



EMBRY HOLDINGS LIMITED
安莉芳控股有限公司

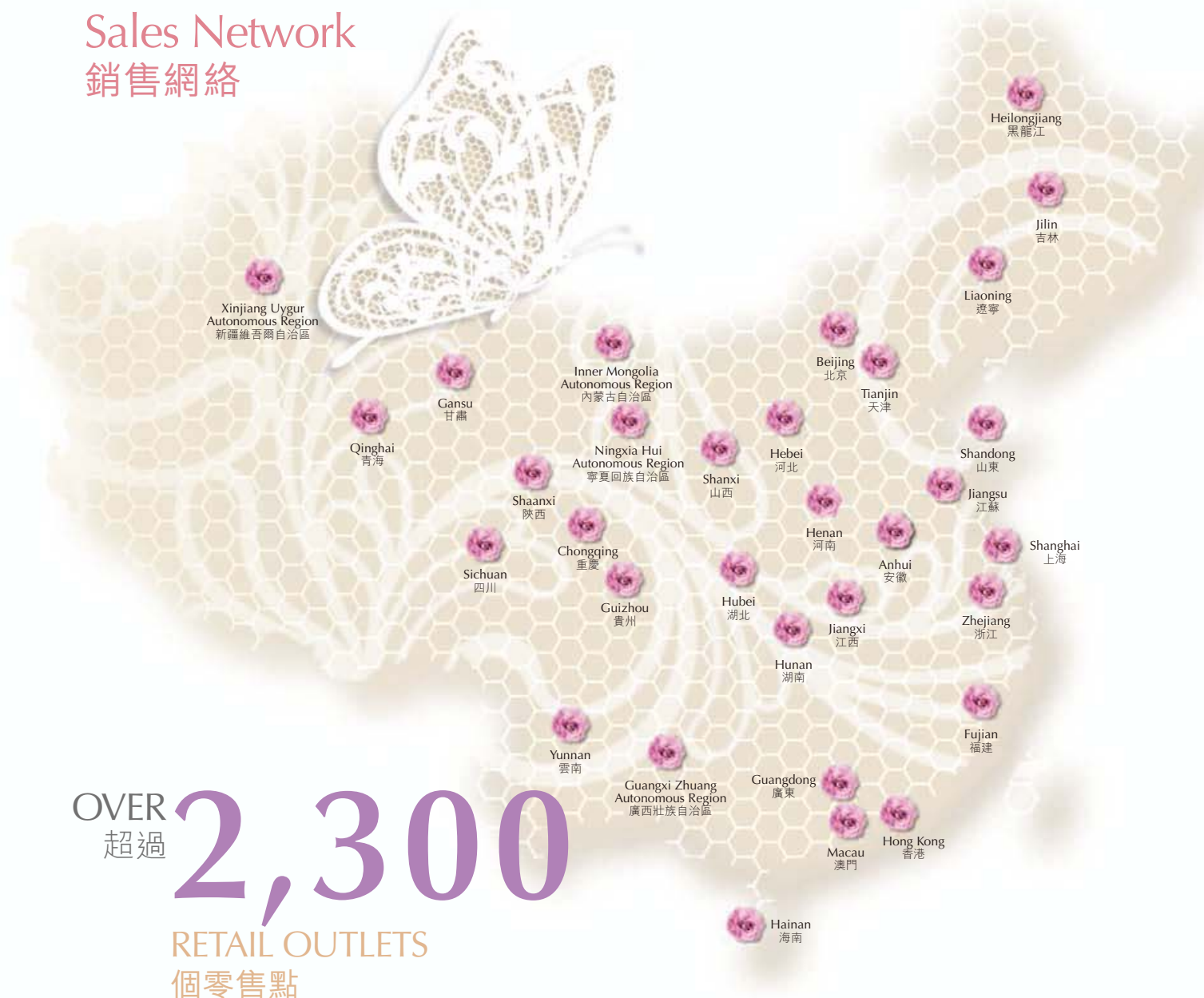
Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司
Stock Code 股份代號：1388



STRIVING
EXCELLENCE FOR
追求卓越

Annual Report 2014 二零一四年年報

Sales Network 銷售網絡



OVER
超過 **2,300**
RETAIL OUTLETS
個零售點

An Extensive Network Capturing Growing Opportunities in China

The Group's sales points span the whole nation, with footprints in all major cities such as Beijing, Shanghai, Chongqing, Tianjin, Guangzhou, Hong Kong and Macau. Such an extensive network enables the Group to efficiently respond to customer needs and deepen its market penetration in China.

As at 31 December 2014, the Group had a total of 2,317 retail outlets, comprising 2,128 concessionary counters and 189 retail shops in Mainland China, Hong Kong and Macau.

龐大網絡 中國市場潛力無限

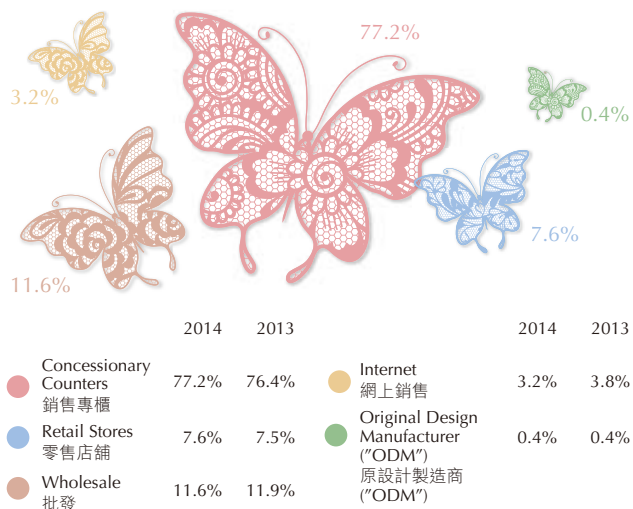
本集團的銷售點遍佈全國各地，覆蓋所有主要城市，如北京、上海、重慶、天津、廣州、香港及澳門。透過這個龐大的銷售網絡，本集團能迅速有效地回應消費者需要，進一步滲透中國市場。

截至二零一四年十二月三十一日止，本集團共有2,317個零售點，包括在中國大陸、香港及澳門2,128個百貨公司專櫃及189個零售商舖。

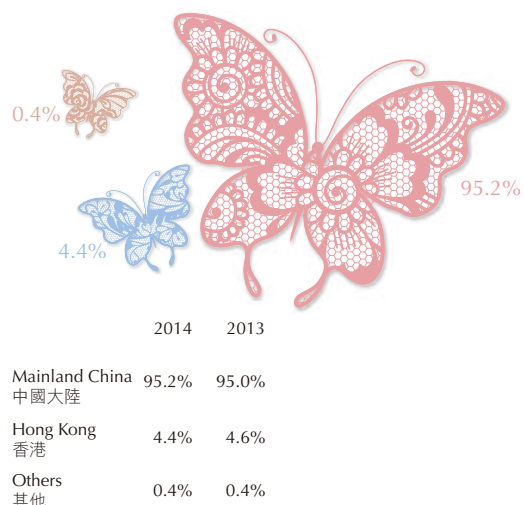
Financial Highlights

財務摘要

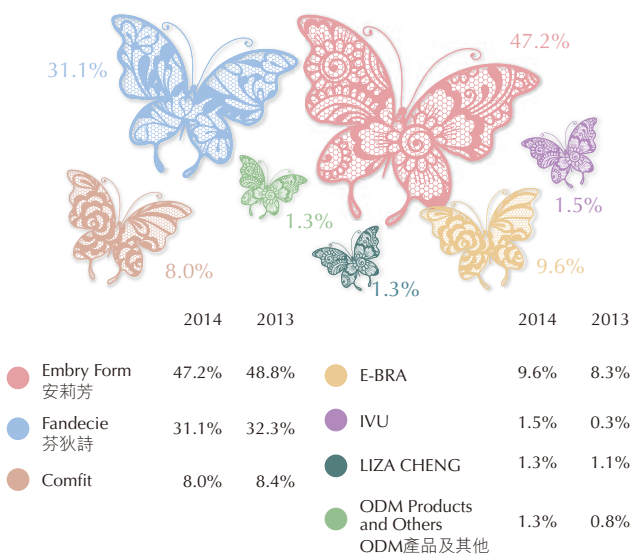
By Business Activities 按業務活動



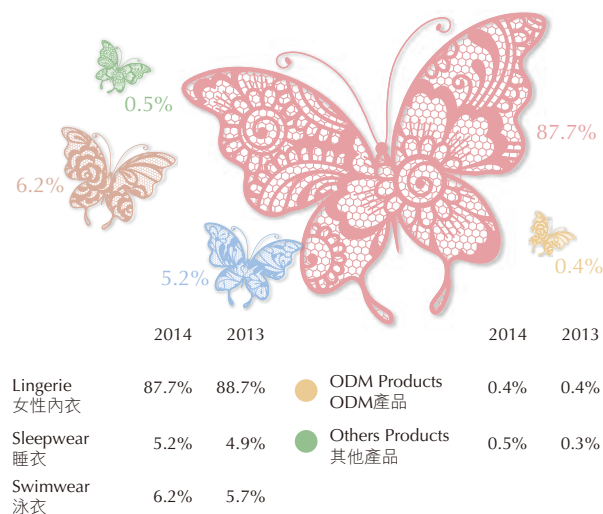
By Locations 按地區



By Brands 按品牌

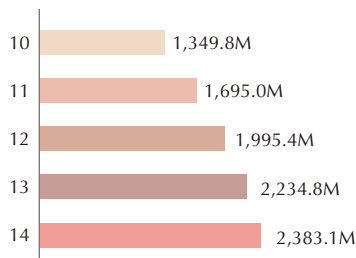


By Products 按產品



Revenue 收益

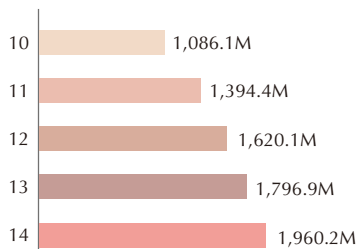
CAGR 15.3%
複合年增長率



For the year ended December 31
截至十二月三十一日止年度

Gross Profit 毛利

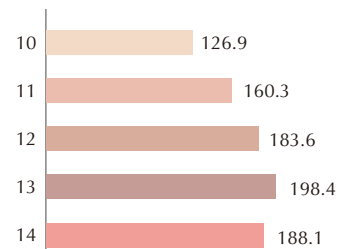
CAGR 15.9%
複合年增長率



For the year ended December 31
截至十二月三十一日止年度

Profit for the Year Attributable to Owners of the Company 本公司擁有人應佔年度溢利

CAGR 10.3%
複合年增長率



For the year ended December 31
截至十二月三十一日止年度



EMBRY 安莉芳

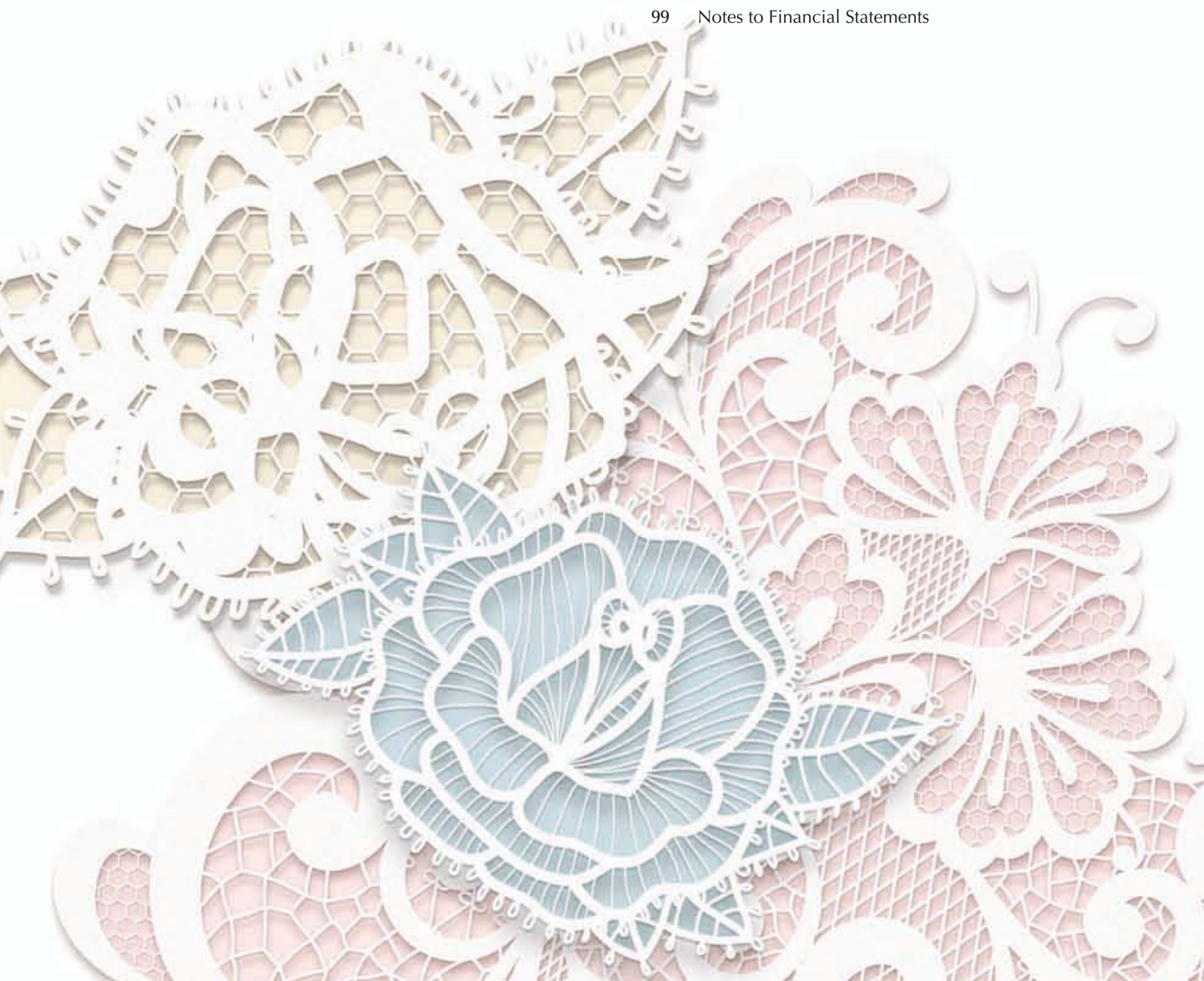
As a leader in China's lingerie industry, Embry Group continued to pursue sustainable development and seized every opportunity arising from the changing business environment.

作為中國女性內衣行業的市場領導者，
安莉芳集團繼續把握經營環境轉變帶來的每一個
機遇致力推動業務持續發展。



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Corporate Information

Directors and Board Committees

Directors

Executive Directors

NGOK Ming Chu (*Chairman*)

CHENG Pik Ho Liza
(*Chief Executive Officer*)

LU Qun

Independent Non-Executive Directors

LAU Siu Ki (alias, Kevin Lau)

LEE Kwan Hung

LEE T. S. (alias, Lee Tien-sheng)

Board Committees

Audit Committee

LAU Siu Ki (alias, Kevin Lau)
(*Chairman*)

LEE Kwan Hung

LEE T. S. (alias, Lee Tien-sheng)

Remuneration Committee

LEE Kwan Hung (*Chairman*)

CHENG Pik Ho Liza

LAU Siu Ki (alias, Kevin Lau)

LEE T. S. (alias, Lee Tien-sheng)

Nomination Committee

LEE T. S. (alias, Lee Tien-sheng)
(*Chairman*)

CHENG Pik Ho Liza

LAU Siu Ki (alias, Kevin Lau)

LEE Kwan Hung

Compliance Officer

CHENG Pik Ho Liza

Company Secretary

SO Ka Man

Registered Office

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head Office and Principal Place of Business

7th Floor, Wyler Centre II

200 Tai Lin Pai Road

Kwai Chung, New Territories

Hong Kong

Principal Bankers

Hang Seng Bank Limited

Hang Seng Bank (China) Limited

Nanyang Commercial Bank, Limited

The Hongkong and Shanghai Banking

Corporation Limited

Bank of China

— Shenzhen Shangbu Branch

China Construction Bank

— Shenzhen Buxin Branch

China Construction Bank

— Shenzhen Tianbei Branch

China Merchants Bank

— Shenzhen Dongmen Branch

China Merchants Bank

— Shenzhen Shekou Branch

Legal Advisers

As to Hong Kong law:

Chiu & Partners

As to PRC law:

GFE Law Office

Auditors

Ernst & Young

22nd Floor, CITIC Tower

1 Tim Mei Avenue, Central

Hong Kong

Share Registrars

Principal Share Registrar and
Transfer Office in the
Cayman Islands

Royal Bank of Canada Trust Company
(Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

Cayman Islands

Branch Share Registrar and
Transfer Office in
Hong Kong

Tricor Investor Services Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

Investor Relations

iPR Ogilvy Limited

Website

www.embrygroup.com

Stock Code

1388



The background features a light-colored, intricate lace pattern. Overlaid on this are several dark blue butterfly silhouettes and floral motifs. One butterfly is in the upper left, another in the lower right, and a large, detailed floral design occupies the bottom left and center. The text is centered in the upper half of the image.

Embry had a retail network
of **2,317 OUTLETS**
in more than 260 cities in China



Embry continues with its

MULTI-BRAND STRATEGY

and further enhances the competitiveness of its core brands





NGOK Ming Chu
Chairman of the Group

Chairman's Statement

To All Shareholders,

It is my great pleasure to present the audited annual results of Embry Holdings Limited for the year ended 31 December 2014 on behalf of the Board of Directors.

In 2014, global economic conditions remained uncertain. While the United States' economy was growing at a steady pace, the member states of the European Union fell behind in economic recovery. Affected by the external economic environment, China embarked on economic restructuring and entered a period of "new normal" of more moderate growth. The Chinese government's austerity measures and policies against extravagance and luxury also dampened consumer sentiment in the short term. Meanwhile, reduced government interventions in foreign exchange resulted in large "depreciate-appreciate-depreciate" fluctuations in the Renminbi's exchange rate against the US dollar during the year, affecting overall economic activities.

6

Chairman's Statement

The country's underwear retail sector also faced challenges arising from the complicated economic conditions. Weak consumer sentiment further slowed the growth of the entire sector. However, ongoing urbanisation, improving per capita income and rising living standards continued to boost consumer spending and unleash the consumption potential in the third- and fourth-tier cities, thus laying the solid foundations for the development of the country's consumer market and the healthy development of the underwear retail sector in the long term.

As a leader in China's lingerie industry, Embry Group continued to pursue sustainable development by taking a prudent approach to business planning and by adopting a flexible multi-brand strategy. It also fully capitalised on its optimised nationwide sales network, took on multiple market challenges with optimism, and seized every opportunity arising from the changing business environment.

Building and developing its brands is the key to the Group's success. Specifically, the Group forged ahead with a multi-brand strategy and reallocated its brands' resources flexibly. Such strategic advantages were manifested in the current challenging business environment. **E-BRA**, **IADORE** and **IVU**, which have been introduced to the market in recent years, played a critical role in the growth reported in 2014 as they mitigated the impact of the weak consumption of mid-priced and high-end underwear products under our major brands. Such products enabled steady development of our business and broadened our client base.

The Group adapted to changes in the market environment. It formulated flexible marketing and promotional plans, and strategically expanded its retail network in order to meet the rising market demand and maintain its operational efficiency. These measures will be able to support the healthy development of the business. During the year, the Group recorded a net increase of 45 retail outlets to 2,317 outlets in total at the end of December 2014. The Group's retail network spanned across more than 260 cities in China and even reached the third- and fourth-tier cities.

In 2014, the Group reported growth in both revenue and core earnings. The revenue for the full year amounted to HK\$2,383,127,000. Excluding losses from foreign exchange, the Group's net profits were HK\$195,868,000.

To thank our shareholders for their long-term support, the Board recommends the payment of a final dividend of HK8.00 cents per share and a special dividend of HK2.00 cents per share.

For 2015, the prospect for the world's economic development remained complicated in light of the recurrence of the Greek debt crisis and persistent currency fluctuations. In China, the economy is complicated by its restructuring and thus continues to face the risk of a downtrend in both the long and short term. The country's ongoing urbanisation is progressing at a steady pace and its per capita income and living standards are improving. This will boost the economic growth in the long term, favouring the expansion of the consumer market.

Chairman's Statement

The Group will continue to take on the challenges posed by market changes via a more pragmatic and prudent approach to setting and implementing its development strategies. The Group will continue with its multi-brand strategy and further enhance the competitiveness of its core brands. In the forthcoming year, the Group will focus on developing **E-BRA** and **IADORE**, while improving market share by accelerating the market penetration in the third- and fourth-tier cities. Having adjusted its retail network, the Group is well-positioned to stringently control sales expenses with the aim of enhancing overall operating efficiency. The Group expects that the number of retail outlets in 2015 will approximate that achieved at the end of 2014.

The Group will actively conduct promotional campaigns, enhance its capability in research and development in innovative products, and will optimise its product mix to meet diverse consumer needs. In addition, the Group will continue to enhance its modernised production to raise efficiency and to ensure that the production capacity satisfies the growing demands. In the first quarter of 2014, the second phase of the Group's plant in Jinan, Shandong commenced its trial production as scheduled, yielding satisfactory performance and efficiency. The construction of the production base in Changzhou, Jiangsu is progressing smoothly, and will be completed for relocation by the first quarter of 2015.

I have assumed office for one year since 24 March 2014, and with the vigorous support of our employees, the Group overcame challenges arising from the economic conditions. I would like to take this opportunity to thank all of our employees for their contribution to the Group over the past year. Their contribution has helped the Group achieve fruitful results. I would also like to express my heartfelt gratitude to our shareholders for their unwavering support, and appreciation of the Group's aspirations and development strategy. This year, we will enhance the performance of Embry Group to the best of our ability, build a brighter future, and achieve better returns for our shareholders.

NGOK Ming Chu

Chairman

Hong Kong, 24 March 2015

A woman with dark hair pulled back is posing in a black lace bra and matching high-waisted briefs. She is standing in a bright room with white curtains in the background. Her right arm is raised, and her left hand is on her hip. In the foreground, a large, intricate white lace fan is partially visible. The lighting is soft and natural, creating a serene and elegant atmosphere.

Embry closely monitors the market conditions while adopting flexible and prudent development strategies.

Management Discussion and Analysis



Business and Operations Review

In 2014, China's economy continued its consistent growth while ongoing urbanisation laid the solid foundations for its long term economic development. Nevertheless, the Chinese government's austerity measures and policies against extravagance and luxury dampened consumer sentiment for a while, thus decelerating the growth of the retail market. According to China's National Bureau of Statistics, the country's gross domestic product grew by 7.4% to RMB63,646.3 billion in 2014. The growth rate was 0.3 percentage point lower when compared to that in 2013, and led to a slowdown in the total retail sales in 2014.

Since the second quarter of 2014, the People's Bank of China gradually withdrew from its long established practice of intervening in the market to allow a wider trading band for Renminbi's exchange rate against the US dollar. This

halted the consistent trend of Renminbi's appreciation against the US dollar, and increased significantly the amplitude of fluctuation of the exchange rate between the two currencies, therefore somehow affecting the overall economic activities. As a result, Embry's financial results for 2014 were also affected despite the Group's prudent countermeasures to cope with these changes in the market environment and the increasing competition, such as adopting cautious business development policies, flexible multi-brand strategy and optimising sales network.





Management Discussion and Analysis

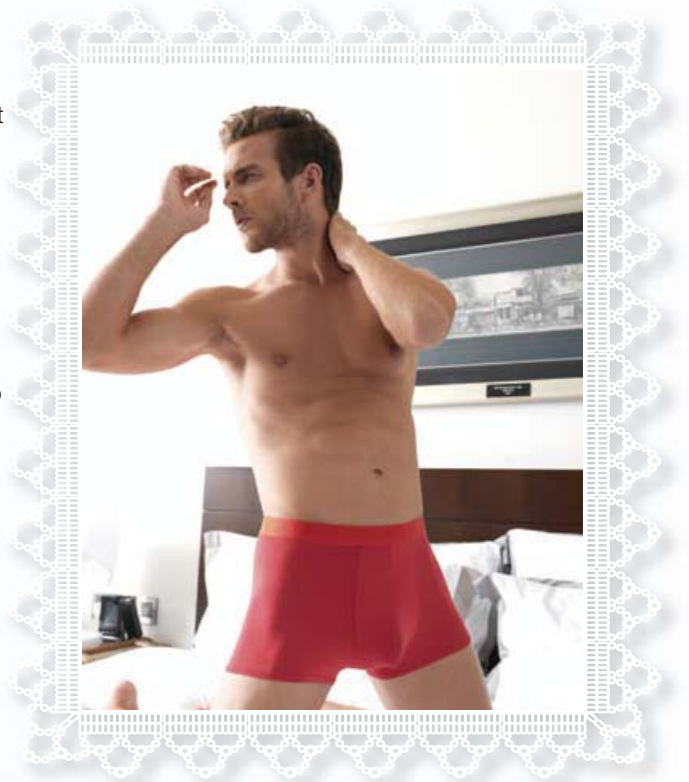
For the year ended 31 December 2014 (the “Current Year”), the Group’s revenue grew by 6.64% over that of the year ended 31 December 2013 (the “Prior Year”) to HK\$2,383,127,000. Profit attributable to owners of the Company dropped by 5.18% to HK\$188,093,000. Earnings per share decreased by 5.19% to HK45.14 cents (2013: HK47.61 cents). Excluding the impact of foreign exchange differences, the Group’s net profit grew by 7.25% from the Prior Year to HK\$195,868,000.

The Board of Directors of the Company resolved to declare a final dividend of HK8.00 cents per share (2013: HK8.00 cents) and a special dividend of HK2.00 cents per share (2013: HK2.00 cents) for the Current Year which, together with the interim dividend of HK4.00 cents per share (2013: HK4.00 cents) distributed, will bring the total dividend for the Current Year to HK14.00 cents per share.

Brand management

In 2014, consumers tended to be more cautious in spending and were more price-conscious amid weak consumer sentiment. Pursuing its multi-brand strategy, the Group continued to allocate internal resources flexibly and to focus on promoting brands that have great market potential but lower market penetration, such as **E-BRA**. In addition, the Group invested resources in developing such new brands as **IADORE** and **IVU**. Particularly, the male underwear **IVU** successfully made its way to a variety of high-end department stores since its trial launch one year ago. With positive feedback from consumers, the annual sales contributed over HK\$30 million, representing an encouraging result.

Apart from improving brand portfolio, the Group also promoted and advertised its brands and products more actively to enhance brand equity. During the Current Year, the Group participated in



the Ninth Shenzhen International Brand Underwear Fair and 2014 China International Intimate Apparel Culture Week. At the fair, the Group received the “Annual Public Service Award of China’s Underwear Industry”. In addition, **EMBRY FORM** won the “Annual Achievement Award of China’s Underwear Industry”, **FANDECIE** clinched the “Annual Top Ten Brands Award of China’s Underwear Industry” and **E-BRA** took the “Annual Fashion Brands Award of China’s Underwear Industry”. During the second half of 2014, the Group collaborated with the department stores under Dashang Group in launching several product presentations under the theme of “Delightful Fashion and Exclusive Intimacy”, thus improving our brand image in the public’s mind.

Management Discussion and Analysis

As the Internet and e-commerce became increasingly popular, the Group constantly focused on enhancing and maintaining the image of its various brands on the Internet with a view to raising the awareness of the brands during the Current Year. In terms of online sales, the Group continued to adopt conservative strategies by concentrating on sales of promotional and online-only products, maintaining consistent online and offline brand images.

Sales network

The Group was cautiously optimistic about the market's potential growth, and continued to efficiently expand and optimise its sales network, so as to achieve steady business development. As at 31 December 2014, the Group had 2,317 retail outlets in total, including 2,128 concessionary counters and 189 stores. During the Current Year, there was a net increase of 45 retail outlets of the Group, which was consistent with the annual target. Meanwhile, the Group's products were also available for sales through different online platforms.



Product design and research and development

The Group invested resources in the design, research and development of new products. The improvement in patented designs enriched the value of its products which catered for consumer needs at various levels.

During the Current Year, the Group launched a variety of well-received new collections, including: **EMBRY FORM's** "Reborn Skin Series" (「第二肌膚系列」) and "Tempting Image Series" (「魅惑芳影系列」); **FANDECIE's** "Neon Happiness Series" (「幸福霓虹1系列」) and "Secret Garden Series" (「秘密花園系列」); **COMFIT's** "Invisible Body Toning Series" (「隱形美體系列」) and "Traceless Series" (「立體無痕系列」); **E-BRA's** "Endless Love Series" (「綿綿情意系列」) and "Glamorous and Dynamic Series" (「亮彩活力系列」); **IADORE's** "Eyelashes LACE Series" (「睫毛LACE系列」) and "Shadow LACE Series" (「光影LACE系列」); **LIZA CHENG's** "Chanson Series" (「香頌系列」) and "Perfect Wedding Gown Series" (「完美嫁衣系列」); and **IVU's** "Warm Velvet Series" (「暖絨系列」) and "Autumn and Winter Cotton Series" (「秋冬夾棉家居系列」).

As at 31 December 2014, the Group had 6 invention patents, 19 utility model patents, and 11 appearance design patents registered in China and/or other parts of the world.

Production capacity

Currently, the Group has three production bases located respectively in Shenzhen, Jinan and Changzhou. To satisfy development needs, the second phase of the Jinan plant in Shandong commenced its trial production as scheduled in the first quarter of 2014, yielding satisfactory performance and efficiency. The construction of a new production base in Changzhou is progressing smoothly and the relocation is scheduled to begin by the first quarter of 2015 once completed.

The Group has been closely monitoring the changes in consumer demands, regularly reviewing capacity allocation and flexibly deploying manpower and machine capacity to achieve better operating efficiency.

Management Discussion and Analysis

Awards

During the Current Year, the Group was granted the “**National Excellent Enterprise with Foreign Investment — Quality Progress Award**” and “**National Excellent Enterprise with Foreign Investment — Harmonious Labour Relationship Promotion Award**” by China Association of Enterprises with Foreign Investment and Shenzhen Association of Enterprises with Foreign Investment in 2014. The Group also won the title “**National Excellent Enterprise with Credible Quality**” by China Association for Quality Inspection. In addition, the Group received the title “**Three-Star Credibility Enterprise**” from the Shanghai Campaign Committee for “Credibility Enterprise” and Shanghai Association of Underwear Industry. In terms of brand, **EMBRY FORM** was rated as the “**Hong Kong Top Brand**” by the Hong Kong Brand Development Council and the Chinese Manufacturers’ Association of Hong Kong for eight consecutive years.

Human resources

Tense labour supply and implementation of the minimum wage policy in China have resulted in continuous wage increase. The Group endeavored to retain an outstanding work force, through measures such as organising training courses, improving employee benefits and enhancing staff loyalty, in order to improve its overall operation efficiency to enhance its development strategy. The number of employees of the Group increased to approximately 9,730 (2013: approximately 9,120). Total staff costs (including wages and basic salaries, commissions, bonuses, contributions to the retirement benefits scheme and equity-settled share option expense and excluding directors’ and chief executive’s remunerations) for the Current Year was HK\$715,717,000 (2013: HK\$633,032,000).

Financial Review

Revenue

By sales channel and region

During the Current Year, revenue was HK\$2,383,127,000, representing a 6.64% increase over the Prior Year. Affected by the weak consumer sentiment in China’s retail sector, the Group’s revenue for the fourth quarter remained flat year on year, inhibiting growth for the entire year. With its multi-brand strategy in place, however, the Group rallied the promotional efforts for different brands in its product portfolio to satisfy the customer demand amid a volatile market environment, thus maintaining steady growth in the overall sales.

During the Current Year, revenue from the retail sales was HK\$2,021,136,000, accounting for 84.81% of the Group’s total revenue and representing an increase of 7.78% over the Prior Year. Revenue from the wholesale business increased by 3.81% from HK\$266,727,000 to HK\$276,885,000, accounting for 11.62% of the total revenue. Revenue from the Group’s direct online sales channels dropped by 10.25% from HK\$84,375,000 over the Prior Year to HK\$75,724,000. The export business revenue was HK\$9,382,000, accounting for an insignificant proportion of the Group’s total revenue at 0.39%.

The Mainland China market is the main source of income for the Group. During the Current Year, revenue from the Mainland China market grew by 6.87% over the Prior Year to HK\$2,269,951,000, accounting for 95.25% of the Group’s total revenue.

Management Discussion and Analysis

By brand and product line

The Group currently operates seven brands, namely **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **IADORE**, **IVU** and **LIZA CHENG**, serving different customers groups and purchasing powers. **EMBRY FORM**, our signature brand, is the main source of income for the Group and its revenue increased 3.05% to HK\$1,124,662,000, accounting for 47.20% of the total revenue for the Current Year. The revenue of **FANDECIE** increased 2.73% over the Prior Year to HK\$742,175,000, accounting for 31.14% of the total revenue for the Current Year. **COMFIT**'s revenue grew by 2.53% over the Prior Year to HK\$191,360,000, accounting for 8.03% of the total revenue for the Current Year. **E-BRA**'s revenue grew by 22.91% over the Prior Year to HK\$228,771,000, accounting for 9.60% of the total revenue for the Current Year. **LIZA CHENG**'s revenue for the Current Year increased 20.71% to HK\$30,794,000. New brands **IADORE** and **IVU**, which were in the start-up stage, received positive market feedbacks, and recorded revenues of HK\$21,346,000 and HK\$34,637,000 respectively. The brand's respective proportions in the revenue mainly reflected the Group's alignment of its business focus to market development.



Lingerie has always been the Group's core product line. During the Current Year, sales of lingerie increased by 5.51% over the Prior Year to HK\$2,090,151,000, representing 87.71% of the revenue of the Group. Sales of sleepwear and swimwear performed well. Sales of sleepwear recorded a growth of 13.33% to HK\$124,729,000, accounting for 5.23% of the total, while sales of swimwear recorded a 15.88% increase to HK\$148,664,000, accounting for 6.24% of the total. The above two product lines enrich the Group's product mix.

Gross profit

During the Current Year, the Group recorded a gross profit of approximately HK\$1,960,205,000, representing an increase of approximately 9.09% over the Prior Year. Gross profit margin was approximately 82.25%, up from the Prior Year. Although rising labour costs led to increasing pressure on operating costs, the Group still achieved better economy of scale through business expansion, and improved production efficiency and brand equity by enhancing production automation. As a result, the Group's gross profit margin remained relatively stable.

Other income and gains

Other income dropped by 50.13% to HK\$37,976,000 in the Current Year, mainly attributable to the exchange loss recorded by the Group, which was attributable to the depreciation of Renminbi, arising from the Group's business operations in Mainland China, and the decrease in subsidy income for the Current Year.

Operating expenses

During the Current Year, selling and distribution expenses increased by 7.98% to HK\$1,485,498,000 (2013: HK\$1,375,742,000), accounting for 62.33% (2013: 61.56%) of the Group's revenue.

Selling and distribution expenses increased as a percentage of turnover, mainly attributable to the slowing revenue growth, causing a decline in the Group's overall operating efficiency. In 2015, to alleviate the pressure of the rising cost ratio, the Group plans to close retail outlets that report low profits for the purpose of enhancing our operating efficiency. We aim to bring the cost ratio down to a reasonable level in 2015.

Management Discussion and Analysis

During the Current Year, increase in contingent rents of the retail outlets, staff costs and expenses incurred from counter decoration, continued to exert upward pressure on operating costs. Contingent rents of the retail outlets rose by 8.95% to HK\$598,334,000, accounting for 25.11% (2013: 24.58%) of the Group's revenue.

Administrative expenses increased by 9.97% to HK\$234,932,000, accounting for 9.86% of the Group's revenue, compared with 9.56% in the Prior Year.

Net profit

Profit attributable to owners of the Company was HK\$188,093,000 in the Current Year, representing a decrease of 5.18% over the Prior Year. Due to such decrease in profit attributable to owners of the Company, the net profit margin decreased from 8.88% in the Prior Year to 7.89%. Excluding the impact of foreign exchange differences, the Group's net profit was HK\$195,868,000, representing an increase of approximately 7.25% as compared against the Prior Year. After deducting the foreign exchange differences, the net profit margin was 8.22%.

Liquidity and financial resources

The Group finances its operations mainly with internally generated cash flows. Financial position of the Group remained sound and healthy during the Current Year. As at 31 December 2014, the Group's cash and cash equivalents amounted to approximately HK\$180,105,000 (2013: HK\$346,327,000). Major reason for the decrease was because of the increase in capital expenditure incurred during the Current Year. As at 31 December 2014, the Group's borrowings amounted to HK\$185,000,000 (2013: HK\$121,750,000). As at 31 December 2014, the equity interest attributable to owners of the Company amounted to HK\$1,744,565,000 (2013: HK\$1,628,246,000). Accordingly, the gearing ratio of the Group was approximately 10.60% (2013: 7.48%). During the Current Year, the Group did not pledge any assets to secure bank loans.

In addition, the Group has been engaged in the infrastructure project in relation to its new production base in Changzhou, Jiangsu Province since 2013. This project, while satisfying future development needs, will result in a significant increase in the capital expenditure of the Group. The related cash outlays will

approach its peak from 2014 to mid-2015 as the project heads towards its completion.

To cope with such arrangement, the Group entered into three banking facilities with banks in 2014 and early 2015, respectively, with a total amount of approximately HK\$406,582,000. Amongst these banking facilities are two five-year term loan agreements of HK\$230,000,000 in aggregate, and the remaining was a standby facility. As at 24 March 2015, the Group's outstanding loans amounted to HK\$245,658,000, representing an increase of 32.79% from that as at 31 December 2014, and the Group did not pledge any asset over its bank loans.



Management Discussion and Analysis

Capital expenditure

During the Current Year, the Group's capital expenditure amounted to HK\$279,349,000 (2013: HK\$199,399,000), after offsetting the subsidy received from the People's Government of Jinan, Shandong Province, the PRC, for the construction cost of basic infrastructure incurred by the Group ("Shandong Factory Phase II Development"), amounted to approximately HK\$23,846,000. As at 31 December 2014, the Group's capital commitments amounted to HK\$94,660,000, which were contracted but not provided for in the financial statements (2013: HK\$266,392,000).

Charge on the Group's assets

As at 31 December 2014, the Group did not pledge any assets.

Capital structure

As at 31 December 2014, the total issued share capital of the Company was HK\$4,166,000 (2013: HK\$4,166,000), comprising 416,661,000 (2013: 416,661,000) ordinary shares of HK\$0.01 each.

Details of the above are set out in note 30 to the financial statements.

Significant investment held, material acquisitions and disposals of subsidiaries and associated companies

During the Current Year, the Group was neither involved in any significant investment, nor any material acquisitions or disposals of any subsidiaries or associated companies.

Foreign currency exposure

The Group carries out its transactions mainly in Hong Kong dollars and Renminbi. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of the business.

Contingent liabilities

As at 31 December 2014, bank guarantees given in lieu of the Group's property rental deposits and utility deposits amounted to HK\$2,196,000 (2013: Nil).

Save as disclosed above, the Group had no other significant contingent liabilities, nor any litigation or arbitration of material importance.

Prospect

In 2015, global political and economic conditions are uncertain that evaluation of their impact on the economy became difficult. To cope with the world's changing economic environment, the Chinese government presses ahead with its economic restructuring which poses a risk of an economic downturn and has thus affected the consumer sentiment inevitably in the short term. Nevertheless, the Directors believe that the national income and living standards will improve on the back of China's accelerating urbanisation. These shall continue to drive consumer spending, thereby laying the foundations for the country's consumer market.

Management Discussion and Analysis

As the market leader in the lingerie industry in China, the Group will adopt a cautiously optimistic approach to upcoming market challenges. Specifically, it will closely monitor the market conditions while adopting flexible and prudent development strategies. The Group will continuously strengthen its product design and innovation capabilities in order to meet the diverse consumer needs. Moreover, the Group will continue to adhere to its multi-brand strategy and enhance the competitiveness of its core brands. In 2015, the Group will continue to focus on the development of **E-BRA**, while allocating resources to the brand development of **IADORE**. By increasing the market penetration in third-tier cities through wholesale channels, the Group will timely tap the potential demand that will arise from the urbanisation for better business growth.

The sales network plays a vital role in the retail sector. Due to the short-term uncertainties in the market, the Group will exercise more caution by gauging both the market environment and the outlet operation efficiency closely. The Group will strictly control the sales expenses, and appropriately adjust and optimise the network to enhance overall operating efficiency. The Group expects that the number of retail outlets in 2015 will approximate that achieved at the end of 2014. In consideration of the increasing demand for online shopping, the Group will closely monitor the market development, adjust resources flexibly, and conduct online marketing and promotional campaigns to accelerate the development of its online shopping business.

The Group will constantly enhance its production efficiency and strengthen production automation to price its products more competitively, supporting its business expansion and developing its new brands to spur sales growth. As the overall production efficiency of Jinan plant in Shandong improves and the Changzhou production facility begins operation in 2015 after relocation, the Group will maintain stable production capacity.

Despite a challenging business environment in the short term, the Group believes there remains huge potential in China's underwear market. The Group will utilise its flexible and powerful multi-brand strategy, adopt a sound and pragmatic approach to its development, continuously optimise its sales network, and enrich its product portfolio through innovation. These measures will reinforce the Group's leading position in the retail market, foster long-term and steady business growth and generate satisfactory returns to its shareholders.



The Group will constantly enhance its production efficiency and strengthen production automation to price its products more competitively, supporting its business expansion and developing its new brands to spur sales growth.



Awards in 2014



- **EMBRY FORM** received the **Hong Kong Top Brand** (2007–2014) award from the Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong
- **EMBRY FORM** and **FANDECIE** were both awarded the **Quality Tourism Services Scheme Certification Mark** by the Hong Kong Tourism Board
- **EMBRY FORM** received the **Annual Achievement Award** and **Annual Public Service Award of China's Underwear Industry (2013–2014)** in the 2014 China International Intimate Apparel Culture Week
- **FANDECIE** was granted the **Annual Top Ten Brands Award of China's Underwear Industry (2013–2014)** in the 2014 China International Intimate Apparel Culture Week
- **E-BRA** received the **Annual Fashion Brands Award of China's Underwear Industry (2013–2014)** in the 2014 China International Intimate Apparel Culture Week
- **Embry (China) Garments Ltd.** was granted the awards of **2014 National Excellent Enterprise with Foreign Investment – Quality Progress** and **Harmonious Labour Relationship Promotion** by the China Association of Enterprises with Foreign Investment and Shenzhen Association of Enterprises with Foreign Investment
- **Embry (China) Garments Ltd.** was awarded the certificate of **National Excellent Enterprise with Credible Quality** by the China Association for Quality Inspection
- **Embry (Shanghai) Company Limited** was accredited as a **Three-Star Credibility Enterprise** by the Shanghai Campaign Committee for Credibility Enterprise and the Shanghai Association of Underwear Industry
- **Embry (H.K.) Limited** was accredited by The Hong Kong Council of Social Service as a **Caring Enterprise**

Corporate Social Responsibility



As a leading lingerie brand and retail enterprise in China, Embry has been committed to corporate social responsibility for more than 30 years. Embry always believes in the integrated values of maintaining a balance among social, economic and environmental developments, and is engaged in charitable causes to show its care and support for public welfare. In 2014, the Group continued to uphold this principle when fulfilling its social responsibility by working for the causes of women's affairs, the common good and environmental protection under the theme "Love and Care".

Care for Women, Promote Public Good

Embry has jointly organized the "Blue Ribbon Charity Campaign" with China Women's Development Foundation for eight consecutive years. In 2014, the Group made a donation of over RMB5 million in kind to the ethnic minorities and underprivileged women in Guangxi, Jiangxi, Guizhou, Shandong and Shanghai. The Group also conducted a large-scale charitable campaign under the theme of "Endless Affection and Beauty" (「爱心传承·美无止境」) at the end of the year by teaming up with the staff of China Women's Development Foundation and health specialists to visit the Baise City in Guangxi and Ji'an City in Jiangxi. The team held health seminars for women of the ethnic minorities and visited the underprivileged families with the aim of gaining thorough understanding of their living conditions, promoting knowledge about women's health and helping the women of the ethnic minorities in remote areas in fostering a sense of self-confidence. The charitable campaign which is organized by the Group and carried out in cooperation with China Women's Development Foundation, has by far been conducted in 17 provinces, cities and autonomous regions in the country. The Group has donated a total sum of approximately RMB30.78 million in kind over the years, providing support and building a dream of beauty and health for the underprivileged women in regions of such ethnic minorities as the Zhuang, Yao, Manchu, Miao, Dong, Korean, Mongolian, Tibetan and Dai.

Corporate Social Responsibility

Employee Participation

The “Community Chest Dress Casual Day” is a broad-scale annual fund-raising event of The Community Chest of Hong Kong, which raises fund to give assistance to the underprivileged locals and to help members of needy families to establish close relationship and mutual love, thus maintaining and strengthening family units in the society. In addition to joining this meaningful charitable fund-raising event, Embry also participated in the “Community Chest Skip Lunch Day” to raise money for the street sleepers, residents in cage homes and cubicles, and to help people from different sectors of the society who are in need.

In addition, the Group participated in the “Moon Cake Charity Sale” which was organized by Plan International Hong Kong. Not only did Embry extend love and care to children and families in need, but also shared the charity moon cakes with its employees. The Company and employees united in promoting the message of “Love and Care”.

During the year, Embry continued to devote resources and professional knowledge to the community. It was awarded the “Caring Company Logo” by the Hong Kong Council of Social Service (HKCSS) for two consecutive years in recognition of its contribution to the common good. The Group will continue to participate in the “Caring Company” program and undertake the mission of “Caring for the Community, Caring for the Employees, Caring for the Environment” by jointly promoting corporate social responsibility and building an inclusive community with HKCSS.

Concern for Environmental Protection

As a socially responsible enterprise, Embry has been actively developing green policies and allocating resources to projects that prevent environmental pollution and restore the environment for years in order to strike a balance between sustainable corporate development and environmental protection. Back in 2002, Embry pioneered a green lingerie production chain by utilizing environmental friendly production techniques in producing green and ecological underwear of the highest standards. Since 2006, the Group’s eco-industrial park in Shandong has been using environmental friendly construction facilities such as renewable energy technology of geothermal heat pumps, energy-saving insulation walls and natural lighting in the production areas in a green project named “Beauty Project” (「美麗工程」) to build a low-carbon green industrial zone for sustainable development. These facilities enable the Group to save energy and decrease the emission of carbon dioxide and sulfur dioxide, thus further reducing the impact of production processes on the environment.

Embry carries out a set of strict control measures for its production to ensure its products and production processes comply with the highest national environmental standards. In 2002, Embry pioneered the green products which had ecological benefits, and thus became the first lingerie enterprise in the industry to have been awarded the “Ten-Ring Certification” (「十環標誌」). Ecological products are defined as those whose raw materials, especially textiles, have passed ecological certification. The production process of such products is also strictly monitored so that the use of harmful dyes, pesticide and formaldehyde is banned, application of extractable heavy metals is restricted, and the pH value is balanced. Integrating the use of ecologically certified textiles in its products with its own patented technologies, Embry brings intimate comfort and health protection for women.

Directors and Senior Management

Executive Directors

Madam Ngok Ming Chu, aged 78, is the Chairman of the Group and an Executive Director of the Company. She is also a director of certain subsidiaries of the Company. Madam Ngok is in charge of the Group's corporate strategy and business planning. She joined the Group in 1980 and has over 34 years of experience in the lingerie industry. Madam Ngok graduated from and is currently an Honorary Professor of Beijing Agricultural Engineering University (now known as China Agricultural University). She is also a shareholder and director of Harmonious World Limited (a substantial shareholder of the Company), the spouse of Mr. Cheng Man Tai (a substantial shareholder of the Company) and the mother of Ms. Cheng Pik Ho Liza (an Executive Director of the Company).

Ms. Cheng Pik Ho Liza, aged 52, is the Chief Executive Officer of the Group, an Executive Director and a member of both the Remuneration Committee and Nomination Committee of the Company. She is also a director of certain subsidiaries of the Company. Ms. Cheng is responsible for the day-to-day management of the businesses of the Group. Ms. Cheng joined the Group in 1993 and has over 22 years of experience in the lingerie industry. She obtained a Bachelor's degree in Business Administration from the University of Southern California and a Master of Business Administration (Executive) degree from the City University of Hong Kong. Ms. Cheng was awarded the prize for Young Industrialist in Hong Kong in 1999 and was appointed as Vice Chairman of Shanghai Garment Trade Association in 2008. She obtained the World Outstanding Chinese Award and Honorary Doctorate of Business Administration from International American University in March 2009, and was awarded Fellowship and admitted as Visiting Professor by Canadian Chartered Institute of Business Administration and Lincoln University respectively in September 2009. Furthermore, Ms. Cheng was elected as the first President of Shenzhen Underwear Association in August 2012. She is currently a member of the Jinan Committee of the Chinese People's Political Consultative Conference in Shandong, a member of the Yangpu Committee of the Chinese People's Political Consultative Conference in Shanghai, a member of the China Trade Advisory Committee of Hong Kong Trade Development Council, the Vice Chairman of China Knitting Industrial Association and the Vice Chairman of The Hong Kong General Chamber of Textiles Limited. Ms. Cheng is also a director of Harmonious World Limited (a substantial shareholder of the Company), and the daughter of Mr. Cheng Man Tai (a substantial shareholder of the Company) and Madam Ngok Ming Chu (the Chairman of the Group).

Ms. Lu Qun, aged 61, is an Executive Director of the Company and currently the Assistant General Manager (Strategic Management) of Embry (China) Garments Ltd., a wholly owned subsidiary of the Company. She is also a director and the General Manager of Embry (Shandong) Garments Limited, another wholly owned subsidiary of the Company. She is responsible for the functions of strategic management and project management in Mainland China (the "PRC"). Ms. Lu joined the Group in April 2003 and has over 35 years of experience in management and administration. She obtained a Master's degree in Business Administration from Beihang University (previously known as Beijing University of Aeronautics and Astronautics), the PRC, in 2001. She has also obtained an undergraduate diploma in international trade from the University of International Business and Economics, the PRC, in 1992. Ms. Lu completed a senior managers' human resources management training course held by Tsinghua University, the PRC, in 2006. She has obtained the International Project Management Professional Certification since 2002. She is currently a member of the 15th Shanghai Municipal People's Congress.

Independent Non-Executive Directors

Mr. Lau Siu Ki, alias, Kevin Lau, aged 56, is an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of both the Remuneration Committee and Nomination Committee of the Company. Mr. Lau is currently running his own management consultancy firm, Hin Yan Consultants Limited. Mr. Lau has previously worked at an international accounting firm for over 15 years. He graduated from the Hong Kong Polytechnic in 1981. Mr. Lau is a member of both the Association of Chartered Certified Accountants ("ACCA") and the Hong Kong Institute of Certified Public Accountants. He was a member of the worldwide Council of ACCA from May 2002 to September 2011. Mr. Lau is currently the company secretary of Yeebo (International Holdings) Limited, an independent supervisor of Beijing Capital International Airport Co., Ltd., and an independent non-executive director of Binhai Investment Company Limited, COL Capital Limited, Comba Telecom Systems Holdings Limited, FIH Mobile Limited, Samson Holding Ltd., TCL Communication Technology Holdings Limited and UKF (Holdings) Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Lau joined the Company in November 2006.

Directors and Senior Management

Mr. Lee Kwan Hung, aged 49, is an Independent Non-Executive Director, the Chairman of the Remuneration Committee and a member of both the Audit Committee and Nomination Committee of the Company. Mr. Lee is a consultant of Howse Williams Bowers. He received his LL.B (Honours) degree and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and in England and Wales in 1997. Mr. Lee is currently an independent non-executive director of NetDragon Websoft Inc., Asia Cassava Resources Holdings Limited, Futong Technology Development Holdings Limited, Walker Group Holdings Limited, Newton Resources Ltd, Tenfu (Cayman) Holdings Company Limited, China BlueChemical Ltd. and Landsea Green Properties Co., Ltd., the shares of these companies are listed on the Stock Exchange. He had been an independent non-executive director of New Universe International Group Limited, Yuexiu REIT Asset Management Limited (the manager of Yuexiu Real Estate Investment Trust) and Far East Holdings International Limited, the shares or trust units of which are listed on the Stock Exchange, until his resignation on 18 July 2012, 7 October 2014 and 12 November 2014 respectively. Mr. Lee joined the Company in November 2006.

Prof. Lee T. S., alias, Lee Tien-sheng, aged 66, is an Independent Non-Executive Director, the Chairman of the Nomination Committee and a member of both the Audit Committee and Remuneration Committee of the Company. Prof. Lee is currently the Head and Professor of the Department of Supply Chain Management of Hang Seng Management College. He was the Dean of the Faculty of Business Administration of The Chinese University of Hong Kong from 2002 to 2008 and Vice-President (Academic & Research) of Hang Seng Management College from 2009 to 2014. Prof. Lee obtained his PhD in Business Administration and Master's degree in Business Administration from the University of Missouri-Columbia, the US in 1982 and 1978 respectively. He also holds a Master's degree in Management Science and a Bachelor's degree in Electronic Engineering from the National Chiao Tung University of Taiwan. Prof. Lee's research and teaching interests include supply chain management, quality management and business process reengineering. He has published his research in many academic journals. Prof. Lee joined the Company in November 2006.

Senior Management

Ms. Fung Kam Lai Katie, aged 48, is the Group's Chief Financial Officer. Ms. Fung is responsible for the supervision and management of the Group's overall financial matters and investor relations. She joined the Group in March 2007 as the Internal Audit Director and was appointed to the present position in July 2010. Ms. Fung obtained a Master's degree in Business Administration (Executive) from the City University of Hong Kong. She is a member of Hong Kong Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. Ms. Fung has over 25 years of experience in auditing, financial accounting, corporate investment and financing, as well as management.

Mr. Ma Rui, aged 44, is the Assistant General Manager (Marketing) of Embry (China) Garments Ltd. He is responsible for the functions of sales planning and marketing management in the PRC. Mr. Ma graduated from Changsha University with a diploma in applied computer science in 1992, and is at present studying a master of business administration programme offered by the Shanghai University of Finance and Economics. Mr. Ma has been engaged in various posts in sales and marketing since joining the Group in October 1998. He possesses over 21 years of practical experience in sales and marketing management.

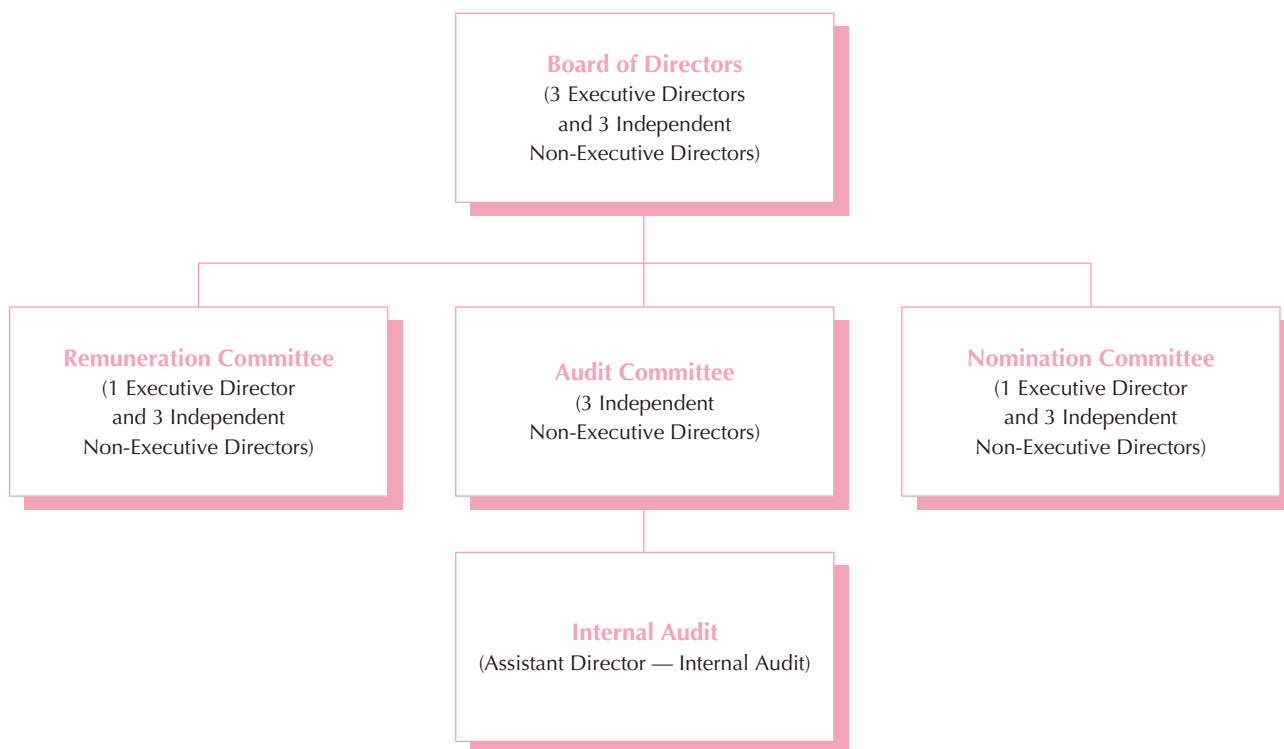
Corporate Governance Report

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth and enhancing shareholders' value.

The Company has adopted the Corporate Governance Code (the "CG Code") as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own code of corporate governance practices.

The Company complied with the code provisions under the CG Code so far as they are applicable and a majority of the recommended best practices under the CG Code throughout the year ended 31 December 2014 (the "Review Period").

Governance Structure



Directors

Board Composition

The Directors place great emphasis on the fiduciary nature of the Board's responsibilities and strive to be accountable to the shareholders of the Company as a whole.

A board diversity policy has been formulated by the Board setting out the approach to maintaining a Board with a diversity of directors. The Company recognises the benefits of diversity at the Board level as an essential element in supporting its sustainable development. All Board appointments will continue to be based on meritocracy with due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Corporate Governance Report

The Board currently comprises three Executive Directors, namely Madam Ngok Ming Chu (Chairman), Ms. Cheng Pik Ho Liza (Chief Executive Officer) and Ms. Lu Qun; and three Independent Non-Executive Directors, namely Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S. The number of Independent Non-Executive Directors represents more than one third of the Board. The biographical details of and relationships among the members of the Board are disclosed under the section headed "Directors and Senior Management" on pages 22 to 23 of this annual report.

The Directors believe that the composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership as all the Executive Directors possess extensive experience in management and the design, production and marketing of lingerie products while the three Independent Non-Executive Directors possess professional knowledge and broad experience in finance, law and management respectively. The Directors are of the opinion that the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the shareholders and the Company.

Appointment, Re-election and Removal of Directors

Article 108 (A) of the articles of association of the Company provides that one-third of the Directors for the time being, or, if their number is not three or multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years at the Company's annual general meeting and shall be eligible for re-election. Under Article 105, the office of a Director of the Company is liable to be vacated in certain circumstances and the Company may remove any Director of the Company by an ordinary resolution at a general meeting as prescribed in Article 114.

The appointment of new Directors and nomination of Directors for re-election at annual general meetings are first considered by the Nomination Committee. The recommendations of the Nomination Committee will then be put to the Board for decision. New Directors appointed by the Board are subject to re-election by shareholders at the next following annual general meeting pursuant to the articles of association of the Company. In considering the appointment of new Directors, the Nomination Committee will assess the candidate according to the criteria set out in Rules 3.08 and 3.09 of the Listing Rules. In the case of a candidate for an Independent Non-Executive Director, he/she should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

Executive Directors

The Executive Directors, Madam Ngok Ming Chu and Ms. Lu Qun, have each entered into a service agreement with the Company for a fixed term of two years with effect from 25 March 2014 and 2 February 2015 respectively, whereas Ms. Cheng Pik Ho Liza has entered into a service agreement with the Company for a fixed term of three years with effect from 1 December 2012. Each Executive Director is entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the Executive Directors for any financial year of the Company shall not exceed 8% of the audited consolidated net profit of the Group (after taxation and non-controlling interests and payment of such bonuses) for that financial year of the Company. An Executive Director shall not vote on any resolution of the Directors regarding the amount of the management bonus payable to her.

Corporate Governance Report

Independent Non-Executive Directors

Each of the Independent Non-Executive Directors was appointed for a term of two years commencing from 25 November 2014 with a formal letter of appointment setting out the key terms and conditions of his appointment.

Save for the directors' fees and the share options granted under the Share Option Scheme (as defined on page 41 of this annual report) to each of them, none of the Independent Non-Executive Directors is expected to receive any other remuneration for holding his office as an Independent Non-Executive Director.

The Company annually assesses the independence of each Independent Non-Executive Director during his term of appointment. In January and February 2015, the Company received from each of the Independent Non-Executive Directors a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Based on such confirmations, the Company considers that all the Independent Non-Executive Directors are independent.

Proceedings of Board Meetings and Board Committee Meetings

The Board considers that all meetings should be legally and properly convened. The Chairman of the Board takes the lead to ensure that Board meetings and Board committee meetings are convened in accordance with the requirements set out in the articles of association of the Company, the terms of reference of the respective Board committees and the Listing Rules.

In convening Board meetings, the Chairman is responsible for drawing up and approving the agenda for each meeting after consultation with all the Directors and the Company Secretary. Prior notice of each regular Board meeting is given to all the Directors at least 14 days in advance and the Directors are invited to include matters for discussion in the agenda. Agenda and accompanying Board papers are sent to all the Directors at least 3 days (or such other period as agreed) prior to meetings.

Board meetings are held at least four times a year. In addition, special Board meetings are held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of all the Directors.

Dates of regular Board meetings are scheduled in advance to provide sufficient notice to give all the Directors an opportunity to attend. For special Board meetings, reasonable notice is given.

The Directors have access to the advice and services of the Company Secretary to ensure that Board procedures and all applicable rules and regulations are followed.

The minutes of Board meetings record in sufficient detail the matters considered by the Board, including all concerns raised by the Directors and dissenting views expressed. The minutes of all Board meetings and Board committee meetings are available for inspection by any Director, auditors or any relevant eligible parties who can have access to such minutes.

Corporate Governance Report

Directors' Attendance Records

The record of attendance of individual Directors at the Board meetings, Board committee meetings and annual general meeting held in 2014 is set out in the following table:

| Directors | Number of Meetings Attended/Held | | | | Annual General Meeting |
|--|----------------------------------|-----------------|----------------------|------------------------|------------------------|
| | Board | Audit Committee | Nomination Committee | Remuneration Committee | |
| Executive Directors | | | | | |
| Cheng Man Tai (<i>Former Chairman</i>)* | 2/2 | N/A | N/A | N/A | N/A |
| Ngok Ming Chu (<i>Chairman</i>)* | 4/5 | N/A | N/A | N/A | 1/1 |
| Cheng Pik Ho Liza (<i>Chief Executive Officer</i>) | 5/5 | N/A | 2/2 | 3/3 | 1/1 |
| Lu Qun** | N/A | N/A | N/A | N/A | N/A |
| Independent Non-Executive Directors | | | | | |
| Lau Siu Ki | 5/5 | 3/3 | 2/2 | 3/3 | 1/1 |
| Lee Kwan Hung | 5/5 | 3/3 | 2/2 | 3/3 | 1/1 |
| Lee T. S. | 5/5 | 3/3 | 2/2 | 3/3 | 1/1 |
| Average Attendance Rate | 96.3% | 100% | 100% | 100% | 100% |

* Mr. Cheng Man Tai resigned as an Executive Director and the Chairman of the Company and Madam Ngok Ming Chu was appointed as the Chairman of the Company on 24 March 2014.

Prior to Mr. Cheng's resignation, there were a total of two Board meetings held during the Review Period.

** Ms. Lu Qun has been appointed as an Executive Director of the Company after the Review Period.

In addition, the Chairman met once with the Independent Non-Executive Directors without the presence of the Executive Directors during the Review Period.

Directors' and Officers' Liability Insurance

The Company has subscribed an insurance policy since December 2006 with an aim to indemnify its Directors and senior executives from any losses, claims, damages, liabilities and expenses arising from, including but not limited to, any proceedings brought against them during the performance of their duties pursuant to their respective service agreements entered into with the Company.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") (with certain modifications but on terms no less exacting than the required standard set out in the Model Code) as set out in Appendix 10 to the Listing Rules as its own code ("Securities Dealing Code") to regulate the securities dealings by all the Directors and relevant employees of the Group.

The Company made specific enquiry of all the Directors and members of the senior management who confirmed that they complied with the Securities Dealing Code during the Review Period.

Corporate Governance Report

Continuous Professional Development

Pursuant to the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant.

During the Review Period, all Directors received regular briefings and updates on the Group's business, operations, internal controls and corporate governance matters. Relevant reading materials were provided to the Directors. They also attended courses and seminars organised by external professional bodies on topics relevant to the duties and responsibilities of a director during the Review Period. All Directors have provided the Company with their respective training records pursuant to the CG Code.

Procedure for Seeking Independent Professional Advice by Directors

There is a written procedure agreed by the Board to enable Directors, upon reasonable request, to seek and be provided with independent professional advice in appropriate circumstances, at the Company's expense in order to assist them to discharge their duties to the Company.

Functions of the Board

Distinctive Roles of the Chairman and the Chief Executive Officer

To avoid concentration of power in any one individual, a clear division of responsibilities between the Chairman and the Chief Executive Officer is crucial to the effective running of the Board and the day-to-day management of the Group's businesses. The positions of the Chairman and the Chief Executive Officer of the Company are held by two different Executive Directors, namely Madam Ngok Ming Chu and Ms. Cheng Pik Ho Liza respectively. Their roles and duties are segregated, with a clear division of responsibilities. Madam Ngok Ming Chu, the Chairman, is to provide leadership for the Board and ensure that the Board works effectively while Ms. Cheng Pik Ho Liza, the Chief Executive Officer, is answerable to the Board for the operations of the Group. Madam Ngok is the mother of Ms. Cheng.

Distinctive Roles of the Board and the Management

While at all times the Board retains full responsibility for guiding and monitoring the operations of the Group, in discharging its duties, certain responsibilities are delegated to:

- the standing Board committees of the Company namely: the Audit Committee, the Nomination Committee and the Remuneration Committee. Each committee's constitution, powers and duties are clearly defined by its terms of reference, and the committees are accountable to the Board. Ad hoc Board committees may also be established as required from time to time by the Board;
- the Chief Executive Officer, being delegated with the day-to-day management of the businesses of the Group, is accountable to the Board; and
- the senior management team of the Group, being delegated with the responsibilities to deal with daily operational functions, is answerable to the Executive Directors.

The Board believes that effective delegation of authority can ensure that the Board is provided with sufficient and timely information of the Group's businesses which is, in particular, relevant to the Group's performance, financial position and operating results, in order that the Board is able to make an informed assessment of matters put before the Board for approval. During the Review Period, each Executive Director had frequent meetings with operational managers in order to maintain an effective feedback system and enable the Company to react to changes or problems quickly and effectively.

Corporate Governance Report

The functions reserved to the Board are formalized in writing and include:

- any matters relating to the formulation of the Company's strategy and direction;
- any matters relating to financial controls, compliance and risk management;
- any changes in corporate structure such as the changes relating to the Company's capital structure, including share buy-back or issue of new securities;
- major appointments such as appointments to the Board, after taking into account the recommendations of the Nomination Committee; the appointment of the Chairman and the Chief Executive Officer; recommendations to the shareholders on the appointment or removal of external auditors after taking into consideration the recommendations of the Audit Committee; and the appointment or removal of the Chief Financial Officer and the Company Secretary;
- any matters determined by the Board to be material, including dividend policy, significant changes in accounting policies, material contracts, major financing arrangements and major investments; and
- the corporate governance functions set out in the code provision D.3.1 of the CG Code.

With respect to the corporate governance functions, the Board has reviewed and monitored the Company's corporate governance policies and practices, the training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

The Board regularly reviews its arrangement for delegation of authority to ensure that such delegation is appropriate in view of the Company's prevailing circumstances and that appropriate reporting systems are in place.

Board Committees

A total of three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, have been formed, each of which is delegated with specific roles and responsibilities by the Board. All the Board committees follow the same principles and procedures as those of the Board. The Board receives the minutes of each committee meeting on a regular basis, including their decisions and recommendations.

Audit Committee

At present, the Audit Committee consists of three Independent Non-Executive Directors, namely:

Mr. Lau Siu Ki (*Chairman*)

Mr. Lee Kwan Hung

Prof. Lee T. S.

Members of the Audit Committee are appointed by the Board among the Independent Non-Executive Directors and the committee consists of not less than three members. The Board considers that each Audit Committee member has broad commercial experience and together form a suitable mix of expertise in the legal and accounting fields and that the composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules. The Board, after consultation with the chairman of the Audit Committee, provides sufficient resources to the Audit Committee to enable it to discharge its duties.

Corporate Governance Report

The Audit Committee has the responsibilities and powers set forth in its terms of reference. To maintain its independence, the Audit Committee is required to have at least one meeting with the external auditors without the presence of Executive Directors within a financial year. The function of the committee is to provide assistance to the Board in fulfilling its oversight responsibilities to shareholders, potential shareholders, the investment community and other stakeholders relating to:

- the integrity of accounts and financial reporting process of the Company;
- the assessment of the external auditors' qualifications and independence; and
- the performance of the Company's internal audit function and the performance of the external auditors.

The terms of reference of the Audit Committee are available on the Company's website and the Stock Exchange's website.

During the Review Period, the Audit Committee held three meetings including one meeting with the external auditors without the presence of the Executive Directors and the management. The record of attendance of individual Directors at the committee meetings is set out on page 27 of this annual report.

The following is a summary of the work performed by the Audit Committee during the Review Period:

- (i) review of the annual report and results announcement of the Company for the year ended 31 December 2013, with a recommendation to the Board for approval;
- (ii) review of the external auditors' independence and their report, with a recommendation to the Board for the re-appointment of the external auditors by the shareholders of the Company at its 2014 annual general meeting;
- (iii) review of continuing connected transactions;
- (iv) review of the interim report and results announcement of the Company for the six months ended 30 June 2014, with a recommendation to the Board for approval;
- (v) review of quarterly financial reports of the Company prepared by the Finance and Accounts Department;
- (vi) consideration of audit and non-audit services provided by the external auditors;
- (vii) review of the effectiveness of the system of internal control of the Company and its subsidiaries;
- (viii) review of periodic reports prepared by the Internal Audit Department;
- (ix) review of the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget; and
- (x) review of the audit fees payable to the external auditors for the year ended 31 December 2014, with a recommendation to the Board for approval.

Corporate Governance Report

Auditors' Remuneration

The Audit Committee has reviewed the remuneration paid/payable to Messrs. Ernst & Young, the external auditors of the Company, for the following services provided during the Review Period:

| Services Rendered | Remuneration Paid/ Payable |
|--------------------|-------------------------------|
| Audit services | HK\$2,940,000 |
| Non-audit services | HK\$1,518,000 |
| Total: | HK\$4,458,000 |

The Audit Committee has expressed its views to the Board that the level of fees paid/payable to the Company's external auditors is reasonable. There has been no major disagreement between the auditors and the management of the Company during the Review Period.

Nomination Committee

At present, the Nomination Committee has four members comprising one Executive Director and three Independent Non-Executive Directors, namely:

Prof. Lee T. S. (*Chairman*)
 Ms. Cheng Pik Ho Liza
 Mr. Lau Siu Ki
 Mr. Lee Kwan Hung

The main functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become Directors, and to assess the independence of the Independent Non-Executive Directors. After considering the independence and qualifications of nominees, the Nomination Committee makes recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also responsible for reviewing the succession planning of Directors, in particular the Chairman and the Chief Executive Officer. The Board, after consultation with the chairman of the Nomination Committee, provides sufficient resources to the Nomination Committee to enable it to discharge its duties.

The Nomination Committee held two meetings in 2014. The record of attendance of individual Directors at the committee meeting is set out on page 27 of this annual report.

The following is a summary of the work performed by the Nomination Committee during the Review Period:

- (i) assessment of the independence of the Independent Non-Executive Directors;
- (ii) recommendation to the Board on the re-election of Directors;
- (iii) recommendation to the Board on the appointment of Chairman of the Company; and
- (iv) review of the existing structure, size and composition of the Board.

As a good corporate governance practice, Nomination Committee member (being also the Independent Non-Executive Director) abstained from assessing his own independence.

The terms of reference of the Nomination Committee are available on the Company's website and the Stock Exchange's website.

Corporate Governance Report

Remuneration Committee

At present, the Remuneration Committee has four members comprising one Executive Director and three Independent Non-Executive Directors, namely:

Mr. Lee Kwan Hung (*Chairman*)
Ms. Cheng Pik Ho Liza
Mr. Lau Siu Ki
Prof. Lee T. S.

The main functions of the Remuneration Committee are to assist the Board in establishing a formal and transparent procedure for setting policy on Directors' and senior management's remuneration and to make recommendation to the Board on the packages (which include benefits in kind, pension rights and compensation payments) of individual Executive Directors and senior management (i.e. the model described in code provision B.1.2(c)(ii) of the CG Code was adopted) as well as on the remuneration of Non-Executive Directors. The Board, after consultation with the chairman of the Remuneration Committee, provides sufficient resources to the Remuneration Committee to enable it to discharge its duties.

In recommending the remuneration of the Directors, the Remuneration Committee makes reference to companies of comparable business or scale, and the nature and volume of work in order to compensate the Directors reasonably for their time and efforts spent. The Remuneration Committee regularly reviews and makes recommendations to the Board on the remuneration of Directors and senior management.

The Remuneration Committee held three meetings in 2014. The record of attendance of individual Directors at the committee meetings is set out on page 27 of this annual report.

The following is a summary of the work performed by the Remuneration Committee during the Review Period:

- (i) review of the salary increment for 2014 of Executive Directors and staff in Mainland China and Hong Kong, with a recommendation to the Board for approval;
- (ii) consideration of the payment of bonuses to the senior management staff in Mainland China and Hong Kong, with a recommendation to the Board for approval;
- (iii) recommendation to the Board on the vesting of share options under the Share Option Scheme to selected employees;
- (iv) consideration of the payment of discretionary bonuses to Executive Directors and the senior management in respect of the final results of the Company for the year ended 31 December 2013 and the interim results of the Company for the six months ended 30 June 2014, with a recommendation to the Board for approval;
- (v) review of the new service agreement between the Company and the Chairman of the Company, with a recommendation to the Board for approval;
- (vi) review of the consultancy agreement between the Company and the former Chairman of the Company, with a recommendation to the Board for approval; and
- (vii) review of the letters of re-appointment of the Independent Non-Executive Directors, with a recommendation to the Board for approval.

The terms of reference of the Remuneration Committee are available on the Company's website and the Stock Exchange's website.

Corporate Governance Report

Pursuant to code provision B.1.5 of the CG Code, details of the annual remuneration of the members of the senior management by band for the year ended 31 December 2014 is as follows:

| | Number of employees |
|--------------------------------|----------------------------|
| HK\$2,000,001 to HK\$2,500,000 | 2 |
| HK\$2,500,001 to HK\$3,000,000 | 1 |
| Total: | 3 |

Details of the remuneration of each Director for the year ended 31 December 2014 are set out in note 10 to the financial statements.

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements for each financial period, which shall give a true and fair view of the state of affairs of the Company. During the Review Period, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

All the Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2014.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 89 to 90 of this annual report.

The Company announces its interim and annual results as soon as reasonably practicable after the end of the relevant financial period and the financial year respectively pursuant to the requirements of the Listing Rules, disclosing all such information as would enable the Company's shareholders to assess the performance, financial position and prospects of the Company.

Internal Control

The Board is responsible for the internal controls of the Group and reviewing their effectiveness. The Board acknowledges that the objectives of internal control are to safeguard the Company's assets against unauthorised use or disposition and to ensure that the Company's accounting records are properly maintained and all the financial information is accurate and reliable.

The Internal Audit Department of the Group conducts reviews of the effectiveness of the Group's internal control system. It carries out the financial, operational, project management and information security control reviews according to the yearly plan reviewed and endorsed by the Audit Committee. In addition to the agreed schedule of work, the department conducts other reviews and work as and when required. The findings and recommendations have been reviewed by the members of the Audit Committee and the Board who are of the view that the internal control system of the Group has been effective without the occurrence of any significant failure.

Corporate Governance Report

The Internal Audit Department of the Group continued to provide independent assurance to the Board and management on the adequacy and effectiveness of internal controls for the Group during the Review Period. The Assistant Director of Internal Audit reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

The Board undertakes to periodically review the internal control and risk management systems of the Group to ensure their effectiveness and efficiency.

The Board reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget during the Review Period and considered that the Group had adequate staff resources with the competence, qualifications and experience necessary for the effective performance of its accounting and financial reporting function.

Company Secretary

Ms. So Ka Man of Tricor Services Limited, external service provider, has been engaged by the Company as its Company Secretary. The primary contact person at the Company, whom Ms. So can contact, is Ms. Katie Fung, the Chief Financial Officer of the Company.

During the Review Period, Ms. So has taken no less than 15 hours of relevant professional training to update her skills and knowledge.

Investor Relations and Communication with Shareholders

Since 2006, the Company has engaged a professional public relations consultancy company to organise various investor relations programs (including regular briefing meetings with the media and analysts) aiming at increasing the transparency of the Company, enhancing communication with shareholders and investors, increasing their understanding of and confidence in the Group's businesses and promoting market recognition of and support to the Company.

The Company recognises the importance of maintaining on-going communications with its shareholders and encourages them to attend shareholders' meetings to stay informed of the Group's businesses and convey any concerns they may have to the Directors and senior management.

Shareholders' Rights

Convening an Extraordinary General Meeting of the Company by Shareholders

In accordance with Article 64 of the articles of association of the Company, an extraordinary general meeting can be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition.

Corporate Governance Report

Procedures for Sending Enquiries to the Board

Enquiries by shareholders to be put to the Board can be sent in writing to the Company's Company Secretarial Department at the principal place of business in Hong Kong.

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the Company's registered shareholders can contact the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited. For other enquires or requests, the Company's investors can contact iPR Ogilvy Limited, the Company's investor relations consultancy company. Detailed contact information is available on the Company's website at www.embrygroup.com.

Procedures for Making Proposals at Shareholders' Meetings

If a shareholder of the Company wishes to nominate a person to stand for election as a Director, the following documents must be validly sent to the Company's principal place of business in Hong Kong or the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, namely (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice executed by the nominated candidate of the candidate's willingness to be appointed. The period for lodgment of the notices of (i) and (ii) above will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven days prior to the date of such meeting.

To put forward proposals other than the above at a general meeting, shareholders of the Company should submit a written notice of those proposals with their detailed contact information to the Company Secretary at the Company's principal place of business in Hong Kong. The notice period to be given to all the shareholders for consideration of the proposal raised by the shareholders concerned at general meetings varies according to the nature of the proposal.

During the Review Period, the Company has not made any changes to its articles of association. An up-to-date version of the articles of association of the Company is available on the websites of the Company and the Stock Exchange. Shareholders may refer to the articles of association for further details of the rights of shareholders.

Report of the Directors

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2014.

Principal Activities

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 23 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and Dividends

The Group's profit for the year ended 31 December 2014 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 91 to 176.

An interim dividend of HK4 cents per ordinary share was paid on 3 October 2014. The directors recommend the payment of a final dividend of HK8 cents per ordinary share and a special dividend of HK2 cents per ordinary share in respect of the year, to shareholders on the register of members on 27 May 2015. Details are set out in note 15 to the financial statements.

Summary Financial Information

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements is set out below.

Results

| | 2014 HK\$'000 | Year ended 31 December | | | |
|-----------------------|------------------|------------------------|------------------|------------------|------------------|
| | | 2013 HK\$'000 | 2012 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 |
| REVENUE | 2,383,127 | 2,234,763 | 1,995,356 | 1,694,987 | 1,349,846 |
| PROFIT BEFORE TAX | 268,557 | 273,663 | 260,614 | 231,268 | 185,684 |
| INCOME TAX EXPENSE | (80,464) | (75,294) | (77,052) | (70,985) | (58,814) |
| PROFIT FOR THE YEAR | 188,093 | 198,369 | 183,562 | 160,283 | 126,870 |
| Attributable to: | | | | | |
| Owners of the Company | 188,093 | 198,369 | 183,562 | 160,283 | 126,870 |

Assets and Liabilities

| | 2014 HK\$'000 | As at 31 December | | | |
|-------------------|------------------|-------------------|------------------|------------------|------------------|
| | | 2013 HK\$'000 | 2012 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 |
| TOTAL ASSETS | 2,409,264 | 2,151,480 | 1,901,395 | 1,757,214 | 1,539,245 |
| TOTAL LIABILITIES | (664,699) | (523,234) | (464,159) | (483,988) | (427,242) |
| | 1,744,565 | 1,628,246 | 1,437,236 | 1,273,226 | 1,112,003 |

The above summary does not form a part of the audited financial statements.

Report of the Directors

Property, Plant and Equipment and Investment Properties

Details of movements in the property, plant and equipment, and the investment properties of the Group during the year are set out in notes 17 and 18 to the financial statements, respectively.

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year are set out in notes 30 and 31 to the financial statements, respectively.

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.

Purchase, Redemption or Sale of Listed Securities of the Company

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

Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 32(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

At 31 December 2014, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to HK\$791,883,000, of which HK\$41,666,000 has been proposed as final and special dividends for the year after the reporting period. The amount of HK\$791,883,000 includes the Company's share premium account and contributed surplus of HK\$750,892,000 in aggregate at 31 December 2014, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

Charitable Contributions

During the year, the Group made charitable contributions totalling HK\$6,331,000.

Major Customers and Suppliers

In the year under review, sales to the Group's five largest customers and purchases from the Group's five largest suppliers accounted for less than 30% of the total sales and purchases for the year, respectively.

None of the directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

Report of the Directors

Directors

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

Executive Directors

Mr. Cheng Man Tai*

Madam Ngok Ming Chu (*Chairman*)*

Ms. Cheng Pik Ho Liza (*Chief Executive Officer*)

Ms. Lu Qun**

Independent Non-Executive Directors

Mr. Lau Siu Ki

Mr. Lee Kwan Hung

Prof. Lee T. S.

* Mr. Cheng Man Tai resigned as Chairman and executive director and Madam Ngok Ming Chu was appointed as Chairman on 24 March 2014.

** Ms. Lu Qun was subsequently appointed as executive director on 2 February 2015.

In accordance with article 108 of the Company's articles of association, Madam Ngok Ming Chu and Mr. Lau Siu Ki will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting ("AGM").

In accordance with article 112 of the Company's articles of association, Ms. Lu Qun will retire at the AGM and, being eligible, will offer herself for re-election at the AGM.

The Company has received annual confirmations of independence from Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S. pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), and as at the date of this report, still considers them to be independent.

Directors' and Senior Management's Biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 22 to 23 of the annual report.

Report of the Directors

Directors' Service Contracts

Madam Ngok Ming Chu and Ms. Lu Qun, have each entered into a service agreement with the Company for a term of two years commencing on 25 March 2014 and 2 February 2015, respectively. Ms. Cheng Pik Ho Liza has entered into a service agreement with the Company for a term of three years commencing on 1 December 2012.

Each of the independent non-executive directors has been appointed for a term of two years commencing on 25 November 2014.

Under the service agreement, after each complete year of service, the remuneration payable to each of the executive directors may, subject to the discretion of the Company's board of directors, be increased by not more than 10% and the executive directors are entitled to a discretionary management bonus provided that the total amount of bonuses payable to all the executive directors for that year shall not exceed 8% of the audited consolidated profit after tax of the Group.

Apart from the foregoing, no director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Emolument Policy and Directors' Remuneration

The Group's emolument policy is formulated based on the performance of individual employees and is reviewed regularly. Subject to the Group's profitability, the Group may also provide discretionary bonuses to its employees as an incentive for their contribution to the Group. The primary goal of the emolument policy with regard to the remuneration packages of the Group's executive directors is to enable the Group to retain and motivate executive directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group's remuneration packages include basic salaries, discretionary bonuses and housing benefits.

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

Directors' Interests in Contracts

Save for transactions as disclosed in note 13 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

Report of the Directors

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

At 31 December 2014, the interests and short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept 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 (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

| Name of director | Capacity and nature of interest | Shares/equity derivatives | Number of shares/equity derivatives held | Percentage of the Company's issued share capital |
|-----------------------|-------------------------------------|---------------------------------|--|--|
| Madam Ngok Ming Chu | Interest of controlled corporations | Ordinary shares (Note 1) | 276,679,557 | 66.40 |
| | Beneficial owner | Ordinary shares | 2,302,000 | 0.55 |
| | Beneficial owner | Share options (Note 2) | 60,000 | 0.01 |
| | Interest of spouse | Ordinary shares (Note 3) | 4,631,000 | 1.11 |
| | Interest of spouse | Shares options (Notes 2 & 3) | 35,000 | 0.01 |
| Ms. Cheng Pik Ho Liza | Beneficial owner | Ordinary shares | 20,736,848 | 4.98 |
| | Beneficial owner | Share options (Note 2) | 1,460,000 | 0.35 |
| Mr. Lau Siu Ki | Beneficial owner | Ordinary shares | 768,000 | 0.18 |
| | Beneficial owner | Share options (Note 2) | 100,000 | 0.02 |
| Mr. Lee Kwan Hung | Beneficial owner | Ordinary shares | 532,000 | 0.13 |
| | Beneficial owner | Share options (Note 2) | 100,000 | 0.02 |
| Prof. Lee T. S. | Beneficial owner | Ordinary shares | 604,000 | 0.14 |
| | Beneficial owner | Share options (Note 2) | 100,000 | 0.02 |

Report of the Directors

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares (continued)

Notes:

1. These shares are held as to 275,408,367 shares by Harmonious World Limited ("Harmonious World") and as to 1,271,190 shares by Fairmout Investments Limited ("Fairmout Investments"). Harmonious World is owned as to 40.91% by Madam Ngok Ming Chu and as to 59.09% by Mr. Cheng Man Tai. Fairmout Investments is owned as to 50% by Madam Ngok Ming Chu and as to 50% by Mr. Cheng Man Tai. Mr. Cheng Man Tai is the spouse of Madam Ngok Ming Chu.
2. These represent the number of shares which will be allotted and issued to the respective directors upon the exercise of the share options granted to each of them under the share option scheme adopted on 18 December 2006 (the "Share Option Scheme"). Details of the Share Option Scheme are disclosed in note 31 to the financial statements.
3. Madam Ngok Ming Chu is deemed to be interested in the shares and share options personally held by her spouse, Mr. Cheng Man Tai, pursuant to Part XV of the SFO.

Long positions in shares of an associated corporation:

| Name of director | Name of associated corporation | Relationship with the Company | Shares/equity derivatives | Number of shares | Capacity and nature of interest | Percentage of the associated corporation's issued share capital |
|---------------------|--------------------------------|-------------------------------|---------------------------|----------------------------|---------------------------------|---|
| Madam Ngok Ming Chu | Harmonious World | Ultimate holding company | Ordinary shares | 40.09 shares of US\$1 each | Beneficial owner | 40.91 |

Save as disclosed above, as at 31 December 2014, none of the directors and chief executive of the Company had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above and in the section "Share Option Scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Report of the Directors

Share Option Scheme

The Company adopted the Share Option Scheme on 18 December 2006. Details of the Share Option Scheme and the share option movements during the year are disclosed in note 31 to the financial statements.

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

At 31 December 2014, the following interests of 5% or more of the issued share capital of the Company (other than the interests of the directors of the Company as disclosed above) were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in ordinary shares of the Company:

| Name | Capacity and nature of interest | Shares/equity derivatives | Number of shares/equity derivatives held | Percentage of the Company's issued share capital |
|-------------------|-------------------------------------|--------------------------------|--|--|
| Mr. Cheng Man Tai | Interest of controlled corporations | Ordinary shares (Note 1) | 276,679,557 | 66.40 |
| | Beneficial owner | Ordinary shares | 4,631,000 | 1.11 |
| | Beneficial owner | Share options (Note 2) | 35,000 | 0.01 |
| | Interest of spouse | Ordinary Shares (Note 3) | 2,302,000 | 0.55 |
| | Interest of spouse | Share options (Notes 2 & 3) | 60,000 | 0.01 |
| Harmonious World | Beneficial owner | Ordinary shares (Note 4) | 275,408,367 | 66.10 |
| FIL Limited | Investment manager | Ordinary shares | 37,520,000 | 9.00 |

Report of the Directors

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

(continued)

Notes:

1. These shares are held as to 275,408,367 shares by Harmonious World and as to 1,271,190 shares by Fairmout Investments. The relationships among Mr. Cheng Man Tai, Madam Ngok Ming Chu, Harmonious World and Fairmout Investments are disclosed under the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above.
2. These represent the number of shares which will be allotted and issued to Mr. Cheng Man Tai and his spouse upon the exercise of the share options granted to each of them under the Share Option Scheme. Details of the Share Option Scheme are disclosed in note 31 to the financial statements.
3. Mr. Cheng Man Tai is deemed to be interested in the shares and share options personally held by his spouse, Madam Ngok Ming Chu, pursuant to Part XV of the SFO.
4. The relationship between Harmonious World, Mr. Cheng Man Tai and Madam Ngok Ming Chu is disclosed under the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above.

Save as disclosed above, as at 31 December 2014, no person, other than the directors of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

Sufficiency of Public Float

Based on the 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.

Continuing Connected Transactions

During the year, the Group had the following continuing connected transactions, details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

(1) Purchase of furniture and decoration services

The Company and certain subsidiaries of the Group had entered into a services agreement with related companies controlled by a son of a substantial shareholder who was an executive director of the Company and resigned from his position within the last 12 months, pursuant to which the Company and these subsidiaries agreed to purchase furniture and services of decoration for their counters and shops as well as different types of moulds from the related companies. The services agreement expired on 31 December 2011 and the Company and certain subsidiaries of the Group therefore entered into a new services agreement (the "2012 Agreement") with the related companies on 21 December 2011. Under the 2012 Agreement, the Group agreed to purchase furniture and services of decoration for their counters and shops as well as different types of moulds from the related companies for a period of three years starting from 1 January 2012. The continuing connected transactions contemplated under the 2012 Agreement would only be subject to the reporting, annual review and announcement requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

On 22 December 2014, the services agreement has been further renewed for another term of three years commencing on 1 January 2015. Further details were disclosed in the Company's announcement dated 22 December 2014.

Report of the Directors

Continuing Connected Transactions *(continued)*

(2) Lease of industrial complex

On 23 December 2013, the tenancy agreement which was entered into between a subsidiary of the Company and a related company in relation to the lease of an industrial complex in Changzhou had been further renewed for another term of three years commencing on 1 January 2014 after the expiry of the second term. The related company is currently controlled by an executive director of the Company and the close family members of two executive directors of the Company. Further details were disclosed in the Company's announcement dated 23 December 2013.

The continuing connected transactions contemplated under this tenancy agreement would only be subject to the reporting, annual review and announcement requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

(3) Lease of warehouse

A subsidiary of the Company has been leasing a warehouse in Hong Kong from an executive director of the Company. The continuing connected transaction under the tenancy agreement constitutes a de minimis transaction under the Listing Rules and is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

(4) Consultancy fee

A substantial shareholder who is the spouse of an executive director of the Company has been engaged as a consultant of the Company for a term of one year with effect from 25 March 2014. The continuing connected transaction under the consultancy agreement also constitutes a de minimis transaction under the Listing Rules and is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

Details of these continuing connected transactions of the Group are set out in notes 13(a)(i), (ii), (iii) and (iv) to the financial statements.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive directors of the Company have reviewed the continuing connected transactions disclosed in (1) and (2) above and confirmed that these continuing connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The total amounts in respect of the continuing connected transactions disclosed in (1) and (2) above during the year under review have not exceeded the annual caps for the transactions.

In respect of the continuing connected transactions disclosed above, the directors of the Company confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year under review.

Report of the Directors

Continuing Connected Transactions *(continued)*

The Company has also received a letter from Ernst & Young, the Company's auditors, to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued the letter containing their findings and conclusions in respect of the continuing connected transactions disclosed in (1) and (2) above in accordance with Rule 14A.56 of the Listing Rules confirming that nothing has come to their attention that causes them to believe the continuing connected transactions:

- (i) have not been approved by the Company's board of directors;
- (ii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions;
and
- (iii) have exceeded the maximum aggregate annual caps disclosed in previous announcements of the Company.

Auditors

Ernst & Young retire and a resolution for their re-appointment as auditors of the Company will be proposed at the AGM.

On behalf of the Board

Ngok Ming Chu
Chairman

Hong Kong, 24 March 2015

Independent Auditors' Report

獨立核數師報告



To the shareholders of Embry Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Embry Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 91 to 176, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, 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：安莉芳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(以下簡稱「我們」)已審計列載於第91頁至第176頁安莉芳控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一四年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會所頒佈的《香港財務報告準則》及按照香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必須的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計該等綜合財務報表作出意見。我們的報告僅向全體股東編製，除此之外，我們的報告不可用作其他用途，我們概不就本報告的內容，向任何其他人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈之《香港審計準則》進行審計。這些準則要求我們遵守道德規範，並規劃及執行審計，以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

Independent Auditors' Report (Continued)

獨立核數師報告(續)

Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider internal control relevant to the entity's preparation of 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 Company and of the Group as at 31 December 2014, 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.

Ernst & Young

Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

24 March 2015

核數師的責任(續)

審計涉及執行程序以獲取有關綜合財務報表所載金額及披露資料之審計憑證。所選定之程序取決於核數師的判斷，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的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得之審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，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 貴公司及 貴集團於二零一四年十二月三十一日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

安永會計師事務所

執業會計師
香港
中環添美道1號
中信大廈22樓

二零一五年三月二十四日

Consolidated Income Statement

綜合收益表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | | Notes 附註 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|--|--------------------------|-------------|----------------------------------|----------------------------------|
| REVENUE | 收益 | 5 | 2,383,127 | 2,234,763 |
| Cost of sales | 銷售成本 | | (422,922) | (437,880) |
| Gross profit | 毛利 | | 1,960,205 | 1,796,883 |
| Other income and gains, net | 其他收入及收益·淨額 | 6 | 37,976 | 76,147 |
| Selling and distribution expenses | 銷售及分銷開支 | | (1,485,498) | (1,375,742) |
| Administrative expenses | 行政開支 | | (234,932) | (213,641) |
| Other expenses | 其他開支 | 7 | (6,924) | (7,230) |
| Finance costs | 融資成本 | 8 | (2,270) | (2,754) |
| PROFIT BEFORE TAX | 除稅前溢利 | 9 | 268,557 | 273,663 |
| Income tax expense | 所得稅開支 | 12 | (80,464) | (75,294) |
| PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY | 本公司擁有人應佔 年度溢利 | 14 | 188,093 | 198,369 |
| EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY | 本公司擁有人應佔 每股盈利 | 16 | | |
| — Basic (HK cents) | — 基本(港仙) | | 45.14 | 47.61 |
| — Diluted (HK cents) | — 攤薄(港仙) | | 45.14 | 47.61 |

Details of the dividends are disclosed in note 15 to the financial statements.

股息的詳情載於財務報表附註15。

Consolidated Statement of Comprehensive Income

綜合全面收益表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 <i>HK\$'000</i> 千港元 |
|--|----------------------------|---|---|
| PROFIT FOR THE YEAR | 年度溢利 | 188,093 | 198,369 |
| OTHER COMPREHENSIVE INCOME/(EXPENSE) | 其他全面收入／(開支) | | |
| Other comprehensive income/(expense) to be reclassified to the income statement in subsequent periods: | 於其後期間可重新分類至損益的其他全面收入／(開支)： | | |
| Exchange differences arising on translation of foreign operations | 折算境外營運所產生之匯兌差額 | (14,196) | 40,143 |
| 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入總額 | 173,897 | 238,512 |

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2014 二零一四年十二月三十一日

| | | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|--|-------------|-----------------|----------------------------------|----------------------------------|
| | Notes 附註 | | | |
| NON-CURRENT ASSETS | | 非流動資產 | | |
| Property, plant and equipment | 17 | 物業、廠房及設備 | 911,289 | 677,473 |
| Investment properties | 18 | 投資物業 | 318,699 | 321,054 |
| Prepaid land lease payments | 19 | 預付土地租賃款項 | 38,989 | 40,407 |
| Deferred tax assets | 29 | 遞延稅項資產 | 72,129 | 47,111 |
| Deposits | 22 | 按金 | 17,061 | 9,787 |
| Total non-current assets | | 非流動資產總值 | 1,358,167 | 1,095,832 |
| CURRENT ASSETS | | 流動資產 | | |
| Inventories | 20 | 存貨 | 722,619 | 567,448 |
| Trade receivables | 21 | 應收貿易賬款 | 89,961 | 87,076 |
| Prepayments, deposits and other receivables | 22 | 預付款項、按金及其他應收款項 | 58,412 | 54,797 |
| Cash and cash equivalents | 24 | 現金及現金等價物 | 180,105 | 346,327 |
| Total current assets | | 流動資產總值 | 1,051,097 | 1,055,648 |
| CURRENT LIABILITIES | | 流動負債 | | |
| Trade and bills payables | 25 | 應付貿易賬款及應付票據 | 146,527 | 89,145 |
| Interest-bearing bank borrowings | 26 | 計息銀行借款 | 90,639 | 56,750 |
| Tax payable | | 應付稅項 | 74,598 | 44,298 |
| Other payables and accruals | 27 | 其他應付款項及應計款項 | 222,343 | 210,126 |
| Total current liabilities | | 流動負債總值 | 534,107 | 400,319 |
| NET CURRENT ASSETS | | 流動資產淨值 | 516,990 | 655,329 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 總資產減流動負債 | 1,875,157 | 1,751,161 |
| NON-CURRENT LIABILITIES | | 非流動負債 | | |
| Interest-bearing bank borrowings | 26 | 計息銀行借款 | 94,361 | 65,000 |
| Deferred liabilities | 28 | 遞延負債 | 4,070 | 3,879 |
| Deferred tax liabilities | 29 | 遞延稅項負債 | 32,161 | 30,190 |
| Other payables | 27 | 其他應付款項 | - | 23,846 |
| Total non-current liabilities | | 非流動負債總值 | 130,592 | 122,915 |
| Net assets | | 資產淨值 | 1,744,565 | 1,628,246 |

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

31 December 2014 二零一四年十二月三十一日

| | | Notes | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|---|-------------------|-------|----------------------------------|----------------------------------|
| | | 附註 | | |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | | |
| Issued capital | 已發行股本 | 30 | 4,166 | 4,166 |
| Reserves | 儲備 | 32(a) | 1,740,399 | 1,624,080 |
| Total equity | 總權益 | | 1,744,565 | 1,628,246 |

Ngok Ming Chu

岳明珠

Director

董事

Cheng Pik Ho Liza

鄭碧浩

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | | |
|-------------|---|---|--------------------------------|--|-------------------------------------|--|--|--|-------------------------------|--------------------------|-----------------------|---------------------|
| | | Reserves 儲備 | | | | | | | | | | |
| | | Enterprise expansion and statutory funds 企業發展及法定儲備金 | | | | | | | | | | |
| | | Issued capital 已發行股本 | Share premium account 股份溢價賬 | Contributed surplus 實繳盈餘 | Asset revaluation reserve 資產重估儲備 | statutory reserve funds 法定儲備金 | Exchange fluctuation reserve 匯兌波動儲備 | Goodwill reserve 商譽儲備 | Share option reserve 購股權儲備 | Retained profits 保留溢利 | Total reserves 總儲備 | Total equity 總權益 |
| Notes 附註 | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 (note 32(a)) (附註32(a)) | HK\$'000 千港元 | HK\$'000 千港元 (note 32(a)) (附註32(a)) | HK\$'000 千港元 | HK\$'000 千港元 (note 32(a)) (附註32(a)) | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| | At 1 January 2014 | 4,166 | 369,644 | 122,610 | 3,336 | 74,340 | 146,790 | (3,168) | 34,303 | 876,225 | 1,624,080 | 1,628,246 |
| | Profit for the year | - | - | - | - | - | - | - | - | 188,093 | 188,093 | 188,093 |
| | Exchange differences arising on translation of foreign operations | - | - | - | - | - | (14,196) | - | - | - | (14,196) | (14,196) |
| | Total comprehensive income for the year | - | - | - | - | - | (14,196) | - | - | 188,093 | 173,897 | 173,897 |
| | Equity-settled share option arrangements | 31 | - | - | - | - | - | - | 754 | - | 754 | 754 |
| | Share options lapsed | - | - | - | - | - | - | - | (2,273) | 2,273 | - | - |
| | 2013 final and special dividends declared and paid | 15 | - | - | - | - | - | - | - | (41,666) | (41,666) | (41,666) |
| | 2014 interim dividend | 15 | - | - | - | - | - | - | - | (16,666) | (16,666) | (16,666) |
| | Transfer from retained profits | - | - | - | - | 23,351 | - | - | - | (23,351) | - | - |
| | At 31 December 2014 | 4,166 | 369,644 | 122,610 | 3,336 | 97,691 | 132,594 | (3,168) | 32,784 | 984,908 | 1,740,399 | 1,744,565 |
| | At 1 January 2013 | 4,166 | 369,644 | 122,610 | 3,336 | 52,198 | 106,647 | (3,168) | 28,759 | 753,044 | 1,433,070 | 1,437,236 |
| | Profit for the year | - | - | - | - | - | - | - | - | 198,369 | 198,369 | 198,369 |
| | Exchange differences arising on translation of foreign operations | - | - | - | - | - | 40,143 | - | - | - | 40,143 | 40,143 |
| | Total comprehensive income for the year | - | - | - | - | - | 40,143 | - | - | 198,369 | 238,512 | 238,512 |
| | Equity-settled share option arrangements | 31 | - | - | - | - | - | - | 6,663 | - | 6,663 | 6,663 |
| | Share options lapsed | - | - | - | - | - | - | - | (1,119) | 1,119 | - | - |
| | 2012 final and special dividends declared and paid | 15 | - | - | - | - | - | - | - | (37,499) | (37,499) | (37,499) |
| | 2013 interim dividend | 15 | - | - | - | - | - | - | - | (16,666) | (16,666) | (16,666) |
| | Transfer from retained profits | - | - | - | - | 22,142 | - | - | - | (22,142) | - | - |
| | At 31 December 2013 | 4,166 | 369,644 | 122,610 | 3,336 | 74,340 | 146,790 | (3,168) | 34,303 | 876,225 | 1,624,080 | 1,628,246 |

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|--|--------------------|----|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營業務之現金流量 | | | |
| Profit before tax | 除稅前溢利 | | 268,557 | 273,663 |
| Adjustments for: | 調整： | | | |
| Finance costs | 融資成本 | 8 | 2,270 | 2,754 |
| Bank interest income | 銀行利息收入 | 6 | (1,708) | (4,220) |
| Depreciation | 折舊 | 9 | 36,432 | 33,313 |
| Amortisation of prepaid land lease payments | 預付土地租賃款項之攤銷 | 9 | 907 | 891 |
| Loss on disposal/write-off of items of property, plant and equipment | 出售／撇銷物業、廠房及設備項目之虧損 | 9 | 593 | 275 |
| Provision/(write-back of provision) for obsolete inventories, net | 陳舊存貨撥備／(撥備撥回)，淨額 | 9 | (4,062) | 42,208 |
| Impairment/(write-back of impairment allowance) of trade receivables | 應收貿易賬款減值／(減值撥備撥回) | 9 | 1,220 | (47) |
| Changes in fair value of investment properties | 投資物業公平值變動 | 9 | (1,000) | (4,000) |
| Equity-settled share option expense | 以股權支付之購股權開支 | 31 | 754 | 6,663 |
| | | | 303,963 | 351,500 |
| Increase in inventories | 存貨增加 | | (151,109) | (87,484) |
| Increase in trade receivables | 應收貿易賬款增加 | | (4,105) | (7,131) |
| Increase in prepayments, deposits and other receivables | 預付款項、按金及其他應收款項增加 | | (10,901) | (14,068) |
| Increase in trade and bills payables | 應付貿易賬款及應付票據增加 | | 57,382 | 50,126 |
| Increase in other payables and accruals | 其他應付款項及應計款項增加 | | 12,217 | 35,117 |
| Increase/(decrease) in deferred liabilities | 遞延負債增加／(減少) | | 191 | (158) |
| Cash generated from operations | 經營所得現金 | | 207,638 | 327,902 |
| Hong Kong profits tax paid | 已付香港利得稅 | | (500) | (640) |
| Overseas taxes paid | 已付海外稅項 | | (72,944) | (64,225) |
| Net cash flows from operating activities | 經營業務之現金流入淨額 | | 134,194 | 263,037 |

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|--|------------------------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動之現金流量 | | |
| Interest received | 已收利息 | 1,708 | 4,220 |
| Purchases of items of property, plant and equipment | 購置物業、廠房及設備項目 | (303,195) | (199,399) |
| Proceeds from disposal of items of property, plant and equipment | 出售物業、廠房及設備項目 之所得款項 | 205 | 38 |
| Decrease in a non-pledged time deposit with original maturity of more than three months when acquired | 於購入時原到期日為多於三個月 之無抵押定期存款減少 | - | 3,704 |
| Net cash flows used in investing activities | 投資活動之現金流出淨額 | (301,282) | (191,437) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動之現金流量 | | |
| New bank borrowings | 新增銀行借款 | 120,000 | - |
| Repayment of bank borrowings | 償還銀行借款 | (56,750) | (56,750) |
| Dividends paid | 已付股息 | (58,332) | (54,165) |
| Interest paid | 已付利息 | (2,270) | (2,754) |
| Net cash flows from/(used in) financing activities | 融資活動之現金流入/(流出) 淨額 | 2,648 | (113,669) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等價物之減少淨額 | (164,440) | (42,069) |
| Cash and cash equivalents at beginning of year | 年初之現金及現金等價物 | 346,327 | 379,092 |
| Effect of foreign exchange rate changes, net | 匯率變動之影響，淨額 | (1,782) | 9,304 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末之現金及現金等價物 | 180,105 | 346,327 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等價物結餘之分析 | | |
| Cash and bank balances | 現金及銀行結餘 | 180,105 | 346,327 |

Statement of Financial Position

財務狀況表

31 December 2014 二零一四年十二月三十一日

| | | Notes 附註 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|---|----------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Investments in subsidiaries | 於附屬公司之權益 | 23 | 836,336 | 636,793 |
| CURRENT ASSETS | 流動資產 | | | |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 22 | 46 | 48 |
| Cash and cash equivalents | 現金及現金等價物 | 24 | 44 | 364 |
| Total current assets | 流動資產總值 | | 90 | 412 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Other payables and accruals | 其他應付款項及應計款項 | 27 | 7,593 | 8,517 |
| NET CURRENT LIABILITIES | 流動負債淨值 | | (7,503) | (8,105) |
| Net assets | 資產淨值 | | 828,833 | 628,688 |
| EQUITY | 權益 | | | |
| Issued capital | 已發行股本 | 30 | 4,166 | 4,166 |
| Reserves | 儲備 | 32(b) | 824,667 | 624,522 |
| Total equity | 總權益 | | 828,833 | 628,688 |

Ngok Ming Chu
岳明珠
Director
董事

Cheng Pik Ho Liza
鄭碧浩
Director
董事

Notes to Financial Statements

財務報表附註

31 December 2014 二零一四年十二月三十一日

1. Corporate Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 August 2006 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company is located at 7th Floor, Wyler Centre II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 23 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

The Company is a subsidiary of Harmonious World Limited ("Harmonious World"), a company incorporated in the British Virgin Islands (the "BVI"), which is considered by the directors as the Company's ultimate holding company.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except where otherwise indicated.

1. 公司資料

本公司於二零零六年八月二十九日根據開曼群島第22章公司法(一九六一年法例三, 經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands, 而本公司的主要營業地點為香港新界葵涌大連排道200號偉倫中心二期7樓。

本公司的主要業務為投資控股。有關附屬公司的主要業務詳情載於財務報表附註23。年內本集團的主要業務性質並無重大變動。

本公司為 Harmonious World Limited (「Harmonious World」) 的附屬公司, Harmonious World 於英屬處女群島(「英屬處女群島」)註冊成立, 董事認為 Harmonious World 為本公司的最終控股公司。

2.1 呈列基準

該等財務報表根據香港會計師公會頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則。該等財務報表亦符合香港公司條例(根據香港公司條例(第622章)附表11第76至87條所載第9部「賬目及審核」的過渡性及保留安排, 就本財政年度及比較期間而言仍為原公司條例(第32章))有關編製財務報表的適用披露規定。該等財務報表根據歷史成本法編製, 惟投資物業按其公平值計量。除另有指明外, 該等財務報表以港元呈列, 所有價值均調整至最接近千元(千港元)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.1 Basis of Preparation (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in the consolidated income statement. The Group's share of components previously recognised in other comprehensive income is reclassified to the consolidated income statement or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 呈列基準(續)

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一四年十二月三十一日止年度的財務報表。附屬公司於相同申報期間的財務報表採用與本公司一致的會計政策編製。附屬公司的業績自本集團取得控制權當日起綜合計算，直至該等控制權失效為止。

損益及其他全面收益的各組成部分歸屬於本集團母公司擁有人。所有集團內公司間資產及負債、權益、收入、支出以及與本集團成員公司之間交易有關的現金流量均於綜合賬目時悉數抵銷。

倘事實及情況反映下文附屬公司會計政策所述三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制投資對象。附屬公司擁有權權益的變動(並無失去控制權)，於入賬時列作權益交易。

倘本集團失去附屬公司的控制權，會於綜合收益表終止確認(i)附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)計入權益的累計匯兌差額；並確認(i)收取代價的公平價值、(ii)任何保留投資的公平價值及(iii)任何由此產生的盈餘或虧損。本集團早前於其他綜合收入確認的應佔部份會視乎情況，按倘本集團直接出售相關資產或負債所要求的相同基準重新分類至綜合收益表或保留溢利。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

| | |
|--|--|
| Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) | <i>Investment Entities</i> |
| Amendments to HKAS 32 | <i>Offsetting Financial Assets and Financial Liabilities</i> |
| Amendments to HKAS 36 | <i>Recoverable Amount Disclosures for Non-Financial Assets</i> |
| Amendments to HKAS 39 | <i>Novation of Derivatives and Continuation of Hedge Accounting</i> |
| HK(IFRIC)-Int 21 | <i>Levies</i> |
| Amendment to HKFRS 2 included in <i>Annual Improvements 2010-2012 Cycle</i> | <i>Definition of Vesting Condition¹</i> |
| Amendment to HKFRS 3 included in <i>Annual Improvements 2010-2012 Cycle</i> | <i>Accounting for Contingent Consideration in a Business Combination¹</i> |
| Amendment to HKFRS 13 included in <i>Annual Improvements 2010-2012 Cycle</i> | <i>Short-term Receivables and Payables</i> |
| Amendment to HKFRS 1 included in <i>Annual Improvements 2011-2013 Cycle</i> | <i>Meaning of Effective HKFRSs</i> |

¹ Effective from 1 July 2014

2.2 會計政策變動及披露

本集團於本年度財務報表首次採納以下經修訂之準則及新訂詮釋。

| | |
|--|-----------------------------|
| 香港財務報告準則第10號、投資實體 香港財務報告準則 第12號及香港會計準則 第27號(2011)修訂 | |
| 香港會計準則第32號修訂 | 抵銷金融資產及金融負債 |
| 香港會計準則第36號修訂 | 非金融資產可收回金額披露 |
| 香港會計準則第39號修訂 | 衍生工具的更替及對沖會計的延續 |
| 香港(國際財務報告詮釋委員會)–詮釋第21號 | 徵稅 |
| 香港財務報告準則第2號 修訂納入二零一零年至 二零一二年週期的年度 改進 | 歸屬條件的定義 ¹ |
| 香港財務報告準則第3號 修訂納入二零一零年至 二零一二年週期的年度 改進 | 業務合併中或然代價的會計處理 ¹ |
| 香港財務報告準則第13號 修訂納入二零一零年至 二零一二年週期的年度 改進 | 短期應收及應付款項 |
| 香港財務報告準則第1號 修訂納入二零一一年至 二零一三年週期的年度 改進 | 有效香港財務報告準則之涵義 |

¹ 自二零一四年七月一日起生效

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures *(continued)*

Other than explained below regarding the impact of the amendments to HKAS 32, HKFRS 2 and HKFRS 13, the adoption of the above revised standards and new interpretation has had no significant financial effect on these financial statements.

- (a) The HKAS 32 Amendments clarify the meaning of “currently has a legally enforceable right to set off” for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.
- (b) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.
- (c) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

2.2 會計政策變動及披露(續)

除下文說明有關香港會計準則第32號、香港財務報告準則第2號及香港財務報告準則第13號，採用以上此等經修訂之準則及新訂詮釋對財務報表並無產生重大財務影響。

- (a) 香港會計準則第32號修訂為抵銷金融資產及金融負債釐清「目前具有合法可執行抵銷權利」的釋義。該等修訂亦釐清香港會計準則第32號的抵銷標準可應用於結算系統(例如中央結算所系統)，而該等系統乃採用非同步的總額結算機制。因本集團沒有任何抵銷安排，該等修訂對本集團並無任何影響。
- (b) 香港財務報告準則第2號修訂釐清多項與績效及服務條件(屬歸屬條件)的定義有關的問題，包括(i)績效條件必須包含服務條件；(ii)當交易對手提供服務時，績效目標必須滿足；(iii)績效目標可能與實體的經營或活動有關，或與相同集團內其他實體的經營或活動有關；(iv)績效條件可能為市場或非市場條件；及(v)倘交易對手於歸屬期內不論因何種原因不再提供服務，則服務條件未獲達成。該修訂對本集團並無影響。
- (c) 香港財務報告準則第13號修訂釐清無明確利率的短期應收款項及應付款項，當其折現的影響不重大時，可以發票金額計量。該修訂對本集團並無影響。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.3 New and Revised HKFRSs and New Disclosure Requirements under the Hong Kong Companies Ordinance Not Yet Adopted

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

| | |
|---|---|
| HKFRS 9 | <i>Financial Instruments</i> ⁴ |
| Amendments to HKFRS 10 and HKAS 28 (2011) | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ² |
| Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) | <i>Investment Entities: Applying the Consolidated Exception</i> ² |
| Amendments to HKFRS 11 | <i>Accounting for Acquisitions of Interests in Joint Operations</i> ² |
| HKFRS 14 | <i>Regulatory Deferral Accounts</i> ⁵ |
| HKFRS 15 | <i>Revenue from Contracts with Customers</i> ³ |
| Amendments to HKAS 1 | <i>Disclosure Initiative</i> ² |
| Amendments to HKAS 16 and HKAS 38 | <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ² |
| Amendments to HKAS 16 and HKAS 41 | <i>Agriculture: Bearer Plants</i> ² |
| Amendment to HKAS 19 | <i>Defined Benefit Plans: Employee Contributions</i> ¹ |
| Amendment to HKAS 27 (2011) | <i>Equity Method in Separate Financial Statements</i> ² |
| <i>Annual Improvements 2010–2012 Cycle</i> | Amendments to a number of HKFRSs ¹ |
| <i>Annual Improvements 2011–2013 Cycle</i> | Amendments to a number of HKFRSs ¹ |
| <i>Annual Improvements 2012–2014 Cycle</i> | Amendments to a number of HKFRSs ² |

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2017

⁴ Effective for annual periods beginning on or after 1 January 2018

⁵ Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

2.3 尚未採納的新訂及經修訂香港財務報告準則及香港《公司條例》項下新披露規定

本集團並未在財務報表應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

| | |
|--|-------------------------------------|
| 香港財務報告準則第9號 | 金融工具 ⁴ |
| 香港財務報告準則第10號及香港會計準則第28號(2011)修訂 | 投資者與其聯營或合營公司之間的資產出售或注資 ² |
| 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(2011)修訂 | 投資實體：應用綜合入賬之例外 ² |
| 香港財務報告準則第11號修訂 | 收購共同經營權益的會計處理 ² |
| 香港財務報告準則第14號 | 監管遞延賬戶 ⁵ |
| 香港財務報告準則第15號 | 來自客戶合約的收益 ³ |
| 香港會計準則第1號修訂 | 披露動議 ² |
| 香港會計準則第16號及香港會計準則第38號修訂 | 可接受折舊及攤銷方式的澄清 ² |
| 香港會計準則第16號及香港會計準則第41號修訂 | 農業：生產性植物 ² |
| 香港會計準則第19號修訂 | 界定福利計劃：僱員供款 ¹ |
| 香港會計準則第27號(2011)修訂 | 獨立財務報表中的權益法 ² |
| 二零一零年至二零一二年週期的年度改進 | 修訂多項香港財務報告準則 ¹ |
| 二零一一年至二零一三年週期的年度改進 | 修訂多項香港財務報告準則 ¹ |
| 二零一二年至二零一四年週期的年度改進 | 修訂多項香港財務報告準則 ² |

¹ 於二零一四年七月一日或以後開始的年度期間生效

² 於二零一六年一月一日或以後開始的年度期間生效

³ 於二零一七年一月一日或以後開始的年度期間生效

⁴ 於二零一八年一月一日或以後開始的年度期間生效

⁵ 對首次採納香港財務報告準則的實體，適用於二零一六年一月一日或之後開始的年度財務報表，因此不適用於本集團

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.3 New and Revised HKFRSs and New Disclosure Requirements under the Hong Kong Companies Ordinance Not Yet Adopted (continued)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. The Group is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

2.4 Summary of Significant Accounting Policies Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

2.3 尚未採納的新訂及經修訂香港財務報告準則及香港《公司條例》項下新披露規定(續)

本集團對有關首次應用新訂及經修訂香港財務報告準則的影響進行評估。本集團尚未能確定該等新訂及經修訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

此外，香港《公司條例》(第622章)將影響截至二零一五年十二月三十一日止年度綜合財務報表內若干資料的呈列及披露。本集團對有關改變的影響進行評估。

2.4 主要會計政策概要 附屬公司

附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(如本集團獲賦予現有能以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司之業績按已收及應收股息計入本公司之收益表。本公司於附屬公司之權益按成本減任何減值虧損入賬。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value, which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or a liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in the income statement or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要(續)

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公平價值計算，該公平價值為本集團轉讓的資產於收購日期的公平價值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇以公平價值或被收購方可識別資產淨值的應佔比例，計算於被收購方屬現時擁有人權益的非控股權益，並賦予擁有人權利，於清盤時按比例分佔實體的淨資產。非控制權益之一切其他成分乃按公平價值計量。收購成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段進行，先前持有的股權按收購日期的公平價值重新計量，而任何收益或虧損於損益中確認。

由收購方將予轉讓的任何或然代價將於收購日期按公平價值確認。分類為金融工具且在香港會計準則第39號範疇內一項資產或負債的或然代價根據公平價值的變動按公平價值計量，並確認於損益或作為其他全面收益的變動。倘或然代價並非在香港會計準則第39號範疇內，則按合適的香港財務報告準則計量。分類為權益的或然代價並無重新計量，而其後結算於權益中入賬。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the income statement as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前由持有的被收購方股權的公平價值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。如總代價及其他項目低於所收購資產淨值的公平價值，於評估後其差額將於收益表內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢討。本集團於十二月三十一日進行商譽之年度減值測試。為進行減值測試，因業務合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於未來期間撥回。

倘商譽已分配予現金產生單位(或現金產生單位組別)的部份而該單位的部份業務已出售，則在釐定所出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面值。在該情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Fair value measurement

The Group measures its investment properties at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 主要會計政策概要(續)

公平價值計量

本集團於各報告期末按公平價值計量其投資物業。公平價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公平價值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要及最具優勢市場須為本集團可進入之市場。資產或負債的公平價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產的公平價值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，所產生的經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公平價值的估值方法，以儘量使用相關可觀察輸入數據及儘量減少使用不可觀察輸入數據。

所有載於本財務報表計量或披露的資產及負債乃基於對公平價值計量整體而言屬重大的最低層輸入數據按以下公平價值等級分類：

- 第一級：基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級：基於對公平價值計量而言屬重大的可觀察(直接或間接)最低層輸入數據的估值方法
- 第三級：基於對公平價值計量而言屬重大的不可觀察最低層輸入數據的估值方法

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.4 主要會計政策概要(續)

公平價值計量(續)

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平價值計量整體而言屬重大的最低層輸入數據)確定是否發生不同等級轉移。

關連人士

在下列情況下，關連人士將被視為與本集團有關連：

- (a) 有關人士為該名人士家族的人士或直系親屬，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團發揮重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘符合下列任何條件，有關人士即屬實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體的母公司、附屬公司或同系附屬公司之旗下)；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為本集團僱員或屬於本集團關連人士之實體之僱員福利而設之離職後福利計劃；
 - (vi) 該實體由(a)項所述人士控制或共同控制；及
 - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要(續)

非金融資產減值

倘有跡象顯示資產出現減值，或須對資產進行年度減值測試(存貨、金融資產及投資物業除外)，則會估計該項資產之可收回金額。資產之可收回金額為資產或創現單位之使用價值或其公平值減處理成本之較高者，並就個別資產釐定，惟該項資產並無產生大部分獨立於其他資產或其他組別資產之現金流入則除外，在此情況，就該項資產所屬之創現單位釐定可收回金額。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值之估計及該項資產之特有風險之除稅前折現率折減至現值。減值虧損於產生期間自收益表扣除，惟倘該資產按重估金額列賬，則減值虧損會根據該重估資產之有關會計政策列賬。

於各報告期間結算日，均會評估是否有跡象顯示過往已確認之減值虧損不再存在或可能減少。倘出現該跡象，則會估計可收回金額。過往確認之資產減值虧損(商譽及金融資產除外)僅於用於釐定該項資產之可收回金額所採用之估計出現變化時撥回，但有關金額不得超逾假設過往年度並無就該項資產確認減值虧損而應有之賬面值(已扣除任何折舊/攤銷)。撥回減值虧損於產生期間計入收益表，惟倘該資產按重估金額列賬，則減值虧損撥回會根據該重估資產之有關會計政策列賬。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | |
|--|----------------------|
| Leasehold land and buildings | Over the lease terms |
| Leasehold improvements | 4.5% to 20% |
| Plant and machinery | 10% to 20% |
| Furniture, fixtures and office equipment | 10% to 20% |
| Motor vehicles | 20% to 25% |

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損入賬。一項物業、廠房及設備之成本包括購買價及任何將資產達致其運作狀況與地點作擬定用途之直接成本。

各項物業、廠房及設備投入運作後產生之開支(如維修及保養)一般於產生期間自收益表扣除。倘符合確認標準，一項主要視察之開支以替代方式於資產帳面值中資本化列賬。倘物業、廠房及設備之重要部分須不時替代，本集團確認該等部分為個別資產，具特別使用年限及折舊。

物業、廠房及設備之價值變動作為資產重估儲備之變動處理。倘若按每項資產為基準，儲備總額不足以彌補虧絀時，則多出之虧絀於收益表扣除。其後之重估盈餘乃計入收益表，惟以先前扣除之虧絀為限。出售重估資產時，資產重估儲備中就以往估值實現之部份乃轉入保留溢利，作為儲備之變動。

折舊按各項物業、廠房及設備之估計可使用年期以直線法計算，以撇銷成本至其剩餘價值。就此而言，所採用之主要年率如下：

| | |
|-------------|----------|
| 租賃土地及樓宇 | 按租期 |
| 租賃物業裝修 | 4.5%–20% |
| 廠房及機器 | 10%–20% |
| 傢俬、裝置及辦公室設備 | 10%–20% |
| 汽車 | 20%–25% |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Property, plant and equipment and depreciation

(continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair value of an investment property are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

倘某項物業、廠房及設備項目各部分之使用年限各有不同，該項目之成本乃按合理基準在各部分之間進行分配，而每部分則各自計算折舊。剩餘價值、使用年限及折舊方法至少會於各財政年度年末進行檢討及調整(如適用)。

初步確認之物業、廠房及設備項目包括任何重要部分於出售時或預期日後不會因使用或出售而帶來經濟利益時停止確認。在停止確認該項資產之同一年度於收益表確認之出售或報廢之任何盈虧，為有關資產出售所得款項淨額與其賬面值之差額。

在建工程指興建中之樓宇及設備，並以成本值減任何減值虧損列帳，且不予折舊。成本值包括建築期間之直接建築成本。在建工程於完成及投入服務時重新分類為合適類別之物業、廠房及設備。

投資物業

投資物業乃土地及樓宇之權益。持有投資物業是為賺取租金收入及／或資本增值，而非用以生產或提供貨物或服務或作行政用途又或於日常業務中出售。投資物業首次按成本計量，當中包括交易成本。於首次確認後，投資物業乃按反映報告期末市場狀況的公平價值列賬。

投資物業公平值變更所帶來之溢利或虧損於產生年度計入收益表。

報廢或出售投資物業之任何溢利或虧損於報廢或出售之年度在收益表確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

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2.4 Summary of Significant Accounting Policies

(continued)

Investment properties (continued)

If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the income statement. The loss arising from impairment is recognised in the income statement in finance costs for loans and in other expenses for receivables.

2.4 主要會計政策概要(續)

投資物業(續)

如本集團以業主佔用物業形式而佔用之物業轉變為投資物業，本集團對該物業入賬時須根據於「物業、廠房及設備以及折舊」所述之政策計至更改用途之日，而於當日有關該物業之賬面值及公平值之差額作為重估，須根據於上文「物業、廠房及設備以及折舊」所述之政策入賬。

投資及其他金融資產

初步確認及計量

金融資產，按初始確認時，金融資產分類為以公平值按損益列賬的金融資產、貸款及應收款項及可供出售金融投資，或分類為指定為有效對沖之對沖工具之衍生工具（視情況而定）。對於並非屬於以公平值按損益列賬的金融資產，在初始確認時以公平值加上收購金融資產產生的交易成本計量。

以正常方式購買及銷售金融資產均在交易日（即本集團承諾購買或出售資產當日）確認。以正常方式購買或銷售資產是指須按照市場規定或慣例通常訂立的期限內交付資產。

後續計量

金融資產的後續計量取決於其分類，如下：

貸款及應收款項

貸款及應收款項指具有固定或可釐定付款額且非於活躍市場報價之非衍生金融資產。於首次計量後，該等資產採用實際利息法按攤銷成本計量，並扣除任何減值撥備。計算攤銷成本時亦會計及收購所產生之任何折讓或溢價，並包括作為實際利率之不可或缺之費用或成本。實際利率攤銷包含於收益表之其他收入及收益。因減值而產生之虧損於收益表內確認為貸款之融資成本及應收賬款之其他開支。

Notes to Financial Statements (Continued)

財務報表附註(續)

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2.4 Summary of Significant Accounting Policies

(continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要(續)

解除確認金融資產

於下列情況時，金融資產(或(如適用)金融資產之一部分或一組類似金融資產之一部分)將主要地解除確認(從本集團綜合財務狀況表移除)：

- 自資產收取現金流量之權利已屆滿；或
- 本集團已轉讓自資產取得現金流量之權利或已根據「轉付」安排承擔於無重大延誤之情況下向第三方全額支付已收取現金流量之責任；且(a)本集團已轉讓該資產之大部分風險及回報，或(b)本集團並無轉讓或保留該等資產之大部分風險及回報，惟已轉讓該資產之控制權。

當本集團已轉讓自一項資產收取現金流量的權利或已訂立「轉付」安排，會評估其有否保留該項資產擁有權的風險及回報，以及其程度。當本集團並無轉讓或保留該資產之大部分風險及回報，亦無轉讓該資產之控制權，該資產在本集團持續參與該項資產的前提下予以確認入賬。於此情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反應本集團已保留權利及責任之基準計量。

本集團倘以擔保形式持續參與轉讓資產時，則以該項資產的原賬面值及本集團或須償還的代價數額上限(以較低者為準)計算。

Notes to Financial Statements (Continued)

財務報表附註(續)

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2.4 Summary of Significant Accounting Policies

(continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified 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 yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要(續)

金融資產之減值

本集團於各報告期間結算日評估金融資產或一組金融資產有否出現的任何客觀證據。倘於初步確認一項或一組金融資產後發生一件或多件事項導致存在客觀減值跡象，而該項(或多項)虧損事項已對金融資產或一組金融資產的估計未來現金流造成可合理估計之影響，則金融資產或一組金融資產被視為減值。減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先對具個別重要性之金融資產進行評估，評估個別資產是否存在可觀減值證據，或對非具個別重要性之金融資產進行共同評估。倘本集團釐定經個別評估之金融資產(無論具有重要性與否)並無存在可觀減值證據，則會將該資產歸入一組具有類似信貸風險特性之金融資產內，然後共同評估減值。個別評估減值及為其確認或繼續確認減值虧損之資產，在共同評估減值時不會包括在內。

已確認減值虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計量。估計未來現金流量之現值乃按金融資產之原實際利率貼現(即按初步確認計算之實際利率)。

Notes to Financial Statements (Continued)

財務報表附註(續)

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2.4 Summary of Significant Accounting Policies

(continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the income statement.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

2.4 主要會計政策概要(續)

金融資產之減值(續)

按攤銷成本列賬之金融資產(續)

資產之賬面值通過採用撥備賬項減少，虧損金額在收益表中確認。利息收入按減少後賬面值持續產生，且採用計量減值虧損時用以貼現未來現金流量之利率累計。倘預期並無日後可收回金額，且所有抵押已變現或轉撥至本集團，則借貸及應收款項連同相關撥備予以撇銷。

以後期間，倘若由於減值確認後發生一個事件估計減值虧損之數額增加或減少，則先前確認之減值虧損透過調整撥備賬項予以增加或減少。倘攤銷隨後可收回，收回款項計入收益表之其他開支。

金融負債

初步確認及計量

金融負債，按初始確認時，按適用情況分類為透過損益賬以公平值列賬之金融負債、貸款及借貸，或分類為指定為有效對沖之對沖工具之衍生工具(按適用情況)。

所有財務負債初始時按公平值確認，惟貸款及借款則加上淨直接應佔交易成本確認。

後續計量

財務負債的後續計量取決於其分類，如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

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2.4 Summary of Significant Accounting Policies

(continued)

Financial liabilities (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

2.4 主要會計政策概要(續)

金融負債(續)

貸款及借款

於初始確認後，計息貸款及借款隨後以實際利率法按攤銷成本計量，倘折現的影響並不重大，則按成本列賬。當撤銷確認負債及在實際利率攤銷過程中，收益及虧損會於收益表確認。

攤銷成本計入於購買時產生的任何折現或溢價及作為構成有效利率整體部分的費用或成本。有效利率攤銷計入收益表中的融資成本。

財務擔保合約

本集團開立的財務擔保合約是指須支付款項以償付持有人因指定債務人未能根據債務工具條款作出到期付款而產生的虧損的合約。財務擔保合約初步按其公平值確認為負債，並就開立該擔保的直接應佔交易成本進行調整。於初始確認後，本集團按以下兩者中的較高者計量財務擔保合約：(i) 於報告期末對履行現有責任所需開支的最佳估計金額；及(ii) 初始確認金額減(如適用)累計攤銷。

撤銷確認金融負債

當負債項下之責任被解除或取消或屆滿，金融負債將被撤銷確認。

如現有金融負債由同一放債人明顯不同的條款大致上相異之負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為取消確認原負債及確認新負債處理，有關賬面值之差額於收益表確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowances for obsolete or slow moving items. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.4 主要會計政策概要(續)

存貨

存貨按成本與可變現淨值之較低者入賬，並就陳舊或滯銷項目作適當撥備。成本按加權平均法計算，如屬在製品及製成品，則包括直接物料、直接工資及適當比例之間接成本。可變現淨值按估計售價減任何估計完成及出售所需之成本計算。

租賃

將資產擁有權(法定業權除外)之大部分報酬與風險轉讓至本集團之租賃均列為融資租賃。融資租賃生效時，租賃資產之原值均按最低租賃款項之現值撥作資本，並連同債務(不計利息)入賬，以反映購入及融資情況。資本化融資租賃持有之資產(包括融資租賃項下土地租賃款項預付)均列入物業、廠房及設備，並按資產租賃年期或估計可使用年期(以較短者為準)攤銷。該等租賃之融資成本乃於租賃年期內按固定比率於收益表內扣除。

由出租人承受資產擁有權之絕大部分回報與風險之租賃均列為經營租賃。倘本集團是出租人，則本集團根據經營租約出租之資產均計入非流動資產，而經營租約之應收租金則以直線法在租賃期內計入收益表。倘本集團是承租人，則經營租約之應付租金以直線法在租賃期內自收益表扣除。

經營租賃的預付土地租賃款項初步按成本列賬，其後在租賃期內以直線法確認。當租賃款項無法可靠地在土地和樓宇兩部份進行分配時，則整個租賃款項會計入土地和樓宇之成本中，列作物業、廠房及設備之融資租賃。

Notes to Financial Statements (Continued)

財務報表附註(續)

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2.4 Summary of Significant Accounting Policies

(continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings spending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

2.4 主要會計政策概要(續)

現金及現金等價物

為編製綜合現金流量表，現金及現金等價物包括手頭現金及活期存款，以及短期高流動性投資(須易於轉換能確定金額的現金、低價值變動風險及具較短期限(一般購入後不多於三個月))，減去按要求還款的銀行透支，並構成本集團的現金管理主要部分。

為編製財務狀況表，現金及現金等價物包括手頭現金及銀行存款，包括用途不受限制的定期存款及與現金性質相似之資產。

借款成本

因收購、建設或生產合資格資產等(即需要一段頗長時間準備方可作其擬定用途或出售的資產)所直接產生的借貸成本，乃予以資本化作為該等資產成本之一部分。倘若該等資產已大致能夠用作擬定用途或出售，其借貸成本不再予以資本化。個別借貸因尚未用於合資格資產而用作暫時性投資，所賺取的投資收入應從已資本化的借貸成本中扣除。所有其他借貸成本於產生期內支銷。借貸成本包括實體在借入資金時所產生的利息及其他成本。

撥備

當由於過往事件導致現時須承擔法律或推定責任而未來可能須流失資源以履行責任，且能可靠估計責任之數額，則會確認撥備。

倘若貼現影響重大，則所確認之撥備數額為預計履行責任所需之未來開支在報告期間結算日之現值。隨時間流逝使貼現值增加之款項計入收益表之融資成本。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the income statement is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。與於損益表以外確認之項目有關之所得稅或確認為其他全面收益亦或直接確認為權益。

即期稅項資產及負債，按預期可從稅務機構收回或支付予稅務機構之金額、以報告期間結算日之前已實施或實質已實施之稅率(及稅法)、經考慮本集團業務所在國家現行之詮釋及慣例而計量。

遞延稅項於呈報期末按負債法就資產及負債的稅基與財務報告所示賬面值的所有暫時差額計提撥備。

遞延稅項負債就所有應課稅暫時差額確認，惟下列情況除外：

- 因業務合併以外之交易(交易當時並無因而影響會計溢利或應課稅溢利或虧損者)下初步確認資產或負債所產生之遞延稅項負債；及
- 對附屬公司之投資相關之應課稅暫時差額而言，如暫時差額之撥回時間可予控制，且暫時差額不大可能在可預見將來撥回。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

*(continued)*Income tax *(continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Dividend income derived from the Company's subsidiaries in Mainland China is subject to a withholding tax under the prevailing tax rules and regulations of the People's Republic of China ("PRC").

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產乃於可能取得應課稅溢利而可動用可扣稅暫時差額，以及未動用稅項抵免及任何未動用稅項虧損。遞延稅項資產就所有可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損結轉確認，惟下列情況除外：

- 遞延稅項資產涉及業務合併以外之交易(交易當時並無因而影響會計溢利或應課稅溢利或虧損者)下初步確認資產或負債所產生之可扣稅暫時差額；及
- 對附屬公司之投資相關之可扣稅暫時差異，遞延稅項資產僅於暫時差異於可預見將來可能出現逆轉及有應課稅溢利以供暫時差額抵銷的情況下確認。

於各報告期間結算日會檢討遞延稅項資產之賬面值，倘不再可能取得足夠應課稅溢利以運用全部或部分遞延稅項資產扣稅，則會作出相應調減。尚未確認之遞延稅項資產，則會於各報告期間結算日重新評估，並於有可能取得足夠應課稅溢利以收回全部或部分遞延稅項資產扣稅時確認。

遞延稅項資產及負債乃根據預期於變現資產或清償債務期間適用之稅率計算，而該稅率乃基於報告期間結算日正式實施或實質採用之稅率(及稅法)釐定。當存在可依法執行之權利，可將即期稅項資產抵銷即期稅項負債，而遞延稅項涉及同一應課稅實體及同一稅務機關時，遞延稅項資產及遞延稅項負債方可互相抵銷。

根據中華人民共和國(「中國」)現行稅務規則及法規，來自本公司位於中國大陸之附屬公司之股息收益須繳納預扣稅。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 主要會計政策概要(續)

收益確認

當經濟利益有可能流入本集團和當收入能可靠地計量時，收益會按下列基準確認：

- (a) 銷售貨品所得之收益，於所有權之重大風險和回報已轉移至買方時確認，惟本集團對所售貨品必須不再享有通常與所有權相關之管理權，亦不得再有實際控制權；
- (b) 租金收入在租賃期內按時間比例確認；
- (c) 利息收入以應計基準以實際利率法將金融工具的估計年期或較短期間(如適用)內的未來估計現金收入折現至金融資產的賬面淨值；及
- (d) 股息收入於確立股東收款權利時確認。

研究及開發成本

所有研究成本均於產生時自收益表扣除。

開發新產品之項目開支將撥充資本，並僅於以下情況延遲入賬：本集團能表現出完成該無形資產之技術可行性，以供使用或銷售；表現其有意完成該項資產及其使用或出售該項資產之能力；顯示該項資產如何產生日後經濟利益；顯示其能夠提供完成有關項目之資源；及顯示其有能力於開發期間可靠計量開支。不符合上述標準之產品開發開支於產生時支銷。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Government grants

Government grants, including a subsidy for the expenditure incurred in the construction cost of infrastructure projects, are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("Equity-settled Transactions").

The cost of Equity-settled Transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

The cost of Equity-settled Transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for Equity-settled Transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 主要會計政策概要(續)

政府補助

政府補助(包括有關基建項目建築成本所招致開支之補助)於可合理地確定將會收取補助及將符合所有附帶條件時按公平值確認。倘補助涉及開支項目,則會於相關期間確認為收入,使該補助有系統地對應其擬補助之成本入賬。倘補助與資產有關,其公平值從資產之賬面值中扣減並透過扣減之折舊開支而轉撥至收益表。

股份支付

本公司訂立購股權計劃,以向為本集團成功營運作出貢獻的合資格參與者提供激勵及獎勵。本集團僱員(包括董事)以股份支付的形式收取酬金,據此僱員提供服務作為權益工具的代價(「以股份支付的交易」)。

股份支付交易的成本乃參照該權益工具於授予日期的公平值計量。公平值由外聘估值師採用二項式模型釐定,有關詳情載於財務報表附註31。

權益支付交易的成本於表現及/或服務條件履行期間於僱員福利開支確認,同時相應增加權益。在歸屬日期之前於各報告期間結算日於權益支付交易所確認的累計開支反映歸屬期屆滿的程度及本集團認為對最終歸屬的權益工具數量的最佳估計。於期內綜合收益表扣除或計入的金額指於期初及期終確認的累計開支變動。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Share-based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for Equity-settled Transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as an additional share dilution in the computation of earnings per share.

Other employee benefits

Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of these employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

2.4 主要會計政策概要(續)

股份支付(續)

除須視乎市場有條件歸屬或非歸屬條件的權益支付交易外，對於最終未予歸屬的回報，則不確認任何開支。而對於須視乎市場或非歸屬條件歸屬的回報，在其他所有表現及／或服務條件都符合情況下，不管市場條件是否達到要求，都視作已歸屬。

於修訂權益支付回報的條款時，將會至少確認開支，猶如倘最初回報條款均得到滿足，有關條款並無作出修訂。此外，亦會就任何修訂確認開支增加股份付款安排交易的總公平值，或於修訂當日計算時對僱員有利。

倘若註銷權益支付的回報，則會視作已於註銷當日歸屬，而任何未就回報確認的開支將立即確認。該報酬包括當非歸屬條件在本集團或僱員的控制下未能得到滿足時的報酬。然而，倘以新回報取代所註銷的回報，並於授出當日列作取代回報，則所註銷及新授出的回報將視作原有回報的修訂，有關詳情載於上段。

尚未行使購股權的攤薄影響列作計算每股盈利的額外股份攤薄。

其他僱員福利

退休福利計劃

本集團根據香港強制性公積金計劃條例為所有香港僱員設立定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃按僱員基本薪金之某百分比計算，並根據強積金計劃之規則於應付時在收益表扣除。強積金計劃資產與本集團資產分開存放，由獨立管理之基金持有。本集團一經向強積金計劃供款，有關僱主供款即全數歸僱員所有。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Other employee benefits *(continued)*

Retirement benefit schemes *(continued)*

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement.

2.4 主要會計政策概要(續)

其他僱員福利(續)

退休福利計劃(續)

本集團於中國大陸經營之附屬公司之僱員須參與地方市政府管理之中央退休金計劃。該等附屬公司須按其薪酬成本之若干百分比向中央退休金計劃供款。供款於根據中央退休金計劃之規則應付時於收益表扣除。

離職福利

離職福利於本集團不再能取消提供該等福利時及本集團確認涉及支付離職福利的重組成本時(以較早者為準)確認。

外幣

該等財務報表以港元(本公司之功能及呈列貨幣)呈列。本集團屬下各實體自行決定功能貨幣,而各實體財務報表內之項目均以該功能貨幣計算。外幣交易首先按交易日期本集團屬下各實體以其功能貨幣匯率入賬。於結算日以外幣為單位之貨幣資產與負債按報告期間結算日適用之功能貨幣匯率換算。因貨幣項目結算或匯兌產生的差額於收益表確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2.4 Summary of Significant Accounting Policies

(continued)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or income statement is also recognised in other comprehensive income or income statement, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

根據外幣歷史成本計算之非貨幣項目按首次交易日期之匯率換算。根據外幣公平值計算之非貨幣項目按釐定公平值當日之匯率換算。換算非貨幣項目而產生的收益或虧損，按確認該項目公平價值變動的收益或虧損一致的方法處理(即其他全面收益或收益表已確認的項目公平價值收益或虧損，其換算差額亦分別於其他全面收益或收益表確認)。

若干海外附屬公司之功能貨幣並非港元。於報告期間結算日，該等實體之資產及負債均按報告期間結算日之匯率換算為本公司之呈列貨幣，而該等公司之收益表按年內之加權平均匯率換算為港元。因此而產生之匯兌差額計入其他全面收入及於匯兌波動儲備累積。於出售境外營運時，就特定海外實體在其他全面收入的組成部分將於收益表確認。

就編製綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期現行之匯率換算為港元。海外附屬公司在年內產生之經常性現金流量會按該年度之加權平均匯率換算為港元。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 主要會計判斷及估計

於編製本集團之財務報表時，管理層需對收入、支出、資產及負債之申報數額及其附帶披露、以及或然負債之披露事項作出判斷、估計及假設。該等假設及估計之不明朗因素可能導致需就日後受影響資產或負債之賬面值作出重大調整。

判斷

管理層於應用本集團之會計政策時已作出以下判斷(不包括涉及估計者)，對財務報表內確認之款項構成最重要影響者如下：

經營租約承擔—本集團作為出租人

本集團已就旗下之投資物業組合訂立商業物業租約。本集團已根據各安排之條款及條件之評估確定其保留經營租約出租之物業之擁有權的所有重大風險及回報。

投資物業與業主佔用物業分類

本集團釐定一項物業是否符合為投資物業，並已制訂標準以作出有關判斷。投資物業乃為賺取租金或／及資本增值而持有之物業。故此，本集團考慮物業是否明顯地獨立於本集團持有的其他資產而產生現金流量。某些物業包括一部分為賺取租金或資本增值而持有，而另一部分則為生產或供應貨物或服務或行政用途而持有。倘有關部分可根據融資租賃單獨出售或出租，本集團則單獨計入該部分。倘有關部份不能單獨出售，物業只會用在於生產或供應貨物或服務或行政用途所佔比例極少的情況下計入投資物業。本集團基於物業的個別情況而作出判斷，以確定配套服務是否非常重要，致使該物業不符合為投資物業。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Income tax

Deferred tax is provided using the liability method, on all temporary differences as at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

As explained in note 29 to the financial statements, withholding tax is levied on dividends to be distributed by subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. Deferred tax is provided, at the applicable withholding tax rate, on the undistributed earnings of the Group's PRC subsidiaries that would be distributed to their respective holding companies outside Mainland China in the foreseeable future.

The Group's investment properties at fair value in Mainland China are all held to earn rental income and/or for capital appreciation and they are considered to be held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties at fair value is measured than through sale. Accordingly, deferred tax on the Group's investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of the investment properties though use.

Estimation uncertainty

The 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, are described below.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) by reference to independent valuations;
- (b) current prices in an active market for properties of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;

3. 主要會計判斷及估計(續)

判斷(續)

所得稅

使用負債法就報告期末資產與負債稅基與彼等就財務申報的賬面值之間的所有暫時差額計提遞延稅項。

如財務報表附註29所說明，於中國大陸成立的附屬公司將就二零零八年一月一日起所產生的盈利而分派的股息須繳納預扣稅。按適用預扣稅率就本集團位於中國的附屬公司將於可見將來分派予彼等各自位於中國大陸境外的控股公司的未分派盈利計提遞延稅項。

本集團位於中國大陸按公平值列賬的投資物業均持有以賺取租金收入及／或資本增值，彼等視作按其目標為消耗按公平值計量投資物業所包含絕大部分經濟利益而非銷售的業務模式持有。因此，計量本集團按公平值列賬投資物業的遞延稅項以反映透過使用收回投資物業賬面值的稅務後果。

估計之不明朗因素

涉及日後之主要假設及於報告期末估計不明朗因素之其他主要來源(其均會導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)載於下文：

投資物業公平值估計

倘缺乏類似物業於活躍市場的當前價格，本集團將考慮不同來源的資料，包括：

- (a) 參考獨立估值；
- (b) 不同性質、狀況或地點(或不同租賃或其他合同)的物業於活躍市場的當前價格(須就反映該等差異作出調整)；

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment properties (continued)

- (c) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and
- (d) discounted cash flow projections, based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rates for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are given in note 18 to the financial statements.

Properties applying for building ownership certificates

As of 31 December 2014, the Group had not obtained the building ownership certificates for certain properties located in Mainland China and was still in the progress of completing the application of these certificates. The Group believes that it is highly possible for the Group to obtain these certificates. Thus, no impairment of the aforesaid properties was considered necessary as of 31 December 2014. This is the best estimation by the management based on current information. Further details are given in note 17 to the financial statements.

Valuation of share options

The fair value of options granted under the share option scheme is determined using the binomial model. The significant inputs in determining the fair values include the weighted average share price at the grant date, exercise price, risk-free interest rate, dividend yield, expected volatility, expected life of options, and exit rate of directors and staff.

3. 主要會計判斷及估計(續)

估計之不明朗因素(續)

投資物業公平值估計(續)

- (c) 類似物業於活躍程度稍遜市場的近期價格，經調整以反映自按該等價格進行交易當日起之任何經濟情況變動；及
- (d) 根據未來現金流量之可靠估計而作出之折現現金流量預測，該預測乃根據任何現有租約及其他合約之條款，以及(如有可能)外在因素(如相同地點及狀況之類似物業之現行市場租金等)而作出，並採用可反映當時市場對不確定之現金流量金額及時間之評估之折現率計算。

包括用於公平值計量的主要假設及敏感度分析的進一步詳情載於財務報表附註18。

申請房屋所有權證之物業

截至二零一四年十二月三十一日，本集團尚未取得部份位於中國大陸的物業的房屋所有權證，目前仍在辦理該等物業的房屋所有權證之申請。本集團認為，取得該等物業的房屋所有權證之可能性很高。因此，截至二零一四年十二月三十一日，我們認為上述物業並無減值必要。此乃管理層基於目前之資料之最佳估計。進一步詳情載於財務報表附註17。

購股權之估值

根據購股權計劃授出之購股權公平值採用二項式模型釐定，模型釐定公平值所採用之重大計算數據包括授出日期之加權平均股價、行使價、無風險利率、派息率、預期波幅、購股權預期有效期及董事與員工之流失率。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

4. Segment Information

The Group's primary operating segment is the manufacture and sale of ladies' brassieres, panties, swimwear and sleepwear. Since this is the only operating segment of the Group, no further analysis thereof is presented. In determining the Group's geographical information, the revenue information is based on the locations of the customers, and the total non-current assets information, other than deferred tax assets, is based on the locations of the assets.

4. 分部資料

本集團之主要經營分部是女士胸圍、內褲、泳衣及睡衣之製造及銷售。由於此為本集團之唯一經營分部，故並無呈列進一步之分析。決定本集團之地區資料時，收益資料乃按客戶所在地為基礎，總非流動資產(遞延稅項資產除外)資料按資產所在地為基礎。

| | Mainland China 中國大陸 | | Hong Kong 香港 | | Others 其他 | | Total 總計 | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Revenue from external customers 外界客戶之收益 | 2,269,951 | 2,123,956 | 103,794 | 102,347 | 9,382 | 8,460 | 2,383,127 | 2,234,763 |
| Non-current assets 非流動資產 | 1,209,486 | 972,278 | 76,552 | 76,443 | - | - | 1,286,038 | 1,048,721 |
| Capital expenditure incurred during the year 年內資本開支 | 279,113 | 198,969 | 236 | 430 | - | - | 279,349 | 199,399 |

For the years ended 31 December 2014 and 2013, as no revenue from sales to any customer of the Group has individually accounted for over 10% of the Group's total revenue, no information about major customers is presented under HKFRS 8.

截至二零一四年及二零一三年十二月三十一日止年度，由於本集團並無任何客戶之銷售收益個別佔本集團總收益10%以上，故並未根據香港財務報告準則第8號呈報主要客戶的資料。

5. Revenue

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

5. 收益

收益，即本集團之營業額，指扣除退貨及交易折扣款額後售出貨品之發票淨值。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

6. Other Income and Gains, Net

6. 其他收入及收益，淨額

| | | Group 本集團 | |
|---|-----------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Other income | 其他收入 | | |
| Subsidy income* | 補貼收入* | 28,443 | 43,674 |
| Gross rental income | 租金收入總額 | 11,036 | 6,654 |
| Contingent rents receivable in respect of operating lease | 經營租賃的應收或然租金 | 833 | - |
| Bank interest income | 銀行利息收入 | 1,708 | 4,220 |
| Royalty income | 專利權收入 | 160 | 247 |
| Others | 其他 | 2,571 | 1,618 |
| | | 44,751 | 56,413 |
| Gains, net | 收益，淨額 | | |
| Foreign exchange differences, net | 匯兌差異，淨額 | (7,775) | 15,734 |
| Changes in fair value of investment properties (note 18) | 投資物業公平值變動(附註18) | 1,000 | 4,000 |
| | | (6,775) | 19,734 |
| | | 37,976 | 76,147 |

* There are no unfulfilled conditions or contingencies relating to this income.

* 此收入並無涉及任何未達成之條件或或然事項。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

7. Other Expenses

7. 其他開支

| | | Group 本集團 | |
|--|--------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Charitable donation | 慈善捐款 | 6,331 | 6,955 |
| Loss on disposal/write-off of items of property, plant and equipment | 出售/撤銷物業、廠房及設備項目之虧損 | 593 | 275 |
| | | 6,924 | 7,230 |

8. Finance Costs

8. 融資成本

| | | Group 本集團 | |
|---|-------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Total interest on bank loans wholly repayable within five years | 須於五年內悉數償還之總銀行借款利息 | 2,270 | 2,754 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

9. Profit Before Tax

The Group's profit before tax is arrived at after charging/
(crediting):

9. 除稅前溢利

本集團之除稅前溢利已扣除/(計入):

| | | Group 本集團 | |
|--|------------------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Cost of inventories sold* | 已售存貨成本* | 422,922 | 437,880 |
| Depreciation | 折舊 | 36,432 | 33,313 |
| Amortisation of prepaid land lease payments | 預付土地租賃款項之攤銷 | 907 | 891 |
| Minimum lease payments under operating leases in respect of: | 有關以下各項經營租約之最低租賃款項: | | |
| Land and buildings | 土地及樓宇 | 80,580 | 75,368 |
| Contingent rents of retail outlets in department stores | 百貨公司內零售點的或然租金 | 598,334 | 549,207 |
| Employee benefit expenses (excluding directors' and chief executive's remuneration — note 10): | 僱員福利開支(不包括董事及行政總裁薪酬 — 附註10): | | |
| Wages and salaries | 工資及薪金 | 656,122 | 575,527 |
| Provision/(write-back of provision) for long service payments | 長期服務金撥備/(撥備撥回) | 368 | (55) |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 58,671 | 51,659 |
| Equity-settled share option expense | 以股權支付購股權開支 | 556 | 5,901 |
| | | 715,717 | 633,032 |
| Auditors' remuneration | 核數師酬金 | 2,940 | 2,860 |
| Advertising and counter decoration expenses | 廣告及櫃位裝飾開支 | 161,556 | 153,295 |
| Provision/(write-back of provision) for obsolete inventories, net | 陳舊存貨撥備/(撥備撥回)淨額 | (4,062) | 42,208 |
| Impairment/(write-back of impairment allowance) of trade receivables** | 應收貿易賬款減值/(減值撥備撥回)** | 1,220 | (47) |
| Research and development expenditure | 研究及開發開支 | 2,779 | 3,311 |
| Loss on disposal/write-off of items of property, plant and equipment | 出售/撇銷物業、廠房及設備項目之虧損 | 593 | 275 |
| Gross and net rental income | 租金收入總額及淨額 | (11,869) | (6,654) |
| Changes in fair value of investment properties | 投資物業公平值變動 | (1,000) | (4,000) |
| Foreign exchange differences, net | 匯兌差異淨額 | 7,775 | (15,734) |
| Bank interest income | 銀行利息收入 | (1,708) | (4,220) |

* The cost of inventories sold for the year included HK\$156,410,000 (2013: HK\$153,878,000), relating to staff costs, depreciation of manufacturing facilities, minimum lease payments under operating leases in respect of land and buildings and the net provision/(write-back of provision) for obsolete inventories, which are also included in the respective total amounts disclosed above for each type of expenses.

** The impairment/(write-back of impairment allowance) of trade receivables is included in "Administrative expenses" on the face of the consolidated income statement.

* 已售存貨成本包括員工成本、製造設備折舊、土地及樓宇經營租約之最低租賃款項及陳舊存貨撥備/(撥備撥回)淨額為156,410,000港元(二零一三年: 153,878,000港元)。有關總額亦已記入以上披露之各類相關開支中。

** 應收貿易賬款減值/(減值撥備撥回)已計入綜合收益表的「行政開支」內。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

10. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), which reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

| | | Group 本集團 | |
|---|-------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Fees | 袍金 | 912 | 861 |
| Other emoluments: | 其他酬金： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 6,354 | 7,391 |
| Bonuses* | 花紅* | 11,820 | 6,352 |
| Equity-settled share option expense | 以股權支付之購股權開支 | 198 | 762 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 36 | 45 |
| | | 19,320 | 15,411 |

* Executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

The fair value of the share options granted in prior years, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

10. 董事及行政總裁薪酬

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)及香港公司條例(第622章)附表11第78條(參照前香港公司條例(第32章)第161條)披露的年內董事及行政總裁薪酬如下：

| | | Group 本集團 | |
|---|-------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Fees | 袍金 | 912 | 861 |
| Other emoluments: | 其他酬金： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 6,354 | 7,391 |
| Bonuses* | 花紅* | 11,820 | 6,352 |
| Equity-settled share option expense | 以股權支付之購股權開支 | 198 | 762 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 36 | 45 |
| | | 19,320 | 15,411 |

* 本公司執行董事有權獲派發花紅，而花紅金額則按本集團除稅後溢利的一定百分比釐定。

就於歸屬期內在收益表確認的購股權，其公平值於授出日期釐定，計入本年度財務報表的金額載入上述董事及行政總裁薪酬披露事項內。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

10. Directors' and Chief Executive's Remuneration (continued)

2014

10. 董事及行政總裁薪酬(續)

二零一四年

| | | Salaries, allowances and benefits Fees | in kind 薪金、 津貼及 實物利益 | Bonuses 花紅 | Equity- settled share option expense 以股權支付 之購股權 開支 | Retirement benefit scheme contributions 退休福利 計劃供款 | Total remuneration 總薪酬 |
|---|---------------------|--|-------------------------------|-----------------|---|--|------------------------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| <i>Executive directors:</i> | <i>執行董事：</i> | | | | | | |
| Madam Ngok Ming Chu | 岳明珠女士 | - | 3,096 | 3,148 | 6 | 16 | 6,266 |
| Ms. Cheng Pik Ho Liza [†] | 鄭碧浩女士 [†] | - | 2,648 | 2,846 | 158 | 16 | 5,668 |
| Mr. Cheng Man Tai ^{**} | 鄭敏泰先生 ^{**} | - | 610 | 5,826 | 4 | 4 | 6,444 |
| | | - | 6,354 | 11,820 | 168 | 36 | 18,378 |
| <i>Independent non-executive directors:</i> | <i>獨立非執行董事：</i> | | | | | | |
| Mr. Lau Siu Ki | 劉紹基先生 | 304 | - | - | 10 | - | 314 |
| Mr. Lee Kwan Hung | 李均雄先生 | 304 | - | - | 10 | - | 314 |
| Prof. Lee T. S. | 李天生教授 | 304 | - | - | 10 | - | 314 |
| | | 912 | - | - | 30 | - | 942 |
| | | 912 | 6,354 | 11,820 | 198 | 36 | 19,320 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

10. Directors' and Chief Executive's Remuneration (continued)

2013

| | Fees | Salaries, allowances and benefits in kind | Bonuses | Equity-settled share option expense | Retirement benefit scheme contributions | Total remuneration |
|---|----------|---|----------|-------------------------------------|---|--------------------|
| | 袍金 | 薪金、津貼及實物利益 | 花紅 | 以股權支付之購股權開支 | 退休福利計劃供款 | 總薪酬 |
| | 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 |
| <i>Executive directors:</i> | | | | | | |
| Mr. Cheng Man Tai | – | 2,649 | 2,290 | 14 | 15 | 4,968 |
| Ms. Cheng Pik Ho Liza* | – | 2,499 | 2,109 | 600 | 15 | 5,223 |
| Madam Ngok Ming Chu | – | 2,243 | 1,953 | 25 | 15 | 4,236 |
| | – | 7,391 | 6,352 | 639 | 45 | 14,427 |
| <i>Independent non-executive directors:</i> | | | | | | |
| Mr. Lau Siu Ki | 287 | – | – | 41 | – | 328 |
| Mr. Lee Kwan Hung | 287 | – | – | 41 | – | 328 |
| Prof. Lee T. S. | 287 | – | – | 41 | – | 328 |
| | 861 | – | – | 123 | – | 984 |
| | 861 | 7,391 | 6,352 | 762 | 45 | 15,411 |

* Ms. Cheng Pik Ho Liza, a director of the Company, is also the chief executive officer of the Company.

** Mr. Cheng Man Tai resigned as an executive director of the Company on 24 March 2014 and has been engaged as a consultant of the Company for a term of one year with effect from 25 March 2014. Details of the consultancy fee are disclosed in note 13 to the financial statements.

There were no arrangements under which a director or the chief executive waived or agreed to waive any remuneration during the year.

10. 董事及行政總裁薪酬(續)

二零一三年

| | Fees | Salaries, allowances and benefits in kind | Bonuses | Equity-settled share option expense | Retirement benefit scheme contributions | Total remuneration |
|---|----------|---|----------|-------------------------------------|---|--------------------|
| | 袍金 | 薪金、津貼及實物利益 | 花紅 | 以股權支付之購股權開支 | 退休福利計劃供款 | 總薪酬 |
| | 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 |
| <i>Executive directors:</i> | | | | | | |
| Mr. Cheng Man Tai | – | 2,649 | 2,290 | 14 | 15 | 4,968 |
| Ms. Cheng Pik Ho Liza* | – | 2,499 | 2,109 | 600 | 15 | 5,223 |
| Madam Ngok Ming Chu | – | 2,243 | 1,953 | 25 | 15 | 4,236 |
| | – | 7,391 | 6,352 | 639 | 45 | 14,427 |
| <i>Independent non-executive directors:</i> | | | | | | |
| Mr. Lau Siu Ki | 287 | – | – | 41 | – | 328 |
| Mr. Lee Kwan Hung | 287 | – | – | 41 | – | 328 |
| Prof. Lee T. S. | 287 | – | – | 41 | – | 328 |
| | 861 | – | – | 123 | – | 984 |
| | 861 | 7,391 | 6,352 | 762 | 45 | 15,411 |

* 本公司董事鄭碧浩女士亦擔任本公司之行政總裁。

** 鄭敏泰先生於二零一四年三月二十四日辭任本公司執行董事之職，並自二零一四年三月二十五日起獲委聘為本公司顧問為期一年。顧問費的詳情於財務報表附註13披露。

有關期間內並無董事或行政總裁免收或同意免收任何薪酬之安排。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

11. Five Highest Paid Individuals

The five highest paid employees during the year included three (2013: three) directors, details of whose remuneration are set out in note 10 to the financial statements above. Details of the remuneration for the year of the remaining two (2013: two) highest paid employees who are neither directors nor chief executive of the Company are as follows:

| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | | |
|---|------------|--|--|
| Bonuses | 花紅 | | |
| Equity-settled share option expense | 以股權支付購股權開支 | | |
| Retirement benefit scheme contributions | 退休福利計劃供款 | | |

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

| Nil to HK\$1,000,000 | 零至1,000,000港元 | | |
|--------------------------------|-------------------------|--|--|
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | | |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 | | |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001港元至2,500,000港元 | | |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001港元至3,000,000港元 | | |

The fair value of the share options granted in prior years, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

11. 五名最高薪人士

年內五名最高薪人士包括三名董事(二零一三年:三名),其薪酬詳情已於上文財務報表附註10載述。年內其餘兩名(二零一三年:兩名)非本公司董事或行政總裁之最高薪僱員之薪酬詳情如下:

| | | Group 本集團 | |
|--|--|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| | | 2,573 | 2,510 |
| | | 2,248 | 1,165 |
| | | 108 | 407 |
| | | 70 | 67 |
| | | 4,999 | 4,149 |

薪酬屬於以下組別之非董事及非行政總裁最高薪僱員人數如下:

| | | Number of employees 僱員人數 | |
|--|--|-----------------------------|---------------|
| | | 2014 二零一四年 | 2013 二零一三年 |
| | | - | - |
| | | - | - |
| | | - | 1 |
| | | 1 | 1 |
| | | 1 | - |
| | | 2 | 2 |

就於歸屬期內在收益表確認的購股權,其公平值於授出日期釐定,計入本年度財務報表的金額載入上述非董事及非行政總裁最高薪僱員酬金披露事項內。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

12. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the regions in which the Group operates.

12. 所得稅

香港利得稅乃根據年內估計在香港產生之應課稅溢利，按16.5%(二零一三年：16.5%)之稅率作出撥備。其他地方應課稅溢利之稅項已按本集團經營業務地區之目前稅率計算。

| | | Group 本集團 | |
|--|--------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Group: | 本集團： | | |
| Current — Hong Kong | 即期稅項—香港 | | |
| Charge for the year | 年內稅項 | 754 | 547 |
| Overprovision in prior years | 過往年度之超額撥備 | (10) | (10) |
| Current — Mainland China | 即期稅項—中國大陸 | | |
| Charge for the year | 年內稅項 | 94,550 | 87,240 |
| Underprovision/(overprovision) in prior years | 過往年度之少提/(超額) 撥備 | (46) | 5 |
| Deferred (note 29) | 遞延(附註29) | (14,784) | (12,488) |
| Total tax charge for the year | 年度之總稅項支出 | 80,464 | 75,294 |

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the regions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

以本公司及其大部份附屬公司註冊地區之法定稅率及除稅前溢利計算之稅項開支，與使用實際稅率計算之稅項開支的對賬如下：

| | | Group 本集團 | |
|--|---|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Profit before tax | 除稅前溢利 | 268,557 | 273,663 |
| Tax at the applicable rates | 適用稅率計算之稅項 | 68,460 | 69,263 |
| Overprovision in prior years | 過往年度之超額撥備 | (56) | (5) |
| Income not subject to tax | 毋須課稅之收入 | (165) | (2,528) |
| Expenses not deductible for tax | 不可扣稅之開支 | 4,473 | 5,076 |
| Effect of withholding tax at 5% and 10% on the distributable profits of the Group's PRC subsidiaries | 對本集團之中國附屬公司可供 分派溢利徵收5%及10% 預扣稅之影響 | 10,272 | 5,473 |
| Tax losses not recognised | 未確認稅項虧損 | 7,109 | 2,957 |
| Others | 其他 | (9,629) | (4,942) |
| Tax charge at the Group's effective rate | 按本集團之實際稅率計算之 稅項支出 | 80,464 | 75,294 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

13. Related Party Transactions

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| | Notes 附註 | | |
| <i>Continuing transactions</i> | <i>持續交易</i> | | |
| Purchases of furniture and decoration services for counters and shops as well as different types of moulds from related companies | 向關連公司購買櫃位及店舖之傢俬及裝修服務以及各類型模具 (i) | 20,255 | 20,992 |
| Rental expenses for a property charged by a related company | 關連公司收取物業之租金開支 (ii) | 2,962 | 2,871 |
| Rental expenses for a warehouse charged by a director of the Company | 本公司董事收取倉庫之租金開支 (iii) | 167 | 159 |
| Consultancy fee to a controlling shareholder of the Company | 向本公司控股股東支付之顧問費 (iv) | 972 | - |

Notes:

- (i) The purchases of furniture and decoration services for counters and shops as well as different types of moulds from related companies controlled by a son of a controlling shareholder and a then executive director of the Company were made according to the terms similar to those offered by the Group's independent suppliers. The balances owed to related companies as at 31 December 2014 were HK\$8,839,000 (2013: HK\$7,904,000) and were unsecured, interest-free and repayable in accordance with normal trading terms. The amounts have been included in other payables and accruals as at the end of the year.
- (ii) The rental expenses charged by a related company, which was controlled by an executive director of the Company and close members of the family of the then executive directors of the Company, were determined with reference to the then prevailing market conditions.
- (iii) The rental expenses were determined with reference to the then prevailing market conditions.
- (iv) The terms of consultancy fee was based on an agreement entered into between the Group and a controlling shareholder of the Company.

13. 有關連人士交易

- (a) 除該等財務報表其他部份所述之交易外，本集團於年內與有關連人士進行之重大交易如下：

| | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|-------------|----------------------------------|----------------------------------|
| Notes 附註 | | |
| | | |
| | 20,255 | 20,992 |
| | 2,962 | 2,871 |
| | 167 | 159 |
| | 972 | - |

附註：

- (i) 向本公司一名控股股東兼當時執行董事的兒子控制之關連公司購買櫃位及店舖之傢俬及裝修服務以及各類型模具條款與本集團獨立供應商所提供之條款相若。於二零一四年十二月三十一日欠付關連公司之結餘8,839,000港元（二零一三年：7,904,000港元）乃無抵押、免息及需按一般買賣條款償還。該等款額已於年末結算日列作其他應付款項及應計款項。
- (ii) 本公司執行董事及當時的執行董事之親屬所控制之關連公司收取之租金開支乃參考當時之市況釐定。
- (iii) 租金開支乃參考當時之市況釐定。
- (iv) 顧問費的條款是根據本集團及本公司控股股東之間的協議釐定。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

13. Related Party Transactions (continued)

(a) (continued)

The above continuing transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and their details are disclosed in the Report of the directors.

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

(b) Compensation of key management personnel of the Group

| | |
|---|---------------|
| Short term employee benefits | 短期僱員福利 |
| Post-employment benefits | 離職後福利 |
| Equity-settled share option expense | 以股權支付之購股權開支 |
| Total compensation paid to key management personnel | 支付予主要管理人員之總薪酬 |

Further details of directors' and chief executive's remuneration are included in note 10 to the financial statements.

13. 有關連人士交易(續)

(a) (續)

根據上市規則第14A章，以上持續交易構成持續關連交易，有關詳情已於董事會報告內披露。

董事認為上述交易是於本集團日常業務過程中進行。

(b) 本集團主要管理人員之薪酬

| 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 24,004 | 20,604 |
| 319 | 281 |
| 433 | 1,632 |
| 24,756 | 22,517 |

董事及行政總裁薪酬的詳情載於財務報表附註10。

14. Profit Attributable to Owners of the Company

The consolidated profit attributable to owners of the Company for the year ended 31 December 2014 includes a loss of HK\$6,917,000 (2013: HK\$9,959,000) which has been dealt with in the financial statements of the Company (note 32(b)).

14. 本公司擁有人應佔溢利

截至二零一四年十二月三十一日止年度本公司擁有人應佔綜合溢利包括虧損6,917,000港元(二零一三年：9,959,000港元)，該等虧損已於本公司財務報表內列賬(附註32(b))。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

15. Dividends

15. 股息

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| Dividends paid during the year | 年內已付股息 | | |
| Final and special in respect of the financial year ended 31 December 2013 — HK8.0 cents and HK2.0 cents, respectively, per ordinary share (2013: final and special dividends of HK7.0 cents and HK2.0 cents, respectively, per ordinary share in respect of the financial year ended 31 December 2012) | 截至二零一三年十二月三十一日止財政年度末期及特別股息 — 分別為每股普通股8.0港仙及2.0港仙(二零一三年:截至二零一二年十二月三十一日止財政年度末期及特別股息 — 分別為每股普通股7.0港仙及2.0港仙) | 41,666 | 37,499 |
| Interim — HK4.0 cents (2013: HK4.0 cents) per ordinary share | 中期股息 — 每股普通股4.0港仙(二零一三年:4.0港仙) | 16,666 | 16,666 |
| | | 58,332 | 54,165 |
| Proposed final and special dividends | 擬派末期及特別股息 | | |
| Final and special — HK8.0 cents (2013: HK8.0 cents) and HK2.0 cents (2013: HK2.0 cents), respectively, per ordinary share | 末期及特別股息 — 分別為每股普通股8.0港仙(二零一三年:8.0港仙)及2.0港仙(二零一三年:2.0港仙) | 41,666 | 41,666 |

The proposed final and special dividends for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the final and special dividends payable.

年內擬派末期及特別股息須待本公司股東於應屆股東週年大會上批准。該等財務報表並未反映應付末期及特別股息。

16. Earnings Per Share Attributable to Owners of the Company

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the Company of HK\$188,093,000 (2013: HK\$198,369,000) and 416,661,000 (2013: 416,661,000) ordinary shares in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2014 and 31 December 2013.

16. 本公司擁有人應佔每股盈利

每股基本盈利乃根據年內本公司擁有人應佔溢利188,093,000港元(二零一三年:198,369,000港元)及年內已發行普通股416,661,000股(二零一三年:416,661,000股)計算。

本集團於截至二零一四年十二月三十一日止年度及截至二零一三年十二月三十一日止年度並無已發行潛在攤薄普通股。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

17. Property, Plant and Equipment Group

17. 物業、廠房及設備 本集團

| | | Leasehold land and buildings | Leasehold improvements | Plant and machinery | Furniture, fixtures and office equipment | Motor vehicles | Construction in progress | Total |
|---------------------------|---------------------|------------------------------------|---------------------------|------------------------|---|-------------------|-----------------------------|-----------|
| | | 租賃土地 及樓宇 | 租賃物業 裝修 | 廠房及 機器 | 傢俬、裝置 及辦公室 設備 | 汽車 | 在建工程 | 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 |
| 31 December 2014 | 二零一四年十二月三十一日 | | | | | | | |
| Cost: | 成本： | | | | | | | |
| At 1 January 2014 | 於二零一四年一月一日 | 488,883 | 3,690 | 83,182 | 167,863 | 15,563 | 184,305 | 943,486 |
| Additions | 添置 | - | - | 17,584 | 22,026 | 1,587 | 238,152 | 279,349 |
| Disposals/write-off | 出售／撇銷 | - | - | (5,275) | (11,620) | (1,042) | - | (17,937) |
| Transfers | 轉撥 | 199,868 | - | 8,695 | 7,468 | - | (216,031) | - |
| Exchange realignment | 匯兌調整 | (5,816) | - | (1,065) | (1,942) | (157) | (2,333) | (11,313) |
| At 31 December 2014 | 於二零一四年十二月三十一日 | 682,935 | 3,690 | 103,121 | 183,795 | 15,951 | 204,093 | 1,193,585 |
| Accumulated depreciation: | 累計折舊： | | | | | | | |
| At 1 January 2014 | 於二零一四年一月一日 | 68,693 | 3,690 | 53,712 | 128,561 | 11,357 | - | 266,013 |
| Provided during the year | 年內撥備 | 13,221 | - | 5,869 | 15,956 | 1,386 | - | 36,432 |
| Disposals/write-off | 出售／撇銷 | - | - | (4,731) | (11,387) | (1,021) | - | (17,139) |
| Exchange realignment | 匯兌調整 | (755) | - | (693) | (1,449) | (113) | - | (3,010) |
| At 31 December 2014 | 於二零一四年十二月三十一日 | (81,159) | 3,690 | 54,157 | 131,681 | 11,609 | - | 282,296 |
| Net book value: | 賬面淨值： | | | | | | | |
| At 31 December 2014 | 於二零一四年十二月三十一日 | 601,776 | - | 48,964 | 52,114 | 4,342 | 204,093 | 911,289 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

17. Property, Plant and Equipment (continued) Group

17. 物業、廠房及設備(續) 本集團

| | | Leasehold land and buildings | Leasehold improvements | Plant and machinery | Furniture, fixtures and office equipment 傢俬、裝置 及辦公室 設備 | Motor vehicles | Construction in progress | Total |
|---|---------------------|------------------------------------|---------------------------|------------------------|--|-------------------|-----------------------------|----------|
| | | 租賃土地 及樓宇 | 租賃物業 裝修 | 廠房及 機器 | 汽車 | 在建工程 | 總計 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| 31 December 2013 | 二零一三年十二月三十一日 | | | | | | | |
| Cost: | 成本： | | | | | | | |
| At 1 January 2013 | 於二零一三年一月一日 | 482,920 | 3,690 | 77,848 | 148,004 | 13,391 | 7,371 | 733,224 |
| Additions | 添置 | - | - | 3,314 | 15,606 | 2,207 | 178,272 | 199,399 |
| Disposals/write-off | 出售/撇銷 | - | - | (1,041) | (4,466) | (451) | - | (5,958) |
| Transfers | 轉撥 | 484 | - | - | 3,373 | - | (3,857) | - |
| Transfer to investment properties (note) | 轉撥至投資物業(附註) | (11,818) | - | - | - | - | - | (11,818) |
| Exchange realignment | 匯兌調整 | 17,297 | - | 3,061 | 5,346 | 416 | 2,519 | 28,639 |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 488,883 | 3,690 | 83,182 | 167,863 | 15,563 | 184,305 | 943,486 |
| Accumulated depreciation: | 累計折舊： | | | | | | | |
| At 1 January 2013 | 於二零一三年一月一日 | 56,550 | 3,690 | 48,211 | 112,184 | 10,154 | - | 230,789 |
| Provided during the year | 年內撥備 | 10,794 | - | 4,496 | 16,687 | 1,336 | - | 33,313 |
| Disposals/write-off | 出售/撇銷 | - | - | (936) | (4,267) | (442) | - | (5,645) |
| Transfer to investment properties (note) | 轉撥至投資物業(附註) | (625) | - | - | - | - | - | (625) |
| Exchange realignment | 匯兌調整 | 1,974 | - | 1,941 | 3,957 | 309 | - | 8,181 |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 68,693 | 3,690 | 53,712 | 128,561 | 11,357 | - | 266,013 |
| Net book value: | 賬面淨值： | | | | | | | |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 420,190 | - | 29,470 | 39,302 | 4,206 | 184,305 | 677,473 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

17. Property, Plant and Equipment (continued)

The Group's leasehold land and buildings at cost included above are held under the following lease terms:

| | |
|--------------------------------------|-----------|
| Medium term leases in Hong Kong | 於香港之中期租約 |
| Short term leases outside Hong Kong | 香港境外之短期租約 |
| Medium term leases outside Hong Kong | 香港境外之中期租約 |
| Long term leases outside Hong Kong | 香港境外之長期租約 |

At 31 December 2014, the Group was still in the progress of obtaining the building ownership certificates for certain buildings in Mainland China with a net book value of approximately HK\$200,735,000 (2013: HK\$11,212,000). In the opinion of the directors of the Company, there is no major barrier for the Group to obtain these building ownership certificates.

Note: During the year ended 31 December 2013, the Group rented out one of its occupied properties to an external party for rental income. At the date of change in use, this property became investment property. Upon the transfer from property, plant and equipment to investment properties, this property was revalued at HK\$11,193,000 which was approximately equal to the carrying amount of HK\$11,193,000 at the date of transfer.

17. 物業、廠房及設備(續)

本集團根據以下租賃年期持有上述以成本列賬之租賃土地及樓宇：

| | | Group 本集團 | |
|--------------------------------------|-----------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Medium term leases in Hong Kong | 於香港之中期租約 | 28,605 | 28,605 |
| Short term leases outside Hong Kong | 香港境外之短期租約 | 15,505 | 15,704 |
| Medium term leases outside Hong Kong | 香港境外之中期租約 | 635,461 | 441,167 |
| Long term leases outside Hong Kong | 香港境外之長期租約 | 3,364 | 3,407 |
| | | 682,935 | 488,883 |

於二零一四年十二月三十一日，本集團仍在辦理其位於中國大陸中的數座物業的房屋所有權證之手續，該等物業的賬面淨值約200,735,000港元(二零一三年：11,212,000港元)。本公司董事認為，本集團就取得該等物業的房屋所有權證並無重大障礙。

附註： 截至二零一三年十二月三十一日止年度，本集團向外部人士出租其若干物業以收取租金收入。於使用狀況變更當日，該等物業成為投資物業。自物業、廠房及設備轉撥至投資物業時，該物業獲重估為11,193,000港元，約等於轉撥當日之賬面淨值11,193,000港元。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

18. Investment Properties

18. 投資物業

| | | Group 本集團 | |
|---|---------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Carrying amount at 1 January | 於一月一日之賬面值 | 321,054 | 296,321 |
| Changes in fair value (notes 6 and 9) | 公平值變動(附註6及9) | 1,000 | 4,000 |
| Transfer from owner-occupied properties (note 17) | 轉撥自業主佔用物業 (附註17) | - | 11,193 |
| Exchange realignment | 匯兌調整 | (3,355) | 9,540 |
| Carrying amount at 31 December | 於十二月三十一日之賬面值 | 318,699 | 321,054 |

The Group's investment properties are situated at 6th Floor, Wyler Centre II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong and certain floors of the building located at No. 508, Kunming Road, Yangpu District, Shanghai City, the PRC and are held under medium term leases.

本集團之投資物業分別位於香港新界葵涌大連排道200號偉倫中心2期6樓及中國上海市楊浦區昆明路508號該大廈若干樓層。本集團之投資物業乃根據中期租約持有。

The Group's investment properties situated in Hong Kong and Mainland China were revalued on 31 December 2014 based on valuations performed by DTZ Debenham Tie Leung Limited, a firm of independent professionally qualified valuers.

本集團之投資物業分別位於香港及中國大陸由獨立專業合資格估值師行戴德梁行有限公司重估。

Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's properties. Selection criteria of an external valuer include market knowledge, reputation, independence and whether professional standards are maintained. The Group discusses with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

每年，本集團委聘外聘估值師負責對本集團之物業進行外部估值。外聘估值師的甄選準則包括市場知識、聲譽、獨立性及是否可保持專業標準。本集團每年兩次於中期及年度財務報告期間進行估值時與估值師對估值假設及估值結果進行討論。

There has been no change from the valuation technique used in prior years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

往年使用之估值方法並無變動。於估計物業之公平價值時，有關物業之最高及最佳用途為其當前用途。

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 33(a) to the financial statements.

投資物業以經營租賃租予第三方，其詳情載於財務報表附註33(a)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

18. Investment Properties (continued)

Fair value hierarchy

The fair value of the Group's investment properties as at 31 December 2014 and 31 December 2013 are estimated by using significant unobservable inputs and the fair value measurements are categorised under Level 3.

Reconciliation of fair value measurement categorised within Level 3 of the fair value hierarchy:

18. 投資物業(續)

公平價值等級

於二零一四年十二月三十一日及二零一三年十二月三十一日，本集團以重大不可觀察輸入數據估計之投資物業之公平價值及公平價值計量分類於第三級項下。

於公平價值等級第三級內分類之公平價值計量對賬：

| | | Group | |
|---|-----------------------------|-----------|----------------|
| | | Hong Kong | Mainland China |
| | | 香港 | 中國大陸 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Carrying amount at 1 January 2013 | 於二零一三年一月一日之賬面值 | 52,000 | 244,321 |
| Changes in fair value recognised in the income statement | 於收益表內確認之公平價值變動 | 4,000 | – |
| Transfer from owner-occupied properties | 轉撥自業主佔用物業 | – | 11,193 |
| Exchange realignment | 匯兌調整 | – | 9,540 |
| Carrying amount at 31 December 2013 and at 1 January 2014 | 於二零一三年十二月三十一日及二零一四年一月一日之賬面值 | 56,000 | 265,054 |
| Changes in fair value recognised in the income statement | 於收益表內確認之公平價值變動 | 1,000 | – |
| Exchange realignment | 匯兌調整 | – | (3,355) |
| Carrying amount at 31 December 2014 | 於二零一四年十二月三十一日之賬面值 | 57,000 | 261,699 |

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2013: Nil).

年內，第一級與第二級之間概無轉換公平價值計量，亦無轉入第三級或自第三級轉出(二零一三年：無)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

18. Investment Properties (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

18. 投資物業(續)

公平價值等級(續)

以下為投資物業估值使用估值方法及主要輸入數據之概要：

| Class of property 物業類別 | Valuation techniques 估值方法 | Significant unobservable inputs 重大不可觀察輸入數據 | Range of unobservable inputs 不可觀察輸入數據範圍 | |
|---|---|---|--|--|
| | | | 2014 二零一四年 | 2013 二零一三年 |
| Hong Kong — Commercial properties — Level 3 香港 — 商用物業 — 第三級 | Market comparable method 市場比較法 | Gross unit rate per square feet (note i) 每平方呎總單位價值 (附註 i) | HK\$2,200 – HK\$2,300 2,200 港元 – 2,300 港元 | HK\$2,000 – HK\$2,200 2,000 港元 – 2,200 港元 |
| Mainland China — Commercial properties — Level 3 中國大陸 — 商用物業 — 第三級 | Income capitalisation approach 收入資本化法 | Capitalisation rate per annum (note ii) 每年資本化率(附註 ii) | 4% – 5% 4% – 5% | 4% – 5% 4% – 5% |

Notes:

- i. The higher the gross unit rate per square feet, the higher the fair value.
- ii. The higher the capitalisation rate per annum, the lower the fair value.

附註：

- i. 每平方呎總單位價值越高，公平值越高。
- ii. 每年資本化率越高，公平值越低。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

19. Prepaid Land Lease Payments

19. 預付土地租賃款項

| | | Group 本集團 | |
|---|-----------------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Cost: | 成本： | | |
| At 1 January | 於一月一日 | 44,316 | 42,673 |
| Exchange realignment | 匯兌調整 | (561) | 1,643 |
| At 31 December | 於十二月三十一日 | 43,755 | 44,316 |
| Amortisation: | 攤銷： | | |
| At 1 January | 於一月一日 | 2,990 | 2,009 |
| Recognised during the year | 年內確認 | 907 | 891 |
| Exchange realignment | 匯兌調整 | (38) | 90 |
| At 31 December | 於十二月三十一日 | 3,859 | 2,990 |
| Carrying amount at 31 December | 於十二月三十一日之賬面值 | 39,896 | 41,326 |
| Current portion included in prepayments, deposits and other receivables (note 22) | 計入預付款項、按金及其他應收款項之即期部份(附註22) | (907) | (919) |
| Non-current portion | 非即期部份 | 38,989 | 40,407 |

The leasehold lands situated in Mainland China are held under medium term leases.

有關租賃土地位於中國大陸乃根據中期租約持有。

20. Inventories

20. 存貨

| | | Group 本集團 | |
|------------------|-----|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Raw materials | 原材料 | 38,792 | 49,769 |
| Work in progress | 在製品 | 50,623 | 41,089 |
| Finished goods | 製成品 | 633,204 | 476,590 |
| | | 722,619 | 567,448 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

21. Trade Receivables

The Group's trading terms with its customers are mainly on credit, except for wholesalers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables by the sales department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

21. 應收貿易賬款

本集團主要以信貸期形式與客戶進行買賣，惟一般會要求批發商預先付款。信貸期一般為一個月，主要客戶之信貸期則可延至三個月。本集團之銷售部嚴控未收之應收款項，以減低信貸風險。逾期結餘由高級管理層定期檢討。鑑於上文所述及本集團之應收貿易賬款涉及多元化之客戶群且客戶人數眾多，故並無信貸過度集中之風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他信貸加強措施。應收貿易賬款並不計息。

本集團於報告期間結算日之應收貿易賬款根據發票日期之賬齡分析如下：

| | | Group 本集團 | |
|----------------------------|----------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Within 90 days | 90日內 | 85,212 | 83,830 |
| 91 to 180 days | 91至180日 | 4,749 | 3,246 |
| 181 to 360 days | 181至360日 | 1,088 | 457 |
| Over 360 days | 360日以上 | 604 | 15 |
| | | 91,653 | 87,548 |
| Less: Impairment allowance | 減：減值撥備 | (1,692) | (472) |
| | | 89,961 | 87,076 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

21. Trade Receivables (continued)

At 31 December 2014, trade receivables of HK\$1,692,000 (2013: HK\$472,000) were individually determined to be impaired. The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered.

Movements in provision for impairment of trade receivables are as follows:

| | |
|---|------------------|
| At 1 January | 於一月一日 |
| Impairment losses recognised/(written back) (note 9) | 減值虧損確認/(撥回)(附註9) |
| At 31 December | 於十二月三十一日 |

An aged analysis of the trade receivables that are not considered to be impaired is as follows:

| | |
|-------------------------------|------------|
| Neither past due nor impaired | 未逾期亦未減值 |
| 1 to 3 months past due | 已逾期1個月至3個月 |

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

21. 應收貿易賬款(續)

於二零一四年十二月三十一日，本集團個別釐定應予以減值的應收貿易賬款為1,692,000港元(二零一三年：472,000港元)。個別減值應收貿易賬款與出現財務困難的客戶有關，預期只可收回部份應收賬款。

應收貿易賬款之減值撥備變動如下：

| | | Group 本集團 | |
|---|------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| At 1 January | 於一月一日 | 472 | 519 |
| Impairment losses recognised/(written back) (note 9) | 減值虧損確認/(撥回)(附註9) | 1,220 | (47) |
| At 31 December | 於十二月三十一日 | 1,692 | 472 |

視作為未減值之應收貿易賬款賬齡分析如下：

| | | Group 本集團 | |
|-------------------------------|------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Neither past due nor impaired | 未逾期亦未減值 | 85,212 | 83,830 |
| 1 to 3 months past due | 已逾期1個月至3個月 | 4,749 | 3,246 |
| | | 89,961 | 87,076 |

未逾期亦未減值之應收貿易賬款乃與大量近期並無違約記錄之多名客戶有關。

已逾期但未減值之應收貿易賬款乃與多名與本集團維持良好往績記錄之獨立客戶有關。根據以往經驗，由於信貸質素並無出現重大變動，且有關結餘仍被視為可全數收回，本公司董事認為毋須就該等結餘作出減值撥備。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

22. Prepayments, Deposits and Other Receivables

| | | Group 本集團 | Company 本公司 |
|---|-----------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Prepaid land lease payments (note 19) | 預付土地租賃款項(附註19) | 907 | 919 |
| Deposit paid and related direct cost for the land use right in Shandong | 收購山東土地使用權已付按金及相關直接費用 | 2,666 | 2,700 |
| Deposits for acquisition of items of property, plant and equipment | 收購物業、廠房及設備項目已付按金 | 14,395 | 7,087 |
| Prepayments | 預付款項 | 15,788 | 16,306 |
| Deposits and other receivables | 按金及其他應收款項 | 41,717 | 37,572 |
| | | 75,473 | 64,584 |
| Current portion included in prepayments, deposits and other receivables | 計入預付款項、按金及其他應收款項之即期部份 | (58,412) | (54,797) |
| Non-current portion | 非即期部份 | 17,061 | 9,787 |

None of the financial assets included in the above balances is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

22. 預付款項、按金及其他應收款項

| | | Group 本集團 | Company 本公司 |
|---|-----------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Prepaid land lease payments (note 19) | 預付土地租賃款項(附註19) | 907 | 919 |
| Deposit paid and related direct cost for the land use right in Shandong | 收購山東土地使用權已付按金及相關直接費用 | 2,666 | 2,700 |
| Deposits for acquisition of items of property, plant and equipment | 收購物業、廠房及設備項目已付按金 | 14,395 | 7,087 |
| Prepayments | 預付款項 | 15,788 | 16,306 |
| Deposits and other receivables | 按金及其他應收款項 | 41,717 | 37,572 |
| | | 75,473 | 64,584 |
| Current portion included in prepayments, deposits and other receivables | 計入預付款項、按金及其他應收款項之即期部份 | (58,412) | (54,797) |
| Non-current portion | 非即期部份 | 17,061 | 9,787 |

上述結餘的金融資產概無逾期或減值。計入上述結餘的金融資產為最近未有拖欠的應收款項。

23. Investments in Subsidiaries

| | | Group 本集團 | Company 本公司 |
|-------------------------------|-----------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Unlisted investments, at cost | 非上市投資，按成本 | 381,448 | 381,448 |
| Due from subsidiaries | 應收附屬公司款項 | 523,422 | 309,491 |
| Due to subsidiaries | 應付附屬公司款項 | (68,534) | (54,146) |
| | | 836,336 | 636,793 |

The balances with subsidiaries are unsecured, interest-free and not expected to be settled within the next twelve months from the end of the reporting period.

23. 於附屬公司之權益

| | | Group 本集團 | Company 本公司 |
|-------------------------------|-----------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Unlisted investments, at cost | 非上市投資，按成本 | 381,448 | 381,448 |
| Due from subsidiaries | 應收附屬公司款項 | 523,422 | 309,491 |
| Due to subsidiaries | 應付附屬公司款項 | (68,534) | (54,146) |
| | | 836,336 | 636,793 |

附屬公司結餘為無抵押、免息及預期毋須於報告期間結算日起計未來12個月內償付。

Notes to Financial Statements (Continued)

財務報表附註(續)

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23. Investments in Subsidiaries (continued)

Particulars of the principal subsidiaries are as follows:

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點 | Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊資本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|--|--|---|--|---------------|---|
| | | | 2014 二零一四年 | 2013 二零一三年 | |
| Embry Asia Limited 安莉芳亞洲有限公司 | Hong Kong 香港 | HK\$100 100港元 | 100 | 100 | Investment holding 投資控股 |
| Embry (Changzhou) Garments Ltd. ("Embry CZ")** 安莉芳(常州)服裝有限公司 (「安莉芳常州」)** | PRC/ Mainland China 中國/中國大陸 | RMB136,200,000 人民幣136,200,000元 | 100 | 100 | Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣 |
| Embry (China) Garments Ltd. ("Embry SZ")** 安莉芳(中國)服裝有限公司 (「安莉芳深圳」)** | PRC/ Mainland China 中國/中國大陸 | HK\$11,000,000 11,000,000港元 | 100 | 100 | Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣 |
| Embry (H.K.) Limited ("Embry HK") 安莉芳(香港)有限公司 (「安莉芳香港」) | Hong Kong 香港 | Ordinary HK\$45,000 *Non-voting deferred HK\$4,500,000 普通股 45,000港元 *無投票權遞延股 4,500,000港元 | 100 | 100 | Trading of ladies' brassieres, panties, swimwear and sleepwear 買賣女性胸圍、內褲、 泳衣及睡衣 |
| Embry (Macau) Fashion Company Limited (Embry (Macau) Pronto A Vestir, Limitada) 安莉芳(澳門)時裝有限公司 | Macau 澳門 | MOP100,000 100,000澳門幣 | 100 | 100 | Trading of ladies' brassieres, panties, swimwear and sleepwear 買賣女性胸圍、內褲、 泳衣及睡衣 |
| Embry (Shandong) Garments Limited ("Embry SD")** 安莉芳(山東)服裝有限公司 (「安莉芳山東」)** | PRC/ Mainland China 中國/中國大陸 | US\$18,000,000 18,000,000美元 | 100 | 100 | Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣 |
| Embry (Shanghai) Company Limited ("Embry SH")** 安莉芳(上海)有限公司 (「安莉芳上海」)** | PRC/ Mainland China 中國/中國大陸 | HK\$238,000,000 238,000,000港元 | 100 | 100 | Design, research and development and trading of ladies' brassieres, panties, swimwear and sleepwear 設計、研究、開發及 買賣女性胸圍、 內褲、泳衣及睡衣 |

23. 於附屬公司之權益(續)

主要附屬公司的詳情如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

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23. Investments in Subsidiaries (continued)

Particulars of the principal subsidiaries are as follows:
(continued)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點 | Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊資本 | Percentage of equity attributable to the Company | | Principal activities 主要業務 |
|--|--|--|--|---------------|-------------------------------|
| | | | 2014 二零一四年 | 2013 二零一三年 | |
| Embry Garments Limited | BVI 英屬處女群島 | US\$1 1美元 | 100 | 100 | Investment holding 投資控股 |
| Embry Group Limited ("EGL") | BVI 英屬處女群島 | US\$472 472美元 | 100 | 100 | Investment holding 投資控股 |
| Embry International Limited 安莉芳國際有限公司 | BVI 英屬處女群島 | US\$1 1美元 | 100 | 100 | Investment holding 投資控股 |
| Gallin Investments Limited 吉年投資有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100 | 100 | Investment holding 投資控股 |
| Prime Force Advertising Limited | Hong Kong 香港 | HK\$20 20港元 | 100 | 100 | Property investment 物業投資 |
| Whistleblower Limited | BVI 英屬處女群島 | US\$1 1美元 | 100 | 100 | Holding of trademarks 持有商標 |

* The non-voting deferred shares carry no rights to dividends (other than for any financial year during which the net profit of Embry HK available for dividend exceeds HK\$1,000,000,000,000), no rights to vote at general meetings and no rights to receive any surplus in return of capital in a winding-up in respect of the first HK\$500,000,000,000,000.

** Embry CZ, Embry SZ, Embry SD and Embry SH are registered as wholly-foreign-owned enterprises under the PRC law.

Except for EGL, all of the above subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

23. 於附屬公司之權益(續)

主要附屬公司的詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點 | Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊資本 | Percentage of equity attributable to the Company | | Principal activities 主要業務 |
|--|--|--|--|---------------|-------------------------------|
| | | | 2014 二零一四年 | 2013 二零一三年 | |
| Embry Garments Limited | BVI 英屬處女群島 | US\$1 1美元 | 100 | 100 | Investment holding 投資控股 |
| Embry Group Limited ("EGL") | BVI 英屬處女群島 | US\$472 472美元 | 100 | 100 | Investment holding 投資控股 |
| Embry International Limited 安莉芳國際有限公司 | BVI 英屬處女群島 | US\$1 1美元 | 100 | 100 | Investment holding 投資控股 |
| Gallin Investments Limited 吉年投資有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100 | 100 | Investment holding 投資控股 |
| Prime Force Advertising Limited | Hong Kong 香港 | HK\$20 20港元 | 100 | 100 | Property investment 物業投資 |
| Whistleblower Limited | BVI 英屬處女群島 | US\$1 1美元 | 100 | 100 | Holding of trademarks 持有商標 |

* 無投票權遞延股並無附帶權利收取股息(於安莉芳香港可供派息的純利超過1,000,000,000,000港元的任何財政年度除外)、於股東大會上投票及於清盤時收取首500,000,000,000,000港元退回資本的任何盈餘。

** 安莉芳常州、安莉芳深圳、安莉芳山東及安莉芳上海均根據中國法例註冊為全外資企業。

除EGL外，上述所有附屬公司均由本公司間接持有。

上表所列本公司附屬公司乃董事認為對本年度業績有重要影響或構成本集團資產淨值重大比重之附屬公司。董事認為倘將其他附屬公司之詳情一併列出，則會令資料過於冗長。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

24. Cash and Cash Equivalents

| | | Group 本集團 | | Company 本公司 | |
|------------------------|---------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Cash and bank balances | 現金及銀行結餘 | 180,105 | 346,327 | 44 | 364 |

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$165,792,000 (2013: HK\$321,111,000). RMB is not freely convertible into other currencies; however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are normally made for varying periods of between approximately one day and three months on average depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

25. Trade and Bills Payables

An aged analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

| | | Group 本集團 | |
|-----------------|----------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Within 90 days | 90日內 | 119,053 | 77,213 |
| 91 to 180 days | 91至180日 | 21,030 | 7,051 |
| 181 to 360 days | 181至360日 | 1,805 | 4,098 |
| Over 360 days | 360日以上 | 4,639 | 783 |
| | | 146,527 | 89,145 |

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days terms.

24. 現金及現金等價物

本集團於報告期間結算日以人民幣計值之現金及銀行結餘為165,792,000港元(二零一三年: 321,111,000港元)。人民幣是不可自由兌換為其他貨幣, 惟根據中國大陸之外匯管理條例, 以及結匯、售匯及付匯管理規定, 本集團獲准透過獲授權進行外匯交易業務之銀行將人民幣兌換為其他貨幣。

銀行存款根據每日銀行存款利率釐定之浮動利率計息。短期定期存款通常平均為期約一日至三個月不等, 視乎本集團當時之現金需求而定, 並按有關之短期定期存款利率計息。銀行結餘存放於近期並無違約記錄之信譽良好銀行。

25. 應付貿易賬款及應付票據

本集團於報告期間結算日之應付貿易賬款及應付票據根據發票日期之賬齡分析如下:

應付貿易賬款並不計息, 一般於30至90日內結清。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

26. Interest-bearing Bank Borrowings

26. 計息銀行借款

| | | 2014 二零一四年 | | | 2013 二零一三年 | | |
|---------------------------|-------------|---|------------------------------|-----------------|--|------------------------------|-----------------|
| | | Effective interest rate 實際利率 (%) | Maturity 到期日 | HK\$'000 千港元 | Effective interest rate 實際利率 (%) | Maturity 到期日 | HK\$'000 千港元 |
| Current | 即期 | 香港銀行 同業拆息+1.08至 香港銀行 同業拆息+2.50 Hong Kong Interbank Offered Rate ("HIBOR")+1.08 to HIBOR+2.50 | 2015 二零一五年 | 90,639 | 香港銀行 同業拆息+1.08至 香港銀行 同業拆息+2.25 HIBOR+1.08 to HIBOR+2.25 | 2014 二零一四年 | 56,750 |
| Bank loans — unsecured | 銀行貸款 無抵押 | | | | | | |
| Non-current | 非即期 | 香港銀行 同業拆息+1.08至 香港銀行 同業拆息+2.25 HIBOR+1.08 to HIBOR+2.25 | 2016-2019 二零一六年至 二零一九年 | 94,361 | 香港銀行 同業拆息+1.08至 香港銀行 同業拆息+2.25 HIBOR+1.08 to HIBOR+2.25 | 2015-2016 二零一五年至 二零一六年 | 65,000 |
| Bank loans — unsecured | 銀行貸款 無抵押 | | | | | | |

| | | Group 本集團 | |
|---|------------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Analysed into: | 分析： | | |
| Bank loans repayable: | 於下列期間償還之銀行貸款： | | |
| Within one year | 一年內 | 90,639 | 56,750 |
| In the second year | 第二年 | 41,028 | 41,750 |
| In the third to fifth years, inclusive | 第三至第五年(包括首尾年度) | 53,333 | 23,250 |
| | | 185,000 | 121,750 |
| Less: Amount repayable within one year and classified as current portion | 減：於一年內償還並列為 即期部分的金額 | (90,639) | (56,750) |
| Amount classified as non-current portion | 列為非即期部分的金額 | 94,361 | 65,000 |

The above bank loans are denominated in Hong Kong dollars. The bank loans are supported by corporate guarantees given by the Company, and bear interest at rates ranging from 1.08% to 2.50% above the HIBOR per annum (2013: 1.08% to 2.25% above the HIBOR per annum).

上述銀行貸款以港元計值。本公司已就銀行貸款提供公司擔保，並按香港銀行同業拆息年利率加1.08厘至2.50厘計算(二零一三年：按香港銀行同業拆息年利率加1.08厘至2.25厘計算)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

27. Other Payables and Accruals

27. 其他應付款項及應計款項

| | | Group 本集團 | | Company 本公司 | |
|--|------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Other payables | 其他應付款項 | 96,355 | 100,249 | - | - |
| Accruals | 應計款項 | 125,988 | 133,723 | 7,593 | 8,517 |
| | | 222,343 | 233,972 | 7,593 | 8,517 |
| Current portion included in other payables and accruals | 計入其他應付款項及 應計款項的即期部份 | (222,343) | (210,126) | (7,593) | (8,517) |
| Non-current portion | 非即期部份 | - | 23,846 | - | - |

Other payables of the Group at 31 December 2013 included a subsidy of RMB18,600,000 (approximately HK\$23,846,000) (the "Subsidy") received from the People's Government of Jinan, Shandong Province, the PRC, for the construction cost of basic infrastructure incurred by the Group ("Shandong Factory Phase II Development"). During the year ended 31 December 2014, the Subsidy was transferred to property, plant and equipment to offset the construction costs incurred by the Group upon the completion of Shandong Factory Phase II Development.

The amounts totalling HK\$8,839,000 (2013: HK\$7,904,000) included in other payables of the Group were due to related companies as at 31 December 2014. These balances were unsecured, interest-free and repayable in accordance with normal trading terms (note 13(a)(i)).

Other payables are non-interest-bearing.

本集團於二零一三年十二月三十一日之其他應付款項包括從中國山東省濟南市人民政府收取有關本集團就山東廠房二期發展(「山東廠房二期發展」)而產生基本設施建築成本之補貼(「補貼」)為人民幣18,600,000元(約23,846,000港元)。截至二零一四年十二月三十一日止年度，該補貼已轉撥至物業、廠房及設備，以抵銷本集團山東廠房二期發展所產生的建築成本。

本集團於其他應付款項所包括的8,839,000港元(二零一三年：7,904,000港元)為於二零一四年十二月三十一日應付關連公司之款項。該等結餘為無抵押、免息及需按一般買賣條款償還(附註13(a)(i))。

其他應付款項為不計息。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

28. Deferred Liabilities

Deferred liabilities represent the estimated provision in respect of long service payments which may become payable in the future under the Hong Kong Employment Ordinance to employees in proportion to their periods of services with the Group up to the end of the reporting period.

28. 遞延負債

遞延負債指截至報告期間結算日有關長期服務金之估計撥備。長期服務金可能須根據香港僱傭條例按僱員於本集團之年資而向僱員支付。

| | | Group 本集團 | |
|---|-----------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| At 1 January | 於一月一日 | 3,879 | 4,037 |
| Provision/(write-back of provision) for the year (note 9) | 年度之撥備/(撥備撥回) (附註9) | 368 | (55) |
| Payments during the year | 年度之付款 | (177) | (103) |
| At 31 December | 於十二月三十一日 | 4,070 | 3,879 |

29. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

29. 遞延稅項

年內遞延稅項負債及資產變動如下：

Group

本集團

| | | Revaluation of properties | Depreciation allowance in excess of related depreciation | Unrealised profit of inventories | Withholding taxes on undistributed profits on PRC subsidiaries | Temporary difference of provisions and accruals | Withholding taxes on interest income | Deferred subsidy income | Total |
|---|--------------------------|---------------------------|--|----------------------------------|--|---|--------------------------------------|-------------------------|-----------------|
| | | 物業重估 | 折舊減免額 | 未變現存貨溢利 | 中國附屬公司未分派溢利之預扣稅 | 撥備及應計款項之暫時差額 | 利息收入之預扣稅 | 遞延補貼收入 | 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 January 2013 | 於二零一三年一月一日 | 1,852 | 1,399 | (12,658) | 27,812 | (14,854) | 170 | - | 3,721 |
| Deferred tax charged/(credited) to the income statement during the year (note 12) | 年內在收益表扣除/(抵免)之遞延稅項(附註12) | - | 100 | (10,444) | 5,473 | (7,861) | 244 | - | (12,488) |
| Payments during the year | 年內支付 | - | - | - | (7,806) | - | (177) | - | (7,983) |
| Exchange realignment | 匯兌調整 | 71 | - | (621) | 1,042 | (673) | 10 | - | (171) |
| At 31 December 2013 and 1 January 2014 | 於二零一三年十二月三十一日及二零一四年一月一日 | 1,923 | 1,499 | (23,723) | 26,521 | (23,388) | 247 | - | (16,921) |
| Deferred tax charged/(credited) to the income statement during the year (note 12) | 年內在收益表扣除/(抵免)之遞延稅項(附註12) | - | 99 | (11,652) | 10,272 | (7,258) | 459 | (6,704) | (14,784) |
| Payments during the year | 年內支付 | - | - | - | (8,054) | - | (442) | - | (8,496) |
| Exchange realignment | 匯兌調整 | (25) | - | 300 | (335) | 296 | (3) | - | 233 |
| At 31 December 2014 | 於二零一四年十二月三十一日 | 1,898 | 1,598 | (35,075) | 28,404 | (30,350) | 261 | (6,704) | (39,968) |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

29. Deferred Tax (continued)

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | |
|---|-------------------|
| Deferred tax assets recognised in the consolidated statement of financial position | 於綜合財務狀況表確認之遞延稅項資產 |
| Deferred tax liabilities recognised in the consolidated statement of financial position | 於綜合財務狀況表確認之遞延稅項負債 |

29. 遞延稅項(續)

以下為本集團就財務申報而言之遞延稅項結餘分析：

| | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Deferred tax assets recognised in the consolidated statement of financial position | (72,129) | (47,111) |
| Deferred tax liabilities recognised in the consolidated statement of financial position | 32,161 | 30,190 |
| | (39,968) | (16,921) |

The Group has tax losses arising in Hong Kong of approximately HK\$125,599,000 (2013: HK\$87,087,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Macau of HK\$6,291,000 (2013: Nil) that will expire in two years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

本集團於香港產生之稅項虧損約125,599,000港元(二零一三年: 87,087,000港元)可無限期供抵銷產生虧損公司之未來應課稅溢利。本集團亦在澳門產生稅項虧損6,291,000港元(二零一三年: 無)，將於兩年內屆滿，可抵銷產生虧損公司未來應課稅溢利。由於該等虧損乃來自已持續虧損一段時間之本公司及附屬公司且被認為可能不會有應課稅溢利可供動用稅項虧損，故並無就該等虧損確認遞延稅項資產。

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and jurisdiction of the foreign investors. For the Group, the applicable rates are 5% and 10%. In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008, the directors have made assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operation in the foreseeable future.

根據中國企業所得稅法，於中國大陸成立之外資企業向外國投資者宣派之股息須繳納10%之預扣稅。有關規定於二零零八年一月一日起生效，且適用於二零零七年十二月三十一日後之盈利。倘中國大陸與外國投資者所屬司法權區訂有稅務條約，則適用之預扣稅稅率可能較低。就本集團而言，適用稅率為5%及10%。估計該等於中國大陸成立的附屬公司預期將就二零零八年一月一日起所產生的盈利而分派股息的預扣稅時，董事已根據包括股息政策及本集團於可見將來經營所需的資本及營運資金水平等因素作出評估。

At 31 December 2014, the aggregate amount of temporary differences associated with these subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$11,709,000 (2013: HK\$9,611,000).

於二零一四年十二月三十一日，與該等位於中國大陸的附屬公司相關而未確認遞延稅項負債的暫時總差額合共約為11,709,000港元(二零一三年: 9,611,000港元)。

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

本公司向其股東派付股息概無附帶任何所得稅稅務後果。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

30. Share Capital

| | |
|--|---|
| Authorised: | 法定： |
| 1,000,000,000 ordinary shares of HK\$0.01 each | 1,000,000,000 股 每股面值0.01 港元的普通股 |
| Issued and fully paid: | 已發行及繳足： |
| 416,661,000 (2013: 416,661,000) ordinary shares of HK\$0.01 each | 416,661,000 股(二零一三年： 416,661,000 股)每股面值 0.01 港元的普通股 |

30. 股本

| 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 10,000 | 10,000 |
| 4,166 | 4,166 |

31. Share Option Scheme

The Company has adopted a share option scheme on 18 December 2006 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group.

Share Option Scheme

Eligible participants of the Share Option Scheme include, (i) any employee (whether full time or part time, including directors but excluding any non-executive director) of the Company, its subsidiaries or invested entity; (ii) any non-executive directors (including independent non-executive directors) of the Company, its subsidiaries or invested entity; (iii) any supplier or customer of the Group or any invested entity; (iv) any person or entity that provides research, development or other technological support to the Group or any invested entity; (v) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity; (vi) any advisor (professional or otherwise) or consultant to any area of business or business development of the Group or any invested entity; (vii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; and (viii) any company wholly-owned by one or more eligible participants as referred in to (i) to (vii) above. The Share Option Scheme became effective on 18 December 2006 and, unless otherwise cancelled or amended, will remain in force for a period of ten years to 17 December 2016.

31. 購股權計劃

本公司於二零零六年十二月十八日採納購股權計劃(「購股權計劃」)，為對本集團的成功作出貢獻的合資格參與者提供鼓勵及獎賞。

購股權計劃

購股權計劃的合資格參與者包括(i)本公司、其附屬公司或所投資公司的任何全職或兼職僱員(包括董事，但不包括任何非執行董事)；(ii)本公司、其附屬公司或所投資公司的任何非執行董事(包括獨立非執行董事)；(iii)本集團任何成員公司或所投資公司的任何供應商或客戶；(iv)任何為本集團或任何所投資公司提供研究、開發或其他技術支援的個人或公司；(v)本集團任何成員公司或所投資公司的任何股東或本集團任何成員公司或所投資公司所發行任何證券的持有人；(vi)本集團或任何所投資公司在任何業務範疇或業務發展的專業或其他諮詢人或顧問；(vii)曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的發展及增長作出貢獻的任何其他類別參與者；及(viii)由上述第(i)至(vii)項所述的一名或多名合資格參與者全資擁有的任何公司。購股權計劃由二零零六年十二月十八日起生效，除非被註銷或修正，否則有效期將維持十年至二零一六年十二月十七日。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

31. Share Option Scheme (continued)

Share Option Scheme (continued)

The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company.

In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Share Option Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet on the date of the offer of the share options; (ii) the average closing prices of the Company's shares as quoted on the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

31. 購股權計劃(續)

購股權計劃(續)

因行使根據購股權計劃及本集團任何其他購股權計劃已授出但尚未行使的購股權而發行的股份總數，不得超過當時本公司已發行股本的30%。因行使向每名購股權計劃合資格參與者授出購股權可發行的股份總數於任何十二個月期間不得超過本公司任何時間已發行股份的1%。凡超過此限制而授出購股權，必須獲股東於股東大會上批准後方可作實。向本公司董事、行政總裁或主要股東或任何彼等聯繫人士授予購股權，必須獲本公司獨立非執行董事事先批准後，方可作實。

此外，倘任何十二個月期間內，向本公司主要股東或獨立非執行董事或任何彼等之聯繫人士授出任何購股權，超過本公司任何時間已發行股份0.1%或(根據本公司股份於授出日期的收市價計算的)總值超過5,000,000港元，則須獲股東於股東大會上作出事先批准，方可作實。

承授人可於建議授出購股權日期起計21日內支付象徵式代價1港元以接納有關購股權。購股權行使期由董事釐定，該期間或自購股權建議授出日期起計直至購股權建議授出當日起計十年止或購股權計劃屆滿之日止(以較早者為準)。

購股權行使價由董事釐定，惟不得低於下列最高者：(i)本公司股份於建議授出購股權當日在聯交所的每日報價表所報的收市價；(ii)本公司股份於截至建議授出當日止前五個營業日聯交所每日報價表所報的平均收市價；或(iii)本公司股份的面值。

購股權並無賦予持有人權利收取股息或於股東大會上投票。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

31. Share Option Scheme (continued)

Share Option Scheme (continued)

Set out below are the outstanding share options under the Share Option Scheme as at 31 December 2014:

| Name or category of participant | Number of share options 購股權數目 | | | | At 31 December 2014 | Date of grant of share options | Exercise period of share options | Exercise price of share options HK\$ per share 購股權 行使價 每股港元 |
|--|----------------------------------|-------------------------------|--|---------------------------------|---------------------------|-----------------------------------|-------------------------------------|---|
| | At 1 January 2014 | Granted during the year | Cancelled or lapsed during the year | Exercised during the year | | | | |
| 參與者姓名或類別 | 於二零一四年 一月一日 | 年內授出 | 年內註銷 或失效 | 年內已行使 | 於二零一四年 十二月三十一日 | 購股權授出日期 | 購股權行使期 | |
| Executive directors | | | | | | | | |
| 執行董事 | | | | | | | | |
| Mr. Cheng Man Tai** 鄭敬泰先生** | 35,000 | - | - | - | 35,000 | 18 May 2011 | 18 May 2012 to 17 May 2016* | 5.24 |
| Ms. Cheng Pik Ho Liza 鄭碧浩女士 | 1,460,000 | - | - | - | 1,460,000 | 18 May 2011 | 18 May 2012 to 17 May 2016* | 5.24 |
| Madam Ngok Ming Chu 岳明珠女士 | 60,000 | - | - | - | 60,000 | 18 May 2011 | 18 May 2012 to 17 May 2016* | 5.24 |
| Independent non-executive directors | | | | | | | | |
| 獨立非執行董事 | | | | | | | | |
| Mr. Lau Siu Ki 劉紹基先生 | 100,000 | - | - | - | 100,000 | 18 May 2011 | 18 May 2012 to 17 May 2016* | 5.24 |
| Mr. Lee Kwan Hung 李均雄先生 | 100,000 | - | - | - | 100,000 | 18 May 2011 | 18 May 2012 to 17 May 2016* | 5.24 |
| Prof. Lee T. S. 李天生教授 | 100,000 | - | - | - | 100,000 | 18 May 2011 | 18 May 2012 to 17 May 2016* | 5.24 |
| Other employees | | | | | | | | |
| 其他僱員 | | | | | | | | |
| In aggregate 總計 | 15,680,000 | - | (1,650,000) | - | 14,030,000 | 18 May 2011 | 18 May 2012 to 17 May 2016* | 5.24 |
| | 17,535,000 | - | (1,650,000) | - | 15,885,000 | | | |

31. 購股權計劃(續)

購股權計劃(續)

以下載列於二零一四年十二月三十一日購股權計劃下尚未行使購股權：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

31. Share Option Scheme (continued)

Share Option Scheme (continued)

Set out below are the outstanding share options under the Share Option Scheme as at 31 December 2013:

| Name or category of participant | Number of share options 購股權數目 | | | | At 31 December 2013 | Date of grant of share options | Exercise period of share options | Exercise price of share options HK\$ per share 購股權 行使價 每股港元 |
|--|----------------------------------|-------------------------|-------------------------------------|---------------------------|---------------------|--------------------------------|---|--|
| | At 1 January 2013 | Granted during the year | Cancelled or lapsed during the year | Exercised during the year | | | | |
| 參與者姓名或類別 | 於二零一三年一月一日 | 年內授出 | 年內註銷或失效 | 年內已行使 | 於二零一三年十二月三十一日 | 購股權授出日期 | 購股權行使期 | |
| Executive directors 執行董事 | | | | | | | | |
| Mr. Cheng Man Tai 鄭敏泰先生 | 35,000 | - | - | - | 35,000 | 18 May 2011 二零一一年五月十八日 | 18 May 2012 to 17 May 2016* 二零一二年五月十八日至二零一六年五月十七日* | 5.24 |
| Ms. Cheng Pik Ho Liza 鄭碧浩女士 | 1,460,000 | - | - | - | 1,460,000 | 18 May 2011 二零一一年五月十八日 | 18 May 2012 to 17 May 2016* 二零一二年五月十八日至二零一六年五月十七日* | 5.24 |
| Madam Ngok Ming Chu 岳明珠女士 | 60,000 | - | - | - | 60,000 | 18 May 2011 二零一一年五月十八日 | 18 May 2012 to 17 May 2016* 二零一二年五月十八日至二零一六年五月十七日* | 5.24 |
| Independent non-executive directors 獨立非執行董事 | | | | | | | | |
| Mr. Lau Siu Ki 劉紹基先生 | 100,000 | - | - | - | 100,000 | 18 May 2011 二零一一年五月十八日 | 18 May 2012 to 17 May 2016* 二零一二年五月十八日至二零一六年五月十七日* | 5.24 |
| Mr. Lee Kwan Hung 李均雄先生 | 100,000 | - | - | - | 100,000 | 18 May 2011 二零一一年五月十八日 | 18 May 2012 to 17 May 2016* 二零一二年五月十八日至二零一六年五月十七日* | 5.24 |
| Prof. Lee T. S. 李天生教授 | 100,000 | - | - | - | 100,000 | 18 May 2011 二零一一年五月十八日 | 18 May 2012 to 17 May 2016* 二零一二年五月十八日至二零一六年五月十七日* | 5.24 |
| Other employees 其他僱員 | | | | | | | | |
| In aggregate 總計 | 16,607,000 | - | (927,000) | - | 15,680,000 | 18 May 2011 二零一一年五月十八日 | 18 May 2012 to 17 May 2016* 二零一二年五月十八日至二零一六年五月十七日* | 5.24 |
| | 18,462,000 | - | (927,000) | - | 17,535,000 | | | |

31. 購股權計劃(續)

購股權計劃(續)

以下載列於二零一三年十二月三十一日購股權計劃下尚未行使購股權：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

31. Share Option Scheme (continued)

Share Option Scheme (continued)

Notes to the reconciliation of share options under the Share Option Scheme outstanding during the year:

- * The share options are vested to the grantees in the following manner:
- 30% of such options were vested on 18 May 2012 with an exercise period from 18 May 2012 to 17 May 2016;
 - 30% of such options were vested on 18 May 2013 with an exercise period from 18 May 2013 to 17 May 2016; and
 - the remaining 40% of such options were vested on 18 May 2014 with an exercise period from 18 May 2014 to 17 May 2016.
- ** Mr. Cheng Man Tai resigned as an executive director of the Company on 24 March 2014 and has been engaged as a consultant of the Company for a term of one year with effect from 25 March 2014.

For the year ended 31 December 2011, 20,355,000 share options were granted and their fair value was estimated at approximately HK\$41,952,000 (approximately HK\$2.06 each). The Company recognised a share option expense of HK\$754,000 (2013: HK\$6,663,000) during the year.

The fair value of the share options was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | |
|---|------|
| Dividend yield (%) | 1.5 |
| Expected volatility (%) | 52 |
| Risk-free interest rate (%) | 1.64 |
| Expected life of options (years) | 5 |
| Exit rate — directors (%) | 0 |
| Exit rate — staff except directors (%) | 14 |
| Weighted average share price (HK\$ per share) | 5.24 |

31. 購股權計劃(續)

購股權計劃(續)

年內購股權計劃下尚未行使的購股權對賬附註：

- * 購股權按以下方式歸屬予承授人：
- 該等購股權的30%已於二零一二年五月十八日歸屬，行使期為二零一二年五月十八日至二零一六年五月十七日；
 - 該等購股權的30%已於二零一三年五月十八日歸屬，行使期為二零一三年五月十八日至二零一六年五月十七日；及
 - 該等購股權的餘下40%已於二零一四年五月十八日歸屬，行使期為二零一四年五月十八日至二零一六年五月十七日。
- ** 鄭敏泰先生於二零一四年三月二十四日辭任本公司執行董事之職，並自二零一四年三月二十五日起獲委聘為本公司顧問為期一年。

截至二零一一年十二月三十一日止，根據購股權計劃授出20,355,000份購股權及其公平值估計約為41,952,000港元(每份購股權約2.06港元)。本公司於年內確認購股權開支754,000港元(二零一三年：6,663,000港元)。

購股權的公平值乃使用二項式模式於授出日期進行估計，並已計及該等購股權授出後的條款及條件。下表列載使用該模式的計入項目：

| | |
|-----------------|------|
| 股息率 (%) | 1.5 |
| 預期波幅 (%) | 52 |
| 無風險利率 (%) | 1.64 |
| 購股權預期有效期 (年) | 5 |
| 流失率—董事 (%) | 0 |
| 流失率—除董事外的員工 (%) | 14 |
| 加權平均股價 (每股港元) | 5.24 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

31. Share Option Scheme (continued)

Share Option Scheme (continued)

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The exit rate is based on the historical data on staff/director turnover rates.

No other feature of the share options granted was incorporated into the measurement of fair value.

The following share options were outstanding under the Share Option Scheme during the year:

| | | 2014 二零一四年 | | 2013 二零一三年 | |
|--|----------|--|--|--|--|
| | | Weighted average exercise price HK\$ per share 加權平均 行使價 每股港元 | Number of share options 購股權數目 | Weighted average exercise price HK\$ per share 加權平均 行使價 每股港元 | Number of share options 購股權數目 |
| At 1 January | 於一月一日 | 5.24 | 17,535,000 | 5.24 | 18,462,000 |
| Cancelled or lapsed during the year | 年內註銷或失效 | 5.24 | (1,650,000) | 5.24 | (927,000) |
| At 31 December | 於十二月三十一日 | 5.24 | 15,885,000 | 5.24 | 17,535,000 |

No share options were granted and exercised during the year.

At the end of the reporting period, the Company had 15,885,000 share options outstanding under the Share Option Scheme. The exercise in full of the share options would, under the present capital structure of the Company, result in the issue of 15,885,000 additional ordinary shares of the Company and additional share capital of approximately HK\$159,000 and share premium account of approximately HK\$83,078,000 (before issue expenses).

Subsequent to the end of the reporting period and at the date of approval of these financial statements, the Company had 14,545,000 share options outstanding under the Share Option Scheme, which represented approximately 3.49% of the issued share capital of the Company as at that date.

31. 購股權計劃(續)

購股權計劃(續)

預期波幅反映假設歷史波幅具有未來趨勢的指示作用，亦可能與實際結果不符。流失率乃按照員工／董事流失率的歷史數據計算。

計算公平值時概無列入其他所授出購股權的特質。

以下為於年內購股權計劃項下尚未行使的購股權：

年內沒有授出及行使購股權。

於報告期間結算日，本公司擁有 15,885,000 份購股權計劃下之尚未行使購股權。根據本公司現時的股本架構，全面行使該等購股權將導致本公司額外發行 15,885,000 股普通股以及產生額外股本約 159,000 港元及股份溢價賬約 83,078,000 港元(扣除發行開支前)。

報告期間結算日之後及於批准此等財務報表當日，本公司擁有 14,545,000 份購股權計劃下之尚未行使購股權，佔本公司於該日期已發行股本約 3.49%。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

32. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The contributed surplus of the Group represents (i) the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation of certain members of the Group which took place on 31 December 1992, over the nominal value of EGL's shares issued in exchange therefor; (ii) the premium arising from the shares issued by EGL for settlement of the amount due to the ultimate holding company of HK\$15,841,000; (iii) the premium arising from the acquisition of Embry HK from the non-controlling interests of HK\$5,000,000; and (iv) the excess of the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor and the then existing 10,000,000 shares of HK\$0.01 each credited as fully paid at par.

In accordance with the relevant regulations applicable in the PRC, subsidiaries of the Company established in the PRC are required to transfer a certain percentage of their profits after tax, if any, to the enterprise expansion and statutory reserve funds, which are non-distributable, before profit distributions to shareholders. The amounts of the transfers are subject to the approval of the board of directors of these subsidiaries.

The Group applied the transitional provision of HKFRS 3 which permits goodwill in respect of acquisitions which occurred prior to 1 January 2001, to remain eliminated against the consolidated reserves. The amount of goodwill remaining in consolidated reserves, arising from the acquisition of subsidiaries prior to 1 January 2001, was stated at cost, which amounted to HK\$3,168,000 (2013: HK\$3,168,000) as at 31 December 2014.

32. 儲備

(a) 本集團

現時及過往年度本集團儲備金額以及其變動已呈列於財務報表內綜合權益變動表內。

本集團實繳盈餘指(i)根據重組於一九九二年十二月三十一日收購本集團若干成員公司，該等成員公司股份的面值超出就此作為交換所發行EGL股份的面值差額；(ii)EGL就償還欠付最終控股公司款項15,841,000港元而進行發行股份產生的溢價；(iii)向非控股權益收購安莉芳香港所產生溢價5,000,000港元；及(iv)根據集團重組收購附屬公司的股本的面值超出本公司當時發行以作為交換的股本面值的部份以及按面值入賬列作繳足的10,000,000股每股面值0.01港元的當時現有股份。

根據中國適用的相關規例，本公司於中國成立的附屬公司須將其若干百分比的除稅後溢利(如有)在向股東作出溢利分派前轉撥至企業擴展及法定儲備基金(均為不可分派)。轉撥的金額須待該等附屬公司的董事會批准方可作實。

本集團已採用香港財務報告準則第3號的過渡性條文，容許二零零一年一月一日前進行收購所產生的商譽維持與綜合儲備的對銷。保留於綜合儲備內因二零零一年一月一日前收購附屬公司產生的商譽金額按成本列值，於二零一四年十二月三十一日為3,168,000港元(二零一三年：3,168,000港元)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

32. Reserves (continued)

(b) Company

32. 儲備(續)

(b) 本公司

| | | Share premium account | Contributed surplus | Share option reserve | Retained profits/ (accumulated losses) | Total |
|---|-------------------------|-----------------------------|------------------------|----------------------------|---|-----------------|
| | | 股份溢價賬 | 實繳盈餘 | 購股權儲備 | 保留溢利/ (累計虧損) | 總計 |
| | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 January 2013 | 於二零一三年一月一日 | 369,644 | 381,248 | 28,759 | (97,668) | 681,983 |
| Loss for the year and total comprehensive expense for the year | 年度虧損及年內全面支出總額 | - | - | - | (9,959) | (9,959) |
| Equity-settled share option arrangements | 以權益支付之購股權安排 | 31 | - | 6,663 | - | 6,663 |
| Share options lapsed | 購股權失效 | - | - | (1,119) | 1,119 | - |
| 2012 final and special dividends declared and paid | 宣派及已支付二零一二年末期及特別股息 | 15 | - | - | (37,499) | (37,499) |
| 2013 interim dividend | 二零一三年中期股息 | 15 | - | - | (16,666) | (16,666) |
| At 31 December 2013 and 1 January 2014 | 於二零一三年十二月三十一日及二零一四年一月一日 | 369,644 | 381,248 | 34,303 | (160,673) | 624,522 |
| Profit for the year and total comprehensive income for the year | 年度溢利及年內全面收入總額 | - | - | - | 257,723 | 257,723 |
| Equity-settled share option arrangements | 以權益支付之購股權安排 | 31 | - | 754 | - | 754 |
| Share options lapsed | 購股權失效 | - | - | (2,273) | 2,273 | - |
| 2013 final and special dividends declared and paid | 宣派及已支付二零一三年末期及特別股息 | 15 | - | - | (41,666) | (41,666) |
| 2014 interim dividend | 二零一四年中期股息 | 15 | - | - | (16,666) | (16,666) |
| At 31 December 2014 | 於二零一四年十二月三十一日 | 369,644 | 381,248 | 32,784 | 40,991 | 824,667 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

32. Reserves (continued)

(b) Company (continued)

The profit of HK\$257,723,000 (2013: loss of HK\$9,959,000) for the year ended 31 December 2014 included a dividend income of HK\$264,640,000 (2013: Nil) received from a subsidiary of the Company.

The contributed surplus of the Company represents the excess of the then net assets of the subsidiaries acquired by the Company pursuant to the group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor and the then existing 10,000,000 shares of HK\$0.01 each credited as fully paid at par. Under the Companies Law of the Cayman Islands, the share premium and contributed surplus may be distributed to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire, be forfeited or lapse.

32. 儲備(續)

(b) 本公司(續)

截至二零一四年十二月三十一日止年度的溢利257,723,000港元(二零一三年：虧損9,959,000港元)包括從本公司一間附屬公司收取的股息收入264,640,000港元(二零一三年：無)。

本公司的實繳盈餘乃本公司根據集團重組收購附屬公司的當時資產淨值超出本公司就此發行作為交換的股本面值以及按面值入賬列作繳足的10,000,000股每股面值0.01港元的當時現有股份。根據開曼群島公司法，股份溢價賬及實繳盈餘可分派予本公司股東，惟於緊隨建議派付股息日期後，本公司必須能償還其日常業務中到期債項。

購股權儲備指已授出但尚未行使的購股權的公平值，於財務報表附註2.4就以股份為基礎交易的會計政策中有所詳述。金額將於有關購股權獲行使時轉撥至股份溢價賬，或於有關購股權屆滿、被沒收或失效時轉撥至保留盈利。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

33. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties (note 18) under operating lease arrangements, with leases negotiated for terms ranging from one to six years.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

| | | Group 本集團 | |
|---|----------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Within one year | 一年內 | 14,482 | 4,444 |
| In the second to fifth years, inclusive | 第二至第五年(包括首尾兩年) | 38,709 | 12,546 |
| | | 53,191 | 16,990 |

In addition, the operating lease rentals for the use of certain floor areas of the Group's building located in Shanghai are contingent based on sales of the shops pursuant to the terms and conditions as set out in the respective agreements. As the future sales of these shops could not be accurately determined, the relevant contingent rent has not been included above.

(b) As lessee

The Group leases certain of its shops, counters, warehouses and office properties under operating lease arrangements with leases negotiated for terms mainly ranging from one to eight years.

33. 經營租約安排

(a) 作為出租人

本集團根據經營租約安排出租投資物業(附註18)，租約以介乎一至六年年期進行磋商。

於報告期間結束時，根據本集團與租戶訂立之不可撤銷經營租約，本集團於以下日期之未來最低應收租金總額如下：

| | | Group 本集團 | |
|---|----------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Within one year | 一年內 | 14,482 | 4,444 |
| In the second to fifth years, inclusive | 第二至第五年(包括首尾兩年) | 38,709 | 12,546 |
| | | 53,191 | 16,990 |

此外，使用本集團位於上海之樓宇之若干樓面面積而應收之部份經營租約租金為或然租金，乃根據有關協議所載之條款及條件按店舖之銷售額釐定。由於該等店舖之未來銷售額未能準確地釐定，故有關或然租金並未包括在上表。

(b) 作為承租人

本集團根據經營租約安排租用若干店舖、櫃位、倉庫及辦公室物業，租約主要以一至八年年期進行磋商。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

33. Operating Lease Arrangements (continued)

(b) As lessee (continued)

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | |
|---|----------------|
| Within one year | 一年內 |
| In the second to fifth years, inclusive | 第二至第五年(包括首尾兩年) |
| After five years | 五年後 |

In addition, the Group has entered into agreements with department stores to enable the Group to set up its retail outlets therein. The operating lease rentals for the use of their floor areas in department stores are based on the higher of a fixed rental or contingent rent based on sales of the retail outlets pursuant to the terms and conditions as set out in the respective agreements. As the future sales of these retail outlets could not be accurately determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

The Company had no operating lease arrangement at the end of the reporting period.

33. 經營租約安排(續)

(b) 作為承租人(續)

於報告期間結束時，根據本集團之不可撤銷經營租約，本集團於以下日期之未來最低應付租金總額如下：

| | | Group 本集團 | |
|---|----------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Within one year | 一年內 | 131,407 | 114,152 |
| In the second to fifth years, inclusive | 第二至第五年(包括首尾兩年) | 63,722 | 52,765 |
| After five years | 五年後 | 1,563 | 2,254 |
| | | 196,692 | 169,171 |

此外，本集團與百貨公司訂立協議，以便本集團在百貨公司內開設零售點。使用百貨公司之樓面面積而應付之經營租約租金乃根據固定租金與或然租金兩者中之較高者釐定。或然租金乃根據有關協議所載之條款及條件按零售點之銷售額釐定。由於該等零售點之未來銷售額未能準確地釐定，故有關或然租金並未包括在上表。上表僅載列最低租賃承擔。

於報告期間結束時，本公司並無經營租約安排。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

34. Commitments

At the end of the reporting period, the Group had the following commitments:

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Contracted for commitments in respect of the acquisition of property, plant and equipment | 購買物業、廠房及設備之已訂約承擔 | 94,660 | 266,392 |

The Company had no significant commitment at the end of the reporting period.

34. 承擔

於報告期間結算日，本集團之承擔如下：

本公司於報告期間結算日並無重大承擔。

35. Contingent Liabilities

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

| | | Group 本集團 | | Company 本公司 | |
|--|--------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Bank guarantees given in lieu of property rental deposits and utility deposits | 為代替物業租賃按金及公共設施按金所提供之銀行擔保 | 2,196 | - | 2,196 | - |
| Guarantees of bank facilities granted to subsidiaries | 向附屬公司授出之銀行融資擔保 | - | - | 185,000 | 121,750 |
| | | 2,196 | - | 187,196 | 121,750 |

35. 或然負債

於報告期末，財務報表中並無計提撥備之或然負債如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

36. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

Loans and receivables

| | | Group 本集團 | |
|--|-----------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Trade receivables | 應收貿易賬款 | 89,961 | 87,076 |
| Financial assets included in prepayments, deposits and other receivables | 列為預付款項、按金及其他應收款項之金融資產 | 6,656 | 5,292 |
| Cash and cash equivalents | 現金及現金等價物 | 180,105 | 346,327 |
| | | 276,722 | 438,695 |

Financial liabilities

Financial liabilities at amortised cost

| | | Group 本集團 | |
|---|----------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Interest-bearing bank borrowings | 計息銀行借款 | 185,000 | 121,750 |
| Trade and bills payables | 應付貿易賬款及應付票據 | 146,527 | 89,145 |
| Financial liabilities included in other payables and accruals | 已包括於其他應付款項及應計款項之金融負債 | 137,877 | 120,546 |
| | | 469,404 | 331,441 |

36. 按類別分析之金融工具

於報告期間結算日各類金融工具的賬面值如下：

金融資產

貸款及應收款項

| | | Group 本集團 | |
|--|-----------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Trade receivables | 應收貿易賬款 | 89,961 | 87,076 |
| Financial assets included in prepayments, deposits and other receivables | 列為預付款項、按金及其他應收款項之金融資產 | 6,656 | 5,292 |
| Cash and cash equivalents | 現金及現金等價物 | 180,105 | 346,327 |
| | | 276,722 | 438,695 |

金融負債

按攤銷成本計量之金融負債

| | | Group 本集團 | |
|---|----------------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Interest-bearing bank borrowings | 計息銀行借款 | 185,000 | 121,750 |
| Trade and bills payables | 應付貿易賬款及應付票據 | 146,527 | 89,145 |
| Financial liabilities included in other payables and accruals | 已包括於其他應付款項及應計款項之金融負債 | 137,877 | 120,546 |
| | | 469,404 | 331,441 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

36. Financial Instruments by Category (continued)

Financial assets

Loans and receivables

Due from subsidiaries 應收附屬公司款項
Cash and cash equivalents 現金及現金等價物

36. 按類別分析之金融工具(續)

金融資產

貸款及應收款項

| | | Company 本公司 | |
|--|--|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| | | 523,422 | 309,491 |
| | | 44 | 364 |
| | | 523,466 | 309,855 |

Financial liabilities

Financial liabilities at amortised cost

Due to subsidiaries 應付附屬公司款項
Financial liabilities included in other 已包括於其他應付款項及
payables and accruals 應計款項之金融負債

金融負債

按攤銷成本計量之金融負債

| | | Company 本公司 | |
|--|--|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| | | 68,534 | 54,146 |
| | | 979 | 934 |
| | | 69,513 | 55,080 |

37. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, comprise cash, short term deposits and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

37. 財務風險管理目標及政策

本集團之主要金融工具包括現金、短期存款及計息銀行借款。此等金融工具主要目的是為本集團經營業務融資。本集團有其他不同金融資產及負債，如應收貿易賬款及應付貿易賬款，乃直接透過經營業務產生。

本集團金融工具之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事審閱並協定管控以上各種風險之政策，有關資料概述如下。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

37. Financial Risk Management Objectives and Policies (continued)

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to both fair value and cash flow interest rate risks. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's bank borrowings with floating interest rates.

At present, the Group does not intend to hedge its exposure to interest rate fluctuations. However, the Group will constantly review the economic situation and its interest rate risk profile, and will consider appropriate hedging measures in future as may be necessary.

At 31 December 2014, the post-tax profit of the Group would have been decreased/increased by approximately HK\$925,000 (2013: HK\$609,000) if the interest rate has been increased/decreased by 50 basis points with all other variables held constant.

Foreign currency risk

The Group carries on its sales and purchases transactions mainly in Hong Kong dollars and RMB. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of the business. However, as the Group's net profit is reported in Hong Kong dollars, there will be a translation gain as a result of the RMB appreciation, and vice versa. The majority of the Group's operating assets are located in Mainland China and are denominated in RMB.

37. 財務風險管理目標及政策(續)

利率風險

現金流量利率風險為金融工具未來現金流量因市場利率變化而波動的風險。本集團同時承受公平值及現金流量利率風險。本集團所承受利率變化的市場風險，主要與本集團浮動利率計算的銀行借款有關。

目前，本集團無意對沖所須承受的利率波動。然而，本集團將定期檢討經濟狀況及其利率風險狀況，並會考慮日後是否需要實施適當的對沖措施。

倘利率上升／下跌50基點，而所有其他因素保持不變，於二零一四年十二月三十一日，本集團除稅後溢利應減少／增加約925,000港元(二零一三年：609,000港元)。

外匯風險

本集團主要以港元及人民幣進行買賣交易。本集團並無以衍生金融工具來對沖日常業務過程之外匯交易及其他金融資產及負債所附帶之波動。然而，由於本集團之純利以港元呈列，故人民幣升值可帶來匯兌收益，反之亦然。本集團大部份經營資產均位於中國大陸，並以人民幣列示。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

37. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit after tax and equity (due to changes in the fair value of monetary assets and liabilities).

| | | Increase/ (decrease) in RMB rate 人民幣 匯率上調/ (下調) % | Increase/ (decrease) in profit after tax and equity 除稅後溢利 及股權增加/ (減少) HK\$'000 千港元 |
|---|--------------|---|--|
| 2014 | 二零一四年 | | |
| If Hong Kong dollar weakens against RMB | 倘港元兌人民幣貶值 | 5 | 23,891 |
| If Hong Kong dollar strengthens against RMB | 倘港元兌人民幣升值 | (5) | (23,891) |
| 2013 | 二零一三年 | | |
| If Hong Kong dollar weakens against RMB | 倘港元兌人民幣貶值 | 5 | 20,379 |
| If Hong Kong dollar strengthens against RMB | 倘港元兌人民幣升值 | (5) | (20,379) |

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and on an individual basis. Each of the customers has been attached with a trading limit and any excess of the limit must be approved by the general manager of the operation unit. Under the tight control of the credit term and detailed assessment of the creditworthiness of individual customers, the Group's exposure to bad debts is maintained as minimal.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 21 to the financial statements.

37. 財務風險管理目標及政策(續)

外匯風險(續)

下表列示於報告期間結算日，在所有其他可變因素維持不變的情況下，本集團的除稅後溢利及權益對人民幣匯率可能出現合理變動之敏感度(由於貨幣資產及負債的公平值變動)。

信貸風險

本集團僅與知名及信譽良好的客戶進行交易。根據本集團的政策，任何有意以信貸形式進行交易的客戶均須經過信貸核實程序。此外，本集團亦持續監察各項應收款項結餘。本集團對各名客戶設立貿易限額，超出限額之數必須得到營運單位之總經理批准。由於本集團嚴控信貸期，並且對個別客戶之信譽作詳盡評估，故本集團之壞賬風險極低。

本集團其他金融資產的信貸風險包括現金及現金等價物及其他應收款項、因對方違約產生的信貸風險，上限相等於該等工具之賬面值。

有關本集團因貿易應收賬款產生之信貸風險之進一步定量數據於財務報表附註21中披露。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

37. Financial Risk Management Objectives and Policies (continued)

Liquidity risk

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due. The Group's objectives are to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain a contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirement.

The Group continued to enjoy adequate cash position with cash and cash equivalents amounting to HK\$180,105,000 as at 31 December 2014 (2013: HK\$346,327,000).

The Group financed its operations and investment activities by internally generated cash flows and bank borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

Group

| 2014 | 二零一四年 |
|----------------------------------|-------------|
| Interest-bearing bank borrowings | 計息銀行借款 |
| Trade and bills payables | 應付貿易賬款及應付票據 |
| Other payables and accruals | 其他應付款項及應計款項 |
| 2013 | 二零一三年 |
| Interest-bearing bank borrowings | 計息銀行借款 |
| Trade and bills payables | 應付貿易賬款及應付票據 |
| Other payables and accruals | 其他應付款項及應計款項 |

37. 財務風險管理目標及政策(續)

流動資金風險

流動資金風險指未能取得資金以應付所有到期之合約財務承擔。本集團之目標是保持穩健之金融政策，藉著風險限額來監察流動資金比率，並設有應急資金計劃，確保本集團具備足夠現金以應付其流動資金需求。

於二零一四年十二月三十一日，本集團繼續擁有充足現金之財務狀況，其現金及現金等價物為180,105,000港元(二零一三年：346,327,000港元)。

本集團透過內部產生之現金流及銀行借款，為其業務及投資活動提供資金。

於報告期間結算日，本集團根據合約未貼現付款計算之金融負債到期日如下：

本集團

| | Within 1 year 一年內 HK\$'000 千港元 | 1 to 5 years 一至五年 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--|---|--------------------------------|
| | 94,360 | 97,824 | 192,184 |
| | 146,527 | – | 146,527 |
| | 137,877 | – | 137,877 |
| | 378,764 | 97,824 | 476,588 |
| | 58,630 | 66,275 | 124,905 |
| | 89,145 | – | 89,145 |
| | 120,546 | – | 120,546 |
| | 268,321 | 66,275 | 334,596 |

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

37. Financial Risk Management Objectives and Policies (continued)

Liquidity risk (continued)

The maturity profile of the Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

Company

| 2014 | 二零一四年 |
|-----------------------------|-------------|
| Due to subsidiaries | 應付附屬公司款項 |
| Other payables and accruals | 其他應付款項及應計款項 |
| 2013 | 二零一三年 |
| Due to subsidiaries | 應付附屬公司款項 |
| Other payables and accruals | 其他應付款項及應計款項 |

The Group and the Company is also exposed to liquidity risk through the granting of financial guarantees, further details of which are disclosed in note 35 to the financial statements.

Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to the owners through the optimisation of the debt and equity balance where appropriate. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2014 and 2013.

The capital structure of the Group consists of net debt which includes bank borrowings and equity attributable to owners of the Company. Equity attributable to owners of the Company comprises issued share capital, reserves and retained profits as disclosed in the consolidated statement of changes in equity.

37. 財務風險管理目標及政策(續)

流動資金風險(續)

於報告期間結算日，本公司根據合約未貼現付款計算之金融負債到期日如下：

本公司

| | Within | | Total 總計 |
|-----------------------------|-----------------|----------------------|-----------------|
| | 1 year 一年內 | 1 to 5 years 一至五年 | |
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Due to subsidiaries | - | 68,534 | 68,534 |
| Other payables and accruals | 979 | - | 979 |
| | 979 | 68,534 | 69,513 |
| Due to subsidiaries | - | 54,146 | 54,146 |
| Other payables and accruals | 934 | - | 934 |
| | 934 | 54,146 | 55,080 |

透過授出財務擔保，本集團及本公司亦面臨流動資金風險，其進一步詳情披露於財務報表附註35。

資本管理

本集團管理其資本以確保本集團能持續營運，同時在適當時透過優化債務及權益結餘(如適用)將擁有人的回報增至最大。於截至二零一四年及二零一三年十二月三十一日止年度，管理資本之目標、政策或程序並無變動。

本集團資本結構包括債務淨額其中包括銀行借款及本公司擁有人應佔股權。本公司擁有人應佔股權包括綜合權益變動表所披露的已發行股本、儲備及保留溢利。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

37. Financial Risk Management Objectives and Policies (continued)

Capital management (continued)

The Company monitors capital using a gearing ratio, which is total bank borrowings divided by the equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

| Group | 本集團 | 2014 | 2013 |
|--|------------|--------------------------|--------------------------|
| | | 二零一四年 HK\$'000 千港元 | 二零一三年 HK\$'000 千港元 |
| Interest-bearing bank borrowings | 計息銀行借款 | 185,000 | 121,750 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 1,744,565 | 1,628,246 |
| Gearing ratio | 資產負債比率 | 10.6% | 7.5% |

37. 財務風險管理目標及政策(續)

資本管理(續)

本公司透過資產負債比率架構(即銀行借款總額除以本公司擁有人應佔股權)監控資本。於報告期末資產負債比率如下：

38. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 24 March 2015.

38. 批准財務報表

財務報表於二零一五年三月二十四日獲董事會批准及授權刊發。

EMBRY HOLDINGS LIMITED
安莉芳控股有限公司