362)	1,415,297	1,893,839

notes:

附註:

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

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

# Consolidated Statement of Cash Flows

## 綜合現金流量表

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before taxation:	除稅前溢利：		
Continuing operation	持續經營業務	418,951	687,547
Discontinued operation	已終止經營業務	-	37,603
		<b>418,951</b>	725,150
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	110,823	103,995
Share-based payment expense	股份支付開支	28,256	62,370
Finance costs	融資成本	38,046	12,853
Release of prepaid lease payments	釋出預付租賃款	929	1,008
Amortisation of intangible assets	無形資產攤銷	1,196	1,055
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	16	334
Net (gain) loss from fair value changes on derivative financial instruments	衍生金融工具公平值變動所產生之淨(收益)虧損	(6,970)	177
Interest income	利息收入	(64,378)	(25,889)
Share of loss (profit) of joint controlled entities	應佔共同控制實體虧損(利潤)	325	(7)
Operating cash flows before movements in working capital	營運資金變動前之經營業務現金流量	527,194	881,046
Decrease (increase) in inventories	存貨減少(增加)	19,367	(34,130)
Decrease (increase) in trade and other receivables	應收貿易及其他款項減少(增加)	137,208	(148,288)
Decrease in trade and other payables	應付貿易及其他款項減少	(23,840)	(7,480)
Increase (decrease) in derivative financial instruments	衍生金融工具增加(減少)	2,125	(530)
Increase in amounts due to related companies	應付關連公司款項增加	6,788	-
Cash generated from operations	經營業務所得現金	668,842	690,618
Income tax paid	已付所得稅金	(59,761)	(62,500)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>	<b>609,081</b>	628,118

# Consolidated Statement of Cash Flows

## 綜合現金流量表

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之 已付訂金	<b>(437,428)</b>	(39,397)
Derecognition of cash of subsidiaries upon Spin-off	分拆時取消確認附屬公司之現金	-	(33,703)
Purchase of property, plant and equipment	購置物業、廠房及設備	<b>(71,091)</b>	(18,749)
Loan to a jointly controlled entity	共同控制實體之貸款	<b>(54,873)</b>	(9,400)
Advance to a jointly controlled entity	共同控制實體之借款	<b>(6,211)</b>	-
Payment for prepaid lease payments	預付租賃款項支出	<b>(16,970)</b>	(7,470)
Deposit paid for land use right	土地使用權所付訂金	<b>(5,963)</b>	(2,990)
Purchase of intangible assets	購置無形資產	-	(904)
Interest received	已收利息	<b>64,378</b>	25,889
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得 款項	<b>7</b>	201
Further capital injection in a jointly controlled entity	共同控制實體的進一步注資	<b>(19,632)</b>	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動所耗現金淨額</b>	<b>(547,783)</b>	(86,523)
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Bank borrowings raised	新籌集銀行借款	<b>562,195</b>	803,191
Repayment of bank borrowings	償還銀行借款	<b>(146,827)</b>	(251,170)
Dividends paid	已付股息	<b>(165,000)</b>	(247,500)
Interest paid	已付利息	<b>(33,962)</b>	(11,345)
Repayment to related parties	償還關連公司	-	(6,754)
Settlement of derivative financial instruments under hedge accounting	衍生金融工具於 對沖會計法下結算	<b>(4,084)</b>	(1,508)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>融資活動所得現金淨額</b>	<b>212,322</b>	284,914
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及等同現金項目增加淨額</b>	<b>273,620</b>	826,509
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>於年初之現金及等同現金項目</b>	<b>1,233,108</b>	393,385
<b>EFFECT OF CHANGES IN EXCHANGE RATE</b>	<b>匯率變動之影響</b>	<b>13,491</b>	13,214
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>於年末之現金及等同現金項目</b>	<b>1,520,219</b>	1,233,108

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 1. GENERAL

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

On 22 June 2011, as part of a reorganisation of the Group's businesses, the Company effected a spin-off of Lee & Man Development Company and its subsidiaries (the "Handbags Group") which are principally engaged in the manufacture and sale of handbags (the "Handbags Business") by way of a distribution in specie to the Company's shareholders on a pro rata basis (the "Spin-off").

Following the Spin-off, the Group was principally engaged in the manufacture and sale of chemical products (the "Chemical Business").

Prior to the Spin-off, the functional currency of the Company was United States dollars. Because of the Spin-off, the Company's remaining subsidiaries would principally operate in a Renminbi ("RMB") environment. The directors reassessed the functional currency of the Company and changed to RMB as RMB better reflects the underlying transactions, event and condition that are relevant to the Company.

The consolidated financial statements are presented in Hong Kong dollars ("HK dollars") as the Company is listed in Hong Kong.

The Company acts as an investment holding company and the principal activities of its principal subsidiaries are set out in note 35.

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

In the current year, the Company has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets.

The application of the above amendments to 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.

### 1. 一般資料

本公司根據開曼群島公司法(經修訂)第22章於開曼群島註冊成立為一家獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。其最終控股公司及直屬母公司為Fortune Star Tradings Ltd.，一間於英屬維爾京群島註冊成立之公司。其最終控股方為李運強先生。本公司註冊辦事處於本年報「公司資料」中披露。

於2011年6月22日，作為本集團業務重組的一環，本公司透過按比例向本公司之股東作出實物分派，將理文發展有限公司及其附屬公司(「手袋集團」)分拆，手袋集團主要從事製造和銷售手袋的業務(「手袋業務」)。

緊接分拆後，集團主要從事生產及銷售化工產品(「化工業務」)。

於分拆前，本公司之功能貨幣為美元。由於進行分拆，本公司之現有附屬公司均於人民幣(「人民幣」)環境下經營，董事重新檢討後認為本公司之功能貨幣應為人民幣，因人民幣更能反映公司相關交易、事件及情況。

由於本公司於香港上市，因此綜合財務報表以港元(「港元」)呈示。

本公司為一間投資控股公司。其主要附屬公司之主要業務載於年報中附註35。

### 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團應用以下由香港會計師公會(「香港會計師公會」)所頒佈之經修訂香港財務報告準則。

香港會計準則第12號(修訂本)	遞延稅項：收回相關資產
香港財務報告準則第7號(修訂本)	金融工具：披露—金融資產轉移

在本年度應用上述經修訂香港財務報告準則，對本集團本年度及過往年度的財務表現及狀況及／或對該等綜合財務報表所載的披露並無重大影響。

## Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)**

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

Amendments to HKFRSSs	Annual Improvements to HKFRSSs 2009–2011 Cycle <sup>1</sup>
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>3</sup>
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities <sup>2</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 10	Consolidated Financial Statements <sup>1</sup>
HKFRS 11	Joint Arrangements <sup>1</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>1</sup>
HKFRS 13	Fair Value Measurement <sup>1</sup>
HKAS 19 (as revised in 2011)	Employee Benefits <sup>1</sup>
HKAS 27 (as revised in 2011)	Separate Financial Statements <sup>1</sup>
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures <sup>1</sup>
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income <sup>4</sup>
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>2</sup>
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2013.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2014.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2015.

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2012.

**2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)**

本集團並無提早採納下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則 (修訂本)	香港財務報告準則 2009年至2011年週期之年度改進 <sup>1</sup>
香港財務報告準則第7號(修訂本)	披露—金融資產和金融負債的互相抵銷 <sup>1</sup>
香港財務報告準則第9號及香港財務報告準則第7號(修訂本)	香港財務報告準則第9號的強制性生效日期及過渡性披露 <sup>3</sup>
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本)	綜合財務報表、共同安排及披露於其他實體的權益：過渡指引 <sup>1</sup>
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本)	投資實體 <sup>2</sup>
香港財務報告準則第9號	金融工具 <sup>3</sup>
香港財務報告準則第10號	綜合財務報表 <sup>1</sup>
香港財務報告準則第11號	共同安排 <sup>1</sup>
香港財務報告準則第12號	披露於其他實體的權益 <sup>1</sup>
香港財務報告準則第13號	公平值計量 <sup>1</sup>
香港會計準則第19號(於2011年修訂)	僱員福利 <sup>1</sup>
香港會計準則第27號(於2011年修訂)	獨立財務報表 <sup>1</sup>
香港會計準則第28號(於2011年修訂)	於聯營公司及合營企業的投資 <sup>1</sup>
香港會計準則第1號(修訂本)	呈列其他全面收益項目 <sup>4</sup>
香港會計準則第32號(修訂本)	金融資產和金融負債的互相抵銷 <sup>2</sup>
香港(國際財務報告詮釋委員會)—註釋第20號	露天礦場生產階段的剝採成本 <sup>1</sup>

<sup>1</sup> 於2013年1月1日或之後開始的年度期間生效。

<sup>2</sup> 於2014年1月1日或之後開始的年度期間生效。

<sup>3</sup> 於2015年1月1日或之後開始的年度期間生效。

<sup>4</sup> 於2012年7月1日或之後開始的年度期間生效。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

### Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for the Group for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective for the Group until annual periods beginning on or after 1 January 2014, with retrospective application required.

The directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made in the future.

### New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK(SIC) – Int 12 *Consolidation – Special Purpose Entities* will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

## 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港會計準則第32號之修訂「抵銷金融資產及金融負債」及香港財務報告準則第7號之修訂「披露－抵銷金融資產及金融負債」

香港會計準則第32號之修訂釐清有關抵銷金融資產及金融負債規定的現有應用問題。特別是，該等修訂釐清「目前有法律權利可抵銷」及「同時變現及清償」的涵義。

香港財務報告準則第7號之修訂規定實體須就可執行的總淨額結算協議或同類安排下的金融工具披露有關抵銷權利及相關安排(如抵押過賬規定)的資料。

香港財務報告準則第7號之修訂本於2013年1月1日或以後開始的年度期間及該等年度期間內的中期期間生效。所有可資比較期間的資料亦須追溯披露。然而，香港會計準則第32號之修訂將於2014年1月1日或以後開始的年度期間生效，並須追溯調整。

董事預期應用該等香港會計準則第32號及香港財務報告準則第7號之修訂本將來或會涉及更多的披露。

### 綜合、共同安排、聯營公司及披露的新訂及經修訂準則

於2011年6月，有關綜合、共同安排、聯營公司及披露的五項準則組合頒布，包括香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號(於2011年經修訂)及香港會計準則第28號(於2011年經修訂)。

此五項準則的主要規定概述如下。

香港財務報告準則第10號取代香港會計準則第27號「綜合及個別財務報表」內有關與綜合財務報表部份。香港(常設詮釋委員會)－詮釋第12號「綜合－特殊目的實體」將於香港財務報告準則第10號生效日期被撤銷。根據香港財務報告準則第10號，綜合賬目之唯一基準為控制權。此外，香港財務報告準則第10號包含控制權的新定義，其中包括三個元素：(a)有權控制投資對象；(b)自參與投資對象營運所得浮動回報的承擔或權利；及(c)能夠運用其對投資對象的權力以影響投資者回報金額。香港財務報告準則第10號已就複雜情況之處理方法加入詳細指引。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”) (CONTINUED)

#### New and revised standards on consolidation, joint arrangements, associates and disclosures (Continued)

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK(SIC) – Int 13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers* will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

The directors anticipate that these five standards will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013. Based on the existing group structure, the application of these five standards is not expected to have impact on amounts reported in the consolidated financial statements and the application of HKFRS 11 will not result in changes in the accounting of the Group’s jointly controlled entities that are currently accounted for using the equity method.

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

#### 綜合、共同安排、聯營公司及披露的新訂及經修訂準則(續)

香港財務報告準則第11號取代香港會計準則第31號「於合營企業的權益」。香港財務報告準則第11號訂明由兩個或以上團體擁有共同控制權的共同安排應如何分類。香港(常設詮釋委員會)一詮釋第13號「共同控制實體—合營企業的非貨幣性投入」於香港財務報告準則第11號生效日期被撤銷。根據香港財務報告準則第11號，共同安排歸類為合營業務或合營企業，具體視乎各方於該等安排下的權利及責任而釐定。相反，根據香港會計準則第31號，共同安排分為三個不同類別：共同控制實體、共同控制資產及共同控制業務。此外，根據香港財務報告準則第11號，合資企業須採用權益會計法入賬，但根據香港會計準則第31號，共同控制個體可採用權益會計法或比例綜合會計法入賬。

香港財務報告準則第12號為一項披露準則，適用於於附屬公司、共同安排、聯營公司及／未綜合結構實體擁有權益的實體。整體而言，香港財務報告準則第12號所載的披露規定較現行準則所規定者更為詳盡。

於2012年7月，香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號(修訂本)已獲發行，以首次澄清應用此五項香港財務報告準則的若干過渡指引。

董事預期該等五項準則將於2013年1月1日年度開始於本集團的綜合財務報表中採用。基於現時集團架構，該等五項準則的應用將不會對綜合財務報表上的呈報金額造成影響，亦不會改變現時採用權益會計法入賬的共同控制實體的會計方法。

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

### Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 Presentation of Items of Other Comprehensive Income introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a ‘statement of comprehensive income’ is renamed as a ‘statement of profit or loss and other comprehensive income’. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. The amendments to HKAS 1 also require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group for annual period beginning on 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that 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.

## 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

### 香港會計準則第1號(修訂本)「其他全面收益項目呈列」

香港會計準則第1號(修訂本)「其他全面收益項目呈列」引入全面收益表及收益表之新專門用語。根據香港會計準則第1號(修訂本)「全面收益表」更名為「損益及其他全面收益表」，而「收益表」則更名為「損益表」。香港會計準則第1號(修訂本)保留以單一或兩份獨立但連續報表呈列損益及其他全面收益之選擇。然而，香港會計準則第1號(修訂本)規定其他全面收益項目歸類成兩個類別：(a) 其後不會重新分類至損益之項目；及(b) 當符合特定條件時，其後可能會重新分類至損益之項目。其他全面收益項目之所得稅須根據相同基礎分配—該等修訂並無更改以除稅前或扣除稅項後之方式呈列其他全面收益項目之選擇。

香港會計準則第1號(修訂本)於2013年1月1日開始的年度期間生效。其他全面收益項目的呈列將於未來會計期間應用此等修訂時據此修改。

## 3. 主要會計政策

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

綜合財務報表乃按歷史成本基準編制，惟若干按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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

Income and expenses 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.

#### Distribution of non-cash assets to owners

A liability for dividend payable is recognised when an entity declares a distribution and has an obligation to distribute the assets. The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. The Group measures a liability to distribute non-cash assets as a dividend to its owner at net carrying amount of the assets to be distributed when the non-cash asset is ultimately controlled by the same parties both before and after the distribution.

#### Jointly controlled entities

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

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

### 3. 主要會計政策(續)

#### 綜合基準

綜合財務報表包括本公司及本公司控制之實體(附屬公司)的財務報表。當本公司有權力操縱某實體之財政及經營政策以藉其業務之中獲益，將視為擁有控制權。

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。

#### 分派予擁有人之非現金資產

應付股息責任於實體宣派及承擔分派資產責任時確認。派付股息責任於股息獲適當授權且不再由實體酌情決定時確認。當非現金資產於分派前後最終由相同人士控制時，本集團將按分派資產賬面淨值分派予擁有人股息之方式計量非現金資產分派責任。

#### 共同控制實體

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Jointly controlled entities (Continued)

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

Upon disposal of a jointly controlled entity that results in the Group losing joint control over that jointly controlled entity, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the jointly controlled entity attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the jointly controlled entity. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that jointly controlled entity on the same basis as would be required if that jointly controlled entity had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that jointly controlled entity would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses joint control over that jointly controlled entity.

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

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold 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, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

### 3. 主要會計政策(續)

#### 共同控制實體(續)

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

倘出售共同控制實體會導致本集團失去對該共同控制實體之集體控制，則任何保留投資會按當日之公平價值計量，並以其根據香港會計準則第39號首次確認為金融資產之公平價值作其公平價值。先前已保留權益應佔共同控制實體賬面值與其公平價值間之差額，計入出售該共同控制實體之收益或虧損。此外，本集團將先前在其他全面收益就該共同控制實體確認之所有金額入賬，基準與該共同控制實體直接出售相關資產或負債之基準相同。因此，倘該共同控制實體先前已確認其他全面收益之收益或虧損，則會於出售相關資產或負債時重新分類至損益表，當本集團失去對該共同控制實體之集體控制時，本集團將收益或虧損由權益重新分類至損益表(作為重新分類調整)。

倘集團實體與本集團共同控制實體進行交易，與共同控制實體交易所產生的損益於集團綜合報表確認，但只限於有關投資共同控制實體而與集團無關。

#### 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，並同時符合以下條件時確認：

- 本集團將商品所有重大風險及回報之擁有權已轉移給買方；
- 本集團既沒有保留通常與所有權相聯系的繼續管理權，也沒有對已售商品實施有效控制；
- 收入金額能夠可靠地計量；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (Continued)

- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 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 (other than construction in progress) 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 other than construction in progress 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.

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

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

### 3. 主要會計政策(續)

#### 收入確認(續)

- 與交易相關的經濟利益很可能流入本集團；及
- 有關交易所產生或將予產生的成本能夠可靠地計量。

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

#### 物業、廠房及設備

除在建工程外，物業、廠房及設備(包括持有作貨物生產或行政用途的樓宇)乃按成本減累計折舊及累計減值虧損入賬(如有)。

除在建工程外，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。

用作生產或行政用途之在建中物業、廠房及設備，按成本減任何已確認之減值虧損列賬。成本收入專業費用及借貸成本(合資格資產)根據本集團的會計政策進行資本化。該等資產完工並可投入擬定用途時，則會分類至合適的物業、廠房及設備類別。該等資產計提折舊的基準與其他物業資產相同，即在資產可投入擬定用途時開始計提折舊。

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。任何一項物業、廠房及設備資產之出售及報廢，按該項目之出售所得款與賬面值間之差額計算盈虧，並計入損益。

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Leasing**

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

**The Group as lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

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.

**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 released over the lease term on a straight-line basis. 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.

**Intangible assets****Intangible assets acquired separately**

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

**3. 主要會計政策(續)****租賃**

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

**集團作為承租人**

經營租賃款項乃按租賃年期以直線法確認。

當訂立經營租賃時收到租賃優惠，該等優惠被確認為負債。各項優惠以直線法確認為遞減租金開支。

**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，則入賬列作經營租賃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。當租賃款項無法於土地及樓宇部份之間可靠分配時，則整份租賃一般分類為融資租賃及入賬列作物業、廠房及設備。

**無形資產****獨立收購之無形資產**

獨立收購及有限使用年限之無形資產，按成本減任何累計攤銷及任何累計減損列賬，使用年期有限之無形資產會於估計使用年限內，按直線法作攤銷撥備。估計使用年期及攤銷方法於各報告期間結算日審閱，估計變動之影響按前瞻性基準列賬。

無形資產於出售時或當預期再使用或出售時也沒有產生經濟效益，則可取消確認。出售無形資產時，按其出售所得淨額與該資產賬面值間之差額計算盈虧，並於該資產取消確認時計入損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 sales.

#### Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF scheme"), which are defined contribution plans, are recognised an expense when employees have rendered service entitling them to the contributions.

#### 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.

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 except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operation are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting. Income and expenses items 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 under heading of translation reserve.

### 3. 主要會計政策(續)

#### 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及銷售之所需估計費用。

#### 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。

#### 外幣

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

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益表確認。按公平值列賬之非貨幣項目於重新換算時產生之匯兌差額於該期間之損益表確認。除了非貨幣項目因重新換算而產生的匯兌差額的損益須在其他全面收益中直接確認。在這些情況下，匯兌差額也須在其他全面收益中直接確認。

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies (Continued)

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

#### Change in functional currency

Functional currency of a group entity is changed only if there is a change to the underlying transactions, events and conditions relevant to the entity. The effect of a change in the translation functional currency is accounted for prospectively. At the date of change, the entity translates all items into the new functional currency using the prevailing exchange rate at that date and the resulting translated amounts for non-monetary items are treated as the historical cost. Exchange differences arising from the translation of foreign operations recognised in translation reserve are not recognised in profit or loss until the disposal of the operation.

#### 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, 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.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 3. 主要會計政策(續)

#### 外幣(續)

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

#### 功能貨幣變動

集團實體之功能貨幣僅於實體之相關交易、項目及狀況出現變動時有變。兌換功能貨幣之變動影響按預期情況列賬。於變動當日，該實體按當日之現行匯率將所有項目兌換為新功能貨幣，非貨幣項目產生之兌換金額按歷史成本處理。匯兌儲備確認換算海外業務產生之匯兌差額於出售業務時方會於損益確認。

#### 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，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產之特定借貸作短期投資賺取之投資收入，於合資格資本化之借貸成本中扣除。

所有借貸成本均於產生期間在綜合全面收益表確認並計入融資成本。

#### 政府補貼

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

政府補貼於本集團確認有關成本為開支期間有系統地於損益內確認，該補貼擬用於補償相關成本。

作為補償已產生開支或虧損或旨在為本集團提供實時財務資助(而無未來相關成本)之應收政府補貼，乃於應收期間確認為損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

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

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

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

### 3. 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(「除稅前溢利」)，此乃由於其並無計入其他年度的應課稅或可扣稅收支項目，亦無計入日後的毋須課稅及不可扣稅的項目。本集團的即期稅項負債乃按已於各報告期末訂定或大致訂定的稅率計算。

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

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

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

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

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Taxation (Continued)**

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 are 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 deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Share-based payment transactions****Equity-settled share-based payment transaction**

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). Service and non-market base performance conditions are not taken in account when estimating the fair value at measurement date.

Instead, service and non-market base performance conditions are taken in consideration to determine the number of share options that are expected to ultimately vest.

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.

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

**Financial instruments**

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

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

**3. 主要會計政策(續)****稅項(續)**

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。現時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，則遞延稅項亦會分別於其他全面收益或直接或於股本權益內確認。

**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。於計量日估計公平值時，並不計及服務及非市場基礎表現條件。

此外最終歸屬購股權數目的估算也會考慮服務及非市場基礎表現條件。

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，令累計支出反映修訂結算，並對購股權儲備相應作出調整。

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

**金融工具**

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

金融資產及金融負債按公平值初步計量。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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets

The Group's financial assets are classified into one of the categories, including loans and receivables and financial assets at FVTPL. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument 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.

##### 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, loan to a jointly controlled entity, amount due from a jointly controlled entity 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).

##### Financial assets at fair value through profit loss

The Group's financial assets classified as financial assets at FVTPL are derivatives that are not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the periods in which they arise.

##### Impairment of financial assets

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

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產

本集團之金融資產分為兩個類別其中之一：包括貸款及應收賬款和按公平值列賬及計入損益之金融資產。分類視乎金融資產性質及目的而定，在初始確定時釐定。

##### 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。

債務工具按實際利率基準確認利息收入。

##### 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，共同控制實體之貸款及銀行結餘)採用實際利息法按攤銷成本減任何已識別減值虧損入賬(請參閱下文之金融資產減值虧損會計政策)。

##### 按公平值計入損益的金融資產

本集團的金融資產分類為按公平值計入損益的金融資產，為並非指定為對沖工具的衍生工具。

按公平值計入損益的金融資產按公平值計量，重新計量產生的公平值變動直接於產生期間的損益扣除。

##### 金融資產減值

金融資產(按公平值列賬及計入損益之金融資產除外)於報告期末評估是否有減值跡象。倘出現客觀證據，即金融資產初步確認後產生之一項或多項事件令金融資產之估計未來現金流量受到影響，則金融資產被視為減值。

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Financial instruments (Continued)***Financial assets (Continued)**Impairment of financial assets (Continued)*

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.

For certain categories of financial asset, 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 credit period ranged 7 to 60 days and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all loans and receivables with the exception of trade 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 receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss 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.

**3. 主要會計政策(續)****金融工具(續)***金融資產(續)**金融資產減值(續)*

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。

就若干類別的金融資產款項(如應收貿易賬款)評估為不會個別減值的資產，會於其後彙集一併接受減值評估。應收款項組合出現的客觀減值證據，可能包括本集團過往的付款記錄、組合內超過信貸期7-60日過期還款數目上升，以及國家或地方經濟狀況出現明顯變動導致拖欠應收款項。

就按攤銷成本計值之金融資產而言，減值虧損金額乃按資產賬面值與按原有實際利率貼現之估計未來現金流量現值之差額確認。

所有貸款及應收款項的減值虧損會直接於金融資產的賬面值中作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益中確認。當貿易應收賬款被視為不可收回時，其將於撥備賬內撇銷。於其後收回先前已撇銷的款項將計入損益。

就以攤銷成本計值的金融資產而言，倘於隨後期間減值虧損的數額減少，而此項減少可客觀地與確認減值虧損後的某一事件聯繫，則先前確認的減值虧損於損益中予以撥回，惟於撥回減值當日的資產賬面值不得超逾未確認減值時的攤銷成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity instruments

Debt 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.

##### Equity instruments

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 Company 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 (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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

##### Financial liabilities at fair value through profit or loss

The Group's financial liabilities classified as financial liabilities at FVTPL are derivatives that are not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise.

##### Other financial liabilities

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

### 3. 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合同安排之性質與金融負債及股本工具之定義分類。

##### 股本工具

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及按有關期間攤分利息開支之方法。實際利率為透過金融負債之預測使用年期，或較短期間(如適用)將估計日後現金支出(包括所有已付或已收構成整體實際利率之費用及點子、交易成本及其他溢價或折讓)實際貼現至初步確認之賬面淨值利率。

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

##### 按公平值於損益列賬之金融負債

本集團之金融負債分類為按公平值列賬及計入損益之金融負債，為一種並不能作為指定對沖工具之衍生工具。

按公平值列賬及計入損益之金融負債以公平值計量，因重新計量之公平值變動於產生期間直接在損益表內確認。

##### 其他金融負債

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

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Financial instruments (Continued)****Derivative financial instruments and hedging**

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 unless the derivative is designated and effective as hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

**Hedge accounting**

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

**Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in other comprehensive income and accumulated in hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (hedging reserve) are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated statement of comprehensive income as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, exercised, or when it no longer qualified for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in hedging reserve at that time remains in equity and is recognised when the hedged risks are ultimately recognised in profit or loss.

**3. 主要會計政策(續)****金融工具(續)****衍生財務工具及對沖**

衍生工具於衍生合約訂立日期初步按公平值確認，其後於報告期末重新計量至其公平值。所產生之盈虧即時於損益中確認，除非衍生工具是作為指定及對沖工具，則於損益確認的時間視乎對沖關係的性質而定。

**對沖會計法**

本集團指定某些衍生工具為對沖工具，用作現金流量對沖。

於對沖關係之開始，實體記錄對沖工具和被對沖項目的關係，及進行各類對沖交易之風險管理目標及其策略。此外，於對沖開始和按持續基準進行期間，本集團記錄用於對沖關係之對沖工具是否能高度有效地抵銷被對沖項目的現金流量變動。

**現金流量對沖**

指定和符合資格作現金流量對沖之衍生工具公平值變動，其有效部分於其他綜合收益內確認並累計於對沖儲備內，其無效部分之盈虧即時於損益內確認。

當被對沖項目於損益內被確認後，其之前確認於其他全面收益及累計於權益下(對沖儲備)之金額將重新撥回損益，一併列於綜合收益表確認的對沖項目內。

當本集團解除對沖關係、對沖工具已屆滿、售出、終止、行使或不再符合對沖會計法，對沖會計法將被終止。當時確認於其他全面收益及累計於對沖儲備之任何盈虧將保留於權益內，並在預測交易最終於損益內確認時確認。倘預測交易預期不再進行，於權益之累計盈虧即時於損益內以重新分類調整確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

##### Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 取消確認

倘總資產收取現金流的合約權利已屆滿，則金融資產將終止確認。

於取消確認金融資產時，該項資產的賬面值與已收及應收代價以及於其他全面收益確認並於權益累計之累計收益或虧損之總和差額於損益確認。

倘於本集團之責任獲解除、取消或屆滿時，本集團則取消確認金融負債。已取消確認金融負債之賬面值與已付及應付代價之差額於損益內確認。

##### 有形及無形資產減值

本集團於每個報告期末審閱其有形及無形資產之賬面值，判斷是否有任何跡象顯示該等資產蒙受任何減值虧損。倘存在任何該等跡象，將估計資產之可收回價值，以釐定減值虧損之程度(如有)。當無法估計一項個別資產之可回收金額時，本集團將估計資產所屬現金產生單位之可回收金額。於可確定分配基準屬合理及貫徹一致時，企業資產亦分配至個別現金產生單位，或另行分配該等資產至可確定分配基準屬合理及貫徹一致之最小組別現金產生單位。

可收回金額指公平值減銷售成本與使用價值之較高者。於評估使用價值時，估計日後現金流量按反映貨幣時間價值之當前市場評估及未調整日後現金流量估計之特定資產風險稅前貼現率貼現至現值。

倘估計資產(或現金產生單位)之可收回價值低於其賬面值，則該資產(或現金產生單位)之賬面值須減低至其可收回價值。減值虧損會即時確認於損益內。

倘減值虧損其後撥回，則該資產之賬面值須增加至其經修訂之估計可收回價值，惟所增加之賬面值不得超過於過往年度並無就該資產確認任何減值虧損下而釐定之賬面值。減值虧損撥回會即時確認為收入。

#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

##### Impairment loss on trade receivables

The assessment of the impairment loss on trade receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness of each customer. If the financial conditions of 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 2012, the carrying value of trade receivables (net of impairment loss) was approximately HK\$15,302,000 (2011: HK\$36,373,000).

##### 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. Estimation of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. Where the net realisable value is less than the cost, a material write down may arise. As at 31 December 2012, the carrying amount of inventories (net of allowances) was approximately HK\$76,253,000 (2011: HK\$95,620,000).

##### Income taxes

As at 31 December 2012, a deferred tax asset in relation to unused tax losses of approximately HK\$8,379,000 (2011: approximately HK\$8,606,000) was not recognised in the consolidated statement of financial position due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the expectation for future profit streams changes, a recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

#### 4. 估計不確定性之主要來源

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

##### 應收貿易款項之減值虧損

本集團應收貿易款項之減值虧損之評估以可收回性、賬齡分析及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷,包括各客戶之現時信譽。倘本集團客戶財務狀況日趨惡化,削弱其付款能力,則須提撥額外準備。減值乃按估計日後現金流量以原來實際利率貼現以計算現值。於2012年12月31日,應收貿易款項之賬面值(扣除減值虧損後)約15,302,000港元(2011: 約36,373,000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。當市場價值淨額少於賬面值時,將會產生重大撥備。於2012年12月31日,存貨之賬面值(扣除準備後)約76,253,000港元(2011: 約95,620,000港元)。

##### 所得稅

由於未來溢利之流入不可預測,於2012年12月31日,有關未動用稅項虧損之遞延稅項資產約8,379,000港元(2011: 約8,606,000港元)並無在本集團之財務狀況表中確認。遞延稅項資產之變現主要有賴於是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利乃多於預期溢利,遞延稅項資產可能會予以實質撥回,而該未來溢利會於有關撥回發生期間之綜合收益表內確認。

## Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

## 5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Manufacture and sales of chemical products 製造及銷售化工產品	<b>1,520,512</b>	1,808,348

## 6. SEGMENT INFORMATION

## (a) Operating segments

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

The Group used to have two operating segments, namely, the Handbag Business and the Chemical Business with segment information being presented without allocating corporate expenses and balances. Following the Spin-off, the CODM regards the Chemical Business as the Group's sole operating and reportable segment and reviews the Group's results and financial position as a whole for the purpose of performance measurement and resources allocation. Accordingly, no segment analysis is presented for both years other than entity wide disclosure.

## (b) Geographical information

The Group's operations from continuing operation are located in the PRC.

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

## 5. 收入

本集團年內收入分析如下：

	2012 HK\$'000 千港元	2011 HK\$'000 千港元
製造及銷售化工產品	<b>1,520,512</b>	1,808,348

## 6. 分部資料

## (a) 經營分部

向本集團主席，即主要經營決策者呈報資料，其主要目的是對銷售種類作出資源分配及分部表現評估。

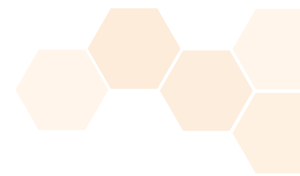
本集團曾經擁有兩個經營分部，分別為手袋業務及化工業務，所呈列之分部資料並無分配企業開支及結餘。緊接分析後，本集團主要營運決策者以化工業務為本集團的唯一可報告分部，並檢討其整體財政狀況以作出資源分配及評核分部表現。因此，該兩個年度內本集團並無編製任何分部分析。

## (b) 地區資料

本集團持續經營業務位於中國。

本集團持續經營業務來自外部客戶之收入及按資產地區劃分之非流動資產詳情如下：

		Revenue from external customers 來自外部客戶的收入		Non-current assets 非流動資產	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元	2012 HK\$'000 千港元	2011 HK\$'000 千港元
PRC 中國		<b>1,469,726</b>	1,795,854	<b>1,657,184</b>	1,201,024
The United States of America 美國		<b>48,555</b>	12,494	-	-
Korea 韓國		<b>2,231</b>	-	-	-
		<b>1,520,512</b>	1,808,348	<b>1,657,184</b>	1,201,024



## 6. SEGMENT INFORMATION (CONTINUED)

### (c) Revenue from major products

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

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Chloromethane products	甲烷氯化物	<b>576,684</b>	1,064,551
Caustic soda	燒碱	<b>663,532</b>	582,029
Hydrogen peroxide	過氧化氫	<b>113,579</b>	117,287
Others	其他	<b>166,717</b>	44,481
		<b>1,520,512</b>	1,808,348

### (d) Information about major customers

Revenue from sales to customer contributing over 10% of the total sales of the Group is as follow:

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Customer A	客户A	<b>N/A<sup>1</sup> 不適用</b>	240,128

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total sales of the Group.

## 6. 分部資料(續)

### (c) 主要產品收入

集團的主要產品收入分析如下：

	<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Chloromethane products	<b>576,684</b>	1,064,551
Caustic soda	<b>663,532</b>	582,029
Hydrogen peroxide	<b>113,579</b>	117,287
Others	<b>166,717</b>	44,481
	<b>1,520,512</b>	1,808,348

### (d) 主要客戶資料

超過本集團總銷售額10%的銷售客戶，按銷售收入如下：

	<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Customer A	<b>N/A<sup>1</sup> 不適用</b>	240,128

<sup>1</sup> 相應收入不超過集團總銷售額的10%。



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## 7. OTHER INCOME

## 7. 其他收入

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Bank interest income	銀行利息收入	<b>64,378</b>	25,889
Government grants (note)	政府補貼(附註)	<b>34,980</b>	16,011
Exchange gain	匯兌收益	<b>36,669</b>	5,947
Others	其他	<b>8,603</b>	7,451
		<b>144,630</b>	55,298

note: The Group recognises these grants as other income upon receipt.

附註：集團於收到該等補貼時予以入賬。

## 8. INCOME TAX EXPENSE

## 8. 所得稅支出

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
The charge comprises:	支出包括：		
Current tax:	本期稅項：		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅	<b>56,963</b>	95,158
EIT credit (note)	企業所得稅抵免(附註)	-	(44,623)
Other jurisdictions	其他司法地區	<b>51</b>	49
		<b>57,014</b>	50,584

note: This represented EIT credit by the relevant tax authority calculated with reference to amount of qualified property, plant and equipment that the Group sourced within the PRC.

備註：企業所得稅抵免乃由有關稅務當局按源於中國境內採購之合資格物業、廠房及設備而計算。

The Group's major business is in the PRC. Under the Law of the PRC on EIT and its Implementation Regulation, the tax rate of the PRC subsidiaries is 25%.

本集團的主要業務位於中國。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為25%。

Pursuant to the relevant laws and regulations in the PRC, Jiangsu L&M (as defined in Note 35) is exempted from PRC income tax for two years starting from 2008, followed by a 50% reduction for the next three years. These tax holidays expire in 2012.

根據中國相關法律及條例，江蘇理文(定義見於附註35)自2008年起豁免兩年中國企業所得稅，而隨後三年則享有減半稅優惠。此稅務優惠待遇將有效至2012年止。

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

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

No provision for Hong Kong Profits Tax is made for both years since there is no assessable profit for both years.

由於該兩個年度並無應評稅利潤，故無提撥香港利得稅。

**8. INCOME TAX EXPENSE (CONTINUED)**

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

**8. 所得稅支出(續)**

年內稅項開支與綜合全面收益表所列除稅前利潤對賬如下：

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Profit before taxation	除稅前溢利		
Continuing operation	持續經營業務	<b>418,951</b>	687,547
Discontinued operation	已終止經營業務	-	37,603
		<b>418,951</b>	725,150
Tax at the domestic income tax rate of 25% (2011: 25%)	按本地所得稅率25%之稅項 (2011: 25%)	<b>104,738</b>	181,288
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	<b>19,182</b>	22,589
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利時毋須應課稅收入之稅務影響	<b>(7,914)</b>	(3,136)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>57</b>	533
Tax effect of offshore income not subject to tax	毋應稅離岸收入之稅務影響	-	(5,411)
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	-	(102)
Effect of tax holidays granted to a PRC subsidiary	中國附屬公司獲稅務豁免之影響	<b>(57,347)</b>	(95,586)
Effect of different tax rates of subsidiaries operating in other jurisdictions	其他司法權區的稅率差異之影響	<b>(1,702)</b>	(692)
EIT credit	中國企業所得稅抵免	-	(44,623)
Income tax expense for the year	年內所得稅支出	<b>57,014</b>	54,860
Analysed as:	分析為：		
- continuing operation	- 持續經營業務	<b>57,014</b>	50,584
- discontinued operation	- 已終止經營業務	-	4,276
		<b>57,014</b>	54,860

At the end of the reporting period, the Group has unutilised tax losses of HK\$8,379,000 (2011: HK\$8,606,000) available to offset against future profits. As at 31 December 2012, the tax losses of HK\$8,379,000 (2011: HK\$8,606,000) from a PRC subsidiary will expire at various dates up to and including 2017 (2011: 2016). No deferred tax asset has been recognised on the tax losses due to the unpredictability of future profit streams.

於報告期末，本集團還有未用的稅務虧損8,379,000港元(2011: 8,606,000港元)以抵沖未來溢利。於2012年12月31日，中國附屬公司的8,379,000港元(2011: 8,606,000港元)稅務損失將於2017年(2011: 2016)之前的不同日子屆滿。由於未來溢利之流入不可預測，故沒有稅務損失在遞延稅項資產中確認。

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## 9. DISCONTINUED OPERATION

Upon the Spin-off, the Group discontinued its Handbag Business, the results of which from 1 January 2011 to 22 June 2011 (date of Spin-off) were presented as a discontinued operation as follows:

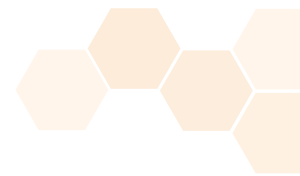
## 9. 已終止經營業務

於分拆時，集團終止其手袋業務，從2011年1月1日至2011年6月22日(分拆日)已終止經營業務呈列如下：

		2011 HK\$'000 千港元
Revenue	收入	347,362
Cost of sales	銷售成本	(250,621)
Gross profit	毛利	96,741
Other income	其他收入	2,043
Selling and distribution costs	銷售及分銷成本	(5,280)
General and administrative expenses	行政費用	(40,604)
Listing expenses	上市費用	(14,565)
Interest on bank borrowings wholly repayable within five years	利息支出— 於五年內全部償還之銀行借款	(732)
Profit before taxation	除稅前溢利	37,603
Income tax expense	所得稅支出	(4,276)
Profit for the period	期內溢利	33,327
Gain arising from reclassification of translation reserve upon distribution of specie	就實物分派所產生之匯兌儲備收益	6,090
		39,417
Profit for the period from discontinued operation included the following:	已終止經營業務期內溢利	
Directors' emoluments	已扣除： 董事薪酬	854
Other staff costs	其他職員成本	98,122
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	442
Total staff costs	員工成本總額	99,418
Release of prepaid lease payments	釋出預付租賃款項攤銷	233
Auditors' remuneration	核數師酬金	188
Cost of inventories recognised as expenses (including write-down of HK\$771,000)	已確認為支出的存貨成本(包括存貨減值撥回771,000港元)	250,621
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	4,740
Exchange loss	匯兌虧損	1,941
Loss on fair value changes on derivative financial instruments	衍生金融工具所產生的 公平值變動之虧損	494
and after crediting:	及包括：	
Interest income	利息收入	31
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	17

During the period from 1 January 2011 to 22 June 2011, the Handbag Group contributed cash inflow of HK\$4,147,000 to the Group's net operating cash flows, paid HK\$2,205,000 in respect of investing activities and paid HK\$17,779,000 in respect of financing activities.

自2011年1月1日至2011年6月22日期間，手袋集團為本集團之淨營運現金流量貢獻4,147,000港元之現金流入、就投資活動支付2,205,000港元以及就融資活動支付17,779,000港元。



## 10. PROFIT FOR THE YEAR

## 10. 年內溢利

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Continuing operation</b>	<b>持續經營業務</b>		
Profit for the year has been arrived at after charging:	年內溢利已扣除：		
Directors' emoluments ( <i>note 13</i> )	董事薪酬(附註13)	<b>38,651</b>	73,110
Other staff costs:	其他職員成本：		
Salaries and other benefits (excluding directors)	薪金及其他福利(董事除外)	<b>52,765</b>	44,304
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	<b>3,907</b>	3,580
Total staff costs	員工成本總額	<b>95,323</b>	120,994
Finance costs:	融資成本		
Interest on bank borrowings wholly repayable within five years	利息支出—須於五年內全部償還之銀行借款	<b>33,962</b>	11,345
Net adjustment on interest rate swaps designated as cash flow hedges of floating rate debt	作浮息的借款現金流對沖的利息掉期合約之調整淨額	<b>4,084</b>	1,508
		<b>38,046</b>	12,853
Release of prepaid lease payments	釋出預付租賃款項	<b>929</b>	775
Amortisation of intangible assets	無形資產攤銷	<b>1,196</b>	1,055
Auditors' remuneration	核數師酬金	<b>1,714</b>	1,493
Cost of inventories recognised as expenses	已確認為支出的存貨成本	<b>998,257</b>	963,084
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>110,823</b>	99,255
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<b>16</b>	268

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## 11. EARNINGS PER SHARE

## 11. 每股盈利

The calculation of the basic and diluted earnings per share from profit attributable to the owners of the Company is based on the following data:

就應佔股東溢利所計算的每股基本及攤薄盈利乃按下列數據釐定：

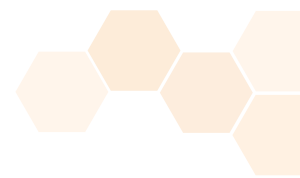
		2012 HK\$'000 千港元	2011 HK\$'000 千港元
<b>From continuing and discontinued operations</b>	<b>持續經營及已終止經營業務</b>		
Earnings from continuing and discontinued operations for the purposes of basic and diluted earnings per share	用以計算每股基本及攤薄盈利的持續經營及已終止經營業務之盈利	<b>361,937</b>	676,380
Number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利的普通股數	<b>825,000,000</b>	825,000,000
Effect of dilutive potential ordinary shares: Share options	普通股潛在攤薄影響：購股權	-	5,525,890
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利的普通股加權平均數	<b>825,000,000</b>	830,525,890
<b>From continuing operation</b>	<b>持續經營業務</b>		
Earnings from continuing operation for the purpose of basic and diluted earnings per share	用以計算每股基本盈利的持續經營業務之盈利	<b>361,937</b>	636,963
Number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利的普通股數	<b>825,000,000</b>	825,000,000
Effect of dilutive potential ordinary shares: Share options	普通股潛在攤薄影響：購股權	-	5,525,890
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利的普通股加權平均數	<b>825,000,000</b>	830,525,890

The presentation of diluted earnings per share for 2012 did not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares in 2012.

由於2012年該等購股權之行使價超出股份平均市價，故呈列2012年每股攤薄盈利時並無假設本公司購股權獲行使。

For the year ended 31 December 2011, basic earnings per share for the discontinued operation is HK 4.8 cents per share and diluted earnings per share for the discontinued operation is HK 4.7 cents per share, based on the profit for the year from the discontinued operations of HK\$39,417,000 and the denominators detailed above for both basic and diluted earnings per share.

於2011年12月31日年末，已終止經營業務之每股基本盈利為4.8港仙及已終止經營業務之每股攤薄盈利為4.7港仙，此數字是根據已終止經營業務的年內溢利39,417,000港元及上述詳列每股基本及攤薄盈利的分母而計算。



## 12. DIVIDENDS

## 12. 股息

		<b>2012</b>	2011
		<b>HK\$'000</b>	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：		
Final dividend of HK12 cents per share for the year ended 31 December 2011	截至2011年12月31日止年度末期股息每股12港仙	<b>99,000</b>	—
Interim dividend of HK8 cents per share for the year ended 31 December 2012	截至2012年12月31日止年度中期股息每股8港仙	<b>66,000</b>	—
Final dividend of HK13 cents per share for the year ended 31 December 2010	截至2010年12月31日止年度末期股息每股13港仙	—	107,250
Interim dividend of HK17 cents per share for the year ended 31 December 2011	截至2011年12月31日止年度中期股息每股17港仙	—	140,250
		<b>165,000</b>	247,500

A final dividend of HK8 cents (2011: HK12 cents) per share amounting to HK\$66,000,000 (2011: HK\$99,000,000) in respect of the year ended 31 December 2012 has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

In addition to the above, during the year ended 31 December 2011, the Spin-off was effected by means of a distribution in specie whereby the net assets of the Handbag Group on the date of the Spin-off amounting to approximately HK\$195 million was effectively distributed to the Company's shareholders on a pro rata basis. Details of distribution are disclosed in Note 38.

董事會已建議派發截至2012年12月31日止年度之末期股息每股8港仙(2011: 12港仙)共66,000,000港元(2011: 99,000,000港元)，惟須待股東於週年大會上批准。

除上文所述者外，截至2011年12月31日，分拆亦透過實物分派方式進行，手袋集團於分拆日之淨資產約為1.95億港元，在分拆過程中，該等資產實際上按比例被分派予本公司之股東。分派詳情載於附註38。

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(For the year ended 31 December 2012) (截至2012年12月31日止年度)

## 13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 7 (2011: 9) directors were as follows:

## 13. 董事酬金

已付或應付予7位(2011: 9位)董事之酬金如下:

	Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元	Other emoluments 其他酬金			Total 合計 HK\$'000 千港元
			Contributions to retirement benefit schemes 退休福利 計劃供款 HK\$'000 千港元	Share-based performance related incentive 以股份為 基礎之相關 表現獎金 HK\$'000 千港元	Discretionary bonus payments 其他表現 相關獎金 HK\$'000 千港元	
<b>Year ended 31.12.2012</b>	<b>截至2012年12月31日止年度</b>					
<i>Executive directors</i>	<i>執行董事</i>					
Wai Siu Kee	960	1,200	-	-	4,000	6,160
Lee Man Yan	960	1,184	-	28,256	-	30,400
Yang Zuo Ning	-	937	-	-	-	937
Wong Yuet Ming	-	780	14	-	-	794
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Wong Kai Tung, Tony	120	-	-	-	-	120
Wan Chi Keung, Aaron JP	120	-	-	-	-	120
Heng Victor Ja Wei	120	-	-	-	-	120
	<b>2,280</b>	<b>4,101</b>	<b>14</b>	<b>28,256</b>	<b>4,000</b>	<b>38,651</b>

## 13. DIRECTORS' EMOLUMENTS (CONTINUED)

## 13. 董事酬金(續)

		Other emoluments 其他酬金					Total 合計
		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元	Contributions to retirement benefit schemes 退休福利 計劃供款 HK\$'000 千港元	Share-based performance related incentive 以股份為 基礎之相關 表現獎金 HK\$'000 千港元	Discretionary bonus payments 其他表現 相關獎金 HK\$'000 千港元	
<b>Year ended 31.12.2011</b>	<b>截至2011年12月31日止年度</b>						
<i>Executive directors</i>	<i>執行董事</i>						
Wai Siu Kee	衛少琦	480	1,156	–	–	6,000	7,636
Poon Lai Ming (resigned on 27.6.2011)	潘麗明 (辭任於2011年6月27日)	–	34	2	–	–	36
Lee Man Yan	李文恩	480	1,320	6	62,370	–	64,176
Kung Phong (resigned on 27.6.2011)	龔鈺 (辭任於2011年6月27日)	–	256	6	–	–	262
Yang Zuo Ning (appointed on 27.6.2011)	楊作寧 (委任於2011年6月27日)	–	1,136	–	–	–	1,136
Wong Yuet Ming (appointed on 27.6.2011)	王月明 (委任於2011年6月27日)	–	382	6	–	–	388
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>						
Wong Kai Tung, Tony	王啟東	110	–	–	–	–	110
Wan Chi Keung, Aaron JP	尹志強	110	–	–	–	–	110
Heng Victor Ja Wei	邢家維	110	–	–	–	–	110
		<u>1,290</u>	<u>4,284</u>	<u>20</u>	<u>62,370</u>	<u>6,000</u>	<u>73,964</u>

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

*附註:* 以股份為基礎之相關表現獎金乃按董事在發展及管理化工產品業務的出色表現，以致本集團利潤大幅上升及作為對他將來為集團持續作出貢獻的獎勵。其他表現相關獎金乃按個人表現而釐定。於該兩個年度內並無董事放棄任何酬金。



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## 14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2011: three) were directors of the Company whose emoluments are disclosed in note 13 above. The emoluments of the remaining two (2011: two) individuals were as follows:

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	<b>1,768</b>	1,687
Contributions to retirement benefits schemes	退休福利計劃供款	<b>10</b>	6
		<b>1,778</b>	1,693

The emoluments were within the following band:

		<b>2012</b>	2011
		<b>Number of employees</b>	Number of employees
		僱員數目	僱員數目
Nil to HK\$1,000,000	截至1,000,000港元	<b>2</b>	2

## 14. 僱員酬金

在本集團5位最高薪酬之人士中，包括3位(2011：3位)本公司董事，其薪酬已載於上文附註13。而其餘2位(2011：2位)之酬金如下：

酬金介乎下列幅度：

## 15. PROPERTY, PLANT AND EQUIPMENT

## 15. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Furniture fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>							
At 1 January 2011	於2011年1月1日	149,943	28,781	18,225	9,238	1,145,706	113,540	1,465,433
Exchange realignment	匯兌調整	2,283	97	4	138	50,559	3,420	56,501
Additions	添置	-	1,664	-	1,371	1,685	60,804	65,524
Disposals	出售	-	(474)	-	(155)	(766)	-	(1,395)
Derecognised upon Spin-off	分拆時取消確認	(97,051)	(26,973)	(18,229)	(7,047)	(44,308)	-	(193,608)
Transfer	轉撥	620	364	-	46	175,774	(176,804)	-
At 31 December 2011	於2011年12月31日	55,795	3,459	-	3,591	1,328,650	960	1,392,455
Exchange realignment	匯兌調整	694	48	-	140	16,639	135	17,656
Additions	添置	-	1,518	-	6,676	7,463	304,185	319,842
Disposals	出售	-	(129)	-	-	(31)	-	(160)
Transfer	轉撥	75	-	-	-	4,797	(4,872)	-
At 31 December 2012	於2012年12月31日	56,564	4,896	-	10,407	1,357,518	300,408	1,729,793
<b>DEPRECIATION</b>	<b>折舊</b>							
At 1 January 2011	於2011年1月1日	63,697	21,898	11,665	7,424	190,411	-	295,095
Provided for the year	本年撥備	4,772	1,481	322	697	96,723	-	103,995
Exchange realignment	匯兌調整	260	53	1	55	8,290	-	8,659
Elimination on disposal	出售時對銷	-	(373)	-	(155)	(332)	-	(860)
Derecognised upon Spin-off	分拆時取消確認	(61,030)	(21,652)	(11,988)	(6,390)	(37,909)	-	(138,969)
At 31 December 2011	於2011年12月31日	7,699	1,407	-	1,631	257,183	-	267,920
Provided for the year	本年撥備	2,529	609	-	968	106,717	-	110,823
Exchange realignment	匯兌調整	127	23	-	29	4,515	-	4,694
Elimination on disposal	出售時對銷	-	(109)	-	-	(28)	-	(137)
At 31 December 2012	於2012年12月31日	10,355	1,930	-	2,628	368,387	-	383,300
<b>CARRYING VALUE</b>	<b>賬面值</b>							
At 31 December 2012	於2012年12月31日	46,209	2,966	-	7,779	989,131	300,408	1,346,493
At 31 December 2011	於2011年12月31日	48,096	2,052	-	1,960	1,071,467	960	1,124,535

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

Buildings and leasehold improvements	5%
Furniture, fixtures and equipment	20%
Motor vehicles	25%
Plant and machinery (Handbag Business)	20%
Plant and machinery (Chemical Business)	5% – 20%

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

上述物業、廠房及設備項目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(手袋業務)	20%
廠房及機器(化工業務)	5% – 20%

本集團物業權益的賬面值指在中國境內享有中期土地使用權土地上的建築物。

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## 16. PREPAID LEASE PAYMENTS

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

## 16. 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。

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Analysed for reporting purposes as:			
Non-current asset		63,291	45,454
Current asset		941	929
		<b>64,232</b>	<b>46,383</b>

## 17. INTANGIBLE ASSETS

## 17. 無形資產

		Technical knowhow 技術知識 HK\$'000 千港元
<b>THE GROUP</b>	<b>本集團</b>	
<b>COST</b>	<b>成本</b>	
At 1 January 2011	於2011年1月1日	10,587
Addition	添置	904
Currency realignment	滙兌調整	471
At 31 December 2011	於2011年12月31日	11,962
Currency realignment	滙兌調整	150
At 31 December 2012	於2012年12月31日	12,112
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1 January 2011	於2011年1月1日	2,264
Provided for the year	本年度攤銷	1,055
Currency realignment	滙兌調整	200
At 31 December 2011	於2011年12月31日	3,519
Provided for the year	本年度攤銷	1,196
Currency realignment	滙兌調整	60
At 31 December 2012	於2012年12月31日	4,775
<b>CARRYING VALUE</b>	<b>賬面值</b>	
At 31 December 2012	於2012年12月31日	7,337
At 31 December 2011	於2011年12月31日	8,443

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

有關技術知識乃購自第三方。其於十年之估計使用年限內，按直線法攤銷。

## 18. INTERESTS IN JOINTLY CONTROLLED ENTITIES

## 18. 共同控制實體之權益

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Cost of unlisted investments in jointly controlled entities	非上市共同控制實體之投資成本	24,177	4,545
Share of profit and other comprehensive income	應佔其他全面收益	870	389
		<b>25,047</b>	<b>4,934</b>

As at 31 December 2012 and 2011, the Group had interests in the following jointly controlled entities:

於2011年及2012年12月31日，本集團擁有以下共同控制實體之權益：

Name of jointly controlled entity 共同控制實體名稱	Place of establishment/ incorporation 成立地點	Proportion of issued and fully paid up capital indirectly held by the Group 本集團間接持有的已發行及繳足資本比例		Principal activities 主要業務
		2012	2011	
常熟東港置業有限公司 (Note i) (附註i)	PRC 中國	40%	50%	Provision of port facilities 提供港口設施
Southern Hill Company Limited (Note ii) 南峰有限公司(附註ii)	Hong Kong 香港	50%	50%	Investment holding 投資控股

notes:

- (i) During the year, a deemed disposal of 10% of equity interest of the jointly controlled entity was resulted by the capital injection by existing joint venture partners and the join-in of a new jointly venture partner. No gain or loss on deemed disposal of partial interest in jointly controlled entity was recognised as the Group's share of net asset value of the jointly controlled entity after the capital injection represented the Group's 40% of equity interest.
- (ii) On 28 June 2011, the Group entered into a joint venture agreement with Lee & Man Paper Manufacturing Limited ("Lee & Man Paper") which the ultimate controlling party is also Mr. Lee Wan Keung, and Southern Hill Company Limited, for the purpose of establishing a wholly foreign owned enterprise ("WFOE") named 瑞昌理文物流有限公司. The registered capital and costs and expenses of the WFOE are borne by the Group and Lee & Man Paper Manufacturing Limited on a pro-rata basis. Details of the agreement are disclosed in an announcement of the Company dated 28 June 2011.

附註：

- (i) 年內，由於現有及新加一名合營夥伴作了進一步注資導致視作出售共同控制實體之10%股本權益。並無確認視作出售共同控制實體部份權益之收益或虧損，因進一步注資後，本集團應佔共同實體之資產淨值為40%股本權益。
- (ii) 於2011年6月28日，本集團與理文造紙有限公司(「理文造紙」)及南峰有限公司就成立名稱為瑞昌理文物流有限公司之外商獨資企業(「外商獨資企業」)訂立合營協議；該外商獨資企業的註冊資本、投資金、成本及費用均按本集團及理文造紙的持股比例承擔。協議詳情已刊載於本公司在2011年6月28日之公告內。

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**18. INTERESTS IN JOINTLY CONTROLLED ENTITIES**  
(CONTINUED)

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

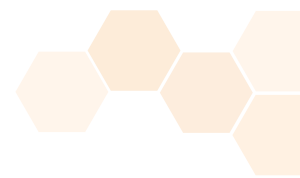
**18. 共同控制實體之權益(續)**

有關本集團投資共同控制實體之財務資料，按權益會計法入賬，概述如下：

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Current assets	流動資產	<b>32,846</b>	12,171
Non-current assets	非流動資產	<b>62,306</b>	2,177
Current liabilities	流動負債	<b>(5,715)</b>	(14)
Non-current liabilities	非流動負債	<b>(64,390)</b>	(9,400)
Income recognised in profit or loss	確認於損益表內的收入	-	16
Expenses recognised in profit or loss	確認於損益表內的支出	<b>(325)</b>	(9)
Other comprehensive income for the year	年內其他全面收益	<b>501</b>	221

**19. INVENTORIES****19. 存貨**

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Raw materials and consumables	原材料及耗用品	<b>44,811</b>	56,784
Work in progress	在制品	<b>7,048</b>	8,809
Finished goods	製成品	<b>24,394</b>	30,027
		<b>76,253</b>	95,620



## 20. TRADE AND OTHER RECEIVABLES

## 20. 應收貿易及其他款項

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Trade receivables	應收貿易賬款	<b>15,302</b>	36,373
Bills receivables	應收票據	<b>60,467</b>	207,417
		<b>75,769</b>	243,790
Prepayment	預付款	<b>28,546</b>	24,551
Deposits to suppliers	付供應商訂金	<b>32,733</b>	12,603
Value-added tax receivables	應收增值稅項	<b>19,128</b>	-
Other receivables	其他應收款項	<b>3,700</b>	12,424
Other deposits	其他訂金	<b>162</b>	233
		<b>160,038</b>	293,601
Total trade and other receivables	應收貿易及其他款項	<b>160,038</b>	293,601

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

應收貿易及票據款項於報告期末按發票日期之賬齡如下：

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Less than 30 days	少於30天	<b>72,307</b>	236,398
31-60 days	31至60天	<b>2,665</b>	7,392
61-90 days	61至90天	<b>797</b>	-
		<b>75,769</b>	243,790

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.

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。

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
US dollars	美元	<b>-</b>	7,392

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. Trade receivables that are neither past due nor impaired are considered to be recovered based on historical experience.

於接納任何新客戶前，本集團透過調查客戶之過往信貸記錄評估其潛在信貸質量並隨後界定其信貸額度。按過往經驗，既無過期亦無減值之應收貿易賬款會被視作可收回。

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**20. TRADE AND OTHER RECEIVABLES (CONTINUED)**

The Group generally allows its trade customers a credit period ranged from 7 to 60 days. During the years ended 31 December 2012 and 31 December 2011, no allowance for doubtful debts was provided. The Group generally makes provision against debts which are considered as not recoverable. At 31 December 2012, trade receivables of approximately HK\$797,000 (2011: Nil) was past due. The Group does not hold any collateral over the overdue balance.

**Ageing of trade receivables which are past due but not impaired:**

61–90 days	61至90天

**Movement in the allowance for doubtful debts**

Balance at beginning of the year	年初結餘
Amount written off as uncollectible	不能收回之撇賬金額
Disposal upon Spin-off	分拆時的處置
Exchange realignment	滙兌調整
Balance at end of the year	年終結餘

**20. 應收貿易及其他款項(續)**

本集團給予貿易客戶之信貸期限一般介乎7至60日。於2012年12月31日及2011年12月31日年度，並無作出呆賬撥備。本集團一般對認為不能收回之債項計提撥備。於2012年12月31日，應收貿易賬款已到期約為797,000港元(2011年：零)。本集團並無就該等結餘持有任何抵押品。

已過期而未減值的應收貿易款項賬齡如下：

2012 HK\$'000 千港元	2011 HK\$'000 千港元
797	—

壞賬撥備之變動如下

2012 HK\$'000 千港元	2011 HK\$'000 千港元
—	350
—	(123)
—	(232)
—	5
—	—

**21. LOAN TO A JOINTLY CONTROLLED ENTITY/AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY**

The non-current loan to a jointly controlled entity represented shareholder's loan to Southern Hill Company Limited. As at 31 December 2012, the amount is unsecured, interest-free and repayable on demand. As at 31 December 2011, the amount was unsecured, interest-free and repayable on demand. On both dates, the directors did not expect the amount to be repaid within one year after the end of the reporting period. The Group is denominated in US dollars which is a currency other than functional currency of the relevant group entity.

As at 31 December 2012, the amount to a jointly controlled entity represented the loan due to 常熟東港置業有限公司. The amount is unsecured, interest-free and repayable in November 2013.

**21. 共同控制實體之貸款／共同控制實體之借款**

共同控制實體之非流動貸款指股東給予 Southern Hill Company Limited 之貸款。於2012年12月31日，有關款項為無抵押、不計息及須應要求償還。於2011年12月31日，有關款項為無抵押、不計息及須應要求償還。於該等日期，董事並不預期有關款項可於報告期末後一年內償還。本集團以有關集團實體功能貨幣以外之貨幣美元計值。

於2012年12月31日，該等款項指股東給予常熟東港置業有限公司貸款。有關款項為無抵押、不計息及須於2013年11月償還。

## 22. DERIVATIVE FINANCIAL INSTRUMENTS

## 22. 衍生金融工具

		Current 流動		Non-current 非流動	
		2012 HK\$'000 千港元	2011 HK\$'000 千港元	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Derivative financial assets – net settlement	衍生金融資產 – 淨額結算				
<b>Derivatives not under hedge accounting</b>	衍生工具(並非按對沖 會計法入賬)				
Foreign currency forward contracts (Note i)	外幣遠期合約(附註i)	<b>6,941</b>	–	–	–
Derivative financial liabilities – net settlement	衍生金融負債 – 淨額結算				
<b>Derivatives under hedge accounting</b>	按對沖會計法入賬 之衍生工具				
Interest rate swaps (Note ii)	利率掉期(附註ii)	–	–	<b>(7,466)</b>	(2,963)
<b>Derivatives not under hedge accounting</b>	衍生工具(並非按對沖 會計法入賬)				
Structured foreign currency forward contract (Note iii)	結構性外幣遠期合約 (附註iii)	–	–	<b>(2,273)</b>	–
Interest rate swaps (Note iv)	利率掉期(附註iv)	–	–	–	(177)
		<b>–</b>	–	<b>(9,739)</b>	(3,140)

The fair values of the derivative financial instruments are calculated using discounted cash flow analysis based on the applicable yield curves of interest rates and forward rates.

The derivative financial instruments are denominated in US and HK dollars which are not the functional currency of the relevant group entity.

衍生金融工具之公平值乃根據貼現現金流量分析，以適用的回報曲綫及遠期匯率作基礎而計算。

衍生金融工具是以有關集團實體之非功能貨幣美元及港元計值。



## Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

**22. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

notes:

**(i) Foreign currency forward contracts – not under hedge accounting**

As at 31 December 2012, the amount represents the fair value of foreign currency forward contracts held by the Group with terms stated as follows:

Notional amount 概念金額	Currency conversion 貨幣兌換
8 contracts to sell US\$64,000,000 in total 8份總沽出64,000,000美元合約	US\$1: RMB6.344 to 6.363 美元1: 人民幣6.344 to 6.363

The above contracts will mature within one to eight months from the end of the reporting period. There is a fair value gain of HK\$6,941,000 (2011: nil) during the year.

**(ii) Interest rate swaps – under hedging accounting**

The Group uses interest rate swaps to minimise its exposure to cash flow interest rate risk of certain of its variable-rate US dollars and HK dollars bank borrowings (see note 26) by swapping a proportion of the variable-rate bank borrowings from variable interest rates to fixed interest rates. The interest rate swaps and the corresponding bank borrowings have substantially the same terms and the directors of the Company consider that the interest rate swaps are highly effective hedging instruments. Major terms of the interest rate swaps outstanding at 31 December 2012 are set out below:

Notional amount 概念金額	Interest rate swap 利率掉期
1 contract with US\$38,000,000 1份38,000,000美元合約	From LIBOR + 2% to fixed rate of 2.93% 由倫敦銀行同業拆息+2%掉期至定息2.93%
1 contract with US\$22,000,000 1份22,000,000美元合約	From LIBOR to fixed rate of 1.68% 由倫敦銀行同業拆息掉期至定息1.68%
1 contract with US\$15,000,000 1份15,000,000美元合約	From LIBOR + 1.75% to fixed rate of 2.83% 由倫敦銀行同業拆息+1.75%掉期至定息2.83%
1 contract with HK\$200,000,000 1份200,000,000港元合約	From HIBOR to fixed rate of 0.8% 由香港銀行同業拆息掉期至定息0.8%

Major terms of the interest rate swaps outstanding at 31 December 2011 are set out below:

Notional amount 概念金額	Interest rate swap 利率掉期
1 contract with US\$22,000,000 1份22,000,000美元合約	From LIBOR to fixed rate of 1.68% 由倫敦銀行同業拆息掉期至定息1.68%
1 contract with US\$15,000,000 1份15,000,000美元合約	From LIBOR + 1.75% to fixed rate of 2.83% 由倫敦銀行同業拆息+1.75%掉期至定息2.83%

The above contracts will mature within two to four (2011: three) years from the end of the reporting period which match with the tenor of the corresponding bank borrowings.

**22. 衍生金融工具(續)**

附註:

**(i) 外幣遠期合約 – 非對沖會計法下**

於2012年12月31日該金額指本集團持有之外幣遠期合約之公平值及條款載列如下:

上述合約將於報告期末1至8個月到期。年內將有公平值溢利6,941,000港元(2011: 零)。

**(ii) 利率掉期 – 於對沖會計法下**

本集團採用利率掉期，通過將部分浮息銀行借貸由浮息利率換轉成固定利率，藉此盡量減低浮息美元及港元銀行借款所承擔之現金流量利率風險(見附註26)。利率掉期及相應之銀行借貸大部份具有相同條款，董事認為利率掉期乃非常有效之對沖工具。於2012年12月31日利率掉期的主要條款載列如下:

於2011年12月31日利率掉期的主要條款如下:

上述合約將於報告期末2至4(2011: 3)年內到期，並附合相關銀行借款內容。

**22. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

notes: (Continued)

**(ii) Interest rate swaps-under hedging accounting (Continued)**

During the year ended 31 December 2012, net adjustment of HK\$4,503,000 (2011: HK\$2,963,000) was recognised in other comprehensive income and accumulated in equity and is expected to be released to the consolidated statement of comprehensive income at various dates in line with the interest schedule of the corresponding bank borrowings in the coming two to four (2011: three) years. A loss from fair value changes of HK\$4,084,000 (2011: HK\$1,508,000) relating to interest incurred was recognised in profit or loss (note 10).

**(iii) Structured foreign currency forward contract – not under hedge accounting**

At 31 December 2012, the notional amount of a structured foreign currency forward contract amounted to US\$5,000,000 with 24 valuation dates from 3 January 2013 to 3 December 2014 with settlement dates from 7 January 2013 to 5 December 2014. The expiry date of the contract is 3 December 2014.

On each of the 24 valuation dates, if the US\$/RMB spot rate with reference to Reuters page CNHFIX01 as determined by a pre-agreed calculation agent (the "Spot Rate") pursuant to the structured foreign currency forward contract, is higher than a strike rate at US\$1:RMB6.5 (the "Strike Rate"), the Group will be obligated to sell the notional amount of US\$5,000,000 at the Strike Rate and thus the Group may suffer a loss. If the Spot Rate is less than the Strike Rate, the Group will receive a pre-determined rebate amount of RMB144,000. There is a fair value loss of HK\$2,273,000 (2011: nil) during the year.

**(iv) Interest rate swaps – not under hedge accounting**

Major terms of an interest rate swap contract outstanding as at 31 December 2011 not under hedge accounting were as follows:

**Notional amount**  
概念金額

1 contract with US\$38,000,000  
1份38,000,000美元合約

The above contract would mature within three years from 31 December 2011. During the year ended 31 December 2012, it became qualified for hedge accounting and is included in Note 22(ii).

**22. 衍生金融工具(續)**

附註：(續)

**(ii) 利率掉期 – 於對沖會計法下(續)**

2012年12月31日年內，調整淨額4,503,000港元(2011年：2,963,000港元)已於其他全面收益內確認及於權益中累計處理，預期將於未來二至四年(2011年：三年)配合相應銀行借貸之利率支付期於不同日子轉回綜合收益表。與所產生利息有關之公平值變動產生之虧損4,084,000港元(2011年：1,508,000港元)已於損益表中確認有關利息(附註10)。

**(iii) 結構性外幣遠期合約 – 非對沖會計法下**

於2012年12月31日，自2013年1月3日至2014年12月3日止24個估值日計，結構性外幣遠期合約之概念金額為數5,000,000美元，結算日期為2013年1月7日至2014年12月5日。合約將於2014年12月3日屆滿。

於各24個估值日，根據結構性外幣遠期合約，倘美元兌人民幣由預先協定之計算代理參照路透社頁面(Reuters page) CNHFIX01釐定的(「現貨匯率」)，高於行使匯率(「行使匯率」)美元兌人民幣1:6.5，本集團將須以行使匯率出售概念金額5,000,000美元，因此本集團可能遭受損失。倘現貨匯率低於行使匯率，本集團將收取預先釐定退款金額人民幣144,000元。於本年度，產生公平值虧損2,273,000港元(2011：無)。

**(iv) 利率掉期 – 非對沖會計法下**

於2011年12月31日非對沖會計法下一份利息掉期合約的主要條款如下：

**Interest rate swap**  
利率掉期

From LIBOR + 2% to fixed rate of 2.93%  
由倫敦銀行同業拆息+2%掉期至定息2.93%

上述合約將由2011年12月31日起三年內到期。於2012年12月31日年末，已成為合格的對沖會計法及載於附註22(ii)。

## Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

**23. 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 0.35% to 5.80% (2011: 0.50% to 5.80%) 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.

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
HK dollars	港元	3,248	3,151
US dollars	美元	82,838	134,000
		<b>86,086</b>	<b>137,151</b>

**24. TRADE AND OTHER PAYABLES**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The credit period obtained for trade purchases is 7 to 45 days.

Included in trade and other payables is trade payable of HK\$43,970,000 (2011: HK\$56,306,000). The aged analysis of trade payable based on the invoice date at the end of the reporting period is as follows:

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Less than 30 days	少於30天	32,286	44,243
31–60 days	31至60天	2,374	3,473
61–90 days	61至90天	2,534	1,120
Over 90 days	90天以上	6,776	7,470
		<b>43,970</b>	56,306
Receipt in advance	預收款	26,472	59,167
Construction payable	應付工程款	24,926	23,819
Value-added tax accruals	應付增值稅項	21,559	5,026
Other payables	其他應付款	9,267	20,980
Other accruals	其他預提費用	25,831	24,936
		<b>152,025</b>	<b>190,234</b>
Total trade and other payables	應付收貿易及其他款項合計		

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

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
HK dollars	港元	99	61

**23. 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0.35%至5.80%(2011: 0.50%至5.80%)計息。

以下銀行及現金結餘均以相關集團實體之功能貨幣以外的貨幣記賬。

**24. 應付貿易及其他款項**

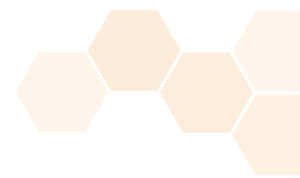
應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付款項。貿易購貨之平均除賬期為7至45天。

應付貿易及其他款項包括應付賬款及票據約43,970,000港元(2011: 56,306,000港元)，應付賬款於報告期末按發票日之賬齡分析如下：

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Less than 30 days	少於30天	32,286	44,243
31–60 days	31至60天	2,374	3,473
61–90 days	61至90天	2,534	1,120
Over 90 days	90天以上	6,776	7,470
		<b>43,970</b>	56,306
Receipt in advance	預收款	26,472	59,167
Construction payable	應付工程款	24,926	23,819
Value-added tax accruals	應付增值稅項	21,559	5,026
Other payables	其他應付款	9,267	20,980
Other accruals	其他預提費用	25,831	24,936
		<b>152,025</b>	<b>190,234</b>
Total trade and other payables	應付收貿易及其他款項合計		

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。

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
HK dollars	港元	99	61



## 25. AMOUNTS DUE TO RELATED COMPANIES

## 25. 應付關連公司款項

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Lee & Man Paper	理文造紙	<b>6,989</b>	201

Lee & Man Paper is beneficially owned and controlled by Mr. Lee Wan Keung, the controlling shareholder of the Company's ultimate holding company, Fortune Star.

理文造紙是由本公司最終控股公司 Fortune Star 之控股股東李運強先生實益擁有。

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

有關款項為無抵押、不計息、需應要求償還及賬齡為90天內。

## 26. BANK BORROWINGS

## 26. 銀行借款

		2012 HK\$'000 千港元	2011 HK\$'000 千港元
Unsecured bank loans	無抵押銀行借款	<b>1,416,956</b>	960,257
Unsecured bank import loans	無抵押銀行入口單借款	-	6,491
		<b>1,416,956</b>	966,748
Carrying amount repayable:	需償還賬面值：		
Within one year	一年內	<b>180,130</b>	159,007
More than one year, but not exceeding two years	超出一年但不超出二年	<b>486,038</b>	180,130
More than two years but not more than five years	超出二年但不超出五年	<b>712,092</b>	566,470
		<b>1,378,260</b>	905,607
Carrying amount of bank loans that are repayable within one year from the end of the reporting period and contain a repayment on demand clause	於報告期末起須一年內償還及具有可隨時要求償還條文之銀行借款賬面值	<b>16,320</b>	22,431
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	於報告期末起毋須一年內償還但具有可隨時要求償還條文之銀行借款賬面值 (於流動負債下列示)	<b>22,376</b>	38,710
		<b>1,416,956</b>	966,748
Less: Amounts due within one year shown under current liabilities	減：一年內到期的金額於流動負債下列示	<b>(218,826)</b>	(220,148)
Amounts shown under non-current liabilities	於非流動負債下列示	<b>1,198,130</b>	746,600

As at 31 December 2012, the Group had available banking facilities of approximately HK\$2,718,105,000 (2011: HK\$1,337,846,000) of which HK\$1,416,956,000 (2011: HK\$966,748,000) was utilised.

於2012年12月31日，本集團可用之銀行備用信貸額約2,718,105,000港元(2011: 1,337,846,000港元)，其中1,416,956,000港元(2011: 966,748,000港元)已被動用。

## Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

**26. BANK BORROWINGS (CONTINUED)**

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

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Fixed-rate borrowings:	固定利率借款：		
In more than one year but not more than two years	超出一年但不超出二年	<b>80,000</b>	—
In more than two years but not more than five years	超出二年但不超出五年	<b>120,000</b>	—
		<b>200,000</b>	—

At the end of the reporting period, all of the Group's remaining borrowings carried variable-rate interest.

本集團之固定利率借款及合約到期日如下：

於報告期末，集團所有餘下銀行借款均附帶浮息。

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

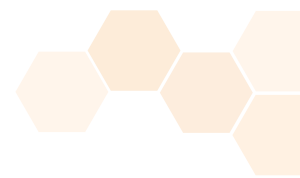
本集團借款之實際年利率範圍如下：

		<b>2012</b>	2011
Effective interest rate:	實際利率：	<b>1.6% to 3% over HIBOR or LIBOR</b>	1.6% to 3% over HIBOR or LIBOR
Variable-rate borrowings	浮動利率借款	香港銀行 同業拆息 或倫敦銀行 同業拆息	香港銀行 同業拆息 或倫敦銀行 同業拆息
Fixed-rate borrowings	固定利率借款	<b>2.83 to 3.68%</b>	N/A 不適用

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

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：

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
US dollars	美元	<b>966,956</b>	656,748
HK dollars	港元	<b>450,000</b>	310,000
		<b>1,416,956</b>	966,748



## 27. SHARE CAPITAL

## 27. 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 1 January 2011, 31 December 2011 and 31 December 2012	於2011年1月1日、2011年12月31日及 2012年12月31日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 January 2011, 31 December 2011 and 31 December 2012	於2011年1月1日、2011年12月31日及 2012年12月31日	825,000,000	82,500

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

本公司之股本於該兩個年度內並無變動。

## 28. SHARE OPTION SCHEME

## 28. 購股權計劃

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 December 2001 for the purpose of providing incentives to directors and eligible persons. The Scheme had a term of 10 years from its adoption and therefore it expired on 13 December 2010. The share options granted had a market value of HK\$163,430,000 and the provision of the Scheme shall remain in full force and the holder of all options granted under the Scheme prior to such termination shall be entitled to exercise the outstanding options pursuant to the terms of the Scheme until expiry of the said options.

本公司根據一項於2001年12月14日通過之決議案，已採納購股權計劃（「計劃」），以獎勵董事及合適人士。計劃從採納後10年內有效，並於2010年12月13日屆滿。已批的購股權市值為163,430,000港元及提供的計劃仍然生效，而所有獲批的購股權持有人須根據計劃條款在購股權計劃到期日及終止前有權行使相關購股權。

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

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。

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## 28. SHARE OPTION SCHEME (CONTINUED)

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

Options could be exercised during such period (including the minimum period, if any, for which an option must be held before it could be exercised) as determined by the directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Options could be granted without initial payment. The exercise price was 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.

The following table discloses movements of the Company's share options during the year ended 31 December, 2012:

Director	Date of grant	Exercise price		Exercisable period		Number of share options				
		price	Exercisable period	Outstanding at 1.1.2011	Granted/exercised/lapsed/cancelled during the year	Outstanding at 1.1.2012	Granted/exercised/lapsed/cancelled during the year	Outstanding at 31.12.2012		
董事	授出日期	行使價 HK\$ 港元	行使期	於2011年 1月1日	授出/行使/ 到期/取消	於2012年 1月1日	授出/行使/ 到期/取消	於2012年 12月31日		
Lee Man Yan	23.4.2010	6.69	23.4.2011–22.4.2015	27,500,000	–	27,500,000	–	27,500,000		
李文思	23.4.2010	6.69	23.4.2012–22.4.2015	27,500,000	–	27,500,000	–	27,500,000		
	23.4.2010	6.69	23.4.2013–22.4.2015	27,500,000	–	27,500,000	–	27,500,000		
Total	總數			82,500,000	–	82,500,000	–	82,500,000		
Exercisable at the end of the year	於年終可行使 股權數					27,500,000		55,000,000		

## 28. 購股權計劃(續)

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

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

截至2012年12月31日止年度，本公司購股權變動呈列如下：

**28. SHARE OPTION SCHEME (CONTINUED)**

The options granted on 23 April 2010 may be exercised in accordance with the following terms:

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

The option shall lapse if the options holder by reason of voluntary resignation or by termination of his employment in accordance with the termination provisions of his contract of employment.

At 31 December 2012, the number of shares in respect of which options had been granted and remained outstanding under the Scheme represented 10% (2011: 10%) of the issued share capital at that date.

**28. 購股權計劃(續)**

於2010年4月23日授出股權可根據以下購股權計劃之條款行使：

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

倘購股權持有人因自願離職或根據其僱傭合約之終止條文被終止聘用，購股權將失效。

於2012年12月31日，有關已授出購股權的股份數目及在計劃下尚未行使代表10%（2011：10%）在此日期已發行股本。



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### 28. SHARE OPTION SCHEME (CONTINUED)

The total fair value of the share options granted under the Scheme on 23 April 2010 is approximately HK\$163,430,000, calculated using the Binomial Model (the "Model"). The inputs into the Model and the estimated fair value of the share options are as follows:

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

Expected volatility was determined by using the historical volatility of share price over the previous five years. The expected life used in the Model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

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

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

Share option expense of approximately HK\$28,256,000 (2011: HK\$62,370,000) was recognised in the general and administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2012, calculated with reference to the vesting period.

### 28. 購股權計劃(續)

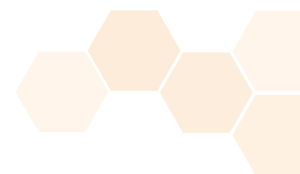
於2010年4月23日所授出購股權之公平價值為約163,430,000港元，採用二項式模型(「模型」)釐定。模型內容及購股權之估計公平價值呈列如下：

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

無風險利率按香港金融管理局之五年期外匯基金債券率於授出日期估計。

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

購股權支出約28,256,000港元(2011: 62,370,000港元)已於截至2012年12月31日止年度之綜合全面收益表的行政費用中確認，並以歸屬期間參考計算。



## 29. OPERATING LEASES

## 29. 經營租約

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
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	<b>155</b>	127

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and machinery HK\$2,131,000 (2011: HK\$72,000) which fall due as follows:

於報告期末，本集團承諾不可撤銷的辦公室物業及機器之未來最低租賃付款額為2,131,000港元(2011: 72,000港元)，其到期日如下：

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Within one year	一年內	<b>2,042</b>	72
In the second to fifth years inclusive	於第二至第五年內	<b>89</b>	-
		<b>2,131</b>	72

Included in the commitments above, the following is related to commitments for future minimum lease payments under non-cancellable operating leases with Lee & Man Paper (note 33).

在上述承諾中，以下與理文造紙所訂立不可撤銷經營租約之未來最低租賃付款承諾有關(附註33)。

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Within one year	一年內	<b>90</b>	-
In the second to fifth year inclusive	於第二至第五年內	<b>89</b>	-
		<b>179</b>	-

The commitments for operating lease payments represent rentals payable by the Group for office properties. Leases are negotiated for an average term of two years (2011: one year). Rentals are based on the terms specified in the lease agreements.

經營租賃付款承擔指本集團就其辦公室物業應付之租金。租賃之平均租期為兩年(2011: 一年)，租金乃根據租賃協議內之指定條款釐定。

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**30. OTHER COMMITMENT**

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

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Within one year	一年內	<b>180</b>	180
In the second to fifth year inclusive	於第二至第五年內	<b>270</b>	450
		<b>450</b>	630

In addition, at the end of the reporting period, the Group had contractual commitments for acquisition of land use rights of HK\$33,400,000 (2011: HK\$55,642,000). It also had commitments for granting shareholder's loan of HK\$60,410,000 (2011: HK\$37,400,000) to a jointly controlled entity.

**31. CAPITAL COMMITMENTS**

		<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於綜合財務報表中撥備之資本性支出：		
– the acquisition of property, plant and equipment	– 購置物業、廠房及設備	<b>423,558</b>	150,663

**32. RETIREMENT BENEFIT SCHEMES****Defined contribution scheme**

The Group operates the Mandatory Provided Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF 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 (HK\$1,250 starting from 1 June 2012) 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 state-managed retirement benefit schemes operated by the government of the PRC. The PRC subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

The total cost charged to profit or loss of HK\$3,921,000 (2011: HK\$3,600,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

**30. 其他承擔**

於報告期末，本集團承擔不可撤銷的未來顧問費支出合約，其到期日如下：

	<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Within one year	<b>180</b>	180
In the second to fifth year inclusive	<b>270</b>	450
	<b>450</b>	630

此外，於報告期末，集團已訂約以33,400,000港元(2011: 55,642,000港元)購入土地使用權。彼亦承諾給予60,410,000港元(2011: 37,400,000港元)的股東貸款予共同控制實體。

**31. 資本承擔**

	<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– the acquisition of property, plant and equipment	<b>423,558</b>	150,663

**32. 退休福利計劃****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。強積金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港元及1,250港元(由2012年6月1日開始)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。

於會計年度內，本集團在這些計劃中的應付供款額為3,921,000港元(2011: 3,600,000港元)，總費用已在損益中列賬。

**33. RELATED PARTY TRANSACTIONS AND BALANCES**

The Group had significant transactions and balances with related parties (see notes 21 and 25) during the year and at the end of the reporting period as follows:

**33. 關連交易及結餘**

本集團與關連人士於年內所進行之重大交易及於報告期末之結餘(附註21及25)如下：

<b>Name of related party</b> 關連方名稱	<b>Relationship</b> 關係	<b>Nature of transactions</b> 交易性質	<b>2012</b> <b>HK\$'000</b> 千港元	2011 HK\$'000 千港元
<b>Connected parties</b> 關連人士				
* Capital Nation Investment Limited	A company beneficially owned and controlled by Ms. Lee Man Lai 由李文麗女士實益擁有及控制之公司	Corrugated cardboard and carton boxes purchased 購買瓦楞紙板及紙箱	–	1,411
* Lee & Man Realty Investment Limited 理文置業有限公司	A company beneficially owned and controlled by Mr. Lee Man Yan and Mr. Lee Wan Keung 由李文恩先生及李運強先生實益擁有及控制之公司	Licence fee paid 已付使用權費	–	778
Lee & Man Paper 理文造紙	A company beneficially owned and controlled by Mr. Lee Wan Keung 由李運強先生實益擁有及控制之公司	Electricity and steam fee paid 已付發電及蒸氣費	<b>73,340</b>	71,698
		Fuel expense paid 已付燃料費	<b>425</b>	456
		Rental expense paid 已付租金	<b>1,553</b>	888
		Sales of chemical products 銷售化工產品	<b>4,760</b>	6,947
Lee & Man Management Company Limited 理文管理有限公司	A company beneficially owned and controlled by Mr. Lee Wan Keung 由李運強先生實益擁有及控制之公司	Management consultant fee paid 已付管理顧問費	<b>16</b>	8

\* These transactions are related to the Handbag Business prior to the Spin-off.

\* 上述交易於分拆前屬於手袋業務。

Except for the related party transactions and balances described above, the Group has entered into a joint venture arrangement with Lee & Man Paper. Details of the joint venture and the other commitment to the jointly controlled entity are set out in notes 21 and 30 respectively.

除上文所述關連人士交易及結餘外，本集團與理文造紙訂立合營公司安排。合營公司及對共同控制實體之資本承擔詳情分別載於綜合財務報表附註21及30。

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

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

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Short-term employee benefits	短期員工福利	<b>14,175</b>	13,988
Post-employment benefits	退休福利	<b>24</b>	28
Share-based payment performance related incentive	以股份為基礎之相關表現獎金	<b>28,256</b>	62,370
		<b>42,455</b>	76,386

### 33. 關連交易及結餘(續)

董事及其他主要管理層成員於年內之酬金如下：

### 34. NON-CASH TRANSACTIONS

During the year, purchases of property, plant and equipment of HK\$240,751,000 (2011: HK\$54,897,000), respectively, were settled through transfer of deposits paid.

On 22 June 2011, the Spin-off of the Handbag Group was effected by way of distribution of the Handbag Business amounting to approximately HK\$195 million to the Company's shareholders on pro rata basis.

### 34. 非貨幣性交易

年內，購置物業、廠房及設備資產為240,751,000港元(2011年：54,897,000港元)是由往年度的已付訂金轉入。

於2011年6月22日，本公司將手袋集團分拆，並按比例向本公司之股東分派約1.95億港元。

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

Particulars of the Company's principal subsidiaries at 31 December 2012 and 2011 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued and fully paid share capital/paid-in capital 已發行及繳足股本面值/ 實繳股本	Attributable equity interest 所佔權益		Principal activities# 主要業務#
			2012	2011	
Lee & Man Chemical Investment Limited (formerly known as Lee & Man Chemical Limited) 理文化工投資有限公司 (前稱：理文化工有限公司)	British Virgin Islands 英屬處女群島	Shares – US\$1 股份–1美元	100%	100%	Investment holding 投資控股
Lee & Man (International) Investment Limited 理文(國際)投資有限公司	Hong Kong 香港	Ordinary shares – HK\$100 普通股份– 100港元	100%	100%	Investment holding 投資控股
Jiangsu Lee & Man Chemical Limited ("Jiangsu L&M") (note) 江蘇理文化工有限公司(「江蘇理文」) (附註)	PRC 中國	Paid-in capital – US\$78,750,000 實繳股本– 78,750,000美元	100%	100%	Manufacture and sales of chloromethane products and caustic soda 生產及銷售甲烷氯化物、燒碱及過氧化氫
Guangdong Lee & Man Chemical R&D Limited (note) 廣東理文化工研發有限公司 (附註)	PRC 中國	Paid-in capital – US\$2,020,000 實繳股本– 2,020,000美元	100%	100%	Research and development of chemical products 研發化工產品
Jiangxi Lee & Man Chemical Limited (note) 江西理文化工有限公司 (附註)	PRC 中國	Paid-in capital US\$52,500,000 實繳股本– 52,500,000美元	100%	100%	Under construction 籌建中
High Sky Chemicals Limited	Labuan, Malaysia 納閩島·馬來西亞	Ordinary share – US\$10,000 普通股份 – 10,000美元	100%	100%	Trading 貿易

\* The principal activities were carried out in the PRC, Hong Kong and overseas countries.

note: These companies are registered in the form of wholly-owned foreign investment enterprise.

Only Lee & Man Chemical Investment Limited was directly held by the Company.

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.

### 35. 主要附屬公司

於2011年及2012年12月31日本公司之主要附屬公司詳情如下：

\* 主要業務均在中國、香港及海外國家進行。

附註：該等公司均以外商獨資企業形式註冊。

只有理文化工投資有限公司由本公司直接持有。

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 36. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes the bank loans disclosed in note 26, net of bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

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

### 37. FINANCIAL INSTRUMENTS

#### 37a. 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)
Fair value through profit or loss	公平值計入損益
– 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
Fair value through profit or loss	公平值計入損益 –
– derivative financial instruments	– 衍生金融工具
– derivatives under hedge accounting	– 按對沖會計法的衍生金融工具

#### 37b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loans to jointly controlled entities, amount due from a jointly controlled entity, bank balances and cash, trade and other payables, bank borrowings, amounts due to related companies and derivative financial instruments. 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.

### 36. 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26中已扣除銀行結餘及現金後的銀行借款)本公司權益持有人應佔權益(包含已發行股本及各項儲備)。

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

### 37. 金融工具

#### 37a. 金融工具之類別

	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Loans and receivables (including cash and cash equivalents)	1,670,289	1,498,955
Fair value through profit or loss – derivative financial instruments	6,941	–
Financial liabilities at amortised cost	1,502,108	1,061,396
Fair value through profit or loss – derivative financial instruments	2,273	177
– derivatives under hedge accounting	7,466	2,963

#### 37b. 財務風險管理目標及政策

本集團之主要金融工具包括應收貿易及其他款項、共同控制企業貸款、銀行結餘及現金、應付貿易及其他款項、銀行借款、應付關連公司款項及金融衍生工具。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。

**37. FINANCIAL INSTRUMENTS (CONTINUED)****37b. Financial risk management objectives and policies***(Continued)***Market risk**

## (i) Currency risk

The Group mainly operated in the PRC and the exposure in exchange rate risks mainly arose from fluctuations of foreign currencies, including HK dollars and US dollars 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) US dollars – in terms of loan to a jointly controlled entity, amount due from a jointly controlled entity, bank balances and cash, trade and other receivables bank borrowings and derivative financial instruments.
- (ii) HK dollars – in terms of bank balances and cash, trade and other payables, bank borrowings and derivative financial instruments.

Exchange rate fluctuations and market trend have always been the concern of the Group. Management will monitor the foreign currency exposure closely and consider the use of hedging instruments when the need arises.

*Non-derivative foreign currency monetary assets and monetary liabilities*

At the end of the reporting period, the carrying amount of the Group's monetary assets and monetary liabilities denominated in currencies other than the functional currency of the relevant group entities are as follows:

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Assets</b>	<b>資產</b>		
HK dollars	港元	<b>3,248</b>	3,151
US dollars	美元	<b>147,228</b>	141,392
<b>Liabilities</b>	<b>負債</b>		
HK dollars	港元	<b>450,099</b>	310,061
US dollars	美元	<b>966,956</b>	656,758

**37. 金融工具(續)****37b. 財務風險管理目標及政策(續)****市場風險**

## (i) 貨幣風險

本集團主要於中國經營業務，匯率風險主要由外幣(包括美元及港元)兌換相關集團實體功能貨幣波動時所產生。並非以相關實體功能貨幣列值之重大交易及結餘產生之外幣風險如下：

- (i) 美元－於共同控制實體之貸款，應收共同控制實體款項，銀行結餘及現金，應收貿易及其他款項，銀行借款及衍生金融工具。
- (ii) 港元－於銀行結餘及現金，應付貿易及其他款項，銀行借款及衍生金融工具。

本集團一向關注匯率波動及市場趨勢。管理層會密切監控外匯風險並適時採用對沖工具。

*非衍生外幣金融資產及金融負債*

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金融資產及金融負債，其賬面值如下：



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## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## 37. 金融工具(續)

## 37b. Financial risk management objectives and policies

(Continued)

## Market risk (Continued)

## (i) Currency risk (Continued)

Non-derivative foreign currency monetary assets and monetary liabilities (Continued)

## Sensitivity analysis

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the functional currency of the relevant group entities (i.e. RMB and HK dollars) against the above foreign currencies. 5% is the sensitivity rate and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis adjusts their translation at the period end for a 5% change in foreign currency rates. A strengthening of the functional currency of the relevant group entities against the above foreign currencies would give rise to the following impact to post-tax profit for the year and vice versa.

Monetary assets and liabilities:	貨幣性資產及負債：
Increase on post-tax profit for the year	年度除稅後溢利增加
– HK dollars	– 港元
– US dollars	– 美元

## Derivative financial instruments

During the year, the Group entered into a structured foreign currency forward contract and several foreign currency forward contracts with banks to reduce its exposure to currency risk of US\$ against RMB. The structured foreign currency forward contract and foreign currency forward contracts are not accounted for under hedge accounting. The Group is required to estimate the fair value of the derivative financial statements at the end of the reporting period, which therefore exposed the Group to foreign currency risk.

## 37b. 財務風險管理目標及政策(續)

## 市場風險(續)

## (i) 貨幣風險(續)

非衍生外幣金融資產及金融負債(續)

## 敏感性分析

下表詳細載列就本集團內相關集團實體功能貨幣(包括人民幣及港元)兌換上述外幣時上升及下降5%之敏感度。5%的敏感度亦代表高級管理人員評估外幣匯率的合理可能變化。在期末時5%的外幣匯率轉變，有關的匯兌差額將在敏感性分析中作出調整。當相關集團實體之功能貨幣兌換上述外幣處強勢時，將令年度除稅後溢利有所影響，反之亦然。

2012 HK\$'000 千港元	2011 HK\$'000 千港元
<b>22,343</b>	15,346
<b>40,987</b>	25,298

## 衍生金融工具

本集團年內已與銀行訂立多份外幣遠期合約及一份結構性外幣遠期合約，以減低其美元兌人民幣的貨幣波動風險。該等結構性外幣遠期合約及外幣遠期合約概無按對沖會計法列賬。本集團須於報告期末估計該等衍生金融工具的公平值，因此將使本集團面臨外幣風險。

**37. FINANCIAL INSTRUMENTS (CONTINUED)****37b. Financial risk management objectives and policies**  
(Continued)*Market risk (Continued)*

## (i) Currency risk (Continued)

*Derivative financial instruments (Continued)*Sensitivity analysis

Structured foreign currency forward contracts and foreign currency forward contracts – not under hedge accounting

If the exchange rate of US\$ against RMB had been 5% higher/lower while all other input variables of the valuation models were held constant, the Group's post-tax profit would (decrease) increase as follows:

Higher by 5%	增加5%
Derivative financial instruments	衍生金融工具
Lower by 5%	減少5%
Derivative financial instrument	衍生金融工具

## (ii) Interest rate risk

*Non-derivative financial assets and liabilities*

The Group's cash flow interest rate risks mainly relate to its variable rate borrowings (see note 26 for details of these borrowings). It is the Group's policy to keep its borrowings at fixed interest rate so as to minimise the cash flow interest rate risk. 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 Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR and LIBOR arising from the Group's HK dollars and US dollars denominated borrowings.

**37. 金融工具(續)****37b. 財務風險管理目標及政策(續)***市場風險(續)*

## (i) 貨幣風險(續)

*衍生金融工具(續)*敏感性分析

結構性外幣遠期合約及外幣遠期合約—非對沖會計

倘若美元兌人民幣的遠期匯率上升/下降5%，而估值模型之所有其他可變輸入值維持不變，則本集團之年度除稅後溢利增加(減少)如下：

**(Decrease) increase in post-tax profit**

## 除稅後溢利增加(減少)

2012 HK\$'000 千港元	2011 HK\$'000 千港元
<b>(28,114)</b>	—
<b>30,970</b>	—

## (ii) 利率風險管理

*非衍生金融資產及負債*

本集團之現金流利率風險主要與其浮息借款有關(該等借款詳情見附註26)。本集團之政策是維持借款的固定利率，以將現金流利率風險減至最少。本集團的銀行結餘亦因應現行市場銀行結餘利率波動，而須面對現金流利率風險。

本集團須面對之金融負債利率詳列於附註中的流動資金風險管理部份。本集團現金流利率風險主要集中在本集團以港元及美元幣別借款中因應香港銀行同業拆息及倫敦銀行同業拆息變動而產生。

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## 綜合財務報表附註

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### 37. FINANCIAL INSTRUMENTS (CONTINUED)

#### 37b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (ii) Interest rate risk (Continued)

##### Non-derivative financial assets and liabilities (Continued)

##### Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative financial instruments at the end of the reporting period. For variable rate bank borrowings, to the extent that they are not hedged by effective instruments, and bank balances, the analysis is prepared assuming 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 (2011: 10) basis point and 50 (2011: 50) basis point increase or decrease are used by the management for the assessment of the possible change in interest rates of variable rate bank balances and variable rate borrowings, respectively.

If interest rates had been 10 basis point higher or lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2012 would increase or decrease by HK\$891,000 (2011: HK\$1,219,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank balances.

If interest rates had been 50 basis point higher or lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2012 would decrease or increase by HK\$2,446,000 (2011: HK\$1,065,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

##### Derivative financial instruments

During the year, the Group entered into several interest rate swap contracts with banks to reduce its exposure to interest rate risk in relation to variable rate borrowings (see note 26 for details of these borrowings). All outstanding interest rate swap are accounted for under hedge accounting except for one interest rate swap contract as at 31 December 2011. The Group is required to estimate the fair value of the interest rate swap contracts at the end of the reporting period, which therefore exposed the Group to interest rate risk.

### 37. 金融工具(續)

#### 37b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (ii) 利率風險管理(續)

##### 非衍生金融資產及負債(續)

##### 敏感性分析

以下敏感性分析是根據非衍生及衍生工具於本報告期末之利率風險釐定。就浮息銀行借款而言，倘並無透過有效工具及銀行結餘進行對沖，分析將按假設於財務年度開始時已出現所訂明之變動並於兩年內維持不變(如屬以浮動利率計息之工具)而編製。10 (2011: 10) 基點及50 (2011: 50) 基點的增減是管理層作分別對浮動利率的銀行存款及借款有關利率變動可能性的評估時使用。

倘利率增加或減少10個基點且所有其他可變因素維持不變，則本集團截至2012年12月31日止年度之除稅後溢利將增加或減少891,000港元(2011: 1,219,000港元)，此乃由於附帶浮動利息銀行結餘而令本集團面對利率風險。

倘利率增加或減少50個基點且所有其他可變因素維持不變，則本集團截至2012年12月31日止年度之除稅後溢利將減少或增加2,446,000元(2011: 1,065,000港元)。此乃由於銀行借款附帶浮動利息而令本集團面對利率風險。

##### 衍生金融工具

本集團年內已與銀行訂立多份利率掉期合約及，以減低因借款利率變動而產生之利率風險(此些借款資料可參閱附註26)，所有未付利率掉期(除了一張於2011年12月31日的利率掉期合約外)會於對沖會計中列賬，本集團須於報告期末時對本集團須面對之利息風險相應於這些利率掉期合約之公平值作出估計。

**37. FINANCIAL INSTRUMENTS (CONTINUED)****37b. Financial risk management objectives and policies**  
(Continued)*Market risk (Continued)*

## (ii) Interest rate risk (Continued)

*Derivative financial instruments (Continued)*Interest rate sensitivity

If forward interest rates had been 50 (2011: 50) basis points higher and all other variable were held constant, the Group's post-tax profit and equity would increase as follows and vice versa:

At 31 December 2012	於2012年12月31日
At 31 December 2011	於2011年12月31日

**Credit risk**

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group is also exposed to concentration of credit risk as a substantial portion of its sales is generated from a limited number of customers. At 31 December 2012, the top five customers of the Group accounted for about 21% (2011: 31%) of the Group's trade receivables. The Group also granted loan and advance to jointly controlled entities (note 21). In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management reviews the recoverable amount of each individual trade debt and loan/advance to jointly controlled entity at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**37. 金融工具(續)****37b. 財務風險管理目標及政策(續)***市場風險(續)*

## (ii) 利率風險管理(續)

*衍生金融工具(續)*利率敏感性

倘遠期利率增加50(2011年: 50)個基數點且所有其他可變因素維持不變, 則本集團之除稅後溢利及權益將增加如下, 反之亦然:

		<b>Increase in profit</b>	<b>Increase in equity</b>
		利潤增加	權益增加
		HK\$'000	HK\$'000
		千港元	千港元
At 31 December 2012	於2012年12月31日	—	7,900
At 31 December 2011	於2011年12月31日	3,579	3,832

**信貸風險**

本集團所面對的可導致本集團綜合財務報表的每類金融資產賬值產生財務虧損之最大信貸風險乃是交易對方或債務人未能履行責任。由於本集團大部份銷售收入由有限客戶產生, 本集團須面對信貸集中之風險。於2012年12月31日, 集團首五位客戶佔應收賬款總額約21%(2011: 31%)。本集團亦授予貸款及借款給共同控制實體(附註21)。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貸款/預付款之可收回金額, 以確保就不可收回金額作出足夠減值虧損。就此而言, 本公司董事認為本公司之信貸風險已大幅降低。

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

### 37. FINANCIAL INSTRUMENTS (CONTINUED)

#### 37b. Financial risk management objectives and policies

(Continued)

##### Liquidity risk

In the management of the Group's liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The Group also has unutilised banking facilities (note 26) of approximately HK\$1,301,149,000 (2011: HK\$371,098,000) to meet its short-term working capital requirements. The management monitors the utilisation of bank borrowings and ensure compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent the interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative financial instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

### 37. 金融工具(續)

#### 37b. 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。本集團亦有可動用之銀行備用信貸額(附註26)約1,301,149,000港元(2011: 371,098,000港元)，已應付短期營運資金需求。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。具體而言，載有按要價還條文之銀行貸款，被包括在最早時限之內，不論銀行是否選擇行使其權利。其他非衍生金融負債之到期日根據商定的還款日期計算。該表列有利息及本金之現金流量。於報告期末，某程度上其利息流為浮動利率，而其未貼現金額則根據利率曲線計算。

此外，下表詳列本集團衍生金融工具之流動資金分析。該表乃根據按淨額計算之衍生金融工具之未貼現合約現金(流入)及流出淨額編製。當應付款項並未釐定，所披露款項已參照報告期末現有收益率曲線所示之預計利率釐定。由於管理層認為合約到期日對理解衍生工具之現金流量之期限至關重要，本集團衍生金融工具之流動資金分析乃根據合約到期日編製。



## Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## 37. 金融工具(續)

## 37b. Financial risk management objectives and policies

## 37b. 財務風險管理目標及政策(續)

(Continued)

## Liquidity risk (Continued)

## 流動資金風險(續)

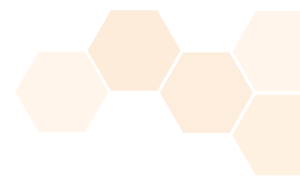
Bank loans with a repayment on demand clause are included in the "on demand or 0-30 days" time band in the above maturity analysis. As at 31 December 2012, the aggregate carrying amounts of these bank loans amounted to HK\$38,696,000 (2011: HK\$61,141,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid within one to five years after the reporting date of 31 December 2012 in accordance with the scheduled repayment dates set out in the loan agreements. The following table summarises the maturity analysis of bank loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements.

具有可隨時要求償還條文之銀行借款在上述日期分析計入「應要求或0-30天」之時間範圍內。於2012年12月31日，該等銀行借貸之賬面值金額合共為38,696,000港元(2011: 61,141,000港元)。計及本集團之財務狀況後，董事不相信銀行可能行使其要求即時還款之酌情權。董事相信，該等銀行借貸將於2012年12月31日報告日期後一年至五年內根據貸款協議所載預定還款日期償還。下表總括具有可隨時要求償還條文之銀行借貸，按貸款協議所載同意還款日期之到期分析。

		Weighted average effective interest rate 實際利率 加權平均數	0-30 days 0-30天	31-60 days 31-60天	61-90 days 61-90天	91-365 days 91-365天	Over 365 days 超過365天	Total	Carrying amount 賬面值
								undiscounted cash flows 未折現現金流量總計	
		%	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2012 Bank loans	於2012年12月31日 銀行借款	2.21	1,346	1,353	1,351	12,281	22,378	38,709	38,696
As at 31 December 2011 Bank loans	於2011年12月31日 銀行借款	2.30	7,924	1,421	1,421	12,785	39,808	63,359	61,141

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

以上金額包括非衍生金融負債之浮動利率工具有可能會變動，倘浮動利率變動與在報告期末估計的利率有所不同。



### 37. FINANCIAL INSTRUMENTS (CONTINUED)

#### 37c. 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 by discounted cash flow analysis using quoted forward exchange rates. Interest rate swaps are measured by discounted cash flow analysis using yield curves derived from quoted interest rates matching maturities of the contracts. Structured foreign currency forward contract is measured using option pricing models.

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

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 37. 金融工具(續)

#### 37c. 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
- 外幣遠期合約乃採用所報遠期匯率根據貼現現金流量分析計量。利率掉期乃採用配合合約到期日所報之利率衍生之收益率曲線根據貼現現金流量分析計量。結構性外幣遠期合約乃採用期權定價模式計量。

本集團董事認為，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。

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)或經接觀察得出(即自價格衍生)得出之結果)。
- 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)。



## Notes to the Consolidated Financial Statements

## 綜合財務報表附註

(For the year ended 31 December 2012) (截至2012年12月31日止年度)

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## 37. 金融工具(續)

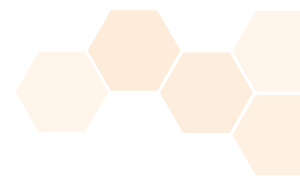
## 37c. Fair value (Continued)

## 37c. 公平值(續)

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>31 December 2012</b>	<b>2012年12月31日</b>				
<i>Financial assets at FVTPL</i>	<i>按公平價值計入損益的金融資產</i>				
Derivatives not under hedge accounting	非按對沖會計法之衍生工具	-	6,941	-	6,941
<i>Financial liabilities at FVTPL</i>	<i>按公平價值計入損益的金融負債</i>				
Derivatives not under hedge accounting	非按對沖會計法之衍生工具	-	2,273	-	2,273
Derivatives under hedge accounting	按對沖會計法之衍生工具	-	7,466	-	7,466
<b>31 December 2011</b>	<b>2011年12月31日</b>				
<i>Financial liabilities at FVTPL</i>	<i>按公平價值計入損益的金融負債</i>				
Derivatives not under hedge accounting	非按對沖會計法之衍生工具	-	177	-	177
Derivatives under hedge accounting	按對沖會計法之衍生工具	-	2,963	-	2,963

These were no transfers between 3 levels in both years.

於二年內三個級別間並沒有轉讓。



### 38. DERECOGNITION OF SUBSIDIARIES UPON SPIN-OFF

On 22 June 2011, as part of a reorganisation of the Group's businesses, the Company effected the Spin-off of the Handbag Group by way of a distribution in specie to the Company's shareholders on a pro rata basis.

The aggregate amounts of net assets of the Handbag Group on the date of Spin-off were as follows:

#### NET ASSETS DERECOGNISED

Property, plant and equipment	物業，廠房及設備	54,639
Prepaid lease payments	預付租地款	18,017
Investment properties	投資物業	26,247
Deposits paid for acquisition of property, plant and equipment	購置物業，廠房及設備 所付訂金	964
Deferred tax asset	遞延稅項資產	4,538
Inventories	存貨	106,581
Trade and other receivables	應收貿易及其他款項	159,016
Tax recoverable	可收回稅項	1,198
Bank balances and cash	銀行結餘及現金	33,703
Trade and other payables	應付貿易及其他款項	(102,461)
Tax payable	應付稅項	(5,025)
Bank borrowings	銀行借款	(102,365)
Net assets derecognised	取消確認淨資產	195,052
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to retained profits on distribution in specie	於分拆時附屬公司淨資產就權益項目重列為保留盈餘所產生之累計匯兌差額	6,090

#### Net cash outflow arising on Spin-off

Bank balances and cash derecognised	取消確認之銀行結餘及現金	(33,703)
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### 38. 於分拆時取消確認之附屬公司

於2011年6月22日，作為本集團業務重組的一環，本公司透過按比例向本公司之股東作出實物分派，將手袋集團分拆。

手袋集團於分拆日的淨資產總額如下：

#### 取消確認淨資產

		HK\$'000 千港元
物業，廠房及設備		54,639
預付租地款		18,017
投資物業		26,247
購置物業，廠房及設備 所付訂金		964
遞延稅項資產		4,538
存貨		106,581
應收貿易及其他款項		159,016
可收回稅項		1,198
銀行結餘及現金		33,703
應付貿易及其他款項		(102,461)
應付稅項		(5,025)
銀行借款		(102,365)
取消確認淨資產		195,052
於分拆時附屬公司淨資產就權益項目 重列為保留盈餘所產生之累計 匯兌差額		6,090

#### 分拆時淨現金流出

取消確認之銀行結餘及現金	(33,703)
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## Financial Summary

## 財務概要

		Year ended 31 December 截至十二月三十一日止年度				2012
		2008	2009	2010	2011	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
<b>RESULTS</b>	<b>業績</b>					
Revenue	營業額	1,064,177	1,403,428	2,138,808	2,155,710	<b>1,520,512</b>
Profit before taxation	除稅前溢利	97,261	249,725	537,786	726,964	<b>418,951</b>
Income tax expenses	所得稅支出	(10,038)	(10,488)	(71,969)	(50,584)	<b>(57,014)</b>
Profit for the year	年內溢利	87,223	239,237	465,817	676,380	<b>361,937</b>

		At 31 December 於十二月三十一日				2012
		2008	2009	2010	2011	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
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	資產總額	1,397,757	1,539,059	2,170,164	2,833,682	<b>3,492,177</b>
Total liabilities	負債總額	(742,078)	(681,210)	(870,866)	(1,175,061)	<b>(1,598,338)</b>
Net assets	資產淨額	655,679	857,849	1,299,298	1,658,621	<b>1,893,839</b>

# Statement of Financial Position of the Company

## 本公司財務狀況表

A summarised information statement of financial position of the Company as at 31 December 2012 and 31 December 2011 is as follows:

本公司於2012年12月31日及2011年12月31日之財務狀況表概述如下：

		<b>2012</b>	2011
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>ASSETS</b>	<b>資產</b>		
Investments in a subsidiary	附屬公司投資	<b>160,188</b>	129,174
Amount due from a subsidiary	附屬公司欠款	<b>211,936</b>	375,845
Prepayments	預付款項	<b>172</b>	176
Bank balances	銀行結餘	<b>230</b>	317
		<b>372,526</b>	505,512
<b>LIABILITIES</b>	<b>負債</b>		
Other payables	其他應付款	<b>4,700</b>	7,072
Bank borrowings	銀行借款	<b>38,696</b>	54,650
		<b>43,396</b>	61,722
		<b>329,130</b>	443,790
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>		
Share capital	資本	<b>82,500</b>	82,500
Reserves (note)	儲備(附註)	<b>246,630</b>	361,290
		<b>329,130</b>	443,790

# Statement of Financial Position of the Company

## 本公司財務狀況表

note:

附註：

**Reserves****儲備**

		<b>Share premium</b>	<b>Contributed surplus</b>	<b>Translation reserve</b>	<b>Share options reserve</b>	<b>Accumulated profits</b>	<b>Total</b>
		股份溢價	實繳盈餘	匯兌儲備	購股權儲備	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
At 1 January 2011	於2011年1月1日	20,307	112,338	–	66,804	559,849	759,298
Profit for the year	年內溢利	–	–	–	–	2,269	2,269
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎之付款	–	–	–	62,370	–	62,370
Dividends	股息	–	–	–	–	(247,500)	(247,500)
Distribution in specie	實物分派	–	(215,146)	–	–	(1)	(215,147)
At 31 December 2011	於2011年12月31日	20,307	(102,808)	–	129,174	314,617	361,290
Profit for the year	年內溢利	–	–	–	–	16,330	16,330
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎之付款	–	–	–	28,256	–	28,256
Dividends	股息	–	–	–	–	(165,000)	(165,000)
Exchange differences arising from translation	因轉換而產生之匯兌差額	–	–	5,754	–	–	5,754
At 31 December 2012	於2012年12月31日	20,307	(102,808)	5,754	157,430	165,947	246,630

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

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

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