



2011
Annual Report
年度報告



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



CONTENTS

目錄

Corporate Information 公司資料	2-3
Chairman's Statement 主席報告	4-5
Management Discussion and Analysis 管理層討論及分析	6-9
Management Profile 管理層履歷	10-13
Corporate Governance Report 企業管治報告	14-25
Directors' Report 董事會報告	26-45
Independent Auditor's Report 獨立核數師報告	46-47
Consolidated Statement of Comprehensive Income 綜合全面收益表	48
Consolidated Statement of Financial Position 綜合財務狀況表	49
Consolidated Statement of Changes in Equity 綜合權益變動表	50
Consolidated Statement of Cash Flows 綜合現金流量表	51-52
Notes to the Consolidated Financial Statements 綜合財務報表附註	53-119
Financial Summary 財務概要	120

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*)
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

NOMINATION COMMITTEE

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

HONG KONG OFFICE

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*)
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

提名委員會

葉國均先生 (*主席*)
池民生先生
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

香港辦事處

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.hopfungroup.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.hopfungroup.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 2011 annual results.

Looking back on 2011, companies around the world faced a difficult business environment, from anemic economic recovery and the spread of the European debt crisis, to natural disasters in Japan and Thailand, tightening credit in China, over-supply and on to the closure of smaller companies, rising inflation and labour shortages. Despite all these challenges we managed to grab the opportunities afforded from the growth of the Chinese economy, thanks to two decades of experience and our sensitivity towards economic cycles, sentiment trends and policy changes. We have managed to develop our markets and solidify our share of the domestic market. Despite the drop in export sales we have still managed to keep revenue stable.

In the first half of 2011, our Qingyuan facility saw the launch of a new downstream production line, raising production capacity by around 10% and supplementing the growth of domestic sales. We have flexibly deployed upstream containerboard production and developed new customers to raise our sales volume, which translated to significant sales growth on the back of high selling prices. We have also improved and fine-tuned our production processes and electricity supply equipment to reduce raw materials wastage and energy use, keeping earnings stable despite sharp increases in raw materials and other costs.

In the second half of 2011, the worsening European debt crisis, the Standard & Poor's downgrade of the United States sovereign rating, tightening credit in China and rising inflation dented market demand and selling prices, notwithstanding that costs continued to rise. The Group's management moved its sales policy towards shorter cycle products, selected quality customers and reduced inventory by balancing demand and production. We have also tightened capital expenditure and operating cost controls, staff headcount and financial resources to ensure stable funding for the Group.

Despite lower utilisation and a decline in earnings we managed to achieve modest growth in revenue. The Group's management strived to control selling and administrative expenses and kept production efficient even as labour cost and headcount fell. Our currency hedging measures were also effective. Inventory, receivables and net gearing levels all came down and bad debts remained close to zero. Our funding remains stable and our financial situation is still secure.

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」)的二零一一年財政年度全年業績報告。

回顧二零一一年，環球企業持續面對嚴峻的營商環境，經濟復蘇緩慢，歐洲債務危機擴散，日本、泰國被天災困擾，中國信貸環境緊張，產能過剩，小型廠商紛紛倒閉結業，通脹升溫，華南地區勞動力驟減。然而，我們憑藉二十多年的經驗，及對經濟周期、環境發展及政策改變等的敏銳觸覺，使我們能夠繼續抓緊國內經濟增長的機遇，致力拓展市場，進一步鞏固內銷市場的份額。集團在出口銷售減少的情況下，收益仍得以保持穩定。

於二零一一年上半年，集團之清遠廠房新增一條下游瓦楞紙板生產線，年產能提高約一成，以配合持續增長之內銷市場。集團有效靈活地調配上游箱板紙的生產，開拓新客源，使銷量上升，在價格高企的同時，收益錄得理想增長。同時集團亦致力優化及改良生產流程與供電設備，以降低原材料損耗及能源消耗；縱使原材料價格及各項開支成本大幅上漲，盈利仍可保持穩定。

於二零一一年下半年，歐債問題惡化，標準普爾下調美國評級，中國信貸環境緊張以及通脹加劇。在此動蕩的環境下，市場需求顯著下降，銷售價格受壓，但成本依然上漲。有見及此，管理層改變營銷策略，專注銷售週期較短的產品，慎選優質客戶，確保產銷平衡以保持較低之存貨量，嚴格加強控制資本開支、經營成本、勞動員工人數，竭力管理財務資源，以確保集團資金充足穩定。

縱使集團之整體設備使用率下降、盈利倒退，但收益得以保持並有輕微增長。在管理層的努力下，銷售成本及行政開支得以控制；在員工成本及人數減少下，生產仍保持效率。我們為了預防兌換率波動而採取的措施亦被證實有效，存貨、應收賬款及淨負債水平顯著減少，壞賬一如以往地錄得接近零的水平。集團資金充足，財務更為穩健。

CHAIRMAN'S STATEMENT

主席報告

The coming year is filled with challenges and opportunities. The Group does not believe the United States or European economies will see improvements. Production costs are rising in China, which will weigh on the Group's performance. Despite this, the rise in income in China should drive demand for consumption and hence for corrugated packaging products. Our facilities in Dongguan, Shenzhen and Qingyuan give us geographic supply advantages as well as economies of scale. The Group's vertically integrated business model also gives us flexibility, supplying to our customers economically advantageous packaging products that also meet their needs in pace, effectiveness and flexibility, creating a win-win situation for us and for our customers.

The Group is striving for stable growth on the back of market development and production capacity growth, keeping operating costs spending effective and stable. The Group is still managed on the principle of maintaining profitability and minimising risk, increasing our competitiveness. When the business environment improves we will be in a position to improve returns through pricing power and transferring our costs to our customers in a reasonable manner.

As a whole, we see the China market as offering the best growth potential in the next few years despite volatility in growth rates due to various factors. We see economic growth momentum as sustained by real forces and we feel assured that we can bring better returns to shareholders as we stick to our strategy of maintaining our financial strength, looking for gains in a stable environment, and solidifying our position.

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, 2012

來年將是充滿挑戰與機遇的一年，集團相信歐美經濟在短期內將不會有明顯改善。中國生產成本不斷上漲，影響集團的整體表現。然而，中國人民收入持續增加，帶動消費及瓦楞紙品包裝的需求。由於集團分別在廣東省東莞、深圳及清遠設有廠房，在地域上佔有優勢，更可達致規模效益；加上縱向整合的營運模式讓我們靈活應變，既可提供經濟的包裝紙產品予客戶，也能滿足客戶的快速、高效、靈活的要求，達致共同增長的雙贏局面。

集團在市場擴展和產能擴充相互協調，務求在穩健中增長，從而維持經營成本的效益及穩定性。我們續以確保集團的盈利能力和減低風險為管理方針，保持集團的競爭力。等待環境穩定下來，我們又可以把握機遇，爭取在價格上的主導性，把經營成本合理轉嫁予客戶，提升利潤回報。

整體而言，我們相信中國在未來幾年仍然是增長潛力最強的市場，即使增長速度會因各種環境因素而時有緩急，但經濟增長動力有充足的實質支持。只要我們穩守多年來持盈保泰、穩中求勝的策略，鞏固集團的地位，必定能為股東帶來更佳的回報。

最後，本人謹藉此機會向管理層及各級員工致謝，感謝各位團結一致面對各種挑戰，並感謝客戶、供應商、銀行界及投資者多年來的支持，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
二零一二年三月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

In 2011, export sales fell 27% due to a worsening environment in the United States and Europe as well as the slow global economic recovery. The 9.2% growth in Chinese GDP however helped drive domestic sales up by 25%. With domestic sales growth offsetting the decline in exports, the Group's overall sales rose slightly, with domestic sales accounting for over 60% of total sales in the year and over 70% in the fourth quarter, pointing to solid market share in the domestic market for the Group. The upstream and downstream businesses accounted for 15% and 85% of sales, compared to 11% of sales last year, illustrating the development potential of the upstream.

Upstream containerboard (corrugating medium and linerboard) sales rose by 37% in the year, with sales volume up by 30% as the Group added new customers and managed production flexibility through its vertically integrated business model. Upstream utilisation reached 78%, same level as last year. Downstream corrugated packaging (corrugated paper boards and carton boxes) saw sales decline by 8% year on year in volume terms and 4% in sales terms. Although the Qingyuan plant's new production line started operations in the second quarter, demand fell in the second half, which pushed down equipment utilisation from 88% to 76%.

Average selling prices for upstream and downstream rose 5.4% and 2.7% respectively, but the rise in costs pressured margins. Prices for waste paper and coal, and labour costs rose on average by over 10%, and new china duty and taxes were introduced. Although the Group managed to transfer some costs to customers, the increase in various expenses still significantly exceed the rise in selling prices, weighting on profits for the Group.

FINANCIAL REVIEW

Operating results

The Group recorded a slight increase in revenue, from HK\$1,428.9 million in 2010 to HK\$1,440.2 million in 2011. The overall average selling price rose 3.1% while the fall in sales volume in the second half of the year offset against the rise in the first half of the year.

High raw material costs led to rise in cost of sales by 4.8%, from HK\$1,167.9 million to HK\$1,224.2 million. As the Group was unable to pass on higher costs to customers, gross profit dropped 17.2%, representing HK\$216.1 million. Gross profit margin shrunk to 15.0% from 18.3%.

業務回顧

二零一一年，環球經濟復蘇緩慢，歐美問題惡化，使集團出口營業額下跌27%。尤幸中國經濟仍錄得9.2%的增長，使集團內銷營業額上升25%。在內銷增長抵銷了出口下跌的情況下，集團全年營業額輕微上升，內銷比例佔總營業額六成多，於第四季內銷更佔營業額七成多，證明集團在內銷市場已取得穩固的份額。上下游業務分別佔營業額15%及85%，相對去年上游業務只佔營業額11%，顯示上游業務的發展潛力。

上游箱板紙（瓦楞芯紙及牛牯）之營業額上升37%，銷量上升了30%，主因是集團積極開拓新客源，而縱向整合的營運模式使集團能靈活調配生產。上游設備使用率達78%，與去年相同。下游瓦楞包裝（瓦楞紙板及紙箱）銷量則較去年下跌8%，其營業額亦下跌4%。雖然年內第二季清遠廠房新增的瓦楞紙板生產線正式投產，但下半年市場需求下跌，設備使用率由88%下跌至76%。

上下游業務平均價格分別上升5.4%及2.7%，但物價上漲加重了企業生產成本的負荷，廢紙價格、煤價及國內工資亦平均上升高於一成，更有新增的稅收項目。雖然集團已將部分成本壓力轉嫁予客戶，但各項成本支出的上漲幅度，遠超銷售價格增幅，抑壓了集團的利潤增長。

財務回顧

經營業績

本集團收益錄得輕微增長，由二零一零年之1,428,900,000港元增加至二零一一年之1,440,200,000港元。集團整體平均售價雖然上升了3.1%，但二零一一年下半年銷售量下跌，抵銷了上半年的銷售量增幅。

原材料成本高企導致銷售成本上升4.8%，由1,167,900,000港元增至1,224,200,000港元。由於集團未能將成本上漲轉嫁予客戶，因此毛利減少17.2%至216,100,000港元。毛利率由18.3%減少至15.0%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other income surged 29% from HK\$19.3 million to HK\$24.9 million. HK\$9.1 million was contributed by the tax, tax interest and penalty arisen from the tax audit case, and could be reimbursed from the shareholders of the group before listing. Apart from the above, other income slid 18.2% which was mainly attributable to less canteen service income received from the reduced number of staff.

Selling and distribution costs fell 15.3% from HK\$81.0 million to HK\$68.6 million. The sharp decrease was primarily due to reduction in sales commission rate for low-margin products.

The decline in administrative expenses by 13.6% from HK\$82.3 million to HK\$71.1 million was mainly owing to the drop in the number of staff and drop in salaries accordingly.

Other expenses surged 117.8% from HK\$15.7 million to HK\$34.2 million. HK\$7.1 million was contributed by the tax interest and penalty charged by the Inland Revenue Department in Hong Kong (“IRD”) for the tax audit case. Apart from the above, other expenses surged 71.8%. The surge was due to (i) china duty charged for higher domestic sales level and new duty incurred in 2011, and (ii) the reversal effect from provision for bad debts in 2010.

EBITDA (earnings before interest, tax, depreciation and amortisation and unrealised change in fair value of derivative financial instruments) fell 14.8%, from HK\$172.6 million to HK\$147.0 million.

Additional bank loans were raised to finance the acquisition for a new downstream production line and the technical upgrades to upstream production lines in Qingyuan city. In addition, more short-term loans were raised for financing high-cost raw materials, leading to higher finance costs. As a result, finance costs rose 15.6%, from HK\$21.1 million to HK\$24.4 million.

Same as previous years, unrealised change in fair value of derivative financial instruments was recognised only for accounting purpose. It was non-cash in nature and would be reversed to zero at maturity date.

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) slid to HK\$38.6 million from HK\$71.3 million. The great fall by 45.9% was mainly due to high raw material costs. The profit margin from operation fell from 5% to 2.7%.

其他收入由19,300,000港元增加至24,900,000港元，增幅為29%。9,100,000港元乃來自稅務審核事項所產生之稅項、稅項利息及罰款，有關款項將由集團上市前之股東償付。除上述者外，其他收入減少18.2%，主要由於員工人數減少致使所收取之食堂服務收入減少所致。

銷售及分銷成本由81,000,000港元減少15.3%至68,600,000港元，錄得顯著跌幅主要由於低利潤產品之銷售佣金比率下降所致。

行政開支由82,300,000港元減少13.6%至71,100,000港元，主要由於員工人數減少導致薪酬開支相應減少。

其他開支由15,700,000港元激增至34,200,000港元，增幅為117.8%。7,100,000港元乃來自香港稅務局（「稅務局」）就稅務審核事項所收取之稅項利息及罰款。除上述者外，其他開支大幅增加71.8%，錄得顯著增長乃由於(i)二零一一年中國就內銷產品所徵收的稅項增加及新增稅項；及(ii)二零一零年壞賬撥備之回撥影響。

息稅折舊攤銷前盈利（未計利息、稅項、折舊及攤銷以及未變現衍生金融工具之公平值變動前盈利）由172,600,000港元減少14.8%至147,000,000港元。

本集團為購置清遠市的新下游生產線及為上游生產線進行技術升級提供資金，因而新增額外銀行貸款。此外，本集團為購買高成本原材料而籌集更多短期貸款，導致財務成本增加。因此，財務成本由21,100,000港元增加15.6%至24,400,000港元。

一如既往，未變現衍生金融工具之公平值變動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。

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71,300,000港元減至38,600,000港元，大幅下跌45.9%，主要由於原材料成本高企所致。營運利潤率由5%下跌至2.7%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Profit for the year fell 62.6% from HK\$71.7 million to HK\$26.8 million. In addition to the high raw material costs, the unrealised change in fair value of derivative financial instruments (without cash effect) led to such decline. Basic earnings per share dropped accordingly to 5.55 HK cents (2010: 14.85 HK cents).

Liquidity, financial and capital resources

At 31st December, 2011, the Group's total cash and cash equivalents were HK\$299.7 million (2010: HK\$203.1 million), mostly denominated in Hong Kong dollars and Renminbi. The additional bank balances and cash of HK\$96.6 million was generated from operating activities by managing trade receivables and inventories to lower levels.

Net current assets and current ratio of the Group were HK\$4.0 million (2010: HK\$19.5 million) and 1.01 (2010: 1.03) respectively.

The Group spent HK\$118.9 million on capital expenditures for new downstream line and its ancillary machinery, and technical upgrades to upstream production lines.

Only a slight increase in the average inventory turnover was recorded, from 61 days to 63 days. Two-month shipment was basically required for delivering waste paper from Europe or the United States to the PRC.

Trust receipt loans increased HK\$15.9 million for financing high-cost raw materials. The current and non-current bank borrowings excluding trust receipt loans were down by HK\$15.5 million and HK\$5.6 million respectively. Net debt (measured by total bank borrowings net of cash) was down by HK\$101.9 million, owing to cash inflow from reducing the levels of trade receivable and inventories. Net debt-to-equity ratio dropped from 60% to 46%.

Contingent liabilities

The tax audits conducted by the IRD on the Company and its subsidiaries are still on-going for the years of assessment 2004/2005 to 2010/2011. The IRD had previously issued protective assessments for the years of assessment 2004/2005 to 2005/2006 to certain subsidiaries of the Group. Objections have been filed against all these assessments. In the opinion of the Directors, the outcome and impact of this matter could not be determined with reasonable certainty at this stage.

年度利潤由71,700,000港元減少62.6%至26,800,000港元。除原材料成本高企外，未變現衍生金融工具之公平值變動（並無現金影響）亦導致年度利潤下跌。每股基本盈利亦因而下降至5.55港仙（二零一零年：14.85港仙）。

流動資金、財務及資本資源

於二零一一年十二月三十一日，本集團大部分以港元及人民幣列值的現金及現金等值總額約達299,700,000港元（二零一零年：203,100,000港元）。新增銀行結餘及現金96,600,000港元來自經營業務，乃將應收賬款及存貨控制至較低水平之成果。

本集團之流動資產淨值及流動比率分別為4,000,000港元（二零一零年：19,500,000港元）及1.01（二零一零年：1.03）。

本集團之資本開支為118,900,000港元，用於購置新增的下游生產線及其附屬設施以及為上游生產線進行技術升級。

平均存貨流轉率由61日僅輕微延長至63日。基於由歐洲或美國付運廢紙到中國基本需時兩個月。

為原材料成本高企提供資金，信託收據貸款增加15,900,000港元。即期及非即期銀行借貸（不包括信託收據貸款）分別減少15,500,000港元及5,600,000港元。淨負債（按銀行借貸總額減現金）減少101,900,000港元，乃由於應收賬款及存貨水平下降引致現金流入所致。而淨負債權益比率由60%下降至46%。

或然負債

稅務局仍在就本公司及其附屬公司之二零零四年／二零零五年至二零一零年／二零一一年課稅年度進行稅務稽查。稅務局先前曾就二零零四年／二零零五年至二零零五年／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。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 global economy remains complicated and China has cut its growth targets for the first time in years. The next year should see reduced risks and pressure on companies from an overheating economy. The Group sees challenges in pricing and inflation and will stick to our strategy of raising production efficiency, increasing sales volume, reducing raw materials use and energy consumption to offset cost increases. We will also aggressively develop new markets, grasp real growth, expand market share, and strive for pricing power in order to increase earnings.

HUMAN RESOURCES

As at 31st December, 2011, the Group and the processing factory employed a total workforce of around 1,300 full time staff (2010: 2,050). 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

國際經濟形勢仍然嚴峻複雜，中國近年來亦首次調低經濟增長目標，期望來年可以稍為減低經濟升溫過急對企業造成的風險和壓力。本集團預期未來物價形勢仍有較大挑戰，故我們仍以提升生產效率、增加銷量、降低原料損耗及能源消耗以抗衡成本價格上漲為重點策略。我們亦會更積極發展潛在市場空間，把握實質的經濟增長，進一步擴大市場份額，掌握銷售價格的主導性，以爭取提高集團的利潤。

人力資源

於二零一一年十二月三十一日，本集團及加工廠房僱用總共約1,300名全職員工（二零一零年：2,050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 52, 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 27 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 49, 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 27 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 45, 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 25 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，52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二十七年經驗。

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，49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二十七年經驗。

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，45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二十五年經驗。

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)*

Ms. Hui Yuen Li, aged 41, 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 50, 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)*

許婉莉女士，41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，50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 62, was appointed as an independent non-executive Director of the Company on 15th July, 2010. Mr. Yip is a managing director of Guosen Securities (HK) Capital Company Limited. 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 64, was appointed as an independent non-executive Director of the Company on 15th September, 2004. Mr. Wong has over 27 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，62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。葉先生乃國信證券(香港)融資有限公司之董事總經理。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，64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二十七年經驗。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 46, 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 49, 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 16 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 40, 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 United States 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，46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，49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十六年經驗。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，40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, 2011.

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 emphasise 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.

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, 2011.

本公司董事會(「董事會」)欣然於本集團截至二零一一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。

於截至二零一一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條、A.4.2條及B.1.3條除外。

CORPORATE GOVERNANCE REPORT

企業管治報告

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.

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。

所有董事本著真誠履行職責，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 seven members in total, with four executive Directors and three 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
Hui Yuen Li	– Company Secretary, Member of Remuneration Committee and Nomination Committee

Independent Non-executive Directors:

Chee Man Sang, Eric	– Chairman of Audit Committee, Remuneration Committee and Member of Nomination Committee
Yip Kwok Kwan	– Chairman of Nomination Committee and Member of Audit Committee
Wong Chu Leung	– Member of Audit Committee, Remuneration Committee and Nomination 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 10 to 13.

During the year ended 31st December, 2011, 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

董事會目前由七位成員組成，包括四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
許婉莉	– 公司秘書、薪酬委員會及提名委員會成員

獨立非執行董事：

池民生	– 審核委員會、薪酬委員會主席及提名委員會成員
葉國均	– 提名委員會主席及審核委員會成員
黃珠亮	– 審核委員會、薪酬委員會及提名委員會成員

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訊中予以披露。本公司亦根據上市規則於所有公司通訊中列明各獨立非執行董事。

董事會成員之間之關係已於第10至13頁「管理層履歷」披露。

於截至二零一一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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 independent 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 independent 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.

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。

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，全體獨立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。

CORPORATE GOVERNANCE REPORT

企業管治報告

To conform with code provision A.4.2 of the CG Code, a special resolution shall be proposed at the next forthcoming annual general meeting of the Company to amend the Company's Articles of Association so that any new Director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

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

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

Mr. Hui Sum Ping, Mr. Hui Sum Tai and Mr. Wong Chu Leung shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

The Company's circular dated 20th April, 2012 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.

為符合企管守則之守則條文A.4.2條之規定，本公司將於應屆股東週年大會上提呈特別決議案，以修訂本公司之組織章程細則，藉此令任何為填補臨時空缺所委任之新董事須於委任後首個股東大會上由股東重選。

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。

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。

許森平先生、許森泰先生及黃珠亮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。

本公司於二零一二年四月二十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與本公司之高級管理層會面。

董事會持續獲提供有關法規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, 2011, four 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, 2011 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	4/4	N/A 不適用	2/3
Hui Sum Ping	許森平	4/4	N/A 不適用	2/3
Hui Sum Tai	許森泰	4/4	N/A 不適用	2/3
Wong Wing Por (Note 1)	王榮波 (附註1)	3/4	N/A 不適用	2/3
Hui Yuen Li	許婉莉	4/4	1/1	3/3
Chee Man Sang, Eric	池民生	4/4	1/1	3/3
Yip Kwok Kwan	葉國均	4/4	N/A 不適用	3/3
Wong Chu Leung	黃珠亮	4/4	1/1	3/3

Note:

1. Mr. Wong Wing Por resigned as an executive Director on 30th December, 2011.

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

於截至二零一一年十二月三十一日止年度，董事會已舉行四次會議，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。

截至二零一一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中，每位董事之出席記錄載列如下：

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

附註：

1. 王榮波先生於二零一一年十二月三十日辭任執行董事。

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。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

The Board has established two committees, namely, the Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. On 29th March, 2012, the Board has further established a Nomination Committee to be responsible for reviewing the Board composition, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are available at the websites of the Stock Exchange and the Company.

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.

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。此外，於二零一二年三月二十九日，董事會設立提名委員會，負責檢討董事會組成、監管董事的委任及繼任計劃以及評估獨立非執行董事之獨立性。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於聯交所及本公司網站查閱。

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。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Remuneration Committee met once during the year ended 31st December, 2011 and reviewed the remuneration policy and structure of the Company, and the remuneration packages as well as the annual bonuses of the executive Directors for the year under review. The attendance rate of the Remuneration Committee Meeting was 100%.

Meanwhile, the remuneration of the senior management of the Company is not considered by the Remuneration Committee and this deviates from the Code Provision B.1.3 of the CG Code. Currently, the remuneration of the senior management is attended by the Chairman and/or Chief Executive Officer of the Company.

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).

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, 2011 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 19.

薪酬委員會於截至二零一一年十二月三十一日止年度內舉行一次會議，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%。

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。

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。

審核委員會於截至二零一一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19頁「董事會會議」項下。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company's annual results for the year ended 31st December, 2011 have been reviewed by the Audit Committee.

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, 2011.

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, 2011.

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.

審核委員會已檢討本公司截至二零一一年十二月三十一日止年度業績。

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，彼等已於截至二零一一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二零一一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法定及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		Fee payable
服務種類		應付費用
		HK\$
		港元
Audit services	核數服務	1,600,000
Non-audit services	非核數服務	
– Preliminary review	– 初步審閱	20,000
– Compliance review	– 合規審閱	120,000
TOTAL	總計	1,740,000

INTERNAL CONTROLS

The Board conducted a review of the effectiveness of the internal control system of the Group for the year ended 31st December, 2011. 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二零一一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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 recognises 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 available normally to attend the annual general meeting and other relevant shareholder meetings.

The 2011 Annual General Meeting ("AGM") was held on 23rd May, 2011. The notice of AGM was sent to shareholders at least 20 clear business days before the AGM.

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

二零一一年股東週年大會（「股東週年大會」）已於二零一一年五月二十三日舉行。股東週年大會之通知已於股東週年大會至少20個完整營業日前寄發予各股東。

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

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, 2011.

PRINCIPAL ACTIVITIES

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2011 are set out in the consolidated statement of comprehensive income on page 48.

On 17th June, 2011, a dividend of 3.40 HK cents per share, amounting to approximately HK\$16,419,000, was paid to the shareholders of the Company as final dividend for 2010.

The Directors did not recommend the payment of a final dividend for the year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the years from 2007 to 2011 is set out on page 120.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 23 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二零一一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32。

業績及分配

本集團截至二零一一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。

於二零一一年六月十七日，本公司向股東派付二零一零年末期股息每股3.40港仙，合共約為16,419,000港元。

董事不建議派付本年度末期股息。

財務概要

本集團由二零零七年至二零一一年之業績及資產與負債概要載於第120頁。

物業、廠房及設備

有關本集團物業、廠房及設備於年內之變動詳情，載於綜合財務報表附註15。

股本

本公司股本之詳情載於綜合財務報表附註23。

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*
Ms. Hui Yuen Li
Mr. Wong Wing Por (resigned on 30th December, 2011)

Independent Non-executive Directors

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

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

Each of the executive Directors has entered into a service agreement with the Company for a term of 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*
許婉莉女士
王榮波先生（於二零一一年十二月三十日辭任）

獨立非執行董事

池民生先生
葉國均先生
黃珠亮先生

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

各執行董事已經與本公司訂立服務協議，由二零一零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 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 10 to 13 of this report.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in Note 25 to the consolidated financial statements.

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

董事 (續)

本公司已接獲各獨立非執行董事根據上市規則就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10至13頁之管理層履歷。

購股權

本公司購股權計劃之詳情載於綜合財務報表附註25。

下表披露本公司購股權於年內之變動：

Category 類別	Option type 購股權種類 (Note 1) (附註1)	Date of grant 授出日期	Exercise 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	Lapsed during the year 年內失效	Outstanding at end of the year 年終尚未行使
Directors									
董事									
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

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	Exercise 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	Lapsed during the year 年內失效	Outstanding at end of the year 年終 尚未行使
Directors									
董事									
Mr. Wong Wing Por (Note 3)	D	29.5.2007	2.640	1,500,000	-	-	-	(1,500,000)	-
王榮波先生(附註3)	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. 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
				30,956,360	-	-	(4,828,000)	(10,304,360)	15,824,000
Other employees	D	29.5.2007	2.640	8,070,000	-	-	-	(8,070,000)	-
其他僱員	E	7.7.2009	0.752	9,348,000	-	-	(120,000)	-	9,228,000
				17,418,000	-	-	(120,000)	(8,070,000)	9,228,000
Total all categories				48,374,360	-	-	(4,948,000)	(18,374,360)	25,052,000
全部類別總計									

DIRECTORS' REPORT

董事會報告

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. Wong Wing Por resigned as an executive Director of the Company on 30th December, 2011.

At 31st December, 2011, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 25,052,000, representing approximately 5.2% 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：

- 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。

- 王榮波先生已於二零一一年十二月三十日辭任本公司執行董事。

於二零一一年十二月三十一日，根據該計劃授出而尚未行使購股權涉及之股份數目為25,052,000股，約佔本公司當日已發行股份5.2%。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed above, at 31st December, 2011, 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 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，於二零一一年十二月三十一日，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%
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%
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%

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	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. 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%

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 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%
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. Hui Sum Kwok 許森國先生	Fung Kong Hop Fung Paper Ware Factory Limited ("Hop Fung FG") 鳳崗合豐紙品廠有限公司 (「合豐鳳崗」)	Interest of controlled corporations 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1、4及5)	100%

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	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%
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. 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 ultimately owned by HSBC in its capacity as the trustee of a discretionary trust, of which the founder is Mr. Wong Wing Por who resigned as an executive Director of the Company on 30th December, 2011.

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.

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HSBC以作為一項全權信託之受託人身分最終擁有。該信託之創立人為王榮波先生，彼已於二零一一年十二月三十日辭任本公司執行董事職務。

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。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

Notes: (continued)

- Hop Fung Industries BVI is a holding company of Hop Fung Industries and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries BVI is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 1,181, 1,181, 3,819 and 3,819 shares by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is interested and/or deemed to be interested in an aggregate of 5,000 shares of US\$0.01 each in Hop Fung Industries BVI.
- Hop Fung GM is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung GM is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM are beneficially owned by Hop Fung Group (HK) Limited ("Hop Fung Group HK") which is owned as to 91.43% and 8.57% by Hop Fung Holdings Limited ("Hop Fung Holdings (BVI)"), and Mr. Hui Sum Tai respectively.

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

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

董事於股份、相關股份及債券之權益(續)

(a) 股份(續)

附註：(續)

- Hop Fung Industries BVI乃Hop Fung Industries之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries BVI之全部已發行股本為100美元，分為10,000股每股面值0.01美元之股份，分別由許森國先生、許森平先生、Fullwood及Goldspeed擁有1,181、1,181、3,819及3,819股。根據證券及期貨條例，許森國先生及許森平先生均擁有及／或被視為擁有Hop Fung Industries BVI合共5,000股每股面值0.01美元股份之權益。
- 合豐公明乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐公明之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐公明無投票權遞延股由合豐集團(香港)有限公司(「合豐集團香港」)實益擁有，而合豐集團香港則分別由Hop Fung Holdings Limited(「Hop Fung Holdings (BVI)」)及許森泰先生擁有91.43%及8.57%。

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

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

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

Notes: (continued)

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.

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 directly owned by Applewood, a company indirectly owned by HSBC through its wholly owned subsidiary, Pinecity. 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.

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

附註：(續)

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。

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Applewood直接持有，而Applewood則由HSBC透過其全資附屬公司Pinecity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。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(a) Shares (continued)

Notes: (continued)

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 directly owned by Applewood, a company indirectly owned by HSBC through its wholly owned subsidiary, Pinecity. 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, 2011.

董事於股份、相關股份及債券之權益(續)

(a) 股份(續)

附註：(續)

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Applewood直接持有，而Applewood則由HSBC透過其全資附屬公司Pinecity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，於二零一一年十二月三十一日，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, 2011, 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

於二零一一年十二月三十一日，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	67,794,000	8	14.04%
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 67,794,000 shares. Hallgain held 35.23% of Kingboard Chemical Holdings Limited ("Kingboard Chemical") which is directly interested in 57,210,000 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, 2011.

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67,794,000股股份之權益。Hallgain持有建滔化工集團有限公司（「建滔化工」）之35.23%權益，而建滔化工則直接持有本公司之57,210,000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，於二零一一年十二月三十一日，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 30 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, 2011, the aggregate amount of turnover attributable to the Group's five largest customers accounted for less than 6% of the Group's total turnover.

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 53% of the Group's total purchases and the purchases attributable to the Group's largest supplier accounted for approximately 23% 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30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

於截至二零一一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6%。

本集團五大供應商之購貨額合共佔本集團購貨總額約53%，而本集團最大供應商之購貨額則佔本集團購貨總額約23%。

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\$347,730.

CORPORATE GOVERNANCE

The Company had complied with throughout the year ended 31st December, 2011 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.

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347,730港元。

企業管治

截至二零一一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。

DIRECTORS' REPORT

董事會報告

CORPORATE GOVERNANCE (continued)

Code Provision A.4.2

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

Code Provision B.1.3

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

To conform with code provision A.4.2, a special resolution shall be proposed at the next forthcoming annual general meeting of the Company to amend the Company's Articles of Association so that any new Director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

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.

企業管治 (續)

守則條文A.4.2條

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

守則條文B.1.3條

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

為符合守則條文A.4.2條之規定，本公司將於應屆股東週年大會上提呈特別決議案，以修訂本公司之組織章程細則，藉此令任何為填補臨時空缺所委任之新董事須於委任後首個股東大會上由股東重選。

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。

DIRECTORS' REPORT

董事會報告

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, 2012

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
二零一二年三月二十九日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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 119, which comprise the consolidated statement of financial position as at 31st December, 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致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119頁合豐集團控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一一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, 2011 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29th March, 2012

審核涉及執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 貴集團於二零一一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
二零一二年三月二十九日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一年十二月三十一日止年度

		Notes 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Revenue	收益	7	1,440,233	1,428,886
Cost of sales	銷售成本		(1,224,150)	(1,167,934)
Gross profit	毛利		216,083	260,952
Other income	其他收入	8	24,875	19,317
Selling and distribution costs	銷售及分銷成本		(68,624)	(80,963)
Administrative expenses	行政開支		(71,108)	(82,325)
Other expenses	其他開支		(34,181)	(15,746)
Finance costs	財務成本	9	(24,370)	(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	19	(5,815)	2,829
Profit before taxation	稅前利潤		36,860	83,235
Income tax expense	所得稅開支	10	(10,067)	(11,525)
Profit for the year, attributable to owners of the Company	本公司擁有人應佔 年度利潤	11	26,793	71,710
Other comprehensive income for the year: Exchange differences arising from translation of foreign operations	年度其他全面收益： 換算海外業務之 匯兌差額		60,536	34,214
Total comprehensive income for the year, attributable to owners of the Company	本公司擁有人應佔年度 全面收益總額		87,329	105,924
			HK cents	HK cents
			港仙	港仙
Earnings per share	每股盈利	14		
– basic	– 基本		5.55	14.85
– diluted	– 攤薄		5.54	14.43

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31ST DECEMBER, 2011

於二零一一年十二月三十一日

		Notes 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,352,900	1,254,680
Prepaid lease payments on land use rights	土地使用權預付租賃款項	16	23,486	35,863
			1,376,386	1,290,543
Current assets	流動資產			
Inventories	存貨	17	188,288	236,240
Trade and other receivables	貿易及其他應收款項	18	193,336	232,437
Deposits and prepayments	按金及預付款		6,923	12,216
Prepaid lease payments on land use rights	土地使用權預付租賃款項	16	613	852
Derivative financial instruments	衍生金融工具	19	728	2,642
Bank balances and cash	銀行結餘及現金	20	299,747	203,125
			689,635	687,512
Current liabilities	流動負債			
Trade, bills and other payables	貿易、票據及其他應付款項	21	213,783	204,832
Taxation payable	應付稅項		18,765	20,296
Derivative financial instruments	衍生金融工具	19	13,432	3,527
Unsecured bank borrowings	無抵押銀行借貸	22	439,674	439,308
			685,654	667,963
Net current assets	流動資產淨值		3,981	19,549
Total assets less current liabilities	總資產減流動負債		1,380,367	1,310,092
Capital and reserves	股本及儲備			
Share capital	股本	23	48,292	48,292
Share premium and reserves	股份溢價及儲備		971,513	899,674
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額		1,019,805	947,966
Non-current liabilities	非流動負債			
Unsecured bank borrowings	無抵押銀行借貸	22	329,428	335,057
Deferred taxation	遞延稅項	24	31,134	27,069
			360,562	362,126
			1,380,367	1,310,092

The consolidated financial statements on pages 48 to 119 were approved and authorised for issue by the Board of Directors on 29th March, 2012 and are signed on its behalf by:

於第48至119頁之綜合財務報表已於二零一二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, 2011

截至二零一一年十二月三十一日止年度

		Share capital 股本 HK\$' 000 千港元	Share premium 股份溢價 HK\$' 000 千港元	Special reserve 特別儲備 HK\$' 000 千港元 (Note) (附註)	Translation reserve 匯兌儲備 HK\$' 000 千港元	Share options reserve 購股權儲備 HK\$' 000 千港元	Retained profits 保留利潤 HK\$' 000 千港元	Total 總計 HK\$' 000 千港元
At 1st January, 2010	於二零一零年一月一日	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	已派二零一零年中期股息	-	-	-	-	-	(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
Profit for the year	年度利潤	-	-	-	-	-	26,793	26,793
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	-	-	-	60,536	-	-	60,536
Total comprehensive income for the year	年度全面收益總額	-	-	-	60,536	-	26,793	87,329
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之支出	-	-	-	-	929	-	929
Final dividend paid in respect of 2010	已派二零一零年末期股息	-	-	-	-	-	(16,419)	(16,419)
At 31st December, 2011	於二零一一年十二月三十一日	48,292	425,382	(107,444)	106,494	16,884	530,197	1,019,805

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, 2011

截至二零一一年十二月三十一日止年度

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Operating activities	經營活動		
Profit before taxation	稅前利潤	36,860	83,235
Adjustments for:	經作出以下調整：		
Finance costs	財務成本	24,370	21,126
Impairment losses (reversal of impairment losses) on trade receivables	貿易應收款項之減值虧損 (撥回減值虧損)	256	(3,589)
Allowance (reversal of allowance) for inventories	存貨撥備 (撥回存貨撥備)	64	(54)
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	73,389	68,027
Release of prepaid lease payments on land use rights	撥回土地使用權預付 租賃款項	607	605
Interest income	利息收入	(1,083)	(625)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	555	654
Share-based payment expense	以股份支付之支出	929	3,081
Changes in fair value of derivative financial instruments	衍生金融工具公平值 之變動	5,815	(2,829)
Changes in fair value of unsecured structured borrowing	無抵押結構借貸公平值 之變動	-	(297)
Operating cash flows before movements in working capital	流動資金變動前營運 現金流量	141,762	169,334
Decrease (increase) in inventories	存貨減少(增加)	47,888	(81,324)
Decrease (increase) in trade and other receivables	貿易及其他應收款項 減少(增加)	59,467	(65,298)
Decrease (increase) in deposits and prepayments	按金及預付款減少 (增加)	5,293	(4,022)
Increase in trade, bills and other payables	貿易、票據及其他應付款項增加	22,368	25,113
Settlement of derivative financial instruments, net	以衍生金融工具結算 之淨額	6,004	2,705
Cash generated from operations	營運產生之現金	282,782	46,508
Income tax paid	已繳付所得稅	(7,542)	(1,480)
Income tax refund	退回所得稅	5	-
Net cash from operating activities	經營活動產生之現金淨額	275,245	45,028
Investing activities	投資活動		
Purchases of property, plant and equipment	收購物業、廠房及設備	(133,470)	(99,828)
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	1,083	625
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	736	170
Net cash used in investing activities	投資活動使用之現金淨額	(131,651)	(100,384)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Financing activities	融資活動		
New bank loans raised	新增銀行貸款	254,360	301,527
Other bank borrowings drawn	提取其他銀行借貸	934,034	595,582
Increase (decrease) in trust receipt loans	信託收據貸款增加(減少)	15,882	(14,139)
Repayment of bank loans	償還銀行貸款	(310,983)	(225,189)
Repayment of other bank borrowings	償還其他銀行借貸	(906,352)	(527,913)
Repayment of unsecured structured borrowing	償還無抵押結構借貸	-	(15,640)
Dividends paid	已派股息	(16,419)	(15,454)
Interest paid	已付利息	(24,370)	(21,126)
Net cash (used in) from financing activities	融資活動(使用)產生之現金淨額	(53,848)	77,648
Net increase in cash and cash equivalents	現金及現金等值增加淨額	89,746	22,292
Cash and cash equivalents at 1st January	於一月一日現金及現金等值	203,125	174,438
Effect of foreign exchange rate changes	匯率變動之影響	6,876	6,395
Cash and cash equivalents at 31st December represented by bank balances and cash	於十二月三十一日現金及現金等值銀行結餘及現金	299,747	203,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent is Hop Fung Industries Limited, a company incorporated in the British Virgin Islands and its ultimate parent is Hop Fung Industries (Holdings) Limited, a company also incorporated in the British Virgin Islands. The address of the registered office of the Company is 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 32.

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 HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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

The application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these financial statements and/or disclosures set out in these financial statements.

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32。

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

在本年度，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香港財務報告準則。

香港財務報告準則之修訂	二零一零年頒佈之香港財務報告準則之改進
香港會計準則第24號 （二零零九年經修訂）	關連人士披露
香港會計準則第32號之修訂	供股之分類
香港（國際財務報告詮釋委員會） — 詮釋第14號之修訂	最低資本規定之預付款項
香港（國際財務報告詮釋委員會） — 詮釋第19號	以權益工具抵銷財務負債

本年度應用新訂及經修訂香港財務報告準則對此等財務報表所呈報之款額及／或此等財務報表所載之披露事項並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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

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

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

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

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）

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第7號之修訂	披露—轉讓財務資產 ¹
	披露—抵銷財務資產及財務負債 ²
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第9號及香港財務報告準則第7號之修訂	香港財務報告準則第9號之強制生效日期及過渡性披露 ³
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	合營安排 ²
香港財務報告準則第12號	披露於其他實體的權益 ²
香港財務報告準則第13號	公平值計量 ²
香港會計準則第1號之修訂	呈列其他全面收益項目 ⁵
香港會計準則第12號之修訂	遞延稅項—收回相關資產 ⁴
香港會計準則第19號 （二零一一年經修訂）	僱員福利 ²
香港會計準則第27號 （二零一一年經修訂）	獨立財務報表 ²
香港會計準則第28號 （二零一一年經修訂）	於聯營公司及合營企業投資 ²
香港會計準則第32號之修訂	抵銷財務資產及財務負債 ⁶
香港（國際財務報告詮釋委員會）—詮釋第20號	露天礦場生產階段之剝採成本 ²

- ¹ 於二零一一年七月一日或以後開始之年度期間生效
- ² 於二零一三年一月一日或以後開始之年度期間生效
- ³ 於二零一五年一月一日或以後開始之年度期間生效
- ⁴ 於二零一二年一月一日或以後開始之年度期間生效
- ⁵ 於二零一二年七月一日或以後開始之年度期間生效
- ⁶ 於二零一四年一月一日或以後開始之年度期間生效

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. 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 recognition 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）

於二零零九年頒佈之香港財務報告準則第9號引入財務資產分類及計量之新規定。於二零一零年經修訂之香港財務報告準則第9號增設財務負債之分類及計量以及取消確認之規定。

香港財務報告準則第9號之主要規定列述如下：

- 香港財務報告準則第9號規定符合香港會計準則第39號*金融工具：確認及計量*範圍內之所有已確認財務資產其後均須按攤銷成本或公平值計量。具體而言，目的為收集合約現金流量之業務模式內所持有，以及合約現金流量僅為償還本金及尚未償還本金所產生利息之債務投資，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均於其後報告期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇以於其他全面收益呈列股本投資（並非持作買賣）之其後公平值變動，而一般僅於損益內確認股息收入。
- 就財務負債之分類及計量而言，香港財務報告準則第9號最重大影響乃有關財務負債信貸風險變動導致該負債（指定為按公平值計入損益）公平值變動之呈列方法。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益之財務負債而言，該負債信貸風險變動導致公平值變動之金額於其他全面收益呈列，除非於其他全面收益確認該負債之信貸風險變動影響會導致或擴大於損益之會計錯配。財務負債信貸風險導致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，指定為於損益按公平值計算之財務負債公平值變動全部金額於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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

Based on the Group’s financial assets and financial liabilities as at 31st December, 2011, the application of HKFRS 9 is not expected to have a significant impact on amounts reported in respect of the Group’s 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.

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1st January, 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

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 results and the financial position of the Group.

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）

根據本集團於二零一一年十二月三十一日之財務資產及財務負債，預期應用香港財務報告準則第9號將不會對本集團財務資產及財務負債之呈報金額造成重大影響。然而，於完成詳細審閱前，就有關影響提供合理估計並不可行。

香港財務報告準則第13號確立有關公平值計量及披露公平值計量資料之單一指引。該準則界定公平值，確立計量公平值之框架及有關公平值計量之披露規定。香港財務報告準則第13號之範圍寬廣；適用於其他財務報告準則規定或允許公平值計量及披露公平值計量資料之財務工具項目及非財務工具項目，惟特定情況除外。整體而言，香港財務報告準則第13號所載之披露規定較現行準則之規定更為全面。例如，現時僅規限香港財務報告準則第7號*金融工具：披露*所述金融工具之三個公平值等級之量化及定性披露資料將藉香港財務報告準則第13號加以擴展，以涵蓋其範圍內之所有資產及負債。

香港財務報告準則第13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。

董事預期將於二零一三年一月一日開始之年度的綜合財務報表中應用香港財務報告準則第13號，而應用該新訂準則可能會影響綜合財務報表呈列之數額，且令其須於綜合財務報表披露更為全面之資料。

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本集團之業績及財務狀況有重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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 certain financial instruments that are measured at fair values, as explained in the accounting policies set out below.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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。

主要會計政策載列於下文。

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。當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，將視為擁有控制權。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition

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

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

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

3. 主要會計政策 (續)

收益確認

收益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。

貨品銷售收益於貨品交付客戶並轉移所有權及符合下列所有條件時確認：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權有關之銷售貨品持續管理權或實際控制權；
- 銷售收益金額能夠可靠地計量；
- 與交易相關之經濟利益很可能流入本集團；及
- 有關交易產生或將產生之成本能夠可靠地計量。

服務收入於提供服務時確認。

財務資產之利息收入於其經濟利益很可能流入本集團及所產生之收入能夠可靠地計量時確認。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, 2011

截至二零一一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 are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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.

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 immediately in profit or loss.

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 in profit or loss.

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)按成本減其後之累計折舊以及累計減值虧損於綜合財務狀況表呈列。

確認物業、廠房及設備項目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。

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取消確認。取消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)於該項目取消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。

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。減值虧損即時於損益確認。

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於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets 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. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

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

3. 主要會計政策 (續)

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。分類乃根據財務資產的性質及目的，並於首次確認時決定。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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

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 it in the near term; or
- it is 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 asset.

Loans and receivables

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

3. 主要會計政策 (續)

金融工具 (續)

財務資產 (續)

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短期出售；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，來自重新計量公平值之變動於產生期間直接於損益確認。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。

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)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一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

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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

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

3. 主要會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產減值

除以公平值計入損益之財務資產外，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，則財務資產將考慮被視為減值。

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
- 違反合約，例如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；或
- 由於財政困難引致財務資產之活躍市場消失。

對某些類別的財務資產而言，如貿易應收款項，經個別評估不會單獨作出減值的資產會額外以整體方式評估有否減值。應收款項組合的減值客觀證據包括本集團之過往收款經驗、組合中超過平均信用期限5至150日的逾期付款數目增加，以及有關國家或當地經濟狀況出現明顯變動導致應收賬款未能償還。

對按攤銷成本入賬的財務資產而言，減值虧損金額按資產賬面值與估計未來現金流量現值（以財務資產的原實際利率折現）的差額確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一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)

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

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

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)

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逾未有確認減值虧損下原應具備的攤銷成本。

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為財務負債或權益。

權益工具

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。本公司所發行之股本權益工具乃按已收取之所得款項減直接發行成本確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis other than those financial 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 comprise financial liabilities held for trading.

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
- on initial recognition it is a part of a portfolio of identified 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.

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.

3. 主要會計政策 (續)

金融工具 (續)

財務負債及權益工具 (續)

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(包括構成整體部份的實際利率、交易成本及其他溢價或折扣所付或所收的所有到位費用)與其於首次確認時賬面值之比率。

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包括持作交易之財務負債。

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
- 於初始確認時，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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are 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.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

衍生金融工具

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

取消確認

僅於資產現金流量的合約權利屆滿時，或將財務資產所有權的絕大部分風險及回報轉讓予另一實體時，本集團方會取消確認財務資產。倘本集團並未轉讓亦未保留所有權的絕大部分風險及回報，並繼續控制已轉讓資產，則本集團確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留已轉讓財務資產所有權的絕大部分風險及回報，則本集團繼續確認該財務資產，並亦確認已收所得的款項為有抵押借款。

於取消確認整項財務資產時，該項資產賬面值與已收及應收代價及於其他全面收入確認並於權益中累計的累計損益總額的差額在損益確認。

本集團僅於其責任被解除、註銷或屆滿時，才取消確認財務負債。已取消確認的財務負債的賬面值與已付或應付代價間差額於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Provisions and reimbursements of expenditures

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the expenditure required to settle tax or other liabilities are expected to be reimbursed by another party, the reimbursement is recognised in income and as an asset when it is virtually certain that reimbursement will be received.

Share-based payment transactions

Equity-settled share-based payment transactions

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

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

When 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.

3. 主要會計政策 (續)

撥備及償付開支

當本集團因過往事件而承擔現行責任及本集團可能需要履行該責任，並且能就責任金額作出可靠的估計，本集團方會確認撥備。撥備乃按於報告期末，對履行現有責任所需代價之最佳估計，並計及責任之風險及不確定性而計量。

倘用以繳付稅項或其他負債之部份或全部開支預期將由另一方償付，則當實質上確認將收到有關償付款項時，有關償付款項將被確認為收入及資產。

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原先估計之影響(如有)，使累計開支反映經修訂估計，並於購股權儲備中作相對應之調整。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

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.

3. 主要會計政策 (續)

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每一部份的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。

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，則全數租賃款項均被納入融資租賃及列作物業、廠房及設備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation

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

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

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

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

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

3. 主要會計政策 (續)

稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合全面收益表中的利潤不同，乃由於在其他年度應課稅或可扣稅收入或開支，及不用課稅或不可扣稅之項目。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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

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

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

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

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

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產及負債乃根據於報告期末已實行或實質已實行之稅率(及稅法)，按預期適用於清償負債或變現資產期間之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或清償其資產及負債賬面值之方式所產生之稅務結果。

即期及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，即期及遞延稅項亦分別於其他全面收入或直接於權益確認。

外幣

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

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

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 under the heading of 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 substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefit costs

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

3. 主要會計政策 (續)

外幣 (續)

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，並於匯兌儲備項下之權益累積。

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確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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 derivatives and other financial instruments

Derivative financial instruments, including foreign exchange forward contracts, 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.

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，則會計估計的修訂會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）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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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 Note 22, 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.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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。

6. 金融工具

(a) 金融工具之類別

		2011 HK\$'000 千港元	2010 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	728	2,642
Loans and receivables (including cash and cash equivalents)	貸款及應收款項（包括現金及現金等值）	493,083	435,562
		493,811	438,204
<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	13,432	3,527
Amortised cost	攤銷成本	982,885	979,197
		996,317	982,724

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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 and unsecured bank borrowings. 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 structured 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以及無抵押銀行借貸。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所載之若干外匯結構遠期合約對其進行管理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元	2011 HK\$'000 千港元	2010 HK\$'000 千港元
RMB	人民幣	2,919	4,058	189	3,533
HKD	港元	13,215	4,658	78,678	5,825
USD	美元	12,719	15,939	44,498	47,603
Other	其他	26	46	-	-

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。敏感率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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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	
	2011 HK\$' 000 千港元	2010 HK\$' 000 千港元	2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Increase (decrease) in profit 利潤增加(減少)	(137)	(26)	3,273	58

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

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.

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。

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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Foreign currency risk (continued)

(ii) Foreign exchange structured forward contracts

During the year, the Group has entered into several foreign exchange structured forward contracts with banks, details are disclosed in Note 19. These derivatives are not accounted for under hedge accounting. The Group's foreign exchange structured 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\$73,134,000/HK\$73,134,000 respectively (2010: decrease/increase by HK\$11,038,000/HK\$11,038,000).

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.

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) 外匯結構遠期合約

年內，本集團與銀行訂立了若干外匯結構遠期合約，詳情披露於附註19。該等衍生工具並未以對沖會計法入賬。本集團之外匯結構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73,134,000港元／73,134,000港元(二零一零年：減少／增加11,038,000港元／11,038,000港元)。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see Note 22 for details of these borrowings), bank balances and deposits. The directors consider that the interest rate risk on bank balances and deposits are minimal, accordingly, no sensitivity analysis is performed.

The 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 Hong Kong Interbank Offered Rate ("HIBOR"), and prevailing interest rates offered by the People's Bank of China arising from the Group's borrowings denominated in HKD and RMB respectively.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivatives instruments. The analysis is prepared assuming the amount of financial instruments outstanding at the end of the reporting period were outstanding for the whole year. Increase or decrease in a 50 basis point represents the assessment of the directors of the Company of the reasonably possible change in interest rates. For the Group's exposure to interest rates on its variable-rate bank borrowings, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31st December, 2011 would decrease/increase by HK\$3,646,000 (2010: decrease/increase by HK\$3,872,000).

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

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 – 流動資金風險部份內。由於本集團的借貸以港元及人民幣列值，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(「香港銀行同業拆息」)及中國人民銀行所報之現行利率波動。

利率敏感度分析

以下敏感度分析乃根據非衍生工具所承受之利率風險而作出，此分析乃假設於報告期末未償還的金融工具金額乃於整個年度未償還。增加或減少50個基點為本公司董事對利率可能合理變動之評估。本集團的浮息銀行借貸面對利率風險，如利率增加/減少50個基點，而所有其他變數維持不變，則本集團截至二零一一年十二月三十一日止年度的稅後利潤將會減少/增加3,646,000港元(二零一零年：減少/增加3,872,000港元)。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

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

Credit risk

As at 31st December, 2011, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties 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

於二零一一年十二月三十一日，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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, 2011, the Group has available undrawn borrowing facilities of approximately HK\$249,918,000 (2010: HK\$385,713,000). 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。於二零一一年十二月三十一日，本集團有未提取的借貸融資約249,918,000港元(二零一零年：385,713,000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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

Liquidity and interest risk tables

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利息風險表

		Weighted average effective interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	1-2 years	2-5 years	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	按要求或 一個月內 HK\$' 000	一個月至 三個月 HK\$' 000	三個月 至一年 HK\$' 000	一年至兩年 HK\$' 000	兩年至五年 HK\$' 000	未折現現金 流量總額 HK\$' 000	賬面值 HK\$' 000
			千港元	千港元	千港元	千港元	千港元	千港元	千港元
2011	二零一一年								
Non-derivative financial liabilities	非衍生財務負債								
Trade, bills and other payables	貿易、票據及其他應付款項	-	213,783	-	-	-	-	213,783	213,783
Variable rate unsecured bank borrowings	浮息無抵押銀行借貸	3.7	167,878	183,944	110,278	100,354	218,261	780,715	729,102
Fixed rate unsecured bank borrowings	定息無抵押銀行借貸	0.6	-	-	-	-	40,779	40,779	40,000
			381,661	183,944	110,278	100,354	259,040	1,035,277	982,885
Derivatives settled net	按淨值結算之衍生工具								
Foreign exchange forward contracts (Note)	外匯遠期合約(附註)		686	1,248	7,335	8,512	-	17,781	13,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

		Weighted average effective interest rate 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 一個月至 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 一年至兩年 HK\$' 000 千港元	2-5 years 兩年至五年 HK\$' 000 千港元	Total	Carrying amount 賬面值 HK\$' 000 千港元
								undiscounted cash flows 未折現現金 流量總額 HK\$' 000 千港元	
2010	二零一零年								
Non-derivative financial liabilities	非衍生財務負債								
Trade, bills and other payables	貿易、票據及其他應付款項	-	204,832	-	-	-	-	204,832	204,832
Variable rate unsecured bank borrowings	浮息無抵押銀行借貸	3.1	195,595	143,627	118,946	254,222	95,140	807,530	774,365
			400,427	143,627	118,946	254,222	95,140	1,012,362	979,197
Derivatives settled net	按淨值結算之衍生工具								
Foreign exchange forward contracts (Note)	外匯遠期合約(附註)		(75)	(98)	1,221	3,939	-	4,987	3,527

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

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利息風險表(續)

附註：上述現金流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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一年十二月三十一日止年度

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, 2011 and 31st December, 2010, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$65,922,000 and HK\$110,035,000 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	1-3 months	3 months to 1 year	1-2 years	2-5 years	Total undiscounted cash flows	Carrying amount	
								1 month
	按要求或一個月內	一個月至三個月	三個月至一年	一年至兩年	兩年至五年	未折現現金流量總額	賬面值	
	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	
2011	二零一一年							
Bank borrowings with a repayment on demand clause	帶有可隨時要求償還條款之銀行借貸	1,789	19,500	24,647	20,902	-	66,838	65,922
2010	二零一零年							
Bank borrowings with a repayment on demand clause	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

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貸款均歸入上述到期日分析中的「按要求或一個月內」期間。於二零一一年十二月三十一日及二零一零年十二月三十一日，該等銀行貸款的主要未折現現金總額分別為65,922,000港元及110,035,000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要求即時還款之酌情權利。

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貸款的預計現金流量資料進行檢討：

倘浮動利率於報告期末之變動不同於已釐定之利率估計，則以上關於非衍生財務負債浮動利率工具的金額須作出變更。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value

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

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- The fair values of other financial assets and financial liabilities (excluding those described above) 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：

- 財務資產及財務負債如有標準條款及條件，並於活躍市場交易，其公平值則分別參考市場所報買賣價而釐定。
- 衍生工具之公平值乃以報價計算。倘未取得有關價格，則非期權衍生工具以工具年期之適用收益曲線進行貼現現金流分析，而期權衍生工具則以期權定價模式進行貼現現金流分析。外匯遠期合約之公平值乃根據合約屆滿時所報之遠期匯率及所報利率之孳息曲線計算。
- 其他財務資產及財務負債(不包括上文所述者)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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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).

Derivative financial instruments are measured subsequent to initial recognition at fair value, grouped into Level 2.

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 organised based on the differences in products. Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance is analysed based on the difference in products.

Specifically, the Group's reportable and operating segments are categorised into the 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.

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。

於初步確認後，衍生金融工具以公平值計量，並分為第二級。

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

本集團之業務乃按不同類別產品劃分。就資源分配及評估分部表現向本公司執行董事(即主要營運決策者)呈報之資料乃按不同類別產品分析。

具體而言，本集團之可呈報及經營分部可分為製造及銷售：

- 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

7. REVENUE AND SEGMENT INFORMATION

(continued)

Segment information (continued)

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

Segment revenues and results

For the year ended 31st December, 2011

		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
REVENUE	收益					
External sales	對外銷售	213,666	1,226,567	1,440,233	-	1,440,233
Inter-segment sales	分部間銷售	839,067	3,118	842,185	(842,185)	-
Total	總計	1,052,733	1,229,685	2,282,418	(842,185)	1,440,233
RESULT	業績					
Segment profit	分部利潤	11,854	55,191	67,045	-	67,045
Finance costs	財務成本					(24,370)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動					(5,815)
Profit before taxation	稅前利潤					36,860

7. 收益及分部資料(續)

分部資料(續)

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：

分部收益及業績

截至二零一一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, 2011
截至二零一一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, 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
REVENUE	收益					
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
RESULT	業績					
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

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 CODM for the purposes of resources allocation and performance assessment.

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匯報給主要營運決策者之方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一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)

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 for both years.

Other segment information

For the year ended 31st December, 2011

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	222	861	1,083
Amortisation of prepaid lease payments	預付租賃款項攤銷	346	261	607
Depreciation	折舊	51,202	22,187	73,389

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

7. 收益及分部資料 (續)

分部資料 (續)

分部收益及業績 (續)

分部間銷售乃參照現行市價計算。

於兩個年度內，均無任何單一客戶於年內之收益貢獻超過本集團收益總額10%。

其他分部資料

截至二零一一年十二月三十一日止年度

計算分部利潤時包括之金額：

		Containerboard 箱板紙 HK\$' 000 千港元	Corrugated Packaging 瓦楞包裝 HK\$' 000 千港元	Total 總計 HK\$' 000 千港元
Interest income	利息收入	222	861	1,083
Amortisation of prepaid lease payments	預付租賃款項攤銷	346	261	607
Depreciation	折舊	51,202	22,187	73,389

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：

		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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一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 sets out information about (i) the Group's revenue from external customers by location of delivery destination of the goods and (ii) the Group's non-current assets by location of assets:

		Revenue from external customers		Non-current assets	
		外來客戶收益		非流動資產	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元	2011 HK\$'000 千港元	2010 HK\$'000 千港元
PRC	中國	1,440,233	1,428,886	1,370,520	1,284,867
Others	其他	-	-	5,866	5,676
		1,440,233	1,428,886	1,376,386	1,290,543

Segment assets and liabilities

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

8. OTHER INCOME

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Other income includes:	其他收入包括：		
Exchange gain, net	匯兌收益淨值	219	137
Interest income from bank balances	銀行結餘利息收入	1,083	625
Scrap sales	廢品銷售	1,204	868
Service income	服務收入	8,334	15,844
Sundry income	雜項收入	4,955	1,843
Reimbursement of tax and other charges (Note 10)	償付稅項及其他開支 (附註10)	9,080	-
		24,875	19,317

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)本集團按貨品交付目的地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

計算供主要營運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. 其他收入

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

9. FINANCE COSTS

		2011 HK\$'000 千港元	2010 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	24,370	21,126

9. 財務成本

10. INCOME TAX EXPENSE

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	1,644	1,015
PRC Enterprise Income Tax	中國企業所得稅	608	1,351
		2,252	2,366
Underprovision in prior years	過往年度撥備不足：		
Hong Kong Profits Tax	香港利得稅	3,750	–
Deferred tax (Note 24)	遞延稅項(附註24)	4,065	9,159
		10,067	11,525

10. 所得稅開支

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.

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.

香港利得稅乃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。

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%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

10. INCOME TAX EXPENSE (continued)

One PRC subsidiary is exempted from PRC EIT for two years starting from the first profit-making year, followed by a 50% reduction for the next three years pursuant to the relevant laws and regulations in the PRC, was subject to PRC EIT rate of 12.5% for the years ended 31st December, 2010 and 2011.

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)

根據中國有關法例及規例，本集團一間中國附屬公司自首個獲利年度起計兩年獲豁免繳交中國企業所得稅，其後三年獲減免50%中國企業所得稅。截至二零一零年及二零一一年十二月三十一日止年度，該附屬公司須按中國企業所得稅率12.5%繳納稅項。

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：

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Profit before taxation	稅前利潤	36,860	83,235
Tax at Hong Kong Profits Tax rate of 16.5% (2010: 16.5%)	按香港利得稅率16.5% (二零一零年：16.5%)計算之稅項	6,082	13,734
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(2,023)	(933)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	3,614	2,198
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	-	428
Utilisation of tax losses previously not recognised	使用先前未確認之稅項虧損	(464)	(22)
Effect of different tax rate of PRC subsidiaries	中國附屬公司稅率 不同之影響	3,008	1,696
Effect of tax exemption granted to Macau subsidiaries	澳門附屬公司獲豁免 稅項之影響	(4,129)	(10,636)
Tax effect of undistributed earnings of PRC subsidiaries (Note 24)	中國附屬公司未分派盈利之 稅務影響(附註24)	347	5,150
Underprovision in prior years	過往年度撥備不足	3,750	-
Others	其他	(118)	(90)
Tax charge for the year	年度稅項支出	10,067	11,525

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

10. INCOME TAX EXPENSE (continued)

On 9th December, 2004, a tax audit was commenced by 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 ("HFO") (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 were 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 timebarred after 6 years of assessment. The taxes demanded under the protective assessments amounted to HK\$71,835,527 in aggregate. The Group had lodged objections with the IRD against all these assessments.

Subsequent to the lodgement of objections by the Subsidiaries, 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. A banker's undertakings of HK\$9,369,022 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\$60,586,505 demanded by the IRD have been held over unconditionally.

During the year ended 31st December, 2011, the Company reached an agreement with the IRD on the tax filing basis of GMHF, FKHF and HFO for the years of assessment 1998/1999 to 2003/2004. Under this settlement basis, the Group was obliged to pay the total amount of HK\$19.8 million (including tax undercharged of HK\$12,706,955, penalty of HK\$1,600,000 and interest of HK\$5,534,713) for the settlement of the tax case up to the year of assessment 2003/04. Additional tax provision of HK\$2,458,309 and the related interests and penalty of HK\$7,134,713 (included in "other expenses") are recognised in profit or loss for the year ended 31st December, 2011. As at 31st December 2011, the related interest and penalty payable amounted to HK\$5,100,944 is included in "trade, bills and other payables". Based on the Deed of Indemnity entered into between the Company and the then shareholders of the companies (which currently hold 57.26% of the Company's shares in total) before the listing of the Company's shares on the Stock Exchange in the year 2003, the management has estimated an amount of HK\$9,079,436 to be reimbursed from these shareholders. In the opinion of directors of the Company, this amount to be reimbursed under the Deed of Indemnity is not contributions from equity participants as it is contractually payable by the covenantors based on the terms set out in the Deed of Indemnity. Such amount is recognised as other income for the year and included in "trade and other receivables" at 31st December, 2011 in accordance with the Group's accounting policy for provision and reimbursements of expenditures.

10. 所得稅開支(續)

於二零零四年十二月九日，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(「合豐海外」)(「該等附屬公司」)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。保障性評稅要求之稅款總額為71,835,527港元。本集團已就所有該等評稅向稅務局提出反對。

於該等附屬公司遞交反對書後，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。本集團已安排銀行承擔9,369,022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60,586,505港元已獲無條件暫緩。

於截至二零一一年十二月三十一日止年度期間，本公司與稅務局就公明合豐、鳳崗合豐及合豐海外之一九九八年／一九九九年至二零零三年／二零零四年評稅年度之稅務事項達成共識。根據是項和解基準，本集團須就截至二零零三年／二零零四年評稅年度之稅務事項支付合共約19,800,000港元(包括少付稅項12,706,955港元、罰款1,600,000港元及利息5,534,713港元)。本集團已於截至二零一一年十二月三十一日止年度之損益表內確認額外稅項撥備2,458,309港元以及相關利息及罰款7,134,713港元(計入「其他開支」)。於二零一一年十二月三十一日，應付相關利息及罰款5,100,944港元已計入「貿易、票據及其他應付款項」內。根據本公司與本公司股份於二零零三年在聯交所上市前當時之公司(現時持有本公司股份合共57.26%權益)之股東訂立之彌償保證契據，管理層估計該等股東須償付9,079,436港元。本公司董事認為，根據彌償保證契據將予償付之款項乃契據人根據彌償保證契據之條款應付之合約款項，因此並非來自權益參與者之貢獻。根據本集團有關撥備及償付開支之會計政策，於二零一一年十二月三十一日，有關款項已確認為本年度之其他收入，並計入「貿易及其他應收款項」內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一年十二月三十一日止年度

11. PROFIT FOR THE YEAR

11. 年度利潤

		2011 HK\$'000 千港元	2010 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	1,627	1,550
Allowance (reversal of allowance) for inventories (included in "cost of sales" and "cost of inventories recognised as expenses")	存貨撥備(撥回存貨撥備)(計入「銷售成本」及「確認為開支之存貨成本」)	64	(54)
Cost of inventories recognised as expenses	確認為開支之存貨成本	1,224,150	1,167,934
Depreciation of property, plant and equipment	物業、廠房及設備之折舊		
– included in cost of sales	– 計入銷售成本	66,320	60,861
– included in other expenses	– 計入其他開支	7,069	7,166
		73,389	68,027
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	607	605
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	555	654
Impairment losses (reversal of impairment losses) on trade receivables (included in "other expenses")	貿易應收款項之減值虧損(撥回減值虧損)(計入「其他開支」)	256	(3,589)
Operating lease rental for warehouse and office premises	倉庫及辦公室經營租賃租金	439	96
Staff costs	員工成本		
Directors' emoluments (Note 12)	董事酬金(附註12)	8,234	11,728
Other staff	其他員工		
– salaries and other allowances	– 薪金及其他津貼	63,978	76,349
– retirement benefit scheme contributions	– 退休福利計劃供款	4,865	4,365
– share-based payments	– 以股份支付之支出	306	1,022
		77,383	93,464

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

Directors

		Other emoluments 其他酬金					2011 Total	2010 Total
		Salaries and other benefits	Bonus	Retirement benefit scheme contributions	Share- based payments	2011 Total		
		Fees						
		袍金	薪金及 其他福利	花紅	退休福利 計劃供款	以股份 支付之支出	酬金總額	酬金總額
		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
Mr. Hui Sum Kwok	許森國先生	-	1,329	500	12	134	1,975	2,713
Mr. Hui Sum Ping	許森平先生	-	1,329	500	12	149	1,990	2,766
Mr. Hui Sum Tai	許森泰先生	-	1,166	500	12	149	1,827	2,512
Mr. Wong Wing Por (Note)	王榮波先生(附註)	-	1,185	-	12	149	1,346	2,573
Ms. Hui Yuen Li	許婉莉女士	-	676	-	12	34	722	790
Mr. Liu Kwok Fai, Alvan	廖國輝先生	-	-	-	-	-	-	77
Mr. Chee Man Sang, Eric	池民生先生	122	-	-	-	4	126	125
Mr. Yip Kwok Kwan	葉國均先生	122	-	-	-	-	122	47
Mr. Wong Chu Leung	黃珠亮先生	122	-	-	-	4	126	125
Total for 2011	二零一一年度酬金總額	366	5,685	1,500	60	623	8,234	11,728
Total for 2010	二零一零年度酬金總額	335	9,274	-	60	2,059		11,728

Note: Mr. Wong Wing Por has resigned as an executive director with effect from 30th December, 2011.

Bonuses to directors are determined based on the financial performance of the Group for the two years ended 31st December, 2011.

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.

Employees

Of the five individuals with the highest emoluments in the Group, all five (2010: five) were directors of the Company whose emoluments are set out above.

12. 董事酬金及僱員薪酬

董事

Other emoluments 其他酬金

		Other emoluments 其他酬金					2011 Total	2010 Total
		Salaries and other benefits	Bonus	Retirement benefit scheme contributions	Share- based payments	2011 Total		
		Fees						
		袍金	薪金及 其他福利	花紅	退休福利 計劃供款	以股份 支付之支出	酬金總額	酬金總額
		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
Mr. Hui Sum Kwok	許森國先生	-	1,329	500	12	134	1,975	2,713
Mr. Hui Sum Ping	許森平先生	-	1,329	500	12	149	1,990	2,766
Mr. Hui Sum Tai	許森泰先生	-	1,166	500	12	149	1,827	2,512
Mr. Wong Wing Por (Note)	王榮波先生(附註)	-	1,185	-	12	149	1,346	2,573
Ms. Hui Yuen Li	許婉莉女士	-	676	-	12	34	722	790
Mr. Liu Kwok Fai, Alvan	廖國輝先生	-	-	-	-	-	-	77
Mr. Chee Man Sang, Eric	池民生先生	122	-	-	-	4	126	125
Mr. Yip Kwok Kwan	葉國均先生	122	-	-	-	-	122	47
Mr. Wong Chu Leung	黃珠亮先生	122	-	-	-	4	126	125
Total for 2011	二零一一年度酬金總額	366	5,685	1,500	60	623	8,234	11,728
Total for 2010	二零一零年度酬金總額	335	9,274	-	60	2,059		11,728

附註：王榮波先生已辭任執行董事職務，由二零一一年十二月三十日起生效。

董事之花紅乃參考截至二零一一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。

僱員

本集團五位最高薪酬人士中，全部五位(二零一零年：五位)均為本公司董事，彼等之薪酬已於上文載列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一年十二月三十一日止年度

13. DIVIDENDS

Final dividend paid in respect of 2010 of 3.40 HK cents per share (2010: Final dividend paid in respect of 2009 of 2.20 HK cents per share)
Interim dividend paid in respect of 2010 of 1.00 HK cent per share

已派二零一零年末期股息每股3.40港仙
(二零一零年：已派二零零九年末期股息每股2.20港仙)
已派二零一零年中期股息每股1.00港仙

	2011 HK\$'000 千港元	2010 HK\$'000 千港元
	16,419	10,625
	-	4,829
	16,419	15,454

The directors did not recommend the payment of a final dividend for the year ended 31st December, 2011. The final dividend in respect of 2010 of 3.40 HK cents per share proposed by the directors was approved by the shareholders in the annual general meeting held in 2011.

董事不建議派付截至二零一一年十二月三十一日止年度之末期股息。董事建議及股東於二零一一年舉行之股東週年大會上批准二零一零年之末期股息每股3.40港仙。

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：

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Earnings	盈利		
Earnings for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利之盈利	26,793	71,710

		2011	2010
Number of shares	股份數目		
Number of ordinary shares in issue during the year, for the purpose of basic earnings per share	計算每股基本盈利之本年度已發行普通股股數	482,924,000	482,924,000
Effect of dilutive potential ordinary shares in respect of share options	與購股權有關之潛在攤薄普通股之影響	1,085,694	13,912,834
Number of ordinary shares in issue during the year, for the purpose of diluted earnings per share	計算每股攤薄盈利之本年度已發行普通股股數	484,009,694	496,836,834

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Factory premises in the PRC	Leasehold land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Plant, machinery and equipment	Motor vehicles	Total
		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
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST	成本							
At 1st January, 2010	二零一零年一月一日	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
Exchange adjustments	匯兌調整	19,610	69	1,053	280	39,570	184	60,766
Additions	增添	-	-	1,341	534	117,038	1,140	120,053
Disposals	出售	-	-	(35)	(97)	(1,952)	(1,521)	(3,605)
At 31st December, 2011	二零一一年十二月三十一日	494,549	4,588	45,291	14,796	1,194,867	11,640	1,765,731
DEPRECIATION AND AMORTISATION	折舊及攤銷							
At 1st January, 2010	二零一零年一月一日	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
Exchange adjustments	匯兌調整	2,542	13	728	90	4,413	126	7,912
Provided for the year	年度撥備	19,566	183	3,324	1,277	47,815	1,224	73,389
Eliminated on disposals	出售時註銷	-	-	(35)	(55)	(736)	(1,481)	(2,307)
At 31st December, 2011	二零一一年十二月三十一日	93,587	1,235	37,586	8,482	263,106	8,835	412,831
CARRYING VALUES	賬面值							
At 31st December, 2011	二零一一年十二月三十一日	400,962	3,353	7,705	6,314	931,761	2,805	1,352,900
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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% or remaining lease term of the land element, if shorter
Leasehold land and buildings	4% or remaining lease term of the land element, if shorter
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%或土地部分之餘下租期 (以較短者為準)
租賃土地及樓宇	4%或土地部分之餘下租期 (以較短者為準)
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%

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
The carrying value of the Group's leasehold land and buildings shown above comprises:	上表列示之本集團租賃土地及樓宇之賬面值包括：		
Situated in Hong Kong under medium-term lease	位於香港並按照中期租約持有	1,238	1,313
Situated in Macau under medium-term lease	位於澳門並按照中期租約持有	2,115	2,167
		3,353	3,480

The carrying amount of the above-mentioned factory premises in the PRC does not involve any land element which is presented as "prepaid lease payments on land use rights" separately.

上文所述中國廠房之賬面值並不包括任何土地部分，該部份已獨立呈列為「土地使用權預付租賃款項」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

16. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

16. 土地使用權預付租賃款項

		2011 HK\$'000 千港元	2010 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	24,099	36,715
Analysed for reporting purposes as:	就呈報而作分析：		
Non-current asset	非流動資產	23,486	35,863
Current asset	流動資產	613	852
		24,099	36,715

Included in the Group's prepaid lease payments on land use rights is HK\$1,873,000 (2010: HK\$1,934,000) 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1,873,000港元(二零一零年:1,934,000港元)之加工安排預付款,為土地使用權經營租賃下之預付金額。

Included in the Group's prepaid lease payments on land use rights as at 31st December, 2010 is a piece of land with carrying amount of RMB12,000,000 (equivalent to HK\$14,035,000) that the Group has not obtained the formal legal title.

本集團於二零一零年十二月三十一日之土地使用權預付租賃款項包括一幅賬面值為人民幣12,000,000元(相等於14,035,000港元)之土地,本集團並無取得該幅土地之正式法定業權。

17. INVENTORIES

17. 存貨

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Raw materials	原材料	108,915	168,801
Work in progress	在製品	857	1,452
Finished goods	製成品	78,516	65,987
		188,288	236,240

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收款項

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Trade receivables	貿易應收款項	169,958	232,964
Less: allowance for doubtful debts	減：呆賬撥備	(1,068)	(784)
		168,890	232,180
Other receivables (Note)	其他應收款項(附註)	24,446	257
Total trade and other receivables	貿易及其他應收款項總額	193,336	232,437

Note: Included in other receivables is reimbursement of tax and other charges of approximately HK\$9,080,000 (see Note 10). In addition, during the current year, the Group received a notification from the PRC local government for the return of a piece of land for the local government's redevelopment of the land for other purposes. The Group paid RMB12,000,000 in prior years to acquire that piece of land. The Group had not received the formal legal title of that piece of land and the carrying amount of that piece of land amounted to HK\$14,670,000. Accordingly, the Group has reclassified the carrying amount from prepaid lease payments to other receivables upon receipt of the notification. The Group is in the process of negotiating with the PRC local government for the amount of compensation. In the opinion of directors of the Company, the Group will at least receive the cost paid for the land by the Group in prior years amounting to RMB12,000,000 (equivalent to HK\$14,670,000) and hence the carrying amount of the land is included in "other receivables" as at 31st December, 2011.

附註：其他應收款項包括償付稅項及其他開支約9,080,000港元(見附註10)。此外，於年內，本集團接獲中國地方政府之通知，退還一幅土地予地方政府重建作其他用途。本集團於過往年度已支付人民幣12,000,000元購入該幅土地。本集團並無取得該幅土地之正式法定業權，該幅土地之賬面值為14,670,000港元。因此，本集團於收取通知後已將有關賬面值由預付租賃款項重新分類為其他應收款項。本集團正與中國地方政府商討有關賠償金額。本公司董事認為，本集團將最少收取本集團於過往年度就該幅土地之已付費用人民幣12,000,000元(相等於14,670,000港元)，因此，於二零一一年十二月三十一日，該幅土地之賬面值已計入「其他應收款項」內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES (continued)

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:

Within 30 days	30日內
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	超過90日

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\$34,128,000 (2010: HK\$29,820,000) 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 (2010: 51 days).

18. 貿易及其他應收款項(續)

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

2011 HK\$'000 千港元	2010 HK\$'000 千港元
148,701	194,621
10,392	17,949
3,357	10,471
6,440	9,139
168,890	232,180

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34,128,000港元之應收款項(二零一零年：29,820,000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(二零一零年：51日)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES (continued)

Ageing of trade receivables which are past due but not impaired

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Overdue by 1 to 30 days	逾期1至30日	34,128	29,820

Movement in the allowance for doubtful debts

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Balance at the beginning of the year	年初結餘	784	4,356
Exchange adjustments	匯兌調整	28	17
Impairment losses (reversal of impairment losses) recognised on trade receivables	貿易應收款項之已確認減值虧損(撥回減值虧損)	256	(3,589)
Balance at the end of the year	年末結餘	1,068	784

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)

已逾期但未減值之貿易應收款項之賬齡

呆賬撥備之變動

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。

19. DERIVATIVE FINANCIAL INSTRUMENTS

		2011		2010	
		Assets 資產 HK\$' 000 千港元	Liabilities 負債 HK\$' 000 千港元	Assets 資產 HK\$' 000 千港元	Liabilities 負債 HK\$' 000 千港元
Foreign exchange forward contracts	外匯遠期合約	728	(13,432)	2,642	(3,527)

The Group has entered into 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.

19. 衍生金融工具

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

19. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

19. 衍生金融工具(續)

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Net cash inflow from settlement of derivative financial instruments during the year	年內以衍生金融工具結算之淨現金流入	6,004	2,705

At 31st December, 2011, 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:

於二零一一年十二月三十一日，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, 2011

(i) 於二零一一年十二月三十一日之外匯遠期合約

Total monthly notional amount 每月名義總金額	Remaining total notional amount 餘下名義總金額	Contract rate 合約匯率	Maturity 屆滿年期
Buy US\$8,000,000 (Note i) 買入8,000,000美元(附註i)	US\$100,000,000 100,000,000美元	HK\$7.738/US\$1 to HK\$7.74/US\$1 7.738港元/1美元至7.74港元/1美元	Within 2 years 兩年內
Buy US\$6,000,000 (Note ii) 買入6,000,000美元(附註ii)	US\$76,000,000 76,000,000美元	HK\$7.731/US\$1 to HK\$7.738/US\$1 7.731港元/1美元至7.738港元/1美元	Within 2 years 兩年內
Sell US\$13,000,000 (Note iii) 賣出13,000,000美元(附註iii)	US\$190,000,000 190,000,000美元	RMB6.2/US\$1 to RMB6.91/US\$1 人民幣6.2元/1美元至人民幣6.91元/1美元	Within 2 years 兩年內

Notes:

附註：

- i. Under the above foreign exchange forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rates 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 has 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 has to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.

- 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，倘港元/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，倘港元/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)，則本集團將以港元按合約匯率雙倍買入議定名義金額之美元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

19. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

(i) Foreign exchange forward contracts as at 31st December, 2011 (continued)

Notes: (continued)

Note i: (continued)

Several contracts with total monthly notional amount of US\$6,000,000 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 have to buy the contractual notional at the contract rate.

During the year ended 31st December, 2011, the Group entered into a 24-month target redemption forward contract with knock-out feature. The knock-out event shall occur if the calculation agent determines 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 rates 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 has 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 has 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 rates 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 has 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 has 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) 於二零一一年十二月三十一日之外匯遠期合約(續)

附註：(續)

附註i：(續)

每月名義總金額為6,000,000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。

於截至二零一一年十二月三十一日止年度內，本集團已簽署一份二十四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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

19. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

(ii) Foreign exchange forward contracts as at 31st December, 2010

Total monthly notional amount 每月名義總金額	Remaining total notional amount 餘下名義總金額	Contract rate 合約匯率	Maturity 屆滿年期
Buy US\$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

Notes:

- i. Under the above foreign exchange forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rates 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 has 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 has 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 have 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 determines that the accumulated intrinsic value is greater than or equal to the target value.

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，倘港元/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，倘港元/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），則本集團將以港元按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。

19. 衍生金融工具(續)

(ii) 於二零一零年十二月三十一日之外匯遠期合約

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

19. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

(ii) Foreign exchange forward contracts as at 31st December, 2010 (continued)

Notes: (continued)

- ii. Under the above foreign exchange forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rates 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 has 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 has 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 rates 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 has 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 has to sell 2 times of the agreed notional amount of USD at the contract rate with RMB.

20. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and bank balances at prevailing market rates from 0.01% to 1.31% (2010: 0.01% to 0.36%).

Included in the carrying amount of the Group's bank balances, approximately HK\$207,000 (2010: HK\$nil), HK\$5,280,000 (2010: HK\$4,290,000) and HK\$1,953,000 (2010: HK\$2,479,000) 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) 於二零一零年十二月三十一日之外匯遠期合約(續)

附註：(續)

- 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。

20. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及現行市場利率介乎0.01%至1.31%（二零一零年：0.01%至0.36%）之銀行結餘。

本集團以相關集團實體之功能貨幣以外之貨幣人民幣、美元及港元列值之銀行結餘之賬面值分別約為207,000港元（二零一零年：零港元）、5,280,000港元（二零一零年：4,290,000港元）及1,953,000港元（二零一零年：2,479,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

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:

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Current	即期	118,775	107,498
Overdue 1 to 30 days	逾期1至30日	10,287	3,488
Overdue 31 to 60 days	逾期31至60日	520	1,904
Overdue for more than 60 days	逾期60日以上	826	1,743
		130,408	114,633
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	5,734	19,151
Other payables and accrued charges	其他應付款項及應計支出	72,540	71,048
Interests and penalty payable (Note 10)	應付利息及罰款(附註10)	5,101	-
		213,783	204,832

The average credit period on purchases of goods is 38 days (2010: 32 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38日(二零一零年：32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清還。

22. UNSECURED BANK BORROWINGS

Unsecured bank borrowings comprise:

		Effective interest rate 實際利率	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Bank loans	銀行借貸	0.477% – 7.076% (2010: 0.586% – 6.180%)	520,640	569,699
Other bank borrowings	其他銀行貸款	1.561% – 2.681% (2010: 1.230% – 2.708%)	174,503	146,589
Trust receipt loans	信託收據貸款	1.550% – 2.546% (2010: 1.740% – 2.438%)	73,959	58,077
			769,102	774,365

22. 無抵押銀行借貸

無抵押銀行借貸包括：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

22. UNSECURED BANK BORROWINGS (continued)

22. 無抵押銀行借貸(續)

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Carrying amount repayable*:	應償還賬面值*：		
Within one year	一年內	373,752	329,273
More than one year, but not exceeding two years	一年以上但 不超過兩年	83,792	241,822
More than two years, but not exceeding five years	兩年以上但 不超過五年	245,636	93,235
		703,180	664,330
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借貸之賬面值		
– repayable within one year	– 於一年內償還	45,237	54,113
– repayable after one year (shown under current liabilities)	– 於一年後償還 (列示於流動負債)	20,685	55,922
		769,102	774,365
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	(439,674)	(439,308)
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	329,428	335,057

* 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

22. UNSECURED BANK BORROWINGS (continued)

Except for a fixed rate bank borrowings with carrying amount of HK\$40,000,000 (2010: nil), the bank borrowings carry interest at floating rates, thus exposing the Group to cash flow interest rate risk. The interest rates are linked to HIBOR and prevailing interest rates offered by the People's Bank of China, plus a margin.

Included in the carrying amount of the Group's unsecured bank borrowings, bank borrowings of approximately HK\$77,256,000 (2010: HK\$5,129,000) are denominated in HK\$ that are denominated in the currency other than the functional currencies of the relevant group entity.

23. SHARE CAPITAL

22. 無抵押銀行借貸(續)

除一筆賬面值為40,000,000港元(二零一零年:無)之定息銀行借貸外,銀行借貸按浮動利率計息,因此本集團須承擔現金流量利率風險。有關利率與香港銀行同業拆息及中國人民銀行公佈之現行利率加上溢價計算。

本集團以相關集團實體之功能貨幣以外之貨幣港元列值之無抵押銀行借貸之賬面值約為77,256,000港元(二零一零年:5,129,000港元)。

23. 股本

		Number of shares 股份數目 2011 & 2010	Share capital 股本 2011 & 2010 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

24. DEFERRED TAXATION

The followings are the deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior reporting years:

		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, 2010	於二零一零年一月一日	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
Charge (credit) to profit or loss for the year	在本年度損益扣除(計入)	3,741	347	(23)	4,065
At 31st December, 2011	於二零一一年十二月三十一日	25,459	5,707	(32)	31,134

At 31st December, 2011, the Group had unused tax losses of HK\$4,884,000 (2010: HK\$7,696,000) 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 will expire within 5 years from the year of originating.

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.

24. 遞延稅項

以下為本集團確認之遞延稅項負債(資產)及於本報告年度及以往報告年度之變動:

	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, 2010	17,700	210	-	17,910
Charge (credit) to profit or loss for the year	4,018	5,150	(9)	9,159
At 31st December, 2010	21,718	5,360	(9)	27,069
Charge (credit) to profit or loss for the year	3,741	347	(23)	4,065
At 31st December, 2011	25,459	5,707	(32)	31,134

於二零一一年十二月三十一日，本集團可用以抵銷日後利潤之未使用稅項虧損為4,884,000港元(二零一零年：7,696,000港元)。由於無法預計未來利潤趨勢，故並無就該等稅項虧損確認遞延稅項資產。有關虧損將自產生年度起計五年內屆滿。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

25. 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. 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%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

25. 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.

25. 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或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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一年十二月三十一日止年度

25. 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:

2011						
Option type	Date of grant	Exercise price	Outstanding at 1.1.2011	Cancelled during 2011	Lapsed during 2011	Outstanding at 31.12.2011
購股權類別	授出日期	行使價 HK\$ 港元	於二零一一年一月一日尚未行使	二零一一年內註銷	二零一一年內失效	於二零一一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	(4,948,000)	-	25,052,000
			48,374,360	(4,948,000)	(18,374,360)	25,052,000
	Exercisable at the end of the year 於年終可行使					17,552,000
	Weighted average exercise price 加權平均行使價		1.469	0.752	2.640	0.752

2010						
Option type	Date of grant	Exercise price	Outstanding at 1.1.2010	Cancelled during 2010	Lapsed 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	二零一零年內註銷	二零一零年內失效	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
			48,374,360	-	-	48,374,360
	Exercisable at the end of the year 於年終可行使					33,374,360
	Weighted average exercise price 加權平均行使價		1.469	-	-	1.469

25. 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：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

25. 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, 2011 and 2010.

The Group recognised total expense of HK\$929,000 for the year ended 31st December, 2011 (2010: HK\$3,081,000) in relation to share options granted by the Company.

26. 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 as follows:

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Within one year	一年內	444	50
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	472	–
		916	50

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 two years (2010: one year) with fixed monthly rentals over the term of the lease.

25. 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：

截至二零一一年及二零一零年十二月三十一日止兩個年度，並無任何購股權獲行使。

本集團確認截至二零一一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929,000港元(二零一零年：3,081,000港元)。

26. 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，且於下列期間到期：

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兩年(二零一零年：一年)，並於租約期間支付固額月租。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011
截至二零一一年十二月三十一日止年度

27. CAPITAL COMMITMENTS

27. 資本承擔

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	已訂約但未於綜合財務報表提撥之廠房及設備收購資本開支	1,199	23,419

28. RETIREMENT BENEFIT SCHEME

28. 退休福利計劃

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.

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\$4,925,000 (2010: HK\$4,425,000).

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。

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是向該計劃繳付規定的供款。

年內，退休福利計劃供款約為4,925,000港元(二零一零年：4,425,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

29. CONTINGENT LIABILITIES

As mentioned in Note 10, the tax audit for the years of assessment 1998/1999 to 2003/2004 has been settled during the year.

For the years of assessment 2004/2005 to 2010/2011, the tax audits conducted by the IRD on the Company and its subsidiaries are still on-going.

The IRD had previously issued additional assessments to GMHF for the years of assessment 2004/2005 and 2005/2006 on 2nd June, 2006 and 19th October, 2006 respectively. The taxes demanded under the additional assessments amounted to HK\$11,220,917 in aggregate. The Group had lodged objections with the IRD against these additional assessments.

Subsequent to the lodgement of objections by GMHF, tax payment of HK\$1,992,965 was made. 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\$3,828,453 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\$3,682,220 demanded by the IRD have been held over unconditionally.

In addition, the IRD issued protective assessments to certain subsidiaries of the Group for the year of assessment 2005/2006 in March 2012. The Group would lodge objections with the IRD against these protective assessments.

The directors believe that no additional provision for Hong Kong Profits Tax in respect of the tax audit for the years of assessment 2004/2005 and onwards is necessary at the present stage. The directors consider that the inquiries from the IRD are still at a fact-finding stage and the IRD has not yet expressed any formal opinion on the potential tax liability, if any. The potential tax liability, if any, cannot be readily ascertained at this stage.

29. 或然負債

誠如附註10所述，一九九八年／一九九九年至二零零三年／二零零四年課稅年度之稅務審核已於年內完成。

就二零零四年／二零零五年至二零一零年／二零一一年課稅年度而言，稅務局就本公司及其附屬公司之稅務審核仍在進行中。

稅務局早前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之二零零四年／二零零五年及二零零五年／二零零六年課稅年度發出額外評稅。根據額外評稅所需繳付之稅項合共為11,220,917港元。本集團已就該等額外評稅向稅務局提出反對。

公明合豐遞交反對書後，已支付稅項1,992,965港元，並於二零零六年十二月就公明合豐之二零零五年／二零零六年評稅購買1,717,279港元儲稅券，以待稅務審核及提出反對之結果。再者，本集團已安排銀行承擔3,828,453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3,682,220港元已獲無條件暫緩。

此外，稅務局於二零一二年三月就本集團若干附屬公司之二零零五年／二零零六年課稅年度發出保障性評稅。本集團已就該等保障性評稅向稅務局提出反對。

董事相信，現階段無需就二零零四年／二零零五年及其後之課稅年度之稅務審核為香港利得稅作出額外撥備。董事認為，稅務局仍在實證搜集階段，所以稅務局並未就潛在稅務負債(如有)發表任何正式意見。於現階段未能合理地確定任何潛在稅務負債(如有)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

30. 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\$20,116,000 (2010: HK\$15,146,000). Hop Fung (Australia) Pty Ltd is a company in which Mr. Hui Sum Kwok, an executive director of the Company, has controlling 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. 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20,116,000港元（二零一零年：15,146,000港元）。本公司執行董事許森國先生於Hop Fung (Australia) Pty Ltd擁有控制權益。
- 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。

31. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY

31. 本公司財務狀況表摘要

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Investment in subsidiaries	於附屬公司之投資	113,455	113,455
Amounts due from subsidiaries	應收附屬公司款項	1,435,653	1,352,356
Contributions to subsidiaries	向附屬公司供款	444,138	428,573
Deposits and prepayments	按金及預付款	286	137
Bank balances and cash	銀行結餘及現金	1,827	5,420
Amounts due to subsidiaries	應付附屬公司款項	(1,443,925)	(1,376,823)
Other payables and accrued charges	其他應付款項及應計支出	(6,098)	(6,452)
Taxation	稅項	(412)	(718)
		544,924	515,948
Share capital	股本	48,292	48,292
Share premium	股份溢價	425,382	425,382
Share options reserve	購股權儲備	16,884	15,955
Retained profits	保留利潤	54,366	26,319
		544,924	515,948

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES 32. 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, 2011 and 2010 are as follows:

於二零一一年及二零一零年十二月三十一日，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)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2011

截至二零一一年十二月三十一日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES 32. 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
Green Forest (QingXin) Paper Industrial Limited*	PRC	Contributed capital US\$112,247,803 (equivalent to approximately HK\$764,494,899)	Manufacturing and trading of containerboard and corrugated packaging
森葉(清新)紙業有限公司*	中國	實繳股本112,247,803美元 (約相當於764,494,899港元)	箱板紙及瓦楞包裝之製造及貿易
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	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	Manufacturing and trading of corrugated packaging 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, 2011

截至二零一一年十二月三十一日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

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.

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, 2011 and 2010 or at any time during the year.

* Green Forest (QingXin) Paper Industrial Limited, 東莞進益紙品有限公司 and 合豐紙品(深圳)有限公司 are wholly foreign owned enterprises.

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

32. 主要附屬公司資料(續)

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。

除Hop Fung Group Company Limited外，其他所有附屬公司均由本公司間接持有。

於二零一一年及二零一零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				2011
		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	千港元
RESULTS	業績					
Revenue	收益	925,533	1,033,152	923,366	1,428,886	1,440,233
Cost of sales	銷售成本	(719,799)	(846,482)	(746,425)	(1,167,934)	(1,224,150)
Gross profit	毛利	205,734	186,670	176,941	260,952	216,083
Other income	其他收入	18,526	20,734	14,690	19,317	24,875
Selling and distribution costs	銷售及分銷成本	(45,355)	(46,843)	(36,234)	(80,963)	(68,624)
Administrative expenses	行政開支	(58,491)	(62,198)	(61,902)	(82,325)	(71,108)
Other expenses	其他開支	(18,786)	(11,304)	(20,389)	(15,746)	(34,181)
Finance costs	財務成本	(6,837)	(11,869)	(10,601)	(21,126)	(24,370)
Changes in fair value of unsecured structured borrowing	無抵押結構借貸公平值之變動	9,762	(7,157)	9,464	297	-
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	10,561	(20,331)	23,452	2,829	(5,815)
Profit before taxation	稅前利潤	115,114	47,702	95,421	83,235	36,860
Income tax expense	所得稅開支	(3,370)	(6,270)	(11,656)	(11,525)	(10,067)
Profit for the year, attributable to owners of the Company	本公司擁有人應佔年度利潤	111,744	41,432	83,765	71,710	26,793
		At 31st December, 於十二月三十一日				2011
		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	千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	1,382,537	1,581,391	1,737,719	1,978,055	2,066,021
Total liabilities	總負債	638,795	809,314	883,304	1,030,089	1,046,216
Total equity, attributable to owners of the Company	本公司擁有人應佔權益總額	743,742	772,077	854,415	947,966	1,019,805



合豐集團控股有限公司
HOP FUNG GROUP HOLDINGS LIMITED