



LEE & MAN HOLDING LIMITED
理文集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：746

INTERIM REPORT 2010 中期報告

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive director

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

Independent non-executive director

Mr. Heng Kwoo Seng (*resigned on 30 June 2010*)
Mr. Wong Kai Tung, Tony
Mr. Wan Chi Keung, Aaron *BBS JP*
Mr. Heng Victor Ja Wei (*appointed on 30 June 2010*)

COMPANY SECRETARY

Ms. Wong Yuet Ming

REGISTERED OFFICE

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

PRINCIPAL OFFICE

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

PRINCIPAL BANKERS

In Hong Kong:
Hang Seng Bank
Chiyu Bank
HSBC

In the PRC:
Bank of China

董事會

執行董事

衛少琦女士 (*主席*)
潘麗明女士
李文恩先生
龔鈞先生

獨立非執行董事

邢詒春先生 (*辭任於2010年6月30日*)
王啟東先生
尹志強先生 *BBS太平紳士*
邢家維先生 (*委任於2010年6月30日*)

公司秘書

王月明女士

註冊辦事處

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

總辦事處

香港
九龍
觀塘
敬業街61-63號
利維大廈8樓

主要往來銀行

香港：
恒生銀行
集友銀行
滙豐銀行

中國：
中國銀行

Corporate Information

公司資料

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

WEBSITE

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

核數師

德勤 • 關黃陳方會計師行
執業會計師

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東 28 號
金鐘匯中心 26 樓

網址

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

Interim Results

中期業績

The board of directors (the "Board") of Lee & Man Holding Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2010 together with comparative figures for the same period last year as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

理文集團有限公司(「本公司」)董事會欣然公佈，本公司及其附屬公司(「本集團」)截至2010年6月30日止6個月之未經審核中期業績，連同去年同期比較數字如下：

簡明綜合全面收益表

截至2010年6月30日止6個月

		Six months ended 30 June	
		截至6月30日止6個月	
		2010	2009
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
	<i>Notes</i>		
	<i>附註</i>		
Revenue	2	952,533	553,826
Cost of sales		(628,595)	(395,247)
Gross profit		323,938	158,579
Other income		4,555	3,133
Selling and distribution costs		(32,594)	(25,217)
General and administrative expenses		(58,034)	(53,018)
Finance costs	3	(4,943)	(7,373)
Profit before taxation		232,922	76,104
Income tax expense	4	(27,362)	(4,721)
Profit for the period	5	205,560	71,383
Other comprehensive income			
(Recognition) reversal of deferred tax liability arising on revaluation of property, plant and equipment		(67)	640
Exchange differences arising from translation		(2,802)	2,047
Other comprehensive income for the period		(2,869)	2,687
Total comprehensive income for the period		202,691	74,070
Earnings per share (HK cents)	7	24.9	8.7

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2010

簡明綜合財務狀況表

於2010年6月30日

	Notes 附註	30.06.2010 (Unaudited) (未經審核) HK\$'000 千港元	31.12.2009 (Audited) (經審核) HK\$'000 千港元
NON-CURRENT ASSETS			
非流動資產			
Property, plant and equipment	8	1,142,775	1,147,156
Prepaid lease payments		55,161	55,766
Investment properties		22,887	22,408
Intangible assets		8,551	8,480
Deposit paid for acquisition of property, plant and equipment		28,548	12,841
Interest in a jointly controlled entity		4,546	–
Defined benefit assets		4,250	4,250
		1,266,718	1,250,901
CURRENT ASSETS			
流動資產			
Inventories	9	167,481	108,375
Prepaid lease payments		1,210	1,210
Trade and other receivables	10	247,692	178,387
Derivative financial instruments		878	704
Restricted bank balances		3,801	1,705
Bank balances and cash		102,213	70,638
		523,275	361,019
CURRENT LIABILITIES			
流動負債			
Trade and other payables	11	244,229	293,991
Amounts due to related companies		5,467	8,911
Taxation payable		20,023	3,631
Bank borrowings – due within 1 year		214,245	218,598
		483,964	525,131
NET CURRENT ASSETS/(LIABILITIES)		39,311	(164,112)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,306,029	1,086,789
NON-CURRENT LIABILITIES			
非流動負債			
Bank borrowings – due after 1 year		223,638	153,850
Other long term payables		6,120	1,676
Deferred taxation		6,075	6,008
		235,833	161,534
NET ASSETS		1,070,196	925,255
CAPITAL AND RESERVES			
資本及儲備			
Share capital		82,500	82,500
Reserves		987,696	842,755
TOTAL EQUITY		1,070,196	925,255

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中期業績

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

簡明綜合現金流量表

截至2010年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2010 (Unaudited) (未經審核) HK\$'000 千港元	2009 (Unaudited) (未經審核) HK\$'000 千港元
Net cash generated from operating activities	經營業務所得現金淨額	123,760	119,993
Net cash used in investing activities	投資活動所用現金淨額		
Acquisition of and deposits paid on property, plant and equipment	購置物業、廠房及設備所付訂金	(90,529)	(112,795)
Purchase of intangible assets	購置無形資產	–	(3,988)
Investment in a jointly controlled entity	投資共同控制企業	(4,546)	–
Interest received	已收利息	170	120
Other investing activities	其他投資活動	(2,096)	20
		(97,001)	(116,643)
Net cash from financing activities	融資活動所得現金淨額		
Net bank borrowings raised	籌集銀行貸款淨額	65,435	38,468
Dividends paid	已付股息	(57,750)	(12,375)
		7,685	26,093
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	34,444	29,443
Cash and cash equivalents at beginning of the period	期初之現金及等同現金項目	70,638	63,469
Effect on changes in exchange rate	匯率變動之影響	(2,869)	(301)
Cash and cash equivalents at end of the period	期終之現金及等同現金項目	102,213	92,611

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010
(unaudited)

簡明綜合權益變動表

截至2010年6月30日止6個月
(未經審核)

		Share Capital	Share Premium	Special reserve	Asset revaluation reserve	Translation reserve	Accumulated Profits	Total
		股本	股份溢利	特別儲備	資產重估儲備	匯兌儲備	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於2009年1月1日	82,500	20,307	(67,990)	69,848	35,014	578,565	718,244
Profit for the period	本期溢利	-	-	-	-	-	71,383	71,383
Other comprehensive income for the period	本期其他全面收益	-	-	-	640	2,047	-	2,687
Total comprehensive income for the period	本期全面收益總額	-	-	-	640	2,047	71,383	74,070
Realised on depreciation of property, plant and equipment	物業、廠房及 設備之折舊變現	-	-	-	(3,854)	-	3,854	-
Realised on disposal of property, plant and equipment	出售物業、廠房 及設備變現	-	-	-	(471)	-	471	-
Dividend paid	已付股息	-	-	-	-	-	(12,375)	(12,375)
At 30 June 2009	於2009年6月30日	82,500	20,307	(67,990)	66,163	37,061	641,898	779,939
Profit for the period	本期溢利	-	-	-	-	-	162,440	162,440
Other comprehensive income for the period	本期其他全面收益	-	-	-	9,638	(2,012)	-	7,626
Total comprehensive income for the period	本期全面收益總額	-	-	-	9,638	(2,012)	162,440	170,066
Realised on depreciation of property, plant and equipment	物業、廠房及 設備之折舊變現	-	-	-	(1,744)	-	1,744	-
Realised on disposal of property, plant and equipment	出售物業、廠房 及設備變現	-	-	-	84	-	(84)	-
Deferred tax liability reversed on realisation of depreciation of property, plant and equipment	於物業、廠房及設備 之折舊變現的遞延 稅項負債撥回	-	-	-	538	-	(538)	-
Deferred tax liability reversed on realisation of disposal of property, plant and equipment	於出售物業、廠房及 設備變現中的遞延 稅項負債撥回	-	-	-	48	-	(48)	-
Dividend paid	已付股息	-	-	-	-	-	(24,750)	(24,750)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2010
(unaudited)

簡明綜合權益變動表(續)

截至2010年6月30日止6個月
(未經審核)

		Share Capital 股本 HK\$'000 千港元	Share Premium 股份溢利 HK\$'000 千港元	Asset			Accumulated Profits 累計溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
				Special reserve 特別儲備 HK\$'000 千港元	revaluation reserve 資產重估儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元		
At 31 December 2009	於2009年12月31日	82,500	20,307	(67,990)	74,727	35,049	780,662	925,255
Profit for the period	本期溢利	-	-	-	-	-	205,560	205,560
Other comprehensive income for the period	本期其他全面收益	-	-	-	(67)	(2,802)	-	(2,869)
Total comprehensive income for the period	本期全面收益總額	-	-	-	(67)	(2,802)	205,560	202,691
Realised on depreciation of property, plant and equipment	物業·廠房及 設備之折舊變現	-	-	-	(1,102)	-	1,102	-
Realised on disposal of property, plant and equipment	出售物業·廠房 及設備變現	-	-	-	(17)	-	17	-
Dividend paid	已付股息	-	-	-	-	-	(57,750)	(57,750)
At 30 June 2010	於2010年6月30日	82,500	20,307	(67,990)	73,541	32,247	929,591	1,070,196

Interim Results

中期業績

NOTES:

1. BASIS OF PREPARATION

The unaudited consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the 2009 annual report.

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the financial statements contained in the 2009 annual report except for the adoption of the new standards, amendments or interpretations issued by the HKICPA which are mandatory for the annual periods beginning 1 January 2010. The adoption of these standards, amendments or interpretations has no material effect on the Group's financial position or results of operations.

The Group has not early adopted the new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

2. SEGMENT INFORMATION

(a) Operating segments

The Group's operating and reportable segments under HKFRS 8 are Handbags and Chemical products.

附註：

1. 編制基準

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則附錄16及香港會計師公會頒布之香港會計準則第34號「中期財務報告」之適用規定所編製而成。

本未經審核簡明綜合中期財務報表應與2009年報一併閱覽。

編製本簡明綜合中期財務報表所採用的會計政策，與2009年報所載財務報表所採用者一致，惟採納香港會計師公會頒布必須於2010年1月1日開始之年度期間生效之新準則、修訂及詮釋則除外。採納此等新準則、修訂及詮釋對本集團之財務狀況或經營業績概無重大影響。

本集團並無提早採納已頒布但尚未生效之新準則、修訂及詮釋。本公司董事預期，採用該等新準則、修訂及詮釋將不會對本集團之業績及財務狀況產生重大影響。

2. 分部資料

(a) 經營分部

根據香港財務報告準則第8號本集團之營運及可報告分部為手袋及化工產品。

Interim Results

中期業績

2. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (Continued)

Principal activities are as follows:

Handbags – Manufacture and sales of handbags

Chemical products – Manufacture and sales of chloromethane products, caustic soda and hydrogen peroxide

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

Segment revenues and results

For the six months ended 30 June 2010	截至2010年6月30日止6個月
REVENUE – External sales	收入—外部銷售
Segment profit	分部溢利
Central administration costs	中央行政費用
Finance costs	融資成本
Profit before tax	除稅前溢利

For the six months ended 30 June 2009	截至2009年6月30日止6個月
REVENUE – External sales	收入—外部銷售
Segment profit	分部溢利
Central administration costs	中央行政費用
Finance costs	融資成本
Profit before tax	除稅前溢利

2. 分部資料(續)

(a) 經營分部(續)

以下概要了本集團每個可報告分部的業務詳情：

手袋 – 製造及銷售手袋

化工產品 – 製造及銷售甲烷氯化物、燒碱及雙氧水

上述分部資料現呈報如下，而往年度金額已根據香港財務報告準則第8號規定重新呈列。

分部收入及業績

Handbags 手袋 HK\$'000 千港元	Chemical products 化工產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
395,412	557,121	952,533
59,556	179,432	238,988
		(1,123)
		(4,943)
		232,922

Handbags 手袋 HK\$'000 千港元	Chemical products 化工產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
342,008	211,818	553,826
55,597	28,112	83,709
		(232)
		(7,373)
		76,104

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2. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents profit before taxation earned by each segment without allocation of central administration costs and finance costs. This is the measure reported to the Chairman for the purposes of resource allocation and performance assessment.

(b) Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China ("PRC"), the United States of America ("USA") and Thailand.

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

2. 分部資料(續)

(a) 經營分部(續)

可呈報分部的會計政策與本集團會計政策相同。分部溢利指各分部除稅前應佔溢利，不包括中央行政成本及融資成本的分配。此乃向本集團主席呈報的方法，以進行資源分配及評估分部表現。

(b) 地區資料

本集團業務分佈於香港、中華人民共和國(「中國」)、美國及泰國。

本集團來自外部客戶之收入及按資產的地區劃分之非流動資產詳情如下：

		Revenue from external customers			
		Six months ended 30 June		Non-current assets(note)	
		來自外部客戶的收入		非流動資產(備註)	
		截至6月30日止6個月			
		2010	2009	30.06.2010	31.12.2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	8,341	13,551	1,576	1,779
PRC	中國	559,329	202,547	1,237,950	1,222,403
USA	美國	220,095	185,665	55	61
Canada	加拿大	13,092	6,285	-	-
The Netherlands	荷蘭	36,757	39,491	-	-
Italy	意大利	25,743	22,977	-	-
The United Kingdom	英國	24,823	31,834	-	-
Germany	德國	4,255	5,567	-	-
Other European countries	其他歐洲國家	14,347	15,976	-	-
South American countries	南美國家	13,181	12,215	-	-
Other Asian countries	其他亞洲國家	32,570	17,718	22,887	22,408
		952,533	553,826	1,262,468	1,246,651

note: Non-current assets excluded defined benefit assets.

備註：非流動資產並不包括界定利益資產。

Interim Results

中期業績

3. FINANCE COSTS

Interest on:	利息支出：
Bank borrowings wholly repayable within five years	須於五年內全部償還之銀行借款
Bank borrowings not wholly repayable within five years	不須於五年內全部償還之銀行借款

3. 融資成本

Six months ended 30 June
截至6月30日止6個月

2010 HK\$'000 千港元	2009 HK\$'000 千港元
4,943	7,050
-	323
4,943	7,373

4. INCOME TAX EXPENSE

The charge comprises:	支出包括：
Current tax:	本期稅項：
Hong Kong Profits Tax	香港所得稅
PRC Enterprise Income Tax	中國企業所得稅
Other jurisdictions Income Tax	其他司法權區所得稅

4. 所得稅支出

Six months ended 30 June
截至6月30日止6個月

2010 HK\$'000 千港元	2009 HK\$'000 千港元
5,259	4,708
22,101	-
2	13
27,362	4,721

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

香港利得稅乃根據該期間之估計應課稅溢利按 16.5% 稅率計算。

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 1 January 2008 onwards. The subsidiaries in the PRC are entitled to exemption from PRC Enterprise Income Tax ("EIT") for two years starting from their respective first profit-making year, followed by a 50% relief for the three years thereafter ("Tax Holiday").

根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司之稅率由 2008 年 1 月 1 日起為 25%。位於中國的附屬公司於首個獲利年度起，免繳中國企業所得稅兩年，其後三年半免（「稅務優惠」）。

Interim Results

中期業績

4. INCOME TAX EXPENSE (CONTINUED)

The tax exemption period of a subsidiary, Jiangsu Lee & Man Chemical Limited expired on 31 December 2009 and its applicable preferential tax rate is 12.5% for the period from 1 January 2010 to 31 December 2012.

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

4. 所得稅支出(續)

附屬公司江蘇理文化工有限公司之稅項豁免期已於2009年12月31日屆滿，而其由2010年1月1日至2012年12月31日期間之適用優惠稅率為12.5%。

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

5. PROFIT FOR THE PERIOD

5. 期內溢利

Six months ended 30 June
截至6月30日止6個月

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Profit for the period has been arrived at after charging:	期內溢利已扣除：		
Directors' emoluments	董事薪酬	1,941	1,577
Other staff costs	其他職員成本	104,629	83,721
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	496	483
Total staff costs	員工成本總額	107,066	85,781
Amortisation of prepaid lease payments	預付租賃款項攤銷	605	519
Amortisation of intangible assets	無形資產攤銷	497	317
Cost of inventories recognised as expenses	已確認為支出的存貨成本	421,724	252,749
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	47,639	26,233
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	26	241
Net exchange loss	匯兌淨虧損	779	1,728
and after crediting:	並已計入：		
Interest income	利息收入	170	120
Gain on fair value on derivative financial instruments	衍生金融工具的公平值收益	1,751	3

Interim Results

中期業績

6. DIVIDENDS

Final dividend paid during the period: 期內已派付之末期股息：	
2009 final dividend HK 7.0 cents per share (2008: HK 1.5 cents)	2009年末期股息每股7.0港仙 (2008：1.5港仙)
Interim dividend declared subsequent to period end 期後已宣派之中期股息	
2010 interim dividend HK 9.0 cents per share (2009: HK 3.0 cents)	2010年中期股息每股9.0港仙 (2009：3.0港仙)

The Board has declared that an interim dividend of HK9.0 cents (2009: HK3.0 cents) per share for the six months ended 30 June 2010 to shareholders whose names appear in the Register of Members on 27 August 2010.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the period of HK\$205,560,000 (2009: HK\$71,383,000) and 825,000,000 (2009: 825,000,000) shares in issue during the period.

8. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent HK\$43 million (2009: HK\$194 million) on property, plant and equipment to expand the chemical business.

6. 股息

Six months ended 30 June
截至6月30日止6個月

2010 HK\$'000 千港元	2009 HK\$'000 千港元
57,750	12,375
74,250	24,750

董事會議決宣派截至2010年6月30日止6個月之中期股息每股9.0港仙(2009：3.0港仙)予於2010年8月27日名列股東名冊內之股東。

7. 每股盈利

每股基本盈利乃按期內溢利205,560,000港元(2009：71,383,000港元)除以期內已發行股份825,000,000股(2009：825,000,000股)而計算。

8. 添置物業、廠房及設備

期內，本集團就物業、廠房及設備耗資0.43億港元(2009: 1.94億港元)，以擴展化工業務。

Interim Results

中期業績

9. INVENTORIES

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

All inventories were carried at cost at the end of the reporting period.

10. TRADE AND OTHER RECEIVABLES

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

Included in the balance are trade and bills receivables of HK\$205,291,000 (31.12.2009: HK\$153,943,000). The aged analysis of trade and bills receivables based on the invoice date at the end of the reporting period is as follows:

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

9. 存貨

30.06.2010	31.12.2009
HK\$'000	HK\$'000
千港元	千港元
90,111	58,153
56,632	38,410
20,738	11,812
167,481	108,375

所有存貨乃以結算日之成本記賬。

10. 應收貿易及其他款項

本集團一般給予貿易客戶之賒賬期平均為0至90天。

應收貿易及其他款項包括應收賬款及票據約205,291,000港元(31.12.2009: 153,943,000港元)。應收賬款及票據於結算日按發票日期之賬齡分析如下:

30.06.2010	31.12.2009
HK\$'000	HK\$'000
千港元	千港元
182,333	101,216
19,621	38,313
2,123	12,970
1,214	1,444
205,291	153,943
32,115	14,922
10,286	9,522
247,692	178,387

Interim Results

中期業績

11. TRADE AND OTHER PAYABLES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period obtained for trade purchases is 30 to 90 days.

Included in trade and other payables are trade and bills payables of HK\$124,340,000 (31.12.2009: HK\$138,074,000). The aged analysis of trade and bills payables at the end of the reporting period is as follows:

		30.06.2010	31.12.2009
		HK\$'000	HK\$'000
		千港元	千港元
Less than 30 days	少於30天	62,906	88,508
31 – 60 days	31至60天	38,946	22,905
61 – 90 days	61至90天	14,791	21,843
Over 90 days	90天以上	7,697	4,818
		124,340	138,074
Other payables and accruals	其他應付款	119,889	155,917
		244,229	293,991

11. 應付貿易及其他款項

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

應付貿易及其他款項包括應付賬款及票據約124,340,000港元(31.12.2009: 138,074,000港元)，應付賬款及票據於結算日之賬齡分析如下：

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12. SHARE CAPITAL

Ordinary shares of HK\$0.1 each: 每股面值0.10港元之普通股：

Authorised:

At 30 June 2010 and
31 December 2009

法定：

於2010年6月30日
及2009年12月31日

**Number of
ordinary shares**
普通股份數目

Amount
金額
HK\$'000
千港元

5,000,000,000 500,000

Issued and fully paid:

At 30 June 2010 and
31 December 2009

發行及繳足：

於2010年6月30日及
2009年12月31日

825,000,000 82,500

Interim Results

中期業績

13. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於綜合財務報表中撥備之購資本性支出：
– the acquisition of property, plant and equipment	– 購置物業、廠房及設備
– the acquisition of land use right	– 購入土地使用權

13. 資本承擔

30.06.2010	31.12.2009
HK\$'000	HK\$'000
千港元	千港元
86,821	20,853
22,288	22,288

14. CONNECTED AND RELATED PARTY TRANSACTIONS

The Group had significant transactions with related parties, some of which are also deemed to be connected persons pursuant to the Listing Rules, during the period as follows:

14. 關連交易

本集團與相關各方，當中包括根據上市規則同時被界定為關連人士於期內所進行之重大交易如下：

Name of party 關連方名稱	Relationship 關係	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
			2010 HK\$'000 千港元	2009 HK\$'000 千港元
Connected parties 關聯人士				
Capital Nation Investments Limited	A company under controlled by Mr. Lee Wan Keung, the associate of the Group 由本集團之聯繫人李運強先生持控之公司	Corrugated cardboard and carton boxes purchased 購買瓦楞紙板及紙箱	2,236	1,838
Lee & Man Realty Investment Limited 理文置業有限公司	A company beneficially owned by Mr. Lee Man Yan, a director of the Company and Mr. Lee Wan Keung 由李文恩先生(本公司董事)及李運強先生實益擁有之公司	Licence fee paid 已付使用權費	778	414

Interim Results

中期業績

14. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

14. 關連交易(續)

Name of party 關連方名稱	Relationship 關係	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
			2010 HK\$'000 千港元	2009 HK\$'000 千港元
Jiangsu Lee & Man Paper Manufacturing Co. Ltd 江蘇理文造紙有限公司	A company beneficially owned by Mr Lee Wan Keung. 由李運強先生實益 擁有之公司	Electricity & steam services fees paid 已付發電及 蒸氣服務費	29,999	20,158
		Fuel expense paid 已付燃料費	82	–
		Rental expense paid 已付租金	429	–
		Sales of chemical industrial products 銷售化工工業產品	3,469	313

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

董事及其他主要管理層成員於期內之酬金如下：

		Six months ended 30 June 截至6月30日止6個月	
		2010 HK\$'000 千港元	2009 HK\$'000 千港元
Short-term benefits	短期福利	4,693	4,511
Post-employment benefits	退休福利	66	77
		4,759	4,588

15. REVIEW OF INTERIM ACCOUNTS

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee.

15. 審閱中期賬目

本簡明綜合中期財務報表乃未經審核，但已由審核委員會審閱。

Interim Results

中期業績

INTERIM DIVIDEND

The Board has declared an interim dividend of HK9.0 cents per share for the six months ended 30 June 2010 to shareholders whose names appear on the Register of Members on 27 August 2010. It is expected that the interim dividend will be paid around 9 September 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 24 August 2010 to 27 August 2010, both days inclusive, during which period no transfer of shares in the Company can be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 23 August 2010.

BUSINESS REVIEW

For the six months ended 30 June 2010, the Group recorded a revenue of HK\$953 million, increased by 72% over the same period last year; and a net profit of HK\$206 million, representing a substantial increase of 188% as compared to the last corresponding period. The handbag business contributed a net profit of HK\$53 million while the chemical business generated a net profit of HK\$153 million.

As to the handbag business, though the European and US market remained weak, the revenue from handbag business for the period has increased by 15.6% over the same period last year, due to the Group's continuous efforts in effective cost controls, enhancement of product design, diversification of product styles and development of new customers as main directions, coupled with many years of experience in the market. This has brought stable revenue to the Group.

中期股息

董事會議決宣派截至2010年6月30日止6個月之中期股息每股9.0港仙予於2010年8月27日名列股東名冊內之股東。預期中期股息將於2010年9月9日派發。

暫停辦理股份過戶登記

本公司將於2010年8月24日至2010年8月27日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格,所有過戶文件連同有關股票最遲須於2010年8月23日下午4時前送達本公司位於香港皇后大道東28號金鐘匯中心26樓之股份過戶登記分處卓佳秘書商業服務有限公司,以辦理登記手續。

業務回顧

截至2010年6月30日止6個月,本集團錄得營業額9.53億港元,較去年同期上升72%,期內純利為2.06億港元,較去年同期大幅增長188%;其中手袋業務純利貢獻為0.53億港元,而化工業務則錄得純利1.53億港元。

手袋業務方面,雖然歐美市場持續疲弱,惟本集團努力透過有效的成本控制,增強產品設計,開發多樣化產品款式及開拓新客戶作為主要方向,加上在市場上多年的經驗,手袋業務期內收入比去年同期上升15.6%,為本集團帶來穩定收益。

Interim Results

中期業績

As to the chemical business, with the second phase production line being fully operated in last year, as well as a strong recovery in the PRC domestic market, chemical business recorded a turnover of HK\$557 million for the period ended 30 June 2010, representing 163% increase over the last corresponding period whereas net profit for the period rose by 595% to HK\$153 million. The main reasons for a significant increase in net profit were increased productivity with relevant operating costs being fixed in the first production phase and also the management's effective monitoring on production cost control. It resulted in a substantial increase in gross profit margin from 25% for the same period last year to 37% for the period. Such excellent performance not only generated considerable profit contribution to the Group, but also laid a good foundation for future business expansion.

PROSPECTS

The present market recovery of handbags is slow. With the severe shortage of labour in China and the pressure of Renminbi currency appreciation, the handbag business will face significant challenges. Nevertheless, the Group will strive to design various styles of products to meet market needs, develop new customers, and strengthen internal cost controls so as to maintain a stable profit for the Group.

Chemical business will continue to expand and to focus on the PRC domestic market. Approximately HK\$180 million from internal capital will be utilized to construct the third phase of the production facilities, where the output is expected to increase by 40,000 tons of chloromethane products and 60,000 tons of caustic soda. The total production capacity after completion will be enhanced by one-third of the existing level, and the production will commence in March 2011. Due to the continuous growth in chemical investment projects, its share of the profit contribution to the Group will be on a rising trend, and will create a more favourable return for the Group.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2010, the total equity of the Group was HK\$1,070 million (31.12.2009: HK \$925 million), the Group's current assets were HK\$523 million (31.12.2009: HK\$361 million) and current liabilities were HK\$484 million (31.12.2009: HK\$525 million). The current ratio was 1.08 as at 30 June 2010 and 0.69 at 31 December 2009.

化工業務方面，隨着第二期生產線於去年全面投產，以及中國內需市場的強勁復甦，截至2010年6月30日止6個月，化工業務錄得營業額5.57億港元，較去年同期上升163%；期內純利則上升595%至1.53億港元。純利大幅上升的主要原因，除產能增加而營運成本於前期已固定下來外，亦有賴管理層嚴格監控生產成本起了顯著效用，以致其毛利率由去年25%大幅增加至期內的37%。化工業務的卓越表現，不但為集團帶來可觀的利潤貢獻，亦為未來業務擴展上，奠下良好的基礎。

展望

現時手袋市場復甦緩慢，加上國內勞工市場出現嚴重緊張，以及人民幣升值壓力，手袋業務將是充滿挑戰，儘管如此，本集團將會加倍努力，設計更多迎合市場的款式，開發新客戶，加強內部監控，並致力於透過成本控制，為集團提供穩定利潤。

另化工業務將繼續擴大及穩守中國內銷市場。現正斥資約1.8億港元內部資金興建第三期生產設施，預計可增加4萬噸甲烷氯化物及6萬噸燒碱的生產量，完工後總產能將比現時提高三分之一，並預期於2011年3月正式投產。由於化工投資項目持續增長，其業務所佔的溢利貢獻比重將會日益增加，展望將來能為集團創造更可觀的利潤回報。

流動資金、財務資源及資本結構

於2010年6月30日，本集團之權益總額為10.70億港元(31.12.2009：9.25億港元)；流動資產達5.23億港元(31.12.2009：3.61億港元)，而流動負債則為4.84億港元(31.12.2009：5.25億港元)。2010年6月30日的流動比率為1.08及2009年12月31日則為0.69。

Interim Results 中期業績

As at 30 June 2010, the Group had bank balances of HK\$102 million (31.12.2009: HK\$71 million) which was placed as short term deposits with major leading banks in Hong Kong and the PRC.

The Group generally finances its operations with internally generated cash flows while part of the capital expenditure of the chemical business was financed with credit facilities provided by its principal bankers in Hong Kong and the PRC. As at 30 June 2010, the Group had outstanding bank borrowings of HK\$438 million (31.12.2009: HK\$372 million). Due to the completion of chemical production facilities and decrease in capital expenditure, the Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) has decreased gradually from 0.33 as at 31 December 2009 to 0.31 as at 30 June 2010.

As per our company policy, the Group only provided corporate guarantee instead of assets as collaterals for all bank borrowings. Hence, the Group chose to finance part of its chemical business's expenditure in the form of one year short term revolving loans. Since these loans could be utilized continuously, with steady and strong cash flows generated from operating activities and also sufficient unutilized bank facilities, the Group's financial position is strong enough to meet its capital commitments and working capital requirements.

於2010年6月30日，本集團之銀行結存約1.02億港元(31.12.2009：0.71億港元)。銀行結存乃存放於香港及中國主要銀行作短期存款。

本集團一般以內部產生的現金流量作為業務的營運資金，而部份化工業務的資本性支出則動用中港兩地主要往來銀行提供的信貸備用額。於2010年6月30日，本集團的未償還銀行借款為4.38億港元(31.12.2009：3.72億港元)。由於化工業務之生產設施已竣工，隨著資本性支出的減少，本集團的淨資本負債比率(借款總額減現金結餘除以股東權益)由2009年12月31日的0.33已逐漸減少至2010年6月30日的0.31。

所有銀行借款，本集團均按一貫政策，只提供公司擔保，而不以資產作任何借款抵押，故此，部份化工業務的支出，選用循環借款形式，屬一年期的短期借款；由於該借款均可循環連續性使用，而化工及手袋業務均有穩定及強勁的現金來源，再加上本集團仍有充足之未動用銀行備用信貸，因此，本集團具備充裕的現金及可供動用的銀行備用額以應付集團的承擔及營運資金需要。

Management Discussion and Analysis

管理層討論及分析

RESULTS OF OPERATION

For the six months ended 30 June 2010, turnover of the Group and profit attributable to shareholders were HK\$953 million and HK\$206 million respectively, representing an increase of 72% and 188% as compared to HK\$554 million and HK\$71 million for the same period last year. The earnings per share for the period was HK24.9 cents which had a significant increase of 186% as compared to the same period last year.

PLEDGE OF ASSETS

As at 30 June 2010, the Group did not have any assets pledged for general facilities.

EMPLOYEES

At 30 June 2010, the Group had a workforce of more than 5,000 people. The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staff are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

The Company has a share option scheme under which the executive directors and employees of the Company and its subsidiaries may be granted options to subscribe for ordinary shares in the Company.

經營業績

截至2010年6月30日止6個月，本集團之營業額及股東應佔溢利分別9.53億港元及2.06億港元，較去年同期之5.54億港元及0.71億港元，分別上升72%及188%。本期之每股盈利為24.9港仙，與去年同期比較顯著上升186%。

資產抵押

於2010年6月30日，本集團並無抵押任何資產以作一般信貸。

僱員

於2010年6月30日，本集團員工超過5,000名。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定，除基本薪金外並按員工表現發放花紅。

本公司有一項購股權計劃。據此，本公司及其附屬公司之執行董事及僱員均可獲授認購本公司普通股份之購股權。

Other Information 其他資料

SHARE OPTIONS

Particulars of the Company's share option schemes are set out below:

Share options granted on 23 April 2010

The following table discloses details of the Company's options granted on 23 April, 2010 under the Scheme and movement in such holdings during the period:

Category 種類	Date of grant 授出日期	Exercise price 行使價	Exercisable period 行使期	Granted on 23 April 2010 and Outstanding at 30 June 2010 於2010年4月23日 授出及於2010年 6月30日 尚未行使數目
Director 董事	23 April 2010 2010年4月23日	6.69	23 April 2011 to 22 April 2015 2011年4月23日 至2015年4月22日	82,500,000

The options granted on 23 April 2010 may be exercised in accordance with the following terms of the Share Option Scheme as to:

- (i) up to one-third of the Options (i.e. Options for an aggregate of 27,500,000 Shares) will be exercisable from 23 April 2011 to 22 April 2015 (both dates inclusive) if the Net Profit after taxation ("Net Profit") for the financial year ending 31 December 2010 equals or exceeds 115% of the Net Profit for the financial year ended 31 December 2009;
- (ii) up to two-thirds of the Options (i.e. Options for an aggregate of 55,000,000 Shares) will be exercisable from 23 April 2012 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2011 equals or exceeds 130% of the Net Profit for the financial year ended 31 December 2009;

購股權

本公司購股權計劃的詳情載如下：

於2010年4月23日授出的購股權

下表披露於2010年4月23日授出之購股權計劃下之公司購股權詳情及於期內之變動：

Category 種類	Date of grant 授出日期	Exercise price 行使價	Exercisable period 行使期	Granted on 23 April 2010 and Outstanding at 30 June 2010 於2010年4月23日 授出及於2010年 6月30日 尚未行使數目
Director 董事	23 April 2010 2010年4月23日	6.69	23 April 2011 to 22 April 2015 2011年4月23日 至2015年4月22日	82,500,000

於2010年4月23日授出之購股權可根據購股權計劃的下列條款行使：

- (i) 如截至2010年12月31日止財政年度之純利相等於或超過截至2009年12月31日止財政年度之純利115%，則最多三分之一的購股權（即累計共27,500,000股購股權）將可於2011年4月23日至2015年4月22日（包括首尾兩天）內行使；
- (ii) 如截至2011年12月31日止財政年度之純利相等於或超過截至2009年12月31日止財政年度之純利130%，則最多三分之二的購股權（即累計共55,000,000股購股權）將可於2012年4月23日至2015年4月22日（包括首尾兩天）內行使；

Other Information

其他資料

- (iii) all of the Options (i.e. Options for an aggregate of 82,500,000 Shares) will be exercisable from 23 April 2013 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2012 equals or exceeds 145% of the Net Profit for the financial year ended 31 December 2009;
- (iv) to the extent any Options have not become exercisable by 23 April 2014 (i.e. Options for an aggregate of 82,500,000 Shares), they will be exercisable from 23 April 2014 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2013 equals or exceeds 160% of the Net Profit for the financial year ending 31 December 2009.

- (iii) 如截至2012年12月31日止財政年度之純利相等於或超過截至2009年12月31日止財政年度之純利145%，則全部購股權(即累計共50,000,000股購股權)將可於2013年4月23日至2015年4月22日(包括首尾兩天)內行使；及
- (iv) 倘若任何購股權(即累計共82,500,000股購股權)直至2014年4月23日並未獲得行使權，如截至2013年12月31日止財政年度之純利相等於或超過截至2009年12月31日止財政年度之純利160%，則全部購股權將可於將可於2014年4月23日至2015年4月22日(包括首尾兩天)內行使。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2010, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, were as follows:

(a) Long positions in shares of the Company

Ordinary shares of HK\$0.10 each of the Company.

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股份數目	佔本公司已發行股本百分比
Mr. Lee Man Yan 李文恩先生	Held by controlled corporation 由受控法團持有	618,750,000 (Note) (附註)	75%

Note: These shares are held by Fortune Star Tradings Limited ("Fortune Star").

董事於股份、相關股份及債權證中之權益

於2010年6月30日，本公司董事及最高行政人員及彼等之聯繫人於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司(「聯交所」)、或已記錄於根據證券及期貨條例第352條須存置之登記冊、或已根據聯交所證券上市規則(「上市規則」)之上市公司董事進行證券交易之標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司股份之好倉

本公司每股0.10 港元之普通股

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

Other Information

其他資料

(b) Directors' interests in the Share Options

Name of director	Capacity	Number of ordinary shares subject to options granted	Percentage of the issued share capital of the Company
董事姓名	身份	授出的購股權所涉及的普通股數目	佔本公司已發行股百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	82,500,000	10%

(b) 董事於購股權之權益

(c) Long positions in shares of the associated corporations of the Company

Name of director	Capacity	Name of associated company	Number of issued ordinary shares held	Percentage of the issued shares of the associated company
董事姓名	身份	相聯法團名稱	所持已發行普通股數目	佔相聯法團已發行股份之百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	Fortune Star	45 (Note) (附註)	45%

(c) 於本公司相聯法團之股份好倉

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

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

Other than disclosed above, as at 30 June 2010, none of the directors or the chief executives, or any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露，於 2010 年 6 月 30 日，本公司董事或最高行政人員於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及聯交所、或根據證券及期貨條例第 352 條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

Other Information

其他資料

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2010, shareholders (other than directors and chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東姓名	身份	所持已發行普通股份數目	佔本公司已發行股本百分比
Fortune Star	Beneficial owner 實益擁有人	618,750,000	75.00%

Other than disclosed above, as at 30 June 2010, the Company has not been notified by any person (other than directors or chief executives of the Company) who had an interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2010.

主要股東

於2010年6月30日，股東(本公司董事或最高行政人員除外)於本公司之股份及相關股份中，擁有已根據證券及期貨條例第XV部第2及3分部向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

好倉

本公司每股0.10 港元之普通股

Number of issued ordinary shares held	Percentage of the issued share capital of the Company
所持已發行普通股份數目	佔本公司已發行股本百分比
618,750,000	75.00%

除上文所披露，於2010年6月30日，概無任何人士(本公司董事或最高行政人員除外)通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

購買、出售或贖回本公司之上市證券

於截至2010年6月30日止6個月期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

證券交易之標準守則

本公司已採納標準守則作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至2010年6月30日止6個月期間內均遵守標準守則所載之規定標準。

Other Information 其他資料

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2010 except where stated and explained below.

The Group has an Executive Chairman. No individual has been appointed as a chief executive officer. The Executive Chairman with the assistance of the Group's senior management team oversees and manages the Group's business. Other functions normally undertaken by a chief executive officer of a company are delegated to members of the Group's senior management team. This structure deviates from the code provision A2.1 of Code that requires the roles of the chairman and the chief executive officer to be separate and not performed by the same individual. The Board has considered this matter carefully and decided not to adopt the code provision. The Board believes that the current management structure has been effective in facilitating the operation and development of the Group and its business for a considerable period of time and that the necessary checks and balances consistent with sound corporate governance practices are in place. Accordingly, the Board does not consider it necessary to change the current management structure. However, the Board will review the management structure from time to time to ensure it continues to meet these objectives.

AUDIT COMMITTEE

The Audit Committee of the Company comprised of three independent non-executive directors namely, Mr Wan Chi Keung, Aaron BBS JP, Mr. Wong Kai Tung, Tony and Mr. Heng Victor Ja Wei (appointed on 30 June 2010). Mr. Heng Kwoo Seng has resigned on 30 June 2010.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 June 2010.

企業管治

除下文所述者外，本公司於截至2010年6月30日止6個月內一直遵守上市規則附錄14所載之企業管治常規守則（「守則」）。

本集團設有一位執行主席。並無任何人士獲委任為行政總裁。執行主席在本集團高級管理層協助下監督管理本集團之業務。其他一般由行政總裁處理之職務則由本集團高級管理層負責。守則條文A2.1規定主席及行政總裁之職務需要清楚劃分，且不可由同一人擔任，而本集團之管理架構與此有所偏離。董事會已仔細考慮有關事宜，並決定不採納有關守則條文。董事會相信現行管理架構在過往一直有效地推動本集團及其業務之營運及發展，並已建立符合完善企業管治常規所需之審查及制衡機制。因此，董事會並不認為本集團應改變現有管理架構。然而，董事會將不時檢討管理架構，以確保其持續達致有關目標。

審核委員會

本公司之審核委員會由3位獨立非執行董事尹志強先生BBS太平紳士、王啟東先生及邢家維先生（於2010年6月30日委任）組成。邢詒春先生已於2010年6月30日辭任。

審核委員會已與本集團之管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務申報等事宜進行討論，其中包括審閱本集團截至2010年6月30日止6個月的未經審核中期業績。

Other Information 其他資料

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee had been established with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr. Wan Chi Keung, Aaron BBS JP, Mr. Wong Kai Tung, Tony and Mr Heng Victor Ja Wei (appointed on 30 June 2010) and Mr. Heng Kwoo Seng (resigned on 30 June 2010). All members of the remuneration committee are independent non-executive directors.

On behalf of the Board

Wai Siu Kee

Chairman

Hong Kong, 9 August 2010

薪酬委員會

為符合守則，本公司已成立薪酬委員會，清楚說明委員會的權限及職責。薪酬委員會成員包括尹志強先生BBS太平紳士、王啟東先生、邢家維先生(於2010年6月30日委任)及邢詒春先生(已於2010年6月30日辭任)，全部均為獨立非執行董事。

代表董事會

主席

衛少琦

香港，2010年8月9日

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