



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



Annual 2010  
Report  
年度報告



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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. Chee Man Sang, Eric  
Mr. Yip Kwok Kwan  
Mr. Wong Chu Leung

#### AUDIT COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)  
Mr. Yip Kwok Kwan  
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

池民生先生  
葉國均先生  
黃珠亮先生

#### 審核委員會

池民生先生(*主席*)  
葉國均先生  
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  
Wanchai  
Hong Kong

### PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited  
Agricultural Bank of China  
Citibank, N. A.  
DBS Bank (Hong Kong) Limited  
Citic Bank International Limited  
Australia and New Zealand Banking Group Limited  
Mizuho Corporate Bank, Ltd.  
Wing Hang Bank, Limited

### STOCK CODE

2320

### WEBSITE

[www.hopfunggroup.com](http://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  
灣仔  
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  
中信銀行國際有限公司  
澳洲及紐西蘭銀行集團有限公司  
瑞穗實業銀行有限公司  
永亨銀行有限公司

### 股份代號

2320

### 網址

[www.hopfunggroup.com](http://www.hopfunggroup.com)

# CHAIRMAN'S STATEMENT

## 主席報告

On behalf of the Board of Directors of Hop Fung Group Holdings Limited (the "Company"; and with its subsidiaries, the "Group"; "us"; "our" or "we"), I am delighted to present to our Shareholders our 2010 annual results.

Demand from European and American consumers fell sharply after the financial crisis of 2009, but the Group moved swiftly to re-focus our business on the Mainland domestic market to exploit its rapidly growing demand for consumer goods. Despite a slow recovery in the European and American markets in 2010, the domestic consumption market has continued to grow. Competition is rising for us as domestic private competitors develop. That said, with more than 20 years of experience in the corrugated packaging industry, sharp market acumen of our management team and a solid and diversified customer network, we still managed to increase our turnover by more than 50% year on year, reaching a record high and demonstrating that the shift in business focus is now fully implemented.

Rising demand for quality products from Mainland customers play into our Group's long-held focus on high quality production management and in developing high value added products, and helped enhance our reputation and our competitiveness in the industry. On the other hand, the increase in domestic sales have offset the impact of Renminbi appreciation. Our razor sharp focus on business planning, complemented by outstanding capability in production planning have allowed us to expand our domestic market share and our customer network in the year.

The Mainland consumption boom came at the same time as inflationary pressures such as transportation costs, coal and labour costs continued with their rapid ascent, creating new challenges for managers. The Group's priorities were to improve capacity and efficiency and reduce wastage. We have also linked production and sales targets to our staff bonuses, reflecting our emphasis on human resources efficiencies. Our staff are focusing on delivering results and to share in the benefits, thus the increase in minimum wages had no material effect on the Group's operations.

In terms of raw materials, the strategic business positioning in recent years means the Group is now self-sufficient in general. Our vertically integrated business model reduces the impact of raw materials supply disruptions and price fluctuations and improves overall production capacity. This also allows production and logistics to be handled flexibly and effectively, delivering our products to customers quickly and provides outstanding service to our customers, improving the Group's competitiveness.

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」)的二零一零年財政年度全年業績報告。

經歷二零零九年金融危機的打擊，我們以往倚重的歐美市場對消費品需求大幅度下降，但本集團把握了國內對消費品需求激增的機遇，敲定業務方針將重點轉投至內銷市場。於二零一零年，雖然歐美市場復甦緩慢，國內消費市場卻展現持續的增長，內地民企發展迅速，本集團面對的競爭亦愈來愈大。然而憑藉過去二十多年製造瓦楞包裝的經驗、管理層對市場的觸覺以及擁有穩固而多元化的客戶網絡，本集團的銷售情況仍相當理想，比去年增加五成多，創歷年新高，此佳績印證了轉移業務重點的方針已成功落實。

國內消費市場對優質產品的需求日漸增加，正有利於發揮本集團一向重視高質量生產管理和研發高增值產品的優勢，加強了我們在行內的信譽和競爭力。另一方面，增加內銷業務更可抵銷人民幣升值帶來的影響。通過敏銳的營銷策劃和優良的生產配套，我們已於本年度成功達到奠定國內市場份額及擴充客戶網絡的目標。

在內地消費力增長的同時，通貨膨脹高企，生產成本如運輸費、煤、工資等不斷上漲，這普遍成為經營者要面對的新挑戰。本集團重點提升產能和效率及減低損耗，我們更早已意識到管理人力資源效益的重要，把產量和銷量目標與員工獎賞制度掛鉤，實現企業上下共同目標，共享成果，所以提升最低工資對本集團的營運未有構成重大影響。

原材料方面，經過近幾年策略性的業務部署，本集團基本上已可自給自足。這種縱向整合模式減少原材料供應不穩及價格波動的影響，提高整體的生產能力，更可使生產及運輸物流有效地靈活調配，在最短時間內將貨品付運給客戶，提供優越的顧客服務，使本集團更具競爭力。

# CHAIRMAN'S STATEMENT

## 主席報告

With the after-effects of the financial tsunami receding, the domestic corrugated packaging industry is now consolidating and the Group has obtained steady market share. We are looking forward to reasonable price increases in the coming year to offset the impact of inflation and to nudge the sector as a whole towards high value added products. The Group will seek to entrench our market share, increase our bargaining power in pricing and push through cost increases to end customers, in order to stabilize our profitability and returns.

Even as risks abound in the global economy and costs are relentlessly rising, we still see enormous opportunities in the China market from rising standards of living and buying power. We have started to install a new corrugator in Qingyuan at the end of 2010, which is expected to start production in the second quarter of 2011 to raise capacity by around 10%. We will continue to be prudent and positive in our approach to develop our business, seize new opportunities and embrace the challenging environment, strengthen our management and competitiveness and strive for better returns.

Last but not least I would like to take the opportunity to thank the management and our staff for their hard work in the last year and be grateful to the support from our customers, suppliers, bankers and investors. We will strive to continue to bring long term and satisfactory returns to our Group and our shareholders.

**Hui Sum Kwok**  
Chairman  
29th March, 2011

隨著金融海嘯後遺症逐漸消弭，國內瓦楞包裝行業經已整合，本集團亦有穩定的市場佔有率。我們展望來年銷售價格可合理提高，以彌補通脹影響，並有利於整個行業向高增值產品發展。本集團會致力進一步鞏固市場份額，增加在銷售價格的主導性，盡量把上漲的成本轉嫁予客戶，以穩定本集團的利潤回報。

雖然全球經濟前景潛藏風險，成本又顯現不斷上升的趨勢，但國民生活日益豐裕，購買力不斷提升，中國市場發展空間仍然龐大。我們已落實擴展清遠市的下游業務，於二零一零年底開始安裝一條新的瓦楞紙板生產線，預計可於二零一一年第二季投入生產，約可增大產能一成。我們會繼續抱著積極審慎的態度，抓緊此發展機遇擴展業務，迎接充滿挑戰的未來，並繼續強化管理和加強自身的競爭力，爭取更佳的回報。

最後，本人謹藉此機會向管理層及各級員工致謝，感謝各位於年內的辛勤工作，並感謝客戶、供應商、銀行界及投資者一向以來的支持，我們會繼續致力為本集團及股東帶來長遠及豐厚的回報。

主席  
許森國  
二零一一年三月二十九日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

The Group's long term plans to develop the domestic market received a boost from the growth in domestic consumption in 2010, which offset the impact from a slow recovery in European and American economies. Turnover from domestic sales jumped 90% year on year in 2010, to 54% of total sales, and export sales rose by 27%. The fact that domestic sales now account for more sales than exports show that we have delivered on our shift to the domestic market and we are seeing encouraging results.

Selling prices rose by around 30% in the period although there were fluctuations in between. Overall production volume rose by around 20% via new customers (and hence a rise in orders) as well as an increase in capacity from full contributions from a new downstream production line built last year. Upstream containerboard (corrugating medium and linerboard) and downstream corrugated packaging (corrugated paper boards and carton boxes) sales rose by 22% and 60%, respectively, accounting for 11% and 89% of turnover. The strong sales meant utilization came to 78% and 88% in the year, respectively.

The increase in waste paper prices pushed up prices for corrugated packaging, relieving much of the pressure from raw materials cost increases. However, the increase in other costs such as transportation costs, coal, labour costs and other items meant gross margin slightly fell by 0.9 percentage point. Increases in minimum wages in several provinces put pressure on different industries but the Group's labour costs are now priced based on individual productivity, so the impact of higher minimum wages did not have a material impact on our costs.

The Group has continued to improve production flow, strengthen quality inspection, reduce production wastage, adjust inventory levels and tighten credit controls, resulting in bad debts levels that remain close to zero. Our prudent financial policy means our debt levels remain stable.

### 業務回顧

二零一零年的國內消費力不斷增長，抵銷歐美經濟復甦疲乏對本集團銷量的影響，更為本集團爭取國內市場的長遠計劃訂立明確方向。二零一零年營業額大幅上升，內銷營業額增加了90%，達總營業額之54%，出口營業額則增加了27%。內銷比例已超越了出口比例，顯示本集團已實現業務重心轉移至中國市場的方針，並取得理想成績。

本年度量價齊升，銷售價格於年內雖現波幅但總體仍上揚約三成。本集團承接了不少新客戶，訂單具可觀增長，加上去年新增的下游生產線在今年全面投產，令本年度產量提升，較去年約增長兩成。上游箱板紙(瓦楞芯紙及牛咭)及下游瓦楞包裝(瓦楞紙板及紙箱)之銷售分別增長22%及60%，佔營業額11%及89%。由於銷售情況理想，上游及下游之設備使用率分別達至78%及88%。

廢紙平均價格上升，瓦楞包裝平均銷售價也隨之上調，使成本上升的壓力得以紓緩，但其他費用如運輸費、煤、工資等卻不斷上漲，令毛利率輕微下降0.9個百分點。年內，內地各省份陸續提高最低工資，對各行業構成一定的壓力，然而，本集團早已制定策略，員工薪酬按其工作量計算，所以提升最低工資對成本並未有構成重大影響。

本集團於年內繼續改良生產流程，加強產品質量監督，降低生產損耗，努力調控存貨水平，實行嚴謹的信貸控制，使本集團仍保持接近零壞賬率，而我們審慎的財務政策亦使借貸比率處於穩健水平。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### Operating results

In 2010, the Group recorded revenue of HK\$1,428.9 million, representing a surge by 54.7% from HK\$923.4 million. The average selling price and sales volume rose by around 32% and 18% respectively, resulting from increase in demand from economic recovery and Chinese domestic market. The full year contributions from a downstream line (which commenced production in September 2009) also led to the surge.

Cost of sales was increased in line with revenue by 56.5%, from HK\$746.4 million to HK\$1,167.9 million. Gross profit rose by 47.5%, representing HK\$84.1 million. There was a slight drop in gross profit margin from 19.2% to 18.3%, mainly due to rising production costs but fluctuating selling prices.

Other income rose by 31.3% from HK\$14.7 million to HK\$19.3 million. It was mainly due to increases in volume and selling prices of scraps.

Selling and distribution costs climbed 123.8% from HK\$36.2 million to HK\$81.0 million. The sharp increase was primarily attributable to rise in sales commission (owing to surge in turnover), and rise in transportation cost (owing to increasing number of delivery and rising oil prices).

Administrative expenses rose by 33.0% from HK\$61.9 million to HK\$82.3 million. The increment was mainly contributed by increase in salaries and higher insurance cost incurred for providing protection to the group's growing assets.

Other expenses fell by 23.0% from HK\$20.4 million to HK\$15.7 million. The drop was attributable to the reversal of the impairment loss on trade receivables.

An increase in EBITDA (earnings before interest, tax, depreciation and amortization and changes in fair value of unsecured structured borrowing and derivative financial instruments except net cash inflow from settlement of derivative) by 27.2%, from HK\$135.7 million to HK\$172.6 million, was achieved on the back of business growth.

### 財務回顧

#### 經營業績

於二零一零年，本集團錄得收益1,428,900,000港元，較去年之923,400,000港元急增54.7%。由於經濟復甦及中國國內市場需求增加，平均售價及銷售量分別上升約32%及18%。於二零零九年九月投產之下游生產線之全年貢獻亦是收益急增之其一原因。

銷售成本隨著收益增加而相應由746,400,000港元上升至1,167,900,000港元，其增幅為56.5%。毛利增長47.5%達84,100,000港元，而毛利率則由19.2%微跌至18.3%，主要因為生產成本上升但售價出現波動。

其他收入由14,700,000港元增加31.3%至19,300,000港元。增幅主要因廢品銷售量及售價上升所致。

銷售及分銷成本由36,200,000港元增加123.8%至81,000,000港元。此大幅增長主要因銷售佣金(由營業額急增所致)及付運成本(由付運次數增加及油價上升所致)上升所致。

行政開支由61,900,000港元增加33.0%至82,300,000港元。增幅主要由於薪酬增加及保險成本上升所致。保險成本乃為保障本集團不斷增長之資產而產生。

其他開支由20,400,000港元減少23.0%至15,700,000港元，降幅主要因回撥貿易應收款項之減值虧損所致。

息稅折舊攤銷前盈利(未計利息、稅項、折舊、攤銷及無抵押結構借貸及衍生金融工具公平值之變動—以衍生工具結算之淨現金流入除外)由135,700,000港元增加27.2%至172,600,000港元，主要因為業務取得增長。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Finance cost jumped 99.1%, from HK\$10.6 million to HK\$21.1 million. Additional bank loans were raised to finance the technical upgrades to upstream production lines in Qingyuan city. Besides, no interest was capitalized to property, plant and equipment during 2010 (2009: HK\$6.8 million).

Same as previous years, changes in fair value of unsecured structured borrowing and derivative financial instruments (except net cash inflow from settlement of derivative) were recognised only for accounting purpose. They were non-cash in nature and would be reversed to zero at maturity date. The contract for unsecured structured borrowing was early terminated during the year. No interest had ever been charged for it.

Profit from operation (profit for the year exclusive of changes in fair value of unsecured structured borrowing and derivative financial instruments except net cash inflow from settlement of derivative) rose by 38.4% from HK\$51.5 million to HK\$71.3 million. The profit margin from operation fell slightly from 5.6% to 5.0%.

Profit for the year fell by 14.4% from HK\$83.8 million to HK\$71.7 million. It was mainly attributable to the great reversal of changes in fair value of unsecured structured borrowing and derivative financial instruments (except net cash inflow from settlement of derivative) in 2009.

Profit margin for the year was 5.0%. Basic earnings per share were 14.85 HK cents (2009: 17.35 HK cents). The Directors proposed a final dividend of 3.40 HK cents per share (2009: 2.20 HK cents).

財務成本由10,600,000港元大幅增加99.1%至21,100,000港元。本集團向銀行籌得額外貸款，為清遠市上游生產線進行技術升級提供資金。此外，於二零一零年並無將利息撥充物業、廠房及設備的資本(二零零九年：6,800,000港元)。

一如過往數年，無抵押結構借貸及衍生金融工具公平值之變動(以衍生工具結算之淨現金流入除外)僅就會計處理目的而確認。彼等屬非現金性質，將於到期日回撥為零。有關無抵押結構借貸之合約已於年內提前終止，其並無產生利息開支。

營運利潤(撇除無抵押結構借貸及衍生金融工具公平值之變動－以衍生工具結算之淨現金流入除外)由51,500,000港元上升38.4%至71,300,000港元。營運利潤率由5.6%微跌至5.0%。

年度利潤由83,800,000港元下降14.4%至71,700,000港元。降幅主要因大額回撥二零零九年無抵押結構借貸及衍生金融工具公平值之變動(以衍生工具結算之淨現金流入除外)所致。

年度利潤率為5.0%。每股基本盈利為14.85港仙(二零零九年：17.35港仙)。董事建議派付末期股息每股3.40港仙(二零零九年：2.20港仙)。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Liquidity, financial and capital resources

At 31st December 2010, the Group's total cash and cash equivalents were mostly denominated in Hong Kong dollars and Renminbi. Bank balances and cash amounted to HK\$203.1 million (2009: HK\$174.4 million). Net current assets and current ratio of the Group were HK\$19.5 million (2009: net current liabilities HK\$44.9 million) and 1.03 respectively (2009: 0.92).

The Group spent HK\$90.4 million on capital expenditures for making technical upgrades to upstream production lines and acquiring new machines for downstream production.

Inventory turnover was slightly increased from 54 days to 61 days. Two-month shipment was basically required for delivering waste paper from Europe or United States to the People's Republic of China (the "PRC").

At the balance sheet date, trust receipt loans fell by HK\$14.1 million and bank advances rose by HK\$67.7 million. The group bought more local waste paper and less imported waste paper as compared to 2009, leading to the change in loan structure. New bank loans were raised for financing the capital expenditures, indicating continuous support from principal bankers. The current and non-current bank borrowings (including structured borrowing) were up by HK\$103.4 million and HK\$17.0 million respectively. Net gearing ratio (measured by total bank borrowings net of cash to equity attributable to shareholders) was increased to 60.3% (2009: 56.1%).

### 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

於二零一零年十二月三十一日，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203,100,000港元(二零零九年：174,400,000港元)。本集團之流動資產淨值及流動比率分別為19,500,000港元(二零零九年：流動負債淨額44,900,000港元)及1.03(二零零九年：0.92)。

本集團之資本開支為90,400,000港元，用於為上游生產線進行技術升級及為下游生產購置新機器。

存貨流轉率由54日稍為延長至61日，基於歐洲或美國付運廢紙到中華人民共和國(「中國」)的運輸基本需時兩個月。

於結算日，信託收據貸款減少14,100,000港元，而銀行墊款則增加67,700,000港元。與二零零九年相比，本集團增加本地廢紙購買量並減少廢紙進口量，導致貸款結構發生變動。本集團為資本開支提供融資而新增銀行貸款，顯示本集團獲主要往來銀行鼎力支持。即期及非即期銀行借貸(包括結構借貸)分別增加103,400,000港元及17,000,000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)升至60.3%(二零零九年：56.1%)。

### 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

### PROSPECTS

The Group has successfully shifted its focus to the domestic Chinese market, and saw solid performance growth with domestic sales in the first two months of 2011 up by more than 20% compared to the same period of 2010 and overall sales up by around 10%. This proves that the Group has built solid foundations for developing the domestic market. The construction of new downstream production line in Qingyuan will expand total capacity by around 10% and allow the Group to further develop the domestic market and expand our market share.

### HUMAN RESOURCES

As at 31st December, 2010, the Group and the processing factory employed a total workforce of around 2,050 full time staff (2009: 2,000). Competitive remuneration packages were offered to employees. The Group may also grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals.

### 展望

本集團已成功將業務重心轉移至中國國內市場，並持續錄得理想增長，二零一一年首兩個月內銷營業額比去年同期已增加兩成多，總營業額約增加一成，印證本集團已在中國內銷市場奠下穩固基石。於清遠市新增的下游生產線將可增大產能約一成，使本集團繼續進一步拓展內銷市場，擴大市場佔有率。

### 人力資源

於二零一零年十二月三十一日，本集團及加工廠房僱用總共約2,050名全職員工(二零零九年：2,000名)。本集團向僱員提供具競爭力之薪酬福利。本集團可能亦會授出購股權及酌情花紅予合資格僱員，授出之基準按本集團及個人之表現而釐定。

# MANAGEMENT PROFILE

## 管理層履歷

### BOARD OF DIRECTORS

#### Executive Directors

**Mr. Hui Sum Kwok**, aged 51, is the chairman of the Board, an executive Director of the Company and a co-founder of the Group. Mr. Hui is responsible for the overall corporate planning, business development and management of the Group. Mr. Hui has over 26 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Kwok is a brother of Mr. Hui Sum Ping (vice chairman of the Board, executive Director, 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 (deputy general manager of the Company). Mr. Hui 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 of the Company and a co-founder of the Group. Mr. Hui is responsible for the business development of the Group. Mr. Hui has over 26 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Ping is a brother of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial shareholder of the Company), and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

**Mr. Hui Sum Tai**, aged 44, is the chief executive officer and an executive Director of the Company. Mr. Hui has joined the Group since its establishment and is responsible for the strategic planning and day-to-day management of the Group. Mr. Hui has over 24 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Tai is a brother of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial shareholder of the Company) and Mr. Hui Sum Ping (vice chairman of the Board, executive Director, and substantial shareholder of the Company). Mr. Hui 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**，51歲，為本公司董事會主席兼執行董事，並為本集團聯合創辦人。許先生負責本集團整體企業規劃、業務發展及管理。許先生於香港及中國之瓦楞包裝行業積逾二十六年經驗。

許森國先生為本公司董事會副主席、執行董事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，並為本公司副總經理黃梅女士之配偶。許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，為董事會副主席兼本公司執行董事，並為本集團聯合創辦人。許先生負責本集團之業務發展。許先生於香港及中國之瓦楞包裝行業積逾二十六年經驗。

許森平先生為本公司董事會主席、執行董事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**，44歲，為本公司之行政總裁兼執行董事。許先生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。許先生於香港及中國之瓦楞包裝行業積逾二十四年經驗。

許森泰先生為本公司董事會主席、執行董事兼主要股東許森國先生及本公司董事會副主席、執行董事兼主要股東許森平先生之兄弟。許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 49, is an executive Director of the Company. Mr. Wong has joined the Group since its establishment and is responsible for the sales, marketing and production management of the Group. Mr. Wong has over 24 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Wong did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Mr. Wong did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

**Ms. Hui Yuen Li**, aged 40, is an executive Director and the company secretary of the Company. Ms. Hui is responsible for the financial management of the Group. Ms. Hui 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 worked in an international accounting firm prior to joining the Group in May 1997.

Ms. Hui obtained a Degree of Bachelor of Arts with Honours in Accountancy from the City University of Hong Kong in 1992. Ms. Hui did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Ms. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

#### Independent Non-executive Directors

**Mr. Chee Man Sang, Eric**, aged 49, was appointed as an independent non-executive Director of the Company on 4th September, 2003. Mr. Chee is a practising Certified Public Accountant in Hong Kong and a senior partner of Chan Chee Cheng & Co., a firm of Certified Public Accountants. Mr. Chee 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.

Mr. Chee obtained a Bachelor's Degree of Commerce (Accounting) with Honours from Birmingham University in 1984. In addition to his appointment to the Company, Mr. Chee is also an executive director of Mastermind Capital Limited and used to be an independent non-executive director of Viva China Holdings Limited (formerly known as Coolpoint Energy Limited), both companies listed on The Stock Exchange of Hong Kong Limited. Mr. Chee did not have any relationship with any Directors, substantial shareholders and senior management of the Company.

### 董事會 *(續)*

#### 執行董事 *(續)*

**王榮波先生**，49歲，為本公司之執行董事。王先生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。王先生於香港及中國之瓦楞包裝行業積逾二十四年經驗。

王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。王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。

**許婉莉女士**，40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。許女士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。許女士於一九九七年五月加盟本集團前，曾於一間國際會計師行工作。

許女士於一九九二年獲得香港城市大學會計學榮譽文學士學位。許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。許女士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

**池民生先生**，49歲，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。池先生為香港執業會計師，及執業會計師行陳池鄭會計師事務所之高級合夥人。池先生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。

池先生於一九八四年獲得伯明翰大學商業學士榮譽學位 (主修會計)。除獲本公司委任外，池先生亦為慧德投資有限公司之執行董事，並曾任非凡中國控股有限公司 (前稱快意節能有限公司) 之獨立非執行董事 (兩者均為香港聯合交易所有限公司上市之公司)。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。

# MANAGEMENT PROFILE

## 管理層履歷

### BOARD OF DIRECTORS *(continued)*

#### Independent Non-executive Directors *(continued)*

**Mr. Yip Kwok Kwan**, aged 61, was appointed as an independent non-executive Director of the Company on 15th July, 2010. Mr. Yip has over 30 years of experience in investment, corporate finance, financial advisory and business management. Mr. Yip has a long track record of working with various financial institutions, including UOB Asia (Hong Kong) Limited as a chief executive officer, and DBS Asia Capital Ltd, Hong Kong, DBS Securities (Hong Kong) Ltd., Hong Kong and First Chicago Hong Kong Limited as a managing director.

Mr. Yip obtained a Degree of Bachelor of Business Administration with Honours from the National University of Singapore (formerly known as the University of Singapore) in 1971. In addition to his appointment to the Company, Mr. Yip is also an independent non-executive director of Powerwell Pacific Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited. Mr. Yip did not have any relationship with any Directors, substantial shareholders and senior management of the Company.

**Mr. Wong Chu Leung**, aged 63, was appointed as an independent non-executive Director of the Company on 15th September, 2004. Mr. Wong has over 26 years of experience in enterprise management and manufacturing operation management. Mr. Wong is a shareholder and a director of certain metal ware and plastic ware manufacturing companies/corporations with manufacturing plants located in the PRC.

Mr. Wong did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Mr. Wong 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)*

**葉國均先生**，61歲，於二零一零年七月十五日獲委任為本公司獨立非執行董事。葉先生於投資、企業融資、財務顧問及業務管理方面積逾三十年經驗。葉先生擁有豐富行業經驗，曾為不同財務機構服務，包括新加坡大華亞洲(香港)有限公司之行政總裁，以及香港星展亞洲融資有限公司、星展證券(香港)有限公司及美國芝加哥第一香港有限公司之董事總經理。

葉先生於一九七一年獲得新加坡國立大學(前稱新加坡大學)工商管理學榮譽學士學位。除獲本公司委任外，葉先生亦為宏峰太平洋集團有限公司之獨立非執行董事，該公司於香港聯合交易所有限公司上市。葉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**，63歲，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。黃先生於企業管理及製造業務管理方面積逾二十六年經驗。黃先生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

### SENIOR MANAGEMENT

**Ms. Wong Mui**, aged 45, is the deputy general manager of the Group. Ms. Wong 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 (chairman of the Board, executive Director and substantial shareholder of the Company).

**Mr. Tsui Yung Wai**, aged 48, is the deputy general manager of the Group. Mr. Tsui is responsible for the supervision of procurement, logistics and human resources of the Group. Mr. Tsui has over 15 years of experience in corrugated packaging industry in Hong Kong and the PRC. Prior to joining the Group in February 2008, he was a shareholder and a director of a corrugated packaging manufacturing company.

Mr. Tsui is a brother-in-law of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial shareholder of the Company), Mr. Hui Sum Ping (vice chairman of the Board, executive Director and substantial shareholder of the Company) and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company).

**Ms. Wong Yuk Kwan**, aged 39, is the senior accounting manager of the Group. Ms. Wong is responsible for overseeing accounting operations of the Group. Ms. Wong obtained a Degree of Bachelor of Business Administration majoring in accounting from the University of Houston - Downtown in the US in 1994. Ms. Wong worked in an international accounting firm prior to joining the Group in May 2002.

### 高級管理層

**黃梅女士**，45歲，本集團副總經理。黃女士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。黃女士為本公司董事會主席、執行董事兼主要股東許森國先生之配偶。

**徐勇為先生**，48歲，本集團副總經理。徐先生負責監督本集團之採購、運輸物流及人力資源。徐先生於香港及中國之瓦楞包裝行業積逾十五年經驗。徐先生於二零零八年二月加盟本集團之前，曾為一間瓦楞包裝製造公司之股東及董事。

徐先生為本公司董事會主席、執行董事兼主要股東許森國先生、本公司董事會副主席、執行董事兼主要股東許森平先生之妹夫，以及本公司執行董事兼行政總裁許森泰先生之姐夫。

**黃玉君女士**，39歲，本集團高級會計經理。黃女士負責監察本集團日常會計職務。黃女士於一九九四年獲得美國University of Houston - Downtown工商管理學士學位，主修會計。黃女士於二零零二年五月加盟本集團之前，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, 2010.

The manner in which the principles and code provisions in 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”) (the “Listing Rules”) are applied and implemented is explained as follows:

### CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Group strives to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The Group’s corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to shareholders.

The Company acknowledges the important role of its Board in providing effective leadership and direction to Company business, and ensuring transparency and accountability of Company operations.

The Company has applied the principles as set out in the CG Code contained in Appendix 14 of the Listing Rules, which 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’s corporate governance practices are based on the principles code provisions as set out in the CG Code.

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, to meet the code provisions as set out in the CG Code contained in Appendix 14 of the Listing Rules.

本公司董事會(「董事會」)欣然於本集團截至二零一零年十二月三十一日止年度之年報呈列本企業管治報告。

以下說明香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「企管守則」)之原則及守則條文之應用及實行方式：

### 本公司之企業管治常規

本集團致力維持高水平之企業管治，以提升股東價值及保障股東權益。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。

本公司知悉董事會為本公司業務提供有效領導及指導擔任重要角色，並確保本公司運作之透明度及問責性。

本公司已採納上市規則附錄14所載企管守則之原則，其中所載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。

本公司之企業管治常規乃以企管守則所載之原則及守則條文為基礎。

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上市規則附錄14企管守則所載之守則條文。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

With the exception of code provisions A.2.1, A.4.2 and B.1.3 of the CG Code, the Company has complied with all the code provisions as set out in the CG Code throughout the year ended 31st December, 2010.

The Company will periodically review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

### THE BOARD/BOARD OF DIRECTORS

#### Responsibilities

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. 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.

The Board provides leadership, approves policies, strategies and plans, and oversees their implementation to further the healthy growth of the Company in the interests of shareholders.

All Directors have carried out their duties in good faith, in compliance with the 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 undertakes responsibility for decision making in major Company matters, 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.

於截至二零一零年十二月三十一日止年度全年，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條除外。

本公司將定期檢討及加強其企業管治常規，以確保該等常規繼續符合企管守則之規定。

### 董事會

#### 責任

董事會負責本公司之領導及監控並監察本集團之業務、策略性決定及表現。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。

董事會負有領導、批准政策、策略及計劃以及監督其實施之責任，以確保本公司穩健增長及符合股東之利益。

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

#### 管理職能授權

董事會肩負為本公司重大事項作出決策之責任，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 Board has delegated a schedule of responsibilities to the Chief Executive Officer and senior management of the Company. These responsibilities include implementing decisions of the Board, directing and co-ordinating day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operating and production plans and budgets, and supervising and monitoring the control systems.

### Board Composition

Membership of the Board is currently made up of 8 members in total, with 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:*

Chee Man Sang, Eric	– Chairman of Audit Committee and Chairman of Remuneration Committee
Yip Kwok Kwan	– Member of Audit Committee
Wong Chu Leung	– Member of Audit Committee and Member of 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.

During the year ended 31st December, 2010, 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.

董事會已將部分責任轉授本公司行政總裁及高級管理人員。該等責任包括執行董事會之決定；根據董事會所批准之管理策略及計劃指導及協調本公司之日常營運和管理；編製及監察營運及生產計劃及預算；以及監督和監察監控系統。

### 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：*

池民生	– 審核委員會及薪酬委員會主席
葉國均	– 審核委員會成員
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。

於截至二零一零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。

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.

The non-executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation at Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive Directors have made various contributions to the effective direction 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.

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.

本公司已收到每位獨立非執行董事根據上市規則規定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。

非執行董事為董事會提供廣泛之業務及財務專長、經驗及獨立判斷。透過積極參與董事會會議，在管理涉及潛在利益衝突事務時發揮牽頭引導作用及應邀出任董事會轄下委員會成員，全體非執行董事對有效指導本公司作出各種貢獻。

### 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，本公司所有董事須至少每三年輪席退任一次。

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，以確保其具備適合於本公司業務需要之專長、技能及經驗之平衡。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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.

Mr. Yip Kwok Kwan, having been appointed as an independent non-executive Director of the Company during the year, shall retire and being eligible, offer himself for re-election at the next forthcoming annual general meeting pursuant to the Company's Article 86(3) of the Articles of Association of the Company. In addition, Mr. Hui Sum Kwok, Mr. Wong Wing Por and Mr. Chee Man Sang, Eric shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

The Company's circular dated 15th April, 2011 contains detailed information of the retiring Directors standing for re-election.

The Board recommended the re-appointment of the retiring Directors at the next 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 adequate 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.

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.

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。

葉國均先生已於年內獲委任為本公司之獨立非執行董事，而根據本公司組織章程細則第86(3)條，彼須於應屆股東週年大會輪席退任且符合資格並願膺選連任。此外，許森國先生、王榮波先生及池民生先生須於應屆股東週年大會上輪席退任且符合資格並願膺選連任。

本公司於二零一一年四月十五日發出之通函已載列膺選連任退任董事之詳細資料。

董事會建議於應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及相關法律規定其須承擔之責任及義務。有關入職培訓還包括考察本公司之主要廠房場地及本公司之高級管理層會面。

董事會持續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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Board Meetings

#### Number of Meetings and Directors' Attendance

During the year ended 31st December, 2010, five 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 attendance records of each Director at the meetings of the Board, Remuneration Committee and Audit Committee during the year ended 31st December, 2010 are set out below:

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	5/5	n/a 不適用	2/3
Hui Sum Ping 許森平	5/5	n/a 不適用	2/3
Hui Sum Tai 許森泰	5/5	n/a 不適用	2/3
Wong Wing Por 王榮波	4/5	n/a 不適用	2/3
Hui Yuen Li 許婉莉	5/5	2/2	3/3
Chee Man Sang, Eric 池民生	5/5	2/2	3/3
Wong Chu Leung 黃珠亮	5/5	2/2	3/3
Yip Kwok Kwan (Note 1) 葉國均(附註1)	2/2	n/a 不適用	2/2
Liu Kwok Fai, Alvan (Note 2) 廖國輝(附註2)	2/3	n/a 不適用	1/1

Notes:

- Mr. Yip Kwok Kwan was appointed as an independent non-executive Director on 15th July, 2010.
- Mr. Liu Kwok Fai, Alvan resigned as an independent non-executive Director on 15th July, 2010.

#### Practices and Conduct of Meetings

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

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.

### 董事會會議

#### 會議次數及董事出席情況

於截至二零一零年十二月三十一日止年度，董事會已舉行五次會議，大約每季度舉行，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。截至二零一零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：

#### Attendance / Number of Meetings 會議出席率 / 次數

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	5/5	n/a 不適用	2/3
Hui Sum Ping 許森平	5/5	n/a 不適用	2/3
Hui Sum Tai 許森泰	5/5	n/a 不適用	2/3
Wong Wing Por 王榮波	4/5	n/a 不適用	2/3
Hui Yuen Li 許婉莉	5/5	2/2	3/3
Chee Man Sang, Eric 池民生	5/5	2/2	3/3
Wong Chu Leung 黃珠亮	5/5	2/2	3/3
Yip Kwok Kwan (Note 1) 葉國均(附註1)	2/2	n/a 不適用	2/2
Liu Kwok Fai, Alvan (Note 2) 廖國輝(附註2)	2/3	n/a 不適用	1/1

附註：

- 葉國均先生於二零一零年七月十五日獲委任為獨立非執行董事。
- 廖國輝先生於二零一零年七月十五日辭任獨立非執行董事。

#### 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。

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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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.

### 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.

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，將由董事會召開之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。

### 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已批准及轉授之目標、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。

### 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 three 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.

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

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 twice during the year ended 31st December, 2010 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%.

### 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分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，在提出合理要求下，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。

薪酬委員會之主要職責包括就執行董事之薪酬政策及架構及薪酬待遇提供意見，以及就此作出批准。薪酬委員會亦負責確立具透明度之程序以制定一套薪酬政策及架構，確保董事或彼等之任何聯繫人士不會參與釐定本身之薪酬，而其薪酬乃經參考個人及本公司之表現以及市場慣例與市況後釐定。

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待遇之建議徵求本公司主席及／或行政總裁意見。

薪酬委員會於截至二零一零年十二月三十一日止年度內舉行兩次會議，審閱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%。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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.

### Audit Committee

Currently, the Audit Committee comprises three independent non-executive Directors, namely Mr. Chee Man Sang, Eric (Chairman), Mr. Yip Kwok Kwan and Mr. Wong Chu Leung (including one independent non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise). During the year ended 31st December, 2010, Mr. Liu Kwok Fai, Alvan resigned as an independent non-executive Director and the Chairman of the Audit Committee. Mr. Yip Kwok Kwan was appointed as an independent non-executive Director and a member of the Audit Committee, and Mr. Chee Man Sang, Eric became the Chairman of the Audit Committee.

None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

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 auditor before submission to the Board.
- to review the relationship with the external auditor by reference to the work performed by the auditor, the fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor.
- 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, 2010 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 auditor. 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, 2010 have been reviewed by the Audit Committee.

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，高級管理層薪酬由本公司主席及／或行政總裁負責釐定。

### 審核委員會

目前，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專長之獨立非執行董事），即池民生先生（主席）、葉國均先生及黃珠亮先生。於截至二零一零年十二月三十一日止年度，廖國輝先生辭任獨立非執行董事及審核委員會主席，葉國均先生獲委任為獨立非執行董事及審核委員會成員，而池民生先生出任審核委員會主席一職。

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。

審核委員會於截至二零一零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二零一零年十二月三十一日止年度業績。



### 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 Company's Code and the Model Code throughout the year ended 31st December, 2010.

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 acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31st December, 2010.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements. 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，彼等已於截至二零一零年十二月三十一日止年度遵守本公司守則及標準守則。

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

董事確認其編製本公司截至二零一零年十二月三十一日止年度財務報表之責任。

董事會應負責對年度報告及中期報告、涉及股價敏感公告及其他根據上市規則及其他監管規定須予披露的資料作出平衡、清晰及容易理解之評審。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 pages 46 to 47.

During the year under review, the remuneration payable to the Company's external auditor, Deloitte Touche Tohmatsu, is set out below:

#### Category of services 服務種類

Audit services	核數服務
Non-audit services	非核數服務
– Preliminary review	– 初步審閱
– Compliance review	– 合規審閱

#### Fee payable 應付費用

HK\$  
港元

1,550,000

20,000

118,000

1,688,000

### INTERNAL CONTROLS

The Board conducted a review of the effectiveness of the internal control system of the Group for the year ended 31st December, 2010. The review covered the financial, operational, compliance and risk management aspects of the Group including the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

The Board has overall responsibility for the internal control system of the Company and for reviewing its effectiveness. The Board maintains an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company. 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46至47頁「獨立核數師報告」內。

於回顧年內，本公司應付外聘核數師德勤•關黃陳方會計師行之酬金載列如下：

### 內部監控

董事會已對本集團截至二零一零年十二月三十一日止年度之內部監控制度效能進行檢討，檢討範圍涵蓋本集團之財務、營運、合規及風險管理方面，包括資源之足夠性、本集團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。

董事會對本公司內部監控制度及檢討其效能負整體責任。董事會維持妥當的內部監控制度以保障股東之權益及本公司之資產。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。

### 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 the best opportunity for exchange of views between the Board and the shareholders. 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 normally available to attend the annual general meeting and other relevant shareholder meetings.

The 2010 Annual General Meeting ("AGM") was held on 7th June, 2010. 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](http://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 available for public access.

### 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.

### 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瞭解至為重要。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交換意見提供最佳機會。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)一般會出席股東週年大會及其他相關股東會議。

二零一零年股東週年大會(「股東週年大會」)已於二零一零年六月七日舉行。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](http://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以供公眾瀏覽。

### 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, 2010.

### PRINCIPAL ACTIVITIES

The Company is 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, 2010 are set out in the consolidated statement of comprehensive income on page 48.

An interim dividend of 1.00 HK cent per share, amounting to approximately HK\$4,829,000 was calculated by reference to 482,924,000 shares in issue on 15th October, 2010 and was paid to the shareholders of the Company on 22nd October, 2010.

The Directors now recommend the payment of a final dividend of 3.40 HK cents per share to the shareholders of the Company whose names appear on the register of members on 23rd May, 2011.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the years from 2006 to 2010 is set out on page 124.

### 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 share capital of the Company are set out in note 24 to the consolidated financial statements.

### SHARE PREMIUM AND RESERVES

Details of the movement in the share premium and reserves of the Group during the year, are set out in the consolidated statement of changes in equity on page 50.

董事欣然提呈彼等就本集團截至二零一零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

本集團截至二零一零年十二月三十一日止年度之業績載於第48頁之綜合全面收益表內。

於二零一零年十月二十二日，本公司向股東派付二零一零年之中期股息每股1.00港仙，合共約4,829,000港元，乃按於二零一零年十月十五日之已發行482,924,000股股份計算。

董事現建議向於二零一一年五月二十三日名列股東名冊內之本公司股東派付末期股息每股3.40港仙。

### 財務概要

本集團由二零零六年至二零一零年之業績及資產與負債概要載於第124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

本公司股本之詳情載於綜合財務報表附註24。

### 股份溢價及儲備

本集團股份溢價及儲備於年內之變動詳情載於第50頁之綜合權益變動表內。

# DIRECTORS' REPORT

## 董事會報告

### 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. Chee Man Sang, Eric  
Mr. Yip Kwok Kwan (appointed on 15th July, 2010)  
Mr. Wong Chu Leung  
Mr. Liu Kwok Fai, Alvan (resigned on 15th July, 2010)

Mr. Yip Kwok Kwan, was appointed by the board of Directors as a new independent non-executive Director with effect from 15th July, 2010. Mr. Yip Kwok Kwan will hold directorship until 14th September, 2011 and thereafter the appointment will be renewed for a term of one year from 15th September, 2011 to 14th September, 2012.

In accordance with Articles 86(3) and 87(1) of the Company's Articles of Association, Mr. Hui Sum Kwok, Mr. Wong Wing Por, Mr. Chee Man Sang, Eric and Mr. Yip Kwok Kwan 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 two years commencing 15th September, 2010, 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.

### 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

池民生先生  
葉國均先生(於二零一零年七月十五日獲委任)  
黃珠亮先生  
廖國輝先生(於二零一零年七月十五日辭任)

葉國均先生已獲董事會委任為新任獨立非執行董事，自二零一零年七月十五日起生效。葉國均先生之任期將直至二零一一年九月十四日，其後將獲續任一年，任期為二零一一年九月十五日至二零一二年九月十四日。

根據本公司之組織章程細則第86(3)及87(1)條，許森國先生、王榮波先生、池民生先生及葉國均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，由二零一零年九月十五日起為期兩年，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 Rules governing the listing of Securities on The Stock Exchange of Hong Kong Limited "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:

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
<b>Directors</b>								
<b>董事</b>								
Mr. Hui Sum Kwok (Note 2) 許森國先生(附註2)	D E	29.5.2007 7.7.2009	2.640 0.752	1,893,000 4,828,000	- -	- -	- -	1,893,000 4,828,000
Mr. Hui Sum Ping 許森平先生	D E	29.5.2007 7.7.2009	2.640 0.752	1,893,000 4,828,000	- -	- -	- -	1,893,000 4,828,000
Mr. Hui Sum Tai 許森泰先生	D E	29.5.2007 7.7.2009	2.640 0.752	3,678,360 4,828,000	- -	- -	- -	3,678,360 4,828,000

### 董事(續)

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司證券上市規則(「上市規則」)就其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：

# 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
<b>Directors</b>								
<b>董事</b>								
Mr. Wong Wing Por	D	29.5.2007	2.640	1,500,000	-	-	-	1,500,000
王榮波先生	E	7.7.2009	0.752	4,828,000	-	-	-	4,828,000
Ms. Hui Yuen Li	D	29.5.2007	2.640	1,100,000	-	-	-	1,100,000
許婉莉女士	E	7.7.2009	0.752	1,100,000	-	-	-	1,100,000
Mr. Liu Kwok Fai, Alvan (Note 3)	D	29.5.2007	2.640	120,000	-	-	-	120,000
廖國輝先生(附註3)	E	7.7.2009	0.752	120,000	-	-	-	120,000
Mr. Chee Man Sang, Eric	D	29.5.2007	2.640	120,000	-	-	-	120,000
池民生先生	E	7.7.2009	0.752	120,000	-	-	-	120,000
Mr. Wong Chu Leung	D	29.5.2007	2.640	120,000	-	-	-	120,000
黃珠亮先生	E	7.7.2009	0.752	120,000	-	-	-	120,000
				31,196,360	-	-	-	31,196,360
Other employees	D	29.5.2007	2.640	7,950,000	-	-	-	7,950,000
其他僱員	E	7.7.2009	0.752	9,228,000	-	-	-	9,228,000
				17,178,000	-	-	-	17,178,000
Total all categories				48,374,360	-	-	-	48,374,360
全部類別總計				48,374,360	-	-	-	48,374,360

### SHARE OPTIONS (continued)

Notes:

- 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)

- 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 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.
- Mr. Liu Kwok Fai, Alvan, resigned as an independent non-executive Director of the Company on 15th July, 2010.

At 31st December, 2010, 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：

- 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：

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)

- 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。
- 廖國輝先生已於二零一零年七月十五日辭任本公司之獨立非執行董事。

於二零一零年十二月三十一日，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, 2010, 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 Issuers, were as follows:

#### (a) Shares

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	10,128,000 shares Long position 10,128,000股股份 好倉	2.10%
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%

### 董事於股份、相關股份及債券之權益

除上文披露者外，於二零一零年十二月三十一日，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，或根據上市發行人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) 股份

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

### 董事於股份、相關股份及債券之權益 (續)

#### (a) Shares (continued)

#### (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)

### 董事於股份、相關股份及債券之權益 (續)

#### (a) Shares (continued)

#### (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. 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)

### 董事於股份、相關股份及債券之權益 (續)

#### (a) Shares (continued)

#### (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 PaperWare 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)

### 董事於股份、相關股份及債券之權益 (續)

#### (a) Shares (continued)

#### (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%
Mr. Hui Sum Kwok 許森國先生	Profit Sun Limited 曉利有限公司	Founder of a discretionary trust 全權信託創立人	1 share of HK\$1 Long position (Notes 1, 6, 7 and 8) 1股面值1港元之股份 好倉(附註1、6、7及8)	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.
3. 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.

### 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。
3. 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。

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

#### (a) Shares (continued)

Notes: (continued)

4. 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.

5. 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.

### 董事於股份、相關股份及債券之權益 (續)

#### (a) 股份 (續)

附註：(續)

4. 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。

5. 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。



# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

#### (a) Shares (continued)

Notes: (continued)

6. 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.
7. Profit Luck Limited ("PLL") is a company incorporated in Hong Kong. The entire issued share capital of PLL is HK\$100 comprising 100 shares of HK\$1 each which is indirectly owned by HSBC through its wholly owned subsidiary, Applewood. Under the SFO, Mr. Hui Sum Kwok is deemed to be interested in the 100 shares of HK\$1 in PLL ultimately owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust. Details of Applewood are set out in note 6 above.
8. Profit Sun Limited ("PSL") is a company incorporated in Hong Kong. The entire issued share capital of PSL is HK\$1 comprising 1 share of HK\$1 which is indirectly owned by HSBC through its wholly owned subsidiary, Applewood. Under the SFO, Mr. Hui Sum Kwok is deemed to be interested in the 1 share of HK\$1 in PSL ultimately owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust. Details of Applewood are set out in note 6 above.

#### (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, 2010.

### 董事於股份、相關股份及債券之權益 (續)

#### (a) 股份 (續)

附註：(續)

6. 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Applewood 1股面值1美元股份之權益。
7. 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。根據證券及期貨條例，許森國先生被視為擁有HSBC以Hui & Wong 2004 Family Trust受託人身份最終擁有之利萊100股每股面值1港元股份之權益。Applewood之詳情載於上文附註6。
8. 曉利有限公司(「曉利」)乃於香港註冊成立之公司。曉利之全部已發行股本為1港元，分為1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。根據證券及期貨條例，許森國先生被視為擁有HSBC以Hui & Wong 2004 Family Trust受託人身份最終擁有之曉利1股每股面值1港元股份之權益。Applewood之詳情載於上文附註6。

#### (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，於二零一零年十二月三十一日，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。

# DIRECTORS' REPORT

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2010, 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:

### 主要股東

於二零一零年十二月三十一日，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%
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 全權信託受託人	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	262,628,000	1, 2, 3, 4, 6	54.38%
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	62,784,000	8	13.00%
Montpelier Investment Management LLP	Investment manager 投資經理	26,484,000	—	5.48%

# DIRECTORS' REPORT

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

1. The 252,000,000 shares are owned by Hop Fung Industries.
2. 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.
3. 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.
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 262,628,000 shares, Ms. Wong Mui is directly interested in 500,000 shares and is deemed to be interested in 262,128,000 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Kwok, a Director and a substantial shareholder 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 and a substantial shareholder of the Company.
8. Hallgain is deemed to be interested in 62,784,000 shares. Hallgain holds 34.50% of Kingboard Chemical Holdings Limited ("Kingboard Chemical") which is directly interested in 52,200,000 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 10,584,000 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, 2010.

### 主要股東(續)

附註：

1. 該252,000,000股股份由Hop Fung Industries擁有。
2. 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。
3. 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%。
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262,628,000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之董事及主要股東許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有本公司262,128,000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之董事及主要股東許森平先生之配偶，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62,784,000股股份之權益。Hallgain持有建滔化工集團有限公司(「建滔化工」)之34.50%權益，而建滔化工則直接持有本公司之52,200,000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10,584,000股股份之權益。

除上文披露者外，於二零一零年十二月三十一日，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, 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.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2010, the aggregate amount of turnover attributable to the Group's five largest customers accounted for less than 13% of the Group's total turnover.

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 54% of the Group's total purchases and the purchases attributable to the Group's largest supplier accounted for approximately 16% 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.

### 購買、出售或贖回本公司上市股份

年內，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。

### 主要客戶及供應商

於截至二零一零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13%。

本集團五大供應商之購貨額合共佔本集團購貨總額約54%，而本集團最大供應商之購貨額則佔本集團購貨總額約16%。

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。

# DIRECTORS' REPORT

## 董事會報告

### 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\$170,500.

### CORPORATE GOVERNANCE

The Company had complied with throughout the year ended 31st December, 2010 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.

### 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170,500港元。

### 企業管治

截至二零一零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。

# DIRECTORS' REPORT

## 董事會報告

### CORPORATE GOVERNANCE (continued)

#### 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.

#### 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  
29th March, 2011

### 企業管治(續)

#### 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。

#### 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  
二零一一年三月二十九日

# 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 48 to 123, which comprise the consolidated statement of financial position as at 31st December, 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

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

致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48至123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二零一零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

貴公司董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製反映真實而公平意見之綜合財務報表，並負責其認為必須之內部監控，以使編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

## 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上或承擔任何責任。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 of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st December, 2010 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  
29th March, 2011

審核涉及執行程序以獲取有關綜合財務報表所載數額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險。在評估該等風險時，核數師考慮與公司編製反映真實公平意見之綜合財務報表相關的內部監控，以設計在有關情況下適當的審核程序，但並非為對公司內部監控的成效發表意見。審核亦包括評估董事所採用之會計政策是否合適及所作出之會計估計是否合理，以及評估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 貴集團於二零一零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  
二零一一年三月二十九日



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零年十二月三十一日止年度

		Notes 附註	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Revenue	收益	7	<b>1,428,886</b>	923,366
Cost of sales	銷售成本		<b>(1,167,934)</b>	(746,425)
Gross profit	毛利		<b>260,952</b>	176,941
Other income	其他收入	8	<b>19,317</b>	14,690
Selling and distribution costs	銷售及分銷成本		<b>(80,963)</b>	(36,234)
Administrative expenses	行政開支		<b>(82,325)</b>	(61,902)
Other expenses	其他開支		<b>(15,746)</b>	(20,389)
Finance costs	財務成本	9	<b>(21,126)</b>	(10,601)
Changes in fair value of unsecured structured borrowing	無抵押結構借貸公平值之變動	23	<b>297</b>	9,464
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	19	<b>2,829</b>	23,452
Profit before taxation	稅前利潤		<b>83,235</b>	95,421
Income tax expense	所得稅開支	10	<b>(11,525)</b>	(11,656)
Profit for the year	年度利潤	11	<b>71,710</b>	83,765
Other comprehensive income (expense) for the year:	年度其他全面收益(開支):			
Exchange differences arising from translation of foreign operations	換算海外業務之匯兌差額		<b>34,214</b>	(680)
Total comprehensive income for the year	年度全面收益總額		<b>105,924</b>	83,085
Earnings per share	每股盈利	14	<b>HK cents 港仙</b>	HK cents 港仙
– basic	– 基本		<b>14.85</b>	17.35
– diluted	– 攤薄		<b>14.43</b>	17.25

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

AT 31ST DECEMBER, 2010

於二零一零年十二月三十一日

	Notes 附註	31.12.2010 HK\$'000 千港元	31.12.2009 HK\$'000 千港元 (Restated) (重列)	1.1.2009 HK\$'000 千港元 (Restated) (重列)
<b>Non-current assets</b>				
Property, plant and equipment	15	1,254,680	1,201,243	1,098,640
Prepaid lease payments on land use rights	16	35,863	34,361	34,854
		<b>1,290,543</b>	1,235,604	1,133,494
<b>Current assets</b>				
Inventories	17	236,240	154,862	65,631
Trade and other receivables	18	232,437	163,550	115,419
Deposits and prepayments		12,216	8,194	10,537
Prepaid lease payments on land use rights	16	852	809	809
Derivative financial instruments	19	2,642	262	706
Bank balances and cash	20	203,125	174,438	254,795
		<b>687,512</b>	502,115	447,897
<b>Current liabilities</b>				
Trade, bills and other payables	21	204,832	190,499	102,788
Taxation payable		20,296	19,410	18,995
Derivative financial instruments	19	3,527	1,271	24,547
Unsecured bank borrowings	22	439,308	328,120	387,437
Unsecured structured borrowing	23	-	7,750	7,750
		<b>667,963</b>	547,050	541,517
<b>Net current assets (liabilities)</b>		<b>19,549</b>	(44,935)	(93,620)
<b>Total assets less current liabilities</b>		<b>1,310,092</b>	1,190,669	1,039,874
<b>Capital and reserves</b>				
Share capital	24	48,292	48,292	48,292
Share premium and reserves		899,674	806,123	723,785
		<b>947,966</b>	854,415	772,077
<b>Non-current liabilities</b>				
Unsecured bank borrowings	22	335,057	310,233	234,222
Unsecured structured borrowing	23	-	8,111	25,325
Deferred taxation	25	27,069	17,910	8,250
		<b>362,126</b>	336,254	267,797
		<b>1,310,092</b>	1,190,669	1,039,874

The consolidated financial statements on pages 48 to 123 were approved and authorised for issue by the Board of Directors on 29th March, 2011 and are signed on its behalf by:

於第48至123頁之綜合財務報表已於二零一一年三月二十九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, 2010

截至二零一零年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Translation reserve	Share options reserve	Retained profits	Total
		股本	股份溢價	特別儲備	匯兌儲備	購股權儲備	保留利潤	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note)				
				(附註)				
At 1st January, 2009	於二零零九年一月一日	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 expense for the year	換算海外業務之匯兌差額及年度其他全面開支總額	-	-	-	(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
Profit for the year	年度利潤	-	-	-	-	-	71,710	71,710
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	-	-	-	34,214	-	-	34,214
Total comprehensive income for the year	年度全面收益總額	-	-	-	34,214	-	71,710	105,924
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之支出	-	-	-	-	3,081	-	3,081
Final dividend paid in respect of 2009	已派二零零九年末期股息	-	-	-	-	-	(10,625)	(10,625)
Interim dividend paid in respect of 2010	已派二零一零年中股息	-	-	-	-	-	(4,829)	(4,829)
At 31st December, 2010	於二零一零年十二月三十一日	48,292	425,382	(107,444)	45,958	15,955	519,823	947,966

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, 2010

截至二零一零年十二月三十一日止年度

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	稅前利潤	<b>83,235</b>	95,421
Adjustments for:	經作出以下調整：		
Finance costs	財務成本	<b>21,126</b>	10,601
(Reversal of impairment loss)	貿易應收款項之(撥回減值虧損)		
impairment losses on trade receivables	減值虧損	<b>(3,589)</b>	3,553
Reversal of allowance for inventories	撥回存貨撥備	<b>(54)</b>	(13,851)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>68,027</b>	61,529
Release of prepaid lease payments	撥回土地使用權		
on land use rights	預付租賃款項	<b>605</b>	493
Interest income	利息收入	<b>(625)</b>	(1,186)
Loss on disposal of property, plant	出售物業、廠房及		
and equipment	設備虧損	<b>654</b>	164
Share-based payment expense	以股份支付之支出	<b>3,081</b>	4,082
Changes in fair value of derivative	衍生金融工具		
financial instruments	公平值之變動	<b>(2,829)</b>	(23,452)
Changes in fair value of unsecured	無抵押結構借貸		
structured borrowing	公平值之變動	<b>(297)</b>	(9,464)
Operating cash flows before movements	流動資金變動前		
in working capital	營運現金流量	<b>169,334</b>	127,890
Increase in inventories	存貨增加	<b>(81,324)</b>	(75,380)
Increase in trade and other receivables	貿易及其他應收款項增加	<b>(65,298)</b>	(51,684)
(Increase) decrease in deposits	按金及預付款(增加)		
and prepayments	減少	<b>(4,022)</b>	2,343
Increase in trade, bills and other payables	貿易、票據及其他應付款項增加	<b>25,113</b>	74,795
Settlement of derivative	以衍生金融工具結算，		
financial instruments, net	淨額	<b>2,705</b>	620
Cash generated from operations	營運產生之現金	<b>46,508</b>	78,584
Income tax paid	已繳付所得稅	<b>(1,480)</b>	(1,586)
Income tax refund	退回所得稅	-	5
<b>Net cash from operating activities</b>	<b>經營活動產生之現金淨額</b>	<b>45,028</b>	77,003

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零年十二月三十一日止年度

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
<b>Investing activities</b>	<b>投資活動</b>		
Purchases of property, plant and equipment	收購物業、廠房及設備	(99,828)	(145,512)
Increase in prepaid lease payments on land use rights	土地使用權預付租賃款項增加	(1,351)	–
Interest received	已收利息	625	1,186
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	170	660
<b>Net cash used in investing activities</b>	<b>投資活動使用之現金淨額</b>	<b>(100,384)</b>	<b>(143,666)</b>
<b>Financing activities</b>	<b>融資活動</b>		
New bank loans raised	新增銀行借貸	301,527	201,490
Bank advances drawn	預支銀行墊款	595,582	378,163
(Decrease) increase in trust receipt loans	信託收據貸款(減少)增加	(14,139)	40,384
Repayment of bank loans	償還銀行借貸	(225,189)	(179,441)
Repayment of bank advances	償還銀行墊款	(527,913)	(423,902)
Repayment of unsecured structured borrowing	償還無抵押結構借貸	(15,640)	(7,750)
Dividends paid	已派股息	(15,454)	(4,829)
Interest paid	已付利息	(21,126)	(17,403)
<b>Net cash from (used in) financing activities</b>	<b>融資活動產生(使用)之現金淨額</b>	<b>77,648</b>	<b>(13,288)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>現金及現金等值增加(減少)淨額</b>	<b>22,292</b>	<b>(79,951)</b>
<b>Cash and cash equivalents at 1st January</b>	<b>於一月一日現金及現金等值</b>	<b>174,438</b>	<b>254,795</b>
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動之影響</b>	<b>6,395</b>	<b>(406)</b>
<b>Cash and cash equivalents at 31st December represented by bank balances and cash</b>	<b>於十二月三十一日現金及現金等值銀行結餘及現金</b>	<b>203,125</b>	<b>174,438</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 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").

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners
HK - Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

### 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年報公司資料部份內。

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. 新訂及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
香港財務報告準則第3號(二零零八年經修訂)	業務合併
香港會計準則第27號(二零零八年經修訂)	綜合及獨立財務報表
香港會計準則第39號(修訂本)	合資格對沖項目
香港財務報告準則(修訂本)	二零零九年頒佈之香港財務報告準則之改進
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, 作為二零零八年頒佈之香港財務報告準則之改進的一部份
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
香港 - 詮釋第5號	財務報表之呈列 - 借款人對包含可隨時要求償還條款之定期貸款之分類

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## 綜合財務報表附註

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

Except as described below, the application of the new and revised Standards and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

#### **Amendments to HKAS 17 Leases**

As part of *Improvements to HKFRSs* issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1st January, 2010 based on information that existed at the inception of the leases. The adoption of amendments to HKAS 17 had no impact on the consolidated financial statements.

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

除下文所述者外，在本年度應用新訂及經修訂準則及詮釋對此等綜合財務報表所呈報之金額及／或此等綜合財務報表所載之披露事項並無重大影響。

#### **香港會計準則第17號租賃之修訂**

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，香港會計準則第17號租賃對有關租賃土地之分類作出了修訂。在修訂香港會計準則第17號之前，本集團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項。香港會計準則第17號之修訂已經刪除有關規定。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，即根據租賃資產所有權所附帶之絕大部分風險及回報是否已轉移至承租人而釐定。

根據香港會計準則第17號之修訂所載之過渡條文，本集團按訂立租約時已有之資料，重新評估於二零一零年一月一日尚未屆滿之租賃土地之分類。採納香港會計準則第17號之修訂對綜合財務報表並無任何影響。

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## 綜合財務報表附註

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

#### **Hong Kong Interpretation 5 Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause**

Hong Kong Interpretation 5 *Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* (“HK Int 5”) clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time (‘repayment on demand clause’) should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK\$56,959,000 and HK\$104,463,000 have been reclassified from non-current liabilities to current liabilities as at 31st December, 2009 and 1st January, 2009 respectively. As at 31st December, 2010, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK\$55,922,000 have been classified as current liabilities. The application of HK Int 5 has had no impact on the reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities (see Note 6 for details).

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

#### **香港詮釋第5號財務報表之呈列 – 借款人對包含可隨時要求償還條款之定期貸款之分類**

香港詮釋第5號財務報表之呈列 – 借款人對包含可隨時要求償還條款之定期貸款之分類(「香港詮釋第5號」)闡明借款人應將包含賦予無條件權利給放款人可隨時要求償還貸款之條款(「可隨時要求償還條款」)之定期貸款列為流動負債。本集團已於本年度首次應用香港詮釋第5號。香港詮釋第5號須追溯應用。

為符合香港詮釋第5號所載之規定，本集團已變更具具有可隨時要求償還條款之定期貸款分類之會計政策。過往有關定期貸款之分類乃根據載於貸款協議之議定預定還款日期釐定。根據香港詮釋第5號，具有可隨時要求償還條款之定期貸款乃分類為流動負債。

因此，於二零零九年十二月三十一日及二零零九年一月一日總賬面值分別為56,959,000港元及104,463,000港元之包含可隨時要求償還條款之銀行貸款已由非流動負債重新分類為流動負債。於二零一零年十二月三十一日，總賬面值為55,922,000港元之銀行貸款(於報告期末起計一年後償還但包含可隨時要求償還條款者)已分類為流動負債。應用香港詮釋第5號對本年度及過往年度所呈報之損益並無任何影響。

該等定期貸款已按最早到期期間呈列作財務負債(詳情請見附註6)。



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## 綜合財務報表附註

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

#### New and revised Standards and Interpretations issued but not yet effective

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

HKASs (Amendments)	Improvements to HKFRSs issued in 2010 <sup>1</sup>
HKFRS 7 (Amendments)	Disclosures - Transfers of Financial Assets <sup>3</sup>
HKFRS 9	Financial Instruments <sup>4</sup>
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets <sup>5</sup>
HKAS 24 (as revised in 2009)	Related Party Disclosures <sup>6</sup>
HKAS 32 (Amendments)	Classification of Rights Issues <sup>7</sup>
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement <sup>6</sup>
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1st July, 2010 or 1st January, 2011, as appropriate
- <sup>2</sup> Effective for annual periods beginning on or after 1st July, 2010
- <sup>3</sup> Effective for annual periods beginning on or after 1st July, 2011
- <sup>4</sup> Effective for annual periods beginning on or after 1st January, 2013
- <sup>5</sup> Effective for annual periods beginning on or after 1st January, 2012
- <sup>6</sup> Effective for annual periods beginning on or after 1st January, 2011
- <sup>7</sup> Effective for annual periods beginning on or after 1st February, 2010

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

#### 已頒佈但尚未生效之新訂及經修訂準則及詮釋

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。

香港會計準則(修訂本)	二零一零年頒佈之香港財務報告準則之改進 <sup>1</sup>
香港財務報告準則第7號(修訂本)	披露 - 轉讓財務資產 <sup>3</sup>
香港財務報告準則第9號	金融工具 <sup>4</sup>
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產 <sup>5</sup>
香港會計準則第24號(二零零九年經修訂)	關連人士披露 <sup>6</sup>
香港會計準則第32號(修訂本)	供股之分類 <sup>7</sup>
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 <sup>6</sup>
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 <sup>2</sup>

- <sup>1</sup> 於二零一零年七月一日或二零一一年一月一日(如適用)或以後開始之年度期間生效
- <sup>2</sup> 於二零一零年七月一日或以後開始之年度期間生效
- <sup>3</sup> 於二零一一年七月一日或以後開始之年度期間生效
- <sup>4</sup> 於二零一三年一月一日或以後開始之年度期間生效
- <sup>5</sup> 於二零一二年一月一日或以後開始之年度期間生效
- <sup>6</sup> 於二零一一年一月一日或以後開始之年度期間生效
- <sup>7</sup> 於二零一零年二月一日或以後開始之年度期間生效

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## 綜合財務報表附註

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

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

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

香港財務報告準則第9號金融工具(於二零零九年十一月頒佈)引入對財務資產之分類及計量之新規定，而香港財務報告準則第9號金融工具(二零一零年十一月經修訂)新增有關財務負債及取消確認之規定。

- 根據香港財務報告準則第9號，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，其後須按攤銷成本或公平值計量。特別是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，一般於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資於其後會計期間結束時按其公平值計量。
- 財務負債方面，主要改變與指定以公平值計入損益之財務負債有關。特別是根據香港財務報告準則第9號，指定以公平值計入損益之財務負債，因其信貸風險有變而導致其公平值變動之金額，於其他全面收益呈列。惟於其他全面收益呈報該負債信貸風險變動的影響，會產生或擴大損益之會計錯配時，則作別論。因財務負債信貸風險而導致之公平值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為以公平值計入損益之財務負債之全部公平值變動金額均於損益呈列。

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

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted in the Group’s consolidated financial statements for financial year ending 31st December, 2013. Based on the Group’s financial assets and financial liabilities as at 31st December, 2010, the application of the new Standard is not expected to have a significant impact on amounts reported in respect of the Groups’ financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

香港財務報告準則第9號於二零一三年一月一日或以後開始之年度期間生效，並可提早應用。

董事預期將於本集團截至二零一三年十二月三十一日止財政年度之綜合財務報表採用香港財務報告準則第9號。按照本集團截至二零一零年十二月三十一日止之財務資產及財務負債，新準則之應用預期不會對本集團財務資產及財務負債所呈報金額造成重大影響。然而，於完成詳細審閱前，提供該影響之合理評估並不可行。

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。

### 3. 主要會計政策

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。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Basis of consolidation

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

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(續)

#### 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零年十二月三十一日止年度

### 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)之折舊乃根據其估計可使用年期，於計及其估計剩餘價值後，以直線法攤銷其成本。

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。在建工程於竣工後並可用作擬定用途時分類到物業、廠房及設備之適當類別。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。

#### 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010  
截至二零一零年十二月三十一日止年度

### 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 consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets 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。倘出現任何該等跡象，則會估計資產之可收回金額以釐定減值虧損(如有)之幅度。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約條文之訂約方時，財務資產及財務負債便會在綜合財務狀況表上被確認。財務資產及財務負債按公平值初步計量。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之財務資產或財務負債產生之直接交易成本即時在損益確認。

#### 財務資產

本集團之財務資產包括以公平值計入損益(「以公平值計入損益」)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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010  
截至二零一零年十二月三十一日止年度

### 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.

### 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、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。

##### 以公平值計入損益之財務資產

以公平值計入損益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確認。於損益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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Financial instruments (continued)

##### Financial assets (continued)

###### Loans and receivables

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

###### Impairment of 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.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 財務資產(續)

###### 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)。

###### 財務資產減值

除以公平值計入損益之財務資產外，其他財務資產於各報告期末需被評估是否出現減值。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。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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截至二零一零年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets (continued)

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.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 財務資產(續)

##### 財務資產減值(續)

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；組合中超過信用期限5至150日的逾期付款數目增加；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，當有客觀證據顯示該等資產已被減值時，減值虧損於損益內確認。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。

所有財務資產的減值虧損會直接於財務資產的賬面值中作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬戶作出扣減。減值撥備賬戶的賬面值變動於損益確認。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。

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回撥，惟有關資產於撥回減值當日的賬面值不得超過未有確認減值虧損下原應具備的攤銷成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial liabilities and equity instruments

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.

##### 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.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 財務負債及權益工具

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

權益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。

##### 以公平值計入損益之財務負債

以公平值計入損益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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Financial instruments (continued)

##### Financial liabilities and equity instruments (continued)

*Financial liabilities at fair value through profit or loss (continued)*

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.

##### 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.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 財務負債及權益工具(續)

*以公平值計入損益之財務負債(續)*

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，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。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之財務負債。

以公平值計入損益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。

##### 權益工具

本公司發行之權益工具乃按已收所得款項(扣除直接發行成本)記賬。

##### 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確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### 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.

#### 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.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 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，而主合約並非按公平值計算且其公平值之變動於損益確認時，該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分風險及回報轉移，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中確認。

#### 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。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Share-based payment transactions (continued)

##### Equity-settled share-based payment transactions (continued)

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

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

### 3. 主要會計政策(續)

#### 以股份支付之支出交易(續)

##### 以權益結算以股份支付之支出交易(續)

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保留於購股權儲備內。

#### 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

當租賃同時包括土地及樓宇部分時，本集團以租賃資產之擁有權所承擔之絕大部分風險及回報是否已轉移至本集團為依據用作獨立評估其分類是屬於融資或經營租賃，除非兩個部分均明確定為經營租賃，於此情況下，全部租賃會分類為經營租賃。特別是，最低租賃款項(包括任何一次性預付款)被分配到的土地及樓宇部分的比例，以其租賃開始時土地租賃權益和樓宇租賃權益的公平值比例分配。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing (continued)

##### Leasehold land and building (continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments on land use rights” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

#### 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.

### 3. 主要會計政策(續)

#### 租賃(續)

##### 租賃土地及樓宇(續)

倘能可靠地分配租賃款項，則租賃土地的權益將作為「土地使用權預付租賃款項」，並於綜合財務狀況表列賬及按租賃年期以直線法攤銷。當租賃款項不能在土地及樓宇之間作可靠分配之情況下，全數租賃款項均被納入融資租賃及列作物業、廠房及設備。

#### 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實際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。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Taxation (continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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.

### 3. 主要會計政策(續)

#### 稅項(續)

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。

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。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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).

#### 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.

### 3. 主要會計政策(續)

#### 外幣(續)

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)。

#### 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。



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### 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.

#### 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.

### 4. 估計未來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估計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。

#### 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。就該等財務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。

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### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### 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. The useful lives of property, plant and equipment are reviewed annually. If the expectations differ from the previous estimates, the changes will be accounted for prospectively as changes in accounting estimates.

### 4. 估計未來不明朗因素之主要來源 (續)

#### 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。物業、廠房及設備之可用年期每年均會進行檢討。倘有關預期與先前之評估相異，則有關變動將作為會計評估變動，並預先進行會計處理。

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### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Income taxes

As described in note 30, the Group had lodged objections with the IRD against all the assessments that were issued to certain subsidiaries for years of assessment 1998/1999 to 2005/2006. Up to date, the Group has not received any notice of determination from the IRD. In determining the liability, the management has taken relevant professional advice and exercised judgement in estimating the timing and future cash outflows. If the actual future cash flows are different from expectation, a material underprovision of income tax may arise.

### 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.

### 4. 估計未來不明朗因素之主要來源 (續)

#### 所得稅

誠如附註30所述，本集團已就稅務局向若干附屬公司發出之一九九八年／一九九九年至二零零五年／二零零六年評稅年度的全部評稅提出反對。截至目前，本集團並未收到稅務局任何決定通知。在釐定負債時，管理層已就評估負債時間及負債之未來現金流出考慮相關專業意見及作出判斷。倘實際現金流量與預期不同，則或會產生重大所得稅撥備不足。

### 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。根據本公司董事的建議，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。

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### 6. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

### 6. 金融工具

#### (a) 金融工具之類別

		2010 HK\$'000 千港元	2009 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 (「以公平值計入損益」)		
Derivative financial instruments	衍生金融工具	2,642	262
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值)	435,562	337,988
		<b>438,204</b>	338,250
<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 (「以公平值計入損益」)		
Derivative financial instruments	衍生金融工具	3,527	1,271
Unsecured structured borrowing (see below)	無抵押結構借貸 (見下文)	-	15,861
Amortised cost	攤銷成本	979,197	828,852
		<b>982,724</b>	845,984
<i>Unsecured structured borrowing (Note)</i>			
<i>無抵押結構借貸 (附註)</i>			
		2010 HK\$'000 千港元	2009 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
Amount payable at maturity	到期日應付金額	-	(15,564)
		-	297

Note: On 27th December, 2010, the Group entered into an agreement for termination of unsecured structured borrowing. The transaction was completed during the year and there was no outstanding balance at 31st December, 2010.

附註：於二零一零年十二月二十七日，本集團就終止無抵押結構借貸簽訂協議。該交易已於年內完成，且於二零一零年十二月三十一日並無任何未清償結餘。

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### 6. FINANCIAL INSTRUMENTS (continued)

#### (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").

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.

### 6. 金融工具(續)

#### (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」)。

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。

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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)

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:

		Assets 資產		Liabilities 負債	
		2010 HK\$'000 千港元	2009 HK\$'000 千港元	2010 HK\$'000 千港元	2009 HK\$'000 千港元
RMB	人民幣	4,058	103,948	3,533	154,068
HKD	港元	4,658	3,436	5,825	418
USD	美元	15,939	18,377	47,603	16,684
Other	其他	46	19	-	-

##### 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.

### 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)

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：

##### 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。敏感度5%為本公司董事對匯率可能變動之合理評估。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無反映此情況。

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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)

##### Foreign currency sensitivity analysis (continued)

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	
	2010 HK\$'000 千港元	2009 HK\$'000 千港元	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Increase (decrease) in profit 利潤增加(減少)	(26)	2,506	58	(151)

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

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。

### 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)

##### 外幣敏感度分析(續)

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。

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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)

##### 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\$11,038,000/HK\$11,038,000 respectively (2009: decrease/increase by HK\$775,000/HK\$775,000).

### 6. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 市場風險(續)

##### 外幣風險(續)

- (i) 非衍生外幣貨幣資產與貨幣負債(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，本集團與銀行訂立了若干外匯遠期合約，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承受外幣風險。

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而釐定。

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，則本集團之年度利潤將分別減少/增加11,038,000港元/11,038,000港元(二零零九年：減少/增加775,000港元/775,000港元)。



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### 6. FINANCIAL INSTRUMENTS (continued)

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

##### Market risk (continued)

##### Foreign currency risk (continued)

##### (ii) Foreign exchange forward contracts (continued)

In the opinion of the directors of the Company, the above sensitivity analysis is unrepresentative of the inherent foreign currency exposure. Details of the terms of the leveraged foreign exchange forward contracts are set out in Note 19.

##### 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 were 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 was designated as fair value through profit or loss as disclosed in Note 23. During the year ended 31st December, 2010, the structured borrowing was fully settled by early termination.

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.

### 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)

##### (ii) 外匯遠期合約(續)

本公司董事認為，上述敏感度分析並不代表固有外幣風險。槓桿式外匯遠期合約之條款詳情載於附註19。

##### 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，詳情於附註23披露。於截至二零一零年十二月三十一日止年度，結構借貸因提早終止而悉數清償。

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。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。

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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

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, 2010 would decrease/increase by HK\$3,872,000 (2009: decrease/increase by HK\$3,192,000).

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 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. No sensitivity analysis is prepared for structured borrowing in current year as the structured borrowing was early terminated and no balance was outstanding as at 31st December, 2010.

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.

### 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

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，則本集團截至二零一零年十二月三十一日止年度的稅後利潤將會減少/增加3,872,000港元(二零零九年：減少/增加3,192,000港元)。

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。本年度並無就結構借貸編製敏感度分析，原因是結構借貸被提早終止，且於二零一零年十二月三十一日並無任何未清償結餘。

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。

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### 6. FINANCIAL INSTRUMENTS (continued)

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

##### **Credit risk**

As at 31st December, 2010, 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 has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of 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.

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 management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

### 6. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### **信貸風險**

於二零一零年十二月三十一日，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未付之債項。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。

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管理層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。管理層監控銀行借貸之動用情況，並確保符合貸款契約之規定。

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### 6. FINANCIAL INSTRUMENTS (continued)

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

##### Liquidity risk (continued)

The Group relies on bank borrowings as a significant source of liquidity. As at 31st December, 2010, the Group has available undrawn borrowing facilities of approximately HK\$385,713,000 (2009: HK\$241,264,000). 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. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

For derivative instruments that settle on a net basis, undiscounted net cash (inflows)/ outflows are presented. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

### 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)

本集團依賴銀行借貸作為其流動資金之主要來源。於二零一零年十二月三十一日，本集團有未提取的借貸融資約385,713,000港元(二零零九年：241,264,000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。特別是，附帶可隨時要求償還條款之銀行借貸，不論銀行會否行使其權利，均納入最早到期期間。其他非衍生財務負債之到期日則按議定還款日期。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。本集團衍生金融工具之流動資金分析乃根據合約到期期限而編製，原因是管理層認為合約到期期限對瞭解衍生工具現金流量的時間至關重要。

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### 6. FINANCIAL INSTRUMENTS (continued)

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

##### Liquidity risk (continued)

##### Liquidity and interest risk tables

		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 賬面值 HK\$'000 千港元
<b>2010</b>	<b>二零一零年</b>								
<b>Non-derivative financial liabilities</b>	<b>非衍生財務負債</b>								
Trade, bills and other payables	貿易、票據及其他應付款項	-	204,832	-	-	-	-	204,832	204,832
Variable rate unsecured bank borrowings	無抵押銀行借貸浮動利率	3.1	195,595	143,627	118,946	254,222	95,140	807,530	774,365
			<b>400,427</b>	<b>143,627</b>	<b>118,946</b>	<b>254,222</b>	<b>95,140</b>	<b>1,012,362</b>	<b>979,197</b>
<b>Derivatives settled net</b>	<b>按淨值結算之衍生工具</b>								
Foreign exchange forward contracts (note)	外匯遠期合約(附註)		(75)	(98)	1,221	3,939	-	4,987	3,527
		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 (Restated) (重列)	1-3 months 一至三個月 HK\$'000 千港元 (Restated) (重列)	3 months to 1 year 三個月至一年 HK\$'000 千港元 (Restated) (重列)	1-2 years 一至兩年 HK\$'000 千港元 (Restated) (重列)	2-5 years 兩年至五年 HK\$'000 千港元 (Restated) (重列)	Total undiscounted cash flows 未折現現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
<b>2009</b>	<b>二零零九年</b>								
<b>Non-derivative financial liabilities</b>	<b>非衍生財務負債</b>								
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	204,179	83,655	98,897	71,978	216,071	674,760	638,353
Unsecured structured borrowing	無抵押結構借貸	2.0	-	3,875	3,913	7,747	-	15,535	15,861
			<b>394,678</b>	<b>87,530</b>	<b>102,810</b>	<b>79,725</b>	<b>216,071</b>	<b>880,814</b>	<b>844,713</b>
<b>Derivatives settled net</b>	<b>按淨值結算之衍生工具</b>								
Interest rate swaps	利率掉期		6	56	6	-	-	68	65
Foreign exchange forward contracts (note)	外匯遠期合約(附註)		305	589	1,022	151	-	2,067	1,206
			<b>311</b>	<b>645</b>	<b>1,028</b>	<b>151</b>	<b>-</b>	<b>2,135</b>	<b>1,271</b>

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.

附註：上述現金流量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量按報告日當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。槓桿式外匯合約之條款詳情載述於附註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

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### 6. FINANCIAL INSTRUMENTS (continued)

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

##### Liquidity risk (continued)

Bank loans with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. As at 31st December, 2010 and 31st December, 2009, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$110,035,000 and HK\$108,908,000 respectively. Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

For the purpose of managing liquidity risk, the management reviews the expected cash flow information of the Group’s bank loans with a repayment on demand clause based on the scheduled repayment dates set out in the agreement as set out in the table below:

	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 賬面值 HK\$'000 千港元
<b>2010</b>							
Bank borrowings with a repayment on demand clause 二零一零年 帶有可隨時要求償還條款之銀行借貸	2,542	16,609	36,233	35,843	20,883	112,110	110,035
<b>2009</b>							
Bank borrowings with a repayment on demand clause 二零零九年 帶有可隨時要求償還條款之銀行借貸	3,178	17,693	32,104	38,077	19,846	110,898	108,908

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

### 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)

包含可隨時要求償還條款之銀行借貸均歸入上述到期日分析中的「按要求或一個月內」期間。於二零一零年十二月三十一日及二零零九年十二月三十一日，該等銀行借貸的主要未折現金額總額分別為110,035,000港元及108,908,000港元。經慮及本集團財務狀況後，董事相信銀行應不會行使其可隨時要求還款之權利。

為管理流動資金風險，管理層根據下表所載協議內之預定還款日期對包含可隨時要求償還條款之本集團銀行借貸的預計現金流量資料進行檢討：

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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(即外匯遠期合約及利率掉期)之公平值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，本集團使用相關銀行提供之估值估計其公平值。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。

董事認為綜合財務報表內以攤銷成本記錄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之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).

### 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，當中包括輸入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。

		2010			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Financial assets at FVTPL</b>	以公平值計入損益之財務資產				
Derivative financial instruments	衍生金融工具	-	2,642	-	2,642
<b>Financial liabilities at FVTPL</b>	以公平值計入損益之財務負債				
Derivative financial instruments	衍生金融工具	-	3,527	-	3,527
		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
<b>Financial assets at FVTPL</b>	以公平值計入損益之財務資產				
Derivative financial instruments	衍生金融工具	-	262	-	262
<b>Financial liabilities at FVTPL</b>	以公平值計入損益之財務負債				
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
<b>Total</b>	<b>總計</b>	<b>-</b>	<b>1,271</b>	<b>15,861</b>	<b>17,132</b>

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

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

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Unsecured structured borrowing	無抵押結構借貸		
At 1st January	於一月一日	15,861	33,075
Exchange adjustments	匯兌調整	76	-
Repayment	還款	(15,640)	(7,750)
Changes in fair value recognised in profit or loss	於損益確認之公平值變動	(297)	(9,464)
At 31st December	於十二月三十一日	-	15,861

### 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

### 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'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.

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

### 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。

以下為按經營及可呈報分部劃分之本集團收益及業績分析：

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### 7. REVENUE AND SEGMENT INFORMATION

(continued)

#### Segment information (continued)

#### Segment revenues and results

For the year ended 31st December, 2010

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收益</b>					
External sales	對外銷售	156,383	1,272,503	1,428,886	-	1,428,886
Inter-segment sales	分部間銷售	773,388	2,522	775,910	(775,910)	-
Total	總計	929,771	1,275,025	2,204,796	(775,910)	1,428,886
<b>RESULT</b>	<b>業績</b>					
Segment profit	分部利潤	39,145	62,090	101,235	-	101,235
Finance costs	財務成本					(21,126)
Changes in fair value of unsecured structured borrowing	無抵押結構借貸公平值之變動					297
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動					2,829
Profit before taxation	稅前利潤					83,235

### 7. 收益及分部資料(續)

#### 分部資料(續)

#### 分部收益及業績

截至二零一零年十二月三十一日止年度

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零年十二月三十一日止年度

### 7. REVENUE AND SEGMENT INFORMATION

(continued)

#### Segment information (continued)

#### Segment revenues and results (continued)

For the year ended 31st December, 2009

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收益</b>					
External sales	對外銷售	127,406	795,960	923,366	-	923,366
Inter-segment sales	分部間銷售	476,187	858	477,045	(477,045)	-
Total	總計	603,593	796,818	1,400,411	(477,045)	923,366
<b>RESULT</b>	<b>業績</b>					
Segment profit	分部利潤	29,819	43,287	73,106	-	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

The accounting policies adopted in preparing the reportable 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.

No revenue from any single customer during the year contributed over 10% of the total revenue of the Group.

### 7. 收益及分部資料(續)

#### 分部資料(續)

#### 分部收益及業績(續)

截至二零一零年十二月三十一日止年度

編製可呈報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給主要經營決策者之方法。

分部間銷售乃參照現行市價計算。

於年內，並無任何單一客戶之收益貢獻超過本集團收益總額10%。

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## 綜合財務報表附註

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### 7. REVENUE AND SEGMENT INFORMATION

(continued)

#### Segment information (continued)

##### Other segment information

For the year ended 31st December, 2010

Amounts included in the measure of segment profit:

		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
Interest income	利息收入	239	386	625
Amortisation of prepaid lease payments	預付租賃款項攤銷	344	261	605
Depreciation	折舊	46,415	21,612	68,027

For the year ended 31st December, 2009

Amounts included in the measure of segment profit:

		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
Interest income	利息收入	906	280	1,186
Amortisation of prepaid lease payments	預付租賃款項攤銷	232	261	493
Depreciation	折舊	37,370	24,159	61,529

### 7. 收益及分部資料(續)

#### 分部資料(續)

##### 其他分部資料

截至二零一零年十二月三十一日止年度

計算分部利潤時包括之金額：

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：

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## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零年十二月三十一日止年度

### 7. REVENUE AND SEGMENT INFORMATION

(continued)

#### 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	
	2010 HK\$'000 千港元	2009 HK\$'000 千港元	2010 HK\$'000 千港元	2009 HK\$'000 千港元
PRC Others				
中國 其他	1,428,886 -	923,366 -	1,284,867 5,676	1,229,744 5,860
	<b>1,428,886</b>	923,366	<b>1,290,543</b>	1,235,604

##### 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.

### 7. 收益及分部資料(續)

#### 分部資料(續)

##### 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

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Other income includes:		
Exchange gain, net	137	-
Interest income from bank balances	625	1,186
Scrap sales	868	1,334
Service income	15,844	10,780
Sundry income	1,843	1,390
	<b>19,317</b>	14,690

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010  
截至二零一零年十二月三十一日止年度

### 9. FINANCE COSTS

		2010 HK\$'000 千港元	2009 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	21,126	17,403
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)
		<b>21,126</b>	<b>10,601</b>

In 2009, borrowing costs capitalised arising on the general borrowing pool of the Group were calculated by applying a capitalisation rate of approximately 3.3% per annum to expenditure on the qualifying assets.

No borrowing costs were capitalised during the year ended 31st December, 2010.

### 9. 財務成本

於二零零九年內由本集團一般借貸金撥充資本之借貸成本乃將未完成資產開支按資本化年度比率約3.3%計算而得出。

於截至二零一零年十二月三十一日止年度內，概無借貸成本撥充資本。

### 10. INCOME TAX EXPENSE

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	1,015	1,207
PRC Enterprise Income Tax	中國企業所得稅	1,351	789
		<b>2,366</b>	1,996
Deferred tax (note 25)	遞延稅項(附註25)	<b>9,159</b>	9,660
		<b>11,525</b>	11,656

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

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.

### 10. 所得稅開支

香港利得稅按兩個年度估計應課稅利潤之16.5%計算。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

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### 10. INCOME TAX EXPENSE (continued)

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)

根據相關之中國法例及法規，本集團旗下於中國營運之主要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%。

年度稅項支出與綜合全面收益表所示稅前利潤之對賬如下：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Profit before taxation	稅前利潤	<b>83,235</b>	95,421
Tax at Hong Kong Profits Tax rate of 16.5% (2009: 16.5%)	按香港利得稅率16.5% (二零零九年：16.5%)計算之稅項	<b>13,734</b>	15,745
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	<b>(933)</b>	(726)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	<b>2,198</b>	1,730
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>428</b>	-
Utilisation of tax losses previously not recognised	使用先前未確認之稅項虧損	<b>(22)</b>	(115)
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	<b>1,696</b>	5,101
Effect of tax exemption granted to Macau subsidiaries	澳門附屬公司獲豁免稅項之影響	<b>(10,636)</b>	(10,370)
Tax effect on undistributed earnings of PRC subsidiaries (Note 25)	中國附屬公司未分派盈利之稅務影響(附註25)	<b>5,150</b>	-
Others	其他	<b>(90)</b>	291
Tax charge for the year	年度稅項支出	<b>11,525</b>	11,656

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 11. PROFIT FOR THE YEAR

### 11. 年度利潤

		2010 HK\$'000 千港元	2009 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	1,550	1,480
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)	(54)	(13,851)
Cost of inventories recognised as expenses	確認為開支之存貨成本	1,167,934	746,425
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	68,027	61,529
Exchange (gain) loss, net (included in "other expenses")	匯兌(收益)虧損淨額(計入「其他開支」)	(137)	1,070
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	605	493
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	654	164
(Reversal of impairment loss) impairment losses on trade receivables (included in "other expenses")	貿易應收款項之(撥回減值虧損)減值虧損(計入「其他開支」)	(3,589)	3,553
Operating lease rental for warehouse and office premises	倉庫及辦公室經營租賃租金	96	101
Staff costs	員工成本		
Directors' emoluments (Note 12)	董事酬金(附註12)	11,728	12,218
Other staff	其他員工		
– salaries and other allowances	– 薪金及其他津貼	76,349	47,534
– retirement benefit scheme contributions	– 退休福利計劃供款	4,365	3,168
– share-based payments	– 以股份支付之支出	1,022	1,496
		<b>93,464</b>	<b>64,416</b>

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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## 綜合財務報表附註

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### 12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

#### Directors

	Note	Other emoluments 其他酬金					2010 Total 酬金總額 HK\$'000 千港元	2009 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		-	2,268	-	12	433	2,713	2,781
Mr. Hui Sum Ping		-	2,268	-	12	486	2,766	2,863
Mr. Hui Sum Tai		-	1,998	-	12	502	2,512	2,717
Mr. Wong Wing Por		-	2,079	-	12	482	2,573	2,647
Ms. Hui Yuen Li		-	661	-	12	117	790	826
Mr. Liu Kwok Fai, Alvan	a	64	-	-	-	13	77	128
Mr. Chee Man Sang, Eric		112	-	-	-	13	125	128
Mr. Yip Kwok Kwan	b	47	-	-	-	-	47	-
Mr. Wong Chu Leung		112	-	-	-	13	125	128
Total for 2010	二零一零年度酬金總額	335	9,274	-	60	2,059	11,728	12,218
Total for 2009	二零零九年度酬金總額	324	8,905	343	60	2,586		12,218

#### Notes:

- (a) Mr. Liu Kwok Fai, Alvan, has resigned as an independent non-executive Director on 15th July, 2010.
- (b) Mr. Yip Kwok Kwan had been appointed as an independent non-executive Director on 15th July, 2010.

Bonuses to Directors are determined based on the financial performance of the Group for the two years ended 31st December, 2010.

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.

### 12. 董事酬金及僱員薪酬

#### 董事

#### Other emoluments 其他酬金

	附註	Other emoluments 其他酬金					2010 Total 酬金總額 HK\$'000 千港元	2009 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		-	2,268	-	12	433	2,713	2,781
Mr. Hui Sum Ping		-	2,268	-	12	486	2,766	2,863
Mr. Hui Sum Tai		-	1,998	-	12	502	2,512	2,717
Mr. Wong Wing Por		-	2,079	-	12	482	2,573	2,647
Ms. Hui Yuen Li		-	661	-	12	117	790	826
Mr. Liu Kwok Fai, Alvan	a	64	-	-	-	13	77	128
Mr. Chee Man Sang, Eric		112	-	-	-	13	125	128
Mr. Yip Kwok Kwan	b	47	-	-	-	-	47	-
Mr. Wong Chu Leung		112	-	-	-	13	125	128
Total for 2010	二零一零年度酬金總額	335	9,274	-	60	2,059	11,728	12,218
Total for 2009	二零零九年度酬金總額	324	8,905	343	60	2,586		12,218

#### 附註：

- (a) 廖國輝先生於二零一零年七月十五日辭任獨立非執行董事。
- (b) 葉國均先生於二零一零年七月十五日獲委任為獨立非執行董事。

董事之花紅乃參考截至二零一零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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## 綜合財務報表附註

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

#### Employees

Of the five individuals with the highest emoluments in the Group, five (2009: four) were directors of the Company whose emoluments are set out above. The emoluments of the remaining one individual for the year ended 31st December, 2009 were as follows:

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	-	812
Retirement benefit scheme contributions	退休福利計劃供款	-	12
Share-based payments	以股份支付之支出	-	513
		-	1,337

### 13. DIVIDENDS

Final dividend paid in respect of 2009 of 2.20 HK cents per share (2009: Final dividend paid in respect of 2008 of nil per share)	已派二零零九年末期股息每股2.20港仙(二零零九年：已派二零零八年末期股息每股零港仙)	10,625	-
Interim dividend paid in respect of 2010 of 1.00 HK cent per share (2009: Interim dividend paid in respect of 2009 of 1.00 HK cent per share)	已派二零一零年中期股息每股1.00港仙(二零零九年：已派二零零九年中期股息每股1.00港仙)	4,829	4,829
		15,454	4,829

The final dividend of 3.40 HK cents per share in respect of the year ended 31st December, 2010 has been proposed by the Directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

### 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五位(二零零九年：四位)為本公司董事，彼等之薪酬已於上文載列。截至二零零九年十二月三十一日止年度，餘下一位人士之酬金如下：

### 13. 股息

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Final dividend paid in respect of 2009 of 2.20 HK cents per share (2009: Final dividend paid in respect of 2008 of nil per share)	已派二零零九年末期股息每股2.20港仙(二零零九年：已派二零零八年末期股息每股零港仙)	10,625	-
Interim dividend paid in respect of 2010 of 1.00 HK cent per share (2009: Interim dividend paid in respect of 2009 of 1.00 HK cent per share)	已派二零一零年中期股息每股1.00港仙(二零零九年：已派二零零九年中期股息每股1.00港仙)	4,829	4,829
		15,454	4,829

董事建議派付截至二零一零年十二月三十一日止年度之末期股息每股3.40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：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
<b>Earnings</b>	<b>盈利</b>		
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	<b>71,710</b>	83,765
		<b>2010</b>	2009
<b>Number of shares</b>	<b>股份數目</b>		
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	<b>482,924,000</b>	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	<b>13,912,834</b>	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	<b>496,836,834</b>	485,501,829

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### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Construction in progress	Factory premises in the PRC	Leasehold land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Plant, machinery and equipment	Motor vehicles	Total
		在建工程	中國廠房	租賃土地 及樓宇	租賃物業 裝修	傢俬、裝置 及辦公室設備	廠房、機器 及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>COST</b>	<b>成本</b>								
At 1st January, 2009	二零零九年一月一日	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
Exchange adjustments	匯兌調整	-	12,753	45	569	168	23,522	102	37,159
Additions	增添	-	1,413	-	4,129	644	81,447	1,415	89,048
Disposals	出售	-	-	-	(71)	(33)	(1,183)	(88)	(1,375)
At 31st December, 2010	二零一零年十二月三十一日	-	474,939	4,519	42,932	14,079	1,040,211	11,837	1,588,517
<b>DEPRECIATION AND AMORTISATION</b>	<b>折舊及攤銷</b>								
At 1st January, 2009	二零零九年一月一日	-	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
Exchange adjustments	匯兌調整	-	1,270	7	422	45	2,093	72	3,909
Provided for the year	年度撥備	-	18,736	180	3,351	1,235	43,188	1,337	68,027
Eliminated on disposals	出售時註銷	-	-	-	(35)	(20)	(398)	(88)	(541)
At 31st December, 2010	二零一零年十二月三十一日	-	71,479	1,039	33,569	7,170	211,614	8,966	333,837
<b>CARRYING VALUES</b>	<b>賬面值</b>								
At 31st December, 2010	二零一零年十二月三十一日	-	403,460	3,480	9,363	6,909	828,597	2,871	1,254,680
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

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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%

		2010 HK\$'000 千港元	2009 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	<b>1,313</b>	1,389
Situated in Macau under medium-term lease	位於澳門並按照中期租約持有	<b>2,167</b>	2,233
		<b>3,480</b>	3,622

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### 16. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

### 16. 土地使用權預付租賃款項

		2010 HK\$'000 千港元	2009 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	<b>36,715</b>	35,170
Analysed for reporting purposes as:	就呈報而作分析：		
Non-current asset	非流動資產	<b>35,863</b>	34,361
Current asset	流動資產	<b>852</b>	809
		<b>36,715</b>	35,170

Included in the Group's prepaid lease payments on land use rights is HK\$1,934,000 (2009: HK\$1,995,000) 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1,934,000港元(二零零九年：1,995,000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。

### 17. INVENTORIES

### 17. 存貨

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Raw materials	原材料	<b>168,801</b>	136,986
Work in progress	在製品	<b>1,452</b>	773
Finished goods	製成品	<b>65,987</b>	17,103
		<b>236,240</b>	154,862

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### 18. TRADE AND OTHER RECEIVABLES

### 18. 貿易及其他應收款項

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Trade receivables	貿易應收款項	<b>232,964</b>	167,714
Less: allowance for doubtful debts	減：呆賬撥備	<b>(784)</b>	(4,356)
		<b>232,180</b>	163,358
Other receivables	其他應收款項	<b>257</b>	192
Total trade and other receivables	貿易及其他應收款項總額	<b>232,437</b>	163,550

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：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Within 30 days	30日內	<b>194,621</b>	137,639
31 - 60 days	31至60日	<b>17,949</b>	11,823
61 - 90 days	61至90日	<b>10,471</b>	6,281
Over 90 days	超過90日	<b>9,139</b>	7,615
		<b>232,180</b>	163,358

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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\$29,820,000 (2009: HK\$17,487,000) which were past due at the reporting date 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 51 days based on invoice dates (2009: 54 days).

#### Ageing of trade receivables which are past due but not impaired

Overdue 1 to 30 days	逾期1至30日

#### Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結餘	4,356	803
Exchange adjustments	匯兌調整	17	-
(Reversal of impairment losses)	貿易應收款項之		
impairment losses recognised	已確認(撥回減值虧損)	(3,589)	3,553
on trade receivables	減值虧損		
Balance at end of the year	年末結餘	784	4,356

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)

在接納任何新客戶前，本集團會採用外部訴訟記錄搜索，評估潛在客戶之信貸質素及為每名客戶設定信貸限額。客戶之信貸限額及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29,820,000港元之應收款項(二零零九年：17,487,000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抵押品。根據發票日期，該等應收款項的平均賬齡為51日(二零零九年：54日)。

#### 已逾期但未減值之貿易應收款項之賬齡

2010	2009
HK\$'000	HK\$'000
千港元	千港元
29,820	17,487

#### 呆賬撥備之變動

2010	2009
HK\$'000	HK\$'000
千港元	千港元
4,356	803
17	-
(3,589)	3,553
784	4,356

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

		2010		2009	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Foreign exchange forward contracts	外匯遠期合約	2,642	(3,527)	262	(1,206)
Interest rate swaps	利率掉期	-	-	-	(65)
		<b>2,642</b>	<b>(3,527)</b>	<b>262</b>	<b>(1,271)</b>

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 hedge 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。

		2010	2009
		HK\$'000	HK\$'000
		千港元	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	<b>2,705</b>	620

At 31st December, 2010, 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:

於二零一零年十二月三十一日，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結算。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, 2010

#### (i) 於二零一零年十二月三十一日之外匯遠期合約

Total monthly notional amount	Remaining total notional amount	Contract rate	Maturity
每月名義總金額	餘下名義總金額	合約匯率	屆滿年期
Buy US\$12,500,000 (note i) 買入12,500,000美元(附註i)	US\$109,500,000 109,500,000美元	HK\$7.735/US\$1 to HK\$7.8/US\$1 7.735港元/1美元至7.8港元/1美元	Within 2 years 兩年內
Buy US\$4,000,000 (note ii) 買入4,000,000美元(附註ii)	US\$72,000,000 72,000,000美元	HK\$7.731/US\$1 to HK\$7.8/US\$1 7.731港元/1美元至7.8港元/1美元	Within 2 years 兩年內
Sell US\$2,000,000 (note iii) 賣出2,000,000美元(附註iii)	US\$28,500,000 28,500,000美元	RMB6.87/US\$1 to RMB7/US\$1 人民幣6.87元/1美元至 人民幣7元/1美元	Within 2 years 兩年內

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### 19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

#### (i) Foreign exchange forward contracts as at 31st December, 2010 (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\$.

Several contracts with total monthly notional amount of US\$10,500,000 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.

During the year ended 31st December, 2010, the Group entered into a 19-months target redemption forward contract with knock-out feature. The knock-out event shall occur if the calculation agent determine that the accumulated intrinsic value is greater than or equal to the target value.

- 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\$.
- 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) 於二零一零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。

每月名義總金額為10,500,000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。

於截至二零一零年十二月三十一日止年度內，本集團已簽署一份十九個月累計目標可贖回遠期合約(具有觸及失效特點)。觸及失效事件乃於計算代理決定經累計之內在值大於或等於目標值時發生。

- ii. 根據上述外匯遠期合約，本集團將以議定合約匯率按月買入美元及賣出港元。於每月結算時，倘港元／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)，則本集團會按合約匯率買入議定名義金額之美元。然而，倘港元／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)，則本集團會以港元按合約匯率雙倍買入議定名義金額之美元。
- 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／美元市場匯率利好本集團(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／美元市場匯率不利本集團時(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, 2009

Total monthly notional amount 每月名義總金額	Remaining total notional amount 餘下名義總金額
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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
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
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

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\$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.

### 19. 衍生金融工具(續)

#### (ii) 於二零零九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\$7.744/US\$1 7.726港元/1美元至 7.744港元/1美元	Within 2 years 兩年內
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
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

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。

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### 19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

#### (ii) Foreign exchange forward contracts as at 31st December, 2009 (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. 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.

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

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%

### 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 0.36% (2009: 0.01% to 1.98%).

Included in the carrying amount of the Group's bank balances, approximately HK\$nil (2009: HK\$79,523,000), HK\$4,290,000 (2009: HK\$1,291,000) and HK\$2,479,000 (2009: HK\$2,363,000) denominated in RMB, USD and HKD respectively are the currencies other than the functional currencies of the relevant group entities.

### 19. 衍生金融工具(續)

#### (ii) 於二零零九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。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／美元市場匯率利好本集團(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／美元市場匯率不利本集團時(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。

#### (iii) 於二零零九年十二月三十一日之利率掉期合約

### 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0.36%(二零零九年：0.01%至1.98%)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、美元及港元列值之銀行結餘之賬面值分別約為零港元(二零零九年：79,523,000港元)、4,290,000港元(二零零九年：1,291,000港元)及2,479,000港元(二零零九年：2,363,000港元)。

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### 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:

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Current	即期	<b>107,498</b>	96,997
Overdue 1 to 30 days	逾期1至30日	<b>3,488</b>	6,005
Overdue 31 to 60 days	逾期31至60日	<b>1,904</b>	1,408
Overdue for more than 60 days	逾期60日以上	<b>1,743</b>	2,834
		<b>114,633</b>	107,244
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	<b>19,151</b>	29,931
Other payables and accrued charges	其他應付款項及應計支出	<b>71,048</b>	53,324
		<b>204,832</b>	190,499

The average credit period on purchases of goods is 32 days (2009: 34 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

### 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：

購買貨物之平均信貸期為32日(二零零九年：34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:

		Effective interest rate 實際利率	31.12.2010 HK\$'000 千港元	31.12.2009 HK\$'000 千港元	1.1.2009 HK\$'000 千港元
Bank loans	銀行貸款	0.586% – 6.180% (2009: 1.293% – 6.870%)	569,699	487,217	465,168
Bank advances	銀行墊款	1.230% – 2.708% (2009: 1.400% – 2.480%)	146,589	78,920	124,659
Trust receipt loans	信託收據貸款	1.740% – 2.438% (2009: 1.330% – 2.329%)	58,077	72,216	31,832
			<b>774,365</b>	638,353	621,659

### 22. 無抵押銀行借貸

無抵押銀行借貸包括：

			31.12.2010 HK\$'000 千港元	31.12.2009 HK\$'000 千港元 (Restated) (重列)	1.1.2009 HK\$'000 千港元 (Restated) (重列)
Carrying amount repayable*:	應償還賬面值*：				
Within one year	一年內		329,273	219,212	212,514
More than one year, but not exceeding two years	一年以上但不超過兩年		241,822	60,367	176,941
More than two years, but not exceeding five years	兩年以上但不超過五年		93,235	249,866	57,281
			<b>664,330</b>	529,445	446,736
Carrying amount of bank loans that contain a repayment on demand clause	包含可隨時要求償還條款之銀行貸款之賬面值				
– repayable within one year	– 於一年內償還		54,113	51,949	70,460
– repayable after one year (shown under current liabilities)	– 於一年後償還 (列示於流動負債)		55,922	56,959	104,463
			<b>774,365</b>	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		(439,308)	(328,120)	(387,437)
Amounts due after one year shown as non-current liabilities	於非流動負債列示之一年後到期金額		<b>335,057</b>	310,233	234,222

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

\* 到期金額乃根據載於貸款協議之議定預定還款日期釐定。

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## 綜合財務報表附註

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### 22. UNSECURED BANK BORROWINGS (continued)

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, bank borrowings of approximately HK\$5,129,000 (2009: nil) are denominated in HK\$ and nil (2009: HK\$113,507,000) are denominated in RMB that are denominated in the currency other than the functional currencies of the relevant group entity.

### 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.

On 27th December, 2010, the Group entered into an agreement for termination of unsecured structured borrowings. The transaction was completed during the year and there was no outstanding balance at 31st December, 2010.

### 22. 無抵押銀行借貸(續)

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港元及人民幣列值之無抵押銀行借貸之賬面值，分別約為 5,129,000 港元(二零零九年：零港元)及零港元(二零零九年：113,507,000 港元)。

### 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之財務負債。

於二零一零年十二月二十七日，本集團訂立協議終止無抵押結構借貸。該交易已於年內完成，於二零一零年十二月三十一日並無未償結餘。

		2010 HK\$'000 千港元	2009 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
Non-current	非即期	-	8,111
		-	15,861

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。

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### 23. UNSECURED STRUCTURED BORROWING (continued)

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

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:

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

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

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

“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.

“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\$297,000 has been credited to the consolidated statement of comprehensive income. Decrease in the fair value of HK\$9,464,000 has been credited to the consolidated statement of comprehensive income for the year ended 31st December, 2009.

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)

於二零零九年十二月三十一日，無抵押結構借貸之主要條款如下：

其中：

N = 期間息差 > = -0.05%之營業日日數

M = 期間之實際營業日日數  
名義金額 = 50,000,000美元

「息差」指10年美元-ISDA-掉期利率減2年美元-ISDA-掉期利率

「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。

「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297,000港元已計入綜合全面收益表內。截至二零零九年十二月三十一日止年度，公平值減少9,464,000港元已計入綜合全面收益表內。

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。



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### 24. SHARE CAPITAL

### 24. 股本

		Number of shares 股份數目 2010 & 2009	Share capital 股本 2010 & 2009 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

### 25. DEFERRED TAXATION

### 25. 遞延稅項

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

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：

		Accelerated tax depreciation	Undistributed earnings of PRC subsidiaries 中國附屬 公司之 未分派盈利	Write-down of inventories 存貨撇減	Total
		加 速 稅 項 折 舊 HK\$'000 千港元	未 分 派 盈 利 HK\$'000 千港元	存 貨 撇 減 HK\$'000 千港元	總 計 HK\$'000 千港元
At 1st January, 2009	於二零零九年一月一日	9,882	210	(1,842)	8,250
Charge to profit or loss for the year	在本年度損益扣除	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
Charge (credit) to profit or loss for the year	在本年度損益扣除(計入)	4,018	5,150	(9)	9,159
At 31st December, 2010	於二零一零年十二月三十一日	21,718	5,360	(9)	27,069

At 31st December, 2010, the Group had unused tax losses of HK\$7,696,000 (2009: HK\$5,235,000) 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.

於二零一零年十二月三十一日，本集團可用以抵銷日後利潤之未使用稅項虧損為7,696,000港元(二零零九年：5,235,000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。

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### 25. DEFERRED TAXATION (continued)

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 nil (2009: HK\$39,687,000) 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.

### 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.

### 25. 遞延稅項(續)

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零港元(二零零九年：39,687,000港元)於綜合財務報表計提遞延稅項撥備。

### 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%。

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### 26. SHARE - BASED PAYMENTS (continued)

#### Equity-settled share option scheme (continued)

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.

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.

### 26. 以股份支付之支出 (續)

#### 股權支付交易購股權計劃 (續)

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。

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。

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### 26. SHARE - BASED PAYMENTS (continued)

#### Equity-settled share option scheme (continued)

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:

2010						
Option type	Date of grant	Exercisable price	Outstanding at 1.1.2010	Granted during 2010	Exercised during 2010	Outstanding at 31.12.2010
購股權類別	授出日期	行使價 HK\$ 港元	於二零一零年 一月一日 尚未行使	二零一零年 內授出	二零一零年 內行使	於二零一零年 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
			<b>48,374,360</b>	-	-	<b>48,374,360</b>
Exercisable at the end of the year 於年終可行使						<b>33,374,360</b>
Weighted average exercise price 加權平均行使價						<b>1.469</b>
2009						
Option type	Date of grant	Exercisable price	Outstanding at 1.1.2009	Granted during 2009	Exercised during 2009	Outstanding at 31.12.2009
購股權類別	授出日期	行使價 HK\$ 港元	於二零零九年 一月一日 尚未行使	二零零九年 內授出	二零零九年 內行使	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
			<b>18,374,360</b>	<b>30,000,000</b>	-	<b>48,374,360</b>
Exercisable at the end of the year 於年終可行使						<b>13,780,770</b>
Weighted average exercise price 加權平均行使價						<b>2.640</b>

### 26. 以股份支付之支出(續)

#### 股權支付交易購股權計劃(續)

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：

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### 26. SHARE - BASED PAYMENTS (continued)

#### Equity-settled share option scheme (continued)

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:

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, 2010 and 2009.

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.

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

<b>2009</b>		
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	緊接授出日期前之股份收市價	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 behavioural considerations.

The Group recognised total expense of HK\$3,081,000 for the year ended 31st December, 2010 (2009: HK\$4,082,000) 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)

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：

截至二零一零年及二零零九年十二月三十一日止兩個年度，並無任何購股權獲行使。

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。

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日本公司股價之過往波幅釐定。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。

本集團確認截至二零一零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3,081,000港元(二零零九年：4,082,000港元)。

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### 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\$50,000 (2009: HK\$76,000).

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 (2009: one year) with fixed monthly rentals over the term of the lease.

### 28. CAPITAL COMMITMENTS

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

2010 HK\$'000 千港元	2009 HK\$'000 千港元
<b>23,419</b>	15,832

### 29. RETIREMENT BENEFIT SCHEME

#### Hong Kong

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.

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.

### 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50,000港元(二零零九年：76,000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(二零零九年：一年)，並於租約期間支付固額月租。

### 28. 資本承擔

### 29. 退休福利計劃

#### 香港

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。

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。

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### 29. RETIREMENT BENEFIT SCHEME (continued)

#### PRC

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.

During the year, the retirement benefit scheme contributions amounted to approximately HK\$4,425,000 (2009: HK\$3,228,000).

### 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 of this report, 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.

### 29. 退休福利計劃(續)

#### 中國

本集團之中國附屬公司僱員為中國政府營運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。

年內，退休福利計劃供款約為4,425,000港元(二零零九年：3,228,000港元)。

### 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。

直至本報告刊發日期，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。

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### 30. CONTINGENT LIABILITIES (continued)

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.

Up to date of this report, the Group has not received any notice of determination from the IRD. In the opinion of the directors of the Company, the Group has reasonable grounds to appeal against any such determination. Thus, the directors believe that the above claims would not have significant impact on the Group's financial statements.

### 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\$15,146,000 (2009: HK\$6,688,000). 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.

### 30. 或然負債(續)

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。

直至本報告刊發日期，本集團尚未收到稅務局之任何決定通知書。本公司董事認為，本集團有合理的理由就任何該等決定提出上訴。因此，董事相信上述申索不會對本集團的財務報表產生重大影響。

### 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15,146,000港元(二零零九年：6,688,000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。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零年十二月三十一日止年度

### 32. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 32. 本公司財務狀況表摘要

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Investment in subsidiaries	於附屬公司之投資	<b>113,455</b>	113,455
Amounts due from subsidiaries	應收附屬公司款項	<b>1,352,356</b>	1,309,217
Contributions to subsidiaries	向附屬公司供款	<b>428,573</b>	80,247
Deposits and prepayments	按金及預付款	<b>137</b>	149
Bank balances and cash	銀行結餘及現金	<b>5,420</b>	464
Amounts due to subsidiaries	應付附屬公司款項	<b>(1,376,823)</b>	(1,005,980)
Other payables and accrued charges	其他應付款項及應計支出	<b>(6,452)</b>	(4,795)
Taxation	稅項	<b>(718)</b>	(563)
		<b>515,948</b>	492,194
Share capital	股本	<b>48,292</b>	48,292
Share premium and reserves	股份溢價及儲備	<b>467,656</b>	443,902
		<b>515,948</b>	492,194

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

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### 33. PARTICULARS OF PRINCIPAL SUBSIDIARIES 33. 主要附屬公司資料

Particulars of the principal subsidiaries, all of which are wholly-owned by the Company, as at 31st December, 2010 and 2009 are as follows:

於二零一零年及二零零九年十二月三十一日，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 corrugated packaging 瓦楞包裝貿易
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	Provision of management service 提供管理服務
		Non-voting deferred shares HK\$3,000,000 (Note) 無投票權遞延股 3,000,000港元(附註)	
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	Provision of management service 提供管理服務
		Non-voting deferred shares HK\$3,000,000 (Note) 無投票權遞延股 3,000,000港元(附註)	
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 containerboard and corrugated packaging 箱板紙及瓦楞包裝之製造及貿易

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零年十二月三十一日止年度

### 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 corrugated packaging 瓦楞包裝之製造及貿易
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 containerboard 投資控股及箱板紙貿易
東莞進益紙品有限公司*	PRC 中國	Contributed capital HK\$23,000,000 實繳股本23,000,000港元 (2009: HK\$20,600,000港元)	Manufacturing and trading of corrugated packaging 瓦楞包裝之製造及貿易
合豐紙品(深圳)有限公司*	PRC 中國	Contributed capital HK\$25,000,000 實繳股本25,000,000港元 (2009: HK\$22,000,000港元)	Manufacturing and trading of corrugated packaging 瓦楞包裝之製造及貿易

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，遞延股份持有人可於向普通股持有人分派100,000,000,000,000港元後參與分派。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2010

截至二零一零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, 2010 and 2009 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 enterprise.

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。

於二零一零年及二零零九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				
		2006	2007	2008	2009	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	799,936	925,533	1,033,152	923,366	<b>1,428,886</b>
Cost of sales	銷售成本	(622,630)	(719,799)	(846,482)	(746,425)	<b>(1,167,934)</b>
Gross profit	毛利	177,306	205,734	186,670	176,941	<b>260,952</b>
Other income	其他收入	17,742	18,526	20,734	14,690	<b>19,317</b>
Selling and distribution costs	銷售及分銷成本	(39,946)	(45,355)	(46,843)	(36,234)	<b>(80,963)</b>
Administrative expenses	行政開支	(42,614)	(58,491)	(62,198)	(61,902)	<b>(82,325)</b>
Other expenses	其他開支	(17,186)	(18,786)	(11,304)	(20,389)	<b>(15,746)</b>
Finance costs	財務成本	(8,644)	(6,837)	(11,869)	(10,601)	<b>(21,126)</b>
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	<b>297</b>
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	(4,278)	10,561	(20,331)	23,452	<b>2,829</b>
Profit before taxation	稅前利潤	70,014	115,114	47,702	95,421	<b>83,235</b>
Income tax expense	所得稅開支	(1,716)	(3,370)	(6,270)	(11,656)	<b>(11,525)</b>
Profit for the year	年度利潤	68,298	111,744	41,432	83,765	<b>71,710</b>

		At 31st December, 於十二月三十一日				
		2006	2007	2008	2009	2010
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	總資產	843,030	1,382,537	1,581,391	1,737,719	<b>1,978,055</b>
Total liabilities	總負債	358,934	638,795	809,314	883,304	<b>1,030,089</b>
Equity	股本	484,096	743,742	772,077	854,415	<b>947,966</b>



**HOP FUNG GROUP**

合豐集團控股有限公司

**HOP FUNG GROUP HOLDINGS LIMITED**