



runway

global holdings company limited

時尚環球控股有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

股份代號 Stock Code: 8309

年報 Annual Report 2013



CHINA



HONG KONG



LOS ANGELES



NEW YORK



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This report, for which the directors (the “Directors”) of Runway Global Holdings Company Limited (the “Company”) collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company’s website at www.runwayglobal.com.

香港聯合交易所有限公司 (「聯交所」) 創業板 (「創業板」) 的特色

創業板的定位，乃為較於其他聯交所上市的公司帶有更高投資風險的公司提供一個上市的市場。有意投資者應了解投資於該等公司的潛在風險，並應經過審慎周詳考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他經驗豐富的投資者。

由於創業板上市公司的新興性質使然，在創業板買賣的證券可能會承受較於聯交所主板買賣的證券為高的市場波動風險，同時亦無法保證在創業板買賣的證券會有高流通量的市場。

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本報告乃遵照聯交所創業板證券上市規則的規定提供有關時尚環球控股有限公司 (「本公司」) 的資料，本公司董事 (「董事」) 願共同及個別對此承擔全部責任。董事在作出一切合理查詢後，確認就彼等所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

本報告將由刊發日期起計最少一連七天在創業板網站 www.hkgem.com 的「最新公司公佈」網頁及本公司網站 www.runwayglobal.com 內刊載。

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Hubert Tien (*Chairman*)
Farzad Gozashti

Independent Non-Executive Directors

Tang Shu Pui, Simon
Tang Tsz Kai, Kevin
Lai Man Sing

Compliance Adviser

Messis Capital Limited

Authorised Representatives

Hubert Tien
Chan Ka Yu

Company Secretary

Chan Ka Yu

Audit Committee

Lai Man Sing (*Chairman*)
Tang Shu Pui, Simon
Tang Tsz Kai, Kevin

Remuneration Committee

Tang Shu Pui, Simon (*Chairman*)
Lai Man Sing
Tang Tsz Kai, Kevin
Hubert Tien

Nomination Committee

Lai Man Sing (*Chairman*)
Tang Tsz Kai, Kevin
Tang Shu Pui, Simon
Hubert Tien

董事會

執行董事

田曉勃 (*主席*)
Farzad Gozashti

獨立非執行董事

鄧澍培
鄧子楷
黎文星

合規顧問

大有融資有限公司

授權代表

田曉勃
陳家宇

公司秘書

陳家宇

審核委員會

黎文星 (*主席*)
鄧澍培
鄧子楷

薪酬委員會

鄧澍培 (*主席*)
黎文星
鄧子楷
田曉勃

提名委員會

黎文星 (*主席*)
鄧子楷
鄧澍培
田曉勃

Corporate Information 公司資料

Corporate Governance Committee

Tang Tsz Kai, Kevin (*Chairman*)
Hubert Tien
Lai Man Sing
Tang Shu Pui, Simon
Chan Ka Yu

Compliance Officer

Hubert Tien

Auditor

BDO Limited

Principal Bankers

Citibank, N.A., Hong Kong Branch
DBS Bank (Hong Kong) Limited
Cathay Bank, Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

Registered Office

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

Head Office and Principal Place of Business in Hong Kong

14th Floor, Park Building
476 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

Principal Share Registrar and Transfer Office

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

企業管治委員會

鄧子楷 (主席)
田曉勃
黎文星
鄧樹培
陳家宇

合規主任

田曉勃

核數師

香港立信德豪會計師事務所有限公司

主要往來銀行

花旗銀行香港分行
星展銀行(香港)有限公司
國泰銀行香港分行
香港上海滙豐銀行有限公司

註冊辦事處

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

總辦事處及香港主要營業地點

香港
九龍
長沙灣
青山道476號
百佳大廈14樓

主要股份登記及過戶辦事處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Information 公司資料

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Website

www.runwayglobal.com

Stock Code

8309

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 22 樓

網頁

www.runwayglobal.com

股份代號

8309

Financial Summary

財務概要

		Year ended 31 December 截至十二月三十一日止年度		
		2013 HK\$'000 千港元	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Results	業績			
Revenue	收入	360,707	331,088	306,314
Gross profit	毛利	84,941	81,222	66,563
Profit before income tax	除所得稅前溢利	18,365	28,301	11,748
Profit attributable to the owners of the Company	本公司擁有人應佔溢利	13,529	23,152	9,417
		As at 31 December 於十二月三十一日		
		2013 HK\$'000 千港元	2012 HK\$'000 千港元	2011 HK\$'000 千港元
Financial position	財務狀況			
Total assets	總資產	196,950	158,396	130,639
Interest-bearing borrowings	計息借貸	9,564	2,478	4,328
Total liabilities	總負債	99,685	101,663	88,913
Shareholders' equity	股東權益	97,265	56,733	41,726
Financial Statistics	財務數據			
Current ratio (note 1)	流動比率 (附註1)	1.78	1.36	1.22
Quick ratio (note 2)	速動比率 (附註2)	1.60	1.09	0.95
Return on assets (note 3)	資產回報率 (附註3)	6.9%	14.6%	7.2%
Return on equity (note 4)	股本回報率 (附註4)	13.9%	40.8%	22.6%
Gearing ratio (note 5)	資產負債比率 (附註5)	9.8%	4.4%	10.4%
Inventory turnover days (note 6)	存貨週轉天數 (附註6)	24 days/日	40 days/日	36 days/日
Trade receivables turnover days (note 7)	貿易應收款項週轉天數 (附註7)	72 days/日	46 days/日	44 days/日
Trade payables turnover days (note 8)	貿易應付款項週轉天數 (附註8)	78 days/日	92 days/日	98 days/日

Notes:

- Current ratio = Current assets/current liabilities
- Quick ratio = Current assets less inventory/current liabilities
- Return on assets = Profit attributable to the owners of the Company for the year/total assets
- Return on equity = Profit attributable to the owners of the Company for the year/shareholders' equity
- Gearing ratio = Interest-bearing borrowings/shareholders' equity
- Inventory turnover days = Inventory balance/cost of sales for the year x number of days for the year
- Trade receivables turnover days = Trade receivables/revenue for the year x number of days for the year
- Trade payables turnover days = Trade payables/cost of sales for the year x number of days for the year

The results and summary of assets and liabilities for the years ended 31 December 2011 and 2012 which were extracted from the prospectus of the Company dated 27 November 2013 (the "Prospectus") have been prepared on a combined basis to indicate the results of the Group as if the group structure, at the time when the Company's shares were listed on the GEM of the Stock Exchange, had been in existence throughout those years.

附註:

- 流動比率 = 流動資產 / 流動負債
- 速動比率 = 流動資產減存貨 / 流動負債
- 資產回報率 = 本公司擁有人應佔年度溢利 / 總資產
- 股本回報率 = 本公司擁有人應佔年度溢利 / 股東權益
- 資產負債比率 = 計息借貸 / 股東權益
- 存貨週轉天數 = 存貨結餘 / 年度銷售成本 x 年度天數
- 貿易應收款項週轉天數 = 貿易應收款項 / 年度收入 x 年度天數
- 貿易應付款項週轉天數 = 貿易應付款項 / 年度銷售成本 x 年度天數

摘錄自本公司日期為二零一三年十一月二十七日的招股章程(「招股章程」)之截至二零一一年及二零一二年十二月三十一日止年度之業績以及資產及負債概要乃根據合併基準編製,以顯示本集團業績,猶如本公司股份於聯交所創業板上市時之集團架構於該等年度一直存在。

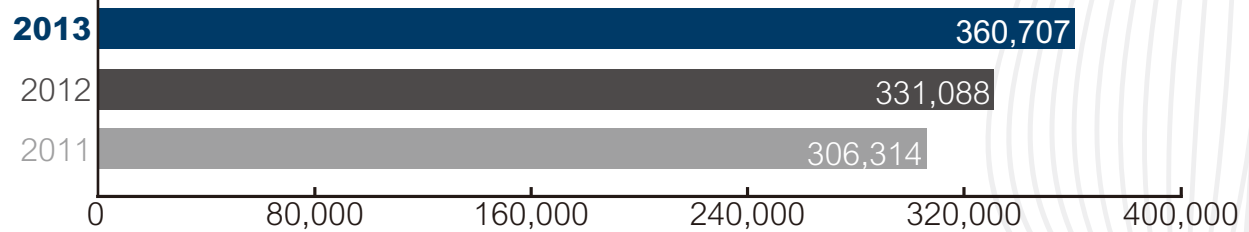
Financial Summary 財務概要

Revenue

收入

HK\$'000

千港元

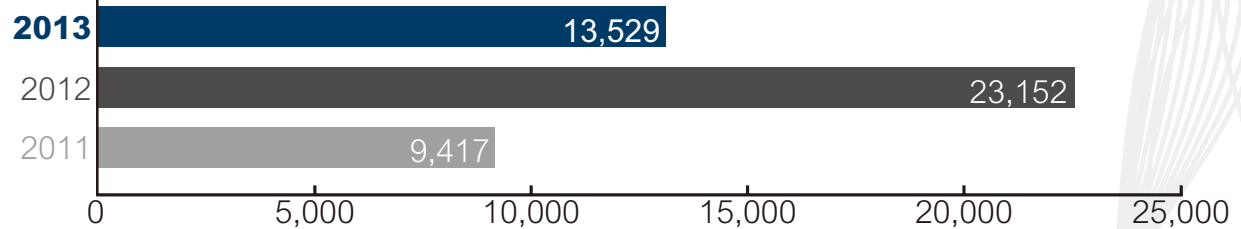


Profit attributable to the owners of the Company

本公司擁有人應佔溢利

HK\$'000

千港元

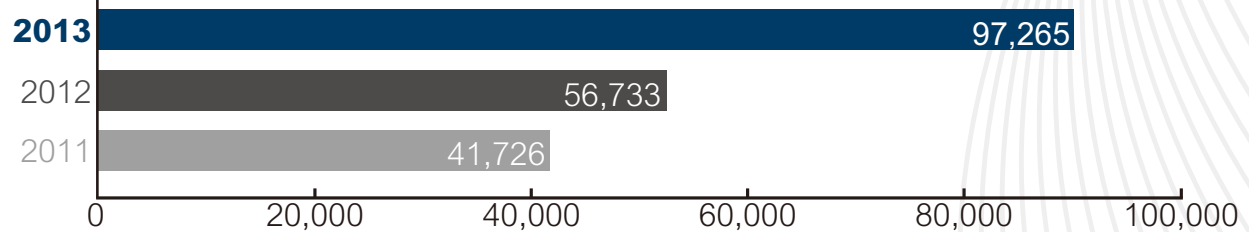


Shareholders' equity

股東權益

HK\$'000

千港元



Chairman's Statement

主席報告書



On behalf of the Board of Directors (the “Board”) of Runway Global Holdings Company Limited (the “Company”), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group” or “Runway Global”) for the year ended 31 December 2013.

AN IMPORTANT MILESTONE

The year 2013 is an important milestone to the Group. The Company was successfully listed (the “Listing”) on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 3 December 2013 (the “Listing Date”) with net proceeds raised amounting to HK\$35,732,000 million. The successful Listing of the Company has provided a platform in the capital markets for our growing business, and facilitated us to further strengthen our corporate image in the market as well.

BUSINESS OVERVIEW

During the year, the Group’s revenue increased from approximately HK\$331,088,000 in year 2012 to approximately HK\$360,707,000 in year 2013, representing an increase of approximately 8.9% in comparison to that of year 2012, while profit attributable to the owners of the Company decreased from approximately HK\$23,152,000 in year 2012 to approximately HK\$13,529,000 in year 2013, representing a decrease of approximately 41.6% as compared to that of year 2012. The decrease in profit attributable to the owners of the Company was mainly attributable to the incurring of approximately HK\$10,938,000 non-recurring listing expenses during the year.

謹代表時尚環球控股有限公司（「本公司」）董事會（「董事會」），本人欣然呈報本公司及其附屬公司（統稱「本集團」或「時尚環球」）截至二零一三年十二月三十一日止年度的經審核綜合業績。

重要里程碑

二零一三年是本集團的重要里程碑。本公司於二零一三年十二月三日（「上市日期」）在香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）成功上市（「上市」），籌集所得款項淨額35,732,000港元。本公司成功上市為我們增長中的業務於資本市場提供一個平台，同時有助進一步提高本集團於市場的形象。

業務概覽

於年內，本集團的營業額由二零一二年的約331,088,000港元增至二零一三年的360,707,000港元，較二零一二年同期增加約8.9%，而本公司擁有人應佔溢利由二零一二年的約23,152,000港元降至二零一三年的約13,529,000港元，較二零一二年同期減少約41.6%。本公司擁有人應佔溢利減少主要是由於本年度產生非經常性上市開支約10,938,000港元所致。

Chairman's Statement 主席報告書

PRIVATE LABEL PRODUCTS

Private label products continued to be the core business of the Group, contributing to approximately 86.8% (2012: 88.6%) of the total revenue of the Group for the year 2013. For the year 2013, revenue from private label products increased by approximately 6.7% to approximately HK\$313,033,000 (2012: HK\$293,249,000) while gross profit also increased by 1.6% to approximately HK\$70,183,000 (2012: HK\$69,094,000).

OWN BRAND PRODUCTS

Own brand products experienced a strong growth in the year 2013. Own brand products accounted for approximately 13.2% (2012: 11.4%) of the total revenue of the Group for the year 2013. The revenue as well as the gross profit from own brand products increased significantly in the year 2013. For the year 2013, revenue from own brand products increased by approximately 26.0% to approximately HK\$47,674,000 (2012: HK\$37,839,000) while gross profit also increased by approximately 21.7% to approximately HK\$14,758,000 (2012: HK\$12,128,000).

REVIEW AND FUTURE PROSPECTS

Apparel industry remained challenging in the year 2013. The industry was hindered by the slow recovery of economy in North America. This inevitably undermined consumers' spending on apparels and also affected the apparel industry. In response to the glooming business environment, we continued to expand our range of apparels to maintain our competitiveness. Thanks to the concerted efforts of team members, the revenue of both private label products and own brand products increased compared to the revenue of 2012.

貼牌產品

貼牌產品仍為本集團的核心業務，佔本集團二零一三年總營業額約86.8%（二零一二年：88.6%）。於二零一三年，貼牌產品的營業額增加約6.7%至約313,033,000港元（二零一二年：293,249,000港元），而毛利率亦增長1.6%至約70,183,000港元（二零一二年：69,094,000港元）。

自有品牌產品

自有品牌產品於二零一三年錄得強勁增長。於二零一三年，自有品牌產品佔本集團總營業額約13.2%（二零一二年：11.4%）。自有品牌產品的營業額及毛利於二零一三年顯著增加。於二零一三年，自有品牌產品的營業額增加約26.0%至約47,674,000港元（二零一二年：37,839,000港元），而毛利率亦增長約21.7%至約14,758,000港元（二零一二年：12,128,000港元）。

回顧及未來展望

二零一三年服裝行業仍競爭激烈。行業受北美經濟緩慢復甦所影響。該不利因素不可避免削弱消費者對服裝的開銷，亦影響到服裝行業。為應對不利商業環境，我們持續擴大產品線以保持競爭力。有賴於我們團隊成員的共同努力，貼牌產品及自有品牌產品的收入均較二零一二年的收入增加。

Chairman's Statement 主席報告書

We expect the economy in North America will recover gently and with a slightly higher pace in the near future. We will further explore the North America market as we have established concert business network there. Furthermore, we will continue to invest in developing and promoting the own brand products operation which has higher profit margin in North America. Currently the revenue from own brand products accounted for 13.2% of total income. We expect the income from and share of total income of own brand products will increase continuously in the near future.

We have confidence that the Group will execute its solid business strategies to further improve our profitability. These strategies will ensure that the Group continues to provide long term earnings and generate strong cash flow.

APPRECIATION

Last but not the least, I would like to take this opportunity to thank all the shareholders, customers and business partners for their trust in, understanding of and support of to the Group over the years. Moreover, I would also like to thank all staffs for their great effort and valuable contribution. With a focused senior management and professional team, we will continue to explore new business opportunities in the challenging year ahead and strive for the best returns for our shareholders.

Hubert Tien

Chairman

14 March 2014

我們預期北美經濟將溫和及以輕微較高速復甦。因我們已於北美市場建立穩固業務網絡，我們將進一步開拓該市場。此外，我們將繼續於北美市場投資開發及推廣有更高毛利率的自有品牌產品業務。現時自有品牌產品營業額佔總收入的13.2%。我們預期自有品牌產品收入及佔總收入份額於不久未來將繼續增長。

我們滿懷信心，本集團將貫徹其穩健業務策略以進一步提高我們的盈利能力。該等策略將確保本集團繼續提供長期盈利及產生強勁現金流量。

致謝

最後，本人謹藉此機會，衷心感謝全體股東、客戶及業務夥伴給予本集團的信賴、理解及一貫支持。此外，本人亦由衷感謝全體員工的傾力奉獻及寶貴貢獻。在高級管理層及專業團隊的勤勉努力下，我們將繼續在充滿挑戰的來年開拓新商機並致力為我們股東創造最佳回報。

田曉勃

主席

二零一四年三月十四日

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

EXECUTIVE DIRECTORS

Mr. Hubert TIEN, aged 45, was appointed as an executive director of the Company (the “Director”) on 19 June 2013. Mr. Tien is one of the founders of the Group and the chairman of the Board. He is responsible for overseeing the in-house operations, manufacturing and sourcing activities and devising business expansion plans of the Group. Mr. Tien has about 20 years of experience in garment trading, manufacturing and marketing in the United States, Australia and Canada markets. Mr. Tien was a director of Bright Cheer Company Limited (“Bright Cheer”), a textile company, from 1992 to 2004 prior to its dissolution. He ceased to participate in the operation of Bright Cheer in December 2000 and founded the Group with Mr. Gozashti in 2001. Bright Cheer ceased to carry on business afterwards and was dissolved by striking off in 2004 under section 291 of the Companies Ordinance. Mr. Tien is a brother of Ms. Winnie Tien, a member of the senior management of the Group.

Mr. Farzad GOZASHTI, aged 48, was appointed as an executive Director on 19 June 2013. Mr. Gozashti is one of the founders of the Group and the chief marketing officer of the Group and the chief executive officer of Runway Fashions, Inc., a wholly owned subsidiary of the Company. Mr. Gozashti is responsible for overseeing the design, sales and marketing activities and devising business expansion plans of the Group. Mr. Gozashti graduated with a bachelor degree of Science in Business Administration (marketing) from San Francisco State University in California of USA in May 1989. Mr. Gozashti has about 20 years of experience in design and product development. Before he founded the Group with Mr. Tien in 2001, he had also created and launched the apparel line “BLANC NOIR” through FG Industries, Inc., which was a private company engaged in the apparel business in the United States then wholly owned by Mr. Gozashti and was subsequently dissolved in 2006 after transferring the “BLANC NOIR” trademark to Runway Global Limited at a nominal consideration.

執行董事

田曉勃先生，45歲，於二零一三年六月十九日獲委任為本公司執行董事（「董事」）。田先生為本集團創辦人之一及董事會主席，負責監督本集團內部營運、生產及採購活動及制定業務擴展計劃。田先生就於美國、澳洲及加拿大市場貿易、生產及營銷成衣擁有約20年經驗。於一九九二年至二零零四年，紡織公司盈金紡織有限公司（「盈金紡織」）解散前，田先生為其董事。彼於二零零零年十二月停止參與盈金紡織之營運，並於二零零一年與Gozashti先生創辦本集團。盈金紡織其後停止經營業務，且於二零零四年根據公司條例第291條以註銷方式解散。田先生為本集團高級管理層成員田慧儀女士之胞兄。

Farzad GOZASHTI先生，48歲，於二零一三年六月十九日獲委任為執行董事。Gozashti先生為本集團創辦人之一及本集團營銷總監及Runway Fashions, Inc.（本公司之全資附屬公司）之行政總裁。Gozashti先生負責監督本集團設計、銷售及營銷活動及制定業務擴張計劃。Gozashti先生於一九八九年五月畢業於美國舊金山州立大學，獲得工商管理（市場學）理學士學位。Gozashti先生於設計及產品開發擁有約20年經驗，於二零零一年與田先生創辦本集團之前，曾藉FG Industries, Inc.創立並推出服裝系列「BLANC NOIR」。FG Industries, Inc.為於美國從事服裝業務之私人公司，當時由Gozashti先生全資擁有，其後於二零零六年以名義代價將「BLANC NOIR」商標轉讓予時尚環球有限公司後解散。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. TANG Tsz Kai, Kevin, aged 44, was appointed as an independent non-executive Director on 22 November 2013. Mr. Tang obtained a degree of Bachelor of Science from University of Toronto in November 1998, a Bachelor of Laws from City University of Hong Kong in November 2004 and a Postgraduate Certificate in Laws from City University of Hong Kong in September 2005. He has been a barrister-at-law in private practising in Hong Kong since 2006, specialising in criminal practice. He was also a part-time research assistant in City University of Hong Kong in 2002.

Mr. TANG Shu Pui, Simon, aged 49, was appointed as an independent non-executive Director on 22 November 2013. Mr. Tang is a practising solicitor and an accredited mediator with the Hong Kong International Arbitration Centre. Mr. Tang is currently a partner of P. C. Woo & Co., Solicitors. Mr. Tang is a member of the Appeal Tribunal of the Hong Kong Federation of Insurers, legal advisor to the General Agents and Managers Association of Hong Kong, founding member and council member of the Hong Kong Institute Patent Attorneys, member of the Basic Law Promotion Steering Committee and member of the Standing Committee on Standards and Development of the Law Society of Hong Kong. Mr. Tang has been a visiting lecturer in Intellectual Property Law in The Hong Kong Polytechnic University and a part time lecturer in Hong Kong University School of Professional and Continuing Education.

At P. C. Woo & Co., Solicitors, Mr. Tang has served clients that operate in, among others, the apparel industry.

Mr. Tang was appointed as a non-executive director of Bestway International Holdings Limited (stock code: 718), the shares of which are listed on the Main Board of the Stock Exchange, with effect from 10 January 2013.

Mr. LAI Man Sing, aged 45, was appointed as an independent non-executive Director on 22 November 2013.

He obtained his first degree from The London School of Economics and Political Science, University of London, the United Kingdom in August 1990 and earned a Master degree (long distance) in Business Administration from University of Western Sydney, Australia in August 2007. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, also a fellow member of The Australian Society of Certified Practising Accountants.

獨立非執行董事

鄧子楷先生，44歲，於二零一三年十一月二十二日獲委任為獨立非執行董事。鄧先生於一九九八年十一月於多倫多大學獲得理學士學位，並分別於二零零四年十一月及二零零五年九月，於香港城市大學獲得法律學士學位及法律深造文憑。自二零零六年起，彼為香港私人執業大律師，專門處理刑事案件。於二零零二年，彼亦為香港城市大學兼職研究助理。

鄧樹培先生，49歲，自二零一三年十一月二十二日起獲委任為本公司獨立非執行董事。鄧先生為一名執業律師及香港國際仲裁中心之認可調解員。鄧先生目前為胡百全律師事務所之合夥人。鄧先生為香港保險業聯會上訴裁判處委員、香港人壽保險經理協會法律顧問、香港專利師協會創會會員及委員、基本法推廣督導委員會委員，以及香港律師會專業水準及發展常務委員會委員。鄧先生現任香港理工大學知識產權法客席講師，以及香港大學專業進修學院兼職講師。

在胡百全律師事務所，鄧先生所服務的客戶包括來自成衣業界的客戶。

鄧先生自二零一三年一月十日起獲委任為百威國際控股有限公司（股份代號：718，其股份於聯交所主板上市）非執行董事。

黎文星先生，45歲，於二零一三年十一月二十二日獲委任為獨立非執行董事。

彼於一九九零年八月於英國倫敦大學倫敦政治經濟學院獲得首個學位，並於二零零七年八月於澳洲西雪梨大學獲得工商管理（遙距）碩士學位。彼為香港會計師公會資深會員及澳洲執業會計師公會資深會員。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. Lai worked in the accounting field for over 20 years and he took senior financial position for listed companies. From September 2007 to March 2008, he was the financial controller of Jetup Electronic (Shenzhen) Co., Ltd., a subsidiary of J.I.C. Technology Company Limited (now known as China Renewable Energy Investment Limited) (stock code: 987, the shares of which are listed on the Main Board of the Stock Exchange). He was responsible for producing accounting reports, managing accounting operations and preparing budgets and cashflow projections. Since March 2008, Mr. Lai has served as the financial controller of Mainland Headwear Holdings Limited (stock code: 1100), the shares of which are listed on the Main Board of the Stock Exchange. He was promoted to the position of chief financial officer in February 2010 and has been in charge of the finance department up to the present. In addition, Mr. Lai was an independent director of USmart Mobile Device Inc. (previously known as ACL Semiconductors Inc.), a company listed on the Over the Counter (OTC) markets in the United States with stock code UMDI, from December 2010 to August 2013, during which he also acted as the chairman of its audit committee.

SENIOR MANAGEMENT

Ms. Winnie TIEN, aged 43, is the chief administration officer and head of quality control of the Group principally responsible for overseeing the Group's administrative matters and quality control. Ms. Tien joined the Group on 8 October 2001. Ms. Tien completed a professional diploma course in human resource management (PRC) organised by the Hong Kong Productivity Council in March 2009. Ms. Tien has been participating in the management of the Group's overall operation for over 10 years. She has been primarily responsible for the Group's supervision, quality control, administration and management. Ms. Tien is a sister of Mr. Tien, an executive Director.

Mr. CHAN Ka Yu, aged 34, is the chief financial officer of the Group and company secretary of the Company and Runway Global limited, an indirect wholly owned subsidiary of the Company. Mr. Chan joined the Group in late June 2013. He is responsible for overseeing the Group's financial reporting and company secretarial matters of the Group. Mr. Chan graduated with a bachelor of commerce in accounting from the Hong Kong Shue Yan University in October 2009. He is a member of the Hong Kong Institute of Certified Public Accountants.

黎先生於會計行業工作逾20年，於上市公司擔任高級財務職位。自二零零七年九月起至二零零八年三月，彼為J.I.C. Technology Company Limited (現稱為中國再生能源投資有限公司) (股份代號：987，其股份於聯交所主板上市)之附屬公司捷騰電子(深圳)有限公司之財務主管，負責編製會計報告、管理會計業務營運及編製財政預算及現金流預測。自二零零八年三月起，黎先生一直為飛達帽業控股有限公司(股份代號：1100，其股份於聯交所主板上市)之財務主管，並於二零一零年二月晉升至財務總監一職，至今一直負責管理財務部門。此外，於二零一零年十二月至二零一三年八月，黎先生為USmart Mobile Device Inc. (前稱ACL Semiconductors Inc.，為於美國場外交易市場上市之公司，股份代號為UMDI)之獨立董事，期內，黎先生亦擔任該公司之審核委員會主席。

高級管理層

田慧儀女士，43歲，為本集團行政總監兼品質監控部主管，主要負責監督本集團行政事務及品質監控工作。田女士於二零零一年十月八日加盟本集團。田女士於二零零九年三月修畢由香港生產力促進局舉辦的國內人力資源管理專業文憑課程。田女士參與本集團整體營運管理工作超過10年，彼主要負責本集團的監督、品質監控、行政及管理工作。田女士為執行董事田先生之胞妹。

陳家宇先生，34歲，為本集團財務總監兼本公司及時尚環球有限公司(本公司之間接全資附屬公司)之公司秘書。陳先生於二零一三年六月底加入本集團。彼負責監督本集團財務申報及公司秘書事務。於二零零九年十月，陳先生畢業於香港樹仁大學，獲頒會計學商學士學位。彼為香港會計師公會成員。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

From September 2010 to April 2012, Mr. Chan was employed as a senior accountant of JBPB & Company ("JBPB") and his last position was senior associate at BDO Limited (due to merger of business between JBPB and BDO Limited). From May 2012 to April 2013, he worked as an investor relations officer for Fantasia Group (China) Company Limited, a subsidiary of Fantasia Holdings Group Co., Limited (stock code: 1777), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. David BLITZ, aged 45, is the Group's head of sales and marketing for the United States. Mr. Blitz joined the Group in April 2006. He is primarily responsible for overseeing the Group's sales and marketing activities in the US market and in particular, establishing and maintaining customer relationship. Mr. David Blitz has accumulated about 20 years of experience in the fashion industry. Prior to joining the Group, Mr. David Blitz worked in G-III Apparel Group from June 1992 to January 1997. He worked in Amerex Group LLC, an international apparel company, from January 1997 to July 2006. Mr. David Blitz graduated from the University of South Florida with a Bachelor Degree of Science (Business Administration).

Ms. LI Yinzhen, aged 45, is the head of Jiaxing Runway Global Garment Limited ("Runway Jiaxing"), an indirect wholly owned subsidiary of the Company, principally responsible for overall management of the manufacturing operation of Runway Jiaxing. Ms. Li has more than 12 years of experience in apparel manufacturing in the PRC. Before Ms. Li joined the Group in April 2006, she worked at Sky Voice International Company Limited, an apparel manufacturer, from 2000 to 2005.

Ms. MA Wing Sze, aged 43, is the Group's assistant merchandising manager principally responsible for merchandising. Ms. Ma joined the Group on 22 October 2001. Ms. Ma has over 20 years of experience in merchandising and marketing in the apparel industry. Prior to joining of the Group, Ms. Ma worked as a merchandiser from 1991 to 2001 for companies including Atex Garments Limited and Rena Gabriel HK Limited.

於二零一零年九月至二零一二年四月，陳先生於莊柏會計師行（「莊柏」）任職高級會計師，彼於離職前的職位為香港立信德豪會計師事務所有限公司（源於莊柏與香港立信德豪會計師事務所有限公司進行業務合併）之資深會計師。二零一二年五月至二零一三年四月期間，彼曾擔任花樣年控股集團有限公司（股份代號：1777，其股份於聯交所主板上市）附屬公司花樣年集團（中國）有限公司的投資者關係主任。

David BLITZ 先生，45歲，為本集團美國銷售及營銷主管。Blitz先生於二零零六年四月加入本集團。彼主要負責監察本集團於美國市場之銷售及市場推廣活動，尤其是建立及維持客戶關係。David Blitz先生於時裝界累積約20年經驗。加入本集團前，David Blitz先生曾於一九九二年六月至一九九七年一月於G-III Apparel Group工作。一九九七年一月至二零零六年七月期間，彼於國際服裝公司Amerex Group LLC任職。David Blitz先生畢業於南佛羅里達大學，獲頒科學（工商管理）學士學位。

李引珍女士，45歲，為時尚環球服飾（嘉興）有限公司（「時尚嘉興」，本公司間接全資附屬公司）主管，主要負責時尚嘉興生產業務的整體管理。李女士於中國服裝製造業擁有超過12年經驗。李女士於二零零六年四月加入本集團前，曾於二零零零年至二零零五年期間，於服裝生產商天歌國際有限公司工作。

馬詠詩女士，43歲，為本集團助理採購經理，主要負責採購工作。馬女士於二零零一年十月二十二日加入本集團。彼於服裝業擁有逾20年的採購及營銷經驗。加入本集團前，馬女士曾於一九九一年至二零零一年於Atex Garments Limited及宏基堡香港有限公司等公司任職採購員。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Ms. Sue McBRIDE, aged 37, is the Group's senior designer. Ms. McBride joined the Group in July 2008. She is primarily responsible for the design and development of different types of apparel products of the Group. Ms. McBride has about 11 years of experience in design of garment. Prior to joining the Group, Ms. McBride was employed by Guess Manufacturing Inc. from August 2002 to May 2008 and she held the full-time position of senior designer.

Sue McBRIDE 女士，37歲，為本集團高級設計師。McBride 女士於二零零八年七月加入本集團。彼主要負責設計及發展本集團各式各樣的服裝產品。McBride 女士於成衣設計擁有約11年經驗。加入本集團前，McBride 女士曾於二零零二年八月至二零零八年五月期間，受聘於Guess Manufacturing Inc.，擔任全職高級設計師。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in designing, manufacturing and trading of apparels with a focus on women's fashion outerwear such as coats and jackets, dresses, activewear, pants and jeans.

The Group's turnover is principally derived from the sales of apparel products. The Group's products can be classified into two categories, namely, private label products and own brand products. Private label products are those designed and manufactured under the private labels owned or specified by the Group's customers, while own brand products are those designed and manufactured under the Group's proprietary labels.

During the year, the Group's revenue increased from approximately HK\$331,088,000 in year 2012 to approximately HK\$360,707,000 in year 2013, representing an increase of approximately 8.9% in comparison to that of year 2012, while profit attributable to the owners of the Company decreased from approximately HK\$23,152,000 in year 2012 to approximately HK\$13,529,000 in year 2013, representing a decrease of approximately 41.6% as compared to that of year 2012. The decrease in profit attributable to the owners of the Company was mainly attributable to the incurring of approximately HK\$10,938,000 non-recurring listing expenses during the year.

PRIVATE LABEL PRODUCTS

Private label products continued to be the core business of the Group, contributing to approximately 86.8% (2012: 88.6%) of the total revenue of the Group for the year 2013. For the year 2013, revenue from private label products increased by approximately 6.7% to approximately HK\$313,033,000 (2012: HK\$293,249,000) while gross profit also increased by 1.6% to approximately HK\$70,183,000 (2012: HK\$69,094,000).

OWN BRAND PRODUCTS

Own brand products experienced a strong growth in the year 2013. Own brand products accounted for approximately 13.2% (2012: 11.4%) of the total revenue of the Group for the year 2013. The revenue as well as the gross profit from own brand products increased significantly in the year 2013. For the year 2013, revenue from own brand products increased by approximately 26.0% to approximately HK\$47,674,000 (2012: HK\$37,839,000) while gross profit also increased by approximately 21.7% to approximately HK\$14,758,000 (2012: HK\$12,128,000).

業務回顧

本集團主要從事成衣產品的設計、製造及貿易，專攻女裝時尚外衣，如外套和夾克、連身裙、休閒服、長褲及牛仔褲。

本集團的營業額主要源自銷售成衣產品。本集團的產品可分為兩大類，即貼牌產品與自有品牌產品。貼牌產品是按本集團客戶擁有或指定的私有品牌設計製造的產品，而自有品牌產品則是在本集團專屬品牌名下設計和製造的產品。

於年內，本集團的營業額由二零一二年的約331,088,000港元增至二零一三年的約360,707,000港元，較二零一二年同期增加約8.9%，而本公司擁有人應佔溢利由二零一二年的約23,152,000港元降至二零一三年的約13,529,000港元，較二零一二年同期減少約41.6%。本公司擁有人應佔溢利減少主要是由於本年度產生非經常性上市開支約10,938,000港元所致。

貼牌產品

貼牌產品仍為本集團的核心業務，佔本集團二零一三年總營業額約86.8%（二零一二年：88.6%）。於二零一三年，貼牌產品的營業額增加約6.7%至約313,033,000港元（二零一二年：293,249,000港元），而毛利亦增長1.6%至約70,183,000港元（二零一二年：69,094,000港元）。

自有品牌產品

自有品牌產品於二零一三年錄得強勁增長。於二零一三年，自有品牌產品佔本集團總營業額約13.2%（二零一二年：11.4%）。自有品牌產品的營業額及毛利於二零一三年顯著增加。於二零一三年，自有品牌產品的營業額增加約26.0%至約47,674,000港元（二零一二年：37,839,000港元），而毛利亦增長約21.7%至約14,758,000港元（二零一二年：12,128,000港元）。

Management Discussion and Analysis 管理層討論及分析

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses mainly consist of (i) import duty; (ii) transportation costs for delivery of the products; (iii) rental costs of our showroom and staff cost for our sales representatives. The selling and distribution expenses incurred in the reporting period were approximately HK\$22,850,000 (2012: HK\$23,786,000).

ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of (i) staff costs; (ii) rental expenses; (iii) bank charges and (iv) depreciation of property, plant and equipment. The administrative expenses for the year ended 31 December 2013 were approximately HK\$44,464,000 (2012: HK\$30,482,000), increased by approximately 45.9% year on year basis. The increase in administrative expenses is mainly attributable to incurring non-recurring listing expenses of approximately HK\$10,938,000 for the listing of the shares of the Company on GEM.

LIQUIDITY AND FINANCIAL RESOURCES

During the year 2013, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 31 December 2013, pledged bank deposits and cash and cash equivalents amounted to approximately HK\$60,457,000 (2012: HK\$46,351,000). Total interest-bearing borrowings of the Group as at 31 December 2013 was approximately HK\$9,564,000 (2012: HK\$2,478,000) of which approximately HK\$7,370,000 (2012: HK\$1,308,000) would be repayable within one year and all the remaining interest-bearing borrowings of approximately HK\$2,194,000 (2012: HK\$1,170,000) would be repayable after one year, based on the scheduled repayment dates in the banking facilities and ignore the effect of any repayment on demand clause. The current ratio of the Group was approximately 1.78 (2012: 1.36).

GEARING RATIO

The gearing ratio of the Group, calculated as total interest-bearing borrowings over total equity, was approximately 9.8% (2012: 4.4%) as at 31 December 2013.

銷售及分銷費用

銷售及分銷費用主要包括：(i) 入口關稅；(ii) 就交付產品的運輸費用；(iii) 我們陳列室的租金開支及銷售代表的員工成本。於報告期內，產生的銷售及分銷費用約為22,850,000港元（二零一二年：23,786,000港元）。

行政開支

行政開支主要包括(i)員工成本；(ii)租金開支；(iii)銀行費用；及(iv)物業、廠房及設備折舊。截至二零一三年十二月三十一日止年度的行政開支為約44,464,000港元（二零一二年：30,482,000港元），按年增長約45.9%。行政開支增加主要是由於本公司股份於創業板上市產生非經常性上市開支約10,938,000港元。

流動資金及財務資源

於二零一三年，本集團維持穩健的流動資金狀況，由內部資源及銀行借貸撥付營運資金。於二零一三年十二月三十一日，已抵押銀行存款和現金及現金等值項目為約60,457,000港元（二零一二年：46,351,000港元）。本集團於二零一三年十二月三十一日的計息借貸總額為約9,564,000港元（二零一二年：2,478,000港元），根據銀行融資的計劃還款日期及忽略任何按要求償還條款的影響，其中約7,370,000港元（二零一二年：1,308,000港元）將於一年內償還，及所有餘下計息借貸約2,194,000港元（二零一二年：1,170,000港元）將於一年後償還。本集團的流動比率為約1.78（二零一二年：1.36）。

資產負債比率

本集團於二零一三年十二月三十一日的資本負債比率（按總計息借貸除以總股本計算）約為9.8%（二零一二年：4.4%）。

Management Discussion and Analysis 管理層討論及分析

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Other than in connection with the Group's reorganisation (the "Reorganisation") for the listing of the shares of the Company on GEM of the Stock Exchange on 3 December 2013, there was no material acquisition or disposal of subsidiaries and affiliated companies during the year ended 31 December 2013.

FOREIGN EXCHANGE EXPOSURE

The Group derives the majority of its revenue in US\$ while substantial portion of our costs are denominated in Renminbi ("RMB"). Appreciation of RMB against US\$ will therefore directly decrease the profit margin of the Group if the Group is unable to increase the selling prices of its products accordingly. If the Group increases the selling prices of its products as a result of the appreciation of RMB, it may in turn affect the Group's competitiveness against other competitors. To the extent that the Company needs to convert future financing into RMB for the Group's operations, appreciation of the RMB against the relevant foreign currencies would have an adverse effect on the purchasing power of the RMB amount that the Company would receive from the conversion.

The exchange rates between RMB and US\$ are subject to changes in the PRC Government's policies and international political and economic conditions. Currently, there remains considerable international pressure on the appreciation of RMB against US\$.

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故在整個回顧期內維持健康的流動資金狀況。本集團致力透過進行持續的信貸評估及評估其客戶的財務狀況以降低信貸風險。為管理流動資金風險，董事會緊密監察本集團的流動資金狀況以確保本集團的資產、負債及其他承擔的流動資金結構可應付其不時的資金需求。

重大收購或出售附屬公司及聯屬公司

除與本集團重組（「重組」）以使本公司股份於二零一三年十二月三日於聯交所創業板上市相關的事宜外，截至二零一三年十二月三十一日止年度，並無重大收購或出售附屬公司及聯屬公司。

外匯風險

本集團得到的大部分收入為美元，而其中重大部分成本以人民幣（「人民幣」）計值。因此，倘人民幣兌美元升值，而本集團無法相應調高產品售價，將直接降低本集團的毛利率。倘本集團因人民幣升值而調高產品售價，則可能影響本集團的競爭力，以致不及其他競爭對手。由於本公司需要將未來融資兌換成人民幣以供本集團營運之用，人民幣兌相關外幣升值將對本公司兌換而來的人民幣款項之購買力造成不利影響。

人民幣與美元之間的匯率受中國政府政策及國際政治及經濟狀況轉變影響。目前，國際社會不斷施壓，要求人民幣兌美元升值。

Management Discussion and Analysis 管理層討論及分析

FOREIGN EXCHANGE EXPOSURE (Continued)

As the appreciation of RMB against US\$ has a negative impact on the Group's profit margin, during the reporting period, the Group entered into certain foreign exchange structured forward contracts to hedge against such currency risk. Despite the fact that the Group's reporting currency is HK\$, our revenue is mainly denominated in US\$ while substantial portion of our costs are denominated in RMB. Therefore, the Directors consider that using the RMB/US\$ foreign exchange structured forward contracts could hedge against the currency risk.

For accounting purpose, outstanding foreign exchange structured forward contracts are stated at fair value in the consolidated statement of financial position of the Group, and fluctuations of the exchange rate of RMB/US\$ will result in fair value gain/loss of derivative financial instruments to be recognised in the consolidated statement of comprehensive income of the Group.

In the financial year ended 31 December 2013, the Group recognised HK\$1,322,000 fair value gain of derivative financial instruments (2012: HK\$2,332,000) arisen from foreign exchange structured forward contracts.

CAPITAL COMMITMENTS

As at 31 December 2013, the Group did not have any significant capital commitment (2012: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2013, the Group had a total of 389 employees (2012: 388 employees) (including Directors). Total staff costs (including Directors' emoluments) were approximately HK\$46,034,000, as compared to approximately HK\$44,517,000 for the year ended 31 December 2012. Remuneration is determined with reference to market norms as well as individual employees' performance, qualification and experience.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

FINAL DIVIDEND

The Board of Directors did not recommend any payment of a final dividend for the year ended 31 December 2013.

外匯風險 (續)

於報告期內，由於人民幣兌美元升值對本集團的毛利率造成負面影響，本集團簽訂若干結構性外匯遠期合約以對沖有關貨幣風險。儘管本集團之申報貨幣為港元，本集團的收益主要以美元計值，而其中重大部分成本以人民幣計值。因此，董事認為使用人民幣／美元結構性外匯遠期合約能夠對沖貨幣風險。

就賬目會計而言，未平倉的結構性外匯遠期合約按公平值列賬於本集團綜合財務狀況表，而人民幣／美元的匯率波幅將導致衍生金融工具的公平值收益／虧損並於本集團綜合全面收益表內確認。

截至二零一三年十二月三十一日止財政年度，本集團確認來自結構性外匯遠期合約的衍生金融工具公平值收益1,322,000港元（二零一二年：2,332,000港元）。

資本承擔

於二零一三年十二月三十一日，本集團並無任何重大資本承擔（二零一二年：無）。

僱員及薪酬政策

於二零一三年十二月三十一日，本集團共有389名僱員（二零一二年：388名僱員）（包括董事）。總員工成本（包括董事酬金）為約46,034,000港元，而截至二零一二年十二月三十一日止年度則為約44,517,000港元。酬金乃參照市場標準及個別僱員的表現、資歷及經驗釐定。

日後重大投資計劃或資本資產

除於招股章程所披露外，本集團並無其他重大投資計劃及資本資產。

末期股息

董事會不建議派發截至二零一三年十二月三十一日止年度的末期股息。

Management Discussion and Analysis 管理層討論及分析

**COMPARISON OF BUSINESS OBJECTIVES WITH
ACTUAL BUSINESS PROGRESS**

During the period from 20 November 2013 (the “Latest Practicable Date”) as defined in the Prospectus to 31 December 2013, the net proceeds from the Listing was applied as follows:

Further developing the own brand products operation
進一步發展自有品牌產品業務

From the Latest Practicable Date to 31 December 2013

最後可行日期至二零一三年十二月三十一日

Set up a new marketing team with about 1 to 2 staff to visit, make presentations to, and develop relationship with existing and potential customers of the Group’s own brand products.

設立新營銷團隊，其中約一至兩名員工負責與本集團自有品牌產品的現有及潛在客戶面談、匯報及建立關係

Participate in more trade fairs and fashion shows to increase the exposure of the brands owned by the Group.

參與更多貿易展銷會及時裝展，以提升本集團自有品牌的知名度

Develop marketing plan for further expansion of North America market.

建立市場營銷計劃，以進一步擴展北美市場

業務目標與實際業務進展的對比

由二零一三年十一月二十日（「最後可行日期」）（定義見招股章程）至二零一三年十二月三十一日，上市所得款項淨額作以下用途：

Actual business progress up to 31 December 2013

直至二零一三年十二月三十一日的實際業務進展

The Group is in the progress of recruiting more experienced and high caliber marketing personnel. 本集團正在招募更多經驗豐富及優秀的營銷人員

The Group participated several trade fairs and fashion shows in 2013 to increase our awareness in the apparel industry.

本集團於二零一三年參與若干展銷會及時裝展以提高我們於成衣行業的知名度

The Group is in the progress of formulating market plans to further explore the North America market. 本集團正制定市場計劃以進一步開拓北美市場

Management Discussion and Analysis 管理層討論及分析

	From the Latest Practicable Date to 31 December 2013 最後可行日期至二零一三年十二月三十一日	Actual business progress up to 31 December 2013 直至二零一三年十二月三十一日的實際業務進展
Enhancing the Group's manufacturing facilities 改良本集團的生產設施	Obtain and review quotations and detailed functional specifications of the new production facilities and equipment to enhance the production efficiency and Capacity 取得及審閱報價及新生產設施及設備的功能規格詳情，以提升生產效率及產能	The Group obtained several quotations and detailed functional specifications of the new production facilities and equipment. 本集團取得若干報價及新生產設施及設備的功能規格詳情
	Examine the state and condition of the existing production facilities to ascertain and develop time schedule for replacement 檢查現有生產設施的情況及狀態，以確定及制定更替時間表	The Group started examining the status of its production machinery and equipment and is in the progress of developing a replacement plan and schedule. Based on the Group's assessment the Group has purchased certain production equipment and machinery for the enhancement of production efficiency and capacity. 本集團開始檢查其生產機器及設施的狀況，及正制定更替計劃及時間表。根據本集團的評估，本集團已購買若干生產設備及機器以提高生產效率及產能
Further strengthening the Group's design capability 進一步加強本集團的設計水平	Recruit about 1 to 2 staff to strengthen the design team 聘請約一至兩名員工，以強化設計團隊	The Group is in the progress of recruiting more experienced and high caliber design personnel. 本集團正在招募更多經驗豐富及優秀的設計人員
	Commence the revamp of the proprietary online product development platform 開始改良專屬網上產品開發平台	The Group started the revamp the proprietary online product development platform in December 2013. 本集團於二零一三年十二月開始改良專屬網上產品開發平台

Management Discussion and Analysis 管理層討論及分析

USE OF PROCEEDS

During the period from 20 November 2013, the Latest Practicable Date as defined in the Prospectus to 31 December 2013, the net proceeds from the Listing were applied as follows:

所得款項用途

由二零一三年十一月二十日（最後可行日期）（定義見招股章程）至二零一三年十二月三十一日，上市所得款項淨額作以下用途：

		Planned use of proceeds as stated in the Prospectus from the Latest Practicable Date to 31 December 2013 招股章程 所述所得款項 於最後可行日期 至二零一三年 十二月三十一日 的擬定用途 HK\$'000 千港元	Actual use of proceeds from the Latest Practicable Date to 31 December 2013 所得款項 於最後可行日期 至二零一三年 十二月三十一日 的實際用途 HK\$'000 千港元
Further developing the Group's own brand products operation	進一步發展本集團自有品牌產品業務	500	23
Enhancing the Group's manufacturing facilities	改良本集團的生產設施	—	369
Further strengthening the Group's design capability	進一步加強本集團的設計水平	500	160

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

招股章程中所載的業務目標、未來計劃及所得款項的擬定用途乃按於編製招股章程時對未來市況作出的最佳估計及假設為基準，而應用所得款項乃以本集團業務及行業的實際發展為基準。

Corporate Governance Report

企業管治報告

Pursuant to Rule 18.44(2) of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”), the Board is pleased to present the corporate governance report for the year ended 31 December 2013.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. The Company’s corporate governance practices are based on the principles and code provision as set out in the Code on Corporate Governance Practices (“CG code”) in Appendix 15 to the GEM Listing Rules.

Throughout the period from the listing of the Company’s shares on the GEM the Stock Exchange on 3 December 2013 to 31 December 2013, the Company has complied with the CG Code with the exception from the deviation from the CG code provisions A.1.8 as explained below:

Under the CG code provision A.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. No insurance cover has been arranged for directors up to the date of this announcement since the directors take the view that the Company shall support directors arising from corporate activities.

CORPORATE GOVERNANCE STRUCTURE

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are four committees, namely audit committee, remuneration committee, nomination committee and corporate governance committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

THE BOARD AND BOARD COMMITTEES

The Board currently comprises five Directors and their respective roles are set out as follows:

EXECUTIVE DIRECTORS

Hubert Tien (*Chairman*)
Farzad Gozashti

根據聯交所創業板證券上市規則（「創業板上市規則」）第18.44(2)條，董事會欣然呈報截至二零一三年十二月三十一日止年度的企業管治報告。

企業管治常規守則

本公司一向致力於維持高水準之企業管治以保障其股東權益並提高企業價值。本公司的企業管治常規乃基於創業板上市規則附錄15企業管治常規守則（「企業管治守則」）載列的原則及守則條文。

自本公司股份於二零一三年十二月三日在聯交所創業板上市至二零一三年十二月三十一日整個期間，本公司一直遵守企業管治守則，惟偏離企業管治守則條文A.1.8條，解釋如下：

根據企業管治守則條文A.1.8條，本公司應就其董事可能會面對的法律行動購買合適保險。由於董事認為本公司會就企業活動為董事提供支援，故截至本公佈日期概無就董事安排購買保險。

企業管治架構

董事會主要負責制定策略、監管執行及管理本集團的風險。與此同時，其亦有責任提高本集團企業管治常規的效率。董事會下設四個委員會，即審核委員會、薪酬委員會、提名委員會及企業管治委員會。所有該等委員會根據彼等各自職權範圍條款履行彼等不同職能並協助董事會監管高級管理層的若干職能。

董事會及董事委員會

董事會現時由五名董事組成及彼等各自職能載列如下：

執行董事

田曉勃 (*主席*)
Farzad Gozashti

Corporate Governance Report 企業管治報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tang Shu Pui, Simon
Tang Tsz Kai, Kevin
Lai Man Sing

Biographies of all directors are listed in Biographical Details of Directors and Senior Management set out on pages 11 to 15.

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but not limited to formulating the Group's business strategies, reviewing the Group's financial performance and results, deciding all significant financial and operational issues and monitoring; reviewing the Group's internal control system and corporate governance; and all other functions reserved to the Board under the Company's articles of association. In addition, the Board delegates to the Group's management certain functions include the implementation of general daily operation, strategies approved by the Board, the implementation of internal control procedures and ensuring of compliance with relevant requirements and other rules and regulations. The Board members have no financial, business, family or other material/relevant relationships with each other. All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and its shareholders at all times.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In compliance with Rules 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed sufficient number of independent non-executive Directors with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors, together with the executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. The Company has received an annual confirmation of independence from each of the independent non-executive Directors and believes that their independence is in compliance the GEM Listing Rules.

獨立非執行董事

鄧澍煒
鄧子楷
黎文星

所有董事的履歷乃列於第11頁至第15頁董事及高級管理層履歷詳情。

董事會主要負責監督及監管管理本集團的業務事宜及整體表現。董事會制定本集團的價值及標準並確保為本集團安排所需財務及人力資源以實現其目標。董事會履行的職能包括但不限於制定本集團的業務策略、審核本集團的財務表現及業績、決定所有重大財務及經營問題以及監管；檢討本集團的內部監控系統及企業管治；及本公司組織章程細則下所保留董事會的所有其他職能。此外，董事會授權本集團管理層的若干職能，包括實施一般日常經營、由董事會批准策略、執行內部控制程序及確保遵守相關規定以及其他規則及規例。董事會成員彼此間並無財務、業務、家族或其他重大／相關關係。全體董事均時刻本著真誠態度並遵守適用法律及法規履行職責，並客觀地作出決策以本公司及股東的利益為依歸。

委任及重選董事

根據創業板上市規則第5.05(1)及(2)條，本公司已委任足夠數目獨立非執行董事，其中至少一名具有適當專業資格或會計或相關財務管理專長。獨立非執行董事連同執行董事，確保董事會嚴格遵守相關標準編製其財務及其他強制性報告。本公司已收到各獨立非執行董事的年度獨立性確認，並認為其獨立性符合創業板上市規則。

Corporate Governance Report 企業管治報告

Each of the executive Directors has entered into a service contract with the Company for a period of three years commencing from 22 November 2013 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter. Each of the independent non-executive Directors has entered into a letter of appointment with the Company on 22 November 2013. The letter of appointment for each of the independent non-executive Directors is for a term of three years unless terminated by either party giving at least one month's notice in writing.

In accordance with the articles of association, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and being eligible offer themselves for re-election provided that every Director shall be subject to retirement by rotation at least once every three years.

CHAIRMAN AND CHIEF MARKETING OFFICER

Mr. Hubert Tien, the Chairman provides leadership for the Board and ensures that the Board works effectively and that all important issues are discussed in a timely manner. Mr. Farzad Gozashti, the executive Director and chief marketing officer of the Group, manages the Company's day-to-day businesses and implement major strategies and policies of the Company. The responsibilities of the Chairman and the chief marketing officer are clearly set out in their respective letters of appointment. The positions of the Chairman and the chief marketing officer are held by separate individuals so as to maintain an effective segregation of duties.

DIRECTORS' ATTENDANCE RECORD

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

各執行董事已與本公司訂立服務合約，自二零一三年十一月二十二日起為期三年，並其後將持續直至任何一方於初始任期屆滿後或其後任何時間向另一方發出不少於三個月之書面通知方才終止。各獨立非執行董事已於二零一三年十一月二十二日訂立委任書。各獨立非執行董事的委任書為期三年，除非由一方發出至少一個月書面通知予以終止則作別論。

根據組織章程細則，三分之一的董事須輪值退任或（倘彼等數目非三名或三之倍數）最接近數目但不少於三分之一將退任並合資格膺選連任，惟各董事須至少每三年輪值退任一次。

主席及營銷總監

主席田曉勃先生領導董事會以及確保董事會有效運作及所有重要事項均適時討論。本集團執行董事兼營銷總監Farzad Gozashti先生，管理本公司日常業務及推行本公司的主要策略及政策。主席及營銷總監的職責已明確載列於彼等各自的委任書內。主席及營銷總監由不同個別人士擔任，以維持有效職能分工。

董事出席記錄

董事會定期召開會議審閱及批准財務及經營表現，並考慮及批准本公司的整體策略及政策。於須討論及議決重大事件或重大問題時將舉行額外會議。

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Due to the fact that the Company was listed on 3 December 2013, only 1 Board meeting was held on 22 November 2013 (before the Company listed on GEM). The attendance record of the Board meeting is set out as follows:

Number of Board Meetings attended/eligible to attend		董事會會議出席 / 合資格出席次數	
EXECUTIVE DIRECTORS			
Hubert Tien (<i>Chairman</i>)	1/1	田曉勃 (主席)	1/1
Farzad Gozashti	1/1	Farzad Gozashti	1/1
INDEPENDENT NON-EXECUTIVE DIRECTORS			
Tang Shu Pui, Simon	1/1	鄧澍培	1/1
Tang Tsz Kai, Kevin	1/1	鄧子楷	1/1
Lai Man Sing	1/1	黎文星	1/1

GENERAL MEETINGS

From the Listing Date and up to the date of this annual report, no general meeting was held.

AUDIT COMMITTEE

The Board has established an audit committee on 22 November 2013 with written terms of reference in compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely, Mr. Lai Man Sing, Mr. Tang Tsz Kai, Kevin and Mr. Tang Shu Pui, Simon. Mr. Lai Man Sing is the chairman of the audit committee. The audited annual results of the Group for the year ended 31 December 2013 have been reviewed by the audit committee members who have provided advice and comments thereon.

The main duties of the audit committee include, among others:

- monitoring the integrity of the Company's financial statements, annual, interim and quarterly financial reports, and to review significant financial reporting judgments and accounting policies contained in them;
- reviewing and examining the effectiveness of internal control measure;

由於本公司於二零一三年十二月三日上市之事實，僅於二零一三年十一月二十二日舉行一次董事會會議（本公司於創業板上市前）。董事會會議出席記錄乃載列如下：

Number of Board Meetings attended/eligible to attend		董事會會議出席 / 合資格出席次數	
執行董事			
Hubert Tien (<i>Chairman</i>)	1/1	田曉勃 (主席)	1/1
Farzad Gozashti	1/1	Farzad Gozashti	1/1
獨立非執行董事			
Tang Shu Pui, Simon	1/1	鄧澍培	1/1
Tang Tsz Kai, Kevin	1/1	鄧子楷	1/1
Lai Man Sing	1/1	黎文星	1/1

股東大會

自上市日期及截至本年報日期，概無舉行股東大會。

審核委員會

董事會已於二零一三年十一月二十二日成立審核委員會，並根據如創業板上市規則附錄15所載企業管治守則制定書面職權範圍。審核委員會包括三名獨立非執行董事，即黎文星先生、鄧子楷先生及鄧澍培先生。黎文星先生為審核委員會主席。本集團截至二零一三年十二月三十一日止年度的經審核年度業績已由審核委員會成員審閱且彼等就此提供意見及建議。

審核委員會的主要職責包括（其中包括）：

- 監管本公司財務報表、年度、中期及季度財務報告的完整性，並審閱其中所載重大財務申報判斷及會計政策；
- 檢討及監察內部監控措施的有效性；

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- responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor;
- reporting the finding and recommendations to the Board on a regular basis
- 負責向董事會就委任、重新委任及罷免外聘核數師提供推薦意見並批准外聘核數師的薪酬及委聘條款；
- 定期向董事會報告結果及提供推薦建議。

No meeting was held by the audit committee during the year ended 31 December 2013 because the Company was listed on 3 December 2013. From the Listing Date and up to the date of this annual report, one audit committee meeting was held to review and discuss with the management of the Company and the external auditors the accounting principles and practices adopted by the Group, as well as internal controls and other financial reporting matters. The attendance records of individual committee members are set out below:

由於本公司於二零一三年十二月三日上市，故於截至二零一三年十二月三十一日止年度並無舉行任何審核委員會會議。自上市日期及截至本年報日期，已舉行一次審核委員會會議以與本公司管理層及外聘核數師檢討及討論本集團採納的會計原則及慣例，以及內部監控及其他財務申報事宜。個別審核委員會成員出席記錄乃載於下文：

	Number of Meetings attended/eligible to attend		出席 / 合資格 出席會議次數
Lai Man Sing	1/1	黎文星	1/1
Tang Tsz Kai, Kevin	1/1	鄧子楷	1/1
Tang Shu Pui, Simon	1/1	鄧澍培	1/1

REMUNERATION COMMITTEE

The Board has established a remuneration committee on 22 November 2013 with written terms of reference in compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules. The remuneration committee consists of one executive Director, namely Mr. Hubert Tien, and three independent non-executive Directors, namely, Mr. Tang Shu Pui, Simon, Mr. Tang Tsz Kai, Kevin and Mr. Lai Man Sing. Mr. Tang Shu Pui, Simon is the chairman of the remuneration committee.

薪酬委員會

董事會已於二零一三年十一月二十二日成立薪酬委員會，並根據如創業板上市規則附錄15所載企業管治守則制定書面職權範圍。薪酬委員會包括一名執行董事，即田曉勃先生及三名獨立非執行董事即鄧澍培先生、鄧子楷先生及黎文星先生。鄧澍培先生為薪酬委員會主席。

The main duties of the remuneration committee include, among others:

薪酬委員會的主要職責包括（其中包括）：

- formulating remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, time commitment, employment conditions, and responsibilities, and individual performance of the Directors, senior management, and the general staff;
- ensuring none of the Directors determine their own remuneration.
- 制定薪酬政策供董事會批准，薪酬政策將考慮若干因素，例如可資比較公司所付薪金、彼等投放的時間、聘用條件及職責，以及董事、高級管理及普通員工的個別表現；
- 確保概無董事釐定彼等自身薪酬。

Corporate Governance Report 企業管治報告

No meeting was held by the remuneration committee during the year ended 31 December 2013 because the Company was listed on 3 December 2013. From the Listing Date to the date of this annual report, one meeting of the remuneration committee was held to, amongst others, review and approve the remuneration packages of the Directors and senior management of the Company. The attendance records of individual committee members are as follows:

	Number of Meetings attended/eligible to attend		出席 / 合資格 出席會議次數
Tang Shu Pui, Simon	1/1	鄧澍培	1/1
Hubert Tien	1/1	田曉勃	1/1
Lai Man Sing	1/1	黎文星	1/1
Tang Tsz Kai, Kevin	1/1	鄧子楷	1/1

NOMINATION COMMITTEE

The Board has established a nomination committee on 22 November 2013 with written terms of reference in compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules. The nomination committee consists of one executive Director, namely Mr. Hubert Tien, and three independent non-executive Directors, namely, Mr. Lai Man Sing, Mr. Tang Shu Pui, Simon, and Mr. Tang Tsz Kai, Kevin. Mr. Lai Man Sing is the chairman of the nomination committee.

The main duties of the nomination committee include, among others:

- review the structure, size and composition of the Board;
- make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors.
- identify suitable and qualified individuals to become Board members.

由於本公司於二零一三年十二月三日上市，故於截至二零一三年十二月三十一日止年度並無舉行任何薪酬委員會會議。自上市日期至本年報日期期間，已舉行一次薪酬委員會會議（其中包括）審核及批准本公司董事及高級管理層的薪酬待遇。個別委員會成員的出席記錄如下：

提名委員會

董事會已於二零一三年十一月二十二日成立提名委員會，並根據如創業板上市規則附錄15所載企業管治守則制定書面職權範圍。提名委員會包括一名執行董事，即田曉勃先生及三名獨立非執行董事即黎文星先生、鄧澍培先生及鄧子楷先生。黎文星先生為提名委員會主席。

提名委員會的主要職責包括（其中包括）：

- 審核董事會的架構、規模及組成；
- 就有關委任或重新委任董事向董事會提供推薦建議。
- 物色合適及合資格人士成為董事會成員。

Corporate Governance Report 企業管治報告

No meeting was held by the nomination committee during the year ended 31 December 2013 because the Company was listed on 3 December 2013. From the Listing Date to the date of this annual report, one meeting of the nomination committee was held and the attendance records of individual committee members are as follows:

	Number of Meetings attended/eligible to attend		出席 / 合資格 出席會議次數
Lai Man Sing	1/1	黎文星	1/1
Hubert Tien	1/1	田曉勃	1/1
Tang Shu Pui, Simon	1/1	鄧澍焙	1/1
Tang Tsz Kai, Kevin	1/1	鄧子楷	1/1

CORPORATE GOVERNANCE COMMITTEE

The Board has established a corporate governance committee on 22 November 2013 with written terms of reference in compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules. The corporate governance committee consists of one executive Director, namely Mr. Hubert Tien, three independent non-executive Directors, namely, Mr. Tang Tsz Kai, Kevin, Mr. Lai Man Sing and Mr. Tang Shu Pui, Simon, and the Company Secretary, namely, Chan Ka Yu. Mr. Tang Tsz Kai, Kevin is the chairman of the corporate governance committee.

The main duties of the corporate governance committee include, among others:

- develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;
- review and monitor the training and continuous professional development of directors and senior management;
- review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- review the Group's compliance with the Code and disclosure in the Corporate Governance Report.

由於本公司於二零一三年十二月三日上市，故於截至二零一三年十二月三十一日止年度並無舉行任何提名委員會會議。自上市日期至本年報日期期間，已舉行一次提名委員會會議及個別委員會成員的出席記錄如下：

企業管治委員會

董事會已於二零一三年十一月二十二日成立企業管治委員會，並根據如創業板上市規則附錄15所載企業管治守則制定書面職權範圍。企業管治委員會包括一名執行董事，即田曉勃先生及三名獨立非執行董事即鄧子楷先生、黎文星先生及鄧澍焙先生以及公司秘書即陳家宇先生。鄧子楷先生為企業管治委員會主席。

企業管治委員會的主要職責包括（其中包括）：

- 制定及檢討本集團的企業管治政策及常規並向董事會提供推薦建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本集團在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事適用的操守守則及合規手冊（如有）；及
- 檢討本集團遵守守則及披露企業管治報告。

Corporate Governance Report 企業管治報告

No meeting was held by the corporate governance committee during the year ended 31 December 2013 because the Company was listed on 3 December 2013. From the Listing Date to the date of this annual report, one meeting of the corporate governance committee was held and the attendance records of individual committee members are as follows:

	Number of Meetings attended/eligible to attend		出席 / 合資格 出席會議次數
Tang Tsz Kai, Kevin	1/1	鄧子楷	1/1
Hubert Tien	1/1	田曉勃	1/1
Tang Shu Pui, Simon	1/1	鄧樹培	1/1
Lai Man Sing	1/1	黎文星	1/1
Chan Ka Yu	1/1	陳家宇	1/1

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "Required Standard of Dealings"). The Company has confirmed, having made specific enquiry of the Directors, all the Directors have complied with the Required Standard of Dealings throughout the period from the Listing Date to 31 December 2013.

CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS

Prior to the Listing, all Directors have been given relevant guideline materials and attended a training regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest of the Group. Such induction materials and briefings will also be provided to newly appointed Directors shortly upon their appointment as Directors. Continuing briefings and professional development to Directors will be arranged whenever necessary.

All Directors have provided record of training attendance and the Company will continue to arrange and/or fund the training in accordance with paragraph A.6.5 of the Code Provisions.

由於本公司於二零一三年十二月三日上市，故於截至二零一三年十二月三十一日止年度並無舉行任何企業管治委員會會議。自上市日期至本年報日期期間，已舉行一次企業管治委員會會議及個別委員會成員的出席記錄如下：

董事之證券交易

本公司已採納創業板上市規則第5.48至5.67條作為董事買賣本公司證券的行為守則（「買賣規定標準」）。本公司經董事作出特定查詢後確認，所有董事自上市日期至二零一三年十二月三十一日期間已遵守買賣規定標準。

董事之持續專業發展

上市前，全體董事均已獲提供相關指引資料，並參加培訓，內容涵蓋作為董事之職責及責任、適用於董事之相關法例及規例及本集團權益披露責任。新任董事獲委任為董事後，亦會於短期內獲發該等就職資料及簡報。如有需要，本公司將為董事安排持續簡報及專業發展。

全體董事均已提供培訓出席記錄，本公司將根據守則條文第A.6.5段持續安排及／或資助培訓。

Corporate Governance Report 企業管治報告

AUDITOR'S STATEMENT AND THEIR REMUNERATION

During the year, the Company engaged BDO Limited as the external auditor. Apart from providing audit services, BDO Limited also provided non-audit services mainly in connection with the Listing. The fees paid/payable to BDO Limited for the year ended 31 December 2013 are set out as follows:

		Fee paid/payable 已付 / 應付費用 HK\$'000 千港元
Audit services	審核服務	550
Non-audit services (Note)	非審核服務 (附註)	1,840
Total	總計	2,390

Note: Apart from the provision of annual audit services, BDO Limited, the Group's external auditor, also provided other non-audit services and acted as reporting accountants for the Company's IPO.

核數師報告書及其薪酬

年內，本公司委聘香港立信德豪會計師事務所有限公司為外聘核數師。除提供審核服務外，香港立信德豪會計師事務所有限公司亦提供主要有關上市的非審核服務。有關已付／應付給香港立信德豪會計師事務所有限公司之費用截至二零一三年十二月三十一日止年度載列如下：

附註：除提供年度審核服務外，本集團外聘核數師香港立信德豪會計師事務所有限公司亦提供其他非審核服務，以及作為本公司首次公開招股之申報會計師。

INTERNAL CONTROL

Our Group highly values the importance of internal control and risk management for the smooth running of its business. The Board is responsible for maintaining a sound and effective internal control system in order to safeguard the interests of the shareholders and the assets of the Company against unauthorised use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations.

The Board set up a corporate governance committee in 22 November 2013. The corporate governance committee is closely monitoring the effectiveness of our internal control system and report to the Board regularly. The corporate governance committee shall report any non-compliance issues to the Board immediately once any non-compliance issues are noted.

The Board is of the view that the Group's internal control system is effective and adequate. The Board will continue to assess the effectiveness of internal control system by considering reviews and recommendations made by the corporate governance committee and senior management.

內部監控

本集團高度重視內部監控及風險管理對其業務順利營運的重要性。董事會負責維持健全有效的內部監控系統以保障股東權益及本公司資產免受未授權使用或處置，確保保存適當賬簿及記錄以提供可靠財務資料及確保遵守相關規則及規例。

董事會於二零一三年十一月二十二日成立企業管治委員會。企業管治委員會緊密監控我們內部監控系統的有效性並定期向董事會報告。企業管治委員會應於注意到任何不合規問題後即向董事會報告任何不合規問題。

董事會認為本集團的內部監控系統為有效及充分。董事會將通過考慮企業管治委員會及高級管理層的觀點及所作推薦建議，繼續評估內部監控系統的有效性。

Corporate Governance Report 企業管治報告

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparation of the consolidated financial statements for the year ended 31 December 2013, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and properly prepared on going concern basis in accordance with the applicable statutory requirements and accounting standards. The Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern.

SHAREHOLDERS' RIGHTS

In accordance with the articles of association of the Company, shareholders holding not less than 10% of the paid up capital of the Company can convene an extraordinary general meeting by written requisition to the Board or the Company Secretary. In addition, shareholders can raise any questions relating to published information and latest strategic plan of the Group with the Directors. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Shareholders can also submit enquiries to the management and send proposals to be put forward at shareholders' meeting to the Board or senior management by sending e-mails to ir@runwayglobal.com

INVESTOR RELATIONS

The Board recognises the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and public investors.

The Company maintains various communication channels with its shareholders and the investment public to ensure that they are kept abreast of the Company's latest news and development. The Company updates its shareholders on its development, financial results and major events through its annual, interim and quarterly reports. All published information is promptly uploaded to the website of the Company at www.runwayglobal.com.

董事就綜合財務報表的責任

董事知悉彼等編製截至二零一三年十二月三十一日止年度的綜合財務報表的責任，為真實及公平反映截至該日止年度的本公司事務狀況及本集團的業績及現金流量，並根據適當法定規定及會計標準按持續基準妥為編製。董事並不知悉可能影響本公司業務或對本公司持續經營能力產生疑問的重大不確定因素。

股東權利

根據本公司組織章程細則，持有本公司繳足資本不少於10%的股東可透過向董事或公司秘書提交書面要求召開股東特別大會，此外，股東可向董事提出任何有關本集團公開資料及最新策略計劃的問題。本公司鼓勵股東出席該等大會或倘彼等不能出席大會可委派代表代其出席並於大會上投票。股東亦可發送電郵至 ir@runwayglobal.com 向管理層提出問題及向董事會或高級管理層提出於股東大會上提呈之建議。

投資者關係

董事會深知與全體股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。本公司承諾向其股東及公眾投資者公開且及時地披露公司資料。

本公司透過不同渠道與股東及公眾投資者通訊，以確保彼等能獲悉本公司的最新資料及發展。本公司透過其年報、中報及季報為其股東提供其發展、財務業績及重大事項的更新。所有刊登資料均會快速上傳至本公司網站 www.runwayglobal.com。

Directors' Report 董事報告書

The Board is pleased to present their first annual report together with the consolidated financial statements of the Group for the year ended 31 December 2013.

The shares of the Company were listed on the GEM of the Stock Exchange on 3 December 2013.

GROUP REORGANISATION

The Company is a limited liability company incorporated in the Cayman Islands on 19 June 2013. Under the Reorganisation, which was carried out for the purpose of rationalising the structure of the Group in preparation for the placing of the shares of the Company on GEM of the Stock Exchange and was completed on 22 November 2013, the Company became the holding company of subsidiaries now comprising the Group. Details of the Reorganisation are set out in the Prospectus.

PRINCIPAL ACTIVITIES

The Group is principally engaged in designing, manufacturing and trading of apparels. Details of the principal activities of the subsidiaries of the Company are set out in note 19 to the financial statements.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by geographical areas is set out in the note 6 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2013 and its state of affairs of the Group as at 31 December 2013 are set out in the financial statements on pages 44 to 128.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2013.

董事會欣然呈列本集團首份年度報告及其截至二零一三年十二月三十一日止年度的綜合財務報表。

本公司股份於二零一三年十二月三日在聯交所創業板上市。

集團重組

本公司為一間於二零一三年六月十九日在開曼群島註冊成立的有限責任公司。根據重組，本公司成為現組成本集團的附屬公司之控股公司。本公司進行重組，旨在整頓本集團之架構以籌備將其股份於聯交所創業板進行配售，並已於二零一三年十一月二十二日完成。重組詳情載於招股章程。

主要業務

本集團主要從事成衣產品的設計、製造及貿易。本公司之附屬公司的主要業務詳情載於財務報表附註19。

分部資料

本集團按地區劃分之業績分析載於財務報表附註6。

業績及分配

本集團截至二零一三年十二月三十一日止年度之業績及本集團於二零一三年十二月三十一日的業務狀況載於財務報表第44頁至第128頁。

董事不建議派發截至二零一三年十二月三十一日止年度的任何末期股息。

Directors' Report 董事報告書

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the past three years is set out in the financial summary on page 6 of this annual report. This summary does not form part of the audited financial statements in this annual report.

RESERVES

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

DISTRIBUTABLE RESERVES

As at 31 December 2013, the Company's reserves available for distribution to equity holders, comprising the share premium and contributed surplus, amounted to approximately HK\$93,262,000.

USE OF PROCEEDS

The Company was successfully listed on 3 December 2013. The proceeds from the Company's issuance of 150,000,000 new shares at the time of the Listing amounted to approximately HK\$35,732,000, net of underwriting fees and other listing expenses. For further details of the use of proceeds, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus. As of the date of this report, the net proceeds have been used as set out in Use of Proceeds on page 22 of this annual report and are placed on short-term interest-bearing deposits with authorised financial institutions.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of Group during the year are set out in note 17 to the financial statements of this report.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 31 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision 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.

財務資料概要

本集團於過往三個年度的已刊發業績以及資產及負債概要乃載於本年報第6頁的財務概要。此概要並不構成本年報經審核財務報表的一部分。

儲備

本公司及本集團儲備於年內之變動詳情分別載於本年報財務報表附註32及綜合權益變動表。

可供分派儲備

於二零一三年十二月三十一日，本公司可供分派予權益持有人之儲備（包括股份溢價及繳入盈餘）約93,262,000港元。

所得款項用途

本公司已於二零一三年十二月三日成功上市。自本公司於上市時發行150,000,000股新股份所得款項為約35,732,000港元（扣除包銷費用及其他上市費用）。有關所得款項用途的進一步詳情，請參閱招股章程「未來計劃及所得款項用途」一節。於本報告日期，所得款項淨額已按載於本年報第22頁的所得款項用途使用，並於認可金融機構存作短期計息存款。

物業、廠房及設備

本集團於本年度的物業、廠房及設備變動詳情載於本報告內財務報表附註17。

股本

本公司於本年度的股本變動詳情載於財務報表附註31。

優先購買權

本公司的組織章程細則或開曼群島法律並無關於優先購買權的規定，致令本公司須按比例向現有股東發售新股份。

Directors' Report 董事報告書

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities since the Listing Date and up to the date of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's major customers and suppliers are as follows:

Sales	
– The largest customer	34.2%
– The total of five largest customers	88.6%
Purchases	
– The largest supplier	23.5%
– The total of five largest suppliers	54.0%

DIRECTORS

The Directors of the Company since the Listing Date and up to the date of this annual report are:

EXECUTIVE DIRECTORS

Hubert Tien (<i>Chairman</i>)	(appointed on 19 June 2013)
Farzad Gozashti	(appointed on 19 June 2013)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tang Shu Pui, Simon	(appointed on 22 November 2013)
Tang Tsz Kai, Kevin	(appointed on 22 November 2013)
Lai Man Sing	(appointed on 22 November 2013)

In accordance with articles 84(1) to 85 of the Company's articles of association, Hubert Tien and Tang Shu Pui, Simon will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

購買、贖回或出售本公司的上市證券

本公司或其任何附屬公司自上市日期起至本年報日期並無購買、贖回或出售本公司任何上市證券。

主要客戶及供應商

年內，本集團的主要客戶及供應商如下：

銷售額	
– 最大客戶	34.2%
– 五大客戶合計	88.6%
採購	
– 最大供應商	23.5%
– 五大供應商合計	54.0%

董事

本公司自上市日期起至本年報日期的董事為：

執行董事

田曉勃 (主席)	(於二零一三年六月十九日獲委任)
Farzad Gozashti	(於二零一三年六月十九日獲委任)

獨立非執行董事

鄧澍焙	(於二零一三年十一月二十二日獲委任)
鄧子楷	(於二零一三年十一月二十二日獲委任)
黎文星	(於二零一三年十一月二十二日獲委任)

根據本公司的章程細則第84(1)至85條，田曉勃及鄧澍焙將於即將舉行的股東週年大會上輪席退任及彼等均符合資格並願意於該大會上膺選連任。

Directors' Report 董事報告書

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual written confirmation from each of its independent non-executive Directors in respect of their independence with relevant requirements of the GEM Listing Rule and all independent non-executive Directors are still being considered to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 22 November 2013 and renewable automatically until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter. Each of the independent non-executive Director has entered into a letter of appointment with the Company on 22 November 2013. Each letter of appointment is for an initial term commencing on the date of the letter of appointment and shall continue thereafter subject to a maximum of three years unless terminated by either party giving at least one month's notice in writing. In accordance with the articles of association, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and being eligible offer themselves for re-election provided that every Director shall be subject to retirement by rotation at least once every three years.

None of the Directors proposed for re-election at the annual general meeting has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

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 11 to 15 of this annual report.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No director had a material interest, either directly or indirectly, in any contract of significance to business of the Group to which the Company or any of its subsidiaries was a party during the year ended December 2013.

獨立非執行董事的獨立身份

本公司已接獲各獨立非執行董事根據創業板上市規則相關規定就其獨立身份作出的年度書面確認及全體獨立非執行董事仍視為獨立人士。

董事服務合約

各執行董事均已與本公司簽訂服務合約，自二零一三年十一月二十二日起，初始任期為三年並將自動續約直至任何一方於初始任期屆滿時或其後任何時間向另一方發出不少於三個月之書面通知方才終止。各獨立非執行董事已於二零一三年十一月二十二日與本公司簽訂委任書。各委任書的初始任期自委任書日期起，其後將最長持續三年，直至任何一方向另一方發出不少於一個月之書面通知方才終止。根據組織章程細則，三分之一董事（倘董事人數並非三或三的倍數，則為最接近但不少於三分之一的人數）須輪值退任，且彼等合資格膺選連任，惟各董事須最少每三年輪值退任一次。

擬於週年股東大會上膺選連任之董事概無與本公司訂立不得由本公司於一年內終止時免付賠償（法定賠償除外）之服務合約。

董事及高級管理人員履歷

本公司董事及本集團高級管理人員的履歷詳情載於本年報第11至15頁。

董事於重大合約的權益

截至二零一三年十二月止年度，概無董事於本公司或其任何附屬公司為訂約一方而對本集團業務而言屬重大的合約中直接或間接擁有重大權益。

Directors' Report 董事報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2013, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in Shares of the Company

Name 姓名	Capacity/nature of interest 身份／權益性質	Number of shares 股份數目	Percentage of interests 權益百分比
Mr. Hubert Tien 田曉勃先生	Interest in controlled corporation (Note 1) 受控法團權益 (附註1)	225,000,000	37.5%
Mr. Farzad Gozashti Farzad Gozashti 先生	Interest in controlled corporation (Note 2) 受控法團權益 (附註2)	225,000,000	37.5%

Notes:

- These shares are held by All Divine Limited, which is wholly owned by Mr. Hubert Tien. By virtue of the SFO, Mr. Hubert Tien is deemed to be interested in the 225,000,000 shares under the SFO.
- These shares are held by Fortune Zone Global Limited, which is wholly owned by Mr. Farzad Gozashti. By virtue of the SFO, Mr. Farzad Gozashti is deemed to be interested in the 225,000,000 shares under the SFO.

董事及主要行政人員於股份、相關股份及債權證中的權益及淡倉

於二零一三年十二月三十一日，本公司董事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所的權益（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條規定須記錄在該條所述登記冊內的權益；或根據創業板上市規則第5.46至第5.67條規定須知會本公司及聯交所的權益如下：

於本公司股份的好倉

Name 姓名	Capacity/nature of interest 身份／權益性質	Number of shares 股份數目	Percentage of interests 權益百分比
Mr. Hubert Tien 田曉勃先生	Interest in controlled corporation (Note 1) 受控法團權益 (附註1)	225,000,000	37.5%
Mr. Farzad Gozashti Farzad Gozashti 先生	Interest in controlled corporation (Note 2) 受控法團權益 (附註2)	225,000,000	37.5%

附註：

- 該等股份由All Divine Limited持有，該公司由田曉勃先生全資持有。根據證券及期貨條例，田曉勃先生被視為持有225,000,000股股份的權益。
- 該等股份由Fortune Zone Global Limited持有，該公司由Farzad Gozashti先生全資持有。根據證券及期貨條例，Farzad Gozashti先生被視為持有225,000,000股股份的權益。

Directors' Report 董事報告書

Save as disclosed above, as at 31 December 2013, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2013, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than the Directors or the chief executive of the Company) which had 5% or more interests in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

Long positions in Shares of the Company

Name 姓名	Capacity/nature of interest 身份／權益性質	Number of shares 股份數目	Percentage of interests 權益百分比
All Divine Limited All Divine Limited	Beneficial owner 實益擁有人	225,000,000	37.5%
Fortune Zone Global Limited Fortune Zone Global Limited	Beneficial owner 實益擁有人	225,000,000	37.5%
Ms. Sallie Gozashti Sallie Gozashti 女士	Interest of spouse (Note 1) 配偶權益 (附註 1)	225,000,000	37.5%

Note:

- As Fortune Zone Global Limited is wholly and beneficial owned by Mr. Farzad Gozashti, Ms. Sallie Gozashti, being the spouse of Mr. Farzad Gozashti, is deemed to be interested in the 225,000,000 shares held by Fortune Zone Global Limited under the SFO.

除上文所披露者外，於二零一三年十二月三十一日，概無本公司董事或主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條規定須記錄在該條所述登記冊內的權益；或根據創業板上市規則第5.46至第5.67條規定須知會本公司及聯交所的權益及淡倉。

主要股東及其他人士於股份、相關股份及債權證的權益及淡倉

於二零一三年十二月三十一日，據任何董事或本公司主要行政人員所知或以其他方式獲知會，根據證券及期貨條例第336條存置的登記冊所記錄擁有股份及相關股份5%或以上權益的法團或人士（本公司董事或主要行政人員除外）詳情如下：

於本公司股份的好倉

Name 姓名	Capacity/nature of interest 身份／權益性質	Number of shares 股份數目	Percentage of interests 權益百分比
All Divine Limited All Divine Limited	Beneficial owner 實益擁有人	225,000,000	37.5%
Fortune Zone Global Limited Fortune Zone Global Limited	Beneficial owner 實益擁有人	225,000,000	37.5%
Ms. Sallie Gozashti Sallie Gozashti 女士	Interest of spouse (Note 1) 配偶權益 (附註 1)	225,000,000	37.5%

附註：

- 由於 Fortune Zone Global Limited 由 Farzad Gozashti 先生全資實益持有，Sallie Gozashti 女士為 Farzad Gozashti 先生的配偶，根據證券及期貨條例，被視為持有 Fortune Zone Global Limited 所持有的 225,000,000 股股份之權益。

Directors' Report 董事報告書

Save as disclosed above, as at 31 December 2013, the Directors were not aware of any other persons/entities (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, its Group members or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

EMOLUMENT POLICY

The remuneration committee was established for reviewing and determining the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, the time devoted to the Group and the performance of the Group. The Directors may also receive options to be granted under a share option scheme. The Company has conditionally adopted a share option scheme. The details of the share option scheme are set out in the paragraph headed "Share Option Scheme" below.

SHARE OPTION SCHEME

The share option scheme enables the Company to grant options to any full-time or part-time employee of the Company or any member of the Group (the "Eligible Participant") as incentives or rewards for their contributions to the Group, the Company conditionally adopted a share option scheme (the "Scheme") on 22 November 2013 whereby the Board are authorised, at their absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company to the Eligible Participant. The Scheme will be valid and effective for a period of ten years commencing from the Listing Date.

As at the date of this report, the total number of shares available for issue under the Scheme is 60,000,000 shares, representing 10% of the issued share capital of the Company.

除上文所披露者外，於二零一三年十二月三十一日，董事概無知悉任何其他人士／實體（不包括本公司董事或主要行政人員）於本公司、其集團成員公司或相聯法團的股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部，須向本公司披露之權益或淡倉，或根據證券及期貨條例第336條，記錄於該條例內規定本公司須存置之登記冊內之權益及淡倉。

薪酬政策

薪酬委員會已成立以經參考董事的職責、工作量、對本集團付出的時間及於本集團的表現而檢討及釐定彼等的酬金及薪酬待遇。董事亦可能收取根據購股權計劃將授出的購股權。本公司有條件採納購股權計劃。購股權計劃之詳情載於下文「購股權計劃」一段。

購股權計劃

購股權計劃使本公司可向本公司或本集團任何成員公司之任何全職或兼職僱員（「合資格參與者」）授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。本公司於二零一三年十一月二十二日有條件採納購股權計劃（「該計劃」），據此，董事會獲授權可全權酌情，依照該計劃之條款授出可認購本公司股份之購股權予合資格參與者。該計劃由上市日期起十年期內一直有效及生效。

於本報告日期，根據該計劃可供發行之股份總數為60,000,000股，佔本公司已發行股本之10%。

Directors' Report 董事報告書

Upon acceptance of an option to subscribe for shares granted pursuant to the Scheme (the "Option"), the Eligible Participant shall pay HK\$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the shares subject to the Option will be a price determined by the Board and notified to each Eligible Participant and shall be the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option, which must be a day on which trading of shares take place on the Stock Exchange (the "Trading Day"); (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the date of grant of the Option; and (iii) the nominal value of a share. For the purpose of calculating the subscription price, in the event that on the date of grant, the Company has been listed on the Stock Exchange for less than 5 Trading Days, the placing price shall be used as the closing price for any Trading Day falling within the period before the Listing Date.

The Company shall be entitled to issue options, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the shares in issue from the Listing Date. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the shares in issue at the time. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. Since the adoption of the Scheme and during the year, no share options were granted, exercised, lapsed or cancelled, and as at 31 December 2013, no share options under the Scheme were outstanding.

CONNECTED AND RELATED PARTY TRANSACTIONS

Details of the connected and related party transactions for the reporting period are set out in note 35 to the financial statements of the annual report. The connected and related party transactions are exempted from the reporting, announcement and independent shareholders' approval requirement under Chapter 18 of the GEM Listing Rules.

於接納根據該計劃授出可認購股份之購股權（「購股權」）後，合資格參與者須支付1.00港元予本公司，作為獲授購股權之代價。購股權之接納期為授出購股權當日起計21日期間。購股權之股份認購價將由董事會釐定，並知會各合資格參與者，價格須為下列各項之最高者：(i)於授出購股權日期（必須為股份於聯交所進行買賣之日（「交易日」））聯交所每日報價表所載之股份收市價；(ii)於緊接授出購股權當日前五個交易日聯交所每日報價表所載之股份平均收市價；及(iii)股份面值。就計算認購價而言，倘在授出日期，本公司於聯交所上市少於五個交易日，配售價須用作在上市日期前期間任何交易日之收市價。

本公司獲賦予權利發行購股權，惟根據該計劃將予授出之所有購股權獲行使後，可予發行之股份總數不得超過上市日期已發行股份之10%。待獲股東批准及根據創業板上市規則發出通函後，本公司可隨時更新此上限，惟於根據本公司全部購股權計劃將予授出之所有未獲行使而尚待行使購股權獲行使後，可發行之股份總數不得超過當時已發行股份之30%。購股權可按該計劃條款，於董事會所釐定之期間內隨時行使，惟不得超出授出購股權日期起計十年（惟須受提早終止條文所規限）。自採納該計劃起年內，概無購股權授出、行使、失效或註銷及於二零一三年十二月三十一日，概無根據該計劃未行使之購股權。

關連交易及關聯方交易

報告期內的關連交易及關聯方交易之詳情載於本年報財務報表附註35。根據創業板上市規則第18章，關連交易及關聯方交易獲豁免遵守申報、公告及獨立股東批准的規定。

Directors' Report 董事報告書

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the year.

COMPLIANCE ADVISER'S INTERESTS

As at 31 December 2013, except for the compliance adviser's agreement entered into between the Company and Messis Capital Limited, the Company's compliance adviser, on 26 November 2013, neither the Company's compliance adviser nor its directors, employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as notified by the Company's compliance adviser.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report. The Company has maintained a sufficient public float in compliance with Rule 18.08B of the GEM Listing Rules.

CORPORATE GOVERNANCE

A report detailed corporate governance report is set out in pages 23 to 32 in this report.

AUDITOR

BDO Limited was appointed by the Directors as the first auditor of the Company. The consolidated financial statements for the year ended 31 December 2013 have been audited by BDO Limited, who will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re-appointment of BDO Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board
Runway Global Holdings Company Limited

Hubert Tien
Chairman
14 March 2014

競爭及利益衝突

年內，本公司董事或主要股東及彼等各自之聯繫人士概無從事與本集團業務構成或可能構成競爭之任何業務或與本集團有任何其他利益衝突。

合規顧問的權益

據本公司合規顧問告知，於二零一三年十二月三十一日，除本公司於二零一三年十一月二十六日與大有融資有限公司（本公司合規顧問）訂立的合規顧問協議外，本公司合規顧問或其董事、僱員或聯繫人士概無於本公司或本集團任何成員公司的股本中擁有任何權益（包括可認購有關證券的購股權或權利）。

足夠公眾持股量

按照本公司可公開取得之資料，並就董事所知，於本報告日期，本公司最少25%已發行股本總額由公眾持有。本公司已遵守創業板上市規則第18.08B條維持足夠公眾持股量。

企業管治

詳細企業管治報告載於本報告第23至32頁。

核數師

香港立信德豪會計師事務所有限公司已獲董事會委任為本公司首任核數師。截至二零一三年十二月三十一日止年度之綜合財務報表已由香港立信德豪會計師事務所有限公司審核，彼將退任並合乎資格且願於即將舉行的股東週年大會上膺選連任。續聘香港立信德豪會計師事務所有限公司為本公司核數師的決議案將於即將舉行的股東週年大會上提呈。

承董事會命
時尚環球控股有限公司

田曉勃
主席
二零一四年三月十四日

Independent Auditor's Report

獨立核數師報告

To the shareholders of Runway Global Holdings Company Limited (incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Runway Global Holdings Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 44 to 128, which comprise the consolidated and company statements of financial position as at 31 December 2013, and 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致時尚環球控股有限公司全體股東 (於開曼群島註冊成立的有限公司)

吾等已完成審核刊於第44頁至第128頁時尚環球控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其中包括於二零一三年十二月三十一日的綜合及公司財務狀況表，以及截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實及公平的綜合財務報表，以及董事認為就呈列不存在由於欺詐或錯誤而導致重大錯誤陳述的綜合財務報表而言屬必要的內部監控。

核數師的責任

吾等的責任是根據吾等的審核，對該等綜合財務報表作出意見，並按照吾等委任條款僅向全體股東報告，除此之外本報告別無其他目的。吾等不會就本報告的內容對任何其他人士負責或承擔責任。

吾等已根據香港會計師公會頒佈的香港核數準則進行審核。該等準則要求吾等遵守道德規範，並規劃及執行審核，合理地確定綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report (Continued) 獨立核數師報告 (續)

AUDITOR'S 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 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.

BDO Limited

Certified Public Accountants

Joanne Y.M. Hung

Practising Certificate no.: P05419

Hong Kong, 14 March 2014

核數師的責任 (續)

審核涉及執行程序以獲取綜合財務報表所載數額及披露資料所需的審核憑證。所選定的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有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製真實及公平的綜合報財務報表相關的內部監控，以設計適當的審核程序，但並非為對該實體的內部監控效能發表意見。審核亦包括評價董事所採用的會計政策是否合適及所作出的會計估算的合理程度，以及評價綜合財務報表的整體呈列方式。

吾等相信，吾等所獲取的審核憑證充足及適當地為吾等的審核意見提供基礎。

意見

吾等認為，綜合財務報表已根據香港財務報告準則真實而公平反映 貴公司與 貴集團於二零一三年十二月三十一日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並認為綜合財務報表乃按照香港公司條例的披露規定妥為編製。

香港立信德豪會計師事務所有限公司

執業會計師

洪綺微

執業證書編號：P05419

香港，二零一四年三月十四日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		Notes 附註	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Revenue	收入	7	360,707	331,088
Cost of sales	銷售成本		(275,766)	(249,866)
Gross profit	毛利		84,941	81,222
Other income and gains	其他收入及收益	8	189	303
Changes in fair value of derivative financial instruments	衍生金融工具的 公平值變動	23	1,322	2,332
Selling and distribution expenses	銷售及分銷費用		(22,850)	(23,786)
Administrative expenses	行政開支		(44,464)	(30,482)
Finance costs	融資成本	9	(773)	(1,288)
Profit before income tax	除所得稅前溢利	10	18,365	28,301
Income tax expense	所得稅開支	13	(4,836)	(5,149)
Profit for the year attributable to the owners of the Company	本公司擁有人 應佔年度溢利		13,529	23,152
Other comprehensive income, net of tax, attributable to the owners of the Company	本公司擁有人應佔其他 全面收益(除稅後)			
Item that may be reclassified subsequently to profit or loss:	可於其後重新分類至 損益的項目:			
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表的 匯兌收益		723	141
Total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年度 全面收益總額		14,252	23,293
Earning per share attributable to the owners of the Company	本公司擁有人應佔 每股盈利	16		
Basic and diluted earnings per share (HK cents)	每股基本及攤薄盈利(港仙)		2.93	5.14

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2013 於二零一三年十二月三十一日

		Notes 附註	2013 HK\$'000 千港元	2012 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	17,270	18,373
Payments for leasehold land held for own use under operating leases	於經營租約下持作自用的租賃土地付款	18	2,129	2,140
			19,399	20,513
Current assets	流動資產			
Inventories	存貨	20	18,486	27,275
Trade and bill receivables	貿易應收款項及應收票據	21	77,635	49,575
Deposits, prepayments and other receivables	按金、預付款及 其他應收款項	22	19,577	13,196
Derivative financial instruments	衍生金融工具	23	1,396	1,486
Pledged bank deposits	已抵押銀行存款	24	9,420	8,801
Cash and cash equivalents	現金及現金等值項目	25	51,037	37,550
			177,551	137,883
Current liabilities	流動負債			
Trade and bill payables	貿易應付款項及應付票據	26	72,712	73,431
Accruals, other payables and receipts in advance	預提費用、其他應付款項及預收款項	27	17,178	20,899
Amounts due to directors	應付董事款項	28	–	2,515
Interest-bearing borrowings	計息借貸	29	9,392	2,060
Provision for taxation	稅項撥備		231	2,340
			99,513	101,245
Net current assets	流動資產淨值		78,038	36,638
Total assets less current liabilities	總資產減流動負債		97,437	57,151

Consolidated Statement of Financial Position (Continued) 綜合財務狀況表 (續)

As at 31 December 2013 於二零一三年十二月三十一日

		Notes 附註	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	29	172	418
Net assets	資產淨值		97,265	56,733
EQUITY	權益			
Equity attributable to the owners of the Company	本公司擁有人應佔權益			
Share capital	股本	31	6,000	3,008
Reserves	儲備	32	91,265	53,725
Total equity	權益總額		97,265	56,733

On behalf of the Board

代表董事會

Hubert Tien
田曉勃
Director
董事

Farzad Gozashti
Farzad Gazashti
Director
董事

Statement of Financial Position

財務狀況表

As at 31 December 2013 於二零一三年十二月三十一日

		Notes 附註	2013 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司的權益	19	63,603
Current assets	流動資產		
Prepayments	預付款	22	230
Cash and cash equivalents	現金及現金等值項目	25	38,487
			38,717
Current liabilities	流動負債		
Other payables	其他應付款項	27	342
Amounts due to subsidiaries	應付附屬公司款項	19	2,716
			3,058
Net current assets	流動資產淨值		35,659
Net assets	資產淨值		99,262
EQUITY	權益		
Equity attributable to the owners of the Company	本公司擁有人應佔權益		
Share capital	股本	31	6,000
Reserves	儲備	32	93,262
Total equity	權益總額		99,262

On behalf of the Board

代表董事會

Hubert Tien
田曉勃
Director
董事

Farzad Gozashti
Farzad Gozashti
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		Share capital	Share premium	Merger reserve	Statutory reserve	Translation reserve	Retained earnings	Total
		股本	股份溢價	合併儲備	法定儲備	換算儲備	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(note 32(a))	(note 32(b))	(note 32(d))	(note 32(e))		
			(附註 32(a))	(附註 32(b))	(附註 32(d))	(附註 32(e))		
At 1 January 2012	於二零一二年一月一日	3,008	-	-	884	5,324	32,510	41,726
Profit for the year	年度溢利	-	-	-	-	-	23,152	23,152
Other comprehensive income	其他全面收益							
- Exchange gain on translation of financial statements of foreign operations	- 換算海外業務財務報表的匯兌收益	-	-	-	-	141	-	141
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	141	23,152	23,293
Transaction with owners - Profit distribution prior to the listing (note 15(b))	與擁有人之交易 - 上市前的溢利分派 (附註 15(b))	-	-	-	-	-	(8,286)	(8,286)
Profit appropriation to reserve	撥往儲備的溢利	-	-	-	351	-	(351)	-
At 31 December 2012 and 1 January 2013	於二零一二年十二月三十一日 及二零一三年一月一日	3,008	-	-	1,235	5,465	47,025	56,733
Profit for the year	年度溢利	-	-	-	-	-	13,529	13,529
Other comprehensive income	其他全面收益							
- Exchange gain on translation of financial statements of foreign operations	- 換算海外業務財務報表的匯兌收益	-	-	-	-	723	-	723
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	723	13,529	14,252
Profit distribution prior to the listing (note 15(b))	上市前的溢利分派 (附註 15(b))	-	-	-	-	-	(20,390)	(20,390)
Arising from the Reorganisation (note 31(c))	來自重組 (附註 31(c))	(2,988)	-	2,988	-	-	-	-
Capitalisation issue (note 31(d))	資本化發行 (附註 31(d))	4,480	(4,480)	-	-	-	-	-
Share issued on placing, net of listing expenses (note 31(e))	於配售時發行股份，已扣除上市開支 (附註 31(e))	1,500	45,170	-	-	-	-	46,670
Transactions with owners	與擁有人之交易	2,992	40,690	2,988	-	-	(20,390)	26,280
Profit appropriation to reserve	撥往儲備的溢利	-	-	-	484	-	(484)	-
At 31 December 2013	於二零一三年十二月三十一日	6,000	40,690	2,988	1,719	6,188	39,680	97,265

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

	Notes 附註	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Cash flows from operating activities			
Profit before income tax		18,365	28,301
Adjustments for:			
Bank interest income	8	(56)	(27)
Interest expenses	9	773	1,288
Amortisation of payments for leasehold land held for own use under operating leases	10	54	54
Depreciation of property, plant and equipment	10	2,668	3,227
Gain on disposals of property, plant and equipment	10	(9)	(2)
Changes in fair value of derivative financial instruments		(1,322)	(2,332)
Operating profit before working capital changes		20,473	30,509
Decrease/(Increase) in inventories		9,045	(3,370)
Increase in trade and bill receivables		(28,030)	(9,460)
(Increase)/Decrease in deposits, prepayments and other receivables		(5,723)	3,177
(Decrease)/Increase in trade and bill payables		(1,374)	5,873
(Decrease)/Increase in accruals, other payables and receipts in advance		(3,783)	5,087
Settlement of derivative financial instruments		1,412	2,323
Cash (used in)/generated from operations		(7,980)	34,139
Income tax paid		(6,950)	(4,344)
Net cash (used in)/generated from operating activities		(14,930)	29,795
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,278)	(613)
Proceeds from disposals of property, plant and equipment		54	7
Decrease in amounts due from directors		–	5,895
Increase in pledged bank deposits		(540)	(2,709)
Interest received		56	27
Net cash (used in)/generated from investing activities		(1,708)	2,607

Consolidated Statement of Cash Flows (Continued) 綜合現金流量表 (續)

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

		Notes 附註	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Cash flows from financing activities	來自融資活動的現金流量			
Issue of ordinary shares on placing, net of listing expenses	配售發行普通股，扣除上市 開支	31(e)	46,670	—
Dividend paid	已派股息	36	(20,390)	(2,286)
Interest paid	已付利息		(773)	(1,288)
Decrease in amounts due to directors	應付董事款項減少		(2,526)	(3,489)
Proceeds of interest-bearing borrowings	計息借貸所得款項		139,765	172,649
Repayments of interest-bearing borrowings	償還計息借貸		(132,679)	(174,502)
Net cash generated from/(used in) financing activities	融資活動所得／(所用) 現金淨額		30,067	(8,916)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額		13,429	23,486
Cash and cash equivalents at beginning of the year	年初現金及現金等值項目		37,550	14,037
Effect of foreign exchange rates, net	匯率影響淨額		58	27
Cash and cash equivalents at end of the year	年末現金及現金等值項目		51,037	37,550

Notes to the Financial Statements

財務報表附註

31 December 2013 二零一三年十二月三十一日

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 19 June 2013. The registered office of the Company is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Group is principally engaged in designing, manufacturing and trading of apparels. There were no significant changes in the Group's business operation during the year.

Pursuant to a group reorganisation completed on 22 November 2013 (the "Reorganisation") to rationalise the group structure in preparation for the listing of the Company's shares on the GEM of the Stock Exchange, the Company became the holding company of the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 27 November 2013 (the "Prospectus"). The Company's shares were listed on the GEM by way of placing on 3 December 2013.

The financial statements for the year ended 31 December 2013 were approved for issue by the Board of Directors on 14 March 2014.

1. 公司資料

本公司於二零一三年六月十九日在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位於Codan Trust Company (Cayman) Limited的辦事處，地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本集團主要從事成衣設計、製造及貿易。本集團的業務營運於年內並無重大變動。

根據為精簡集團架構籌備本公司股份於聯交所創業板上市而於二零一三年十一月二十二日完成的集團重組（「重組」），本公司成為本集團的控股公司。重組詳情載於本公司日期為二零一三年十一月二十七日的招股章程（「招股章程」）。本公司的股份於二零一三年十二月三日以配售方式於創業板上市。

截至二零一三年十二月三十一日止年度的財務報表已於二零一四年三月十四日由董事會核准刊發。

Notes to the Financial Statements 財務報表附註

31 December 2013 二零一三年十二月三十一日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**2.1 New/amended HKFRSs that have been issued but are not yet effective**

The accounting policies applied are consistent with those used in preparing the Accountants’ Report included in Appendix I to the Prospectus.

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 9	Financial Instruments
Amendments to HKFRS 9, HKFRS 7 and HKAS 39	Hedge Accounting
Amendments to HKAS 32	Presentation — Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets ¹
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
HK (IFRIC) 21	Levies ¹
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle ³
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle ²

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

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

2. 採納香港財務報告準則 (「香港財務報告準則」)**2.1 已頒佈但尚未生效的新訂／經修訂香港財務報告準則**

所採用之會計政策與編製招股章程附錄一所載之會計師報告所用者一致。

下列可能與本集團財務資料有關的新訂／經修訂香港財務報告準則已頒佈但尚未生效，而本集團亦無提早採納。

香港財務報告準則第9號	金融工具
香港財務報告準則第9號、香港財務報告準則第7號及香港會計準則第39號的修訂本	對沖會計
香港會計準則第32號的修訂本	呈列 — 抵銷財務資產及財務負債 ¹
香港會計準則第36號的修訂本	非財務資產之可收回金額披露 ¹
香港會計準則第39號的修訂本	衍生工具之債務變更及對沖會計之延續 ¹
香港(國際財務報告詮釋委員會) — 詮釋第21號	徵費 ¹
香港財務報告準則(修訂本)	二零一零年至二零一二年週期之年度改進 ³
香港財務報告準則(修訂本)	二零一一年至二零一三年週期之年度改進 ²

¹ 於二零一四年一月一日或之後開始之年度期間生效

² 於二零一四年七月一日或之後開始之年度期間生效

³ 於二零一四年七月一日或之後開始之年度期間生效或發生交易

Notes to the Financial Statements 財務報表附註

31 December 2013 二零一三年十二月三十一日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 New/amended HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKFRS 9, HKFRS 7 and HKAS 39 — Hedge Accounting

The amendments overhaul hedge accounting to allow entities to better reflect their risk management activities in financial statements. Changes included in HKFRS 9 to address the own credit risk issue on financial liabilities designated at fair value through profit or loss can be applied in isolation without the need to change any other accounting for financial instruments. The amendments also remove the 1 January 2015 effective date for HKFRS 9.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第9號 — 金融工具

根據香港財務報告準則第9號，財務資產分類為以公平值或以攤銷成本計量的財務資產取決於實體管理財務資產的業務模式及財務資產的合約現金流量特徵。公平值的收益或虧損將於損益確認，惟對於若干非貿易股本投資，實體可選擇於其他全面收益確認收益及虧損。香港財務報告準則第9號貫徹香港會計準則第39號有關財務負債確認、分類及計量規定，惟透過損益按公平值列賬的財務負債除外，該負債信貸風險變動應佔的公平值變動金額於其他全面收益確認，除非會導致或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認財務資產及財務負債的規定。

香港財務報告準則第9號、香港財務報告準則第7號及香港會計準則第39號的修訂本 — 對沖會計

該修訂本修正對沖會計，允許實體更好地反映彼等於財務報表的風險管理活動。香港財務報告準則第9號的變動解決彼等本身有關透過損益按公平值列賬的財務負債的信貸風險問題，可單獨應用，而無須更改金融工具的任何其他會計方法。修訂本亦移除香港財務報告準則第9號的二零一五年一月一日生效日期。

Notes to the Financial Statements 財務報表附註

31 December 2013 二零一三年十二月三十一日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**2.1 New/amended HKFRSs that have been issued but are not yet effective (Continued)*****Amendments to HKAS 32 — Presentation — Offsetting Financial Assets and Financial Liabilities***

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement.

Amendments to HKAS 36 — Recoverable Amount Disclosures for Non-Financial Assets

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit (“CGU”) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal.

Amendments to HKAS 39 — Novation of Derivatives and Continuation of Hedge Accounting

The amendments provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

HK (IFRIC) 21 — Levies

HK (IFRIC) 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)**2.1 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)*****香港會計準則第32號的修訂本 — 呈列 — 抵銷財務資產及財務負債***

該修訂本藉著對香港會計準則第32號加入應用指引來闡明抵銷的規定，闡明何時實體「擁有可依法執行的抵銷權」及何時總額結算機制被視為等同淨額結算。

香港會計準則第36號的修訂本 — 非財務資產之可收回金額披露

該修訂本限制確認或撥回減值虧損期間內披露資產或現金產生單位（「現金產生單位」）的可收回金額的規定，倘減值資產或現金產生單位的可收回金額已按公平值減出售成本釐定，則擴大其披露範圍。

香港會計準則第39號的修訂本 — 衍生工具之債務變更及對沖會計之延續

該修訂本於更替對沖工具至中央對手方符合指定標準時提供終止對沖會計的寬免。

香港（國際財務報告詮釋委員會）— 詮釋第21號 — 徵費

香港（國際財務報告詮釋委員會）— 詮釋第21號闡明，當觸發付款的活動（經相關立法所確認）發生時，實體確認支付政府所施加徵費的責任。

Notes to the Financial Statements 財務報表附註

31 December 2013 二零一三年十二月三十一日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 New/amended HKFRSs that have been issued but are not yet effective (Continued)

HKFRSs (Amendments) — Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these new and amended HKFRSs is not expected to have a material impact on the Group’s financial statements.

3. BASIS OF PREPARATION

The financial statements have been prepared in accordance with HKFRSs, which collective terms include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA. The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The financial statements have been prepared under historical cost convention, except for derivative financial instruments which are stated at fair values.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)

香港財務報告準則 (修訂本) — 二零一零年至二零一二年週期及二零一一年至二零一三年週期的年度改進

根據年度改進程序頒佈的該修訂本對目前尚不清楚的大量準則作出小型、非緊急的補充。

本公司董事預期，本集團將於所有有關規定生效日期後的首個期間將該等規定納入本集團的會計政策中。本公司董事現正在評估其他新訂及經修訂香港財務報告準則於首次應用時的影響，本公司董事迄今的初步結論為，首次應用該等新訂及經修訂香港財務報告準則預期不會對本集團財務報表造成重大影響。

3. 編製基準

財務報表乃按照香港財務報告準則 (其統稱包括香港會計師公會頒佈的所有適用個別香港財務報告準則、香港會計準則 (「香港會計準則」) 及詮釋) 編製。財務報表亦包括香港公司條例及聯交所創業板證券上市規則的適用披露規定。

除衍生金融工具按公平值列賬外，財務報表乃按歷史成本法編製。

Notes to the Financial Statements 財務報表附註

31 December 2013 二零一三年十二月三十一日

3. BASIS OF PREPARATION (Continued)

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

The financial statements are presented in Hong Kong dollar ("HK\$") which is also the functional currencies of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

All the companies comprising the Group were controlled directly or indirectly by Mr. Hubert Tien ("Mr. Tien") and Mr. Farzad Gozashti ("Mr. Gozashti") (together the "Controlling Shareholders") and there were no changes in Controlling Shareholders' control in these subsidiaries before and immediately after the Reorganisation. For the purpose of management and development of the Group, an agreement was reached among the Controlling Shareholders when they first found the Group to act together as a single group of shareholders to manage and control the business and operations of the Group on collective basis and the Controlling Shareholders make collective decisions in respect of the financial and operating policies of the Group so as to obtain economic benefits from the Group.

Accordingly, the consolidated financial statements have been prepared using the merger basis of accounting as if the Reorganisation had occurred as of the beginning of the earliest period presented and the current group structure had always been in existence.

The consolidated financial statements of the Group have been prepared as if the Company has always been the holding company of the Group. The results of the Group therefore included the results of the Company and its subsidiaries with effect from 1 January 2012 or since their respective dates of incorporation/establishment, where it is a shorter period. In the opinion of the directors of the Company, the consolidated financial statements prepared on the above basis present more fairly the results, cash flows and financial position of the Group as a whole.

3. 編製基準 (續)

務請注意，編製財務報表時採用會計估計及假設。儘管該等估計乃基於管理層對現況及行動的最佳理解及判斷而作出，惟實際結果最終可能與該等估計不同。涉及較高程度的判斷或複雜的範疇，或涉及對財務報表而言屬重大的假設及估計的範疇於附註5披露。

財務報表以本公司的功能貨幣港元（「港元」）呈列。除另有指明外，所有金額均調整至最接近的千位數。

於有關期間，組成本集團的所有公司均由田曉勃先生（「田先生」）及Farzad Gozashti先生（「Gozashti先生」）（統稱「控股股東」）直接或間接控制，而緊接重組前及緊隨重組後，控股股東對該等附屬公司的控制權並無改變。為管理及發展本集團，於最初創立本集團時，控股股東之間達成協議，以共同作為單一股東群組集體管理及控制本集團的業務及營運，而控股股東亦就本集團的財務及經營政策作出集體決策，藉以從本集團獲得經濟利益。

因此，綜合財務報表乃按合併會計法基準編製，猶如重組已於所示最早期間的開始之時進行，且當前的集團架構一直存在。

已編製本集團的綜合財務報表，猶如本公司一直是本集團的控股公司。因此，本集團的業績包括本公司及其附屬公司的業績，自二零一二年一月一日或其各自註冊成立/成立日期（以較短期間為準）起生效。本公司董事認為，按上述基準編製的綜合財務報表更加公平地呈列本集團整體的業績、現金流量及財務狀況。

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3. BASIS OF PREPARATION (Continued)

The assets and liabilities of the companies comprising the Group are combined using the existing book values. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

All intra-group transactions and balances have been eliminated in preparing the consolidated financial statements.

Since the Company was incorporated on 19 June 2013, there were no comparatives provided on the Company's statement of financial position.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to 31 December each year.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3. 編製基準 (續)

現時組成本集團的各公司的資產及負債乃採用現行賬面值予以合併。概無金額確認為商譽代價或共同控制合併當時收購方於被收購方的可識別資產、負債及或然負債公平值中的權益超逾成本的差額。

集團內公司間所有交易及結餘均已於編製綜合財務報表時對銷。

自本公司於二零一三年六月十九日註冊成立以來，並無提供有關本公司的財務狀況表的比較資料。

4. 重大會計政策概要

編製財務報表所採納的重大會計政策概述如下。除另有訂明者外，該等政策均於所有呈列年度貫徹應用。

4.1 綜合基準

綜合財務報表包括本公司及其附屬公司於每年十二月三十一日編製的財務報表。

集團內公司間的交易、結餘及未變現收益均於編製綜合財務報表時對銷。集團內資產銷售的未變現虧損於綜合賬目時撥回，而相關資產亦會從本集團的角度進行減值測試。附屬公司財務報表內所呈報的金額已於需要時作調整，以確保與本集團採納的會計政策貫徹一致。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.2 Subsidiaries**

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interests in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4.3 Foreign currencies

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

4. 重大會計政策概要 (續)**4.2 附屬公司**

附屬公司指本公司能夠行使控制權的被投資公司。倘以下三項元素存在，則本公司控制被投資公司：對被投資公司擁有權力、就被投資公司的可變回報承受風險或擁有權利及使用其權力影響該等可變回報的能力。當有事實及情況表明任何該等控制元素可能存在變動時，則重估控制權。

於本公司的財務狀況表中，於附屬公司的權益乃按成本減去減值虧損（如有）列賬。附屬公司的業績由本公司按已收及應收股息基準入賬。

4.3 外幣

集團實體以它／它們經營業務所在主要經營環境的貨幣（「功能貨幣」）以外的貨幣進行的交易按進行交易時的通行匯率入賬。外幣貨幣資產及負債按呈報期末通行的匯率換算。以外幣計值按公平值列賬的非貨幣項目按釐定公平值當日通行的匯率重新換算。以外幣按歷史成本計算的非貨幣項目不會重新換算。

結算貨幣項目以及換算貨幣項目產生的匯兌差額於其產生期間內於損益確認。重新換算按公平值列賬的非貨幣項目產生的匯兌差額計入期內損益，惟重新換算已於其他全面收益確認的收益及虧損所涉及的非貨幣項目產生的差額除外，在此情況下，匯兌差額亦於其他全面收益確認。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Foreign currencies (Continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

4.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated 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.

Depreciation is provided to write off the cost less their estimated residual value over their estimated useful life, using straight-line method as follows:

Buildings	20 years
Leasehold improvements	4 to 5 years, or over the lease terms, whichever is shorter
Machinery	10 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	4 to 5 years

4. 重大會計政策概要 (續)

4.3 外幣 (續)

於綜合入賬時，海外業務的收支項目按年內的平均匯率換算為本集團的呈列貨幣（即港元），惟匯率於期內大幅波動的情況則除外，在此情況下，使用與進行交易時通行的匯率相若的匯率。海外業務的所有資產及負債按呈報期末通行的匯率換算。所產生的匯兌差額（如有）於其他全面收益確認，並於權益內累計為換算儲備。

出售海外業務時，換算儲備內確認該業務截至出售日期止的累計匯兌差額乃重新分類至損益，作為出售損益的一部份。

4.4 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何累計減值虧損後列賬。物業、廠房及設備項目的成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

折舊乃按各物業、廠房及設備項目的估計可使用年期以直線法撇銷其成本至其剩餘價值，載列如下：

樓宇	二十年
租賃物業裝修	四至五年，或租賃期滿（以較短者為準）
機器	十年
傢俬、裝置及辦公室設備	三至五年
汽車	四至五年

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.4 Property, plant and equipment** (Continued)

The assets' estimated residual values, estimated useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at the end of each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss during the period in which they are incurred.

4.5 Payments for leasehold land held for own use under operating leases

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on straight-line method as an expense.

4. 重大會計政策概要 (續)**4.4 物業、廠房及設備 (續)**

資產的估計剩餘價值、估計可使用年期及折舊方法最少於各呈報期末進行評審及在適當時進行調整。

因廢棄或出售而產生的損益，按出售相關資產所得款項與其賬面值的差額釐定，並於損益賬中確認。

期後成本僅會在項目相關的未來經濟利益可能會流入本集團及能可靠地計量項目成本時，方會計入資產賬面值或確認為獨立資產。維護及保養等所有其他成本均於其產生的期間自損益表扣除。

4.5 於經營租約下持作自用的租賃土地付款

於經營租約下持作自用的租賃土地付款指用以收購承租人佔用物業長期權益的預付款。該等預付款乃按成本列賬，並作為開支按租期以直線法攤銷。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on straight-line method over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

4.7 Financial instruments

(i) *Financial assets*

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

4. 重大會計政策概要 (續)

4.6 租賃

倘租約條款列明擁有權的絕大部份風險及回報轉讓予承租人，則該租約分類為融資租賃。所有其他租約均列作經營租約。

本集團作為承租人

按融資租賃持有的資產初步按其公平值或（如較低）最低租金的現值確認為資產。相關租賃承擔乃列作負債。租金可根據資本及利息分析。利息部份按租期自損益扣除，並予以計算以使其於租賃負債中佔有固定比例。資本部份則扣除結欠出租人的餘額。

根據經營租約，應付的總租金按租期以直線法在損益中扣除。已收租金優惠於租期內確認為總租金開支的組成部份。

4.7 金融工具

(i) *財務資產*

本集團於初次確認時按照收購資產之目的對其財務資產進行分類。以公平值計量且變動計入當期損益的財務資產初次按公平值計量，而所有其他財務資產則初次按公平值加收購該財務資產直接發生的交易成本計量。常規財務資產買賣於交易日確認或終止確認。常規買賣指根據條款要求在規例或有關市場慣例下訂立的時限內交付資產的財務資產買賣。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.7 Financial instruments** (Continued)**(i) Financial assets** (Continued)*Financial assets at fair value through profit or loss*

These assets include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which is managed and its performance evaluated on a fair value basis according to a documented management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

4. 重大會計政策概要 (續)**4.7 金融工具 (續)****(i) 財務資產 (續)***以公平值計量且變動計入當期損益的財務資產*

該資產包括持作交易的財務資產及於初始確認時被指定為以公平值計量且變動計入當期損益的財務資產。財務資產如以短期賣出為目的而購買，則分類為持作交易。衍生工具亦分類為持作交易，惟被指定作為實際對沖工具或金融擔保合約者除外。

倘一項合約包括一項或多項內含衍生工具，整體混合式合約可被指定為以公平值計量且變動計入當期損益的財務資產，惟倘內含衍生工具不會對現金流量造成重大變動或明顯禁止分開內含衍生工具的情況除外。

倘符合以下條件，則可於初次確認時將財務資產指定為以公平值計量且變動計入當期損益：(i) 該分類消除或大幅減少按不同基準計量資產或確認其盈虧所導致的不一致入賬方法；(ii) 該等資產為根據明文規定的風險管理政策按公平值基準管理及評估表現的財務資產組別一部分；或(iii) 財務資產包括需獨立列賬的內含衍生工具。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Financial instruments (Continued)

(i) Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Cash and cash equivalents

Cash and cash equivalents, including cash and bank balances, comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4. 重大會計政策概要 (續)

4.7 金融工具 (續)

(i) 財務資產 (續)

以公平值計量且變動計入當期損益的財務資產 (續)

於初次確認後，以公平值計量且變動計入當期損益的財務資產按公平值計量，公平值產生變動時於當期損益內確認。

貸款及應收款項

該等資產是指在活躍市場中沒有報價、回收金額固定或可確定的非衍生財務資產。該等資產主要於向客戶（貿易債務人）提供貨物及服務過程中產生，但同時亦包括其他類別的合約貨幣資產。於初次確認後，該等資產以實際利率法按攤銷成本減去任何已識別減值虧損入賬。

現金及現金等值項目

現金及現金等值項目（包括現金及銀行結存）由以下項目組成：手頭現金及活期存款，以及可隨時轉換為已知金額的現金且不存在重大價值變動風險的其他短期高流動性投資。就現金流量呈報而言，現金及現金等值項目包括須按通知償還的銀行透支，其為本集團現金管理的組成部分。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.7 Financial instruments** (Continued)**(ii) Impairment loss on financial assets**

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; and
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

4. 重大會計政策概要 (續)**4.7 金融工具 (續)****(ii) 財務資產的減值虧損**

於各呈報期末，本集團會評估是否有財務資產存在減值的任何客觀證據。倘因初次確認資產後發生的一項或多項事件導致存在客觀減值證據，而該項事件對財務資產的估計未來現金流量所造成的影響能夠可靠估計，則該財務資產出現減值。減值證據可包括：

- 債務人的重大財政困難；
- 違約，例如拖欠或到期未付利息或本金款項；
- 由於債務人的財政困難而向債務人發出特別許可；及
- 債務人有可能陷入破產或其他財務重組。

就貸款及應收款項

當有客觀證據顯示資產發生減值，會在損益確認減值虧損，減值額按資產賬面值與按原實際利率折現的估計未來現金流量現值的差額計量。財務資產賬面值透過使用撥備賬目予以撇減。倘財務資產的任何部分被認定為無法收回，會於相關財務資產的撥備賬目將該部分撇賬。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

4. 重大會計政策概要 (續)

4.7 金融工具 (續)

(iii) 財務負債

本集團按照產生負債之目的將其財務負債分類。以公平值計量且變動計入當期損益的財務負債初次按公平值計量，而按攤銷成本列賬的財務負債初次會按公平值扣除所產生的直接應計成本計量。

以公平值計量且變動計入當期損益的財務負債

以公平值計量且變動計入當期損益的財務負債包括持作交易的財務負債及於初始確認時被指定為以公平值計量且變動計入當期損益的財務負債。

財務負債如以短期賣出為目的而購買，則分類為持作交易。衍生工具亦分類為持作交易，惟被指定作為實際對沖工具者除外。持作交易負債的盈虧在損益內確認。

倘一項合約包括一項或多項內含衍生工具，整體混合式合約可被指定為以公平值計量且變動計入當期損益的財務負債，惟倘內含衍生工具不會對現金流量造成重大變動或明顯禁止分開內含衍生工具的情況除外。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.7 Financial instruments** (Continued)**(iii) Financial liabilities** (Continued)*Financial liabilities at fair value through profit or loss* (Continued)

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Financial liabilities at amortised cost

The Group classifies its financial liabilities as financial liabilities at amortised cost, including trade and bill payables, accruals and other payables, amounts due to directors and interest-bearing borrowings.

4. 重大會計政策概要 (續)**4.7 金融工具** (續)**(iii) 財務負債** (續)*以公平值計量且變動計入當期損益的財務負債* (續)

倘符合以下條件，則可於初始確認時將財務負債指定為以公平值計量且變動計入當期損益：(i) 該分類消除或大幅減少按不同基準計量負債或確認其盈虧所導致的不一致入賬方法；(ii) 該等負債為根據明文規定的風險管理政策按公平值基準管理及評估表現的財務負債組別一部分；或(iii) 財務負債包括需獨立列賬的內含衍生工具。

於初始確認後，以公平值計量且變動計入當期損益的財務負債按公平值計量，公平值變動於產生時於損益確認。

按攤銷成本列賬的財務負債

本集團將其財務負債分為以下類別：按攤銷成本列賬的財務負債，包括貿易應付款項及應付票據、預提費用及其他應付款項、應付董事款項及計息借貸。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Financial instruments (Continued)

(iii) Financial liabilities (Continued)

Financial liabilities at amortised cost (Continued)

(a) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred. Interest-bearing borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans using the effective interest method.

Interest-bearing borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of each reporting period.

(b) Other financial liabilities

All other financial liabilities are recognised initially at their fair value, net of directly attributable transaction costs incurred and subsequently measured at amortised cost, using the effective interest method.

4. 重大會計政策概要 (續)

4.7 金融工具 (續)

(iii) 財務負債 (續)

按攤銷成本列賬的財務負債 (續)

(a) 計息借貸

計息借貸最初按公平值減交易成本後確認。計息借貸其後按攤銷成本列賬，所得款項（扣除交易成本後）與贖回價值之間的任何差額以實際利率法於貸款期間在損益內確認。

計息借貸分類為流動負債，惟本集團有權無條件將債務償還日期延至各呈報期末後至少十二個月。

(b) 其他財務負債

所有其他財務負債初步按公平值減直接應佔交易成本確認，其後以實際利率法按攤銷成本計量。

Notes to the Financial Statements 財務報表附註

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.7 Financial instruments** (Continued)**(iv) Effective interest method**

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

(v) Equity instruments

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

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

4. 重大會計政策概要 (續)**4.7 金融工具 (續)****(iv) 實際利率法**

實際利率法乃計算財務資產或財務負債的攤銷成本及於有關期間分配利息收入或利息開支的方法。實際利率乃於財務資產或負債的預計有效年期或(如適用)較短期間內準確貼現估計未來現金收入或付款的利率。

(v) 權益工具

本公司發行的權益工具按已收所得款項扣除直接發行成本記賬。

(vi) 金融擔保合約

金融擔保合約指規定發行人須支付特定款項以償付持有人因指定債務人未能根據債務工具的原先或經修訂條款支付到期款項產生的虧損的合約。本集團發行而未被指定為以公平值計量且變動計入當期損益的金融擔保合約乃初次按其公平值減發行金融擔保合約而直接產生的交易成本予以確認。於初始確認後，本集團按(i)根據香港會計準則第37號「撥備、或然負債和或有資產」釐定的金額；及(ii)初次確認金額減(視情況而定)根據香港會計準則第18號「收益」確認的累計攤銷兩者間的較高者計量。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Financial instruments (Continued)

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4.8 Derivative financial instruments

Derivative financial instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. Derivatives that are not designated as hedging instruments are accounted for as financial assets or financial liabilities at fair value through profit or loss. Gains or losses arising from changes in fair value are taken directly to profit or loss for the year.

4.9 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4. 重大會計政策概要 (續)

4.7 金融工具 (續)

(vii) 終止確認

凡收取財務資產所帶來的未來現金流量的合約權利期間屆滿，或財務資產經已轉讓，而轉讓符合香港會計準則第39號規定的終止確認準則，則本集團終止確認該財務資產。

當有關合約中訂明的責任獲解除、註銷或屆滿時，則會終止確認財務負債。

4.8 衍生金融工具

獨立合約內或獨立於混合金融工具的衍生金融工具，於訂立衍生工具合約當日初步按公平值確認，其後按公平值重新計量。並無指定為對沖工具的衍生工具會作為以公平值計量且變動計入當期損益的財務資產或財務負債入賬。年內公平值變動產生的收益或虧損直接計入損益。

4.9 存貨

存貨初次按成本確認，其後按成本或可變現淨值兩者孰低者確認。成本包括所有採購成本、轉換成本及使存貨到達目前地點及狀態所產生的其他成本。成本乃採用加權平均法釐定。可變現淨值按日常業務過程中的估計售價減估計完工成本及銷售所必需的估計費用計算。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.10 Share capital**

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

4.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of return, discounts, rebate and sales related taxes. Revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Interest income is accrued on a time-proportion basis on the principal outstanding at the applicable interest rate; and

Sample income is recognised at the time when the transfer of significant risks and rewards of ownership to the customer, this is usually taken as the time when the samples are delivered and the customer has accepted the samples.

4.12 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

4. 重大會計政策概要 (續)**4.10 股本**

普通股乃分類為權益。股本乃採用已發行股份的面值釐定。

與發行股份相關的任何交易成本乃自股份溢價（扣除任何相關所得稅利益）中扣除，惟僅限於直接來自權益交易的遞增成本。

4.11 收入確認

收入按已收或應收代價的公平值計算，乃指於日常業務過程中所提供貨物及服務應收的款項，扣除退貨、折扣、回扣及銷售相關稅項。來自銷售貨品的收入乃於擁有權的風險及回報轉移時確認，即貨物交付予及所有權轉給客戶之時。

利息收入乃根據未償還本金按適用利率按時間比例累計；及

製作貨版收入於擁有權的重大風險及回報轉移至客戶時確認，此情況通常於貨版已付運及客戶已接收貨版時發生。

4.12 所得稅

年度的所得稅包括當期稅項及遞延稅項。

當期稅項乃根據日常業務的溢利或虧損，就所得稅而言對毋須課稅或不可扣減的項目作出調整，按呈報期末已制定或大致上制定的稅率計算。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Income taxes (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

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

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

4.13 Employee benefit

(i) Defined contribution retirement plan

The Group entities incorporated in Hong Kong manages a defined contribution Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee for those employees who are eligible to participate in the MPF scheme. The Group makes contributions based on a percentage of the eligible employees' salaries funded by the Group and are charged to profit or loss as they become payable in accordance with the rules of the MPF scheme.

4. 重大會計政策概要 (續)

4.12 所得稅 (續)

遞延稅項乃就財務報告目的的資產與負債的賬面值與就稅務目的之相應數值的暫時差異確認。除不影響會計或應課稅溢利的商譽和已確認資產與負債外，就所有應課稅暫時差異確認遞延稅項負債。倘有應課稅溢利，讓可扣減的暫時差異得被使用，則確認相應的遞延稅項資產。遞延稅項乃按適用於資產或負債的賬面值獲變現或結算的預期方式及於各呈報期末已制定或大致上制定的稅率計量。

遞延稅項負債乃於投資附屬公司產生應課稅暫時性差額時確認，惟倘本集團能夠控制暫時性差額的撥回且該暫時性差額在可預見將來將不可能撥回者則除外。

所得稅乃於損益確認，除非該等稅項與於其他全面收益確認的項目有關，在此情況下該等稅項亦於其他全面收益內確認。

4.13 僱員福利

(i) 界定供款退休計劃

於香港註冊成立的集團實體管理一項界定供款強制性公積金計劃（「強積金計劃」），該界定供款計劃由獨立信託人為合資格參與強積金計劃的僱員進行管理。本集團按合資格僱員薪金的百分比以集團本身資源作出供款，有關供款於應付時根據強積金計劃規則在損益扣除。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.13 Employee benefit** (Continued)**(i) Defined contribution retirement plan** (Continued)

The Group entities established in the People's Republic of China, excluding Hong Kong and Macau (the "PRC") make monthly contributions to a state-sponsored defined contribution scheme for the local staff. The contributions are made at a specific percentage on the standard salary pursuant to laws of the PRC and relevant regulation issued by local social security authorities.

In addition, the Group entities incorporated in the United States of America (the "USA") make monthly contributions to a defined contribution scheme under federal program for the local staff. The Group makes contributions based on a percentage of the local staff's funded by the Group and are charged to profit or loss as they become payable in the rules of the scheme.

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(ii) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

4. 重大會計政策概要 (續)**4.13 僱員福利** (續)**(i) 界定供款退休計劃** (續)

於中華人民共和國(不包括香港及澳門)(「中國」)成立的集團實體每月為當地職工向國家籌辦界定供款計劃作出供款。供款乃根據中國法例及地方社會保障主管部門頒佈的有關規例按標準薪金的指定百分比作出。

此外，於美利堅合眾國(「美國」)成立的集團實體每月為當地職工向聯邦政府所設機制下的界定供款計劃作出供款。本集團按當地職工薪金的百分比以集團本身資源作出供款，有關供款於應付時根據計劃規則在損益扣除。

對界定供款退休計劃的供款在僱員提供服務時於損益確認為開支。

(ii) 短期僱員福利

短期僱員福利是指預計在僱員提供了相關服務的年度呈報期末後十二個月以前將全數結付的僱員福利(離職福利除外)。

僱員放年假的權利於僱員獲得假期時確認。本集團就截至報告日期止僱員已提供的服務而產生的年假的估計負債作出撥備。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 Employee benefit (Continued)

(ii) Short-term employee benefits (Continued)

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised on 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. Benefits falling due more than twelve months after the reporting date are discounted to their present value.

4.14 Impairment of other assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment and payments for leasehold land held for own use under operating leases to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

4. 重大會計政策概要 (續)

4.13 僱員福利 (續)

(ii) 短期僱員福利 (續)

病假及產假等非累積性帶薪休假直至告假時方予確認。

(iii) 離職福利

離職福利於僱員在正常退休日前被本集團終止聘用或僱員接受自願離職以換取這些福利時支付。離職福利乃於本集團可不再撤銷提供該等福利及當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。在呈報日後超過十二個月到期支付的福利應貼現至其現值。

4.14 其他資產減值

於各呈報期末，本集團檢討物業、廠房及設備以及於經營租約項下持作自用的租賃土地的付款的賬面值，以釐定是否有跡象顯示該等資產已出現減值虧損，或先前確認的減值虧損不復存在或可能已減少。

倘資產的可收回金額(即公平值減銷售成本與使用價值兩者的較高者)估計少於其賬面值，則該項資產的賬面值將降至其可收回金額。減值虧損乃即時確認為開支。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.14 Impairment of other assets** (Continued)

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

4.15 Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.16 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 重大會計政策概要 (續)**4.14 其他資產減值 (續)**

倘減值虧損其後撥回，則資產賬面值將提高至其修訂後的估計可收回金額，惟受限於經提高的賬面值不得超過往年該項資產在無已確認減值虧損的情況下原應釐定的賬面值。撥回的減值虧損乃即時確認為收入。

4.15 借貸成本的資本化

直接用於收購、建造或生產合資格資產（須經過一段相當長的時間方可達到預定用途或可供銷售的資產）的借貸成本均資本化為該等資產成本的一部份。在特定借貸撥作該等資產支出前暫時用作投資所賺取的收入須自資本化的借貸成本中扣除。所有其他借貸成本於產生期間於損益內確認。

4.16 撥備及或然負債

當本集團因過去事項而須承擔法定或合約義務，而清償該負債很可能需要付出經濟效益及可合理地估計金額時，便為未確定時間或金額的負債確認撥備。

如果經濟利益需要外流的可能性不大，或不能對數額作出可靠估計，則有關義務會作為或然負債披露，惟若經濟利益外流的可能性極低則作別論。如有可能產生的義務，其存在僅能以一個或數個未來事項的發生或不發生來證實，亦披露為或然負債，除非經濟利益外流的可能性極低則作別論。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.17 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker i.e. the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's line of business.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in the financial statements prepared under HKFRSs.

4.18 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

4. 重大會計政策概要 (續)

4.17 分部報告

本集團定期向最高營運決策人(即執行董事)報告內部財務資料,以供彼等就本集團業務組成部分的資源分配作決定,以及供彼等檢討該等分部的表現,而本集團則根據該等資料劃分營運分部及編製分類資料。內部財務資料呈報予執行董事的業務組成乃根據本集團的業務分類釐定。

本集團用於呈報根據香港財務報告準則第8號制定的分部業績的計量政策,與根據香港財務報告準則編製的財務報表內所用者一致。

4.18 關聯方

- (a) 倘適用下列情況,該名人士或該名人士的近親家屬成員便被視為與本集團有關聯:
- (i) 對本集團有控制權或共同控制權;
 - (ii) 對本集團有重大影響力;或
 - (iii) 為本集團或本公司母公司主要管理人員。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.18 Related parties** (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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 the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

4. 重大會計政策概要 (續)**4.18 關聯方** (續)

- (b) 倘適用下列情況，該實體便被視為與本集團有關聯：
- (i) 該實體及本集團屬同一集團的成員（即各母公司、附屬公司及同系附屬公司互相關聯）。
 - (ii) 一個實體為另一實體的聯繫人士或合營企業（或為某一集團的成員的聯繫人士或合營企業，而該另一實體為此集團的成員）。
 - (iii) 兩個實體皆為相同第三方的合營企業。
 - (iv) 一個實體為第三實體的合營企業及另一實體為第三實體的聯繫人士。
 - (v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃。
 - (vi) 該實體受(a)部所識別的人士控制或共同控制。
 - (vii) 於(a)(i)所識別對實體有重大影響的人士，或是實體（或實體的母公司）高級管理人員。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

4. 重大會計政策概要 (續)

4.18 關聯方 (續)

某一人士的近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響的有關家屬成員並包括：

- (i) 該名人士的子女及配偶或家庭伴侶；
- (ii) 該名人士的配偶或家庭伴侶的子女；及
- (iii) 該名人士或該名人士的配偶或家庭伴侶的受供養人。

5. 重要會計判斷及估算不確定因素的主要來源

估計及判斷須持續評估，並基於過往經驗及其他因素，包括在有關情況下相信為對未來事件的合理預期。

本集團就未來作出估計及假設。得出的會計估計顧名思義甚少相等於相關實際結果。具有重大風險導致下個財政年度內資產與負債的賬面值出現重大調整的估計及假設討論如下：

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**(a) Income taxes**

Determining income tax provisions requires the Group to make judgment on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgment on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

(b) Impairment of receivables

Provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and ageing analysis of the outstanding receivables and on the management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer and the related parties. If the financial conditions of the customers and other debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

(c) Impairment of inventories

Management of the Group reviews the inventories at each reporting date, and makes allowance for impairment of obsolete, slow-moving and impaired items. Management estimates the net realisable value for such inventories based primarily on the expected future market conditions and the estimated selling price. The Group makes allowance for impairment if the net realisable value is below the carrying amount.

5. 重要會計判斷及估算不確定因素的主要來源 (續)**(a) 所得稅**

釐定所得稅撥備需要本集團就若干交易的未來稅務處理方法作判斷。本集團根據當時的稅務規定，仔細評估交易的稅務影響，並作出相應的稅項撥備。此外，遞延稅項資產按可能出現可供動用可扣減臨時差額的未來應課稅溢利而予以確認。此舉需要就若干交易的稅務處理方法作重大判斷，亦需評估是否有充足未來應課稅溢利以收回遞延稅項資產的可能性。

(b) 應收款項減值

本集團有關呆賬的撥備政策乃基於對未償應收款項的可收回程度及賬齡分析的持續評估以及管理層的判斷。在評估該等應收款項最終能否變現時，須計及多項重要因素，包括每名客戶及關聯方的信用度及過往還款記錄。倘本集團客戶及其他債務人的財務狀況轉壞，導致其支付能力降低，則可能需要作更多減值。

(c) 存貨減值

本集團管理層於各呈報日審閱存貨，並對過時、滯銷及減值項目進行減值準備。管理層主要根據預期未來市況及估計售價估計該等存貨的可變現淨值。本集團對可變現淨值低於賬面值的項目作出減值準備。

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(d) Fair value of derivatives financial instruments

Derivative financial instruments included in the Group's financial statements require measurement at and disclosure of fair value. The directors use their judgment in selecting an appropriate valuation technique for derivative financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied.

The fair value measurement of the Group's derivative financial instruments utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

5. 重要會計判斷及估算不確定因素的主要來源 (續)

(d) 衍生金融工具的公平值

計入本集團財務報表之衍生金融工具須進行公平值計量及披露。董事利用其判斷就並未於活躍市場報價的衍生金融工具挑選合適的估值技術。估值技術通常採用市場參與者常用的估值技術。

本集團衍生金融工具之公平值計量儘可能使用可觀察的市場資料輸入及數據。用於公平值計量之資料輸入根據應用於估值技術之資料輸入之可觀察程度劃分為不同層次(公平值架構)：

- 第1層：相同項目於活躍市場之報價(未經調整)；
- 第2層：直接或間接可觀察之資料輸入(不包括第1層之資料輸入)；
- 第3層：無法觀察之資料輸入(即並非根據市場數據得出)。

歸入的上述層次之項目，乃基於對項目之公平值計量有重大影響的最低層次輸入資料進行劃分。項目間層級之轉撥並無於彼等產生期間確認。

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**(e) Impairment of non-financial assets**

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset. This requires an estimation of the value-in-use of the CGU to which the asset is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

(f) Estimated useful lives of property, plant and equipment

In determining the useful lives of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on the experience of the Group with similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Estimated useful lives are reviewed, at the end of each reporting period, based on changes in circumstances.

5. 重要會計判斷及估算不確定因素的主要來源 (續)**(e) 非財務資產減值**

本集團於各報告期末評估是否存在顯示資產可能出現減值的跡象。倘存在任何有關跡象，本集團則會對資產的可收回金額作出估計，當中須對資產獲分配的現金產生單位的使用價值作出估計。估計使用價值需要本集團就來自現金產生單位的預期未來現金流量作出估計，並選擇合適的貼現率以計算該等現金流量的現值。估計未來現金流量及／或所採用的貼現率的變動將導致過往作出的估計減值撥備需作出調整。

(f) 物業、廠房及設備的估計可使用年期

於釐定物業、廠房及設備的可使用年期時，本集團須考慮多種因素，例如資產的預期用途、預期實質磨損、資產的保養及維護、以及動用資產的法律或類似限制。資產的可使用年期的估計乃按本集團於用途相近的類似資產的經驗而作出。倘物業、廠房及設備項目的估計可使用年期與過往的估計不同，則會修訂折舊費用。於各報告期末，可使用年期乃按情況改變進行審閱。

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6. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. For the year, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each product line or geographical area and the executive directors reviewed the financial result of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in designing, manufacturing and trading of apparels. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment is presented.

The Company is an investment holding company and the principal places of the Group's operations are in the PRC and Hong Kong. Management determines the Group is domiciled in Hong Kong, which is the Group's principal operating location.

The Group's revenue from external customers is divided into the following geographical areas:

6. 分部資料

經營分部乃本集團從事可賺取收益及引致開支的商業活動的一個組成部分，本集團的最高營運決策人獲提供及定期審閱以作為分部資源分配及表現評估的內部管理呈報資料為基礎而確定經營分部。就本年度而言，向身為最高營運決策人的執行董事匯報以作為分部資源分配及表現評估的該等資料，並沒有每類產品系列或地區的損益資料，而執行董事是整體地審閱本集團根據香港財務報告準則呈報的財務業績，故此，鑑於本集團僅從事成衣設計、製造及貿易，執行董事認為本集團只有單一個業務組成部分／可呈報分部。執行董事按綜合基準分配資源及評估表現，據此，並無呈列經營分部。

本公司為一間投資控股公司，而本集團營運的主要地點位於中國及香港。管理層將香港定為本集團居籍所在地，亦為本集團的主要經營地點。

本集團來自外界客戶的收入按以下地區劃分：

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
The USA	美國	232,553	217,669
Canada	加拿大	123,372	109,495
Others	其他國家	4,782	3,924
		360,707	331,088

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6. SEGMENT INFORMATION (Continued)

Geographical location of external customers is based on the location at which the customers are domiciled. No revenue was attributable to Hong Kong, the place that the Group domiciled, during the year (2012: nil).

The principal non-current assets held by the Group are located in the PRC. Insignificant portion of the non-current assets is located in Hong Kong, the place that the Group domiciled at the reporting date.

The Group's customer base is diversified and includes only the following customers with whom transactions have exceeded 10% of the Group's revenue. During the year, revenue derived from these customers are as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Customer A	客戶甲	123,372	109,495
Customer B	客戶乙	69,498	54,301
Customer C	客戶丙	50,165	38,092
Customer D	客戶丁	48,037	48,142

As at 31 December 2013, 74% (2012: 66%) of the Group's trade receivables was due from these customers.

7. REVENUE

Revenue, which is also the Group's turnover, represents the sales of apparels, net of return, discounts, rebate and sales related taxes, during the year.

6. 分部資料 (續)

外界客戶的地理位置是根據客戶居籍地劃分。本年度本集團的居籍地香港並無錄得收入(二零一二年：無)。

本集團持有的主要非流動資產均位於中國。於報告日期，只有少量非流動資產位於本集團的居籍地香港。

本集團的客戶基礎龐大，其中只有下列客戶的交易額超過本集團收入10%。於年內，來自該等客戶的收入如下：

於二零一三年十二月三十一日，此等客戶的結欠額分別佔本集團貿易應收款項74%(二零一二年：66%)。

7. 收入

收入(亦為本集團的營業額)指於年內來自銷售成衣的收入，並已減去退貨、折扣、回扣及與銷售有關的稅項。

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8. OTHER INCOME AND GAINS

8. 其他收入及收益

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Gain on disposals of property, plant and equipment	出售物業、廠房及設備收益	9	2
Interest income	利息收入	56	27
Sample income	貨版收入	47	5
Sundry income	雜項收益	77	269
		189	303

9. FINANCE COSTS

9. 融資成本

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Interest expenses on interest-bearing borrowings wholly repayable within five years (note)	五年內應全額償還的計息借貸利息開支(附註)	740	1,241
Interest expenses on obligations under finance leases	融資租賃承擔的利息開支	33	47
		773	1,288

Note: The analysis shows the finance costs of interest-bearing borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the banking facilities. During the year, interest expenses on interest-bearing borrowings which contain a repayment on demand clause amounted to approximately HK\$738,000 (2012: HK\$977,000).

附註：上表的分析是依據銀行融資載列的已協商既定還款日期列示計息借貸的融資成本，當中包括載有須按通知即時償還條文的有期貨款。年內，載有須按通知即時償還條文的計息借貸的利息開支約達738,000港元(二零一二年：977,000港元)。

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10. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Amortisation of payments for leasehold land held for own use under operating leases	於經營租約下持作自用的租賃土地付款攤銷	54	54
Auditor's remuneration	核數師酬金	550	200
Cost of inventories recognised as expense	已確認為開支的存貨成本	275,766	249,866
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,668	3,227
Losses on exchange differences, net	匯兌差額虧損淨額	1,314	1,362
Gain on disposals of property, plant and equipment	出售物業、廠房及設備收益	(9)	(2)
Operating lease charges in respect of land and buildings	土地及樓宇經營租約費用	3,366	3,197
Employee benefit expenses (including directors' emoluments) (note 11)	僱員福利開支(包括董事酬金)(附註11)	46,034	44,517

11. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Wages and salaries	工資及薪金	41,234	40,167
Pension scheme contribution – defined contribution plans	退休計劃供款 – 界定供款計劃	2,211	2,082
Other benefits	其他福利	2,589	2,268
		46,034	44,517

10. 除所得稅前溢利

除所得稅前溢利乃經扣除／(計入)下列各項後達致：

11. 僱員福利開支(包括董事酬金)

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12. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments of each of the directors for the year are set out below:

12. 董事酬金及五名最高薪人士

(a) 董事酬金

於有關期間每名董事的酬金如下：

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 HK\$'000 千港元	Pension scheme contributions 退休計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2013	截至二零一三年十二月三十一日止年度				
<i>Executive directors:</i>	執行董事：				
Mr. Tien	田先生	-	1,519	15	1,534
Mr. Gozashti	Gozashti 先生	-	1,534	-	1,534
		-	3,053	15	3,068
<i>Independent non-executive directors:</i>	獨立非執行董事：				
Mr. Lai Man Sing	黎文星先生	13	-	-	13
Mr. Tang Shu Pui, Simon	鄧澍焙先生	13	-	-	13
Mr. Tang Tsz Kai, Kevin	鄧子楷先生	13	-	-	13
		39	-	-	39
Total emoluments	酬金總額	39	3,053	15	3,107
Year ended 31 December 2012	截至二零一二年十二月三十一日止年度				
<i>Executive directors:</i>	執行董事：				
Mr. Tien	田先生	-	1,376	14	1,390
Mr. Gozashti	Gozashti 先生	-	1,391	-	1,391
		-	2,767	14	2,781
<i>Independent non-executive directors:</i>	獨立非執行董事：				
Mr. Lai Man Sing	黎文星先生	-	-	-	-
Mr. Tang Shu Pui, Simon	鄧澍焙先生	-	-	-	-
Mr. Tang Tsz Kai, Kevin	鄧子楷先生	-	-	-	-
		-	-	-	-
Total emoluments	酬金總額	-	2,767	14	2,781

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12. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)**(a) Directors' emoluments** (Continued)

Mr. Tien and Mr. Gozashti were appointed as the executive directors of the Company on 19 June 2013. Mr. Lai Man Sing, Mr. Tang Shu Pui, Simon and Mr. Tang Tsz Kai, Kevin were appointed as independent non-executive directors of the Company on 22 November 2013.

(b) Five highest paid individuals

The five highest paid individuals of the Group included 2 (2012: 2) directors for the year whose emoluments are reflected in note 12(a).

The analysis of the emoluments of the remaining 3 (2012: 3) highest paid individuals for the year, whose emoluments are set out below:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,962	1,771
Pension scheme contributions	退休計劃供款	-	28
		3,962	1,799

The above emoluments were within following bands:

以上酬金處於以下範圍：

		No. of employees 僱員人數	
		2013	2012
Emolument bands	酬金範圍		
Nil to HK\$1,000,000	零至 1,000,000 港元	2	3
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	1	-
		3	3

12. 董事酬金及五名最高薪人士 (續)**(a) 董事酬金** (續)

田先生及 Gozashti 先生均於二零一三年六月十九日獲委任為本公司執行董事。黎文星先生、鄧澍培先生及鄧子楷先生均於二零一三年十一月二十二日獲委任為本公司獨立非執行董事。

(b) 五名最高薪人士

本年度本集團的五名最高薪人士包括兩名董事(二零一二年：兩名)，他們的酬金已反映在附註 12(a)。

其餘三名(二零一二年：三名)最高薪人士於本年度的酬金分析如下：

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12. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(c) During the year ended 31 December 2013, no director or any of the highest paid individuals waived or agreed to waive any emoluments (2012: nil). No emoluments were paid by the Group to the directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office for the year (2012: nil).

12. 董事酬金及五名最高薪人士 (續)

(c) 於截至二零一三年十二月三十一日止年度，概無董事或任何最高薪人士放棄或同意放棄任何酬金（二零一二年：無）。本集團概無向董事或任何最高薪人士支付任何酬金，作為本年度加入本集團或加入後的獎賞，或離職補償（二零一二年：無）。

13. INCOME TAX EXPENSE

13. 所得稅開支

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Current income tax charged for the year:	本年度即期所得稅開支：		
Hong Kong profits tax	香港利得稅	3,576	3,975
PRC enterprise income tax ("EIT")	中國企業所得稅（「企業所得稅」）	1,245	1,141
United States Federal corporate income tax	美國聯邦企業所得稅	15	19
		4,836	5,135
Deferred tax charged for the year (note 30)	本年度遞延稅項開支（附註30）	—	14
		4,836	5,149

(i) British Virgin Islands ("BVI") and the Cayman Islands income tax

Pursuant to the rules and regulations of the BVI and the Cayman Islands, the Group is not subject to any taxation under these jurisdictions during the year (2012: nil).

(ii) Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% (2012: 16.5%) on the estimated assessable profits for the year for a subsidiary incorporated in Hong Kong.

(i) 英屬維爾京群島（「英屬維爾京群島」）及開曼群島所得稅

根據英屬維爾京群島及開曼群島的規則和法例，本集團於年內毋須繳納該等司法權區下的任何稅項（二零一二年：無）。

(ii) 香港利得稅

香港利得稅按本年度在香港註冊成立的附屬公司的估計應課稅溢利的16.5%（二零一二年：16.5%）計算。

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13. INCOME TAX EXPENSE (Continued)**(iii) PRC EIT**

PRC EIT is provided at 25% (2012: 25%) on the estimated assessable profits for the year for a subsidiary in the PRC.

(iv) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the new Corporate Income Tax Law issued on 6 December 2007, a 10% withholding income tax is levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends coming from the profits generated by the PRC companies after 1 January 2008 are subject to this withholding income tax. The withholding income tax rate applicable to the Group is 5% (2012: 5%).

(v) United States Federal corporate income tax

United States Federal corporate income tax is calculated at 15% (2012: 15%) for the year on the estimated assessable profits for a subsidiary incorporated in the USA.

A reconciliation of income tax expense applicable to profit before income tax at the statutory tax rate to the income tax expense at the effective tax rate is as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	18,365	28,301
Tax calculated at the rates applicable to profits in the tax jurisdiction concerned	以適用於有關稅務司法權區溢利的稅率計算的稅項	4,772	4,824
Tax effect of non-deductible expenses	不能扣稅開支的稅務影響	79	337
Others	其他	(15)	(12)
Income tax expense	所得稅開支	4,836	5,149

13. 所得稅開支 (續)**(iii) 中國企業所得稅**

中國企業所得稅乃按中國附屬公司本年度的估計應課稅溢利的25% (二零一二年：25%) 計提撥備。

(iv) 中國預扣所得稅

根據於二零零七年十二月六日頒佈的新企業所得稅法實施條例，自二零零八年一月一日起，將對在中國成立的公司向其海外投資者宣派的股息徵收10%的預扣所得稅。於二零零八年一月一日後中國公司產生溢利帶來的股息須繳納預扣所得稅。本集團適用的預扣所得稅率為5% (二零一二年：5%)。

(v) 美國聯邦企業所得稅

本年度，美國聯邦企業所得稅按於美國註冊成立的附屬公司的估計應課稅溢利的15% (二零一二年：15%) 計算。

按法定稅率計算對除所得稅前溢利適用的所得稅開支，與按實際稅率釐定的所得稅開支的對賬如下：

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14. LOSS ATTRIBUTABLE TO SHAREHOLDERS

During the year, loss attributable to shareholders includes an amount of HK\$11,011,000 (2012: nil) which has been dealt with in the financial statements of the Company.

15. DIVIDENDS

(a) Dividend payable to the owners of the Company attributable to the year:

No dividend was paid or proposed to the owners of the Company during the year, nor has any dividend been proposed since the end of reporting period and up to the date of this report.

(b) Dividends declared and paid to the then owners of a subsidiary of the Group prior to the completion of the Reorganisation:

During the year ended 31 December 2012, a subsidiary of the Group declared and paid interim dividends of HK\$2.76 per ordinary share (totaling HK\$8,286,000) to its then owners prior to the completion of the Reorganisation.

During the year ended 31 December 2013, a subsidiary of the Group declared and paid interim dividends of HK\$0.13 per ordinary share (totaling HK\$390,000) and special dividends of HK\$6.67 per ordinary share (totaling HK\$20,000,000) to its then owners prior to the completion of the Reorganisation.

14. 股東應佔虧損

於年內，股東應佔虧損包括 11,011,000 港元（二零一二年：無），其已於本公司之財務報表中處理。

15. 股息

(a) 本年度應付本公司擁有人的股息：

概無股息於年內已付或擬派予本公司擁有人，自報告期末起至本報告日期亦無擬派任何股息。

(b) 於重組完成前宣派及派付予本集團附屬公司的當時擁有人的股息：

於截至二零一二年十二月三十一日止年度，本集團附屬公司於重組完成前向其當時擁有人宣派及派付中期股息每股普通股 2.76 港元（總計 8,286,000 港元）。

於截至二零一三年十二月三十一日止年度，本集團附屬公司於重組完成前向其當時擁有人宣派及派付中期股息每股普通股 0.13 港元（總計 390,000 港元）及特別股息每股普通股 6.67 港元（總計 20,000,000 港元）。

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16. EARNINGS PER SHARE

The calculations of basic earnings per share are based on the profit for the year attributable to the owners of the Company of approximately HK\$13,529,000 (2012: HK\$23,152,000) and the weighted average of 461,918,000 (2012: 450,000,000) shares in issue during the year.

The number of shares used to calculate the basic earnings per share for the year ended 31 December 2012 represents the number of shares of the Company immediately prior to the listing of the Company's shares on the GEM as if the shares had been in issue throughout the year ended 31 December 2012.

The weighted average number of shares used to calculate the basic earnings per share for the year ended 31 December 2013 includes the weighted average of 11,918,000 shares issued upon the placing of the Company's shares on 3 December 2013, in addition to the aforementioned 450,000,000 shares used in the calculation of basic earnings per share for the year ended 31 December 2012.

Diluted earnings per share were same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the years.

16. 每股盈利

每股基本盈利乃根據本公司擁有人應佔年度溢利約13,529,000港元（二零一二年：23,152,000港元）及年內已發行股份的加權平均數461,918,000股（二零一二年：450,000,000股）計算。

用於計算截至二零一二年十二月三十一日止年度的每股基本盈利的股份數目相當於本公司緊隨本公司股份於創業板上市前本公司的股份數目，猶如該等股份已於截至二零一二年十二月三十一日止整個年度已發行。

用於計算截至二零一三年十二月三十一日止年度的每股基本盈利的加權平均股份數目包括於二零一三年十二月三日配售本公司股份時已發行的11,918,000股股份的加權平均數，惟計算截至二零一二年十二月三十一日止年度的每股基本盈利所用的上述450,000,000股股份除外。

因為於年內並無任何潛在可攤薄普通股，故每股攤薄盈利等同每股基本盈利。

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17. PROPERTY, PLANT AND EQUIPMENT – GROUP

17. 物業、廠房及設備 – 本集團

		Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	機器	傢俬、裝置及辦公室設備	汽車	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
At 1 January 2012	於二零一二年一月一日						
Cost	成本	17,113	5,828	3,309	7,808	1,364	35,422
Accumulated depreciation	累計折舊	(3,170)	(4,058)	(1,162)	(5,519)	(663)	(14,572)
Net carrying amount	賬面淨值	13,943	1,770	2,147	2,289	701	20,850
Year ended 31 December 2012	截至二零一二年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	13,943	1,770	2,147	2,289	701	20,850
Additions	添置	-	-	274	339	-	613
Disposals	出售	-	-	(5)	-	-	(5)
Depreciation	折舊	(780)	(1,024)	(313)	(927)	(183)	(3,227)
Exchange differences	匯兌差額	106	9	17	5	5	142
Closing carrying amount	期末賬面淨值	13,269	755	2,120	1,706	523	18,373
At 31 December 2012 and 1 January 2013	於二零一二年十二月三十一日及二零一三年一月一日						
Cost	成本	17,247	5,867	3,586	8,172	1,072	35,944
Accumulated depreciation	累計折舊	(3,978)	(5,112)	(1,466)	(6,466)	(549)	(17,571)
Net carrying amount	賬面淨值	13,269	755	2,120	1,706	523	18,373
Year ended 31 December 2013	截至二零一三年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	13,269	755	2,120	1,706	523	18,373
Additions	添置	-	-	426	435	417	1,278
Disposals	出售	-	-	(21)	(9)	(15)	(45)
Depreciation	折舊	(784)	(689)	(328)	(652)	(215)	(2,668)
Exchange differences	匯兌差額	261	7	43	9	12	332
Closing carrying amount	期末賬面淨值	12,746	73	2,240	1,489	722	17,270
At 31 December 2013	於二零一三年十二月三十一日						
Cost	成本	17,597	5,967	3,948	8,579	1,363	37,454
Accumulated depreciation	累計折舊	(4,851)	(5,894)	(1,708)	(7,090)	(641)	(20,184)
Net carrying amount	賬面淨值	12,746	73	2,240	1,489	722	17,270

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17. PROPERTY, PLANT AND EQUIPMENT – GROUP*(Continued)*

At 31 December 2013, the Group's buildings were situated in the PRC and were held under medium-term (2012: medium-term) leases.

At 31 December 2013, the Group's buildings with carrying amounts of approximately HK\$6,800,000 (2012: nil) were pledged for interest-bearing borrowings of approximately HK\$64,000 (2012: nil) (note 29(b)).

At 31 December 2013, the Group's obligations under finance leases (note 33(a)) were secured by the lessors' title to the leased assets, which have carrying amounts of approximately HK\$379,000 (2012: HK\$607,000).

17. 物業、廠房及設備 – 本集團 (續)

於二零一三年十二月三十一日，本集團的樓宇位於中國，以中期租約（二零一二年：中期租約）持有。

於二零一三年十二月三十一日，賬面值約6,800,000港元（二零一二年：無）的本集團的樓宇已被抵押，換取計息借貸約64,000港元（二零一二年：無）（附註29(b)）。

於二零一三年十二月三十一日，本集團的融資租約承擔（附註33(a)）以出租人對租賃資產之擁有權為擔保，其賬面值分別為約379,000港元（二零一二年：607,000港元）。

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18. PAYMENTS FOR LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASES – GROUP

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Carrying amount at 1 January	於一月一日賬面值	2,194	2,230
Amortisation	攤銷	(54)	(54)
Exchange differences	匯兌差額	43	18
Carrying amount at 31 December	於十二月三十一日的賬面值	2,183	2,194
Less: Current portion (note 22)	減：即期部分（附註22）	(54)	(54)
Non-current portion	非即期部分	2,129	2,140

At 31 December 2013, the Group's payments for leasehold land held for own use under operating leases in the PRC were under medium-term (2012: medium-term) leases.

At 31 December 2013, the Group's payments for leasehold land held for own use under operating leases amount of approximately HK\$2,183,000 (2012: nil) were pledged for interest-bearing borrowings of approximately HK\$64,000 (2012: nil) (note 29(b)).

19. INTERESTS IN SUBSIDIARIES – COMPANY

		2013 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	63,603

18. 於經營租約下持作自用的租賃土地付款－本集團

於二零一三年十二月三十一日，本集團在中國於經營租約下持作自用的租賃土地付款，以中期租約（二零一二年：中期租約）訂立。

於二零一三年十二月三十一日，本集團於經營租約下持作自用的租賃土地付款約2,183,000港元（二零一二年：無）已被抵押，換取計息借貸約64,000港元（二零一二年：無）（附註29(b)）。

19. 於附屬公司的權益－本公司

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19. INTERESTS IN SUBSIDIARIES – COMPANY*(Continued)*

At 31 December 2013, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies with limited liability, the particulars of which are set out as follows:

Name 名稱	Place/country of incorporation/ establishment 註冊成立/ 成立的地點/國家	Particulars of issued paid-in capital 已發行及 已繳股本詳情	Effective interest held by the Company 本公司持有的 實際權益		Place of operation and principal activities 營業地點及主要業務
			direct 直接	indirect 間接	
Great Entrepreneur Investments Limited ("Great Entrepreneur") Great Entrepreneur Investments Limited ("Great Entrepreneur")	BVI 英屬維爾京群島	4 ordinary shares of United States dollar ("US\$") 1 each 4股每股面值1美元(「美元」) 的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Transformed Holdings Limited ("Transformed Holdings") Transformed Holdings Limited ("Transformed Holdings")	BVI 英屬維爾京群島	4 ordinary shares of US\$1 each 4股每股面值1美元的 普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Runway Global Limited ("Runway HK") 時尚環球有限公司 ("時尚香港")	Hong Kong 香港	3,000,000 ordinary shares of HK\$1 each 3,000,000股每股面值1港元的 普通股	–	100%	Investment holding and trading of apparels in Hong Kong 於香港投資控股及成衣貿易
Jiaxing Runway Global Garment Limited 時尚環球服飾(嘉興) 有限公司	PRC 中國	US\$2,000,000 2,000,000美元	–	100%	Manufacturing and trading of apparels in the PRC 於中國成衣製造及貿易
Runway Fashions, Inc. ("Runway US") Runway Fashions, Inc. ("時尚美國")	USA 美國	1,000 ordinary shares of US\$1 each 1,000股每股面值1美元的 普通股	–	100%	Provision of designing, marketing and advertising services in the USA 於美國提供設計、 市場營銷及廣告服務

Balance with subsidiaries were unsecured, interest free and repayable on demand.

19. 於附屬公司的權益 – 本公司 (續)

於二零一三年十二月三十一日，本公司於下列附屬公司中擁有直接或間接權益，而所有該等附屬公司均為私人有限公司，有關詳情載列如下：

關於附屬公司的結餘均為無抵押、免息及按要求償還。

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20. INVENTORIES – GROUP

		2013	2012
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials and consumables	原料及耗材	5,383	8,983
Work in progress	在製品	2,171	813
Finished goods	製成品	10,932	17,479
		18,486	27,275

20. 存貨 – 本集團

21. TRADE AND BILL RECEIVABLES – GROUP

		2013	2012
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收款項	71,048	41,583
Bill receivables	應收票據	6,587	7,992
		77,635	49,575

21. 貿易應收款項及應收票據 – 本集團

Trade receivables are recognised at their original invoice amounts which represented their fair values at initial recognition. The Group's trade receivables are attributable to a number of independent customers with credit terms. Bill receivables are received from independent customers under the ordinary course of business. The Group normally allows a credit period of 10 to 60 days (2012: 10 to 60 days) to its customers.

Trade and bill receivables are non-interest bearing. The directors of the Company consider that the fair values of trade and bill receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods at their inception.

貿易應收款項按原發票值確認，即該等貿易應收款項於初步確認時的公平值。本集團的貿易應收款項歸於多個具備信貸期的獨立客戶。應收票據為於日常業務過程中自獨立客戶收取。本集團通常准許其客戶介乎10至60天（二零一二年：10至60天）的信貸期。

貿易應收款項及應收票據不計息。本公司董事認為，貿易應收款項及應收票據（預料會在一年內收回）的公平值，與其賬面值並無重大差別，因為此等結餘肇始時的期限很短。

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21. TRADE AND BILL RECEIVABLES – GROUP (Continued)

Ageing analysis of trade receivables based on invoice date is as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
0 to 30 days	0 至 30 日	11,606	8,334
31 to 60 days	31 至 60 日	34,529	20,065
61 to 90 days	61 至 90 日	22,364	9,208
91 to 180 days	91 至 180 日	2,412	3,881
Over 180 days	超過 180 日	137	95
		71,048	41,583

At the reporting date, the Group reviewed trade receivables for evidence of impairment on both individual and collective basis. The Group recognised impairment loss on individual assessment based on the accounting policy stated in note 4.7(ii). The Group did not hold any collateral as security over the trade receivables. However, the Group has entered into arrangements with a financial institution in the USA and a bank in Hong Kong (which in turn entered into certain arrangement with an insurance company in this connection) which offered trade receivable credit protection arrangement against the Group's trade receivables for certain major customers. As at 31 December 2013, trade receivables of approximately HK\$18,795,000 (2012: HK\$14,536,000) were under such arrangements of which if the Group ultimately becomes unable to collect the trade receivables, the Group will be entitled to receive compensation for the trade receivables from the financial institution or the bank.

21. 貿易應收款項及應收票據 – 本集團 (續)

根據發票日期的貿易應收款項賬齡分析如下：

於報告日期，本集團按個別和集體基準審視貿易應收款項，以查明是否有任何減值的憑據。本集團根據附註 4.7(ii) 所述的會計政策，按個別評估方式確認減值虧損。本集團並無就貿易應收款項持有任何抵押品。然而，本集團已與美國一家金融機構及香港一家銀行訂立安排（而該金融機構及銀行則就此與保險公司訂立若干安排），就若干主要客戶而言為本集團的貿易應收款項提供貿易應收款項信用保障。於二零一三年十二月三十一日，約 18,795,000 港元（二零一二年：14,536,000 港元）的貿易應收款項受到有關安排保障，據此，如本集團最終未能收回貿易應收款項，本集團將有權獲該金融機構或銀行就有關貿易應收款項給予賠償。

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21. TRADE AND BILL RECEIVABLES – GROUP (Continued)

Ageing analysis of trade receivables that were not impaired and based on due dates is as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦無減值	39,134	23,835
Not more than 90 days past due	逾期不超過90日	31,557	17,652
91 days to not more than 180 days past due	逾期91日至不超過180日	265	1
181 days to not more than 1 year past due	逾期181日至不超過一年	19	–
More than 1 year past due	逾期超過一年	73	95
		71,048	41,583

Trade receivables which were neither past due nor impaired related to customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that had a good track record of credit with the Group. Based on past credit history, the directors of the Company believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable.

21. 貿易應收款項及應收票據 – 本集團 (續)

並無減值及根據到期日的貿易應收款項賬齡分析如下：

既未逾期亦無減值的貿易應收款項涉及的客戶，均並無近期拖欠付款的記錄。

逾期但未減值的貿易應收款項所涉及的幾位客戶，在本集團均具有良好信用記錄。根據信用歷史，本公司董事認為毋須就此等結餘作出減值撥備，原因為信貸質素並無出現重大變動，而有關結餘仍被視為可全數收回。

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22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES – GROUP AND COMPANY**22. 按金、預付款及其他應收款項 – 本集團及本公司**

		The Group 本集團		The Company 本公司
		2013 HK\$'000 千港元	2012 HK\$'000 千港元	2013 HK\$'000 千港元
Other receivables, gross	其他應收款項，總額	18,323	11,751	–
Less: Provision for impairment losses	減：減值虧損撥備	(1,918)	(1,918)	–
Other receivables, net	其他應收款項，淨額	16,405	9,833	–
Deposits	按金	1,870	1,917	–
Prepayments	預付款	1,248	1,392	230
Payments for leasehold land held for own use under operating leases	於經營租約下持作自用的租賃土地付款	54	54	–
		19,577	13,196	230

Other receivables that were neither past due nor impaired related to counterparties for whom there was no recent history of default. The directors of the Company consider that other receivables that were neither past due nor impaired at the reporting date under review are of good credit quality.

既未逾期亦無減值其他應收款項涉及的交易對手，均並無近期拖欠付款的記錄。本公司董事認為，該等既未逾期亦無減值的其他應收款項，於所回顧的報告日期均具備良好信貸質素。

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22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES – GROUP AND COMPANY (Continued)

Movement in the provision for impairment of other receivables is as follows:

	2013 HK\$'000 千港元	2012 HK\$'000 千港元
At 1 January and 31 December 於一月一日及十二月三十一日	1,918	1,918

The directors of the Company consider that the fair values of other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods at their inception.

23. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP

The Group uses foreign exchange structured forward contracts to mitigate exchange rate exposure of US\$ and Renminbi (“RMB”) against HK\$. The foreign exchange structured forward contracts are stated at fair value. During the year ended 31 December 2013, net fair value gain of approximately HK\$1,322,000 (2012: HK\$2,332,000) was recognised and included in “changes in fair value of derivative financial instruments” in the consolidated statement of comprehensive income.

Normally, derivative financial instruments contracts entered into by the Group are not traded on active markets. The fair values of such contracts are determined by a firm of independent professional valuers. The valuation is based on the underlying conditions in the contracts and the market information at the valuation dates.

22. 按金、預付款及其他應收款項 – 本集團及本公司 (續)

其他應收款項減值撥備的變動如下：

本公司董事認為，其他應收款項（預料會在一年內收回）的公平值，與賬面值並無重大差別，因為此等結餘肇始時的期限很短。

23. 衍生金融工具 – 本集團

本集團使用外幣結構性遠期合約以減低美元及人民幣（「人民幣」）兌港元的匯率風險。外幣結構性遠期合約按公平值列賬。於截至二零一三年十二月三十一日止年度，已確認淨公平值增益分別約1,322,000港元（二零一二年：2,332,000港元），其已計入綜合全面收益表下的「衍生金融工具的公平值變動」內。

本集團訂立的衍生金融工具合約一般沒有在活躍的市場買賣。該等合約的公平值由一家獨立專業估值公司釐定。估值是根據合約的基本狀況及估值日期的市場資訊進行。

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23. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP*(Continued)*

During the year ended 31 December 2012, an independent professional valuer compared the spot rate with the rate specified in the structured forward contracts and determined the calculation as specified in the structured forward contracts. The independent professional valuers calculated the net cashflow of the structured forward contracts for each trade date interval, assessed the present value of net cashflow for each trade date interval and derived the market value of the structured forward contracts as at the valuation dates. The valuation of the structured forward contracts required consideration of all pertinent factors affecting the underlying value of the Group, which are the operations of its business and ability to generate future investment returns. The factors considered in the valuation including but not limited to the history of the Group, the nature and the performance of the Group's business, the economic and industry outlooks affecting the Group's business, the historical data of the foreign exchange market, the risks facing by the Group and the historical exchange rates. The independent professional valuers assumed that there will be no material changes from political, legal, economic or financial aspects in the jurisdiction and no substantial market fluctuation in the industry, current interest rates and foreign currency rates in the jurisdiction which the Group currently runs or intends to run its business which will materially affect the revenue attributable to the Group.

As at 31 December 2013, an independent professional valuer has estimated the forward rates based on historical spot rate and other market available information, compared with the rates specified in the structured forward contracts and determined the payoff according to the terms and conditions in the structured forward contracts. The future spot rate is affected by many factors including interest rates from markets of which the currencies are in interest, the directors believe that Monte-Carlo simulation process more effectively demonstrates the fair value measurement of derivative financial instruments. The independent professional valuer also calculated the net cashflow of the structured forward contracts for each settlement date, assessed the present value of net cashflow for each settlement date and derived the fair values of the structured forward contracts as at the valuation dates. The directors consider that the change in valuation technique does not have material impact on the fair value measurements of the derivative financial instruments.

This valuation approach maximises the use of observable market inputs, including foreign currency rates and interest rates.

23. 衍生金融工具 – 本集團*(續)*

於截至二零一二年十二月三十一日止年度，獨立專業估值師對現價與結構性遠期合約上所註明的價格作一比較，並就結構性遠期合約內指定的計算法加以評定。獨立專業估值師計算每一交易日期間隔時段的結構性遠期合約淨現金流，評估每一交易日期間隔時段淨現金流的現值，並計算出結構性遠期合約於估值日期的市值。對結構性遠期合約估值，需考慮一切影響本集團基礎價值 – 即業務的營運和將來產生投資回報能力的相關因素。估值所考慮的因素包括但不限於本集團的歷史沿革、本集團業務的性質和表現、對本集團業務有影響的經濟和行業前景、外匯市場的以往數據、本集團正面對的風險，及過往匯率。獨立專業估值師已假設，有關司法權區在政治、法制、經濟或財政方面不會有重大變化，而本集團現於當地經營或有意經營業務的該等司法權區的行業、現行利率及匯率亦不會有重大市場波動，致使本集團所享收入受到嚴重影響。

於二零一三年十二月三十一日，獨立專業估值師已根據歷史現貨匯率及其他市場可得資料評估遠期利率，並對比結構性遠期合約中訂明之利率及根據結構性遠期合約中的條款及條件釐定收益。遠期利率受多個因素影響（包括該貨幣的市場利息利率），董事認為 Monte-Carlo 模擬法會更有效地顯示衍生金融工具之公平值計量。獨立專業估值師亦計算結構性遠期合約於各結算日期之淨現金流量、評估結構性遠期合約各結算日期之淨現金流量現值以及結構性遠期合約於估值日期產生之公平值。董事認為估值技術變動並不會對衍生金融工具之公平值計量造成重大影響。

估值方法已在最大限度使用可觀察的市場數據，包括外幣匯率和利率。

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24. PLEDGED BANK DEPOSITS – GROUP

At 31 December 2013, pledged bank deposits represented deposits pledged to certain banks as securities for bill payables (note 26) and interest-bearing borrowings of the Group (note 29(a)) (2012: bill payables).

At 31 December 2013, pledged bank deposits carried interest at average market rates ranged from 0.3% to 2.8% (2012: 0.3% to 2.8%) per annum and will be released upon the completion of bill payables transactions and settlement of interest-bearing borrowings. The carrying amount of the Group's pledged bank deposits are denominated in HK\$ and RMB.

25. CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

Cash and cash equivalents represented cash at banks and in hand. Cash at banks carried interest at average market rates based on daily bank deposit rates. The bank balances were deposited with creditworthy banks with no recent history of default.

As at 31 December 2013, the Group had cash and cash equivalents and pledged bank deposits denominated in RMB amounting to approximately HK\$7,567,000 (2012: HK\$5,755,000) which were placed with certain banks in the PRC. RMB is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

24. 已抵押銀行存款－本集團

於二零一三年十二月三十一日，已抵押銀行存款指已抵押予若干銀行，作為本集團的應付票據（附註26）及計息借貸（附註29(a)）（二零一二年：應付票據）抵押品的存款。

於二零一三年十二月三十一日，已抵押銀行存款以市場平均利率每年介乎0.3%至2.8%（二零一二年：0.3%至2.8%）計息，將於應付票據交易完成及計息借貸結付時獲解除抵押。本集團已抵押銀行存款的賬面值以港元及人民幣列賬。

25. 現金及現金等值項目－本集團及本公司

現金及現金等值項目指存入銀行和手頭的現金。存入銀行的現金按銀行每日存款利率的市場平均水平計算利息。銀行結存均存於信用良好及並無近期拖欠付款記錄的銀行。

於二零一三年十二月三十一日，本集團的現金及現金等值項目以及以人民幣計價的已抵押銀行存款約為7,567,000港元（二零一二年：5,755,000港元），存到中國境內的若干銀行。人民幣不能自由兌換其他貨幣，從中國匯款到境外亦受到中國政府的外匯管制措施規限。根據中國的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過有權進行外匯業務的銀行將人民幣兌換為其他貨幣。

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26. TRADE AND BILL PAYABLES – GROUP

26. 貿易應付款項及應付票據 – 本集團

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Trade payables	貿易應付款項	58,634	63,120
Bill payables	應付票據	14,078	10,311
		72,712	73,431

Credit periods of trade payables normally granted by its suppliers were ranging from 15 to 120 days (2012: from 15 to 120 days).

供應商給予本集團貿易應付款項的信貸期一般介乎15到120天(二零一二年:15到120天)。

Ageing analysis of trade payables based on invoice date is as follows:

根據發票日期的貿易應付款項賬齡分析如下:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
0 to 30 days	0至30日	15,910	18,803
31 to 60 days	31至60日	21,228	11,678
61 to 90 days	61至90日	9,154	4,585
91 to 180 days	91至180日	11,215	13,251
Over 180 days	超過180日	1,127	14,803
		58,634	63,120

Bill payables are normally settled on 180 (2012: 180) days' credit terms. Bill payables were secured by the Group's pledged bank deposits (note 24).

應付票據通常按180天(二零一二年:180天)的信貸期結付。應付票據以本集團的已抵押銀行存款(附註24)擔保。

All amounts are short-term and hence the carrying amounts of trade and bill payables are considered to be a reasonable approximation of their fair values.

所有款項均屬短期性質，因此貿易應付款項及應付票據的賬面值被認為與其公平值合理相若。

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27. ACCRUALS, OTHER PAYABLES AND RECEIPTS IN ADVANCE – GROUP AND COMPANY

27. 預提費用、其他應付款項及預收款項 – 本集團及本公司

		The Group 本集團		The Company 本公司
		2013 HK\$'000 千港元	2012 HK\$'000 千港元	2013 HK\$'000 千港元
Accruals	預提費用	4,576	5,461	–
Other payables	其他應付款項	11,770	11,384	342
Receipts in advance	預收款項	832	4,054	–
		17,178	20,899	342

The carrying amounts of accruals and other payables are short-term and hence their carrying values are considered to be a reasonable approximation of their fair values.

預提費用及其他應付款項賬面值均屬短期性質，因此其賬面值被認為與公平值合理相若。

28. AMOUNTS DUE TO DIRECTORS – GROUP

Amounts due to directors were unsecured, interest-free and repayable on demand. The balances have been settled after the Listing.

28. 應付董事款項 – 本集團

應付董事款項為無抵押、免息及應按要求償還。有關結餘已於上市後結算。

29. INTEREST-BEARING BORROWINGS – GROUP

29. 計息借貸 – 本集團

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Current portion:	即期部分：		
Bank loans, secured and guaranteed (note (a))	銀行貸款，有抵押及擔保（附註(a)）	515	–
Bank loans, secured (note (b))	銀行貸款，有抵押（附註(b)）	64	–
Bank loans, guaranteed (note (c))	銀行貸款，有擔保（附註(c)）	8,567	1,828
		9,146	1,828
Obligations under finance leases, secured (note 33(a))	融資租賃承擔，有抵押（附註33(a)）	246	232
		9,392	2,060
Non-current portion:	非即期部分：		
Obligations under finance leases, secured (note 33(a))	融資租賃承擔，有抵押（附註33(a)）	172	418
		9,564	2,478

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29. INTEREST-BEARING BORROWINGS – GROUP*(Continued)*

Notes:

- (a) The bank loans were secured by pledged bank deposits with carrying values of approximately HK\$2,101,000 (2012: nil) (note 24) and personal guarantees by the directors of the Company. The personal guarantees will be subsequently replaced by corporate guarantee of the Company after the date of this report.
- (b) The bank loans were secured by the Group's buildings (note 17) and payments for leasehold land held for own use under operating leases (note 18).
- (c) As at 31 December 2013, the bank loans were secured by personal guarantees by the directors of the Company, the Special Loan Guarantee Scheme executed by the Government of Hong Kong Special Administrative Region ("HKSAR") and/or SME Financing Guarantee Scheme executed by the Hong Kong Mortgage Corporation Limited (2012: personal guarantees by the directors of the Company and the Special Loan Guarantee Scheme executed by the Government of HKSAR). The personal guarantees will be subsequently replaced by corporate guarantee of the Company after the date of this report.

As at 31 December 2013, the current liabilities included interest-bearing borrowings of approximately HK\$2,022,000 (2012: HK\$752,000) that were not scheduled to repay within one year. They are classified as current liabilities as the related loan agreements contain a clause that provides the lenders with an unconditional right to demand repayment at any time at its own discretion. None of the portion of these interest-bearing borrowings due for repayment after one year which contain a repayment on demand clause and that is classified as current liabilities is expected to be settled within one year.

29. 計息借貸 – 本集團 (續)

附註：

- (a) 該等銀行貸款已獲已抵押銀行存款賬面值約2,101,000港元(二零一二年：無)(附註24)及本公司董事的個人擔保提供保證。個人擔保將已於本報告日期後被本公司的公司擔保取代。
- (b) 該等銀行貸款已獲本集團的樓宇(附註17)及於經營租約下持作自用的租賃土地付款(附註18)提供保證。
- (c) 於二零一三年十二月三十一日，該等銀行貸款獲本公司董事個人擔保、香港特別行政區(「香港特區」)政府實施的特別信貸保證計劃及／或香港按揭證券有限公司實施的中小企融資擔保計劃(二零一二年：本公司董事個人擔保及香港特區政府實施的特別信貸保證計劃)提供保證。個人擔保將已於本報告日期後被本公司的公司擔保取代。

於二零一三年十二月三十一日，流動負債包括並非預定於一年內償還之計息借貸約2,022,000港元(二零一二年：752,000港元)。該等借貸分類為流動負債，原因為有關貸款協議載有條款，讓借款人擁有無條件權利，可隨時酌情要求還款。須於一年後償還之此等計息借貸(設有要求還款條款)及分類為流動負債之此等計息借貸概無任何部分須於一年內結付。

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29. INTEREST-BEARING BORROWINGS – GROUP

(Continued)

Total current and non-current interest-bearing borrowings were scheduled to repay as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Within one year	一年內	7,370	1,308
More than one year, but not exceeding two years	一年後但不超過兩年	2,194	998
More than two years, but not exceeding five years	兩年後但不超過五年	–	172
		9,564	2,478

Note: The amounts due are based on the scheduled repayment dates in the banking facilities and ignore the effect of any repayment on demand clause.

The interest-bearing borrowings carried interest at rates per annum ranging as follows:

		2013	2012
Fixed-rate borrowings	定息借貸	6.0% to 6.2%	6.0%
Variable-rate borrowings: – Prime/standard rate of the banks	浮息借貸： – 銀行最優惠／標準息率	2.8% to 5.3%	5.8%

29. 計息借貸 – 本集團 (續)

即期及非即期計息借貸總額之預定還款日期載列如下：

附註：結欠款項乃基於銀行融資之預定還款日期，並無考慮任何要求還款條款之影響。

計息借貸之年息率範圍載列如下：

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30. DEFERRED TAX – GROUP

Details of the deferred tax liabilities of the Group recognised and movements are as follows:

	Accelerated depreciation
	加速折舊
	HK\$'000
	千港元
At 1 January 2012	14
Deferred taxation charged to profit or loss (note 13)	(14)
At 31 December 2012, 1 January 2013 and 31 December 2013	-

As at 31 December 2013, the aggregate amount of temporary differences associated with the PRC subsidiary's undistributed retained earnings for which deferred tax liabilities have not been recognised are approximately HK\$10,309,000 (2012: HK\$6,015,000). No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the dividend policies of this subsidiary and it is probable that such differences will not be reversed in the foreseeable future.

The Group has estimated unrecognised tax losses of approximately HK\$73,000 (2012: nil) arising in Hong Kong available to carry forward against future taxable income. No deferred tax assets are recognised for tax losses carried forward by the Company as it is not considered probable that taxable profits will be available against which the tax losses can be utilised. These tax losses have no expiry date.

30. 遞延稅項 – 本集團

已確認的本集團遞延稅項負債及於有關期間的變動詳情如下：

於二零一三年十二月三十一日，與中國附屬公司的未分派保留盈利相關的暫時差異總額，其尚未確認任何遞延稅項負債者，約為10,309,000港元（二零一二年：6,015,000港元）。就此等差額並無確認遞延稅項負債，原因是本集團身居可控制此附屬公司股息政策的地位，而有關差異在可見將來很可能不會撥回。

本集團已估計產生於香港之未確認稅項虧損約73,000港元（二零一二年：無），可結轉用以抵銷未來應課稅收入。就結轉稅項虧損而言，本公司並無確認遞延稅項資產，乃由於本公司認為將不可能產生應課稅溢利以抵銷稅項虧損。該等稅項虧損並無到期日。

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31. SHARE CAPITAL

The Group

The share capital balance in the consolidated statement of financial position as at 1 January 2012 and 31 December 2012 represented the issued share capital of Runway HK and Runway US.

The Company

31. 股本

本集團

於二零一二年一月一日及二零一二年十二月三十一日之綜合財務狀況表中之股本結餘指時尚香港及時尚美國之已發行股本。

本公司

		Number of shares 股份數目	Nominal value of ordinary shares 普通股面值 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each At 19 June 2013 (date of incorporation) (note (a))	每股面值0.01港元的普通股 於二零一三年六月十九日 (註冊成立日期)(附註(a))	38,000,000	380
Increase in share capital on 22 November 2013 (note (b))	於二零一三年十一月二十二日 股本增加(附註(b))	9,962,000,000	99,620
At 31 December 2013	於二零一三年十二月三十一日	10,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.01 each At 19 June 2013 (date of incorporation)	每股面值0.01港元的普通股 於二零一三年六月十九日 (註冊成立日期)	-	-
Issuance of shares upon incorporation (note (a))	於註冊成立時發行股份(附註(a))	2	-
Issuance of shares upon the Reorganisation (note (c))	於重組時發行股份(附註(c))	1,999,998	20
Capitalisation issue (note (d))	資本化發行(附註(d))	448,000,000	4,480
Issuance of shares upon placing (note (e))	於配售時發行股份(附註(e))	150,000,000	1,500
At 31 December 2013	於二零一三年十二月三十一日	600,000,000	6,000

Notes to the Financial Statements 財務報表附註

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31. SHARE CAPITAL (Continued)**The Company** (Continued)

Notes:

- (a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 June 2013. As at the date of incorporation, the Company had an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of par value of HK\$0.01 each. On the same date, 1 ordinary share of the Company was allotted and issued nil paid was transferred to All Divine Limited ("All Divine") and Fortune Zone Global Limited ("Fortune Zone") respectively at nil consideration.
- (b) Pursuant to a written resolution passed on 22 November 2013, the authorised share capital was increased from HK\$380,000 to HK\$100,000,000 by creation of an additional 9,962,000,000 ordinary shares of par value of HK\$0.01 each.
- (c) On 22 November 2013, the Company acquired the entire issued share capital of Great Entrepreneur from Mr. Tien and Mr. Gozashti. In exchange, the Company allotted and issued 500,000 shares to each of All Divine and Fortune Zone credited as fully paid under the instructions of Mr. Tien and Mr. Gozashti respectively.

On the same date, the Company acquired the entire issued share capital of Transformed Holdings from Mr. Tien and Mr. Gozashti. In exchange, the Company allotted and issued 499,999 shares, credited as fully paid, to each of All Divine and Fortune Zone and credited as fully paid at par the 1 nil paid share held by each of All Divine and Fortune Zone under the instructions of Mr. Tien and Mr. Gozashti respectively.

- (d) On 3 December 2013, 448,000,000 ordinary shares were allotted and issued at par value of HK\$0.01 each to All Divine and Fortune Zone as fully paid at par by way of capitalisation of the sum of HK\$4,480,000 debited to the share premium account.
- (e) Pursuant to the share placing on 3 December 2013, 150,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.35 per share for a total consideration (before expenses) of approximately HK\$52,500,000. Accordingly, the Company's share capital increased by HK\$1,500,000 and the balance of the proceeds of approximately HK\$45,170,000, after deducting the listing expenses of approximately HK\$5,830,000, was credited to the share premium account.

31. 股本 (續)**本公司** (續)

附註：

- (a) 本公司於二零一三年六月十九日在開曼群島註冊成立為一間獲豁免有限公司。於註冊成立日期，本公司的法定股本為380,000港元，分為38,000,000股每股面值0.01港元的普通股。同日，本公司按零代價分別向All Divine Limited (「All Divine」)及予Fortune Zone Global Limited (「Fortune Zone」)轉讓1股已配發及發行的未繳股款普通股。

- (b) 根據於二零一三年十一月二十二日通過的書面決議案，藉增設9,962,000,000股每股面值0.01港元之普通股，法定股本已由380,000港元增加至100,000,000港元。

- (c) 於二零一三年十一月二十二日，本公司向田先生及Gozashti先生收購Great Entrepreneur的全部已發行股本，並根據田先生及Gozashti先生的指示，分別向All Divine及Fortune Zone各自配發及發行500,000股入賬列作繳足的股份作為交換。

於同日，本公司向田先生及Gozashti先生收購Transformed Holdings的全部已發行股本，並根據田先生及Gozashti先生的指示，分別向All Divine及Fortune Zone各自配發及發行499,999股入賬列作繳足的股份作為交換，並將All Divine及Fortune Zone各自持有的1股未繳股款股份按面值入賬列作繳足。

- (d) 於二零一三年十二月三日，448,000,000股普通股已按每股0.01港元的面值配發及發行予All Divine及Fortune Zone，通過將4,480,000港元的款項撥充資本按面值計入股份溢價賬列為繳足。

- (e) 根據於二零一三年十二月三日進行的股份配售，150,000,000股每股面值0.01港元的普通股已按每股0.35港元的價格發行，總代價(扣除開支前)約為52,500,000港元。因此，本公司的股本增加1,500,000港元，而所得款項餘額約45,170,000港元(經扣除上市開支約5,830,000港元)已計入股份溢價賬。

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32. RESERVES – GROUP AND COMPANY

Details of the movements on the Group's reserves are set out in the consolidated statement of changes in equity. Details of the movements on the Company's reserves are set out below:

The Company

		Share premium	Contributed surplus	Accumulated loss	Total
		股份溢價	繳入盈餘	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(note (a))	(note (c))		
		(附註(a))	(附註(c))		
At 19 June 2013 (date of incorporation)	於二零一三年六月十九日 (註冊成立日期)	-	-	-	-
Loss and total comprehensive income for the year	本年度虧損及全面收入總額	-	-	(11,011)	(11,011)
Arising from the Reorganisation (note 31(c))	來自重組 (附註31(c))	-	63,583	-	63,583
Capitalisation issue (note 31(d))	資本化發行 (附註31(d))	(4,480)	-	-	(4,480)
Issuance of shares upon placing (note 31(e))	於配發時發行股份 (附註31(e))	45,170	-	-	45,170
At 31 December 2013	於二零一三年十二月三十一日	40,690	63,583	(11,011)	93,262

The following describes the nature and purpose of each reserve within owners' equity:

(a) Share premium

Share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

(b) Merger reserve

Merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired by the Company pursuant to the Reorganisation and the nominal value of the shares issued by the Company.

32. 儲備—本集團及本公司

本集團儲備的變動詳情載於綜合權益變動表。本公司儲備的變動詳情載列如下：

本公司

	Share premium	Contributed surplus	Accumulated loss	Total
	股份溢價	繳入盈餘	累計虧損	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
	(note (a))	(note (c))		
	(附註(a))	(附註(c))		
At 19 June 2013 (date of incorporation)	-	-	-	-
Loss and total comprehensive income for the year	-	-	(11,011)	(11,011)
Arising from the Reorganisation (note 31(c))	-	63,583	-	63,583
Capitalisation issue (note 31(d))	(4,480)	-	-	(4,480)
Issuance of shares upon placing (note 31(e))	45,170	-	-	45,170
At 31 December 2013	40,690	63,583	(11,011)	93,262

下文詳述擁有人權益內各項儲備的性質及目的：

(a) 股份溢價

股份溢價指本公司股份面值與發行本公司股份所收取所得款項之間的差額。

(b) 合併儲備

本集團的合併儲備指本公司根據重組所收購附屬公司的股本面值與本公司所發行股份面值之間的差額。

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32. RESERVES – GROUP AND COMPANY (Continued)**(c) Contributed surplus**

Contributed surplus of the Company represents the difference between the net asset value of the subsidiaries acquired pursuant to the Reorganisation and the nominal value of the share issued by the Company in exchange therefor.

(d) Statutory reserve

According to the relevant PRC laws, the subsidiary established in the PRC is required to transfer at least 10% of its net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the subsidiary's registered capital. The transfer of this reserve must be made before the distribution of dividend to the subsidiary's equity owners. The statutory reserve is non-distributable other than upon the liquidation of the subsidiary.

(e) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

33. LEASE COMMITMENTS – GROUP**(a) Finance lease commitments**

The Group leased its office equipment under finance leases with an average lease term of 5 years. The Group's obligation under finance leases are secured by the lessors' title to the leased assets.

Interest rate underlying all obligations under finance leases is fixed at respective contract date at 6% per annum.

32. 儲備 – 本集團及本公司 (續)**(c) 繳入盈餘**

本公司的繳入盈餘指根據重組所收購附屬公司的資產淨值與本公司作其交換所發行股份面值的差額。

(d) 法定儲備

根據相關中國法律，在中國成立的附屬公司須至少將其除稅後純利的10%（根據中國會計規例釐定）撥入法定儲備，直至儲備結餘達到附屬公司註冊資本的50%為止。該儲備的轉撥須在向附屬公司股權擁有人分派股息之前作出。除附屬公司清盤外，法定儲備不得分派。

(e) 換算儲備

換算儲備包括換算功能貨幣有別於本集團呈列貨幣的海外經營業務的財務報表時所產生的全部匯兌差額。

33. 租賃承擔 – 本集團**(a) 融資租賃承擔**

本集團根據融資租賃（平均租賃年期為五年）租賃其辦公室設備。本集團於融資租賃項下之義務由出租人對租賃資產之擁有權作擔保。

所有融資租約承擔之年息率於各個合約日期固定為6%。

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33. LEASE COMMITMENTS – GROUP (Continued)

(a) Finance lease commitments (Continued)

Future minimum rental payables are as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Within one year	一年內	264	264
In the second to fifth years	第二至五年	176	440
		440	704
Less: Future finance charges	減：未來融資費用	(22)	(54)
Present value of minimum lease payments	最低租賃付款現值	418	650

Present value of minimum lease payments included in consolidated statement of financial position is as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Interest-bearing borrowings – Current portion	計息借貸 – 即期部分	246	232
Interest-bearing borrowings – Non-current portion	計息借貸 – 非即期部分	172	418
		418	650

33. 租賃承擔 – 本集團 (續)

(a) 融資租賃承擔 (續)

未來應付最低租金載列如下：

	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Within one year	264	264
In the second to fifth years	176	440
	440	704
Less: Future finance charges	(22)	(54)
Present value of minimum lease payments	418	650

計入綜合財務狀況表的最低租賃付款現值載列如下：

	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Interest-bearing borrowings – Current portion	246	232
Interest-bearing borrowings – Non-current portion	172	418
	418	650

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33. LEASE COMMITMENTS – GROUP (Continued)**(b) Operating lease commitments**

Future minimum rental payable under non-cancellable operating lease of the Group in respect of land and buildings are as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Within one year	一年內	2,664	2,876
In the second to fifth years	第二至五年	3,199	3,445
		5,863	6,321

The Group leases certain properties under operating leases. The leases run for an initial period of 1 year to 5 years (2012: 1 year to 5 years). None of these leases include any contingent rentals.

34. CONTINGENT LIABILITIES – GROUP

The Group's subsidiary, Runway HK involved a contract dispute with an independent third-party product supplier of the Group, which was the respondent ("Respondent"). The Respondent was established in the PRC where is the Respondent's main operation.

In January 2011, Runway HK outsourced the manufacturing process of certain ladies apparel to the Respondent and placed certain purchase orders (the "Purchase Orders") to purchase the finished apparel (the "Goods") from the Respondent. The total price for the Goods pursuant to the Purchase Orders was approximately US\$342,000 (the "Contract Price") and the Goods were scheduled to be shipped to a number of the Group's customers in the United States.

33. 租賃承擔 – 本集團 (續)**(b) 經營租賃承擔**

本集團根據不可註銷營運租賃就土地及樓宇應付之未來最低租金載列如下：

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Within one year	一年內	2,664	2,876
In the second to fifth years	第二至五年	3,199	3,445
		5,863	6,321

根據經營租賃，本集團租賃若干物業。租賃初步為期一至五年（二零一二年：一至五年）。此等租賃概不包括任何或然租金。

34. 或然負債 – 本集團

本集團的附屬公司時尚香港牽涉入一宗與本集團一名獨立第三方產品供應商（作為答辯人）（「答辯人」）的合約糾紛。答辯人為在中國成立的公司，中國亦為答辯人主要業務經營地點。

於二零一一年一月，時尚香港將若干女裝成衣的生產工序外判予答辯人，並下達若干採購訂單（「採購訂單」），向答辯人購入服裝成品（「貨品」）。根據採購訂單，總價約為342,000美元（「合約價」），而貨品預定將付運予本集團若干美國客戶。

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34. CONTINGENT LIABILITIES – GROUP (Continued)

In August 2011, at the time the Goods were being shipped, there were mistakes in the shipping documents, prepared by the Respondent. Runway HK considered that such mistakes would lead to the USA customs to seize the Goods for a long period of time for their inspection and investigation, and therefore requested the Goods to be sent back to the PRC for re-shipping. The Respondent did not comply with Runway HK's instruction and did not deliver the Goods to the Group's customers or to the Group. Instead, the Respondent kept the Goods in its own possession.

It is specified in the Purchase Orders, that in case of non-delivery within the contracted time for shipment, the Respondent shall be responsible for any consequences arising therefrom. Further, it also provided that in the event of interruption of transportation or other causes or circumstances beyond the control of Runway HK, Runway HK shall be entitled to cancel the Purchase Orders without payment to the Respondent.

While Runway HK did not pay the Contract Price of approximately US\$342,000 to the Respondent, Runway HK had, upon the Respondent's request, paid the Respondent a total of approximately US\$130,000 (the "Paid Amount") for shipment expenses. This amount has been agreed by the Respondent to be used for offsetting part of the Contract Price.

In October 2011, upon the Respondent's offer, Runway HK agreed to purchase part of the Goods (the "Varied Goods") from the Respondent and paid a sum of approximately US\$153,000 (the "Varied Goods Price") for the Varied Goods. However, the Respondent only delivered a small portion of the Varied Goods to Runway HK and failed to deliver the rest of the Varied Goods that Runway HK had paid for. Further negotiations between Runway HK and the Respondent were not successful.

On 3 May 2012, Runway HK issued a notice of arbitration against the Respondent claiming for, inter alia, the portion of the Varied Goods (which Runway HK had paid for) not yet delivered and the Paid Amount.

34. 或然負債—本集團 (續)

於二零一一年八月，當貨品進行裝運時，發現由答辯人準備的裝運文件出錯。時尚香港認為有關錯誤會引致美國海關長期扣押貨品以待檢驗調查，因此要求將貨品運返中國後始再發付。答辯人沒有遵照時尚香港的指示，沒有將貨品發付本集團客戶或本集團，反將貨品據為己有。

在採購訂單上已指明，倘裝貨未能於合約期內付運，答辯人須就由此引致的後果承擔責任。此外，訂單亦規定倘運輸中止或發生時尚香港不能控制的其他原因或情況，時尚香港有權取消採購訂單，毋須向答辯人支付款項。

雖然時尚香港並無向答辯人支付合約價約342,000美元，但時尚香港按答辯人要求，支付答辯人合共約130,000美元（「已付款項」），作為付運開支，該款項亦已得答辯人同意用作抵銷部分合約價。

二零一一年十月，在答辯人提議下，時尚香港同意向答辯人購入部分貨品（「改單貨品」），並就改單貨品支付總額約153,000美元（「改單貨品價格」）。然而，答辯人僅付運改單貨品的小部分予時尚香港，未有付運時尚香港已付款的其餘改單貨品。時尚香港與答辯人雖有進一步磋商，但並無成果。

二零一二年五月三日，時尚香港向答辯人發出仲裁通知，索償（其中包括）該部分（時尚香港已就此付款）仍未付運的改單貨品及已付款項。

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34. CONTINGENT LIABILITIES – GROUP (Continued)

On 2 November 2012, the Respondent filed its defense and counterclaim, such that, among other things, Runway HK should fulfill its obligation under the Purchase Orders, namely, to accept the remaining portion of the Goods in addition to the Varied Goods, and to make payment of the outstanding amount of the Contract Price (which the Respondent had calculated to be approximately US\$190,000).

On 23 and 24 September 2013, the arbitration hearing took place but the Respondent was absent for both days. The legal counsel acting for Runway HK in the arbitration proceedings (“Runway HK Legal Counsel”) made the closing submissions to the arbitration tribunal on 4 October 2013. Runway HK is awaiting the arbitration tribunal to hand down its judgment.

The Respondent is a company established in the PRC with its main operation located in the PRC. The PRC legal advisers consider that according to the 最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排 (Supreme People's Court's Arrangement Concerning the Mutual Enforcement of Arbitral Awards Between the Mainland and the Hong Kong Special Administrative Region) issued on the 24 January 2000, there are no material legal obstacles to the enforcement in the PRC of the judgment to be handed down by the tribunal of the arbitration proceedings in Hong Kong in relation to the aforementioned arbitration.

The Runway HK Legal Counsel has advised that the tribunal of the arbitration proceedings is more likely to find in favour of Runway HK's version of events mainly because of many difficulties in the Respondent's case and is of the view that subject to the quality of the evidence of Runway HK's witnesses, Runway HK has slightly better than even chance in succeeding its claim in the arbitration proceedings. Based on the advice of the Runway HK Legal Counsel, the directors are of the view that Runway HK has slightly better than even chance of success in the arbitration proceedings and the directors have not made any provision accordingly.

34. 或然負債 – 本集團 (續)

於二零一二年十一月二日，答辯人提出抗辯及反申索，據此（其中包括）時尚香港應履行其於採購訂單下的責任，即除接納改單貨品外，亦須接納貨品餘下部分，及支付合約價的未付款項（按答辯人計算金額約為190,000美元）。

仲裁聆訊於二零一三年九月二十三日及二十四日兩日進行，惟答辯人缺席該兩日的聆訊。在仲裁程序中，代表時尚香港的法律顧問（「時尚香港法律顧問」）於二零一三年十月四日向審裁處作出結案陳詞。時尚香港仍在等候審裁處的判決。

答辯人為於中國成立的公司，主要業務位於中國。中國法律顧問認為，根據二零零零年一月二十四日頒佈的《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》，在香港負責仲裁的審裁處就前述仲裁頒下的判決，可在中國強制執行，並無重大法律障礙。

時尚香港法律顧問告知，仲裁程序的審裁處很大機會判時尚香港勝訴，主因是答辯人的情況難點重重，且彼認為視乎時尚香港證人的證供可信度，時尚香港在仲裁程序中成功索償的機會較高。根據時尚香港法律顧問的意見，董事認為時尚香港在仲裁程序中勝訴的機會較高，故董事並無據此作出撥備。

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34. CONTINGENT LIABILITIES – GROUP (Continued)

According to the counterclaim filed by the Respondent, in case where Runway HK ultimately loses in the proceedings, it may have to pay to the Respondent the outstanding amount of the Contract Price (which the Respondent has calculated to be approximately US\$190,000, or approximately HK\$1,480,000) plus other possible damages and costs. The proceedings are ongoing and the outcome is subject to uncertainties. The directors of the Company consider that no provision is required at this stage of the proceedings in accordance with the Group's relevant accounting policy.

35. RELATED PARTY TRANSACTION

Save as disclosed in note 28, the Group entered into the following significant related party transactions during the year.

(a) Transactions with related parties

As at 31 December 2013, maximum amounts of financial guarantees provided by the directors of the Company with respect to certain banking facilities granted to and utilised by the Company's subsidiary are as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Mr. Tien	田先生	41,742	33,200
Mr. Tien and Mr. Gozashti jointly	田先生與Gozashti先生共同擔保	113,000	97,800

(b) Key management personnel remuneration

Key management of the Group are members of the board of directors. Key management personnel remuneration is set out in note 12(a).

34. 或然負債－本集團 (續)

根據答辯人提出的反申索，倘時尚香港最終敗訴，時尚香港可能須向答辯人支付合約價的未付金額（按答辯人計算金額約為190,000美元，或約1,480,000港元），另加其他可能的賠償及費用。訴訟程序仍在進行中，結果屬未知之數。本公司董事認為，根據本集團相關會計政策，在仲裁的現階段毋須計提撥備。

35. 關聯方交易

除於附註28所披露外，本集團於年內已進行以下重大關聯方交易：

(a) 與關聯方的交易

於二零一三年十二月三十一日，本公司董事就授予本公司附屬公司並由其動用的若干銀行融資提供的財務擔保最高金額如下：

(b) 主要管理人員的酬金

本集團的主要管理人員均為董事會的成員。主要管理人員的酬金載於附註12(a)。

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36. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2012, Runway HK distributed interim dividends to its then owners prior to the completion of the Reorganisation, part of which of approximately HK\$6,000,000 were credited directly to amounts due to directors.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments are as follows:

36. 主要非現金交易

於截至二零一二年十二月三十一日止年度，時尚香港於重組完成前向其當時擁有人派發中期股息，其中部分為數約6,000,000港元已直接記入應付董事款項內。

37. 金融工具分類

每個金融工具類別的賬面值如下：

		The Group 本集團		The Company 本公司
		2013 HK\$'000 千港元	2012 HK\$'000 千港元	2013 HK\$'000 千港元
Financial assets	財務資產			
Financial assets at fair value through profit or loss	以公平值計量且變動計入當期損益的財務資產			
Derivative financial instruments	衍生金融工具	1,396	1,486	—
Loans and receivables	貸款及應收款項			
Trade and bill receivables	貿易應收款項及應收票據	77,635	49,575	—
Deposits and other receivables	按金及其他應收款項	18,275	11,750	—
Pledged bank deposits	已抵押銀行存款	9,420	8,801	—
Cash and cash equivalents	現金及現金等值項目	51,037	37,550	38,487
		157,763	109,162	38,487
Financial liabilities	財務負債			
Financial liabilities measured at amortised cost	按攤銷成本計量的財務負債			
Trade and bill payables	貿易應付款項及應付票據	72,712	73,431	—
Accruals and other payables	預提費用及其他應付款項	16,346	16,845	342
Amounts due to subsidiaries	應付附屬公司款項	—	—	2,716
Amounts due to directors	應付董事款項	—	2,515	—
Interest-bearing borrowings	計息借貸	9,564	2,478	—
		98,622	95,269	3,058

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

(a) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise mainly from its overseas purchases and sales, which are primarily denominated in RMB and US\$. These are not the functional currencies of the Group entities to which these transactions relate. The Group also has interest-bearing borrowings denominated in foreign currencies, primarily RMB and US\$. All the Group's foreign exchange structured forward contracts were approved by the executive directors.

After the listing, the Group implemented new foreign exchange structured forward contracts policy, which the Group will not enter into any addition foreign exchange structured forward contracts unless advance approval by the shareholders has been obtained while the executive directors and their related parties shall abstain from voting. The Group performs analysis for monitoring of the foreign exchange structured forward contracts.

38. 財務風險管理及公平值計量

本集團因在日常業務過程中及投資活動中利用金融工具而承受財務風險。財務風險包括市場風險（包括外幣風險及利率風險）、信貸風險及流動資金風險。

本集團的財務風險管理在董事會緊密合作下由本集團總部協調。財務風險管理總體目標是專注於減少其金融市場風險以確保本集團的短期至中期現金流量。

(a) 外幣風險

外幣風險指金融工具的公平值或未來現金流量因外幣匯率變動而波動之風險。本集團的外幣風險主要來自其海外購貨及銷售，而該等交易主要以人民幣及美元計價。該等貨幣並非交易涉及的本集團實體的記賬本位幣。本集團亦有計息借貸以外幣計價，主要為人民幣及美元。本集團所有結構性外匯遠期合約均經執行董事核准。

上市後，本集團實行新的結構性外匯遠期合約政策，而本公司不會訂立任何額外結構性外匯合約，除非股東取得提前批准，同時執行董事及其關聯方將放棄投票。本集團將為訂立結構性外匯遠期合約進行分析及監察該等合約。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)**(a) Foreign currency risk** (Continued)*Summary of exposure*

At 31 December 2013, foreign currency denominated financial assets and liabilities, translated into HK\$ at the respective rates at that date, are as follows:

		Financial assets	Financial liabilities	Notional amounts of derivative financial instruments	Total
		財務資產	財務負債	衍生金融工具 名義值	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31 December 2013	於二零一三年十二月三十一日				
RMB	人民幣	19,727	(37,897)	304,499	286,329
US\$	美元	92,370	(44,915)	-	47,455
As at 31 December 2012	於二零一二年十二月三十一日				
RMB	人民幣	14,113	(40,154)	111,556	85,515
US\$	美元	63,605	(46,362)	-	17,243

Foreign exchange rate sensitivity analysis

As US\$ is pegged to HK\$, the Group does not expect any significant movement in the HK\$/US\$ exchange rate. No sensitivity analysis in respect of the Group's financial assets and liabilities denominated in US\$ is disclosed as in the opinion of the directors of the Company, such sensitivity analysis does not give additional value in view of insignificant movement in the US\$/HK\$ exchange rates as at the reporting date.

38. 財務風險管理及公平值計量 (續)**(a) 外幣風險** (續)*風險概略*

於二零一三年十二月三十一日，以外幣計價的財務資產和負債已按該日的各個有關匯率換算為港元如下：

匯率敏感度分析

由於美元與港元掛鈎，本集團不預期港元兌美元匯率有任何重大變動。並無披露以美元計價的本集團財務資產和負債的敏感度分析，原因是本公司董事認為，由於報告日期的美元兌港元匯率變化不大，有關的敏感度分析不會提供額外價值。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(a) Foreign currency risk (Continued)

Foreign exchange rate sensitivity analysis (Continued)

The following table indicates the approximate change in the Group's profit after income tax for the year ended 31 December 2013 in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at 31 December 2013.

HK\$ to RMB	港元兌人民幣	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Appreciated by 3%	升值 3%	1,167	1,209
Depreciated by 3%	貶值 3%	1,152	1,277

The sensitivity analysis of the Group's exposure to foreign currency risk has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial year and held constant throughout the year.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next reporting period. The analysis is performed on the same basis for the year ended 31 December 2012.

The Company does not have any significant exposures to foreign currencies at 31 December 2013.

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings which are at variable rates (note 29). The Group's bank balances and pledged bank deposits were bearing floating interest rate. The Group has not used any derivative to hedge its exposure to interest rate risk. The policies to manage interest rate risk which have been followed by the Group since prior years are considered to be effective.

38. 財務風險管理及公平值計量 (續)

(a) 外幣風險 (續)

匯率敏感度分析 (續)

下表列出因應於二零一三年十二月三十一日本集團承受重大風險的有關匯率合理可能變動，本集團截至二零一三年十二月三十一日止年度除所得稅後溢利的概約變動。

2013 HK\$'000 千港元	2012 HK\$'000 千港元
1,167	1,209
1,152	1,277

本集團所面對外幣風險之敏感度分析乃假設外幣匯率變動百分比於財政年度開始時發生並於整個年度內維持不變而釐定。

所指定的變動為管理層對外幣匯率在直至下一呈報期末為止期間之合理可能變動的評估。就截至二零一二年十二月三十一日止年度的分析均按相同基準進行。

本公司於二零一三年十二月三十一日並無任何重大外幣風險。

(b) 利率風險

利率風險涉及金融工具的公平值或現金流量因市場利率改變而出現波動之風險。本集團的利率風險主要來自浮息計息借貸(附註 29)。本集團的銀行結存及已抵押銀行存款亦附帶浮動利率。本集團並未使用任何衍生工具對沖其利率風險。本集團自往年起已沿用一套管理利率風險的政策，有關政策被認為有效。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)**(b) Interest rate risk** (Continued)*Interest rate sensitivity analysis*

The following table indicates the approximate change in the Group's profit after income tax for the year ended 31 December 2013 in response to reasonably possible changes in interest rates to which the Group has exposure at 31 December 2013.

	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Increase by 100 basis points 增加100個基點	45	155
Decrease by 100 basis points 減少100個基點	(45)	(155)

The sensitivity analysis was determined assuming that the change in interest rates had occurred at the reporting date and had been applied to variable-rate financial instruments at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period. The analysis is performed on the same basis for the year ended 31 December 2012.

The Company does not have any significant exposures to interest rates at 31 December 2013.

(c) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to its customers in the ordinary course of its operation.

38. 財務風險管理及公平值計量 (續)**(b) 利率風險** (續)*利率敏感度分析*

下表列出因應於二零一三年十二月三十一日本集團承受風險的有關利率合理可能變動，本集團截至二零一三年十二月三十一日止年度除所得稅後溢利的概約變動。

	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Increase by 100 basis points 增加100個基點	45	155
Decrease by 100 basis points 減少100個基點	(45)	(155)

敏感度分析是假設於報告日期出現利率變動，並已於該日應用至浮息金融工具而釐定。增減100個基點是管理層對利率在直至下一呈報期末為止期間之合理可能變動的評估。就截至二零一二年十二月三十一日止年度的分析均按相同基準進行。

於二零一三年十二月三十一日本公司並無任何重大利率風險。

(c) 信貸風險

信貸風險指金融工具之對手方未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。本集團的信貸風險主要來自日常業務過程中向其客戶授出信貸。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Credit risk (Continued)

In order to minimise the credit risk of not receiving payments from its customers, the Group has entered into arrangements with a financial institution in the USA and a bank in Hong Kong (which in turn entered into certain arrangement with an insurance company in this connection) which offered trade receivable credit protection arrangement against the Group's trade receivables for some of the Group's major customers. Under such arrangements, if the Group ultimately becomes unable to collect the trade receivables, the Group will be entitled to receive compensation for the trade receivables from the financial institution or the bank. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is reduced. There is no requirement for collaterals by the Group.

The Group has deposited its cash with various banks. The credit risk on bank balances is limited because most of the Group's cash are deposited with major banks located in Hong Kong and/or the PRC.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

(d) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank facilities.

38. 財務風險管理及公平值計量 (續)

(c) 信貸風險 (續)

為盡量減低收不到客戶款項的信貸風險，本集團與美國一家金融機構及香港一家銀行訂立安排（而該金融機構及銀行則就此與保險公司訂立若干安排），為本集團的部分主要客戶的貿易應收款項提供貿易應收款項信用保障安排。在有關安排之下，如本集團最終未能收回貿易應收款項，本集團將有權獲該金融機構或銀行就有關貿易應收款項給予賠償。此外，本集團於報告期末逐項檢視貿易債項的可收回額，確保就不可收回金額有充足的減值虧損撥備。就此而言，本公司董事認為本集團的信貸風險已降低。本集團並不要求抵押品。

本集團在多家銀行有現金存款。由於本集團大部分現金均存放於香港及／或中國的大型銀行，故銀行結存的信貸風險有限。

本集團在過往年度一直沿用該等信貸政策，有關政策被認為有效將本集團承受的信貸風險限制在適切水平。

(d) 流動資金風險

為管理流動資金風險，本集團監察及維持管理層視為足夠的現金及現金等值項目水平，以為本集團的營運提供資金，及減低波動對現金流量的影響。管理層監察銀行融資的使用。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)**(d) Liquidity risk** (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's interest-bearing borrowings, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Company can be required to pay.

Specifically, for interest-bearing borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other interest-bearing borrowings is prepared based on the scheduled repayment dates.

Group

		Carrying amount	Total contractual undiscounted cash flow	Less than one year or repayable on demand	One year or above
		賬面值	未貼現合約現金流量總額	一年內或須按要償還	一年或以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 31 December 2013	於二零一三年十二月三十一日				
Non-derivative financial instruments:					
Trade and bill payables	貿易應付款項及應付票據	72,712	72,712	72,712	-
Accruals and other payables	預提費用及其他應付款項	16,346	16,346	16,346	-
Interest-bearing borrowings	計息借貸	9,564	9,586	9,410	176
		98,622	98,644	98,468	176
At 31 December 2012	於二零一二年十二月三十一日				
Non-derivative financial instruments:					
Trade and bill payables	貿易應付款項及應付票據	73,431	73,431	73,431	-
Accruals and other payables	預提費用及其他應付款項	16,845	16,845	16,845	-
Amounts due to directors	應付董事款項	2,515	2,515	2,515	-
Interest-bearing borrowings	計息借貸	2,478	2,532	2,092	440
		95,269	95,323	94,883	440

38. 財務風險管理及公平值計量 (續)**(d) 流動資金風險** (續)

下表列出本集團的計息借貸於報告期末的餘下合約到期期限，此乃根據未貼現現金流（包括使用合約利率計算的利息款項，或倘屬浮息借貸，則根據報告日期當日的利率）及本公司可被要求付款的最早日期列示。

具體而言，就載有按要償還條款（銀行有單獨酌情權行使）的計息借貸，分析會顯示根據實體可被要求還款的最早期間（即假如放貸人行使其無條件權利通知即時償還貸款下）的現金流出。其他計息借貸的到期日分析乃根據既定還款日期編製。

本集團

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(d) Liquidity risk (Continued)

Company

		Carrying amount	Total contractual undiscounted cash flow	Less than one year or repayable on demand	One year or above
		賬面值	現金流量總額	須按要求償還	一年或以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 31 December 2013	於二零一三年十二月三十一日				
Other payables	其他應付款項	342	342	342	-
Amounts due to subsidiaries	應付附屬公司款項	2,716	2,716	2,716	-
		3,058	3,058	3,058	-

The following table that summarises the maturity analysis of interest-bearing borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such interest-bearing borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

38. 財務風險管理及公平值計量 (續)

(d) 流動資金風險 (續)

本公司

下表概列附有按要求償還條款的計息借貸的到期日分析，為根據貸款協議內的已協定還款時間表列出。有關金額包括使用合約利率計算的利息款項。因此，該等金額較到期日分析內於「按要求」時間範圍下披露的金額大。計及本集團的財務狀況，董事認為銀行行使酌情權要求即時還款的機率不高。董事相信，計息借貸將按照貸款協議內載明的既定還款日期償還。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)**(d) Liquidity risk** (Continued)**Group**

		Carrying amount	Total contractual undiscounted cash flow	Less than one year or repayable on demand	One year or above
			未貼現合約現金流量總額	一年內或須按要求償還	一年或以上
		賬面值	現金流量總額	須按要求償還	一年或以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 31 December 2013	於二零一三年十二月三十一日	9,082	9,413	7,244	2,169
At 31 December 2012	於二零一二年十二月三十一日	1,828	1,922	1,153	769

(e) Fair value measurements recognised in the statement of financial position

The following tables present financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. 財務風險管理及公平值計量 (續)**(d) 流動資金風險** (續)**本集團****(e) 於財務狀況表確認的公平值計量**

下表載列根據公平值架構，以公平值計入綜合財務狀況表的財務資產和負債。此架構根據計量此等財務資產及負債的公平值所使用的主要資料輸入的相對可靠性，將財務資產及負債劃分為三層。公平值架構分為以下各層：

- 第1層：相同資產及負債於活躍市場的報價（未經調整）；
- 第2層：就資產或負債而直接（即價格）或間接（即從價格推算）可觀察的資料輸入（不包括第1層所包含的報價）；及
- 第3層：並非根據可觀察的市場數據而得出的資產或負債資料輸入（無法觀察輸入）。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(e) Fair value measurements recognised in the statement of financial position (Continued)

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets and liabilities measured at fair value in the consolidated statement of financial position at the reporting date are grouped into the fair value hierarchy as follows:

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2013	於二零一三年十二月三十一日				
Financial assets at fair value through profit of loss	以公平值計量且變動計入當期損益的財務資產				
Derivative financial instruments	衍生金融工具	-	1,396	-	1,396
At 31 December 2012	於二零一二年十二月三十一日				
Financial assets at fair value through profit of loss	以公平值計量且變動計入當期損益的財務資產				
Derivative financial instruments	衍生金融工具	-	1,486	-	1,486

There have been no significant transfers between levels 1 and 2 and no transfers into or out of level 3 during the years.

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the reporting date. Normally, the derivative financial instruments contracts entered into by the Group are not traded on active markets. The fair values of such contracts are determined by a firm of independent professional valuers. The valuation is based on the underlying conditions in the contracts and the market information at the valuation dates.

38. 財務風險管理及公平值計量 (續)

(e) 於財務狀況表確認的公平值計量 (續)

財務資產或負債整體所應歸入的公平值架構內的層次，乃基於對公平值計量屬重大的最低層次輸入資料劃分。

於報告日期在綜合財務狀況表內按公平值計量的財務資產及負債乃劃分為以下的公平值架構：

於該等年度，第1層與第2層之間並無重大轉撥，亦沒有轉入或轉出第3層。

若衍生工具在交易所或高流動性的場外交易市場買賣，本集團使用報告日期的收市價。本集團訂立的衍生金融工具合約一般沒有在活躍的市場買賣。該等合約的公平值由一家獨立專業估值公司釐定。估值是根據合約的基本狀況及估值日期的市場資訊進行。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)**(e) Fair value measurements recognised in the statement of financial position** (Continued)

During the year ended 31 December 2012, an independent professional valuer compared the spot rate with the rate specified in the structured forward contracts and determined the calculation as specified in the structured forward contracts. The independent professional valuers calculated the net cashflow of the structured forward contracts for each trade date interval, assessed the present value of net cashflow for each trade date interval and derived the market value of the structured forward contracts as at the valuation dates. The valuation of the structured forward contracts required consideration of all pertinent factors affecting the underlying value of the Group, which are the operations of its business and ability to generate future investment returns. The factors considered in the valuation including but not limited to the history of the Group, the nature and the performance of the Group's business, the economic and industry outlooks affecting the Group's business, the historical data of the foreign exchange market, the risks facing by the Group and the historical exchange rates. The independent professional valuers assumed that there will be no material changes from political, legal, economic or financial aspects in the jurisdiction and no substantial market fluctuation in the industry, current interest rates and foreign currency rates in the jurisdictions which the Group currently runs or intends to run its business which will materially affect the revenue attributable to the Group.

38. 財務風險管理及公平值計量 (續)**(e) 於財務狀況表確認的公平值計量** (續)

於截至二零一二年十二月三十一日止年度，獨立專業估值師對現價與結構性遠期合約上所註明的價格作一比較，並就結構性遠期合約內指定的計算法加以評定。獨立專業估值師計算每一交易日期間隔時段的結構性遠期合約淨現金流，評估每一交易日期間隔時段淨現金流的現值，並計算出結構性遠期合約於估值日期的市價。對結構性遠期合約估值，需考慮一切影響本集團基礎價值 – 即業務的營運和將來產生投資回報能力的相關因素。估值所考慮的因素包括但不限於本集團的歷史沿革、本集團業務的性質和表現、對本集團業務有影響的經濟和行業前景、外匯市場的以往數據、本集團正面對的風險，及過往匯率。獨立專業估值師已假設，有關司法權區在政治、法制、經濟或財政方面不會有重大變化，而本集團現於當地經營或有意經營業務的該等司法權區的行業、現行利率及匯率亦不會有重大市場波動，致使本集團所享收入受到嚴重影響。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(e) Fair value measurements recognised in the statement of financial position (Continued)

As at 31 December 2013, an independent professional valuer has estimated the forward rates based on historical spot rate and other market available information, compared with the rates specified in the structured forward contracts and determined the payoff according to the terms and conditions in the structured forward contracts. The future spot rate is affected by many factors including interest rates from markets of which the currencies are in interest, the directors believe that Monte-Carlo simulation process more effectively demonstrates the fair value measurement of derivative financial instruments. The independent professional valuer also calculated the net cashflow of the structured forward contracts for each settlement date, assessed the present value of net cashflow for each settlement date and derived the fair values of the structured forward contracts as at the valuation dates. The directors consider that the change in valuation technique does not have material impact on the fair value measurements of the derivative financial instruments.

The most significant input into this valuation approaches is market foreign currency rates. This valuation approach maximises the use of observable market inputs, including foreign currency rates and interest rates (Level 2). The derivatives entered into by the Group are included in Level 2 and consist of foreign exchange structured forward contracts.

38. 財務風險管理及公平值計量 (續)

(e) 於財務狀況表確認的公平值計量 (續)

於二零一三年十二月三十一日，獨立專業估值師已根據歷史現貨匯率及其他市場可得資料評估遠期利率，並對比結構性遠期合約中訂明之利率及根據結構性遠期合約中的條款及條件釐定收益。遠期利率受多個因素影響（包括該貨幣的市場利息利率），董事認為Monte-Carlo模擬法會更有效地顯示衍生金融工具之公平值計量。獨立專業估值師亦計算結構性遠期合約於各結算日期之淨現金流量、評估結構性遠期合約各結算日期之淨現金流量現值以及結構性遠期合約於估值日期產生之公平值。董事認為估值技術變動並不會對衍生金融工具之公平值計量造成重大影響。

此估值法最重要的輸入數據是市場匯率。估值法已在最大限度使用可觀察的市場數據，包括外幣匯率和利率（第2層）。本集團訂立的衍生工具被納入第2層，並包括外幣結構性遠期合約。

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39. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt to equity ratio. For this purpose net debt is defined as borrowings less cash and cash equivalents. The Group's goal in capital management is to maintain a net debt to equity ratio of less than 50%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The Group's net debt to equity ratio at the reporting date was:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Amounts due to directors	應付董事款項	-	2,515
Interest-bearing borrowings	計息借貸	9,564	2,478
Less: Pledged bank deposits	減：已抵押銀行存款	(9,420)	(8,801)
Less: Cash and cash equivalents	減：現金及現金等值項目	(51,037)	(37,550)
Net debts	債務淨額	(50,893)	(41,358)
Total equity	權益總額	97,265	56,733
Net debts to equity ratio	債務淨額對權益比率	N/A 不適用	N/A 不適用

39. 資本管理

本集團的資本管理目標為確保本集團持續經營的能力，並按相應的風險釐定貨物及服務的價格，為股東帶來理想回報。

本集團積極及定期檢討其資本架構，並隨經濟環境轉變作出調整。本集團按債務淨額對權益的比率監察其資本架構。就此而言，本集團將債務淨額界定為借貸減現金及現金等值項目。本集團管理資本的目標是維持債務淨額對權益的比率低於50%。為了維持或調節該比率，本集團可調整向股東支付的股息金額、發行新股份、向股東退回資本、籌集新債務融資或出售資產以減輕債務。

本集團於報告日期的債務淨額對權益的比率為：



Runway Global Holdings Company Limited
時尚環球控股有限公司