



HOP FUNG GROUP

合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 2320

年度報告

ANNUAL REPORT 2009



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Kwok (*Chairman*)
Mr. Hui Sum Ping (*Vice Chairman*)
Mr. Hui Sum Tai (*Chief Executive Officer*)
Mr. Wong Wing Por
Ms. Hui Yuen Li

Independent Non-Executive Directors

Mr. Liu Kwok Fai, Alvan
Mr. Chee Man Sang, Eric
Mr. Wong Chu Leung

AUDIT COMMITTEE

Mr. Liu Kwok Fai, Alvan (*Chairman*)
Mr. Chee Man Sang, Eric
Mr. Wong Chu Leung

REMUNERATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Wong Chu Leung
Ms. Hui Yuen Li

AUTHORISED REPRESENTATIVES

Mr. Hui Sum Kwok
Ms. Hui Yuen Li

COMPANY SECRETARY

Ms. Hui Yuen Li

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshops E, F and H, on 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road and
Nos. 30-38 Tai Chung Road, Tsuen Wan
New Territories
Hong Kong

董事會

執行董事

許森國先生(*主席*)
許森平先生(*副主席*)
許森泰先生(*行政總裁*)
王榮波先生
許婉莉女士

獨立非執行董事

廖國輝先生
池民生先生
黃珠亮先生

審核委員會

廖國輝先生(*主席*)
池民生先生
黃珠亮先生

薪酬委員會

池民生先生(*主席*)
黃珠亮先生
許婉莉女士

授權代表

許森國先生
許婉莉女士

公司秘書

許婉莉女士

核數師

德勤•關黃陳方會計師行
執業會計師
香港

香港總辦事處及主要營業地點

香港
新界
荃灣沙咀道57號及
大涌道30-38號
荃運工業中心(第二期)
22樓E、F及H座

CORPORATE INFORMATION 公司資料

REGISTERED OFFICE

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

SHARE REGISTRARS AND TRANSFER AGENTS

Principal share registrar and transfer agent in the Cayman Islands

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

Branch share registrar and transfer agent in Hong Kong

Tricor Abacus Limited
26th Floor
Tesbury Centre
No. 28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
Agricultural Bank of China
Citibank, N. A.
DBS Bank (Hong Kong) Limited
CITIC Ka Wah Bank Limited
Wing Hang Bank Limited

STOCK CODE

2320

WEBSITE

www.hopfunggroup.com

註冊辦事處

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

股份過戶登記處

開曼群島主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

股份過戶登記處香港分處

卓佳雅柏勤有限公司
香港
皇后大道東28號
金鐘匯中心
26樓

主要往來銀行

渣打銀行(香港)有限公司
中國農業銀行
花旗銀行
星展銀行(香港)有限公司
中信嘉華銀行有限公司
永亨銀行有限公司

股份代號

2320

網址

www.hopfunggroup.com

CHAIRMAN'S STATEMENT 主席報告

On behalf of the Board of Directors, I am pleased to present to our Shareholders the fiscal 2009 annual results of Hop Fung Group Holdings Limited (the "Company", and including the subsidiaries of the Company, the "Group", "We", "Our" or "Us").

In the first quarter of 2009, the weak global economy and sharply lower demand for consumer goods from the EU and the US resulted in a very difficult operating environment. Through the Chinese government's stimulus package however, the Group achieved growth in domestic sales in the second quarter, offsetting the impact of the decline in the EU and US markets. The economic recovery starting from the second half of 2009 however, allowed business to recover and pushed the Group's overall sales volume up by around 10% year on year to a record high. This amply demonstrated our solid business foundation and the fact that we have passed through the difficulties of the financial crisis.

The Group's strategic decisions in recent years have allowed our domestic sales to expand rapidly this year. Our products are strategically integrated from the upstream (containerboard) to the downstream (corrugated packaging) and we can adjust in a flexible manner our sales and develop a diversified customer network. We are developing businesses outside of Guangdong Province and are strengthening production processes and product quality supervision to improve production efficiency, raise utilization and reduce production wastage. Our fully integrated business model can deliver fully our competitive advantages in an environment of economic volatility and provide high quality, one stop shop services to customers with our outstanding corrugated packaging products.

Facing a volatile economic environment, our Group has minimized inventories and tightened credit controls. This resulted in the Group maintaining a bad debts ratio that is close to zero. Strong support from our principal bankers allowed us to complete Phase 2 of the Qingyuan power plant in the year, and added one downstream production line, corrugated box production lines and printing machines. With our stable leverage policies to reduce risk, our debt ratios remain conservative.

本人謹代表董事會欣然向各位股東提呈合豐集團控股有限公司(「本公司」，連同其附屬公司，統稱「本集團」或「我們」)的二零零九年財政年度全年業績報告。

於二零零九年首季，全球經濟低迷，歐美市場對消費品需求大幅度下降，經營環境十分嚴峻。然而，憑著中國政府積極推出刺激經濟方案，本集團於第二季的內銷業務表現隨著強勁的內需而錄得增長，抵銷了歐美市場業務倒退之影響。二零零九年下半年之經濟逐步回穩，業務穩步提升，使本集團之整年總銷售量增加約10%，創歷年新高。此佳績印證了我們穩固的業務基礎，並已成功渡過金融危機的難關。

除了本集團於早年已作出策略性的業務部署，以致年內之內銷業務能迅速擴張外，我們由上游原紙至下游瓦楞紙板紙箱之銷售策略組合，可因應市場的變化而靈活調控，開拓更多元化的客戶網絡至其他行業，發展廣東省以外之業務，並繼續強化生產流程及產品質量監督，以加強生產效率、提升設備使用率及降低生產損耗，使縱向整合自給自足之營運模式，在經濟波動時得以全面發揮其效益及優勢，為客戶提供高水平的一站式服務及優質瓦楞紙產品。

為應付波動的經濟環境，本集團致力調控合適的存貨水平，並實行更嚴謹的信貸控制，使本集團於年內仍可保持接近零的壞帳率。由於一直得到主要往來銀行的鼎力支持，清遠熱電站的第二期工程於年內順利完成，在清遠廠房更增設了一條下游瓦楞紙板生產線、瓦楞紙箱生產線及印刷機等。鑑於我們一向採用穩健的財務政策以減低風險，本集團之借貸比率仍處於穩健水平。

CHAIRMAN'S STATEMENT 主席報告

Looking ahead, as the global economy recovers and as export markets turn positive, we will seek to exploit more business opportunities. The continued growth of the Chinese economy should continue to improve demand for corrugated packaging products and the domestic market remains the focus of the Group. Our sales in the first quarter have reached historic highs and we have successfully passed on cost increases to customers, with pricing now close to levels prior to the financial crisis. This has allowed us to improve gross and net profits. The upstream linerboard line, which started operations just prior to the onset of the financial crisis, should properly contribute to full year earnings in 2010. This coupled with full year contributions from our new downstream line in Qingyuan make us confident towards our performance for this year.

To grasp opportunities in expanding the domestic market, the management has been visiting local governments in Sichuan, Hubei, Hunan, Guangxi and Jiangxi as well as local corrugators and other manufacturers in search of appropriate locations to build new corrugator plants and develop businesses outside of Guangdong province. Given the management's focus on the downstream business for the last several years, we believe we can significantly expand domestic sales and grow our market share.

Last but not least, I would like to take the opportunity to thank our managers and staff members for their hard work over the last year, and express my gratitude towards our customers, suppliers, bankers and investors. Although the market environment remains uncertain, the Group remains one of the largest corrugated packaging manufacturers in Guangdong Province, and the management remains confident of providing long term solid returns to shareholders.

Hui Sum Kwok
Chairman
22nd April, 2010

展望未來，隨著全球經濟逐漸復甦，在出口市場好轉下，我們會努力捕捉更多商機。而中國經濟持續增長，必定能帶動整個瓦楞紙品業務向上，國內市場將繼續為本集團未來發展的業務重心。我們於本年第一季的訂單是歷年首季之冠，並成功將價格變動轉嫁予客戶，產品價格幾近金融海嘯前的水平，使整體毛利及純利進一步提升。此外，上游牛咭生產線投產後便遇上金融海嘯，至二零一零年終可發揮其全年最大效益，加上清遠下游生產線將有全年貢獻，因此我們對本年度之業務表現非常樂觀。

為抓緊擴大內銷市場的機會，管理層於過去數月曾拜訪及參觀在四川、湖北、湖南、廣西及江西之地方政府、瓦楞紙品廠及其它製造廠，物色合適的地點增建下游瓦楞紙品廠房，開拓更多在廣東省以外的商機。憑藉管理層多年專注於瓦楞紙業的經驗，相信可大力開拓內銷市場及擴大市場佔有率。

最後，本人謹藉此機會向集團管理層及員工致謝，感謝各位於年內的辛勤工作，並感謝客戶、供應商、銀行界及投資者一直以來的支持。雖然市場不明朗的因素仍然存在，但合豐集團作為廣東省最大型瓦楞包裝紙品製造商之一，管理層有信心能為股東帶來長遠及豐厚的回報。

主席
許森國
二零一零年四月二十二日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS OVERVIEW

In the first half of 2009, due to higher domestic sales offsetting a decline in exports, the Group's sales volume was similar to that in the first half of 2008, whilst the utilization of the Group's upstream (linerboard and medium) and downstream (boxes and boards) lines came to only 53% and 70%. The economic recovery in the second half and the Chinese government's stimulus package pushed linerboard and corrugating medium demand sharply higher, and market supply tightened considerably. As the Group's upstream business focuses on providing appropriate linerboard and corrugating medium for our own downstream consumption, and the new Qingyuan downstream production line started operations in September, our capacity rose by 9% and sales volume rose by 38% in the second half compared to the first half, whilst overall sales volume rose 10%. Utilization in the second half came to 77% and 88% for the upstream and downstream businesses, putting overall utilization for the year at 65% and 79%, respectively.

In 2009, upstream sales accounted for 14% of total sales while downstream sales accounted for 86%, against 4% and 96%, respectively, in 2008. This sales mix is adjusted by the Group depending on market pricing and demand changes, and demonstrates the flexibility of our integrated approach. Product pricing fell sharply after the financial crisis in 2008, with average selling prices falling by nearly 40% in the first half of 2009. A recovery in both volume and pricing in the third quarter however meant that overall 2009 average selling prices fell by nearly 30% only in 2009.

The sales mix tilted more towards domestic customers compared to export customers in 2009 (45% vs 55%, respectively, against 25% and 75% in 2008). Although average selling prices fell, domestic sales still rose by 30% year on year in 2009 while export sales fell 26%. This showed that the Chinese government's stimulus package helped raise domestic sales to offset the impact of falling exports. This also showed the ability of the Group to defend itself against economic volatility.

業務回顧

於二零零九年上半年，由於內銷業務增長抵銷了出口業務倒退之影響，本集團錄得與二零零八年上半年相若之銷售量，上游箱板紙(牛咭、瓦楞芯紙)及下游瓦楞包裝(紙箱、紙板)之設備使用率分別只有53%及70%。而下半年經濟改善及內需大幅增加，牛咭及芯紙的需求急升，市場供應量緊張。幸而本集團之上游業務主要是製造合適的牛咭及瓦楞芯紙供應予下游生產瓦楞紙品，加上在清遠新設之下游生產線於九月份正式投產，使產能提升9%，下半年銷售量比上半年增加了38%，而全年總銷量共增加10%。下半年之上下游設備使用率分別高達77%及88%，最終其整年使用率分別為65%及79%。

二零零九年上游銷售佔營業額14%，下游銷售佔86%，而二零零八年上下游業務分別佔4%及96%。這銷售組合是因應市場價格及供求之變動而靈活調節，發揮了縱向整合營運模式之優點。價格在二零零八年金融危機發生後急降，二零零九上半年之平均銷售價下降近四成，幸而在第三季起量價齊升，最終二零零九年平均銷售價只下跌近三成。

二零零九年之出口及內銷比例也有重大改變，分別佔55%及45%，而二零零八年的比例為75%及25%。雖然平均銷售價下降，但內銷營業額仍增長了30%，出口營業額卻下降了26%，反映中國經濟方案有效地刺激國內消費，抵銷出口急降的影響。與此同時，亦反映本集團能抵禦經濟波動時所帶來的衝擊。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Operating results

During 2009, the Group recorded revenue of HK\$923.4 million, representing a drop of 10.6% from HK\$1,033.2 million. Selling price dropped greatly after the financial crisis. Though sales volume was maintained in the first half of 2009, the low selling price led to a great fall in turnover. However, with great rise in domestic demand and improvement in economy in the second half, both sales volume and selling price rose, resulting in a surge in turnover by 59.9%.

Cost of sales was decreased in line with turnover by 12.9%. Gross profit margin improved from 19.1% to 21.2% despite a slight drop in gross profit from HK\$197.8 million to HK\$195.6 million. It was mainly due to cost-saving from self-supply of linerboard for downstream consumption throughout 2009 compared to five-month saving in 2008.

Other income decreased by 29.2% from HK\$20.7 million to HK\$14.7 million. It was mainly due to decrease in sales volume and selling price of scrap.

Selling and distribution costs decreased by 22.6% from HK\$46.8 million to HK\$36.2 million. The decrease was primarily due to reduction in delivery cost and sales commission. Both cost calculations were closely correlated with selling price.

Administrative expenses slightly decreased by 0.5% from HK\$62.2 million to HK\$61.9 million. Although some expenses were reduced in line with global collapse in price, higher insurance cost and share based payment were incurred for new production site and new share options granted respectively.

Other expenses increased by 74.0% from HK\$22.4 million to HK\$39.1 million. The increment was attributable to the depreciation charge for the completion of two projects at Qingyuan plant. The construction and installation of the power plant and the downstream corrugated packaging production line were both completed in second half of 2009. Moreover, provision for doubtful debts of HK\$3.6 million was made.

財務回顧

經營業績

於二零零九年，本集團錄得收益923,400,000港元，較去年之1,033,200,000港元下跌10.6%。售價於爆發金融危機後大幅下降。儘管銷售量於二零零九年上半年能夠維持，但低售價導致營業額有較大跌幅。然而，隨著下半年國內需求大幅增加及經濟復甦，銷售量及售價均有所上升，使營業額急增59.9%。

銷售成本隨著營業額減少而相應下跌，其跌幅為12.9%。儘管毛利由197,800,000港元微跌至195,600,000港元，但毛利率則由19.1%上升至21.2%。升幅主要因為二零零九年全年為下游自行供應其所需牛咭而節省成本所致，但二零零八年因自行供應牛咭而節省成本之時間為五個月。

其他收入由20,700,000港元減少29.2%至14,700,000港元。減幅主要因廢品銷售量及售價下降所致。

銷售及分銷成本由46,800,000港元減少22.6%至36,200,000港元。減幅主要因付運成本及銷售佣金減少所致。這兩項成本之計算均與售價有著密切關係。

行政開支由62,200,000港元微跌0.5%至61,900,000港元。儘管若干開支隨著全球價格暴跌而減少，但新生產廠房導致保險成本上升及授出新購股權引致以股份支付之支出增加。

其他開支由22,400,000港元增加74.0%至39,100,000港元，增幅主要因清遠廠房兩個項目竣工而產生之折舊所致。建造和安裝熱電站及下游瓦楞包裝生產線均於二零零九年下半年完成。另外，本集團作出呆賬撥備3,600,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group recorded a drop in earnings before interest and tax ("EBIT") by 16.0% to HK\$73.1 million. EBIT margin was 7.9% (2008: 8.4%).

During the year, additional bank loans were raised to finance the final stage of the power plant and to acquire a downstream production line in Qingyuan city. Finance cost of around HK\$6.8 million was capitalised. Waste paper cost had been increased by 70% within one year, leading to higher trust receipt loan balance. Nevertheless, low interest rate in 2009 led to decrease in finance cost by 10.7% from HK\$11.9 million to HK\$10.6 million.

Same as previous years, changes in fair value of derivative financial instruments and structured borrowing were recognised in the income statement for accounting purpose only. They were non-cash in nature and will be reversed to zero at maturity date.

Some major foreign exchange forward contracts were matured during the year and their corresponding fair value amounting to HK\$22.1 million were reversed to zero at maturity date. The structured borrowing again was proved to be effective as no interest had been incurred.

Net profit from operation (profit for the year before changes in fair value of structured borrowing and derivative financial instruments excluding net settlement) decreased by 29.8% from HK\$73.4 million to HK\$51.5 million. The respective net profit margin fell from 7.1% to 5.6%.

Profit for the year increased remarkably by 102.4% from HK\$41.4 million to HK\$83.8 million. The increase was mainly attributable to the reversal of unrealized changes in fair value of derivative financial instruments and structured borrowing amounting to HK\$22.8 million and HK\$9.5 million respectively.

Net profit margin for the year was 9.1%. Basic earnings per share was 17.35 HK cents (2008: 8.58 HK cents). The directors proposed a final dividend of 2.20 HK cents per share (2008: nil).

本集團錄得息稅前利潤(「息稅前利潤」)下跌16.0%至73,100,000港元。息稅前利潤率為7.9%(二零零八年:8.4%)。

年內，本集團向銀行籌得額外貸款，為熱電站最後工程及購置清遠市一條下游生產線提供資金，並將約6,800,000港元之財務成本撥充資本。廢紙成本於一年內上升70%，帶來較高的信託收據貸款結欠。然而，二零零九年之低利率導致財務成本由11,900,000港元減少10.7%至10,600,000港元。

一如過往數年，衍生金融工具及結構借貸之公平值之變動於收益表內確認，僅作會計處理之用。彼等屬非現金性質，將於到期日回撥為零。

若干重大外匯遠期合約於年內已到期，該等合約之相應公平值達22,100,000港元，已於到期日回撥為零。結構借貸合約再度發揮效用且並無產生利息支出。

營運純利(撇除結構借貸公平值變動及衍生金融工具(不包括淨結算)公平值之變動前之年度利潤)由73,400,000港元下跌29.8%至51,500,000港元，而相關純利率則由7.1%下跌至5.6%。

年度利潤由41,400,000港元大幅上升102.4%至83,800,000港元。升幅主要因回撥未變現衍生金融工具及結構借貸之公平值之變動(分別達22,800,000港元及9,500,000港元)所致。

年度純利率為9.1%。每股基本盈利為17.35港仙(二零零八年:8.58港仙)。董事建議派付末期股息每股2.20港仙(二零零八年:無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity, financial and capital resources

At 31st December, 2009, the Group's total cash and cash equivalents were mostly denominated in Hong Kong dollars and Renminbi. Bank balances and cash amounted to HK\$174.4 million (2008: HK\$254.8 million). Net current assets and current ratio of the Group were HK\$12.0 million (2008: HK\$10.8 million) and 1.02 (2008: 1.03). There was no material change in current ratio.

The Group had capital expenditures amounting to HK\$165.2 million for the final completion stage of the power plant, acquisition of a new downstream production line and box-making machineries and other machinery enhancement.

Inventory turnover was slightly decreased from 56 days to 55 days. Two-month shipment was basically required for delivering waste paper from Europe or US to the PRC.

At 31st December, 2009, trust receipt loans increased by HK\$40.4 million and other trade loans decreased by HK\$45.7 million. New bank loans were raised amounting to HK\$201.5 million for financing the capital expenditures, indicating continuous support from principal bankers. Short term and long term bank borrowings (including bank borrowings and structured borrowing) decreased by HK\$11.8 million and increased by HK\$20.8 million respectively. Net gearing ratio (measured by total bank borrowings net of cash to equity attributable to shareholders) was slightly increased to 56.1% (2008: 50.5%).

Contingent liabilities

A tax audit had been conducted by the Inland Revenue Department in December 2004. The Inland Revenue Department issued protective assessments for the years of assessment 1998/1999 to 2005/2006 to certain subsidiaries of the Group. Objections have been filed against all these assessments. As the tax audit was still in progress, in the opinion of the Directors, the outcome and impact of this matter could not be determined with reasonable certainty at this stage.

流動資金、財務及資本資源

於二零零九年十二月三十一日，本集團現金及現金等值總額大部分以港元及人民幣列值。銀行結餘及現金達174,400,000港元(二零零八年：254,800,000港元)。本集團之流動資產淨值及流動比率分別為12,000,000港元(二零零八年：10,800,000港元)及1.02(二零零八年：1.03)。流動比率並無重大變動。

本集團之資本開支為165,200,000港元，用於熱電站最後工程、購置一條新的下游生產線和紙箱製造機器及為其他機器進行改造。

存貨流轉率由56日稍為縮短至55日，基於歐洲或美國付運廢紙到中國的運輸基本需時兩個月。

於二零零九年十二月三十一日，信託收據貸款增加40,400,000港元，而其他貿易貸款則減少45,700,000港元。本集團為資本開支提供融資而新增銀行貸款201,500,000港元，顯示本集團獲主要往來銀行鼎力支持。短期及長期銀行借貸(包括銀行借貸和結構借貸)分別減少11,800,000港元及增加20,800,000港元。淨資本負債比率(按銀行借貸總額減現金除以股東應佔權益計算)微升至56.1%(二零零八年：50.5%)。

或然負債

稅務局於二零零四年十二月進行稅務稽查。稅務局就一九九八年／一九九九年至二零零五年／二零零六年之課稅年度向本集團若干附屬公司發出保障性評稅。本集團已就所有該等評稅提出反對。由於仍在進行稅務稽查程序，董事認為現階段未能合理確定此事宜之結果及影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

Prospects for the global economy have brightened in the first quarter of 2010 and the Group's sales have picked up. Pricing has risen by more than 20% from the end of December 2009 to the end of March 2010, whilst volumes have jumped 30% year on year and more importantly are now 17% above the same period in 2008. Sales to domestic clients now account for 50% of total sales. The newly added downstream line will contribute fully this year. With both the downstream and upstream operations on track, we are optimistic towards our performance in 2010. We are seeking to establish factories outside of Guangdong Province in order to fully grasp the business opportunities offered by domestic sales.

展望

二零一零年第一季之環球經濟漸見明朗，本集團的銷售情況理想，價格由去年十二月底至今年三月底已上升超過20%，銷售量除了較去年同期高出30%外，更比二零零八年同期高出17%，而內銷比例已上升至50%。本集團去年新增的下游生產線在今年將有全年效益，現時上下游運作均已上軌道，我們對二零一零年的業務表現感到樂觀。未來，管理層會積極物色機會在廣東省以外設立廠房，以進一步把握內銷市場的龐大商機。

MANAGEMENT PROFILE

管理層履歷

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Kwok, aged 50, is the chairman of the Board and a co-founder of the Group. He is responsible for the overall corporate planning, business development and management of the Group. He has over 25 years of experience in the corrugated paper-ware industry in Hong Kong and the PRC. He is a brother of Mr. Hui Sum Ping (executive director, vice chairman and substantial shareholder of the Company) and Mr. Hui Sum Tai (executive director and chief executive officer of the Company), and the spouse of Ms. Wong Mui. Mr. Hui Sum Kwok did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Mr. Hui Sum Ping, aged 48, is the vice chairman of the Board, an executive Director and a co-founder of the Group. He is responsible for the business development of the Group. He has over 25 years of experience in the corrugated paperware industry in Hong Kong and the PRC. He is a brother of Mr. Hui Sum Kwok (executive director, chairman and substantial shareholder of the Company), and Mr. Hui Sum Tai (executive director and chief executive officer of the Company). Mr. Hui Sum Ping did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Mr. Hui Sum Tai, aged 43, is the chief executive officer of the Company and an executive Director. He has joined the Group since its establishment and is responsible for the strategic planning and day-to-day management of the Group. He has over 23 years of experience in the corrugated paper-ware industry in Hong Kong and the PRC. He is a brother of Mr. Hui Sum Kwok (executive director, chairman and substantial shareholder of the Company) and Mr. Hui Sum Ping (executive director, vice chairman and substantial shareholder of the Company). Mr. Hui Sum Tai did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

董事會

執行董事

許森國先生，50歲，為董事會主席，並為本集團聯合創辦人。彼負責本集團整體企業規劃、業務發展及管理。彼於香港及中國之瓦楞紙品行業積逾二十五年經驗。彼為本公司執行董事、副主席兼主要股東許森平先生及本公司執行董事兼行政總裁許森泰先生之兄弟，並為黃梅女士之配偶。許森國先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

許森平先生，48歲，為董事會副主席兼執行董事，並為本集團聯合創辦人。彼負責本集團之業務發展。彼於香港及中國之瓦楞紙品行業積逾二十五年經驗。彼為本公司執行董事、主席兼主要股東許森國先生及本公司執行董事兼行政總裁許森泰先生之兄弟。許森平先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

許森泰先生，43歲，為本公司之行政總裁兼執行董事。彼自集團成立起已加入本集團，負責本集團策略規劃及日常管理。彼於香港及中國之瓦楞紙品行業積逾二十三年經驗。彼為本公司執行董事、主席兼主要股東許森國先生及本公司執行董事、副主席兼主要股東許森平先生之兄弟。許森泰先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

MANAGEMENT PROFILE

管理層履歷

BOARD OF DIRECTORS *(continued)*

Executive Directors *(continued)*

Mr. Wong Wing Por, aged 48, is an executive Director. He has joined the Group since its establishment and is responsible for the sales, marketing and production management of the Group. Mr. Wong has over 23 years of experience in the corrugated paper-ware industry in Hong Kong and the PRC. Mr. Wong Wing Por did not have any relationship with any director, substantial shareholder and senior management of the Company. He did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Ms. Hui Yuen Li, aged 39, is an executive Director and the company secretary of the Company. Ms. Hui is responsible for the financial management of the Group. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Hui obtained a degree of Bachelor of Arts with Honours in Accountancy from the City University of Hong Kong in 1992. Prior to joining the Group in May 1997, she had worked in the auditing field for around 5 years which included working for an international accounting firm. Ms. Hui Yuen Li did not have any relationship with any director, substantial shareholder and senior management of the Company. She did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Independent Non-executive Directors

Mr. Liu Kwok Fai, Alvan, aged 47, graduated from the University of Manitoba in Canada with a bachelor's degree of arts in 1985. He thereafter continued to pursue his legal qualification and completed the law society's final examination at Bristol Polytechnic in the United Kingdom in 1989. Mr. Liu was appointed as an independent non-executive Director of the Company on 4th September, 2003. He is currently the senior partner of a law firm, Messrs. Alvan Liu & Partners, and a China-appointed attesting officer appointed by the Ministry of Justice of the PRC. Mr. Liu Kwok Fai, Alvan did not have any relationship with any director, substantial shareholder and senior management of the Company. He resigned as an independent non-executive director of Fortune Telecom Holdings Limited on 28th February, 2007.

董事會 *(續)*

執行董事 *(續)*

王榮波先生，48歲，執行董事。彼自集團成立起已加入本集團，負責本集團銷售、市場推廣及生產管理。彼於香港及中國之瓦楞紙品行業積逾二十三年經驗。王榮波先生與本公司之任何董事、主要股東及高層管理人員概無任何關係。彼於過去三年並無於香港或海外上市公司出任任何其他董事職務。

許婉莉女士，39歲，為本公司之執行董事兼公司秘書。許女士負責本集團財務管理。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。許女士於一九九二年畢業於香港城市大學，持有會計學榮譽文學士學位。彼於一九九七年五月加盟本集團前，於核數方面積近五年經驗，曾於一間國際會計師行工作。許婉莉女士與本公司之任何董事、主要股東及高層管理人員概無任何關係。彼於過去三年並無於香港或海外上市公司出任任何其他董事職務。

獨立非執行董事

廖國輝先生，47歲，於一九八五年在加拿大 University of Manitoba 畢業，持有文學士學位。其後繼續考取法律資格，於一九八九年完成英國 Bristol Polytechnic 之法律學會期終試。廖先生於二零零三年九月四日獲委任為本公司之獨立非執行董事。彼現為廖國輝律師事務所之高級合夥人，並為中國司法部委任之中國委任見證人員。廖國輝先生與本公司之任何董事、主要股東及高層管理人員概無任何關係。彼於二零零七年二月二十八日辭任長遠電信網絡集團有限公司獨立非執行董事一職。

MANAGEMENT PROFILE 管理層履歷

BOARD OF DIRECTORS *(continued)*

Independent Non-executive Directors *(continued)*

Mr. Chee Man Sang, Eric, aged 48, is a practising Certified Public Accountant in Hong Kong. He graduated from Birmingham University in 1984 with a Bachelor's Degree of Commerce (majoring in Accounting). Mr. Chee was appointed as an independent non-executive Director of the Company on 4th September, 2003. He is currently a senior partner of Chan Chee Cheng & Co, a firm of Certified Public Accountants. He had worked in two international accounting firms in Canada and Hong Kong. Mr. Chee is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. In addition to his appointment to the Company, he is also an independent non-executive director of Mastermind Capital Limited (formerly known as Apex Capital Limited) and Coolpoint Energy Limited (formerly known as Greater China Technology Group Limited), both companies listed on the Stock Exchange. Mr. Chee Man Sang, Eric did not have any relationship with any director, substantial shareholder and senior management of the Company.

Mr. Wong Chu Leung, aged 62, has over 25 years of experience in enterprise management and manufacturing operation management. Mr. Wong was appointed as an independent non-executive Director of the Company on 15th September, 2004. Mr. Wong is currently a shareholder and a director of certain metal ware and plastic ware manufacturing companies/corporations with manufacturing plants located in the PRC. Mr. Wong Chu Leung did not have any relationship with any director, substantial shareholder and senior management of the Company. He did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

董事會(續)

獨立非執行董事(續)

池民生先生，48歲，香港執業會計師。於一九八四年在伯明翰大學畢業，持有商業學士學位(主修會計)。池先生於二零零三年九月四日獲委任為本公司之獨立非執行董事。彼現為執業會計師行陳池鄭會計師事務所之高級合夥人。彼曾任職加拿大及香港兩間國際會計師行。池先生乃香港會計師公會及加拿大安大略省特許會計師公會(Institute of Chartered Accountants of Ontario)會員。除獲委任為本公司獨立非執行董事外，彼亦為慧德投資有限公司(前稱鼎洋投資有限公司)及快意節能有限公司(前稱大中華科技(集團)有限公司)(兩者均為聯交所上市之公司)之獨立非執行董事。池民生先生與本公司之任何董事、主要股東及高層管理人員概無任何關係。

黃珠亮先生，62歲，於企業管理及製造業務管理方面積逾二十五年經驗。黃先生於二零零四年九月十五日獲委任為本公司之獨立非執行董事。黃先生現為若干於中國設有生產廠房之金屬製品及塑膠製品公司／企業之股東及董事。黃珠亮先生與本公司之任何董事、主要股東及高層管理人員概無任何關係。彼於過去三年並無於香港或海外上市公司出任任何其他董事職務。

MANAGEMENT PROFILE

管理層履歷

SENIOR MANAGEMENT

Ms. Wong Mui, aged 44, is the deputy general manager of the Group. She has worked for the Group since its establishment and is responsible for the general administration of the Group. Ms. Wong is the spouse of Mr. Hui Sum Kwok (executive director, chairman and substantial shareholder of the Company).

Mr. Yuen Fu Keung, aged 47, is the project manager of the Group. He is responsible for project development and implementation of the Group. Mr. Yuen graduated from the University of Bath in the United Kingdom in 1986 where he obtained a Bachelor of Science Degree in Electrical and Electronic Engineering with first class honours. Prior to joining the Group in November 2003, he had over 8 years of working experience in corrugating machinery and control systems.

Ms. Wong Yuk Kwan, aged 38, is the accounting manager of the Group. She is responsible for the daily accounting operations of the Group. Ms. Wong graduated from the University of Houston — Downtown in the US with a bachelor degree of business administration majoring in accounting in 1994. Prior to joining the Group in May 2002, she had worked in the auditing field for around 7 years which included working for an international accounting firm.

高級管理層

黃梅女士，44歲，本集團副總經理。彼自本集團成立以來一直任職於本集團，負責本集團之一般行政事務。黃女士為本公司執行董事、主席兼主要股東許森國先生之配偶。

袁富強先生，47歲，本集團項目經理。彼負責本集團之項目發展及施行。袁先生於一九八六年畢業於英國巴斯大學，持有電子及電機工程學一級榮譽理學士學位。彼於二零零三年十一月加盟本集團前，於瓦楞紙品之生產機械及控制系統方面積逾八年工作經驗。

黃玉君女士，38歲，本集團會計經理。彼負責本集團日常會計職務。黃女士於一九九四年畢業於美國University of Houston — Downtown，持有工商管理學士學位，主修會計。彼於二零零二年五月加盟本集團之前，在核數方面積近七年經驗，曾於一間國際會計師行工作。

CORPORATE GOVERNANCE REPORT 企業管治報告

The board of directors ("Board") of the Company is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31st December, 2009.

The key corporate governance principles and practices of the Company are summarized as follows:

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Group's corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to shareholders.

The Company recognizes the importance of good corporate governance to its healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to its needs.

The Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") sets out the principles of good corporate governance and two levels of corporate governance practices as follows:

- (a) Code provisions, which listed issuers are expected to comply with or to give considered reasons for deviation
- (b) Recommended best practices for guidance only, which listed issuers are encouraged to comply with or to give considered reasons for deviation.

The Company has adopted various measures to ensure a high standard of corporate governance and has put in place corporate governance practices that are considered to be relevant to the Group and to meet the code provisions as set out in the CG Code.

本公司董事會(「董事會」)欣然提交載於本集團截至二零零九年十二月三十一日止年度報告之企業管治報告。

本公司之主要企業管治原則及常規概述如下：

本公司之企業管治常規

本集團致力達致高水準之企業管治，以保障股東權益及提升企業價值和問責性。本集團之企業管治原則著重優秀董事會、有效內部管治及對股東負責任之重要性。

本公司深明良好企業管治對其健全增長之重要性，並已付出相當大努力物色及制定適合其需要之企業管治常規。

香港聯合交易所有限公司(「聯交所」)證券上市規則附錄14所載之企業管治常規守則(「企管守則」)載列之良好企業管治之原則及兩種企業管治常規水平如下：

- (a) 守則條文指上市發行人應遵守守則之規定，如有任何偏離應提供理據支持原因
- (b) 建議最佳常規僅屬指引，鼓勵上市發行人遵守建議最佳常規，如有任何偏離應提供理據支持原因。

本公司已採用各項措施以確保高水準之企業管治，並已實施被視為適用於本集團之企業管治常規以符合企管守則所載之守則條文。

CORPORATE GOVERNANCE REPORT

企業管治報告

Throughout the year under review, the Company has complied with the code provisions as set out in the CG Code, save for the deviations from code provisions A.2.1, A.4.2 and B.1.3 which deviations are explained in the relevant paragraphs of this Report.

The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

THE BOARD/BOARD OF DIRECTORS

Responsibilities

Overall management of Company business is vested in the Board, which assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company. The Board has delegated to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the interests of the Company and its shareholders at all times.

Delegation of Management Functions

The Board reserves for its decision all major matters of the Company including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

回顧整個年度，本公司一直遵守企管守則所載之守則規定，惟守則條文A.2.1、A.4.2及B.1.3條之偏離除外，該等偏離會於本報告之有關段落說明。

本公司定期檢討其企業管治常規，以確保符合企管守則。

董事會

責任

董事會負責本公司業務之整體管理，透過引領方向及監督本公司之事務，肩負起領導及監控本公司之責任，共同推動本公司邁向成功。董事會之董事均以符合本公司利益為依歸客觀地作出決定。董事會向高級管理人員轉授本集團日常管理及營運之權力及責任。此外，董事會轄下亦已設立委員會，並向該等委員會轉授其各自職權範圍載列之各項責任。

全體董事會本著真誠履行職責，符合適用法律及規例的標準，並時刻為本公司及其股東之利益行事。

管理職能授權

董事會保留為本公司所有重大事項作出決策的權力，包括：批准及監控所有政策事宜、整體策略及預算、內部監控及風險管理制度、重大交易（尤其是可能涉及利益衝突之交易）、財務資料、董事委任及其他重大財務和營運事宜。

所有董事均可充分和適時獲取所有相關資料及公司秘書之意見及服務，以確保遵守董事會程序及所有適用法律及規例。每位董事一般可於適當情況下向董事會提出尋求獨立專業人士意見並由本公司支付開支之要求。

CORPORATE GOVERNANCE REPORT 企業管治報告

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

The Board has the full support of the Chief Executive Officer and the senior management for the discharge of its responsibilities.

Board Composition

The Board currently comprises 8 members, consisting of 5 executive directors and 3 independent non-executive directors.

The Board of the Company comprises the following directors:

Executive directors:

Hui Sum Kwok	– Chairman
Hui Sum Ping	– Vice-Chairman
Hui Sum Tai	– Chief Executive Officer
Wong Wing Por	
Hui Yuen Li	– Company Secretary and Member of Remuneration Committee

Independent non-executive directors:

Liu Kwok Fai, Alvan	– Chairman of Audit Committee
Chee Man Sang, Eric	– Member of Audit Committee and Chairman of Remuneration Committee
Wong Chu Leung	– Member of Audit Committee and Remuneration Committee

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The relationships among the members of the Board are disclosed under “Management Profile” on pages 11 to 14.

本公司之日常管理、行政管理及營運均轉授予行政總裁及高級管理層。董事會定期檢討有關職能及責任。上述高級職員進行任何重大交易前須獲取董事會之批准。

董事會獲得行政總裁及高級管理層的全力支持以履行其職責。

董事會組成

董事會目前由八位成員組成，包括五位執行董事及三位獨立非執行董事。

本公司董事會由以下董事組成：

執行董事：

許森國	– 主席
許森平	– 副主席
許森泰	– 行政總裁
王榮波	
許婉莉	– 公司秘書兼薪酬委員會成員

獨立非執行董事：

廖國輝	– 審核委員會主席
池民生	– 審核委員會成員兼薪酬委員會 主席
黃珠亮	– 審核委員會及薪酬委員會成員

董事名單(分類)亦根據上市規則於本公司不時公佈之所有公司通函中予以披露。本公司亦根據上市規則於所有通函中列明各獨立非執行董事。

董事會成員之間之關係已於第11至14頁「管理層履歷」披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31st December, 2009, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All directors, including independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive directors have been invited to serve on the Audit and Remuneration Committees of the Company.

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. The Board as a whole is responsible for reviewing Board composition, developing and formulating procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

All the independent non-executive directors of the Company are appointed for a specific term and subject to re-election.

In accordance with the Company's Articles of Association, all directors of the Company are subject to retirement by rotation at least once every three years.

於截至二零零九年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事，其中最少一名獨立非執行董事擁有適當專業資格或會計或相關財務管理專長之規定。

本公司已收到每位獨立非執行董事根據上市規則須保持獨立性之年度書面確認函。本公司認為，根據上市規則載列之獨立性指引，所有獨立非執行董事均為獨立。

所有董事(包括獨立非執行董事)均為董事會帶來各種不同的寶貴營商經驗、知識及專業，使其有效率及有效地運作。獨立非執行董事獲邀擔任本公司審核及薪酬委員會之成員。

董事之委任、重選及免任

董事委任、重選及免任之程序及過程已於本公司組織章程細則內作出規定。董事會作為一個整體負責審議董事會組成、制定並編製董事提名及委任之程序、監察董事之委任及接任計劃，並評核獨立非執行董事之獨立性。

本公司所有獨立非執行董事之委任均有特定任期，並須進行重選。

按照本公司組織章程細則之規定，本公司所有董事須每三年輪席退任一次。

CORPORATE GOVERNANCE REPORT 企業管治報告

Code provision A.4.2 of the CG Code stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. The Company's Articles of Association deviate from Code Provision A.4.2 of the CG Code which provides that any new director appointed by the Board during the year shall hold office until the next following annual general meeting after appointment, when he/she shall be eligible for re-election.

The Board reviews its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Where vacancies on the Board exist, the Board shall carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process where necessary.

In addition, Mr Hui Sum Ping, Ms Hui Yuen Li and Mr Wong Chu Leung shall retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting. The Company's circular dated 30th April, 2010 contains detailed information of the retiring directors standing for re-election.

The Board recommended the re-appointment of the retiring directors at the forthcoming annual general meeting of the Company.

Training Induction and Continuing Development of Directors

Each newly appointed director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

企管守則之守則條文A.4.2條規定所有獲委任填補臨時空缺之董事須於其獲委任後首次股東大會上接受股東選舉。本公司組織章程細則偏離企管守則之守則條文A.4.2條之規定，即年內獲董事會委任之任何新董事須任職至其獲委任後舉行之股東週年大會時為止，且彼有資格接受重選。

董事會定期檢討其本身架構、規模及組成，以確保適合於本公司業務需要之專長、技能及經驗之平衡。

倘若董事會出現空缺，董事會經考慮候選人之技能、經驗、專業知識、個人品格及可付出時間、本公司之需要及其他相關法例要求及規定後進行甄選。有需要時可透過外部招聘代理機構進行招聘及甄選程序。

此外，許森平先生、許婉莉女士及黃珠亮先生須於下屆股東週年大會上輪席退任並有資格接受重選。本公司於二零一零年四月三十日發出之通函已載列接受重選退任董事之詳細資料。

董事會建議於下屆股東週年大會上再次委任退任董事。

董事入職培訓及持續發展

新獲委任之董事均於其首次獲委任時接受正式、全面及因應個別董事而設計之入職培訓，以確保彼適當瞭解本公司業務及經營及充分明白上市規則規定其須承擔之責任及義務及相關法律規定。有關入職培訓還包括考察本公司之主要廠房場地，並與本公司之高級管理層會面。

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged where necessary.

Board Meetings

Number of Meetings and Directors' Attendance

During the year ended 31st December, 2009, four regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. The average attendance rate was approximately 100%. Apart from the regular Board meetings, a board meeting was held on 7th July, 2009 to approve granting of share options and the attendance rate of that meeting was 100%.

The attendance records of each director at the meetings of the Board, Remuneration Committee and Audit Committee during the year ended 31st December, 2009 are set out below:

董事會持續獲提供有關法律及監管發展以及業務環境改變之最新資料，以協助彼等履行職責。本公司將於有需要時向董事持續提供資訊及專業發展。

董事會會議

會議次數及董事出席情況

於截至二零零九年十二月三十一日止年度，董事會已舉行四次定期會議，大約每季度一次，以檢討及批准財務及經營業績並審議及批准本公司整體策略及政策。董事之平均出席率約為100%。除定期舉行之董事會會議外，董事會於二零零九年七月七日為通過授出購股權舉行董事會會議，是次會議出席率為100%。

截至二零零九年十二月三十一日止年度董事會、薪酬委員會及審核委員會會議每位董事之出席記錄載列如下：

Name of Directors 董事姓名		Attendance/Number of Meetings 會議出席率／次數		
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
Hui Sum Kwok	許森國	5	N/A 不適用	2
Hui Sum Ping	許森平	5	N/A 不適用	2
Hui Sum Tai	許森泰	5	N/A 不適用	2
Wong Wing Por	王榮波	5	N/A 不適用	2
Hui Yuen Li	許婉莉	5	1	3
Liu Kwok Fai, Alvan	廖國輝	4	N/A 不適用	3
Chee Man Sang, Eric	池民生	5	1	3
Wong Chu Leung	黃珠亮	5	1	3

Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

董事會常規及會議之進行

全年會議時間表及每次會議草擬議程一般會事先向董事提供。

CORPORATE GOVERNANCE REPORT 企業管治報告

Notice of regular Board meetings is served to all directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management where necessary.

The Chief Executive Officer and Company Secretary had attended all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and final versions are open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

舉行定期會議前至少14日向所有董事送呈董事會會議通知。至於其他董事會及委員會會議，在一般情況下亦給予合理通知。

每次董事會會議或委員會會議前至少3日向所有董事寄發董事會文件連同所有適當、完整及可靠資料，以便董事瞭解本公司最新發展及財政狀況及使董事在知情的情況下作出決定。於需要時，董事會及每位董事亦可單獨及獨立地聯絡高級管理層。

行政總裁及公司秘書已出席所有定期董事會會議，且於需要時出席其他董事會及委員會會議，就本公司業務發展、財務及會計事項、遵守法規及監管事宜、企業管治及其他重大事項提供意見。

公司秘書負責所有董事會會議及委員會會議記錄並保存有關記錄。每次會議後通常於合理時間內交由董事傳閱記錄草稿並發表意見，其定稿可供董事查閱。

根據目前董事會之慣例，涉及主要股東或董事利益衝突之任何重大交易，將由董事會召開董事會會議上審議及處理。本公司組織章程細則載有有關規定，要求有關董事於批准彼等或其任何聯繫人士擁有重大利益之交易時放棄投票並不計入會議法定人數。

CORPORATE GOVERNANCE REPORT 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board is Mr Hui Sum Kwok and the Chief Executive Officer is Mr Hui Sum Tai. The positions of Chairman and Chief Executive Officer are held by separate persons in order to preserve independence and a balance of views and judgment. The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board.

The Board of Directors considers that the responsibilities of the Chairman and Chief Executive Officer respectively are clear and distinctive and no written terms on division of responsibilities between Chairman and the Chief Executive Officer are necessary. This deviates from the Code Provision A.2.1 of the CG Code which stipulates that the division of responsibilities between chairman and chief executive officer should be established and set out in writing.

BOARD COMMITTEES

The Board has established two committees, namely, the Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are available to shareholders upon request.

The majority of the members of each Board committee are independent non-executive directors.

Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense.

Remuneration Committee

The Remuneration Committee comprises 3 members, namely Mr Chee Man Sang, Eric (Chairman), Mr Wong Chu Leung and Ms Hui Yuen Li, and the majority of them are independent non-executive directors.

主席及行政總裁

董事會主席為許森國先生，而行政總裁為許森泰先生。主席及行政總裁之職位分別由不同人士擔任，以便維持獨立性及在意見及判斷之間保持平衡。主席根據良好企業管治常規發揮領導作用並負責董事會之有效運作。行政總裁主要負責執行董事會之目標及董事會已批准及轉授之政策及策略。

董事會認為，主席與行政總裁各自之職責均有清楚及明確界定，故毋須以書面劃分兩者之職權範圍。此舉偏離企管守則之守則條文A.2.1條，該條文規定清楚地制定主席與行政總裁之職責範圍，並以書面列出。

董事委員會

董事會已設立兩個委員會，即薪酬委員會及審核委員會，以監督本公司具體事務。本公司所有董事委員會均按書面界定之職權範圍履行工作。董事委員會之職權範圍可應要求向股東提供。

各董事委員會之大部份成員均為獨立非執行董事。

董事委員會獲提供足夠資源履行其職務，如提出之要求合理，可於適當情況下尋求獨立專業意見，費用由本公司負責。

薪酬委員會

薪酬委員會包括三名成員，即池民生先生（主席）、黃珠亮先生及許婉莉女士，彼等大部分均為獨立非執行董事。

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The primary functions of the Remuneration Committee include the following:

- To make recommendations on the establishment of procedures for developing the remuneration policy and structure for the executive director, which policy shall ensure that no director or any of his/her associates will participate in deciding his/her own remuneration
- To make recommendations on the remuneration packages of the executive directors
- To review and approve the remuneration packages of the executive directors by reference to the performance of the individual and the Company as well as market practice and conditions
- To review and approve the compensation arrangements for the executive directors

The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee consults with the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

The Remuneration Committee met once during the year ended 31st December, 2009 and reviewed the remuneration policy and structure of the Company, and the remuneration packages as well as the annual bonuses of the executive directors for the year under review. The attendance rate of the Remuneration Committee Meeting was 100%.

Meanwhile, the remuneration of the senior management of the Company is not considered by the Remuneration Committee and this deviates from the Code Provision B.1.3 of the CG Code.

Currently, the remuneration of the senior management is attended by the Chairman and/or Chief Executive Officer of the Company.

薪酬委員會之主要職能包括以下各項：

- 就發展執行董事之薪酬政策及架構確立程序提供意見，該等政策須確保董事或任何聯繫人士不會參與決定彼本身之薪酬
- 就執行董事之薪酬待遇提供意見
- 經參考個人及本公司之表現以及市場慣例與市況後審閱及批准執行董事之薪酬待遇
- 審閱及批准執行董事之薪津安排

人力資源部負責收集及管理人力資源資料並向薪酬委員會提出建議，以供其審議。薪酬委員會亦就有關薪酬政策及架構及薪酬之建議徵求本公司主席及／或行政總裁意見。

薪酬委員會於截至二零零九年十二月三十一日止年度舉行一次會議，審議回顧年度本公司薪酬政策及架構以及執行董事之薪酬待遇及年度花紅。薪酬委員會會議之出席率為100%。

同時，薪酬委員會不會審議本公司高級管理層之薪酬，而此舉偏離企管守則之守則條文B.1.3條之規定。

目前，高級管理層薪酬由主席及／或行政總裁負責釐定。

CORPORATE GOVERNANCE REPORT

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Audit Committee

The Audit Committee comprises three independent non-executive directors, namely Mr Liu Kwok Fai, Alvan (Chairman), Mr Chee Man Sang, Eric and Mr Wong Chu Leung (including one independent non-executive director with the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function, compliance officer, internal auditor or external auditors before submission to the Board
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held three meetings during the year ended 31st December, 2009 to review the financial results and reports, financial reporting and compliance procedures, the Company's internal control and risk management systems and processes, and the re-appointment of the external auditors. The attendance records of the Audit Committee are set out under "Board Meetings" on page 20.

The Company's annual results for the year ended 31st December, 2009 have been reviewed by the Audit Committee.

審核委員會

審核委員會由三名獨立非執行董事組成(包括一名擁有適當專業資格或會計或相關財務管理技巧之獨立非執行董事)，即廖國輝先生(主席)、池民生先生及黃珠亮先生。概無審核委員會成員曾為本公司現有外聘核數師之前任合夥人。

審核委員會之主要職責包括以下各項：

- 向董事會提交由負責會計及財務報告職能的職員、監察主任、內部核數師或外聘核數師提交之財務報表及報告前，審閱該等財務報表及報告以及審議彼等所提出任何重大或不尋常事項
- 根據外聘核數師之工作檢討與外聘核數師之關係、其費用及聘用條款並就外聘核數師之委任、重新委任及免職向董事會提出建議
- 檢討本公司財務申報制度、內部監控制度、風險管理制度及相關之程序是否充分及有效。

審核委員會於截至二零零九年十二月三十一日止年度舉行三次會議，審議財務業績及報告、財務申報及合規程序、本公司內部監控及風險管理系統及程序之報告以及重新委任外聘核數師事宜。審核委員會會議之出席率載於第20頁「董事會會議」項下。

審核委員會已檢討本公司截至二零零九年十二月三十一日止年度業績。

CORPORATE GOVERNANCE REPORT 企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (The "Company's Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31st December, 2009.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31st December, 2009.

The directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and that relevant statutory and regulatory requirements and applicable accounting standards are complied with.

The Management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

證券交易標準守則

本公司已採納有關董事進行本公司證券交易之守則(「本公司守則」)，其條款嚴謹程度不低於上市規則附錄10載列之上市發行人董事進行證券交易標準守則(「標準守則」)之規定。

已向所有董事作出具體查詢並獲彼等確認，彼等已於截至二零零九年十二月三十一日止年度遵守標準守則。

本公司亦就可能獲得本公司未經公佈股價敏感資料之僱員進行證券交易訂立其條款嚴謹程度不低於標準守則之書面指引(「僱員書面指引」)。

就本公司所知，並無僱員未遵守僱員書面指引之事件。

董事有關財務報表之責任

董事確認其編製截至二零零九年十二月三十一日止年度本公司財務報表之責任。

董事負責監察本公司財務報表之編製，確保財務報表公平真實反映本集團之事務狀況，以及該等財務報表符合法定及監管規定及適用之會計準則。

管理層向董事會提供所需解釋及資料，讓董事會可以就提交給董事會批准的本公司財務報表，作出知情評審。董事會已收到高級管理層提供管理賬目、所需之附隨解釋及資料，以便就批准財務報表作出知情評審。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the financial statements is set out in the "Independent Auditor's Report" on page 50 and 51.

During the year ended 31st December, 2009, the remuneration paid/payable to the Company's external auditor, Deloitte Touche Tohmatsu, is set out below:

Category of services 服務種類

Fee paid/payable 已付／應付費用

HK\$
港元

Audit services	核數服務	1,480,000
Non-audit services	非核數服務	
– Preliminary review	– 初步審閱	20,000
– Compliance review	– 合規審閱	112,000
		<hr/>
		1,612,000

INTERNAL CONTROLS

During the year under review, the Board conducted a review of the effectiveness of the internal control system of the Company, including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and reviewing the effectiveness of such on an annual basis.

The Audit Committee oversees the internal control system of the Group, reports to the Board on any material issues and makes recommendations.

外聘核數師及核數師之酬金

本公司外聘核數師有關其申報財務報表之責任之聲明載於第50及51頁「獨立核數師報告」內。

於截至二零零九年十二月三十一日止年度，本公司向外聘核數師德勤•關黃陳方會計師行已付／應付之酬金載列如下：

內部監控

於回顧年內，董事會已檢討本集團內部監控制度之效能，包括資源之足夠性、本公司負責會計及財務申報之員工之資歷及經驗、以及彼等之培訓計劃及預算。

董事會負責維持完善內部監控制度以保障本公司股東的投資及本公司之資產，並每年檢討其效能。

審核委員會監察本集團之內部監控制度，並就任何重大事項向董事會匯報及作出建議。

CORPORATE GOVERNANCE REPORT 企業管治報告

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks, and to safeguard assets of the Group. The internal auditor and the senior management review and evaluate the control process, monitor any risk factors on a regular basis, and report to the Audit Committee on any findings and measures to address the variances and identified risks.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a forum for communication between the Board and the shareholder. The Chairman of the Board as well as chairmen of the Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, are available to answer questions at shareholder meetings.

The 2009 Annual General Meeting ("AGM") was held on 8th June, 2009. The notice of AGM was sent to shareholders at least 20 clear business days before the AGM.

To promote effective communication, the Company maintains a website at www.hopfunggroup.com, where up-to-date extensive information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted.

本集團之內部監控制度之設計乃為協助有效及有效率之運作，確保財務報告之可靠度及遵守適用法律及規例，識別及管理潛在風險，以及保障本集團之資產。內部核數師及高級管理層定期檢討及評估監控程序，並監察任何風險因素，以及就任何調查結果，應付變動及已識別風險之措施向審核委員會報告。

與股東溝通及投資者關係

本公司深信，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及策略了解至為重要。本公司亦明白保持透明度和適時披露公司資料的重要性，因其有利於股東及投資者作出最佳投資決策。

本公司之股東大會為董事會與股東提供溝通之平台。董事會主席以及薪酬委員會及審核委員會之主席(或(如彼等缺席)各委員會之其他成員及(如適用)獨立董事委員會之主席)會在股東會議上解答問題。

二零零九年股東週年大會(「股東週年大會」)已於二零零九年六月八日舉行。股東週年大會之通知已於股東週年大會至少20個完整營業日前寄發予各股東。

為促進有效之溝通，本公司亦設有網站www.hopfunggroup.com，刊登有關其業務營運及發展之豐富及最新資料、財務資料、企業管治常規及其他資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDER RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

股東之權利

為保障股東之利益及權利，本公司會就各項獨立重大問題(包括選舉個別董事)於股東大會提呈獨立決議案。

根據上市規則，所有於股東大會上提呈之決議案須以投票方式表決，投票結果將於進行投票表決之各股東大會舉行後在本公司及聯交所之網站上刊登。

DIRECTORS' REPORT 董事會報告

The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31st December, 2009.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 33 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2009 are set out in the consolidated statement of comprehensive income on page 52.

An interim dividend of 1.00 HK cent per share, amounting to approximately HK\$4,829,000 in respect of 2009 was calculated by reference to 482,924,000 shares in issue on 16th October, 2009 and was paid to the shareholders of the Company on 23rd October, 2009.

The Directors now recommend the payment of a final dividend of 2.20 HK cents per share to the shareholders of the Company whose names appear on the register of members on 7th June, 2010.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 120.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 24 to the consolidated financial statements.

董事欣然提呈彼等就本集團截至二零零九年十二月三十一日止年度之報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司之主要業務刊載於綜合財務報表附註33。

業績及分配

本集團截至二零零九年十二月三十一日止年度之業績載於第52頁之綜合全面收益表內。

於二零零九年十月二十三日，本公司向股東派付二零零九年之中期股息每股1.00港仙，合共約4,829,000港元，乃按於二零零九年十月十六日之已發行482,924,000股股份計算。

董事現建議向於二零一零年六月七日名列股東名冊內之本公司股東派付末期股息每股2.20港仙。

財務概要

本集團過去五個財政年度之業績及資產與負債概要載於第120頁。

物業、廠房及設備

有關本集團物業、廠房及設備於年內之變動詳情，載於綜合財務報表附註15。

股本

本公司股本於年內之變動詳情載於綜合財務報表附註24。

DIRECTORS' REPORT 董事會報告

SHARE PREMIUM AND RESERVES

Movements in the share premium and reserves of the Group for the year ended 31st December, 2009 are set out in the consolidated statement of changes in equity on page 54.

DIRECTORS

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

Executive Directors

Mr. Hui Sum Kwok, *Chairman*
Mr. Hui Sum Ping, *Vice Chairman*
Mr. Hui Sum Tai, *Chief Executive Officer*
Mr. Wong Wing Por
Ms. Hui Yuen Li

Independent Non-executive Directors

Mr. Liu Kwok Fai, Alvan
Mr. Chee Man Sang, Eric
Mr. Wong Chu Leung

In accordance with Article 87(1) of the Company's Articles of Association, Mr. Hui Sum Ping, Ms. Hui Yuen Li and Mr. Wong Chu Leung shall retire from office by rotation in the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Each of the executive Directors has entered into a service agreement with the Company for a term of one year commencing 15th September, 2009, which may be terminated by not less than three months' notice in writing served by either party.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

股份溢價及儲備

本集團股份溢價及儲備於截至二零零九年十二月三十一日止年度之變動詳情載於第54頁之綜合權益變動表內。

董事

年內及截至本報告日止，本公司之在任董事如下：

執行董事

許森國先生，*主席*
許森平先生，*副主席*
許森泰先生，*行政總裁*
王榮波先生
許婉莉女士

獨立非執行董事

廖國輝先生
池民生先生
黃珠亮先生

根據本公司之組織章程細則第87(1)條，許森平先生、許婉莉女士及黃珠亮先生將於應屆股東週年大會輪值告退，惟彼等符合資格並願膺選連任。

各執行董事已經與本公司訂立服務協議，由二零零九年九月十五日起為期一年，可於任何一方發出不少於三個月書面通知後終止。

除上文披露者外，擬於應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立本集團如不作出賠償(法定賠償除外)則不能在一年內終止之服務合約。

DIRECTORS' REPORT 董事會報告

DIRECTORS (continued)

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

The biographical details of the directors and senior management of the Company are set out in Management Profile on pages 11 to 14 of this report.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 26 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

董事(續)

本公司已接獲各獨立非執行董事根據上市規則就彼之獨立性作出之年度確認書。本公司認為，全體獨立非執行董事均為獨立人士。

本公司董事及高級管理層履歷詳情載於本年報第11至14頁管理層履歷。

購股權

本公司購股權計劃之詳情載於綜合財務報表附註26。

下表披露本公司購股權於年內之變動：

Category 類別	Option type 購股權種類 (Note 1) (附註1)	Date of grant 授出日期	Exercisable price 行使價 HK\$ 港元	Outstanding at beginning of the year 年初尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Outstanding at end of the year 年終 尚未行使
Directors 董事								
Mr. Hui Sum Kwok (Note 2)	D	29.5.2007	2.640	1,893,000	-	-	-	1,893,000
許森國先生(附註2)	E	7.7.2009	0.752	-	4,828,000	-	-	4,828,000
Mr. Hui Sum Ping	D	29.5.2007	2.640	1,893,000	-	-	-	1,893,000
許森平先生	E	7.7.2009	0.752	-	4,828,000	-	-	4,828,000
Mr. Hui Sum Tai	D	29.5.2007	2.640	3,678,360	-	-	-	3,678,360
許森泰先生	E	7.7.2009	0.752	-	4,828,000	-	-	4,828,000

DIRECTORS' REPORT
董事會報告

SHARE OPTIONS (continued)

購股權(續)

Category 類別	Option type 購股權種類 (Note 1) (附註1)	Date of grant 授出日期	Exercisable price 行使價 HK\$ 港元	Outstanding at beginning of the year 年初尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Outstanding at end of the year 年終 尚未行使
Directors 董事								
Mr. Wong Wing Por 王榮波先生	D	29.5.2007	2.640	1,500,000	–	–	–	1,500,000
	E	7.7.2009	0.752	–	4,828,000	–	–	4,828,000
Ms. Hui Yuen Li 許婉莉女士	D	29.5.2007	2.640	1,100,000	–	–	–	1,100,000
	E	7.7.2009	0.752	–	1,100,000	–	–	1,100,000
Mr. Liu Kwok Fai, Alvan 廖國輝先生	D	29.5.2007	2.640	120,000	–	–	–	120,000
	E	7.7.2009	0.752	–	120,000	–	–	120,000
Mr. Chee Man Sang, Eric 池民生先生	D	29.5.2007	2.640	120,000	–	–	–	120,000
	E	7.7.2009	0.752	–	120,000	–	–	120,000
Mr. Wong Chu Leung 黃珠亮先生	D	29.5.2007	2.640	120,000	–	–	–	120,000
	E	7.7.2009	0.752	–	120,000	–	–	120,000
				10,424,360	20,772,000	–	–	31,196,360
Other employees 其他僱員	D	29.5.2007	2.640	7,950,000	–	–	–	7,950,000
	E	7.7.2009	0.752	–	9,228,000	–	–	9,228,000
				7,950,000	9,228,000	–	–	17,178,000
Total all categories 全部類別總計				18,374,360	30,000,000	–	–	48,374,360

DIRECTORS' REPORT 董事會報告

SHARE OPTIONS (continued)

Notes:

1. The vesting period of the share options granted is determined by Directors at each time when the options are granted. Holders of share options granted under the Company's share option scheme may only exercise their options during the exercisable periods as follows:

Option type D D類購股權	Option type E E類購股權	Maximum % of share options exercisable 可行使購股權之最高百分比
1.3.2008 - 28.2.2009	1.5.2010 - 30.4.2011	up to 50% 最高可達50%
1.3.2009 - 28.2.2010	1.5.2011 - 30.4.2012	up to 75% (to the extent not already exercised) 最高可達75% (以尚未行使者為限)
1.3.2010 - 28.2.2011	1.5.2012 - 30.4.2013	up to 100% (to the extent not already exercised) 最高可達100% (以尚未行使者為限)

2. Out of the 1,893,000 type D share options and 4,828,000 type E share options granted, Mr. Hui Sum Kwok was directly interested in 1,393,000 type D share options and 4,328,000 type E share options respectively and was deemed to be interested in 500,000 type D share options and 500,000 type E share options respectively owned by Ms. Wong Mui, who is the spouse of Mr. Hui Sum Kwok and a member of the senior management of the Group.

At 31st December, 2009, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 48,374,360, representing approximately 10% of the shares of the Company in issue at that date.

購股權(續)

附註：

1. 授出購股權之歸屬期由董事於每次授出購股權時釐定。本公司購股權計劃下購股權持有人僅可於以下行使期行使彼等之購股權：

2. 於已授出之1,893,000份D類購股權及4,828,000份E類購股權中，許森國先生分別於1,393,000份D類購股權及4,328,000份E類購股權中持有直接權益，並被視為於黃梅女士（許森國先生之配偶及本集團高級管理層成員）分別擁有之500,000份D類購股權及500,000份E類購股權中持有權益。

於二零零九年十二月三十一日，根據該計劃授出而尚未行使購股權涉及之股份數目為48,374,360股，約佔本公司當日已發行股份10%。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed above, at 31st December, 2009, the interests and/or short positions of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

董事於股份、相關股份及債券之權益

除上文披露者外，於二零零九年十二月三十一日，按照本公司根據證券及期貨條例（「證券及期貨條例」）第352條之規定置存之登記冊所記錄，或根據上市公司董事進行證券交易的標準守則已知會本公司及香港聯合交易所有限公司（「聯交所」）者，董事及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例）之股份、相關股份及債券中擁有之權益及／或淡倉如下：

(a) Shares

(a) 股份

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	252,000,000 shares Long position (Note 1) 252,000,000股股份 好倉(附註1)	52.18%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Beneficial owner 實益擁有人	10,014,000 shares Long position 10,014,000股股份 好倉	2.07%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Interest of spouse 配偶之權益	500,000 shares Long position 500,000股股份 好倉	0.10%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	252,000,000 shares Long position (Note 1) 252,000,000股股份 好倉(附註1)	52.18%

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	7,894,000 shares Long position 7,894,000股股份 好倉	1.63%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Interest of a controlled corporation 受控法團權益	Nil (Note 1) 無(附註1)	—
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	6,246,000 shares Long position 6,246,000股股份 好倉	1.29%
Mr. Wong Wing Por 王榮波先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	Nil (Note 1) 無(附註1)	—
Mr. Wong Wing Por 王榮波先生	Company 本公司	Beneficial owner 實益擁有人	6,020,000 shares Long position 6,020,000股股份 好倉	1.25%
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	3,670,000 shares Long position 3,670,000股股份 好倉	0.76%

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Liu Kwok Fai, Alvan 廖國輝先生	Company 本公司	Beneficial owner 實益擁有人	222,000 shares Long position 222,000股股份 好倉	0.05%
Mr. Chee Man Sang, Eric 池民生先生	Company 本公司	Beneficial owner 實益擁有人	96,000 Shares Long position 96,000 股股份 好倉	0.02%
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries Limited ("Hop Fung Industries")	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	7,886 shares of US\$0.01 each Long position (Notes 1 and 2) 7,886股每股面值0.01美元之股份 好倉(附註1及2)	78.86%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	7,886 shares of US\$0.01 each Long position (Notes 1 and 2) 7,886股每股面值0.01美元之股份 好倉(附註1及2)	78.86%
Mr. Hui Sum Tai 許森泰先生	Hop Fung Industries	Beneficial owner 實益擁有人	857 shares of US\$0.01 each Long position (Notes 1 and 2) 857股每股面值0.01美元之股份 好倉(附註1及2)	8.57%
Mr. Wong Wing Por 王榮波先生	Hop Fung Industries	Founder of a discretionary trust / interest of a controlled corporation 全權信託創立人／ 受控法團權益	1,257 shares of US\$0.01 each Long position (Notes 1 and 2) 1,257股每股面值0.01美元之股份 好倉(附註1及2)	12.57%

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries (Holdings) Limited ("Hop Fung Industries BVI")	Beneficial owner / founder of a discretionary trust / interest of a controlled corporation 實益擁有人／ 全權信託創立人／ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值0.01美元之股份 好倉(附註1及3)	50%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries BVI	Beneficial owner / founder of a discretionary trust / interest of a controlled corporation 實益擁有人／ 全權信託創立人／ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值0.01美元之股份 好倉(附註1及3)	50%
Mr. Hui Sum Kwok 許森國先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠有限公司 (「合豐公明」)	Interest of controlled corporations 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%
Mr. Hui Sum Ping 許森平先生	Hop Fung GM 合豐公明	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1 and 4) 無(附註1及4)	—
Mr. Wong Wing Por 王榮波先生	Hop Fung GM 合豐公明	Interest of a controlled corporation 受控法團權益	Nil (Notes 1 and 4) 無(附註1及4)	—
Mr. Hui Sum Kwok 許森國先生	Fung Kong Hop Fung Paper Ware Factory Limited ("Hop Fung FG") 鳳崗合豐紙品廠有限公司 (「合豐鳳崗」)	Interest of controlled corporations 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1、4及5)	100%
Mr. Hui Sum Ping 許森平先生	Hop Fung FG 合豐鳳崗	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1、4及5)	100%

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Tai 許森泰先生	Hop Fung FG 合豐鳳崗	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1, 4 and 5) 無(附註1、4及5)	—
Mr. Wong Wing Por 王榮波先生	Hop Fung FG 合豐鳳崗	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1, 4 and 5) 無(附註1、4及5)	—
Mr. Hui Sum Kwok 許森國先生	Applewood Forest Limited	Founder of a discretionary trust 全權信託創立人	1 share of US\$1 Long position (Notes 1 and 6) 1股面值1美元之股份 好倉(附註1及6)	100%
Mr. Hui Sum Kwok 許森國先生	Profit Luck Limited 利萊有限公司	Founder of a discretionary trust 全權信託創立人	100 shares of HK\$1 Long position (Notes 1, 6 and 7) 100股每股面值1港元之股份 好倉(附註1、6及7)	100%

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

Notes:

1. The 252,000,000 shares are owned by Hop Fung Industries. The issued share capital of Hop Fung Industries is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries BVI, Delight Ocean Limited ("Delight") and Mr. Hui Sum Tai respectively.

The issued share capital of Hop Fung Industries BVI is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood Holdings Limited ("Fullwood") and Goldspeed Holdings Limited ("Goldspeed") respectively. Fullwood is wholly owned by Pinecity Investments Limited ("Pinecity") and Pinecity is wholly owned by HSBC International Trustee Limited ("HSBC") in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. Goldspeed is wholly owned by Goldkeen Assets Management Limited ("Goldkeen") and Goldkeen is wholly owned by HSBC in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 252,000,000 shares under the SFO.

Delight is wholly owned by Richfaith Assets Management Limited ("Richfaith") and Richfaith is wholly owned by HSBC in its capacity as the trustee of Wong's 2004 Family Trust, a discretionary trust the founder of which is Mr. Wong Wing Por and the discretionary objects of which include family members of Mr. Wong Wing Por.

2. Hop Fung Industries is a holding company of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 7,886, 1,257 and 857 shares by Hop Fung Industries BVI, Delight and Mr. Hui Sum Tai respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 7,886 shares of US\$0.01 each and Mr. Wong Wing Por is deemed to be interested in the 1,257 shares of US\$0.01 each in Hop Fung Industries.

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

附註：

1. 該252,000,000股股份由Hop Fung Industries擁有。Hop Fung Industries已發行股本分別由Hop Fung Industries BVI、Delight Ocean Limited (「Delight」) 及許森泰先生擁有78.86%、12.57%及8.57%。

Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生、Fullwood Holdings Limited (「Fullwood」) 及Goldspeed Holdings Limited (「Goldspeed」) 擁有11.81%、11.81%、38.19%及38.19%。Fullwood由Pinecity Investments Limited (「Pinecity」) 全資擁有，而Pinecity由HSBC International Trustee Limited (「HSBC」) 以Hui & Wong 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森國先生，全權信託對象包括許森國先生之家族成員。Goldspeed由Goldkeen Assets Management Limited (「Goldkeen」) 全資擁有，而Goldkeen由HSBC以HSP 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森平先生，全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，許森國先生及許森平先生各自被視為擁有該252,000,000股股份之權益。

Delight由Richfaith Assets Management Limited (「Richfaith」) 全資擁有，而Richfaith由HSBC以Wong's 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為王榮波先生，全權信託對象包括王榮波先生之家族成員。

2. Hop Fung Industries乃本公司之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries之全部已發行股本為100美元，分為10,000股每股面值0.01美元之股份，分別由Hop Fung Industries BVI、Delight及許森泰先生擁有7,886、1,257及857股。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有Hop Fung Industries 7,886股每股面值0.01美元股份之權益，而王榮波先生則被視為擁有Hop Fung Industries 1,257股每股面值0.01美元股份之權益。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

Notes: (continued)

- Hop Fung Industries BVI is a holding company of Hop Fung Industries and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries BVI is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 1,181, 1,181, 3,819 and 3,819 shares by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is interested and/or deemed to be interested in an aggregate of 5,000 shares of US\$0.01 each in Hop Fung Industries BVI.
- Hop Fung GM is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung GM is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM are beneficially owned by Hop Fung Group (HK) Limited ("Hop Fung Group HK") which is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Holdings Limited ("Hop Fung Holdings (BVI)"), Mr. Wong Wing Por and Mr. Hui Sum Tai respectively.

The issued share capital of Hop Fung Holdings (BVI) is owned as to 50%, 11.81% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM.

Pursuant to an option deed dated 19th August, 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group Company Limited ("Hop Fung Group (BVI)"), a wholly owned subsidiary of the Company, an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

附註：(續)

- Hop Fung Industries BVI乃Hop Fung Industries之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries BVI之全部已發行股本為100美元，分為10,000股每股面值0.01美元之股份，分別由許森國先生、許森平先生、Fullwood及Goldspeed擁有1,181、1,181、3,819及3,819股。根據證券及期貨條例，許森國先生及許森平先生均擁有及／或被視為擁有Hop Fung Industries BVI合共5,000股每股面值0.01美元股份之權益。
- 合豐公明乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐公明之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐公明無投票權遞延股由合豐集團(香港)有限公司(「合豐集團香港」)實益擁有，而合豐集團香港則分別由Hop Fung Holdings Limited(「Hop Fung Holdings (BVI)」)、王榮波先生及許森泰先生擁有78.86%、12.57%及8.57%。

Hop Fung Holdings (BVI)之已發行股本分別由許森國先生、許森平先生及Goldspeed擁有50%、11.81%及38.19%。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有合豐公明3,000,000股每股面值1港元無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向本公司之全資附屬公司Hop Fung Group Company Limited(「Hop Fung Group (BVI)」)授出購股權，以向彼等購買3,000,000股每股面值1港元之合豐公明無投票權遞延股。因此，根據證券及期貨條例，許森國先生及許森平先生均被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

Notes: (continued)

- Hop Fung FG is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung FG is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG are beneficially owned by Hop Fung Group HK. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG.

Pursuant to an option deed dated 19th August, 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group (BVI) an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

- Applewood Forest Limited ("Applewood") is a company incorporated in the British Virgin Islands. The entire issued share capital of Applewood is US\$1 comprising 1 share of US\$1 which is wholly owned by Pinecity and is ultimately owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust. Applewood is an associated corporation of the Company under the SFO. Under the SFO, Mr. Hui Sum Kwok is deemed to be interested in the 1 share of US\$1 in Applewood ultimately owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust.
- Profit Luck Limited ("Profit") is a company incorporated in Hong Kong. The entire issued share capital of Profit is HK\$100 comprising 100 shares of HK\$1 each which is indirectly owned by HSBC through its wholly owned subsidiary, Applewood. Details of Applewood are set out in note 6 above.

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

附註：(續)

- 合豐鳳崗乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐鳳崗之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股由合豐集團香港實益擁有。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向Hop Fung Group (BVI)授出購股權，以向彼等購買3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股。因此，根據證券及期貨條例，許森國先生及許森平先生均被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

- Applewood Forest Limited (「Applewood」) 乃於英屬處女群島註冊成立之公司。Applewood之全部已發行股本為1美元，包括1股面值1美元之股份。該股股份由Pinecity全資擁有，最終控股權則由HSBC以Hui & Wong 2004 Family Trust受託人之身分擁有。根據證券及期貨條例，Applewood屬本公司之相聯法團。根據證券及期貨條例，許森國先生被視為擁有由HSBC以Hui & Wong 2004 Family Trust受託人身分最終擁有之Applewood 1股面值1美元股份之權益。
- 利萊有限公司 (「利萊」) 乃於香港註冊成立之公司。利萊之全部已發行股本為100港元，分為100股每股面值1港元之股份，由HSBC透過其全資附屬公司Applewood間接擁有。Applewood之詳情載於上文附註6。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(b) Share options

Details of the Directors' and their associates' interests in share options of the Company are set out in the Section headed "Share Options" in this report.

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31st December, 2009.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

董事於股份、相關股份及債券之權益 (續)

(b) 購股權

董事及彼等之聯繫人士於本公司購股權之權益詳情載於上文「購股權」一節。

除上文披露者外，於二零零九年十二月三十一日，董事及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

主要股東

於二零零九年十二月三十一日，本公司根據證券及期貨條例第336條置存之主要股東名冊顯示，以下股東已知會本公司彼等持有本公司已發行股本之相關權益及淡倉：

Name of shareholder 股東名稱／姓名	Capacity 身分	Number of issued shares held 持有已發行股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Hop Fung Industries	Beneficial owner 實益擁有人	252,000,000	1	52.18%
Hop Fung Industries BVI	Interest of a controlled corporation 受控法團權益	252,000,000	1, 2	52.18%
Fullwood	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 4	52.18%
Pinecity	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 4	52.18%
Goldspeed	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 5	52.18%

DIRECTORS' REPORT
董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

主要股東(續)

Name of shareholder 股東名稱／姓名	Capacity 身分	Number of issued shares held 持有已發行股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Goldkeen	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 5	52.18%
HSBC	Trustee of discretionary trust/ interest of controlled corporations 全權信託受託人／受控法團權益	252,000,000	1, 2, 3, 4, 5	52.18%
Mr. Hui Sum Kwok 許森國先生	Beneficial owner/founder of a discretionary trust/interest of controlled corporations/interest of spouse 實益擁有人／全權信託創立人／ 受控法團權益／配偶之權益	262,514,000	1, 2, 3, 4, 6	54.36%
Mr. Hui Sum Ping 許森平先生	Beneficial owner/founder of a discretionary trust/interest of controlled corporations 實益擁有人／全權信託創立人／ 受控法團權益	259,894,000	1, 2, 3, 5, 7	53.82%
Hallgain Management Limited ("Hallgain")	Interest of controlled corporations 受控法團權益	57,952,000	8	12%
Montpelier Asset Management Limited	Investment manager 投資經理	29,744,000	—	6.16%

Notes:

- The 252,000,000 shares are owned by Hop Fung Industries.
- The issued share capital of Hop Fung Industries is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries BVI, Delight and Mr. Hui Sum Tai respectively and Hop Fung Industries BVI is deemed to be interested in the 252,000,000 shares under the SFO.
- The issued share capital of Hop Fung Industries BVI is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively.

附註：

- 該252,000,000股股份由Hop Fung Industries擁有。
- Hop Fung Industries之已發行股本由Hop Fung Industries BVI、Delight及許森泰先生分別擁有78.86%、12.57%及8.57%，而根據證券及期貨條例，Hop Fung Industries BVI被視為擁有該252,000,000股股份之權益。
- Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生、Fullwood及Goldspeed擁有11.81%、11.81%、38.19%及38.19%。

DIRECTORS' REPORT 董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

Notes: (continued)

4. The entire issued share capital of Fullwood is indirectly held by HSBC through its 100% controlled corporation, Pinecity in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. Accordingly, each of Fullwood, Pinecity, HSBC and Mr. Hui Sum Kwok is deemed to be interested in the 252,000,000 shares under the SFO.
5. The entire issued share capital of Goldspeed is indirectly held by HSBC through its 100% controlled corporation, Goldkeen in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Goldspeed, Goldkeen, HSBC and Mr. Hui Sum Ping is deemed to be interested in the 252,000,000 shares under the SFO.
6. Of 262,514,000 shares, Ms. Wong Mui is directly interested in 500,000 shares in the Company and is deemed to be interested in 262,014,000 shares under the SFO as she is the spouse of Mr. Hui Sum Kwok, a director of the Company.
7. Ms. Jian Jian Yi is deemed to be interested in 259,894,000 shares under the SFO as she is the spouse of Mr. Hui Sum Ping, a director of the Company.
8. Hallgain is deemed to be interested in 57,952,000 shares. Hallgain holds 30.97% of Kingboard Chemical Holdings Limited ("Kingboard Chemical") which is directly interested in 49,580,000 shares of the Company. Jamplan (BVI) Limited ("Jamplan") is a wholly owned subsidiary of Kingboard Chemical. Jamplan wholly owns Kingboard Investments Limited which is directly interested in 8,372,000 shares of the Company.

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st December, 2009.

主要股東(續)

附註：(續)

4. Fullwood之全部已發行股本由HSBC透過其100%受控法團Pinecity以Hui & Wong 2004 Family Trust受託人之身分間接持有。Hui & Wong 2004 Family Trust乃一項全權信託，其創立人為許森國先生；而全權信託對象包括許森國先生之家族成員。因此，根據證券及期貨條例，Fullwood、Pinecity、HSBC及許森國先生各自被視為擁有該252,000,000股股份之權益。
5. Goldspeed之全部已發行股本由HSBC透過其100%受控法團Goldkeen以HSP 2004 Family Trust之受託人身分間接持有。HSP 2004 Family Trust乃一項全權信託，其創立人為許森平先生；而全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，Goldspeed、Goldkeen、HSBC及許森平先生各自被視為擁有該252,000,000股股份之權益。
6. 於262,514,000股股份中，黃梅女士直接持有本公司500,000股股份權益，以及由於彼為本公司董事許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有262,014,000股股份之權益。
7. 根據證券及期貨條例，由於簡健儀女士為本公司董事許森平先生之配偶，簡健儀女士被視為擁有259,894,000股股份之權益。
8. Hallgain被視為擁有57,952,000股股份之權益。Hallgain持有建滔化工集團有限公司(「建滔化工」)之30.97%權益，而建滔化工則直接持有本公司之49,580,000股股份之權益。Jamplan (BVI) Limited (「Jamplan」)乃建滔化工之全資附屬公司。Jamplan全資擁有之建滔投資有限公司直接持有本公司之8,372,000股股份之權益。

除上文披露者外，於二零零九年十二月三十一日，本公司並無獲悉任何其他人士於本公司已發行股本中擁有相關權益或淡倉。

DIRECTORS' REPORT
董事會報告**PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

During the year ended 31st December, 2009, the Company and its subsidiaries had not purchased, redeemed or sold any of the Company's listed securities on the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the heading "Share Options" above, at no time during the year was the Company, any of its holding companies, fellow subsidiaries or 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. In addition, save as disclosed above, none of the Directors, their spouse or children under the age of 18 were granted any right to subscribe for the securities of the Company or had exercised any such right during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than the transactions set out in note 31 to the consolidated financial statements, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

購買、出售或贖回本公司上市股份

於截至二零零九年十二月三十一日止年度，本公司及其附屬公司並無於聯交所購買、贖回或出售本公司任何上市證券。

購買股份或債券之安排

除上文「購股權」一節披露者外，本公司、其任何控股公司、同系附屬公司或附屬公司並無於年內任何時間參與訂立任何安排，致使本公司董事可透過收購本公司或任何其他法人團體之股份或債券而獲益。此外，除上文披露者外，董事、彼等各自之配偶或十八歲以下子女亦無獲授或於年內行使任何可認購本公司證券之權利。

董事於重要合約之權益

除綜合財務報表附註31所載之交易外，本公司或其任何附屬公司概無訂立任何於本年度完結時或年內任何時間仍然生效而本公司董事於當中直接或間接擁有重大權益之重大合約。

DIRECTORS' REPORT 董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2009, the aggregate amount of turnover attributable to the Group's five largest customers accounted for less than 15% of the Group's total turnover.

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 55% of the Group's total purchases and the purchase attributable to the Group's largest supplier accounted for approximately 20% of the Group's total purchases.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) has any interest in the Group's five largest suppliers.

CONNECTED TRANSACTIONS

During the year, the Group did not enter into any transactions with any connected persons.

PRE-EMPTIVE RIGHTS

There are no provisions 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.

DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$106,000.

主要客戶及供應商

於截至二零零九年十二月三十一日止年度，本集團五大客戶之營業額合共佔本集團總營業額少於15%。

本集團五大供應商之購貨額合共佔本集團購貨總額約55%，而本集團最大供應商之購貨額則佔本集團購貨總額約20%。

各董事、其聯繫人士或就董事所知擁有本公司股本5%以上之股東概無在本集團五大供應商中擁有任何權益。

關連交易

年內，本集團沒有與任何關連人士訂立任何交易。

優先購買權

本公司之組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

捐款

年內，本集團作出慈善捐款約106,000港元。

DIRECTORS' REPORT 董事會報告

CORPORATE GOVERNANCE

The Company had complied with throughout the year ended 31st December, 2009 the code provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except with the following deviations:

Code Provision A.2.1

- Code provision A.2.1 stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.
- There is no written terms on division of responsibilities between the chairman and the chief executive officer. The Directors consider that the responsibilities of the chairman and chief executive officer respectively are clear and distinctive and hence written terms thereof are not necessary.

Code Provision A.4.2

- Code provision A.4.2 stipulates that all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.
- In accordance with the Company's Articles of Association, Directors appointed to fill a casual vacancy are subject to re-election at next annual general meeting.

Code Provision B.1.3

- A major deviation from the code provision B.1.3 is that the Remuneration Committee of the Company review and make recommendations to the Directors on the remuneration packages of the Executive Directors only but not senior management.
- Currently, the remuneration of senior management is attended by the chairman and/or chief executive officer of the Company.

企業管治

截至二零零九年十二月三十一日止年度，本公司一直遵守上市規則附錄14中企業管治常規守則所載之守則條文，惟以下之偏離除外：

守則條文A.2.1條

- 守則條文A.2.1條規定主席與行政總裁之職責範圍應清楚地制定，並以書面列出。
- 本公司並無書面列出主席與行政總裁之職責範圍。董事會認為，主席與行政總裁各自之職責均有明確界定，故毋須明文編製彼等之職權範圍。

守則條文A.4.2條

- 守則條文A.4.2條規定所有為填補臨時空缺而獲委任之董事須於委任後之首次股東大會上接受股東選舉。
- 根據本公司組織章程細則，為填補臨時空缺而獲委任之董事須於下屆股東週年大會上重選。

守則條文B.1.3條

- 主要之偏離為守則條文B.1.3條，當中規定本公司薪酬委員會僅就執行董事（而非就高級管理層）之薪酬方案進行檢討及向董事作出建議。
- 目前，高級管理層之薪酬由本公司主席及／或行政總裁處理。

DIRECTORS' REPORT 董事會報告

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITOR

Messrs. Deloitte Touche Tohmatsu has acted as auditor of the Company since its incorporation.

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

On behalf of the Board

Hui Sum Kwok
Chairman
22nd April, 2010

公眾持股量

根據本公司公開可得之資料及就董事所知，於本報告日，本公司至少25%之已發行股本總額乃由公眾人士持有。

核數師

德勤•關黃陳方會計師行自本公司註冊成立以來，一直擔任本公司核數師。

本公司將於應屆股東週年大會提呈續委聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

主席
許森國
二零一零年四月二十二日

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告Deloitte.
德勤TO THE SHAREHOLDERS OF
HOP FUNG GROUP HOLDINGS LIMITED*(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Hop Fung Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 119, which comprise the consolidated statement of financial position as at 31st December, 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE
CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致合豐集團控股有限公司全體股東

(於開曼群島註冊成立之有限公司)

本核數師行已完成審核列載於第52至119頁合豐集團控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於二零零九年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露要求編製及真實而公平地呈列該等綜合財務報表。該責任包括設計、實行及維護與編製及真實而公平地呈列綜合財務報表相關之內部監控，以使該等綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇及應用適當之會計政策；及按情況作出合理之會計估計。

核數師之責任

根據本核數師接受委聘之協定條款，本核數師之責任是根據我們之審核，對該等綜合財務報表作出意見，並僅向全體股東(作為法人)報告，而不作其他用途。本核數師不會就本報告之內容向任何人士負責或承擔任何責任。本核數師已根據香港會計師公會頒佈之香港審核準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，合理地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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, 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 31st December, 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22nd April, 2010

審核涉及執行情序以獲取有關綜合財務報表所載數額及披露資料所需之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地呈列綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控的效能發表意見。審核亦包括評價 貴公司董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體呈列方式。

本核數師相信，我們所獲取之審核憑證是充足及適當地為我們的審核意見建立基礎。

意見

本核數師認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團於二零零九年十二月三十一日之財務狀況及 貴集團截至該日止年度之利潤及現金流量，並已按照香港公司條例之披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一零年四月二十二日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

FOR THE YEAR ENDED 31ST DECEMBER, 2009

截至二零零九年十二月三十一日止年度

		Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Revenue	收益	7	923,366	1,033,152
Cost of sales	銷售成本		(727,762)	(835,341)
Gross profit	毛利		195,604	197,811
Other income	其他收入	8	14,690	20,734
Selling and distribution costs	銷售及分銷成本		(36,234)	(46,843)
Administrative expenses	行政開支		(61,902)	(62,198)
Other expenses	其他開支		(39,052)	(22,445)
Finance costs	財務成本	9	(10,601)	(11,869)
Changes in fair value of unsecured structured borrowing	無抵押結構借貸 公平值之變動	23	9,464	(7,157)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動		23,452	(20,331)
Profit before taxation	稅前利潤		95,421	47,702
Income tax expense	所得稅開支	10	(11,656)	(6,270)
Profit for the year	年度利潤	11	83,765	41,432
Other comprehensive income for the year:	年度其他全面收益：			
Exchange differences arising from translation of foreign operations	換算海外業務之 匯兌差額		(680)	4,181
Total comprehensive income for the year	年度全面收益總額		83,085	45,613
			HK cents 港仙	HK cents 港仙
Earnings per share – basic	每股盈利 – 基本	14	17.35	8.58
– diluted	– 攤薄		17.25	8.58

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31ST DECEMBER, 2009

於二零零九年十二月三十一日

		Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,201,243	1,098,640
Prepaid lease payments on land use rights	土地使用權預付租賃款項	16	34,361	34,854
			1,235,604	1,133,494
Current assets	流動資產			
Inventories	存貨	17	154,862	65,631
Trade and other receivables	貿易及其他應收款項	18	163,550	115,419
Deposits and prepayments	按金及預付款		8,194	10,537
Prepaid lease payments on land use rights	土地使用權預付租賃款項	16	809	809
Derivative financial instruments	衍生金融工具	19	262	706
Bank balances and cash	銀行結餘及現金	20	174,438	254,795
			502,115	447,897
Current liabilities	流動負債			
Trade, bills and other payables	貿易、票據及其他應付款項	21	190,499	102,788
Taxation payable	應付稅項		19,410	18,995
Derivative financial instruments	衍生金融工具	19	1,271	24,547
Unsecured bank borrowings	無抵押銀行借貸	22	271,161	282,974
Unsecured structured borrowing	無抵押結構借貸	23	7,750	7,750
			490,091	437,054
Net current assets	流動資產淨值		12,024	10,843
Total assets less current liabilities	總資產減流動負債		1,247,628	1,144,337
Capital and reserves	股本及儲備			
Share capital	股本	24	48,292	48,292
Share premium and reserves	股份溢價及儲備		806,123	723,785
Total equity	權益總額		854,415	772,077
Non-current liabilities	非流動負債			
Unsecured bank borrowings	無抵押銀行借貸	22	367,192	338,685
Unsecured structured borrowing	無抵押結構借貸	23	8,111	25,325
Deferred taxation	遞延稅項	25	17,910	8,250
			393,213	372,260
			1,247,628	1,144,337

The consolidated financial statements on pages 52 to 119 were approved and authorised for issue by the Board of Directors on 22nd April, 2010 and are signed on its behalf by:

於第52至119頁之綜合財務報表已於二零一零年四月二十二日經董事會批准及授權發表，並由下列董事代表簽署：

DIRECTOR 董事
HUI SUM KWOK 許森國

DIRECTOR 董事
HUI SUM PING 許森平

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31ST DECEMBER, 2009

截至二零零九年十二月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
				(note) (附註)				
At 1st January, 2008	於二零零八年一月一日	48,292	425,382	(107,444)	8,243	5,206	364,063	743,742
Profit for the year	年度利潤	-	-	-	-	-	41,432	41,432
Exchange differences arising from translation of foreign operations and total other comprehensive income for the year	換算海外業務之匯兌差額及 年度其他全面收益總額	-	-	-	4,181	-	-	4,181
Total comprehensive income for the year	年度全面收益總額	-	-	-	4,181	-	41,432	45,613
Recognition of equity-settled share-based payments	確認以股權結算 以股份支付之支出	-	-	-	-	3,586	-	3,586
Final dividend paid in respect of 2007	已派二零零七年末期股息	-	-	-	-	-	(20,864)	(20,864)
At 31st December, 2008	於二零零八年十二月三十一日	48,292	425,382	(107,444)	12,424	8,792	384,631	772,077
Profit for the year	年度利潤	-	-	-	-	-	83,765	83,765
Exchange differences arising from translation of foreign operations and total other comprehensive income for the year	換算海外業務之匯兌差額及 年度其他全面收益總額	-	-	-	(680)	-	-	(680)
Total comprehensive income for the year	年度全面收益總額	-	-	-	(680)	-	83,765	83,085
Recognition of equity-settled share-based payments	確認以股權結算 以股份支付之支出	-	-	-	-	4,082	-	4,082
Interim dividend paid in respect of 2009	已派二零零九年中股息	-	-	-	-	-	(4,829)	(4,829)
At 31st December, 2009	於二零零九年十二月三十一日	48,292	425,382	(107,444)	11,744	12,874	463,567	854,415

Note:

附註：

Special reserve represents the difference between the costs of investments in subsidiaries of the Company and the aggregate amount of the non-voting deferred share capital of Fung Kong Hop Fung Paper Ware Factory Limited and Gong Ming Hop Fung Paper Ware Factory Limited and the nominal value of the share capital of the subsidiaries acquired as a result of the group reorganisation in 2003.

特別儲備指本公司於附屬公司之投資成本與鳳崗合豐紙品廠有限公司及公明合豐紙品廠有限公司無投票權遞延股本總額及因二零零三年集團重組而收購之附屬公司之股本面值之差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2009

截至二零零九年十二月三十一日止年度

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Operating activities	經營活動		
Profit before taxation	稅前利潤	95,421	47,702
Adjustments for:	經作出以下調整：		
Finance costs	財務成本	10,601	11,869
Impairment losses (reversal of impairment loss) on trade receivables	貿易應收款項之減值虧損 (撥回減值虧損)	3,553	(2,910)
(Reversal of) allowance for inventories	(撥回)存貨撥備	(13,851)	13,275
Depreciation of property, plant and equipment	物業、廠房及設備折舊	61,529	46,858
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	493	493
Interest income	利息收入	(1,186)	(652)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	164	8
Share-based payment expense	以股份支付之支出	4,082	3,586
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	(23,452)	20,331
Changes in fair value of unsecured structured borrowing	無抵押結構借貸公平值之變動	(9,464)	7,157
Operating cash flows before movements in working capital	流動資金變動前營運現金流量	127,890	147,717
(Increase) decrease in inventories	存貨(增加)減少	(75,380)	113,092
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(51,684)	18,916
Decrease in deposits and prepayments	按金及預付款減少	2,343	9,279
Increase (decrease) in trade, bills and other payables	貿易、票據及其他應付款項增加(減少)	74,795	(11,857)
Settlement of derivative financial instruments, net	以衍生金融工具結算，淨額	620	4,433
Cash generated from operations	營運產生之現金	78,584	281,580
Income tax paid	已繳付所得稅	(1,586)	(326)
Income tax refund	退回所得稅	5	—
Net cash from operating activities	經營活動產生之現金淨額	77,003	281,254

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2009

截至二零零九年十二月三十一日止年度

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Investing activities	投資活動		
Purchases of property, plant and equipment	收購物業、廠房及設備	(145,512)	(290,571)
Interest received	已收利息	1,186	652
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	660	396
Net cash used in investing activities	投資活動使用之現金淨額	(143,666)	(289,523)
Financing activities	融資活動		
New bank loans raised	新增銀行借貸	201,490	242,954
Bank advances drawn	預支銀行墊款	378,163	407,770
Increase (decrease) in trust receipt loans	信託收據貸款增加(減少)	40,384	(100,333)
Repayment of bank loans	償還銀行借貸	(179,441)	(113,383)
Repayment of bank advances	償還銀行墊款	(423,902)	(283,111)
Repayment of unsecured structured borrowing	償還無抵押結構借貸	(7,750)	(7,951)
Dividends paid	已派股息	(4,829)	(20,864)
Interest paid	已付利息	(17,403)	(18,748)
Net cash (used in) from financing activities	融資活動(使用)產生之現金淨額	(13,288)	106,334
Net (decrease) increase in cash and cash equivalents	現金及現金等值(減少)增加淨額	(79,951)	98,065
Cash and cash equivalents at 1st January	於一月一日現金及現金等值	254,795	153,735
Effect of foreign exchange rate changes	匯率變動之影響	(406)	2,995
Cash and cash equivalents at 31st December	於十二月三十一日現金及現金等值	174,438	254,795
represented by bank balances and cash	銀行結餘及現金		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2009

截至二零零九年十二月三十一日止年度

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent is Hop Fung Industries Limited, a company incorporated in the British Virgin Islands and its ultimate parent is Hop Fung Industries (Holdings) Limited, a company also incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed under Corporate Information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 33.

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

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

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives

1. 一般資料

本公司根據開曼群島法例第22章公司法(一九六一年第3條法例, 經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司, 其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之母公司為於英屬處女群島註冊成立之Hop Fung Industries Limited, 而最終母公司則為於英屬處女群島註冊成立之Hop Fung Industries (Holdings) Limited。本公司之註冊辦事處及主要營業地點之地址載於本報公司資料部份內。

綜合財務報表均以港元(「港元」)呈列, 港元為本公司之功能貨幣。

本公司為投資控股公司, 其主要附屬公司之主要業務載於附註33。

2. 新訂或經修訂之香港財務報告準則(「香港財務報告準則」)之應用

於本年度內, 本集團已採用下列由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂之準則、修訂本及詮釋(「新訂及經修訂香港財務報告準則」)。

香港會計準則第1號 (二零零七年經修訂)	財務報表之呈列
香港會計準則第23號 (二零零七年經修訂)	借貸成本
香港會計準則第32號及 第1號(修訂本)	可沽售金融工具及清盤 時產生之責任
香港財務報告準則 第1號及香港會計 準則第27號(修訂本)	於附屬公司、共同控制 實體或聯營公司之 投資成本
香港財務報告準則 第2號(修訂本)	歸屬條件及註銷
香港財務報告準則 第7號(修訂本)	改進有關金融工具之 披露事項
香港財務報告準則 第8號	經營分部
香港(國際財務報告 詮釋委員會)– 詮釋 第9號及香港會計 準則第39號(修訂本)	附帶內在衍生工具

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2009

截至二零零九年十二月三十一日止年度

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

HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

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

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see note 7).

2. 新訂或經修訂之香港財務報告準則(「香港財務報告準則」)之應用(續)

香港(國際財務報告 詮釋委員會) - 詮釋第13號	客戶忠誠計劃
香港(國際財務報告 詮釋委員會) - 詮釋第15號	興建房地產之協議
香港(國際財務報告 詮釋委員會) - 詮釋第16號	海外業務淨投資之對沖
香港(國際財務報告 詮釋委員會) - 詮釋第18號	來自客戶之資產轉讓
香港財務報告準則 (修訂本)	於二零零八年頒佈之 香港財務報告準則之 改進，惟於二零零九 年七月一日或之後 開始之年度期間起 生效之香港財務報告 準則第5號之修訂則 除外
香港財務報告準則 (修訂本)	於二零零九年頒佈之 香港財務報告準則之 改進，有關對香港 會計準則第39號 第80段作出之修訂

除下文所述者外，採納新訂及經修訂香港財務報告準則對本集團當前或以往會計期間之綜合財務報表並無重大影響。

僅影響呈列及披露之新訂及經修訂香港財務報告準則

香港會計準則第1號(二零零七年經修訂)財務報表之呈列

香港會計準則第1號(二零零七年經修訂)已引入詞彙變動(包括對財務報表之標題修訂)以及財務報表格式及內容之變動。

香港財務報告準則第8號 經營分部

香港財務報告準則第8號為一項披露準則，該項準則導致本集團重新指定可呈報分部(請參閱附註7)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2009

截至二零零九年十二月三十一日止年度

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

Improving Disclosure about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

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

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

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

2. 新訂或經修訂之香港財務報告準則(「香港財務報告準則」)之應用(續)

改進有關金融工具之披露事項
(香港財務報告準則第7號 金融工具：披露(修訂本))

香港財務報告準則第7號之修訂擴大有關以公平值計量之金融工具按公平值計量之披露規定。根據該等修訂所載之過渡條文，本集團並無就擴大披露規定提供比較資料。

本集團並無提早採用下列已頒佈但尚未生效之新訂及經修訂準則、修訂本或詮釋。

香港財務報告準則(修訂本)	香港財務報告準則第5號之修訂本，作為二零零八年香港財務報告準則之改進的一部分 ¹
香港財務報告準則(修訂本)	二零零九年香港財務報告準則之改進 ²
香港會計準則第24號(經修訂)	關連人士披露 ⁵
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ¹
香港會計準則第32號(修訂本)	供股之分類 ⁴
香港會計準則第39號(修訂本)	合資格對沖項目 ¹
香港財務報告準則第1號(修訂本)	首次採用者之額外豁免 ³
香港財務報告準則第1號(修訂本)	首次採用者就香港財務報告準則第7號披露之比較資料所獲有限豁免 ⁶
香港財務報告準則第2號(修訂本)	集團以現金結算之以股份支付支出之交易 ³
香港財務報告準則第3號(經修訂)	業務合併 ¹
香港財務報告準則第9號	金融工具 ⁷
香港(國際財務報告詮釋委員會)–詮釋第14號(修訂本)	最低資本規定之預付款項 ⁵
香港(國際財務報告詮釋委員會)–詮釋第17號	向擁有人分派非現金資產 ¹
香港(國際財務報告詮釋委員會)–詮釋第19號	以權益工具抵銷財務負債 ⁶

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

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

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

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of *Improvements to HKFRSs issued in 2009*, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments will be effective from 1st January, 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification of the Group's leasehold land.

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

2. 新訂或經修訂之香港財務報告準則(「香港財務報告準則」)之應用(續)

- ¹ 於二零零九年七月一日或以後開始之年度期間生效
- ² 於二零零九年七月一日及二零一零年一月一日(如適用)或以後開始之年度期間生效之修訂
- ³ 於二零一零年一月一日或以後開始之年度期間生效
- ⁴ 於二零一零年二月一日或以後開始之年度期間生效
- ⁵ 於二零一一年一月一日或以後開始之年度期間生效
- ⁶ 於二零一零年七月一日或以後開始之年度期間生效
- ⁷ 於二零一三年一月一日或以後開始之年度期間生效

應用香港財務報告準則第3號(經修訂)或會影響本集團收購日期為二零一零年一月一日或以後之業務合併的會計處理。香港會計準則第27號(經修訂)將影響本集團於附屬公司之擁有權權益變動之會計處理。

香港財務報告準則第9號金融工具引入對財務資產之分類及計量之新規定，將於二零一三年一月一日起生效，並可提早應用。該項準則規定所有符合香港會計準則第39號金融工具：確認及計量範疇之已確認財務資產將按攤銷成本或公平值計量。特別是，(i)根據業務模式以收取合約現金流量為目的而持有的債務投資；及(ii)僅為支付未償還本金及本金之利息而產生合約現金流量之債務投資一般按攤銷成本計量。所有其他債務投資及股本投資乃按公平值計量。應用香港財務報告準則第9號可能對本集團財務資產之分類及計量造成影響。

此外，作為二零零九年頒佈之香港財務報告準則之改進之一部分，對香港會計準則第17號租賃有關租賃土地之分類相應作出了修訂。該等修訂於二零一零年一月一日生效(可提前應用)。在修訂香港會計準則第17號之前，租約須將租賃土地歸類為經營租賃，並在綜合財務狀況表內列為預付租賃款。該等修訂已經刪除有關規定。取而代之，該等修訂規定將租賃土地按照香港會計準則第17號所載之一般原則歸類，即根據與租賃資產所有權相關之風險和報酬歸於出租人或承租人之程度歸類。香港會計準則第17號之修訂的應用或會影響本集團租賃土地之分類。

本公司董事預期應用其他新訂及經修訂準則、修訂本或詮釋將不會對綜合財務報表構成重大影響。

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3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

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

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and 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 on consolidation.

Revenue recognition

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

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

Service income is recognised when services are provided.

Interest income from a financial asset, excluding financial asset at fair value through profit or loss, 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.

3. 主要會計政策

綜合財務報表按歷史成本基準編製，惟若干金融工具按公平值計算者除外，詳情載於下文之會計政策。

綜合財務報表已根據由香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報表載列香港聯合交易所有限公司（「聯交所」）證券上市規則及香港公司條例規定之適用披露。

綜合基準

綜合財務報表包括本公司及受本公司控制之個體（其附屬公司）之財務報表。控制權指本公司對有關個體之財務及營運政策有決定權以從其活動中取得利益。

於年內所收購或出售附屬公司之業績由收購生效日起計入綜合全面收益表或結算至出售生效日止（視適用情況而定）。

如有需要，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。

所有集團內部交易、結餘、收入及開支均於綜合賬目時對銷。

收入確認

收入按已收或應收代價之公平值計算，即日常業務中已售貨品及所提供服務之應收款項扣減折扣及與銷售相關之稅項後的數額。

貨品銷售收入於貨品交付客戶並轉移所有權時確認。

服務收入於提供服務時確認。

財務資產（以公平值計入損益表之財務資產除外）之利息收入乃按時間基準，並參照尚未償還本金及按所適用之實際利率累計，而實際利率為透過財務資產之預期可用年期將估計日後所收現金折讓至該資產於初步確認之賬面淨值之利率。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or for administrative purposes, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(包括作生產或行政用途而持有之土地及樓宇，在建工程除外)按成本減其後之累計折舊以及累計減值虧損呈列。

物業、廠房及設備項目(在建工程除外)於其估計可使用年期以直線法就沖銷其成本並經計及其估計剩餘價值後作出折舊。

在建工程指用作生產或予以自用的發展中物業、廠房及設備，並按成本減任何已確認的減值虧損列賬。在建工程於竣工並可用作擬定用途時乃按物業、廠房及設備之適當類別分類。當該等資產可用作擬定用途時，乃按其他物業資產之相同基準折舊。

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利益時不再確認。不再確認資產產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值之差額計算)於該項目不再確認之期間計入損益表。

存貨

存貨以成本及可變現淨值之較低者列賬。成本採用先進先出法計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets comprise financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策(續)

有形資產減值虧損

於報告期末，本集團會審閱其有形資產賬面值，以確定有否任何跡象顯示該等資產出現減值虧損。倘存在任何該等跡象，則會估計資產之可收回金額以確定減值虧損(如有)之程度。倘資產之可收回金額估計低於其賬面值，則將該資產賬面值減至其可收回金額。減值虧損即時確認為開支。

倘其後撥回減值虧損，則將該資產之賬面值增至經修訂之估計可收回金額，惟增加的賬面值不得超過假如該資產於過往年度未有確認減值虧損而原應釐定之賬面值。減值虧損之撥回即時確認為收入。

金融工具

當某集團個體成為工具合同條文之訂約方時，財務資產及財務負債便會在財務狀況表上被確認。財務資產及財務負債按公平值初步確認。首次確認時，收購或發行財務資產及財務負債產生之直接交易成本(以公平值計入損益表之財務資產及財務負債除外)將視乎情況加入或扣除財務資產或財務負債之公平值。收購以公平值計入損益表之財務資產或財務負債產生之直接交易成本即時在損益表確認。

財務資產

本集團之財務資產包括以公平值計入損益表(「以公平值計入損益表」)之財務資產及貸款及應收款項。所有常規購買或出售財務資產乃按交易日基準確認及取消確認。常規購買或出售財務資產是指按市場上規則或慣例設定之時間框架內付運資產。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in changes in fair value of derivative financial instruments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL comprise financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is 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 period in which they arise. The changes in fair value of derivative financial instruments recognised in profit or loss include any dividend or interest earned on the financial assets.

Loans and receivables

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

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

實際利率法

實際利率法為計算財務資產的攤銷成本以及分配相關期間的利息收入的方法。實際利率是可準確透過財務資產的預計可用年期或(倘適用)在較短期間內對估計未來現金收入(包括所支付或收取能構成整體實際利率的所有費用及利率差價、交易成本及其他溢價或折算)予以折算至初步確認之賬面淨值的利率。

債務工具之利息收入按實際利率法確認，惟該等以公平值計入損益表之財務資產除外，其利息收入乃計入衍生金融工具公平值之變動。

以公平值計入損益表之財務資產

以公平值計入損益表之財務資產包括持作交易之財務資產。

如屬下列者則分類為持作交易之財務資產：

- 購入財務資產的主要目的是於不久將來出售；或
- 該財務資產屬本集團共同管理的已識別金融工具組合的一部分，並有近期證據顯示其短線獲利模式；或
- 該財務資產為並非指定及實際作為對沖工具之衍生工具。

以公平值計入損益表之財務資產按公平值計算，來自重新計量之公平值之變動於產生期間直接地於損益表確認。於損益表中確認的衍生金融工具公平值之變動包括從財務資產賺取的任何股息或利息。

貸款及應收款項

貸款及應收款項乃於活躍市場並無報價之固定或可釐定付款之非衍生財務資產。於初步確認後，貸款及應收款項(包括貿易及其他應收款項及銀行結餘及現金)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬(見下文有關財務資產減值虧損之會計政策)。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

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

Objective evidence of impairment could include:

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period ranged from 5 to 150 days, other observable changes in national or local economic conditions that correlate with default on receivables.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets 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.

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

財務資產減值

除以公平值計入損益表之財務資產外，於各報告期末評估是否出現減值虧損。倘有客觀證據顯示財務資產之估計未來現金流量受首次確認該等財務資產後發生之一項或多項事件影響時，則財務資產會減值。

減值的客觀證據可能包括：

- 發行人或對方出現重大財政困難；或
- 拖欠或逾期支付利息或本金；或
- 借款人有可能會破產或進行財務重組。

對某些類別的財務資產而言，如貿易應收款項，非個別評估減值的資產會於其後以整體方式評估有否減值。應收款項組合的客觀減值證據包括本集團之過往收款經驗；組合中逾期付款的增加數目超過除賬期限5至150日；應收款項拖欠情況與有關國家或當地經濟狀況兩者間關連性的其他可觀察變化。

對按攤銷成本入賬的財務資產而言，當有客觀證據顯示有減值出現時於損益表內確認。虧損金額按資產賬面值與財務資產的初始實際利率貼現的估計未來現金流量現值的差額計算。

減值損失直接減少所有財務資產的賬面值，惟貿易應收款項則除外，貿易應收款項的賬面值通過撥備賬戶減少。減值撥備賬戶的賬面值變動於損益表確認。當貿易應收款項視為不可收回，直接於減值撥備賬戶內撇銷。過往撇銷的金額於其後撥回時計入損益表。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

Financial liabilities and equity

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

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

Effective interest method

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

Interest expense is recognised on an effective interest basis other than those financial liability classified as at FVTPL, of which the interest expense is included in changes in fair value of derivative financial instruments.

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

財務資產減值(續)

對按攤銷成本入賬的財務資產而言，於往後期間，如減值虧損金額減少且有關減少可客觀地與確認減值虧損後所發生的事件相關，則過往確認的減值虧損可於損益表回撥，惟有關資產於撥回減值當日的賬面值不得超逾未有確認減值虧損下原應具備的攤銷成本。

財務負債及股本

集團個體發行之財務負債及股本工具乃根據所訂立合同安排之性質與財務負債及股本工具之定義分類。

股本工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本集團的財務負債一般分為以公平值計入損益表之財務負債及其他財務負債。

實際利率法

實際利率法是一種在相關期間內用於計算財務負債的攤銷成本以及分配利息開支的方法。實際利率指在財務負債的預計到期日或較短期間(如適用)內能夠準確折算預計未來現金付款的利率。

利息開支按實際利率基準確認，不包括指定以公平值計入損益表之財務負債，其利息開支乃計入衍生金融工具公平值之變動。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if it forms part a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL. Accordingly, the Group has designated its structured borrowing that contains one or more embedded derivatives as a financial liability at FVTPL.

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

Other financial liabilities (including trade, bills and other payables and unsecured bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

3. 主要會計政策(續)

金融工具(續)

財務負債及股本(續)

以公平值計入損益表之財務負債

以公平值計入損益表之財務負債分為兩個子類，包括持作交易之財務負債，及該等指定於首次確認時以公平值計入損益表之財務負債。

如屬下列者則分類為持作交易之財務負債：

- 產生財務負債的主要目的是於不久將來購回；或
- 該財務負債屬本集團共同管理的已識別金融工具組合的一部分，並有近期證據顯示其短線獲利模式；或
- 該財務負債為並非指定及實際作為對沖工具的衍生工具。

倘財務負債構成含有一項或多項附帶內在衍生工具之合約之一部份，而香港會計準則第39號准許該整份合約(資產或負債)指定為以公平值計入損益表，則持作交易之財務負債以外之財務負債可指定為於首次確認時以公平值計入損益表。因此，本集團已指定其含有一項或多項附帶內在衍生工具之結構借貸為以公平值計入損益表之財務負債。

以公平值計入損益表之財務負債按公平值計算，來自重新計量之公平值之變動於產生期間直接於損益表確認。

其他財務負債

其他財務負債(包括貿易、票據及其他應付款項及無抵押銀行借貸)其後乃採用實際利率法按已攤銷成本計量。

股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)記賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derivative financial instruments

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

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

3. 主要會計政策(續)

金融工具(續)

衍生金融工具

衍生工具首次按於衍生工具合約訂立日之公平值確認，其後於各報告期末以其公平值重新計量。所得收益或虧損即時於損益表確認。

附帶內在衍生工具

倘附帶內在衍生工具之風險及特徵與其主合約之風險及特徵並無緊密關係，且主合約並非於損益表按公平值計算時，於非衍生主合約內附帶之衍生工具與相關主合約分開計算。

取消確認

若從資產收取現金流量之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將被取消確認。於取消確認財務資產時，資產賬面值與已收和應收代價及已於其他全面收入確認之累計損益之總和之差額，將於損益表中確認。

倘於有關合約之特定責任獲解除、取消或到期，財務負債乃予以取消確認。取消確認之財務負債賬面值與已付及應付代價之差額乃於損益表中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Equity-settled share-based payment transactions

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

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

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

Leasing

Leases are classified as finance leases whenever the terms of the leases 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 term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis.

3. 主要會計政策(續)

以股份支付之支出交易

以權益結算以股份支付之支出交易

所獲服務之公平值按購股權授出日公平值釐定，並在歸屬期間隨股權有相應增加(購股權儲備)以直線法列作開支。

於報告期末，本集團修訂其最終預算歸屬購股權數量之估計。於歸屬期內損益表確認修訂估計之影響(如有)並於購股權儲備中作相對應之調整。

購股權獲行使時，之前於購股權儲備中確認之數額將轉移至股份溢價。當購股權於歸屬期後被收回或於屆滿日仍未獲行使，之前於購股權儲備中確認之數額將繼續留存於購股權儲備。

租賃

當租賃條款將有關資產擁有權之絕大部分風險及收益轉移給承租人，租賃便列為融資租賃。所有其他租賃列為經營租賃。

本集團作為承租人

經營租賃之付款採用直線法按相關租賃期間確認為開支。作為促使訂立經營租約之已收及應收利益，於租約期以直線法確認為租金支出扣減。

租賃土地及樓宇

租賃土地及樓宇之土地及樓宇部分應視乎租賃類別獨立入賬，除非租賃付款不能可靠地劃為土地及樓宇部分，在此情況下，整項租賃一般被視為融資租賃，並按物業、廠房及設備列賬。倘租賃付款能夠可靠地劃分，則於土地之租賃權益按經營租賃列賬並採用直線法按租約期攤銷。

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments 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.

3. 主要會計政策(續)

稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或可扣減之收入或開支項目，亦不包括可免稅或不可扣稅之項目，故與綜合全面收益表所列利潤不同。本集團之即期稅項負債乃按報告期末已實行或大致上已實行之稅率計算。

遞延稅項指就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產則一般於很可能以可扣稅暫時差額對銷應課稅溢利時就所有可扣稅暫時差額確認。如暫時差額由初次確認一項不影響應課稅溢利或會計溢利之交易之資產及負債所產生，有關資產及負債則不予確認。

遞延稅項負債按於附屬公司之投資所引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回而暫時差額於可見將來應不會撥回之情況除外。與該等投資相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能產生足夠的應課稅溢利以抵銷暫時差額之得益且預計於可見將來撥回時確認。

遞延稅項資產之賬面值於報告期末檢討，並予以相應扣減，直至並無足夠應課稅溢利以收回全部或部分遞延稅項資產為止。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items 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.

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

3. 主要會計政策(續)

稅項(續)

遞延稅項資產及負債乃根據於報告期末已實行或實質已實行之稅率(及稅法)，按預期適用於清償負債或變現資產期間之稅率計量。遞延稅項負債及資產之計量反映本集團預期於報告期末收回或清償其資產及負債賬面值之方式所產生之稅務結果。遞延稅項於損益表確認，除非遞延稅項涉及於其他全面收入或直接於權益確認之項目，在該情況下，遞延稅項亦分別於其他全面收入或直接於權益確認。

外幣

在編製個別集團個體之財務報表時，凡以其功能貨幣以外之貨幣(外幣)計算之交易，均按交易日期之匯率以相關之功能貨幣(即該個體經營所在之主要經濟體系之貨幣)入賬。以外幣計值之貨幣項目於各報告期末按該日之匯率重新換算；以外幣結算，並按歷史成本計量之非貨幣項目不作重新換算。

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中確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於報告期末之適用匯率換算為本集團之列賬貨幣(即港元)，而其收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額(如有)於其他全面收入確認，並於權益累積(匯兌儲備)。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantively 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.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme/state-managed retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

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 judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. 主要會計政策(續)

借貸成本

購置、建造或生產未完成資產(即需要較長時間方可用於擬定用途或銷售之資產)之直接應佔借貸成本計入該等資產之成本，直至該等資產已充份就緒並可作擬定用途或可供銷售時為止。特定借貸有待用於未完成資產時作臨時投資所賺取之投資收入，於可撥充資本之借貸成本扣除。

所有其他借貸成本乃於產生之期間於損益表內確認。

退休福利成本

向強制性公積金計劃／國家管理退休福利計劃作出之供款於僱員提供服務而獲得供款之權利時列作開支支銷。

4. 不明朗因素之主要來源

在應用本集團載述於附註3的會計政策時，本公司董事須對未能輕易地從其他來源確定的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設是根據過往經驗及被認為相關的其他因素而作出。實際結果或會與該等估計有所不同。

估計及相關假設須持續地檢討。若修訂只影響該修訂期，會計估計的修訂會於該修訂期內確認；或如該修訂影響本期及未來期間，則於修訂期及未來期間確認。

於報告期末，有關未來主要假設以及用以預測未來不明朗因素之其他主要來源如下，該等假設存有導致下一財政年度資產及負債賬面值需作大幅調整的重大風險。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Fair values of derivative and other financial instruments

Derivative financial instruments, including foreign exchange forward contracts and interest rate swaps, are carried at the end of the reporting period at fair value as disclosed in note 19. The best evidence of fair value is quoted prices in an active market, where quoted prices are not available for a particular financial instrument, the directors of the Company use observable market inputs to estimate the fair value. The use of methodologies, models and assumptions in pricing and valuing these financial assets and liabilities is subjective and requires varying degrees of judgement by management, which may result in significantly different fair values and results.

For unsecured structured borrowing, details are set out in notes 6(a) and 23.

Allowance for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the directors of the Company would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective net realisable values based on latest market prices and current economic conditions. A considerable amount of judgement is required in determining such allowance. If conditions which have an impact on the net realisable value of inventories deteriorate/improve, additional allowances/reversal of allowances already made may be required.

Allowance for trade receivables

When there is objective evidence of impairment loss, the directors of the Company take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, the directors of the Company estimate the useful lives of various categories of property, plant and equipment according to their experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm.

4. 不明朗因素之主要來源(續)

衍生工具及其他金融工具之公平值

誠如附註19所述，衍生金融工具(包括外匯遠期合約及利率掉期)乃於報告期末按公平值入賬。公平值之最佳憑證為於活躍市場中之報價。倘某種金融工具未能取得報價，本公司董事會採用可觀察市場數據評估其公平值。就該等金融資產及負債定價及估值時所採用之方法、模式及假設乃屬主觀性，並需管理層作出若干程度之判斷，而有關判斷或會導致出現截然不同之公平值及結果。

有關無抵押結構借貸之詳情，載於附註6(a)及23。

存貨撥備

本公司董事在釐定陳舊及滯銷之存貨撥備金額時，會評估存貨之賬齡分析，並根據最近期之市價及目前經濟情況，比較存貨之賬面值與其相關之可變現淨值。釐定該等撥備需要作出大量判斷。倘對存貨可變現淨值有影響之情況轉壞／好轉，則可能須作出額外撥備／撥回撥備。

貿易應收款項撥備

當具備減值虧損之客觀證明時，本公司董事會考慮未來現金流量之估計。減值虧損金額按資產賬面值與按財務資產原實際利率(即於首次確認時之實際利率)貼現之估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計算。倘實際未來現金流量低於預期，則可能產生重大減值虧損。

物業、廠房及設備之可用年期

本公司董事根據彼等使用物業、廠房及設備之經驗並參考相關行業於物業、廠房及設備所採用之折舊標準之會計政策評估各類物業、廠房及設備之可用年期。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that 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 borrowings disclosed in notes 22 and 23, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

5. 資本風險管理

為確保本集團旗下各實體可繼續持續經營，本集團對其資本實行管理，並透過使債務及股本達致最佳平衡而為股東取得最大回報。本集團的整體策略自往年起維持不變。

本集團的資本架構包括減去現金及現金等值後之債務淨額(當中包括附註22及23所披露之借貸)，以及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事定期檢討資本架構。作為檢討的一部分，董事已考慮資金成本及每類資本的相關風險。根據董事的建議，本集團將透過派付股息、發行新股、購回股份以及發行新債項或贖回現有債項，藉以平衡整體資本架構。

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

6. 金融工具

(a) 金融工具之類別

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
<i>Financial assets</i>	<i>財務資產</i>		
Fair value through profit or loss (FVTPL)	以公平值計入損益表(「以公平值計入損益表」)		
Derivative financial instruments	衍生金融工具	262	706
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值)	337,988	370,214
		338,250	370,920
<i>Financial liabilities</i>	<i>財務負債</i>		
Fair value through profit or loss (FVTPL)	以公平值計入損益表(「以公平值計入損益表」)		
Derivative financial instruments	衍生金融工具	1,271	24,547
Unsecured structured borrowing (see below)	無抵押結構借貸(見下文)	15,861	33,075
Amortised cost	攤銷成本	828,852	724,447
		845,984	782,069

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6. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

Unsecured structured borrowing (note)

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Difference between carrying amount and outstanding principal amount to be paid at maturity:	賬面值與到期日將予償還之未償還本金金額之差額：		
Carrying amount measured at fair value	按公平值計量之賬面值	15,861	33,075
Amount payable at maturity	到期日應付金額	(15,564)	(23,314)
		297	9,761

Note: The change in fair value was mainly due to change in market risk factors. The fair value attributable to change in its credit risk is considered immaterial.

6. 金融工具(續)

(a) 金融工具之類別(續)

無抵押結構借貸(附註)

附註：公平值主要因市場風險因素變動而變動，而信貸風險變動對公平值之影響則甚微。

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, derivative financial instruments, trade, bills and other payables, unsecured bank borrowings and unsecured structured borrowing. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk

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

A significant portion of the Group's sales is denominated in Renminbi ("RMB") and HKD and significant portion of the Group's purchases is denominated in RMB and United States dollars ("USD"). The Group's manufacturing operations are located in the People's Republic of China (the "PRC").

(b) 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、銀行結餘及現金、衍生金融工具、貿易、票據及其他應付款項、無抵押銀行借貸及無抵押結構借貸。該等金融工具之詳情載於各有關附註內。該等金融工具涉及之風險包括市場風險(外幣風險及利率風險)、信貸風險及流動資金風險。下文載列降低該等風險之政策。本公司董事管理及監察該等風險，確保適時和有效地採取適當措施。

市場風險

外幣風險

- (i) 非衍生外幣貨幣資產與貨幣負債

本集團大部份銷售以人民幣(「人民幣」)及港元列值，而本公司大部份採購乃以人民幣及美元(「美元」)列值。本集團之製造業務位於中華人民共和國(「中國」)。

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Foreign currency risk (continued)

- (i) Non-derivative foreign currency monetary assets and monetary liabilities (continued)

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain bank balances, trade receivables, trade, bills and other payables and unsecured bank borrowings are denominated in the foreign currencies of the relevant group entities. The directors of the Company monitor foreign exchange exposure and manage it by entering into certain foreign exchange forward contracts as set out in note 19.

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

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外幣風險(續)

- (i) 非衍生外幣貨幣資產與貨幣負債(續)

本集團的多間附屬公司以外幣進行買賣，令本集團承受外幣風險。若干銀行結餘、貿易應收款項、貿易、票據及其他應付款項以及無抵押銀行借貸以相關集團實體之外幣列值。本公司董事對外匯風險進行監控，並透過訂立附註19所載之若干外匯遠期合約對其進行管理。

於報告日，本集團以有關集團實體各自功能貨幣以外之外幣列值的貨幣資產及貨幣負債之賬面值如下：

		Assets 資產		Liabilities 負債	
		2009 HK\$'000 千港元	2008 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元
RMB	人民幣	103,948	148,756	154,068	132,871
HKD	港元	3,436	25,675	418	1,175
USD	美元	18,377	14,908	16,684	63,298
Other	其他	19	4	—	—

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Foreign currency risk (continued)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant group entities against the relevant foreign currencies. Sensitivity rate of 5% represents the assessment of the directors of the Company of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. In the opinion of the directors of the Company, the foreign currency exposure in relation to the HKD and USD exchange rate fluctuation is not significant as HKD is pegged to USD. For this reason, the sensitivity analysis below does not reflect this.

The sensitivity analysis below shows the impact relates to monetary assets or liabilities that are denominated in RMB or HKD against the functional currencies of relevant group entities, HKD or RMB respectively.

In relation to monetary assets, where the functional currency of the relevant group entity strengthens 5% against the currency in which the assets are denominated, there would be a decrease in profit for the year. However, in relation to monetary liabilities, where the functional currency of the relevant group entity strengthens 5% against the currency in which the liabilities are denominated, there would be an increase in profit for the year.

		RMB Impact 人民幣之影響		HKD Impact 港元之影響	
		2009 HK\$'000 千港元	2008 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Increase (decrease)	利潤增加(減少)				
in profit		2,506	(794)	(151)	(1,225)

A 5% weakening of the functional currency would have an equal but opposite impact on the profit for the year.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外幣風險(續)

外幣敏感度分析

下表詳列本集團對有關集團實體之功能貨幣兌相關外幣升值及貶值5%之敏感度。敏感率5%為本公司董事對匯率可能合理變動之評估。敏感度分析僅包括以外幣計算之尚未平倉貨幣項目，並於年末調整其兌換以反映匯率之5%變動。本公司董事認為，由於港元與美元掛鈎，有關港元及美元匯率波動之外幣風險微乎其微。就此而言，下文之敏感度分析並不反映此情況。

下文之敏感度分析顯示以人民幣或港元計值之貨幣資產或負債分別兌相關集團實體功能貨幣港元或人民幣之影響。

就貨幣資產而言，倘相關集團實體之功能貨幣較資產所採納計值之貨幣升值5%，則年度利潤將會減少。然而，就貨幣負債而言，倘相關集團實體之功能貨幣較負債所採納計值之貨幣升值5%，則年度利潤將會增加。

功能貨幣貶值5%，本年度利潤會受到相同數額但相反之影響。

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)*Foreign currency risk (continued)**Foreign currency sensitivity analysis (continued)*

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Foreign exchange forward contracts

During the year, the Group has entered into several foreign exchange forward contracts with banks, details are disclosed in note 19. These derivatives are not accounted for under hedge accounting. The Group's foreign exchange forward contracts exposed the Group to foreign currency risk.

The directors of the Company consider that the exposure of HKD against USD is limited as HKD is pegged to USD.

The sensitivity analysis below has been determined based on the exposure to the Group's forward exchange rate risk for contracts of RMB against USD at the reporting date.

If the forward exchange rate of RMB against USD had been 5% higher/lower while all other input variables of the valuation models were held constant, the Group's profit for the year would decrease/increase by HK\$775,000/HK\$775,000 respectively (2008: decrease/increase by HK\$5,400,000/HK\$2,893,000).

In the opinion of the directors of the Company, the above sensitivity analysis is unrepresentative of the inherent foreign currency exposure. For the year ended 31st December, 2008, an unexpected large weakening in RMB against USD might result in the Group suffering further losses. Details of the terms of the leveraged foreign exchange forward contracts are set out in Note 19.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)*外幣風險*(續)*外幣敏感度分析*(續)

本公司董事認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表固有之外匯風險。

(ii) 外匯遠期合約

年內，本集團已與銀行訂立多個外匯遠期合約，詳情披露於附註19。該等衍生工具並未以對沖會計法入賬。本集團之外匯遠期合約令本集團面臨外幣風險。

本公司董事認為，由於港元與美元掛鈎，故港元兌換美元之匯兌風險有限。

下文之敏感度分析乃根據本集團於報告日就人民幣兌美元合約而承受之遠期匯率風險釐定。

倘人民幣兌美元之遠期匯率上升／下降5%，而估值模式內之所有其他變數維持不變，則本集團於年內之溢利將分別減少／增加775,000港元／775,000港元(二零零八年：減少／增加5,400,000港元／2,893,000港元)。

本公司董事認為，上述敏感度分析並不代表固有外幣風險。截至二零零八年十二月三十一日止年度，人民幣兌美元之匯率如意外大幅貶值，可能導致本集團進一步蒙受虧損。融資外匯遠期合約之條款詳情載述於附註19。

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see note 22 for details of these borrowings), bank balances and deposits. The directors consider that the interest rate risk on bank balances and deposits are minimal, accordingly, no sensitivity analysis is performed. The directors of the Company monitor the interest rate exposure and manage it by entering into certain interest rate swaps contracts (see note 19 for details of these interest rate swaps contracts).

In respect of the structured borrowing, the repayment amounts are based on the spread rates between 10-year US\$-International Swaps and Derivatives Association ("ISDA")-Swap Rate and 2-year US\$-ISDA-Swap Rate, the entire borrowing is designated as fair value through profit or loss as disclosed in note 23.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR, and prevailing interest rates offered by the People's Bank of China arising from the Group's borrowings denominated in HKD and RMB respectively.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivatives instruments. The analysis is prepared assuming the amount of financial instruments outstanding at the end of the reporting period were outstanding for the whole year. Increase or decrease in a 50 basis point represents the assessment of the directors of the Company of the reasonably possible change in interest rates. For the Group's exposure to interest rates on its variable-rate bank borrowings, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31st December, 2009 would decrease/increase by HK\$3,192,000 (2008: decrease/increase by HK\$3,108,000).

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險

本集團承受與浮息銀行借貸(該等借貸之詳情載於附註22)、銀行結餘及存款有關之現金流量利率風險。董事認為，銀行結餘及存款之利率風險極低。因此，無須進行敏感度分析。本公司董事對利率風險進行監控，並透過訂立若干利率掉期合約(該等利率掉期合約詳情載於附註19)對其進行管理。

就結構借貸而言，償還金額乃根據介乎10年美元－國際掉期業務及衍生投資工具協會("ISDA")－掉期利率及2年美元-ISDA-掉期利率之息差計算。整個借貸指定以公平值計入損益表，詳情於附註23披露。

本集團承受財務負債之利率風險詳述於本附註「流動資金風險」一節。本集團的現金流量利率風險主要集中於香港銀行同業拆息及本集團以港元及人民幣列值的借貸所產生之中國人民銀行所報之現行利率波動。

利率敏感度分析

以下敏感度分析乃根據非衍生工具所承受之利率風險而作出，此分析乃假設於報告期末未償還的金融工具金額乃於整個年度未償還。增加或減少50個基點為本公司董事對利率可能合理變動之評估。本集團的浮息銀行借貸面對利率風險，如利率增加／減少50個基點，而所有其他變數維持不變，則本集團截至二零零九年十二月三十一日止年度的稅後利潤將會減少／增加3,192,000港元(二零零八年：減少／增加3,108,000港元)。

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)*Interest rate risk* (continued)*Interest rate sensitivity analysis* (continued)

For structured borrowing, the change in number of business days in the period for which Spread Rate <-0.05% represents management's assessment of the reasonably possible change in interest rates. If 8 (2008: 8) more business days in the period for which Spread Rate <-0.05% and all other variables were held constant, the Group's post-tax profit for the year ended 31st December, 2009 would decrease by approximately HK\$2,374,000 (2008: decrease by HK\$57,000).

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate debt instruments.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

Credit risk

As at 31st December, 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the 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.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)*利率風險*(續)*利率敏感度分析*(續)

就結構借貸而言，息差<-0.05%期間的營業日日數變動指管理層對利率可能合理變動之評估。倘息差<-0.05%期間的營業日日數為8日(二零零八年：8日)以上，而其他可變因素保持不變，則本集團截至二零零九年十二月三十一日止年度的稅後利潤將會減少約2,374,000港元(二零零八年：減少57,000港元)。

由於浮息債務工具增加，本集團於本年內對利率的敏感度則亦有所增加。

本公司董事認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表利率風險。

信貸風險

於二零零九年十二月三十一日，本集團因對方未能履行責任造成本集團財務損失而面對之最高信貸風險，乃源自於綜合財務狀況表所示相關已確認財務資產之賬面值。

為盡量降低信貸風險，本公司董事已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期待付之債項。此外，於各報告期末，本集團會評估每項個別貿易債項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

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6. FINANCIAL INSTRUMENTS (continued)

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

Credit risk (continued)

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

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The directors of the Company monitor the utilisation of bank borrowings and ensure compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31st December, 2009, the Group has available undrawn borrowing facilities of approximately HK\$241,264,000 (2008: HK\$249,310,000). The Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions to meet the Group's liquidity requirements in the short and long term.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

For derivative instruments that settle on a net basis, undiscounted net cash (inflows)/ outflows are presented.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

由於交易夥伴為獲國際信貸評級機構評為高信貸評級之銀行，故流動資金之信貸風險有限。

除把流動資金存放於獲高信貸評級之數家銀行內所涉及之信貸風險集中度外，本集團並無重大集中之信貸風險。貿易應收款項涉及大量客戶，並跨越不同行業以及地區。

流動資金風險

在管理流動資金風險時，本集團監控及維持本公司董事認為充足之現金及現金等值水平，從而為本集團營運提供資金及減低現金流量波動之影響。本公司董事監控銀行借貸之動用情況，並確保符合貸款契約之規定。

本集團依賴銀行借貸作為其流動資金之主要來源。於二零零九年十二月三十一日，本集團有未提取的借貸融資約241,264,000港元(二零零八年：249,310,000港元)。本集團會定期監控其當前及預期流動資金需求，確保其維持充足之流動現金及從信譽良好之金融機構獲得足夠之承諾貸款額以應付本集團之短期及長期流動資金需求。

下表詳列本集團之財務負債之剩餘合約到期期限。就非衍生財務負債而言，該表乃按本集團可被要求付款的最早到期日的財務負債未折現現金流量列示。表中包括利息及本金現金流量。

就按淨值基準結算之衍生工具而言，會列出未折現淨現金(流入)/流出。

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6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

Liquidity and interest risk tables

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利息風險表

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 1 month 按要求或 一個月內 HK\$'000 千港元	1-3 months 一至三個月 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	2-5 years 兩年至五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amount at 31.12.2009 於二零零九年 十二月三十一日 賬面值 HK\$'000 千港元
2009	二零零九年								
Non-derivative financial liabilities	非衍生財務負債								
Trade, bills and other payables	貿易、票據及其他應付款項	-	190,499	-	-	-	-	190,499	190,499
Variable rate unsecured bank borrowings	無抵押銀行借貸浮動利率	3.4	96,459	101,348	131,001	110,055	235,917	674,780	638,353
Unsecured structured borrowing	無抵押結構借貸	2.0	-	3,875	3,913	7,747	-	15,535	15,861
			286,958	105,223	134,914	117,802	235,917	880,814	844,713
Derivatives settled net	按淨值結算之衍生工具								
Interest rate swaps	利率掉期		6	56	6	-	-	68	65
Foreign exchange forward contracts	外匯遠期合約		305	589	1,022	151	-	2,067	1,206
			311	645	1,028	151	-	2,135	1,271

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6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

		Weighted average effective interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	1-2 years	2-5 years	Total undiscounted cash flows	Carrying amount at 31.12.2008
		加權平均 實際利率 %	按要求或 一個月內 HK\$'000 千港元	一至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	一至兩年 HK\$'000 千港元	兩年至五年 HK\$'000 千港元	未折現現金 流量總額 HK\$'000 千港元	於二零零八年 十二月三十一日 賬面值 HK\$'000 千港元
2008	二零零八年								
Non-derivative financial liabilities	非衍生財務負債								
Trade, bills and other payables	貿易、票據及其他應付款項	-	102,788	-	-	-	-	102,788	102,788
Variable rate unsecured bank borrowings	無抵押銀行借貸浮動利率	2.7	56,403	127,885	119,954	229,750	116,909	650,901	621,659
Unsecured structured borrowing	無抵押結構借貸	4.8	-	5,777	5,777	11,554	11,554	34,662	33,075
			159,191	133,662	125,731	241,304	128,463	788,351	757,522
Derivatives settled net	按淨值結算之衍生工具								
Interest rate swaps	利率掉期		27	86	281	130	-	524	418
Foreign exchange forward contracts (note)	外匯遠期合約(附註)		2,397	4,733	20,024	284	-	27,438	24,129
			2,424	4,819	20,305	414	-	27,962	24,547

Note: The above cash flows were estimated based on yield curves of market HK\$ to US\$ and RMB to US\$ exchange rates prevailing at the reporting date. Such yield curves showed market HK\$ to US\$ and RMB to US\$ exchange rates over a range of maturity dates. Estimated cash flows in RMB to US\$ were then translated to HK\$ at spot rates prevailing at the reporting date for presentation purpose. The above cash flows might not reflect the actual outcomes. A significantly weakening in RMB against US\$ would result in the Group's purchasing much more RMB than what the Group needs due to the leverage. Details of the terms of the leveraged foreign exchange contracts are set out in Note 19.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利息風險表(續)

附註：上述現金流乃按報告日當時港元兌美元及人民幣兌美元之匯率市值收益曲線予以估計。該收益曲線反映港元兌美元及人民幣兌美元於不同到期日之匯率。人民幣兌美元之估計現金流按報告日當時短期匯率予以換算成港元，以供呈列之用。上述現金流未必反映真實結果。人民幣兌美元之匯率急挫將會令本集團購買超逾預期融資所需之人民幣。融資外匯合約之條款詳情載述於附註19。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value

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

- the fair values of derivative financial instruments (i.e. foreign exchange forward contracts and interest rate swaps) provided by the relevant banks, are determined based on observable market inputs. For structured borrowing, the fair value is estimated with reference to the valuation provided by the relevant bank and details are set out in notes 6(a) and 23; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

Financial instruments that are measured subsequent to initial recognition at fair value, based on the degree to which the fair value is observable, were grouped into Levels 1 to 3.

6. 金融工具(續)

(c) 公平值

財務資產及財務負債之公平值釐定如下：

- 衍生金融工具之公平值(即外匯遠期合約及利率掉期)按可觀察市場數據釐定並由相關銀行提供。就結構借貸而言，本集團利用相關銀行提供之估值估計公平值。有關結構借貸之詳情載於附註6(a)及23；及
- 其他財務資產及財務負債(不包括衍生工具)之公平值乃根據普遍接納之以折現現金流量分析為基礎之定價模式而釐定。

董事認為在綜合財務報表以攤銷成本入賬之財務資產及財務負債之賬面值與其公平值相若。

初步以公平值確認後計量之金融工具按其公平值可觀察程度分為一至三級。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value (continued)

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).

		2009			
		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
Financial assets at FVTPL	以公平值計入損益表之財務資產				
Derivative financial instruments	衍生金融工具	—	262	—	262
Financial liabilities at FVTPL	以公平值計入損益表之財務負債				
Derivative financial instruments	衍生金融工具	—	1,271	—	1,271
Unsecured structured borrowing	無抵押結構借貸	—	—	15,861	15,861
Total	總計	—	1,271	15,861	17,132

There were no transfers between Level 1 and 2 nor transfers into or out of Level 3 in current year.

6. 金融工具(續)

(c) 公平值(續)

第一級公平值計量乃使用完全相同之資產或負債於活躍市場之報價(未經調整)得出。第二級公平值計量乃除第一級所包括之報價外，自資產或負債可直接(即價格)或間接(即自價格得出)觀察之數據得出。第三級公平值計量乃自若干估值方法得出，當中包括並非根據可觀察市場數據(無法觀察之輸入數據)之資產或負債數據。

於本年度，第一級與第二級之間並無轉撥，而第三級亦無轉入或轉出。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value (continued)

Reconciliation of Level 3 fair value measurements of financial liability

Unsecured structured borrowing	無抵押結構借貸
At 1st January	於一月一日
Repayment	還款
Changes in fair value recognised in profit or loss	於損益表確認之公平值變動
At 31st December	於十二月三十一日

6. 金融工具(續)

(c) 公平值(續)

財務負債第三級公平值計量之對賬

2009 HK\$'000 千港元
33,075 (7,750)
(9,464)
15,861

7. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the gross proceeds received and receivable on the sale of goods during the year, net of discounts and sales related tax.

Segment information

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1st January, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach. In the past, the Group only had one segment, namely manufacturing and sales of paper-ware products in the PRC. Accordingly, no business and geographical segments were presented. As a result, following the adoption of HKFRS 8, the identification of the Group's operating segments has changed.

7. 收益及分部資料

收益

收益指年內銷售貨品扣除折扣及銷售相關稅項後已收及應收所得款項總額。

分部資料

本集團已採納自二零零九年一月一日起生效之香港財務報告準則第8號經營分部。香港財務報告準則第8號為一項披露準則，規定須根據本集團組成部分之內部報告確認經營分部，而有關內部報告由主要經營決策者為分配資源予分部及為評估其表現而定期審閱。相反，過往準則(香港會計準則第14號分部報告)要求實體採用風險及回報法確認兩類分部(業務及地區)。過往，本集團僅擁有一個分部，即於中國之紙品生產及銷售。因此，並無呈列任何業務及地區分部。因此，於採納香港財務報告準則第8號之後，本集團之經營分部之確認已更改。

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7. REVENUE AND SEGMENT INFORMATION

(continued)

Segment information (continued)

The Group's operations are mainly organised under the segments of manufacture and sale of:

- Containerboard — corrugating medium and linerboard
- Corrugated packaging — corrugated paper boards and carton boxes

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

The following is an analysis of the Group's revenue and results by operating segment:

Segment revenues and results

For the year ended 31st December, 2009

7. 收益及分部資料(續)

分部資料(續)

本集團業務主要由以下生產及銷售分部組成：

- 箱板紙 — 瓦楞芯紙及牛咭
- 瓦楞包裝 — 瓦楞紙板及紙箱

有關上述分部之資料呈報如下。為遵守香港財務報告準則第8號之規定，去年呈報之金額已經重列。

以下為按經營分部劃分之本集團收益及業績分析：

分部收益及業績

截至二零零九年十二月三十一日止年度

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益				
External sales	對外銷售	127,406	795,960	—	923,366
Inter-segment sales	分部間銷售	476,187	858	(477,045)	—
Total	總計	603,593	796,818	(477,045)	923,366
RESULT	業績				
Segment profit	分部利潤	29,819	43,287	—	73,106
Finance costs	財務成本				(10,601)
Changes in fair value of unsecured structured borrowing	無抵押結構借貸 公平值之變動				9,464
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動				23,452
Profit before taxation	稅前利潤				95,421

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7. REVENUE AND SEGMENT INFORMATION 7. 收益及分部資料(續)

(continued)

Segment information (continued)

Segment revenues and results (continued)

For the year ended 31st December, 2008

分部資料(續)

分部收益及業績(續)

截至二零零八年十二月三十一日止年度

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益				
External sales	對外銷售	43,079	990,073	–	1,033,152
Inter-segment sales	分部間銷售	513,368	–	(513,368)	–
Total	總計	556,447	990,073	(513,368)	1,033,152
RESULT	業績				
Segment profit	分部利潤	17,229	69,830	–	87,059
Finance costs	財務成本				(11,869)
Changes in fair value of unsecured structured borrowing	無抵押結構借貸 公平值之變動				(7,157)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動				(20,331)
Profit before taxation	稅前利潤				47,702

The accounting policies adopted in preparing the operating segment information are the same as the Group's accounting policies described in note 3.

Segment profit represents the profit earned by each segment without allocation of finance costs, changes in fair value of unsecured structured borrowing and changes in fair value of derivative financial instruments. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

編製經營分部資料時採用之會計政策與附註3所載之本集團會計政策相同。

分部利潤代表各分部所賺取之利潤，但未分配財務成本、無抵押結構借貸公平值之變動及衍生金融工具公平值之變動。此乃為分配資源及評估表現而上報主要經營決策者之方法。

分部間銷售乃參照現行市價計算。

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7. REVENUE AND SEGMENT INFORMATION 7. 收益及分部資料(續)

(continued)

Other segment information

For the year ended 31st December, 2009

Amounts included in the measure of segment profit:

Interest income	利息收入
Amortisation of prepaid lease payments	預付租賃款項攤銷
Depreciation	折舊

For the year ended 31st December, 2008

Amounts included in the measure of segment profit:

Interest income	利息收入
Amortisation of prepaid lease payments	預付租賃款項攤銷
Depreciation	折舊

其他分部資料

截至二零零九年十二月三十一日止年度

計算分部利潤時包括之金額：

Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
906	280	1,186
232	261	493
37,370	24,159	61,529

截至二零零八年十二月三十一日止年度

計算分部利潤時包括之金額：

Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
196	456	652
232	261	493
20,688	26,170	46,858

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7. REVENUE AND SEGMENT INFORMATION

(continued)

Geographical information

The following table set out information about (i) the Group's revenue from external customers by location of customers and (ii) the Group's non-current assets by location of assets:

		Revenue from external customers 外來客戶收益		Non-current assets 非流動資產	
		2009 HK\$'000 千港元	2008 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元
PRC	中國	923,366	1,033,152	1,229,744	1,127,051
Others	其他	—	—	5,860	6,443
		923,366	1,033,152	1,235,604	1,133,494

Segment assets and liabilities

The measure of the segment reporting of the Group reported to the chief operating decision maker for the purpose of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

地區資料

下表載列有關(i)本集團按客戶所在地區劃分之外來客戶收益及(ii)本集團按資產所在地區劃分之非流動資產之資料：

分部資產及負債

計算供主要經營決策者作資源分配及表現評估之用之本集團分部報告時並無計入任何資產及負債。因此，並無呈列分部資產及負債。

8. OTHER INCOME

8. 其他收入

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Other income includes:	其他收入包括：		
Exchange gain, net	匯兌收益淨值	—	3,317
Interest income from bank balances	銀行結餘利息收入	1,186	652
Scrap sales	廢品銷售	1,334	5,202
Service income	服務收入	10,780	10,863
Sundry income	雜項收入	1,390	700
		14,690	20,734

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9. FINANCE COSTS

9. 財務成本

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Interest on bank borrowings wholly repayable within five years	須於五年內清付之銀行借貸之利息	17,403	18,748
Less: amounts capitalised to property, plant and equipment	減：撥充物業、廠房及設備之資本金額	(6,802)	(6,879)
		10,601	11,869

Borrowing costs capitalised during the year ended 31st December, 2009 arising on the general borrowing pool of the Group were calculated by applying a capitalisation rate of approximately 3.3% (2008: 3.0%) per annum to expenditure on the qualifying assets.

於截至二零零九年十二月三十一日止年度內由本集團一般借貸金撥充資本之借貸成本將未完成資產開支按資本化年度比率約3.3% (二零零八年：3.0%) 計算而得出。

10. INCOME TAX EXPENSE

10. 所得稅開支

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	1,207	1,265
PRC Enterprise Income Tax	中國企業所得稅	789	585
		1,996	1,850
Deferred tax (note 25)	遞延稅項(附註25)	9,660	4,420
		11,656	6,270

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

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

於二零零八年六月二十六日，香港立法會通過《二零零八年收入條例草案》，由二零零八／二零零九課稅年度開始，將公司利得稅稅率由17.5%調低至16.5%。因此，香港利得稅按兩個年度估計應課稅利潤之16.5%計算。

其他司法權區所產生之稅項乃按相關司法權區之當時稅率計算。

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10. INCOME TAX EXPENSE (continued)

A portion of the Group's profits are earned by the Macau subsidiaries of the Group incorporated under the Macau SAR's Offshore Law. Pursuant to the Macau SAR's Offshore Law, such portion of profits are exempted from Macau complimentary tax, which is currently at 12% of the profits. Further, in the opinion of the directors of the Company, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

Pursuant to the relevant laws and regulations in the PRC, the major operating PRC subsidiaries of the Group are exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years.

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

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

10. 所得稅開支(續)

本集團部分利潤乃由本集團根據澳門特別行政區離岸法律註冊成立之澳門附屬公司所賺取。根據澳門特別行政區離岸法律，該部分利潤毋須繳納澳門優惠稅(目前按利潤之12%徵收)。此外，本公司董事認為，目前本集團該部分利潤亦毋須於本集團經營所在之任何其他司法權區內繳納稅項。

根據相關之中國法例及法規，本集團旗下主要於中國營運之附屬公司自首個獲利年度起計兩年獲豁免繳納中國企業所得稅，其後三年獲減免50%中國企業所得稅。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

年內稅項支出與綜合全面收益表所示稅前利潤之對賬如下：

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Profit before taxation	稅前利潤	95,421	47,702
Tax at Hong Kong Profits Tax rate of 16.5% (2008: 16.5%)	按香港利得稅率16.5%(二零零八年：16.5%)計算之稅項	15,745	7,871
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(726)	(2,090)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	1,730	1,495
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	—	922
Utilisation of tax losses previously not recognised	使用先前未確認之稅項虧損	(115)	(153)
Tax effect of deductible temporary differences previously not recognised	先前未確認可扣稅暫時差額之稅務影響	—	(209)
Effect of tax exemption/different tax rate of PRC subsidiaries	中國附屬公司獲豁免稅項／稅率不同之影響	5,101	2,618
Effect of tax exemption granted to Macau subsidiaries	澳門附屬公司獲豁免稅項之影響	(10,370)	(4,999)
Deferred tax on undistributed earnings of PRC subsidiaries (note 25)	中國附屬公司未分派盈利之遞延稅項(附註25)	—	210
Others	其他	291	605
Tax charge for the year	年度稅項開支	11,656	6,270

Contingent liabilities relating to taxation of the Group are set out in note 30.

有關本集團稅項之或然負債載於附註30。

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11. PROFIT FOR THE YEAR

11. 年度利潤

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年度利潤已扣除(計入)下列各項：		
Auditor's remuneration	核數師酬金	1,480	1,380
(Reversal of) allowance for inventories (included in "cost of sales" and "cost of inventories recognised as expenses") (note)	(撥回)存貨撥備(計入「銷售成本」及「確認為開支之存貨成本」)(附註)	(13,851)	13,275
Cost of inventories recognised as expenses	確認為開支之存貨成本	727,762	835,341
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	61,529	46,858
Exchange loss, net (included in "other expenses")	匯兌虧損淨額(計入「其他開支」)	1,070	—
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	493	493
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	164	8
Impairment losses (reversal of impairment loss) on trade receivables (included in "other expenses")	貿易應收款項之減值虧損(撥回減值虧損)(計入「其他開支」)	3,553	(2,910)
Operating lease rental for warehouse and office premises	倉庫及辦公室經營租賃租金	101	112
Staff costs	員工成本		
Directors' emoluments (note 12)	董事酬金(附註12)	12,218	11,078
Other staff	其他員工		
– salaries and other allowances	— 薪金及其他津貼	47,534	38,330
– retirement benefit scheme contributions	— 退休福利計劃供款	3,168	1,959
– share-based payments	— 以股份支付之支出	1,496	1,650
		64,416	53,017

Note: The reversal of allowance for inventories is recognised based on the increase in net realisable value following the gradual recovery of economic downturn.

附註：經濟衰退逐步復甦後，存貨撥備之撥回會按可變現淨值之增加予以確認。

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12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

12. 董事酬金及僱員薪酬

Directors

董事

		Other emoluments 其他酬金					2009 Total 酬金總額 HK\$'000 千港元	2008 Total 酬金總額 HK\$'000 千港元
		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元	Bonus 花紅 HK\$'000 千港元	Retirement benefit scheme contributions 退休福利 計劃供款 HK\$'000 千港元	Share-based payments 以股份支付 之支出 HK\$'000 千港元		
Mr. Hui Sum Kwok	許森國先生	—	2,184	84	12	501	2,781	2,435
Mr. Hui Sum Ping	許森平先生	—	2,184	84	12	583	2,863	2,532
Mr. Hui Sum Tai	許森泰先生	—	1,924	74	12	707	2,717	2,624
Mr. Wong Wing Por	王榮波先生	—	2,002	77	12	556	2,647	2,277
Ms. Hui Yuen Li	許婉莉女士	—	611	24	12	179	826	826
Mr. Liu Kwok Fai, Alvan	廖國輝先生	108	—	—	—	20	128	128
Mr. Chee Man Sang, Eric	池民生先生	108	—	—	—	20	128	128
Mr. Wong Chu Leung	黃珠亮先生	108	—	—	—	20	128	128
Total for 2009	二零零九年度 酬金總額	324	8,905	343	60	2,586	12,218	11,078
Total for 2008	二零零八年度 酬金總額	315	8,767	—	60	1,936	11,078	

Bonuses to directors are determined based on the financial performance of the Group for the two years ended 31st December, 2009.

During the year, no emoluments were paid by the Group to these directors as an inducement to join or upon joining the Group or as compensation for loss of office and no director had waived any emoluments.

董事之花紅乃參考截至二零零九年十二月三十一日止兩個年度本集團之財務表現釐定。

年內，本集團概無支付任何酬金予此等董事作為招攬其加入或作為其加入本集團之獎勵金或作為其離職補償金，亦無董事放棄任何酬金。

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12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (continued)

Employees

Of the five individuals with the highest emoluments in the Group, four (2008: four) were directors of the Company whose emoluments are set out above. The emoluments of the remaining one (2008: one) individual were as follows:

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	812	750
Retirement benefit scheme contributions	退休福利計劃供款	12	12
Share-based payments	以股份支付之支出	513	390
		1,337	1,152

12. 董事酬金及僱員薪酬(續)

僱員

本集團五位最高薪酬人士中四位(二零零八年：四位)為本公司董事，彼等之薪酬已於上文載列。餘下一位(二零零八年：一位)人士之酬金如下：

13. DIVIDENDS

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Final dividend paid in respect of 2008 of nil (2008: Final dividend paid in respect of 2007 of 4.32 HK cents) per share	已派二零零八年末期股息每股零港仙(二零零八年：已派二零零七年末期股息每股4.32港仙)	—	20,864
Interim dividend paid in respect of 2009 of 1.00 HK cent per share	已派二零零九年中中期股息每股1.00港仙	4,829	—
		4,829	20,864

The final dividend of 2.20 HK cents per ordinary share in respect of the year ended 31st December, 2009 has been proposed by the Directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

董事建議派付截至二零零九年十二月三十一日止年度之末期股息每股普通股2.20港仙，惟有待本公司股東於應屆股東週年大會批准，方告落實。

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14. EARNINGS PER SHARE

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

14. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Earnings	盈利		
Earnings for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利之盈利	83,765	41,432
		2009	2008
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之加權平均普通股股數	482,924,000	482,924,000
Effect of dilutive potential ordinary shares in respect of share options	與購股權有關之潛在攤薄普通股之影響	2,577,829	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之加權平均普通股股數	485,501,829	482,924,000

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Construction in progress 在建工程 HK\$'000 千港元	Factory premises in the PRC 中國廠房 HK\$'000 千港元	Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置 及辦公室設備 HK\$'000 千港元	Plant, machinery and equipment 廠房、機器 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本								
At 1st January, 2008	二零零八年一月一日	395,215	139,982	4,374	29,970	9,592	360,147	9,539	948,819
Exchange adjustments	匯兌調整	-	-	102	761	43	972	83	1,961
Additions	增添	227,542	-	-	3,740	1,230	116,762	797	350,071
Disposals	出售	-	-	-	-	(84)	(456)	-	(540)
Transfer	轉撥	(531,189)	308,557	-	-	-	222,632	-	-
At 31st December, 2008	二零零八年十二月三十一日	91,568	448,539	4,476	34,471	10,781	700,057	10,419	1,300,311
Exchange adjustments	匯兌調整	-	-	(2)	(13)	(1)	(225)	(2)	(243)
Additions	增添	10,925	10,538	-	3,575	2,577	136,789	826	165,230
Disposals	出售	-	-	-	-	(57)	(721)	(835)	(1,613)
Transfer	轉撥	(102,493)	1,696	-	272	-	100,525	-	-
At 31st December, 2009	二零零九年十二月三十一日	-	460,773	4,474	38,305	13,300	936,425	10,408	1,463,685
DEPRECIATION AND AMORTISATION	折舊及攤銷								
At 1st January, 2008	二零零八年一月一日	-	22,580	489	18,187	3,855	104,275	4,788	154,174
Exchange adjustments	匯兌調整	-	-	5	419	8	298	45	775
Provided for the year	年度撥備	-	10,759	179	5,697	990	27,556	1,677	46,858
Eliminated on disposals	出售時註銷	-	-	-	-	(32)	(104)	-	(136)
At 31st December, 2008	二零零八年十二月三十一日	-	33,339	673	24,303	4,821	132,025	6,510	201,671
Exchange adjustments	匯兌調整	-	-	-	6	-	24	1	31
Provided for the year	年度撥備	-	18,134	179	5,522	1,122	34,987	1,585	61,529
Eliminated on disposals	出售時註銷	-	-	-	-	(33)	(305)	(451)	(789)
At 31st December, 2009	二零零九年十二月三十一日	-	51,473	852	29,831	5,910	166,731	7,645	262,442
CARRYING VALUES	賬面值								
At 31st December, 2009	二零零九年十二月三十一日	-	409,300	3,622	8,474	7,390	769,694	2,763	1,201,243
At 31st December, 2008	二零零八年十二月三十一日	91,568	415,200	3,803	10,168	5,960	568,032	3,909	1,098,640

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15. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Factory premises in the PRC	4%
Leasehold land and buildings	4%
Leasehold improvements	20%
Furniture, fixtures and office equipment	10%
Plant, machinery and equipment	3 $\frac{1}{3}$ % - 33 $\frac{1}{3}$ %
Motor vehicles	20%

15. 物業、廠房及設備(續)

上述物業、廠房及設備項目以直線法按以下年率折舊：

中國廠房	4%
租賃土地及樓宇	4%
租賃物業裝修	20%
傢俬、裝置及辦公室設備	10%
廠房、機器及設備	3 $\frac{1}{3}$ % - 33 $\frac{1}{3}$ %
汽車	20%

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
The carrying value of the Group's leasehold land and buildings shown above comprises:	上表列示之本集團租賃土地及樓宇之賬面值包括：		
Situated in Hong Kong under medium-term lease	位於香港並按照中期租約持有	1,389	1,465
Situated in Macau under medium-term lease	位於澳門並按照中期租約持有	2,233	2,338
		3,622	3,803

16. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

16. 土地使用權預付租賃款項

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
The Group's prepaid lease payments on land use rights comprise:	本集團土地使用權預付租賃款項包括：		
Land use rights in the PRC Medium-term lease	位於中國之土地使用權中期租約	35,170	35,663
Analysed for reporting purposes as:	就呈報而作分析：		
Non-current asset	非流動資產	34,361	34,854
Current asset	流動資產	809	809
		35,170	35,663

Included in the Group's prepaid lease payments on land use rights is HK\$1,995,000 (2008: HK\$2,056,000) prepayments under processing arrangement which represent the prepaid amount under an operating lease for land use rights.

本集團之土地使用權預付租賃款項中包括1,995,000港元(二零零八年：2,056,000港元)之加工安排預付款，乃指土地使用權經營租賃下之預付金額。

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17. INVENTORIES

17. 存貨

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Raw materials	原材料	136,986	54,099
Work in progress	在製品	773	372
Finished goods	製成品	17,103	11,160
		154,862	65,631

18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收款項

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Trade receivables	貿易應收款項	167,714	109,684
Less: allowance for doubtful debts	減：呆賬撥備	(4,356)	(803)
		163,358	108,881
Other receivables	其他應收款項	192	6,538
Total trade and other receivables	貿易及其他應收款項總額	163,550	115,419

The Group allows credit periods ranging from 5 to 150 days to its trade customers which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

本集團給予貿易客戶5至150日信貸期，且可以根據特定客戶與本集團之貿易量及付款記錄而延長該信貸期。下列為於報告期末基於發票日期扣除呆賬撥備後而呈列的貿易應收款項賬齡分析：

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Within 30 days	30日內	137,639	89,573
31 – 60 days	31至60日	11,823	13,024
61 – 90 days	61至90日	6,281	4,156
Over 90 days	超過90日	7,615	2,128
		163,358	108,881

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18. TRADE AND OTHER RECEIVABLES (continued)

Before accepting any new customer, the Group uses an external litigation search to assess the potential customer's credit quality and defines credit limits on a customer-by-customer basis. Limits and scoring attributed to customers are reviewed monthly. Trade receivables that are neither past due nor impaired relate to customers for whom there was no recent history of default.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$17,487,000 (2008: HK\$11,278,000) which were past due at the reporting date but for which the Group has not provided for impairment loss. Such amount relates to a number of independent customers that have good trade and payment records with the Group. There has not been a significant change in credit quality of the relevant customers and the Group believes that the balances are still recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 54 days based on invoice dates (2008: 41 days).

Ageing of trade receivables which are past due but not impaired

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Overdue 1 to 30 days 逾期1至30日	17,487	11,278

Movement in the allowance for doubtful debts

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Balance at beginning of the year 年初結餘	803	3,713
Impairment losses (reversal of impairment losses) recognised on trade receivables 貿易應收款項之已確認減值虧損(撥回減值虧損)	3,553	(2,910)
Balance at end of the year 年末結餘	4,356	803

Impairment losses were recognised based on the Group's historical experience, aged analysis and internal assessment of the recoverability of the debt. The Group does not hold any collateral over these balances.

18. 貿易及其他應收款項(續)

在接納任何新顧客前，本集團會採用外部訴訟搜索，評估每名潛在客戶信貸質素之信用度及為每名客戶設定信貸限額。顧客之信貸限額評級會每月作出檢討。既未逾期又未減值之貿易應收款項與近期並無延期付款記錄之客戶有關。

本集團之貿易應收款項結餘中包括賬面值總額為17,487,000港元之應收款項(二零零八年：11,278,000港元)，該等款項於報告日已逾期，而本集團並無就其減值虧損進行撥備。該等款項與在本集團保持良好貿易及付款記錄之多名獨立客戶有關。該等客戶之信貸質素並無重大改變，且本集團相信仍可收回有關結餘。本集團並無就該等結餘而持有任何之抵押品。根據發票日期，該等應收款項的平均賬齡為54日(二零零八年：41日)。

已逾期但未減值之貿易應收款項之賬齡

呆賬撥備之變動

	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Balance at beginning of the year 年初結餘	803	3,713
Impairment losses (reversal of impairment losses) recognised on trade receivables 貿易應收款項之已確認減值虧損(撥回減值虧損)	3,553	(2,910)
Balance at end of the year 年末結餘	4,356	803

減值虧損乃根據本集團對債項之過往經驗、賬齡分析及收回機會的內部評估而確認。本集團並無就該等結餘而持有任何抵押品。

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19. DERIVATIVE FINANCIAL INSTRUMENTS

19. 衍生金融工具

		2009		2008	
		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Foreign exchange forward contracts	外匯遠期合約	262	(1,206)	706	(24,129)
Interest rate swaps	利率掉期	—	(65)	—	(418)
		262	(1,271)	706	(24,547)

The Group has entered foreign exchange forward contracts to manage its exposure to currency risk of certain trade, bills and other payables denominated in foreign currencies. These derivatives are not accounted for under hedging accounting.

本集團訂立外匯遠期合約以管理若干以外幣計值之貿易、票據及其他應付款項承受之貨幣風險。該等衍生工具並未按對沖會計法入賬處理。

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Net cash inflow from settlement of derivative financial instruments during the year	年內以衍生金融工具結算之淨現金流入	620	4,433

At 31st December, 2009, the Group had outstanding foreign exchange forward contracts that are measured at fair value at the end of the reporting period. The Group has an obligation, in accordance with the terms of the respective contracts, to buy or sell US\$ monthly until maturity. The instruments purchased are to be settled on a net basis. The major terms of these outstanding foreign exchange forward contracts are as follow:

於二零零九年十二月三十一日，本集團尚未履行之外匯遠期合約乃按報告期末之公平值計量。根據各合約之條款，本集團有責任按月買入或賣出美元，直至合約到期為止。購買之工具將按淨額清結。該等尚未履行之外匯遠期合約主要條款如下：

(i) Foreign exchange forward contracts as at 31st December, 2009

(i) 於二零零九年十二月三十一日之外匯遠期合約

Total monthly notional amount 每月名義總金額	Remaining total notional amount 餘下名義總金額	Contract rate 合約匯率	Maturity 屆滿年期
Buy US\$7,500,000 (note i) 買入7,500,000美元(附註i)	US\$71,500,000 71,500,000美元	HK\$7.726/US\$1 to HK\$7.744/US\$1 7.726港元/1美元至7.744港元/1美元	Within 2 years 兩年內
Buy US\$3,500,000 (note ii) 買入3,500,000美元(附註ii)	US\$18,500,000 18,500,000美元	HK\$7.720/US\$1 to HK\$7.7369/US\$1 7.720港元/1美元至7.7369港元/1美元	Within 1 year 一年內
Sell US\$2,000,000 (note iii) 賣出2,000,000美元(附註iii)	US\$2,000,000 2,000,000美元	RMB7.635/US\$1 to RMB7.670/US\$1 人民幣7.635元/1美元至 人民幣7.670元/1美元	Within 1 year 一年內

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19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(i) Foreign exchange forward contracts as at 31st December, 2009 (continued)

Notes:

- i. Under the above foreign exchange forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rate on a monthly basis. At each monthly settlement, when market HK\$/US\$ exchange rate moves favourable to the Group (i.e. spot HK\$/US\$ exchange rate is at or higher than the contract rate), the Group gets to buy the agreed notional amount of US\$ at the contract rate. However, when market HK\$/US\$ exchange rate moves unfavourable to the Group (i.e. spot HK\$/US\$ exchange rate is lower than the contract rate), the Group gets to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.

- ii. Under the above foreign exchange forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rate on a monthly basis. At each monthly settlement, when market HK\$/US\$ exchange rate moves favourable to the Group (i.e. spot HK\$/US\$ exchange rate is higher than the contract rate), the Group gets to buy the agreed notional amount of US\$ at the contract rate. However, when market HK\$/US\$ exchange rate moves unfavourable to the Group (i.e. spot HK\$/US\$ exchange rate is at or lower than the contract rate), the Group gets to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.

Several contracts with total monthly notional amount of US\$3,000,000 contain additional feature which limit the Group's potential gains. At the settlement date, if the spot HK\$/US\$ exchange rate is higher than a stipulated cap rate, the Group will not get to buy the contractual notional at the contract rate.

- iii. Under the above foreign exchange forward contracts, the Group is a party that has an obligation to deliver USD and receive RMB at a series of predetermined prices, based on the price calculated with a pre-specified formula. The Group will deliver US\$ and receive RMB at stipulated contract rate on a monthly basis. At each monthly settlement, when market RMB/US\$ exchange rate moves favourable to the Group (i.e. spot RMB/US\$ exchange rate is at or lower than the contract rate), the Group gets to sell the agreed notional amount of US\$ at the contract rate. However, when market RMB/US\$ exchange rate moves unfavourable to the Group (i.e. spot RMB/US\$ exchange rate is higher than the contract rate), the Group gets to sell 2 times of the agreed notional amount of USD at the contract rate with RMB.

19. 衍生金融工具 (續)

(i) 於二零零九年十二月三十一日之外匯遠期合約 (續)

附註：

- i. 根據上述外匯遠期合約，本集團以議定合約匯率按月買入美元及賣出港元。於每月結算時，當港元／美元市場匯率利好本集團時（即當期港元／美元匯率等於或高於合約匯率），本集團將按合約匯率買入議定名義金額之美元。然而，當港元／美元市場匯率不利本集團時（即當期港元／美元匯率低於合約匯率），則本集團將按港元合約匯率雙倍買入議定名義金額之美元。

- ii. 根據上述外匯遠期合約，本集團以議定合約匯率按月買入美元及賣出港元。於每月結算時，當港元／美元市場匯率利好本集團時（即當期港元／美元匯率高於合約匯率），本集團將按合約匯率買入議定名義金額之美元。然而，當港元／美元市場匯率不利本集團時（即當期港元／美元匯率等於或低於合約匯率），則本集團將按港元合約匯率雙倍買入議定名義金額之美元。

每月名義總金額為3,000,000美元之若干合約另具有限制本集團潛在盈利之特性。於結算日，倘當期港元／美元匯率高於議定上限匯率時，本集團將不會按合約匯率買入合約名義金額。

- iii. 根據上述外匯遠期合約，本集團為有責任按一系列根據預先指明之公式預先釐定之價格，賣出美元及買入人民幣之訂約方。本集團將以議定合約匯率按月賣出美元及買入人民幣。於每月結算時，倘人民幣／美元市場匯率有利於本集團（即當期人民幣／美元匯率等於或低於合約匯率），則本集團會按合約匯率賣出議定名義金額之美元。然而，倘人民幣／美元市場匯率對本集團不利（即當期人民幣／美元匯率高於合約匯率），則本集團會以人民幣按合約匯率雙倍賣出議定名義金額之美元。

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19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(ii) Foreign exchange forward contracts as at 31st December, 2008

Total monthly notional amount 每月名義總金額	Remaining total notional amount 餘下名義總金額
Buy US\$3,600,000 (note i) 買入3,600,000美元 (附註i)	US\$23,100,000 23,100,000美元
Buy US\$4,000,000 (note ii) 買入4,000,000美元 (附註ii)	US\$42,500,000 42,500,000美元
Sell US\$7,500,000 (note iii) 賣出7,500,000美元 (附註iii)	US\$39,500,000 39,500,000美元

Notes:

- Under the above foreign exchange forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rate on a monthly basis. At each monthly settlement, when market HK\$/US\$ exchange rate moves favourable to the Group (i.e. spot HK\$/US\$ exchange rate is at or higher than the contract rate), the Group gets to buy the agreed notional amount of US\$ at the contract rate. However, when market HK\$/US\$ exchange rate moves unfavourable to the Group (i.e. spot HK\$/US\$ exchange rate is lower than the contract rate), the Group gets to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.
- Under the above foreign exchange forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rate on a monthly basis. At each monthly settlement, when market HK\$/US\$ exchange rate moves favourable to the Group (i.e. spot HK\$/US\$ exchange rate is higher than the contract rate), the Group gets to buy the agreed notional amount of US\$ at the contract rate. However, when market HK\$/US\$ exchange rate moves unfavourable to the Group (i.e. spot HK\$/US\$ exchange rate is at or lower than the contract rate), the Group gets to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.

Several contracts with total monthly notional amount of US\$27,000,000 contain additional feature which limit the Group's potential gains. At the settlement date, if the spot HK\$/US\$ exchange rate is higher than a stipulated cap rate, the Group will not get to buy the contractual notional at the contract rate.

19. 衍生金融工具 (續)

(ii) 於二零零八年十二月三十一日之外匯遠期合約

Contract rate 合約匯率	Maturity 屆滿年期
HK\$7.726/US\$1 to HK\$7.748/US\$1 7.726港元/1美元至 7.748港元/1美元	Within 1 year 一年內
HK\$7.720/US\$1 to HK\$7.750/US\$1 7.720港元/1美元至 7.750港元/1美元	Within 2 years 兩年內
RMB6.085/US\$1 to RMB6.8472/US\$1 人民幣6.085元/1美元至 人民幣6.8472元/1美元	Within 1 year 一年內

附註：

- 根據上述外匯遠期合約，本集團以議定合約匯率按月買入美元及賣出港元。於每月結算時，當港元/美元市場匯率利好本集團時(即當期港元/美元匯率等於或高於合約匯率)，本集團將按合約匯率買入議定名義金額之美元。然而，當港元/美元市場匯率不利本集團時(即當期港元/美元匯率低於合約匯率)，則本集團將按港元合約匯率雙倍買入議定名義金額之美元。
- 根據上述外匯遠期合約，本集團以議定合約匯率按月買入美元及賣出港元。於每月結算時，當港元/美元市場匯率利好本集團時(即當期港元/美元匯率高於合約匯率)，本集團將按合約匯率買入議定名義金額之美元。然而，當港元/美元市場匯率不利本集團時(即當期港元/美元匯率等於或低於合約匯率)，則本集團將按港元合約匯率雙倍買入議定名義金額之美元。

每月名義總金額為27,000,000美元之若干合約另具有限制本集團潛在盈利之特性。於結算日，倘當期港元/美元匯率高於議定上限匯率時，本集團將不會按合約匯率買入合約名義金額。

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19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(ii) Foreign exchange forward contracts as at 31st December, 2008 (continued)

Notes: (continued)

- iii. Under the above foreign exchange forward contracts, the Group is a party that has an obligation to deliver USD and receive RMB at a series of predetermined prices, based on the price calculated with a pre-specified formula.

Several contracts with total monthly notional amount of US\$38,500,000, the Group will deliver US\$ and receive RMB at stipulated contract rate on a semi-monthly/monthly basis. At each semi-monthly/monthly settlement, when market RMB/US\$ exchange rate moves favourable to the Group (i.e. spot RMB/US\$ exchange rate is at or lower than the contract rate), the Group gets to sell the agreed notional amount of US\$ at the contract rate. However, when market RMB/US\$ exchange rate moves unfavourable to the Group (i.e. spot RMB/US\$ exchange rate is higher than the contract rate), the Group gets to sell 2 times of the agreed notional amount of USD at the contract rate with RMB.

Several contracts with total monthly notional amount of US\$23,500,000 contain additional feature that the relevant banks can terminate the contracts based on the pre-specified formula.

19. 衍生金融工具 (續)

(ii) 於二零零八年十二月三十一日之外匯遠期合約 (續)

附註：(續)

- iii. 根據上述外匯遠期合約，本集團為有責任按一系列根據預先指明之公式預先釐定之價格，賣出美元及買入人民幣之訂約方。

就每月名義總金額為38,500,000美元之若干合約而言，本集團將以議定合約匯率每半月／月賣出美元及買入人民幣。於每半月／月結算時，倘人民幣／美元市場匯率有利於本集團（即當期人民幣／美元匯率等於或低於合約匯率），則本集團會按合約匯率賣出議定名義金額之美元。然而，倘人民幣／美元市場匯率對本集團不利（即當期人民幣／美元高於合約匯率），則本集團會以人民幣按合約匯率雙倍賣出議定名義金額之美元。

每月名義總金額為23,500,000美元之若干合約另具有之特性為，相關銀行可根據預先指明之公式終止該等合約。

(iii) Interest rate swaps contracts as at 31st December, 2009 and 2008

(iii) 於二零零九年及二零零八年十二月三十一日之利率掉期合約

Notional amount 名義金額	Maturity date 到期日	Swaps 掉期
HK\$50,000,000 50,000,000港元	17.5.2010	From HIBOR floating rate to HIBOR floating rate with maximum interest rate of 4.2% 由香港銀行同業拆息浮息至香港銀行同業拆息浮息，最高利率為4.2%
HK\$50,000,000 50,000,000港元	25.5.2010	From HIBOR floating rate to HIBOR floating rate with maximum interest rate of 4.3% 由香港銀行同業拆息浮息至香港銀行同業拆息浮息，最高利率為4.3%

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20. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and bank balances at prevailing market rates from 0.01% to 1.98% (2008: 0.01% to 0.36%).

Included in the carrying amount of the Group's bank balances, approximately HK\$79,523,000 (2008: HK\$148,417,000), HK\$1,291,000 (2008: HK\$3,098,000), HK\$2,363,000 (2008: HK\$6,316,000) and nil (2008: HK\$4,000) denominated in RMB, USD, HKD and Euro dollars respectively are the currencies other than the functional currencies of the relevant group entities.

20. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及現行市場利率介乎0.01%至1.98% (二零零八年：0.01%至0.36%)之銀行結餘。

本集團以相關集團實體之功能貨幣以外之貨幣人民幣、美元、港元及歐元列值之銀行結餘之賬面值分別約為79,523,000港元(二零零八年：148,417,000港元)、1,291,000港元(二零零八年：3,098,000港元)、2,363,000港元(二零零八年：6,316,000港元)及零港元(二零零八年：4,000港元)。

21. TRADE, BILLS AND OTHER PAYABLES

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

21. 貿易、票據及其他應付款項

下列為於報告期末基於發票日期而呈列之貿易及票據應付款項之賬齡分析：

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Current	即期	96,997	41,799
Overdue 1 to 30 days	逾期1至30日	6,005	1,143
Overdue 31 to 60 days	逾期31至60日	1,408	48
Overdue for more than 60 days	逾期60日以上	2,834	636
		107,244	43,626
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	29,931	17,015
Other payables and accrued charges	其他應付款項及應計支出	53,324	42,147
		190,499	102,788

The average credit period on purchases of goods is 34 days (2008: 31 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

購買貨物之平均信貸期為34日(二零零八年：31日)。本集團訂有財務風險管理政策，以確保所有應付款項均在信貸期限內。

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22. UNSECURED BANK BORROWINGS

Unsecured bank borrowings comprise:

22. 無抵押銀行借貸

無抵押銀行借貸包括：

		Effective interest rate 實際利率	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Bank loans	銀行貸款	1.293% - 6.870% (2008: 2.481% - 6.151%)	487,217	465,168
Bank advances	銀行墊款	1.400% - 2.480% (2008: 1.800% - 4.820%)	78,920	124,659
Trust receipt loans	信託收據貸款	1.330% - 2.329% (2008: 1.500% - 5.928%)	72,216	31,832
			638,353	621,659
			2009 HK\$'000 千港元	2008 HK\$'000 千港元
Carrying amount repayable:	應償還賬面值：			
On demand or within one year	按要求或一年內		271,161	282,974
More than one year, but not exceeding two years	一年以上但不超過兩年		97,904	224,445
More than two years, but not exceeding five years	兩年以上但不超過五年		269,288	114,240
			638,353	621,659
Less: Amount due within one year shown under current liabilities	減：於流動負債列示之一年內到期金額		(271,161)	(282,974)
Amounts due after one year	一年後到期金額		367,192	338,685

All the bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Included in the carrying amount of the Group's unsecured bank borrowings, approximately HK\$113,507,000 bank borrowings (2008: HK\$127,955,000) are denominated in RMB that is the currency other than the functional currency of the relevant group entity.

所有銀行貸款以浮動利率安排，使本集團承受現金流量利率風險。

本集團以相關集團實體之功能貨幣以外之貨幣人民幣列值之無抵押銀行借貸之賬面值約為113,507,000港元(二零零八年：127,955,000港元)。

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23. UNSECURED STRUCTURED BORROWING

The Group entered into a contract of unsecured structured borrowing with a bank during the year ended 31st December, 2006 for a period of five years. The contract contains embedded derivatives and was designated as financial liabilities at fair value through profit or loss on initial recognition.

23. 無抵押結構借貸

於截至二零零六年十二月三十一日止年度，本集團與銀行訂立一項五年期之無抵押結構借貸合約。該合約包含附帶內在衍生工具，而於首次確認時指定為以公平值計入損益表之財務負債。

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Unsecured structured borrowing, classified as:	無抵押結構借貸，分類為：		
Current (note)	即期(附註)	7,750	7,750
Non-current	非即期	8,111	25,325
		15,861	33,075

Note: The current portion represents the estimated fair value of amount repayable to the bank within one year from the reporting date.

附註：即期部份即須於報告日起計一年內向銀行償還金額之估計公平值。

Major terms of the unsecured structured borrowing at 31st December, 2009 and 2008 are set out below:

於二零零九年及二零零八年十二月三十一日，無抵押結構借貸之主要條款如下：

Borrowing 借貸	Maturity date 到期日	Repayment amount 償還金額
US\$5,000,000 5,000,000美元	25.9.2011	First half year : 2% per annum on the notional amount 首半年：每年計名義金額之2% Remaining 4 and half years: 8% minus (6% x N/M) per annum on the notional amount 餘下四年半：每年計名義金額之8%減(6% x N/M)

Where:

其中：

N = number of business days in the period for which Spread Rate > = -0.05%

N = 息差期間之營業日日數 > = -0.05%

M = actual number of business days in the period
Notional amount = US\$50,000,000

M = 期間之實際營業日日數
名義金額= 50,000,000美元

"Spread Rate" means 10-year US\$-ISDA-Swap Rate minus 2-year US\$-ISDA-Swap Rate

「息差」指10年美元-ISDA-掉期利率減2年美元-ISDA-掉期利率

"10-year US\$-ISDA-Swap Rate" means the rate for a reset date will be the rate for U.S. Dollar swaps with a maturity of the designated maturity of 10 years, expressed as a percentage which appears on the Reuters Screen ISDAFIX1 Page as of 11:00 a.m. New York time on each business day.

「10年美元-ISDA-掉期利率」指重訂利率日期之利率將為其屆滿期為指定十年到期之美元掉期利率，以百分比表示，並於每個營業日上午11時正(紐約時間)在路透社屏幕ISDAFIX1頁顯示。

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23. UNSECURED STRUCTURED BORROWING

(continued)

"2-year US\$-ISDA-Swap Rate" means the rate for a reset date will be the rate for U.S. Dollar swaps with a maturity of the designated maturity of 2 years, expressed as a percentage which appears on the Reuters Screen ISDAFIX1 Page as of 11:00 a.m. New York time on each business day.

The entire combined contract is measured at fair value that are estimated using a discounted cash flow analysis based on reasonable and supportable assumptions and market rates adjusted for specific features of this instrument. Decrease in the fair value of the unsecured structured borrowing for the year of HK\$9,464,000 has been credited to the consolidated statement of comprehensive income. Increase in the fair value of HK\$7,157,000 has been charged to the consolidated statement of comprehensive income for the year ended 31st December, 2008.

The structured borrowing is denominated in United States dollars that is the currency other than the functional currency of the relevant group entity.

23. 無抵押結構借貸(續)

「2年美元-ISDA-掉期利率」指重訂利率日期之利率將為其屆滿期為指定兩年到期之美元掉期利率，以百分比表示，並於每個營業日上午11時正（紐約時間）在路透社屏幕ISDAFIX1頁顯示。

該合併合約全數按公平值計量，而該公平值乃使用折現現金流量分析，根據合理和有理據之假設及就有關工具之特性作調整之市場利率而估計。年內無抵押結構借貸之公平值減少9,464,000港元已計入綜合全面收益表內。截至二零零八年十二月三十一日止年度，公平值增加7,157,000港元已於綜合全面收益表內扣除。

結構借貸以美元計值，而美元為相關集團實體之功能貨幣以外之貨幣。

24. SHARE CAPITAL

24. 股本

		Number of shares 股份數目 2009 & 2008	Share capital 股本 2009 & 2008 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股股份		
Authorised:	法定股本：		
At the beginning and the end of the year	於年初及年終	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足股本：		
At the beginning and the end of the year	於年初及年終	482,924,000	48,292

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25. DEFERRED TAXATION

The followings are the deferred tax liabilities recognised by the Group and movements thereon during the current and prior reporting period:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Undistributed earnings of PRC subsidiaries 中國附屬公司 之未分派盈利 HK\$'000 千港元	Write-down of inventories 存貨撇減 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2008	於二零零八年 一月一日	3,830	—	—	3,830
Charge (credit) to profit or loss for the year	在本年度損益表 扣除(計入)	6,052	210	(1,842)	4,420
At 31st December, 2008	於二零零八年 十二月三十一日	9,882	210	(1,842)	8,250
Charge to profit or loss for the year	在本年度損益表 扣除	7,818	—	1,842	9,660
At 31st December, 2009	於二零零九年 十二月三十一日	17,700	210	—	17,910

At 31st December, 2009, the Group had unused tax losses of HK\$5,235,000 (2008: HK\$5,930,000) available to offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1st January, 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$39,687,000 (2008: HK\$11,749,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

25. 遞延稅項

以下為本集團確認之遞延稅項負債及於本報告期間及以往報告期間之變動：

於二零零九年十二月三十一日，本集團可用以抵銷日後利潤之未使用稅項虧損為5,235,000港元（二零零八年：5,930,000港元）。由於無法預計未來利潤來源，故並無就該等稅項虧損確認遞延稅項資產。有關虧損可無限期結轉。

根據中國企業所得稅法，預扣稅乃向中國附屬公司自二零零八年一月一日起所賺取之利潤而宣派之股息徵稅。因本集團可控制暫時差額之撥回時間，且暫時差額於可見將來可能不會撥回，故並無就中國附屬公司之累計利潤應佔暫時差額39,687,000港元（二零零八年：11,749,000港元）於綜合財務報表計提遞延稅項撥備。

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26.SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 4th September, 2003 for the primary purpose of providing incentives or rewards to selected participants for their contribution to the Group. The Scheme will expire on 3rd September, 2013.

Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including executive or non-executive directors (including independent non-executive directors), of the Company, its subsidiaries, or any entity ("Invested Entity") in which any member of the Group holds any equity interest, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, and any consultants, advisers, managers, officers or entities that provides research, development or other technological support to the Group or any Invested Entity.

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme is not permitted to exceed 36,000,000 shares, being 10% of the shares of the Company in issue as at the date on which the shares of the Company are listed on the Stock Exchange, which can be refreshed according to the Scheme. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the Scheme shall not exceed 30% of the issued share capital of the Company from time to time.

The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders in accordance with the Scheme. Where any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates would result in the shares in the Company issued and to be issued upon exercise of all options to such person in the 12-month period up to and including the date of grant in excess of 0.1% of the shares of the Company in issue and with a value (based on the closing price of the shares of the Company at the offer date of each offer) in excess of HK\$5,000,000, such grant of options must be approved in advance by the Company's shareholders in accordance with the Scheme.

26.以股份支付之支出

股權支付交易購股權計劃

根據於二零零三年九月四日通過之決議案，本公司已採納之購股權計劃（「該計劃」）主要目的為向指定參與者授予購股權，以鼓勵或獎賞彼等對本集團作出之貢獻。該計劃將於二零一三年九月三日屆滿。

根據該計劃，本公司董事會可向本公司、其附屬公司或本集團任何成員公司持有任何股權之任何機構（「所投資機構」）之合資格僱員（包括執行董事或非執行董事或獨立非執行董事）授出購股權，以認購本公司股份。另外，本公司有權不時授出購股權予任何向本集團之成員公司或任何所投資機構提供貨物或服務之任何供應商、本集團或任何所投資機構之任何客戶，以及向本集團或任何所投資機構提供研究、開發或其他技術支援服務之任何諮詢人、顧問、經理、高層人員或機構。

根據該計劃授出之購股權獲全數行使時可予發行之股份總數，不得超逾36,000,000股股份，即本公司股份於聯交所上市當日已發行股份之10%，而此限額可根據該計劃更新。於任何時間因行使根據該計劃授出而未行使之全部購股權而可予發行股份之數目，不得超過本公司不時之已發行股本之30%。

未經本公司股東根據該計劃事先批准，向任何個人可能授出之購股權涉及之股份數目，於任何十二個月期間，均不得超過本公司於任何時間已發行股份之1%。倘向一名主要股東、獨立非執行董事或任何彼等各自之聯繫人士授出任何購股權，會導致因授予該人士之所有購股權獲行使而於截至授出日期（包括當日）止十二個月期間，已經及將予發行之本公司股份，合共佔本公司已發行股份超過0.1%，且價值（根據本公司股份於每次授出購股權日期之收市價計算）超過5,000,000港元，則該項授出購股權須事先得到本公司股東根據該計劃批准。

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26.SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

An option may be exercised at any time during the period to be determined and notified by the Directors to the grantee and in the absence of such determination, from the date of acceptance of an offer of the grant of such option to the earlier of the date on which such option lapses and ten years from the date of offer of that option. A consideration of HK\$1 is payable upon acceptance of the offer.

The exercise price is determined by the directors of the Company, and will not be less than the higher of the nominal value of the share; the closing price of the Company's shares on the date of offer; and the average closing price of the shares for the five business days immediately preceding the date of offer.

The following table discloses details of the Company's share options held by directors and other employees and movements in such holdings during the year:

26.以股份支付之支出(續)

股權支付交易購股權計劃(續)

購股權可於董事釐定及知會承授人之期間內隨時行使，倘未有釐定，則由接納授出購股權日期起至該購股權失效之日及授出該購股權日期起計十年之較早日期。於接納購股權時須付1港元代價。

行使價乃由本公司董事釐定，惟不得低於股份面值、本公司股份於授出日期之收市價及股份緊接授出日期前五個營業日之平均收市價之較高者。

下表披露由董事及其他僱員持有之本公司購股權以及該等購股權於年內之變動詳情：

2009		二零零九年				
Option type 購股權類別	Date of grant 授出日期	Exercisable price 行使價 HK\$ 港元	Outstanding at 1.1.2009 於二零零九年 一月一日 尚未行使	Granted during 2009 二零零九年 內授出	Exercised during 2009 二零零九年 內行使	Outstanding at 31.12.2009 於二零零九年 十二月 三十一日 尚未行使
D	29.5.2007	2.640	18,374,360	-	-	18,374,360
E	7.7.2009	0.752	-	30,000,000	-	30,000,000
			18,374,360	30,000,000	-	48,374,360
Exercisable at the end of the year 於年終可行使						13,780,770
Weighted average exercise price 加權平均行使價			2.640	0.752	-	1.469

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26.SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

2008

Option type 購股權類別	Date of grant 授出日期	Exercisable price 行使價 HK\$ 港元	Outstanding at 1.1.2008 於二零零八年 一月一日 尚未行使	Granted during 2008 二零零八年 內授出	Exercised during 2008 二零零八年 內行使	Outstanding at 31.12.2008 於二零零八年 十二月 三十一日 尚未行使
D	29.5.2007	2.640	18,374,360	–	–	18,374,360
Exercisable at the end of the year 於年終可行使						9,187,180
Weighted average exercise price 加權平均行使價						2.640

Note:

The vesting period, which is the period from the date of grant to the exercisable date, of the share options granted is determined by directors of the Company at each time when the options are granted. Holders of share options granted under the Scheme may only exercise their options during the exercisable periods as follows:

26.以股份支付之支出(續)

股權支付交易購股權計劃(續)

二零零八年

附註：

授出購股權之歸屬期為授出日期至可行使日期期間，乃由本公司董事於每次授出購股權時釐定。根據該計劃授出之購股權持有人僅可於以下可行使期間行使其購股權：

Option type D D類購股權	Option type E E類購股權	Maximum % of share options exercisable 可行使購股權最高百分比
1.3.2008 - 28.2.2009	1.5.2010 - 30.4.2011	up to 50% 最高可達50%
1.3.2009 - 28.2.2010	1.5.2011 - 30.4.2012	up to 75% (to the extent not already exercised) 最高可達75% (以尚未行使者為限)
1.3.2010 - 28.2.2011	1.5.2012 - 30.4.2013	up to 100% (to the extent not already exercised) 最高可達100% (以尚未行使者為限)

No share option was exercised during both years ended 31st December, 2009 and 2008.

截至二零零九年及二零零八年十二月三十一日止兩個年度，並無任何購股權獲行使。

During the year ended 31st December, 2009, options type E were granted on 7th July, 2009. The estimated fair values of the options granted were HK\$6,851,000.

於截至二零零九年十二月三十一日止年度，於二零零九年七月七日授出E類購股權。授出之購股權之估計公平值為6,851,000港元。

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26. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

		2009
Share price on the date of grant	授出日期之股價	HK\$0.750 港元
Exercise price	行使價	HK\$0.752 港元
Expected volatility	預期波幅	44.25%
Expected life from date of grant	自授出日期起計之預期年期	3.8 years 年
Risk-free rate	無風險利率	1.45%
Expected dividend yield	預期股息收益率	2.0%
Closing share price immediately before date of grant	緊接授出日期前股份收市價之收市價	HK\$0.740 港元

Expected volatility was determined by using the historical volatility of the Company's 400-day share prices before the date of grant. 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 behavioral considerations.

The Group recognised the total expense of HK\$4,082,000 for the year ended 31st December, 2009 (2008: HK\$3,586,000) in relation to share options granted by the Company.

26. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

該等公平值乃使用二項式模式釐定。該模式所用數據如下：

預期波幅乃使用授出日期前400日本公司股份之過往波幅釐定。該模式所使用的預期年期已根據管理層之最佳估計就不可轉讓、行使限制及行為考慮因素之影響作出調整。

本集團確認截至二零零九年十二月三十一日止年度與本公司所授出之購股權有關之總支出為4,082,000港元(二零零八年：3,586,000港元)。

27. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating lease which fall due within one year of HK\$76,000 (2008: HK\$84,000).

Operating lease payments represent rentals payable by the Group for certain of its warehouse, ancillary office properties and car parks. Lease is negotiated for an average term of one year (2008: one year) with fixed monthly rentals over the term of the lease.

27. 經營租賃承擔

於報告期末，本集團根據不可取消經營租賃有未來最低租賃付款承擔，於一年內到期，金額為76,000港元(二零零八年：84,000港元)。

經營租賃付款指本集團用作倉庫、輔助辦公物業及停車位之應付租金。租賃之平均年期議定為一年(二零零八年：一年)，並於租約期間支付固額月租。

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28. CAPITAL COMMITMENTS

28. 資本承擔

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	已訂約但未於綜合財務報表提撥之廠房及設備收購資本開支	15,832	55,255

29. RETIREMENT BENEFIT SCHEME

29. 退休福利計劃

Hong Kong

香港

The Group has joined a Mandatory Provident Fund Scheme (the "MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

本集團為其香港僱員加入強制性公積金計劃(「強積金計劃」)。強積金計劃根據強制性公積金計劃條例於強制性公積金計劃管理局註冊。強積金計劃之資產與本集團資產分開，並由獨立受託人控制之基金託管。根據強積金計劃規則，僱主及其僱員各自須按規則指定的比率向強積金計劃繳付供款。本集團就強積金計劃之唯一責任是向強積金計劃繳付規定的供款。

The retirement benefit scheme contributions arising from the MPF Scheme charged to the consolidated statement of comprehensive income represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

於綜合全面收益表支銷之強積金計劃退休福利計劃供款為本集團按計劃規定之比率應付基金之供款。

PRC

中國

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

本集團之中國附屬公司僱員為中國政府運營之國家管理退休福利計劃成員。附屬公司須將彼等僱員之薪酬某一百分比率向國家管理之退休福利計劃供款。本集團就退休福利計劃之唯一責任為向該計劃繳付規定的供款。

During the year, the retirement benefit scheme contributions amounted to approximately HK\$3,228,000 (2008: HK\$2,019,000).

年內，退休福利計劃供款約為3,228,000港元(二零零八年：2,019,000港元)。

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30. CONTINGENT LIABILITIES

On 9th December, 2004, a tax audit was commenced by the Hong Kong Inland Revenue Department (the "IRD") on certain subsidiaries of the Company, namely, Gong Ming Hop Fung Paper Ware Factory Limited ("GMHF"), Fung Kong Hop Fung Paper Ware Factory Limited ("FKHF") and Hop Fung (Overseas) Trading Limited (the "Subsidiaries"), in respect of the years of assessment 1998/1999 to 2003/2004. On 26th January, 2005, 5th January, 2006 and 2nd June, 2006, whilst these cases are still under investigation, the IRD issued protective assessments for the years of assessment 1998/1999, 1999/2000 and 2000/2001 to 2003/2004 respectively to the above-mentioned subsidiaries in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. In addition, the IRD issued additional assessments to GMHF for the years of assessment 2004/2005 and 2005/2006 on 2nd June, 2006 and 19th October, 2006 respectively.

Up to date, the taxes demanded under the protective assessments amounted to HK\$83,056,444 in aggregate. The Group had lodged objections with the IRD against all these assessments.

Subsequent to the lodgement of objections by the Subsidiaries, tax payment of HK\$1,992,965 was made by GMHF, and tax reserve certificates of HK\$480,000 and HK\$1,400,000 in respect of the assessments for GMHF and FKHF, pending the outcome of the tax audits and the objections, were purchased in March 2005 and March 2006 respectively. Further, tax reserve certificates of HK\$1,717,279 in respect of the 2005/2006 assessments for GMHF, pending the outcome of the tax audits and the objections, were purchased in December 2006. Also, banker's undertakings of HK\$13,197,475 were arranged by the Group and had been accepted by the IRD as security for payment of the mentioned tax. The remaining amounts of tax of HK\$64,268,725 demanded by the IRD have been held over unconditionally.

The IRD is currently drafting the statements of facts for Commissioner's determination. This means the profits assessed could be adjusted upward or downward depending on the exact basis and calculation that are to be adopted in the determination.

In the opinion of the directors of the Company, the Group has grounds to appeal against any such determinations. Thus, the directors believe that no provision for Hong Kong Profits Tax in respect of the above mentioned assessment is necessary at the present moment.

30. 或然負債

於二零零四年十二月九日，香港稅務局（「稅務局」）就本公司若干附屬公司公明合豐紙品廠有限公司（「公明合豐」）、鳳崗合豐紙品廠有限公司（「鳳崗合豐」）及Hop Fung (Overseas) Trading Limited（「附屬公司」）於一九九八年／一九九九年至二零零三年／二零零四年評稅年度展開稅務審核。有關審核尚在進行期間，於二零零五年一月二十六日、二零零六年一月五日及二零零六年六月二日，稅務局分別就上述附屬公司之一九九八年／一九九九年、一九九九年／二零零零年及二零零零年／二零零一年至二零零三年／二零零四年評稅年度發出保障性評稅單，以免影響稅務局須於有關評稅後六年內行使之評稅權力。此外，稅務局分別於二零零六年六月二日及二零零六年十月十九日就公明合豐另行發出二零零四年／二零零五年及二零零五年／二零零六年評稅年度之評稅單。

直至該日期，保障性評稅要求之稅款總額為83,056,444港元。本集團已就所有該等評稅向稅務局提出反對。

於附屬公司遞交反對書後，公明合豐繳付1,992,965港元稅款並分別於二零零五年三月及二零零六年三月就公明合豐及鳳崗合豐之評稅購買480,000港元及1,400,000港元儲稅券，以待稅務審核及提出反對之結果。另於二零零六年十二月就公明合豐於二零零五年／二零零六年度之評稅購買1,717,279港元儲稅券，以待稅務審核及提出反對之結果。此外，本集團已安排銀行承擔13,197,475港元，作為支付上述稅款之抵押，而稅務局已接受該抵押。稅務局所要求之其餘稅項64,268,725港元已獲無條件暫緩。

稅務局正草擬案情摘要，以提交局長決定，即表示視乎有關決定所採納的確實基準及計算，評估的利潤可能向上或向下調整。

本公司董事認為，本集團有理由反對該等決定。因此，董事相信現時毋須就上述評稅作出香港利得稅之撥備。

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31. RELATED PARTY TRANSACTIONS

- a) During the year, the Group engaged Hop Fung (Australia) Pty Ltd as the Group's purchase agent in Australia at an annual fee of HK\$1 for the agency services rendered to the Group. The total value of goods purchased under this arrangement from the suppliers amounted to HK\$6,688,000 (2008: HK\$15,196,000). Hop Fung (Australia) Pty Ltd is a company in which Mr. Hui Sum Kwok, executive director of the Company, has beneficial interest.
- b) The remuneration of directors, who are key management of the Group, during the year are disclosed in note 12. The remuneration of executive directors, who are also the key executives of the Group, is determined by the remuneration committee having regard to the performance of individuals and market trends.

31. 關連人士交易

- a) 年內，本集團聘用Hop Fung (Australia) Pty Ltd 為本集團於澳洲之採購代理人，並就其向本集團提供之代理服務支付年費1港元。根據此項安排向供應商採購之貨品總值為6,688,000港元(二零零八年：15,196,000港元)。本公司執行董事許森國先生於Hop Fung (Australia) Pty Ltd中擁有實益權益。
- b) 身為本集團主要管理人員之董事於年內之酬金於附註12披露。執行董事亦身兼本集團主要高級行政人員，彼等之酬金由薪酬委員會視乎個人表現及市場趨勢釐定。

32. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY

32. 本公司財務狀況報表摘要

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Investment in subsidiaries	於附屬公司之投資	113,455	113,455
Amounts due from subsidiaries	應收附屬公司款項	1,309,217	1,213,611
Contributions to subsidiaries	向附屬公司供款	80,247	31,196
Deposits and prepayments	按金及預付款	149	165
Bank balances and cash	銀行結餘及現金	464	13,102
Amounts due to subsidiaries	應付附屬公司款項	(1,005,980)	(878,238)
Other payables and accrued charges	其他應付款項及應計支出	(4,795)	(6,011)
Taxation	稅項	(563)	(872)
		492,194	486,408
Share capital	股本	48,292	48,292
Share premium and reserves	股份溢價及儲備	443,902	438,116
		492,194	486,408

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33. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries, all of which are wholly-owned by the Company, as at 31st December, 2009 and 2008 are as follows:

33. 主要附屬公司資料

於二零零九年及二零零八年十二月三十一日，本公司旗下全資擁有之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立／營業地點	Issued and fully paid share capital/contributed capital 已發行及繳足股本／實繳股本	Principal activities 主要業務
Chun Yik (Macao Commercial Offshore) Limited 進益(澳門離岸商業服務)有限公司	Macau 澳門	Ordinary shares MOP100,000 普通股100,000澳門幣	Trading of paper ware products 紙品貿易
Fung Kong Hop Fung Paper Ware Factory Limited 鳳崗合豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$100 普通股100港元 Non-voting deferred shares HK\$3,000,000 (Note) 無投票權遞延股 3,000,000港元 (附註)	Provision of management service 提供管理服務
Fung Kong Shing Fung Paper Ware Factory Limited 鳳崗誠豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	Investment holding 投資控股
Gong Ming Hop Fung Paper Ware Factory Limited 公明合豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$100 普通股100港元 Non-voting deferred shares HK\$3,000,000 (Note) 無投票權遞延股 3,000,000港元 (附註)	Provision of management service 提供管理服務
Green Forest (QingXin) Paper Industrial Limited 森葉(清新)紙業有限公司*	PRC 中國	Contributed capital US\$112,247,803 (equivalent to approximately HK\$764,494,899) 實繳股本112,247,803美元(約 相當於764,494,899港元)	Manufacturing and trading of paper and paper ware products 紙張及紙品之製造及貿易

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33. PARTICULARS OF PRINCIPAL SUBSIDIARIES 33. 主要附屬公司資料(續)

(continued)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立／營業地點	Issued and fully paid share capital/contributed capital 已發行及繳足股本／實繳股本	Principal activities 主要業務
Hop Fung Consultants Limited 合豐顧問有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	Provision of management service 提供管理服務
Hop Fung Group Company Limited	British Virgin Islands/ Hong Kong 英屬處女群島／香港	Ordinary shares US\$600 普通股600美元	Investment holding 投資控股
Hop Fung International Enterprise Limited 合豐國際企業有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	Provision of accounting service 提供會計服務
Man Shung (Macao Commercial Offshore) Limited 萬順(澳門離岸商業服務) 有限公司	Macau 澳門	Ordinary shares MOP100,000 普通股100,000澳門幣	Manufacturing and trading of paper ware products 製造紙品及紙品貿易
Top Develop Limited 拓展有限公司	British Virgin Islands 英屬處女群島	Ordinary shares US\$1 普通股1美元	Investment holding and trading of paper 投資控股及紙張貿易
東莞進益紙品有限公司 *	PRC 中國	Contributed capital HK\$20,600,000 實繳股本20,600,000港元	Manufacturing and trading of paper ware products 製造紙品及紙品貿易
合豐紙品(深圳)有限公司 *	PRC 中國	Contributed capital HK\$22,000,000 實繳股本22,000,000港元	Manufacturing and trading of paper ware products 製造紙品及紙品貿易

Note: The non-voting deferred shares, which are not held by the Group, practically carry no right to dividends or to receive notice of or to attend or vote at any annual general meeting of the companies. On winding up, the holders of the deferred shares are entitled to the distribution after the distribution of HK\$100,000,000 million to holders of ordinary shares, as specified in the articles of association.

附註：無投票權遞延股並非由本集團持有，且實際上並無附帶獲派股息、收取相關公司任何股東週年大會通知、出席或於會上投票之權利。於清盤時，根據公司組織章程細則規定，遞延股份持有人於向普通股持有人分派100,000,000,000港元後可參與分派。

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FOR THE YEAR ENDED 31ST DECEMBER, 2009

截至二零零九年十二月三十一日止年度

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

Other than Hop Fung Group Company Limited, all subsidiaries are indirectly held by the Company.

None of the subsidiaries had any debt securities subsisting at 31st December, 2009 and 2008 or at any time during the year.

* Green Forest (QingXin) Paper Industrial Limited, 東莞進益紙品有限公司 and 合豐紙品(深圳)有限公司 are wholly foreign owned enterprises.

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

33. 主要附屬公司資料(續)

除Hop Fung Group Company Limited外，其他所有附屬公司均由本公司間接持有。

於二零零九年及二零零八年十二月三十一日或年內任何時間，各附屬公司均無債務證券。

* 森葉(清新)紙業有限公司、東莞進益紙品有限公司及合豐紙品(深圳)有限公司均為全資外資企業。

上表列出本公司董事認為對本集團業績及資產有重要影響之本集團附屬公司。董事認為，將其他附屬公司資料列出會導致篇幅過於冗長。

FINANCIAL SUMMARY
財務概要

		Year ended 31st December, 截至十二月三十一日止年度				2009
		2005 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	HK\$'000 千港元
RESULTS	業績					
Revenue	收益	788,555	799,936	925,533	1,033,152	923,366
Cost of sales	銷售成本	(634,422)	(617,735)	(713,899)	(835,341)	(727,762)
Gross profit	毛利	154,133	182,201	211,634	197,811	195,604
Other income	其他收入	15,728	17,742	18,526	20,734	14,690
Selling and distribution costs	銷售及分銷成本	(37,277)	(39,946)	(45,355)	(46,843)	(36,234)
Administrative expenses	行政開支	(37,724)	(42,614)	(58,491)	(62,198)	(61,902)
Other expenses	其他開支	(18,601)	(22,081)	(24,686)	(22,445)	(39,052)
Finance costs	財務成本	(5,924)	(8,644)	(6,837)	(11,869)	(10,601)
Changes in fair value of unsecured structured borrowing	無抵押結構借貸公平值之變動	—	(12,366)	9,762	(7,157)	9,464
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	474	(4,278)	10,561	(20,331)	23,452
Profit before taxation	稅前利潤	70,809	70,014	115,114	47,702	95,421
Income tax expense	所得稅開支	(1,096)	(1,716)	(3,370)	(6,270)	(11,656)
Profit for the year	年度利潤	69,713	68,298	111,744	41,432	83,765
		At 31st December, 於十二月三十一日				2009
		2005 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	663,726	843,030	1,382,537	1,581,391	1,737,719
Total liabilities	總負債	325,401	358,934	638,795	809,314	883,304
Equity	股本	338,325	484,096	743,742	772,077	854,415



合豐集團控股有限公司
HOP FUNG GROUP HOLDINGS LIMITED