

boree



2014 年度報告 ANNUAL REPORT



BAOFENG 1121.HK
www.baofengmodern.com



寶峰時尚國際控股有限公司
(於開曼群島註冊成立的有限公司)
股份代號 : 1121

Baofeng Modern International Holdings Company Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1121

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. ZHENG Jingdong (Chairman)
Mr. LEUNG Tsz Chung (Vice-chairman)

Non-Executive Directors

Mr. SZE Ching Bor
Mr. CHAN Chak Chak Daniel

Independent Non-Executive Directors

Ms. AN Na
Mr. CHEN Shaohua
Professor ZHAO Jinbao

BOARD COMMITTEES

Audit Committee

Mr. CHEN Shaohua (Chairperson)
Professor ZHAO Jinbao
Ms. AN Na

Remuneration Committee

Ms. AN Na (Chairperson)
Professor ZHAO Jinbao
Mr. CHEN Shaohua

Nomination Committee

Professor ZHAO Jinbao (Chairperson)
Mr. CHEN Shaohua
Ms. AN Na

COMPANY SECRETARY

Mr. KWOK Chi Yin (CPA)

AUTHORISED REPRESENTATIVES

Mr. ZHENG Jingdong
Mr. LEUNG Tsz Chung

STOCK CODE

01121

董事會

執行董事

鄭景東先生(主席)
梁子冲先生(副主席)

非執行董事

史清波先生
陳策策先生

獨立非執行董事

安娜女士
陳少華先生
趙金保教授

董事委員會

審核委員會

陳少華先生(主席)
趙金保教授
安娜女士

薪酬委員會

安娜女士(主席)
趙金保教授
陳少華先生

提名委員會

趙金保教授(主席)
陳少華先生
安娜女士

公司秘書

郭志賢先生(CPA)

授權代表

鄭景東先生
梁子冲先生

股份代號

01121

Corporate Information

公司資料

COMPANY WEBSITE

www.baofengmodern.com

HEAD OFFICE IN THE PRC

Huoju Industrial Zone
Jiangnan Town
Licheng District
Quanzhou City
Fujian Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Sheung Wan
Hong Kong

REGISTERED OFFICE

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4/F, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG SHARE REGISTRAR

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

AUDITORS

Pan-China (H.K.) CPA Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong)
China Construction Bank

公司網站

www.baofengmodern.com

中國總部

中國
福建省
泉州市
鯉城區
江南鎮
火炬工業區

香港主要營業地點

香港
上環
永樂街93-103號
協成行上環中心
5樓504室

註冊辦事處

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

開曼群島主要股份過戶登記處

Royal Bank of Canada Trust Company
(Cayman) Limited
4/F, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

香港證券登記處

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

核數師

天健(香港)會計師事務所有限公司

主要往來銀行

中國銀行(香港)
中國建設銀行

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Five-Year Financial Summary

五年財務概要

For the year ended 31 December

截至十二月三十一日止年度

		2014 二零一四年	2013 二零一三年	2012 二零一二年	2011 二零一一年	2010 二零一零年
Profitability data (RMB million)	盈利能力數據 (人民幣百萬元)					
Revenue	收益	196.8	624.1	1,351.5	1,117.7	833.3
Gross profit	毛利	19.1	186.9	466.0	373.1	275.2
(Loss)/profit for the year	年內(虧損)/溢利	(31.2)	67.9	153.9	160.7	114.2
Profitability ratios (%)	盈利能力比率(%)					
Gross profit margin	毛利率	9.7%	30.0%	34.5%	33.4%	33.0%
Net (loss)/profit margin	淨(虧損)/溢利率	(15.8)%	10.9%	11.4%	14.4%	13.7%
Assets and liabilities data (RMB million)	資產及負債數據 (人民幣百萬元)					
Non-current assets	非流動資產	129.5	138.2	150.6	126.9	83.0
Current assets	流動資產	1,243.3	1,313.5	1,277.5	1,288.5	477.8
Current liabilities	流動負債	278.5	326.2	368.4	499.5	254.3
Non-current liability	非流動負債	3.1	3.1	3.1	0.0	0.0
Shareholders' equity	股東權益	1,091.2	1,122.4	1,056.6	915.9	306.5
Asset and working capital data	資產及營運資金數據					
Current asset ratios (%)	流動資產比率(%)	90.6%	90.5%	89.5%	91.0%	85.2%
Current ratios (time)	流動比率(倍)	4.5x	4.0x	3.5x	2.6x	1.9x
Gearing ratios (%)	負債比率(%)	20.3%	22.5%	24.6%	34.3%	36.6%

Chairman's Statement

主席報告書

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Baofeng Modern International Holdings Company Limited ("Baofeng Modern" or the "Company"), I am pleased to present the financial report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014.

The past year was a difficult year for the Group and we faced lots of challenges. With the slowdown of economic growth in China and the downturn in the international economy, the retail market was badly hit and the purchasing power of customers were significantly dampened. Besides, as the buying habit of Chinese changed to purchase luxury goods and national brands, and online purchase, the sales of our own brands were seriously affected. The high inflation rate in China led to rising costs for raw materials and labor, resulting in higher production costs which in turns weakened our competitiveness when compared with those emerging countries. Being impacted by these factors and with the intensified market competition, the Group recorded a significant decline of revenue, gross profit and net profit for 2014.

Looking ahead, the Directors are cautious about the prospect of operation in China, and we expect that the adverse operating environment will continue to affect the business of the Group in 2015. We would focus on developing the Online to Offline ("O2O") business model for the sales and distribution of our products. Besides, we will deploy more resources into the research and development of new materials for the manufacture of footwear and the research and application of new technology for shoes. Moreover, the Group would develop wearable devices business through acquisition of proprietary technology. We would try our best to introduce or develop business with growth potential to the Group, with an aim to improve our performance and maximise the interests of shareholders.

各位尊敬的股東：

本人謹代表寶峰時尚國際控股有限公司（「寶峰時尚」或「本公司」）董事（「董事」）會（「董事會」）提呈本公司及其附屬公司（統稱「本集團」）截至二零一四年十二月三十一日止年度的財務報告。

過去一年對本集團而言是艱難的一年，本集團面臨諸多挑戰。隨著中國經濟增長放緩及國際經濟形勢低迷，零售市場首當其衝，客戶購買力受到極大影響。此外，隨著中國人的購買習慣轉向奢侈商品及全國性品牌以及網上購物，嚴重影響本集團自有品牌銷售。中國通脹率高企令原材料及勞工成本上升，導致生產成本增加，從而削弱本集團相比新興國家的競爭力。在以上各種不同因素及加上激烈的市場競爭情況下，本集團於二零一四年之收入、毛利及淨利潤均大幅下跌。

展望來年，董事對於在中國營運之前景抱著審慎態度，本集團預期不利之營運環境會於二零一五年持續影響本集團業務。本集團將專注於拓展產品銷售及分銷之線上線下（「O2O」）的業務模式。另外，本集團將投放更多資源進行製造鞋履的新材料研發與鞋履新技術的開發及應用。此外，本集團將透過收購專有技術而開發可穿戴設備業務。本集團將盡力推出或開發能為本集團帶來增長潛力的業務，目的在於改善本集團表現及最大化股東之利益。

Chairman's Statement

主席報告書

Last but not the least, on behalf of the Board, I would like to thank our management and all staff for their dedication and contribution to the development of the Group. I would also like to take this opportunity to express my sincere gratitude to our customers, suppliers, business partners and shareholders for their continuous commitment and support.

ZHENG Jingdong
Chairman

Hong Kong, 25 March 2015

最後，本人謹代表董事會，向本集團管理層及全體僱員致謝，感謝各位為本集團發展作出的努力和貢獻。本人亦謹此對本集團客戶、供應商、業務夥伴及股東的鼎力支持致以衷心的感謝。

主席
鄭景東

香港，二零一五年三月二十五日

Management Discussion and Analysis

管理層討論及分析

2014 is a difficult and challenging year for the Group. The slowdown of economic growth in the People's Republic of China ("PRC"); buying habit of Chinese changed to purchase luxury goods and national brands, and online purchase; the decline of overseas economy and the high inflation rate in the PRC all have great impacts on the performance of the Group. The Group recorded a significant decline of revenue, gross profit and net profit for the year ended 31 December 2014, of which the revenue dropped by 68.5% to approximately RMB196.8 million from last year (2013: approximately RMB624.1 million).

As a result of the increase of labor and raw material costs under high inflation environment in the PRC, the gross profit margin of the Group for the year ended 31 December 2014 decreased to approximately 9.7% from 2013 of approximately 30.0%.

During the year, the fair value loss on convertible notes and warrants at fair value through profit or loss was approximately RMB4.0 million (2013: fair value gain of approximately RMB17.1 million). As a result, the Group recorded a net loss of approximately RMB31.2 million for the year ended 31 December 2014. (2013: net profit of approximately RMB67.9 million).

二零一四年對本集團而言是艱難並充滿挑戰的一年。中華人民共和國（「中國」）經濟增長放緩、中國人的購買習慣已轉向奢侈商品及全國性品牌以及網上購物、海外經濟下滑及中國通脹率高企，均對本集團表現產生重大影響。截至二零一四年十二月三十一日止年度，本集團之收益、毛利及淨利潤均大幅下降，當中收益較去年下跌68.5%至約人民幣196,800,000元（二零一三年：約人民幣624,100,000元）。

由於高通脹環境令中國勞工及原材料成本增加的影響下，截至二零一四年十二月三十一日止年度本集團之毛利率由二零一三年的約30.0%下降至約9.7%。

於年內確認之按公平值計入損益之可換股票據及認股權證之公平值損失約為人民幣4,000,000元（二零一三年：公平值收益約人民幣17,100,000元）。因此，截至二零一四年十二月三十一日止年度本集團錄得虧損淨額約人民幣31,200,000元（二零一三年：淨利潤約人民幣67,900,000元）。

BUSINESS REVIEW

Revenue by Product Category

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	Decrease 減少 %
Revenue (Boree Products)	收益 (寶人產品)	51,488	224,470	(77.1%)
Revenue (Baofeng Products)	收益 (寶峰產品)	847	90,888	(99.1%)
Revenue (Brand Licensee Business)	收益 (授權品牌業務)	779	13,928	(94.4%)
Revenue (OEM Business)	收益 (OEM業務)	143,659	294,836	(51.3%)
Revenue (Total)	收益 (總額)	196,773	624,122	(68.5%)

業務回顧

按產品類別分類的收益

Management Discussion and Analysis

管理層討論及分析

Own Branded Business

The depressed economic growth of the PRC and the change of local customers' shopping habit led to an adverse operating environment for the retail market in the PRC. Except for several large size footwear manufacturers in the PRC, it is a difficult time for the Group and the footwear manufacturing industry. The Boree brand, targeting the medium-to-high-end market of slippers, sandals and casual footwear, recorded a revenue for the year amounted to approximately RMB51.5 million (2013: approximately RMB224.5 million), representing a 77.1% decrease from the previous year. On the other hand, the Baofeng brand, focusing on the mass market, suffered a substantial decline in sales during the year as many customers from the mass market in the PRC changed to online purchase. Revenue generated from the Baofeng brand amounted to approximately RMB0.8 million in 2014, representing a decrease of 99.1% from approximately RMB90.9 million in 2013.

Brand Licensee Business

Due to the serious piracy problem in the PRC, the performance of our brand licensee business was beyond our expectation, which only generated revenue of approximately RMB0.8 million for the year (2013: approximately RMB13.9 million) from the footwear sales of authorised brand "SpongeBob" and "NBA". The performance in the branded licensee business could not meet our expectation and not in proportion to the cost injected. As the Group expected the piracy problem will not be solved in the PRC in the foreseeable future, the Group do not intend to extend the franchise license when expired.

OEM Business

During the year, the sales of Group's OEM business declined by RMB151.1 million or 51.3% to approximately RMB143.7 million as compared with last year (2013: approximately RMB294.8 million). The labour cost and the raw material cost are the major production cost of footwear. Following the high inflation rate and the appreciation of RMB in the PRC in the past few years, the labour cost and the raw material cost increased a lot. Therefore, the competitiveness of footwear in the PRC decreased when compared with those emerging countries, such as India, resulting in the poor performance of the OEM business during the year.

自有品牌業務

中國經濟增長放緩及當地顧客購物習慣改變，導致中國零售市場營商環境艱困。除中國數家大型鞋履製造商外，目前正是本集團及鞋履製造業之艱難時期。針對中高端拖、涼及休閒鞋市場的寶人品牌年內收益為約人民幣51,500,000元（二零一三年：約人民幣224,500,000元），較去年減少77.1%。另一方面，由於中國大眾市場顧客轉向網上購買，針對大眾化市場的寶峰品牌銷售額亦同樣於年內錄得大幅減少。二零一四年寶峰品牌收益約人民幣800,000元，較二零一三年約人民幣90,900,000元減少99.1%。

授權品牌業務

受中國嚴重的盜版問題影響，本集團授權品牌業務的表現不如預期。本年度授權品牌「海綿寶寶」及「NBA」的鞋履銷售僅帶來收益約人民幣800,000元（二零一三年：約人民幣13,900,000元）。授權品牌業務表現未能達到預期，且與投入成本不成正比。本集團預期中國盜版問題於可見的將來不能解決，並計劃在授權屆滿時不續期。

OEM業務

年內，本集團OEM業務的銷售額較去年下降人民幣151,100,000元或51.3%至約人民幣143,700,000元（二零一三年：約人民幣294,800,000元）。勞工成本及原材料成本為鞋履生產的主要成本。由於過去幾年中國通脹率高企及人民幣升值，勞工成本及原材料成本亦因而大幅增加。因此，中國鞋履的競爭力與印度等新興國家比較時有所下降，令年內OEM業務表現不佳。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Selling and Distribution Expenses

During the year, selling and distribution expenses decreased by 71.7% to approximately RMB13.8 million as compared with that of last year (2013: approximately RMB48.7 million), which accounted for 7.0% (2013: 7.8%) of the Group's revenue. The decrease was consistent with the decrease in Group's revenue.

General and Administrative Expenses

General and administrative expenses recorded a decrease of 41.7% to approximately RMB35.9 million for the year ended 31 December 2014 as compared with that of last year (2013: approximately RMB61.6 million), which accounted for 18.3% (2013: 9.9%) of the Group's revenue. As the Group adopted a series of cost saving plans in 2014, the general and administrative expenses decreased by approximately RMB25.7 million.

Liquidity and Financial Resources

During the year, net cash inflow from operating activities of the Group amounted to approximately RMB70.6 million (2013: approximately RMB75.0 million). As at 31 December 2014, cash and bank balances were approximately RMB1,148.9 million, maintaining a stable level as compared with the cash and bank balances as at the end of last year (2013: approximately RMB1,173.5 million). In the recent years, China implemented a series of economic austerity measures, including adjusting the bank deposit reserve ratio, in order to slow down its overhead economy. In order to maintain a good relationship with banks and have a more favorable term of facilities in the future, the Group maintained the bank borrowings at a certain level even there were substantive cash and bank balances in the Group. As at 31 December 2014, the interest-bearing bank borrowings of the Group were approximately RMB121.9 million (2013: approximately RMB142.0 million). All bank loans were repayable within one year.

財務回顧

銷售及分銷開支

於年內，銷售及分銷開支與去年相比減少71.7%至約人民幣13,800,000元（二零一三年：約人民幣48,700,000元），佔本集團收益7.0%（二零一三年：7.8%）。下降與本集團收益減少一致。

一般及行政開支

截至二零一四年十二月三十一日止年度，一般及行政開支與去年相比減少41.7%至約人民幣35,900,000元（二零一三年：約人民幣61,600,000元），佔本集團收益18.3%（二零一三年：9.9%）。由於本集團於二零一四年採取一系列節省成本計劃，一般及行政開支亦相對減少約人民幣25,700,000元。

流動資金及財務資源

於年內，本集團經營活動所得現金淨額流入為約人民幣70,600,000元（二零一三年：約人民幣75,000,000元）。於二零一四年十二月三十一日，現金及銀行結餘為約人民幣1,148,900,000元，與去年末（二零一三年：約人民幣1,173,500,000元）相比維持在穩定水平。近年來中國實施一系列經濟緊縮措施（包括調整銀行存款準備金率），以放緩過熱的經濟。為維持與銀行的良好關係及於未來取得更有利的融資條款，儘管本集團擁有大量現金及銀行結餘，本集團仍維持一定水平的銀行借款。本集團於二零一四年十二月三十一日的計息銀行借貸約為人民幣121,900,000元（二零一三年：約人民幣142,000,000元）。所有銀行貸款須於一年內償還。

Management Discussion and Analysis

管理層討論及分析

Pledge of Assets

As at 31 December 2014, the bills payables were secured by the Group's pledged deposits amounting to approximately RMB5.7 million (2013: approximately RMB5.5 million). The bank borrowings of the Group were also secured by a pledge of the Group's buildings and land use right with a net carrying value of approximately RMB22.2 million (2013: approximately RMB25.5 million) and approximately RMB35.1 million (2013: approximately RMB5.2 million) respectively.

Contingent Liabilities

As at 31 December 2014 and 2013, there were no material contingent liabilities.

Foreign Exchange Risk

During the year, the sales of the Group were mainly denominated in US dollars and Renminbi. The cost of sales and operating expenses were mainly denominated in Renminbi. The management of the Group monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure if necessary.

Gearing Ratio

As at 31 December 2014, the gearing ratio of the Group was 20.3% (2013: 22.5%). Gearing ratio was calculated as total debts divided by the total equity plus total debts. Total debts refers to the total liabilities minus the sum of tax payable, dividend payable and deferred tax liability.

Human Resources

As at 31 December 2014, the Group had a total of approximately 970 employees (2013: approximately 1,000 employees).

資產抵押

於二零一四年十二月三十一日，應付票據由本集團已抵押存款約人民幣5,700,000元（二零一三年：約人民幣5,500,000元）作出抵押。此外，本集團銀行借貸亦由本集團賬面淨值分別約人民幣22,200,000元（二零一三年：約人民幣25,500,000元）及約人民幣35,100,000元（二零一三年：約人民幣5,200,000元）的樓宇及土地使用權作出抵押。

或然負債

於二零一四年及二零一三年十二月三十一日，本集團並無重大或然負債。

外匯風險

於本年度，本集團的銷售額主要以美元及人民幣計值。銷售成本及經營開支主要以人民幣計值。本集團管理層監控外匯風險，並將考慮於需要時對沖重大外幣敞口。

負債比率

於二零一四年十二月三十一日，本集團的負債比率為20.3%（二零一三年：22.5%）。負債比率為總債務除以總權益與總債務之和。總債務為總負債減應付稅務、應付股息及遞延稅務負債的總和。

人力資源

於二零一四年十二月三十一日，本集團共有約970名僱員（二零一三年：約1,000名僱員）。

Management Discussion and Analysis

管理層討論及分析

Use of Net Proceeds from the Share Offering

As at 31 December 2014, the Company had unutilised net proceeds from the IPO in the amount of approximately RMB147.2 million, representing approximately 38% of the total net proceeds from the IPO (the "Unutilised Net Proceeds"). In light of current market conditions of footwear industry in the PRC, the Company believes that the use of the Unutilised Net Proceeds under the original intended purpose may no longer meets the Group's imminent business development needs. In order to maximise the benefits of the Company and its shareholders, the Company may change the usage of the Unutilised Net Proceeds from the original intended purposes to working capital and other general corporate purposes of the Group. If this happen, further announcements will be made by the Company as and when appropriate in compliance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The shares of the Company were listed on the Main Board of the Stock Exchange on 28 January 2011 with net proceeds received by the Company from the share offering of HK\$453,570,000 (approximately RMB387,666,000) (after deducting underwriting commission and related expenses).

The utilisation of the net proceeds as at 31 December 2014 is set out as follows:

股份發售所得款項淨額用途

於二零一四年十二月三十一日，本公司之未動用首次公開發售所得款項淨額約為人民幣147,200,000元，相當於首次公開發售總所得款項淨額（「未動用所得款項淨額」）約38%。鑒於中國鞋履行業當前市況，本公司認為，按照原定用途動用未動用所得款項淨額可能不再符合本集團迫切的業務發展需要。為增進本公司及其股東之利益，本公司可能將未動用所得款項淨額之用途由原定用途改為本集團營運資金及其他一般企業用途。如此舉落實，本公司將適時遵照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）作出進一步公佈。

本公司股份於二零一一年一月二十八日於聯交所主板上市，本公司自股份發售收到的所得款項淨額為453,570,000港元（約人民幣387,666,000元）（經扣除包銷佣金及相關開支）。

於二零一四年十二月三十一日，所得款項淨額的動用情況載列如下：

Nature 性質		Amount raised	Amount utilised
		所籌金額	動用金額
		RMB'000 人民幣千元	RMB'000 人民幣千元
To increase production capacity	增加產能	135,683	86,128
Marketing and advertising expenses	推廣及宣傳開支	96,917	96,917
To acquire other branded product business	收購其他品牌產品業務	58,150	-
To strengthen design capability	增強設計能力	19,383	10,238
To establish flagship shops and showrooms	開設旗艦店及陳列室	19,383	4,090
To strengthen the distribution resource planning system	加強分銷資源計劃系統	19,383	4,351
General working capital	一般營運資金	38,767	38,767
Total	總計	387,666	240,491

Management Discussion and Analysis

管理層討論及分析

FUTURE PROSPECTS

In view of the uncertainties in the PRC and global economy and high inflation rate in the PRC, we expect the adverse operating environment will continue affect the performance of the Group in 2015.

To cope with the downturn of the industry and the change of customers' buying habit to online purchase, the Group adjusted its distribution channel with those national retail chains instead of single regional distributors in order to increase the penetration rate of the products of the Group. The Group would focus on developing O2O business model for the sales and distribution of the products of the Group in 2015.

Besides the sales model, the Group will put significant resources into the research and development of new materials to be used in the manufacture of footwear in terms of wear-resistance, portability, air permeability and antibacterial property, which will also help to reduce the cost effectively. The Group will selectively develop new types of materials which will become the new growth drivers of the Group.

Moreover, the Group will conduct further development in the research and application of new technologies, such as hi-tech disinfection and deodorization chips for shoes, which can be widely used in sneakers and specialty footwear given its proven effect of healthcare and treatment through effectively eliminating fungus within shoes and prevention of illnesses such as beriberi and athlete's foot. The Group will vigorously develop wearable devices business through consolidation and acquisition of proprietary technology, develop a range of wearable chips for shoes (such as those for sports and health) as the carriers of wearable devices, and introduce new series of multi-function products. On 24 November 2014, the Company entered into of a letter of intent with Bluestone Technologies (Cayman) Limited ("Bluestone"), a third party independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the Listing Rules), pursuant to which, Bluestone agrees to transfer the proprietary technology of graphene-based disinfection devices and pressure-sensitive sensors for shoes to the Company. The terms of the acquisition are still under discussion. For details, please refer to the Group's announcement dated 24 November 2014.

未來前景

鑒於中國經濟與全球經濟的不確定性及中國通脹率高企，我們預計不利的經營環境將繼續影響本集團二零一五年之表現。

為應對行業下滑和客戶購買習慣改為網上購物這種改變，本集團已調整其分銷管道至全國零售連鎖商，而非單一地區分銷商，從而增加本集團產品之滲透率。本集團於二零一五年將致力於拓展產品銷售及分銷之O2O的業務模式。

除了銷售模式以外，集團將在用於生產鞋的新材料研究和開發方面加大投入，在材料的耐磨性、輕便性、透氣性、抗菌性等性能的提高進行大量研究工作，同時可以有效地降低成本。本集團將有針對性地開發出幾類新型材料，將會成為集團新的業務增長點。

另集團將在新技術的研究和應用方面進行更深層次的開發，具有高科技含量的鞋用殺菌除臭晶片研發，可大量用於運動鞋及專用鞋，有效殺滅鞋子內部真菌，防止腳氣和香港腳等疾病的發生，起到很好保健和治療作用。集團將通過整合和購買專有技術大力發展穿戴式業務，把鞋子作為穿戴式裝備的載體，開發用於鞋子的多種穿戴式晶片，如：運動類和健康類等，推出全新系列的多功能產品。於二零一四年十一月二十四日，本公司與Bluestone Technologies (Cayman) Limited (「Bluestone」) (一名獨立於本公司及其任何關連人士之第三方(具有上市規則所賦予之涵義)訂立意向書，據此，Bluestone同意向本公司轉讓石墨烯鞋用殺菌及傳感器晶片之專有技術，收購之條款仍在磋商中，詳情請參閱本集團日期為二零一四年十一月二十四日之公佈。

Corporate Governance Report

企業管治報告

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

The Company has complied with the code provision (the "Code Provision") as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules on the Stock Exchange throughout the year ended 31 December 2014, except where otherwise stated. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as the required standard for securities transactions by the Directors. The Company made specific enquiries of all the Directors who confirmed that they have complied with the required standards set out in the Model Code during the financial year.

BOARD OF DIRECTORS

The Board members are:

- **Executive Directors:**
 - Mr. ZHENG Jingdong (Chairman and Chief Executive Officer)
 - Mr. LEUNG Tsz Chung (Appointed as Vice-chairman on 3 February 2015)
 - Mr. ZHANG Aiguo (Resigned on 3 February 2015)
- **Non-Executive Directors:**
 - Mr. SZE Ching Bor
 - Mr. CHAN Chak Chak Daniel (Appointed on 21 November 2014)
 - Mr. CHEUNG Miu (Resigned on 21 November 2014)

本公司董事會及管理層致力於維持良好之企業管治常規及程序。本公司相信，良好之企業管治將為實施有效管理、培養健康公司文化、成功獲得業務增長及提升股東價值提供不可或缺之架構。

除另作說明外，於截至二零一四年十二月三十一日止年度，本公司已遵守聯交所上市規則附錄十四所載企業管治守則（「企業管治守則」）所載的守則條文（「守則條文」）。本公司定期檢討企業管治常規，以確保持續合規。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之規定準則。本公司已向全體董事作出專門查詢，全體董事確認彼等於財政年度期間已遵守標準守則所載之規定準則。

董事會

董事會成員如下：

- **執行董事：**
 - 鄭景東先生（主席兼行政總裁）
 - 梁子冲先生（於二零一五年二月三日獲委任為副主席）
 - 張愛國先生（於二零一五年二月三日辭任）
- **非執行董事：**
 - 史清波先生
 - 陳策策先生（於二零一四年十一月二十一日獲委任）
 - 張渺先生（於二零一四年十一月二十一日辭任）

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (continued)

- **Independent Non-Executive Directors:**

Ms. AN Na

Professor ZHAO Jinbao (Appointed on 3 February 2015)

Mr. CHEN Shaohua (Appointed on 3 February 2015)

Professor BAI Changhong (Resigned on 3 February 2015)

Mr. LEE Keung (Resigned on 3 February 2015)

The biographical details of the Directors are disclosed in the section headed "Biographical Details of Directors" on pages 27 to 29. The composition of the Board is well balanced. Each of the Directors has relevant expertise and extensive experiences that may contribute to the business of the Group. The Company has complied with the requirements under Rules 3.10(1) and (2) of the Listing Rules during the financial year. All independent non-executive Directors also meet the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules.

Every director is subject to re-election on retirement by rotation in accordance with the articles of association of the Company (the "Articles").

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the members of the Board. All of them are free to exercise their independent judgement.

The Board is responsible for establishing the overall strategic development and direction, setting business objectives and development plans, monitoring the performance of the business and senior management and making major investments and funding decisions of the Group.

The daily business operations and administrative functions of the Group are delegated to the management with department heads responsible for different aspects of the business and functions of the Group.

The Board meets regularly throughout the year to formulate overall strategy of the Group, monitor its financial performance and maintain effective oversight over the management. Sufficient notice of meetings is given to Directors prior to a regular board meeting, and each director is able to request inclusion of matters in the agenda for board meeting. Full minutes are prepared after the meetings.

董事會 (續)

- **獨立非執行董事:**

安娜女士

趙金保教授 (於二零一五年二月三日獲委任)

陳少華先生 (於二零一五年二月三日獲委任)

白長虹教授 (於二零一五年二月三日辭任)

李強先生 (於二零一五年二月三日辭任)

董事的履歷詳情披露於第27至29頁「董事履歷詳情」一節。董事會組成結構平衡。各董事擁有相關專業知識及豐富經驗，可為本集團業務作出貢獻。於本財政年度內，本公司一直遵守上市規則第3.10(1)及(2)條的規定。所有獨立非執行董事亦符合上市規則第3.13條所載獨立性評估指引。

各董事須根據本公司組織章程細則(「細則」)輪流退任並重選。

就本公司所知，董事會各成員之間概無財務、業務、親屬或其他重大／相關關係。彼等均可自由作出獨立判斷。

董事會負責制定整體策略發展及方向、訂立營運目標及發展計劃、監察業績及高級管理層的表現以及決定本集團的主要投資和資金調動。

本集團的日常業務營運及行政職務已委派負責本集團各業務及職能的部門主管管理。

董事會在全年定期召開會議，以制定本集團的整體策略，監督其財務表現並維持對管理層的有效監督。定期召開董事會會議前會向董事發出充足通告，而各董事亦可要求於董事會會議議程中加入事宜。會議結束後由專人編製完整會議紀錄。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (continued)

Details of the attendance of the Board meetings and the annual general meeting ("AGM") held in the year under review are summarised as follows:

董事會 (續)

於回顧年度所舉行董事會會議及股東週年大會(「股東週年大會」)的出席紀錄詳情概述如下:

		Number of board meetings attended/ held in 2014 二零一四年出席/舉行的董事會會議次數	Number of AGM attended/ held in 2014 二零一四年出席/舉行的股東週年大會次數
Executive Directors	執行董事		
Mr. ZHENG Jingdong	鄭景東先生	7/7	1/1
Mr. ZHANG Aiguo (Resigned on 3 February 2015)	張愛國先生 (於二零一五年二月三日辭任)	3/7	0/1
Non-Executive Directors	非執行董事		
Mr. SZE Ching Bor	史清波先生	7/7	0/1
Mr. CHEUNG Miu (Resigned on 21 November 2014)	張渺先生 (於二零一四年十一月二十一日辭任)	3/3	0/1
Mr. CHAN Chak Chak Daniel (Appointed on 21 November 2014)	陳策策先生 (於二零一四年十一月二十一日獲委任)	1/2	0/1
Independent Non-Executive Directors	獨立非執行董事		
Professor BAI Changhong (Resigned on 3 February 2015)	白長虹教授 (於二零一五年二月三日辭任)	6/7	0/1
Mr. LEE Keung (Resigned on 3 February 2015)	李強先生 (於二零一五年二月三日辭任)	7/7	0/1
Ms. AN Na	安娜女士	7/7	0/1

CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for performing the corporate governance duties including the duties and responsibilities as set out in D.3 in Appendix 14 to the Listing Rules which include the development and reviewing of policies and practices on corporate governance and compliance with all legal and regulatory requirements, monitoring the training and continuous professional development of Directors and senior management, development and reviewing of the code of conduct and compliance manual (if any) applicable to employees and Directors and reviewing the compliance with the CG Code, and ensuring proper disclosure in the corporate governance report of the Company.

企業管治職能

董事會亦負責履行企業管治職責(包括上市規則附錄十四D.3所載責任與義務),包括制定及審閱企業管治政策及常規及遵守所有法律及監管規定,監督董事及高級管理層的培訓及持續專業進修,制定及審閱適用於僱員及董事的操守準則及合規手冊(如有)及審查是否符合企業管治守則,以及確保於本公司企業管治報告中作恰當的披露。

Corporate Governance Report

企業管治報告

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this report, all the Directors have participated in appropriate continuous professional development activities by attending training courses or reading materials on the topics related to corporate governance and regulations or the Company's business or their duties and responsibilities.

The individual training record of each Director received for the year ended 31 December 2014 is summarised below:

董事的持續專業進修

全體董事均須參與持續專業進修，以增進及更新其知識及技能，確保各董事在知情情況下為董事會作出切合需要的貢獻。截至本報告日期，所有董事已透過參加培訓課程或閱讀有關企業管治及規例或本公司業務或董事義務及職責的資料的方式參與持續專業進修。

於截至二零一四年十二月三十一日止年度，各董事接受的個別培訓記錄概載如下：

		Attending seminar(s)/ programme(s)/reading relevant materials in relation to the business or directors' duties
		出席有關業務或 董事職責的座談會/ 計劃／閱讀相關 資料的情況
Mr. ZHENG Jingdong	鄭景東先生	✓
Mr. ZHANG Aiguo (Resigned on 3 February 2015)	張愛國先生 (於二零一五年 二月三日辭任)	✓
Mr. SZE Ching Bor	史清波先生	✓
Mr. CHEUNG Miu (Resigned on 21 November 2014)	張渺先生 (於二零一四年 十一月二十一日辭任)	✓
Mr. CHAN Chak Chak Daniel (Appointed on 21 November 2014)	陳策策先生 (於二零一四年 十一月二十一日獲委任)	✓
Professor BAI Changhong (Resigned on 3 February 2015)	白長虹教授 (於二零一五年 二月三日辭任)	✓
Mr. LEE Keung (Resigned on 3 February 2015)	李強先生 (於二零一五年 二月三日辭任)	✓
Ms. AN Na	安娜女士	✓

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1. stipulates that the roles of the Chairman and Chief Executive Officer should be separated and should not be performed by the same individual.

The Company deviates from this provision because Mr. Zheng Jingdong has been performing both the roles of Chairman and Chief Executive Officer. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprises experienced and high caliber individuals. The Board currently comprises 2 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors and therefore has a strong independence element in its composition.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at the Board meeting and scrutinising the Group's performance. Their views carry significant weight in the Board's decision, in particular, they bring an impartial view to bear on issues of the Group's strategy, performance and control.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board.

The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of shareholders can be taken into account, and the interests of the Company and its shareholders can be protected.

For the year ended 31 December 2014, the Board has three independent non-executive Directors, Professor Bai Changhong, Mr. Lee Keung and Ms. An Na, one of which, being Mr. Lee Keung, possesses appropriate professional accounting qualifications and financial management expertise in compliance with the requirements set out in Rules 3.10(1) and (2) of the Listing Rules.

主席及行政總裁

守則條文第A.2.1.條規定，主席與行政總裁的職能應予以區分，不應由同一人士兼任。

本公司就本條文有所偏離，因鄭景東先生兼任主席及行政總裁職位。董事相信，一人兼任兩個職位可為本集團提供強大一致的領導，方便本集團業務策略的發展及執行，對本集團有利。職權平衡由高級管理層及董事會（由資深且富有才幹的人士組成）運作而保證，董事會現時包括2名執行董事、2名非執行董事及3名獨立非執行董事，因此其構成具有較強的獨立元素。

獨立非執行董事

獨立非執行董事在董事會擔當重任，負責在董事會會議提出獨立意見及監督本集團的表現。彼等的意見對董事會的決定舉足輕重，尤其是關於本集團策略、表現及監控事務的公正見解。

全體獨立非執行董事均具備豐富的學術、專業及行業背景及管理經驗，為董事會提供專業意見。

獨立非執行董事為本集團的業務策略、業績及管理提供獨立意見，確保充份考慮股東的一切權益，保障本公司和股東的利益。

截至二零一四年十二月三十一日止年度，董事會有三名獨立非執行董事，分別為白長虹教授、李強先生及安娜女士，當中李強先生具備符合上市規則第3.10(1)及(2)條規定的合適專業會計資格及財務管理經驗。

Corporate Governance Report

企業管治報告

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Professor Bai Changhong and Mr. Lee Keung were resigned as independent non-executive Directors on 3 February 2015. Professor Zhao Jinbao and Mr. Chen Shaohua were appointed to replace the positions of Professor Bai Changhong and Mr. Lee Keung respectively on the same day.

The Company has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers the independent non-executive Directors to be independent.

TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors (including independent non-executive Directors) has entered into a service contract with the Company for an initial term of 3 years (other than for Mr. Chan Chak Chak Daniel, initial term of 2 years), which will continue thereafter until terminated by not less than three month's notice (other than for Mr. Cheung Miu, terminated by not less than two month's notice) in writing served by either party on the other.

All independent non-executive Directors and non-executive Directors are subject to re-election on retirement by rotation in accordance with the Articles.

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors of the Company has entered into a service contract with the Company for a specific term. Such term is subject to retirement by rotation and re-election at an AGM at least once every three years in accordance with the Articles. The Articles of the Company provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next AGM of the Company and shall then be eligible for re-election.

獨立非執行董事 (續)

白長虹教授及李強先生於二零一五年二月三日辭任獨立非執行董事。同日，趙金保教授及陳少華先生獲委任，以分別取代白長虹教授及李強先生之職務。

本公司已取得各獨立非執行董事根據上市規則第3.13條發出的獨立身份年度確認。本公司認為獨立非執行董事均為獨立人士。

非執行董事的任期

各非執行董事（包括獨立非執行董事）已與本公司訂立初步任期三年的服務合約（陳策策先生除外，其初步任期為兩年），任期直至一方向另一方送達不少於三個月的書面通知終止合約為止（張渺先生除外，其合約可發出不少於兩個月的通知而終止）。

所有獨立非執行董事及非執行董事均須根據細則輪流退任並重選。

董事的委任、重選及退任

本公司各執行董事、非執行董事及獨立非執行董事已與本公司訂立有特定任期的服務合約，並須根據本公司的細則最少每三年於股東週年大會輪流退任一次。本公司的細則規定，任何獲委任加入董事會以填補臨時空缺的董事，任期將於獲委任後的本公司首次股東大會屆滿，惟可於該大會重選連任，而任何獲委任新加入當時董事會的董事任期將於本公司下屆股東週年大會屆滿，屆時可重選連任。

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BOARD COMMITTEES

The Company currently have three committees, namely, the audit committee, the remuneration committee and the nomination committee (collectively, the “Board Committees”), for overseeing particular aspects of the Company’s affairs. Terms of reference of all Board Committees are in line with the Code Provision and are available on the Stock Exchange’s website and the Company’s website at www.baofengmodern.com. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expenses.

PUTTING ENQUIRIES TO THE BOARD

Shareholders may send their enquiries and concerns to the Board by addressing them to the secretary of the Company by mail at the Company’s principal place of business in Hong Kong. The company secretary forwards communications relating to matters within the Board’s purview to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and consumer complaints, to the chief executives.

AUDIT COMMITTEE

The audit committee was established by the Board on 8 January 2011 with written terms of reference in compliance with the CG Code as set out in appendix 14 of the Listing Rules. The primary duties of the audit committee are to review and supervise our Group’s financial reporting process and internal control system and review and monitor appointment of the auditors and their independence.

The audit committee comprised three independent non-executive Directors, namely Mr. Lee Keung, Professor Bai Changhong and Ms. An Na, and Mr. Lee Keung was the chairperson of the audit committee during the financial year. On 3 February 2015, Mr. Lee Keung and Professor Bai Changhong were resigned as chairperson and member of audit committee, who were replaced by Mr. Chen Shaohua and Professor Zhao Jinbao respectively on the same day. The annual results of the Group for the year ended 31 December 2014 have been reviewed by the audit committee. The audit committee held 4 meetings during the financial year.

董事會專門委員會

本公司現有三個委員會，即審核委員會、薪酬委員會及提名委員會（統稱「董事會專門委員會」），監管本公司事務的具體方面。所有董事會專門委員會的職權範圍均符合守則條文，可於聯交所網站及本公司網站 www.baofengmodern.com 瀏覽。董事會專門委員會獲提供充足資源履行職責，經合理要求，可就適當情況尋求獨立專業意見，費用由本公司承擔。

向董事會提出查詢

股東可將其查詢及關注事項寄往本公司之香港主要營業地點，註明本公司之公司秘書收，以便送交董事會。公司秘書會將有關董事會職權範圍內事宜的通訊轉交董事會及將有關日常業務事宜的通訊（如建議、查詢及客戶投訴）轉交主要行政人員。

審核委員會

董事會已遵照上市規則附錄十四所載企業管治守則於二零一一年一月八日成立審核委員會，並制訂書面職權範圍。審核委員會的主要職責為檢討及監督本集團的財務報告程序及內部監控體系以及檢討及監察核數師的委任及其獨立性。

於本財政年度內，審核委員會由三名獨立非執行董事李強先生、白長虹教授及安娜女士組成，李強先生為審核委員會主席。於二零一五年二月三日，李強先生及白長虹教授分別辭任審核委員會主席及成員，同日分別由陳少華先生及趙金保教授取代。本集團截至二零一四年十二月三十一日止年度的全年業績已由審核委員會審閱。於本財政年度內，審核委員會舉行了四次會議。

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AUDIT COMMITTEE (continued)

Details of the attendance of the audit committee are as follow:

Members	成員	Attendance of Meeting 會議出席情況
Mr. LEE Keung (Chairperson of audit committee and resigned on 3 February 2015)	李強先生 (審核委員會主席及於二零一五年二月三日辭任)	4/4
Professor BAI Changhong (Resigned on 3 February 2015)	白長虹教授 (於二零一五年二月三日辭任)	2/4
Ms. AN Na	安娜女士	4/4

REMUNERATION COMMITTEE

The Board established the remuneration committee on 8 January 2011 with written terms of reference in compliance with the CG Code as set out in appendix 14 of the Listing Rules. The primary duties of the remuneration committee are to make recommendations to our Board on the remuneration policies and structure of the remuneration for the Directors and senior management and to set up a formal and transparent procedure for determination of such remuneration policies. It shall also make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

The remuneration committee comprised three independent non-executive Directors, namely Ms. An Na (the chairperson of the remuneration committee), Professor Bai Changhong and Mr. Lee Keung during the financial year. The remuneration committee held 1 meeting during the financial year. Professor Bai Changhong and Mr. Lee Keung resigned as members of remuneration committee on 3 February 2015, who were replaced by Professor Zhao Jinbao and Mr. Chen Shaohua respectively on the same day.

The details of the attendance of the remuneration committee are as follows:

Members	成員	Attendance of Meeting 會議出席情況
Ms. AN Na (Chairperson of remuneration committee)	安娜女士 (薪酬委員會主席)	1/1
Professor BAI Changhong (Resigned on 3 February 2015)	白長虹教授 (於二零一五年二月三日辭任)	1/1
Mr. LEE Keung (Resigned on 3 February 2015)	李強先生 (於二零一五年二月三日辭任)	1/1

審核委員會 (續)

審核委員會的出席紀錄詳情如下：

薪酬委員會

董事會已於二零一一年一月八日遵照上市規則附錄十四所載企業管治守則成立薪酬委員會，並制訂書面職權範圍。薪酬委員會的主要職責為就董事及高級管理層的薪酬政策及薪酬結構向董事會作出推薦意見，並制定確立有關薪酬政策的正式及透明程序。薪酬委員會亦須就各執行董事及高級管理層的薪酬待遇向董事會提供推薦意見。

於本財政年度內，薪酬委員會由三名獨立非執行董事安娜女士 (薪酬委員會主席)、白長虹教授及李強先生組成。於本財政年度內，薪酬委員會舉行了一次會議。於二零一五年二月三日，白長虹教授及李強先生辭任薪酬委員會成員，同日分別由趙金保教授及陳少華先生取代。

薪酬委員會出席紀錄詳情如下：

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REMUNERATION COMMITTEE (continued)

Pursuant to Code Provision B.1.5, the annual remuneration of the members of the senior management of the Company by band for the year ended 31 December 2014 is set out below:

Remuneration band (RMB) 薪酬範圍 (人民幣)

0 – 500,000
500,001 – 1,000,000

Number of individuals 人數

3
2

Details of remuneration of each Director for the year ended 31 December 2014 are set out in note 9 to the consolidated financial statements contained in this annual report.

NOMINATION COMMITTEE

The Board established the nomination committee on 8 January 2011 with written terms of reference in compliance with CG Code as set out in appendix 14 of the Listing Rules. The primary duties of the nomination committee are set out below:

- (a) to make recommendations to our Board on the appointment of Directors;
- (b) to review the size, structure and composition of the Board;
- (c) to review the terms of reference, to assess the independence of independent non-executive Directors; and
- (d) to make recommendations to the Board on the re-election of Directors to be proposed for shareholders' approval at the AGM.

The nomination committee comprised the three independent non-executive Directors, namely Professor Bai Changhong (the chairperson of the nomination committee), Mr. Lee Keung and Ms. An Na. On 3 February 2015, Professor Bai Changhong and Mr. Lee Keung were resigned as chairperson and member of nomination committee, who were replaced by Professor Zhao Jinbao and Mr. Chen Shaohua respectively on the same day. The nomination committee held 2 meetings during the financial year.

薪酬委員會 (續)

根據守則條文第B.1.5條，截至二零一四年十二月三十一日止年度本公司高級管理人員的年薪等級如下：

各董事截至二零一四年十二月三十一日止年度的薪酬詳情載於本年報所載綜合財務報表附註9。

提名委員會

董事會已於二零一一年一月八日遵照上市規則附錄十四所載企業管治守則成立提名委員會，並制訂書面職權範圍。提名委員會的主要職責載列如下：

- (a) 就董事的委任向董事會作出推薦；
- (b) 檢討董事會的規模、架構及構成；
- (c) 審閱職權範圍，評估獨立非執行董事的獨立性；及
- (d) 就重選擬於股東週年大會上提呈股東批准的董事向董事會作出推薦。

提名委員會由三名獨立非執行董事白長虹教授（提名委員會主席）、李強先生及安娜女士組成。於二零一五年二月三日，白長虹教授及李強先生分別辭任提名委員會主席及成員，同日分別由趙金保教授及陳少華先生取代。提名委員會於本財政年度內舉行了2次會議。

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NOMINATION COMMITTEE (continued)

The details of the attendance of the nomination committee are as follows:

Members

成員

Attendance of Meeting 會議出席情況

Professor BAI Changhong (Chairperson of nomination committee and resigned on 3 February 2015)	白長虹教授 (提名委員會主席及於二零一五年二月三日辭任)	2/2
Mr. LEE Keung (Resigned on 3 February 2015)	李強先生 (於二零一五年二月三日辭任)	1/2
Ms. AN Na	安娜女士	2/2

BOARD DIVERSITY POLICY

During the financial year, the Group adopted a board diversity policy (the "Policy") setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Group considered the diversity of the Board members can be achieved through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Board will consider to set measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The nomination committee will review the Policy from time to time to ensure its continued effectiveness.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group, and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. The statement by the auditors of the Company about their responsibilities for the financial statements is set out in the independent auditor's report contained in this annual report. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements for the financial year have been prepared on a going concern basis.

提名委員會 (續)

提名委員會出席紀錄詳情如下：

董事會成員多元化政策

於本財政年度內，本集團已採納董事會成員多元化政策（「政策」），當中列載董事會為達致及維持成員多元化以提升董事會之有效性而採取之方針。

根據政策，本集團認為透過考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、族群特性、專業經驗、技能、知識及服務年資，可實現董事會成員多元化。

董事會將考慮制定可計量目標以推行政策，並不時檢視該等目標以確保其合適度及確定達致該等目標之進度。

提名委員會將不時檢討政策，以確保政策行之有效。

董事對財務報表的責任

董事負責根據國際會計準則委員會公佈的國際財務報告準則及香港公司條例披露規定編製財務報表，真實公允地呈列本集團的事務狀況。本公司核數師就其對財務報表責任的聲明載於本年報的獨立核數師報告。並無任何有關可引致嚴重質疑本公司持續經營能力之事件或情況的重大不確定因素。本財政年度之財務報表乃按持續經營基準編製。

INTERNAL CONTROL

The Board has the responsibility to maintain an effective internal control system in order to protect the Group's assets and shareholders' interests. The Board and audit committee also conduct periodic reviews to ensure the effectiveness of the Group's internal control system. The internal control system includes a well-established corporate structure and organisation with clearly defined lines of responsibility and authority. Each department is responsible for its daily operations, and is also required to implement and monitor the strategies and policies adopted by the Board and effective employment of the resources of the Company, in order to avoid misappropriation of resources and damages made to the Company's assets, and prevent against errors and fraud.

The Board and audit committee assess the effectiveness of the internal control system and procedures based on information derived from discussions with the management of the Company and its external auditor. The Board and audit committee believe that the existing internal control system is adequate and effective. The review covers all material controls, including financial, operational and compliance controls and risk management functions as well as the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Board has established a clearly defined scope of activities, responsibility and authority for each department and its management staff within the Group. The Group has a defined goal for each department to accomplish, these goals were discussed in the Board meeting and pass on to the management through the executive Directors. These goals will be implemented and closely monitored by the executive Directors who shall review the operational and financial results from time to time, and to take any necessary actions for the improvement of its business activities.

內部監控

董事會有責任維持有效的內部監控體系，以保障本集團資產及股東利益。董事會及審核委員會亦定期進行檢討，確保本集團內部監控體系的成效。內部監控體系包括完善的企業架構和組織，清楚界定各部門的職責範圍和權屬。各部門不僅負責日常業務的操作，還須實施及監察董事會所採納策略及政策以及本公司資源的有效運用，以防止濫用資源、資產受損、防止錯失及欺詐行為的發生。

董事會及審核委員會根據與本公司管理層及外部核數師的討論所取得的資料，評估內部監控體系及程序的成效。董事會及審核委員會相信，現有內部監控體系已經足夠及有效。檢討工作涵蓋所有重大監控，包括財務、營運及合規監控以及風險管理職能，以及資源充足性、本公司會計及財務報告職能人員的資質及經驗以及其培訓課程及預算。

董事會對本集團內各部門及其管理人員設有清晰而明確的活動、職責及權屬範圍。本集團訂立明確的目標予各部門來完成，各項目標均在董事會會議中討論後，由執行董事交給管理層執行。執行董事將不時審閱營運及財務業績，並採取任何必要行動改善業務活動，藉此實施及密切監控有關目標。

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NON-COMPETITION UNDERTAKING

As disclosed in the prospectus of the Company, Mr. Sze Ching Bor, Best Mark International Limited and Capital Vision International Limited (collectively, the “Controlling Shareholders”) entered into a deed of non-competition in favour of the Company on 8 January 2011 (the “Deed of Non-Competition”). The undertakings and covenants stipulated under the Deed of Non-Competition cover any business which is or may be in competition with the business of any member of the Group from time to time. The Deed of Non-Competition has become effective from 28 January 2011. There has been no change to the terms of the Deed of Non-Competition for the year ended 31 December 2014.

The Controlling Shareholders have confirmed in writing to the Company of their compliance with the Deed of Non-Competition for disclosure in this annual report for the year ended 31 December 2014.

Upon receiving the Confirmation, the independent non-executive Directors had reviewed the same as part of the annual review process. In determining whether the Controlling Shareholders had fully complied with the non-competition undertakings in 2014 for the annual assessment, it was noted that (a) the Controlling Shareholders declared that they had fully complied with the non-competition undertakings in the Deed of Non-Competition for the financial year ended 31 December 2014; (b) no new competing business was reported by the Controlling Shareholders during the year ended 31 December 2014; and (c) there was no particular situation rendering the full compliance of the non-competition undertakings being questionable. In view of the above, the independent non-executive Directors confirmed that all of the non-competition undertakings in the Deed of Non-Competition were complied with by the Controlling Shareholders for the year ended 31 December 2014.

AUDITORS’ REMUNERATION

During the year, the remuneration in respect of audit and non-audit services provided by the Company’s auditor, Pan-China (H.K.) CPA Limited, were RMB1,590,000 and nil.

不競爭承諾

如本公司招股章程所披露，史清波先生、Best Mark International Limited及Capital Vision International Limited（統稱「控股股東」）於二零一一年一月八日以本公司為受益人訂立不競爭契據（「不競爭契據」）。不競爭契據所載承諾及契諾涵蓋不時與或可能與本集團任何成員公司業務競爭之任何業務。不競爭契據於二零一一年一月二十八日生效。截至二零一四年十二月三十一日止年度，不競爭契據之條款並無變動。

控股股東已向本公司書面確認，就截至二零一四年十二月三十一日止年度於本年報作出披露而言，彼等已遵守不競爭契據。

收到確認後，作為年度審閱程序的一部分，獨立非執行董事已審閱確認。就年度評估而釐定控股股東是否已於二零一四年完全遵守不競爭承諾而言，彼等注意到(a)控股股東聲明，控股股東已就截至二零一四年十二月三十一日止財政年度完全遵守不競爭契據中不競爭承諾；(b)截至二零一四年十二月三十一日止年度控股股東並無報告新競爭業務；及(c)並不存在特定情況，令完全遵守不競爭契據可受到質疑。基於上文所述，獨立非執行董事確認，控股股東已於截至二零一四年十二月三十一日止年度遵守不競爭契據中的所有不競爭承諾。

核數師薪酬

年內，就本公司核數師天健（香港）會計師事務所有限公司提供審計服務及非審計服務的酬金分別為人民幣1,590,000元及零元。

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企業管治報告

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

Information about the Group has been provided to the shareholders through financial reports, announcements and general meetings including AGMs in order to keep shareholders well informed of the business activities and directions of the Group. The Group has also established a corporate website www.baofengmodern.com as a channel to facilitate effective communication with the shareholders.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Room 504, 5/F, OfficePlus @Sheung Wan, No. 93-103 Wing Lok Street, Sheung Wan, Hong Kong.

Code Provision A.6.7. stipulates that non-executive Directors and independent non-executive Directors should attend AGM and develop a balanced understanding of the views of the shareholders. The Company deviates from this provision because the non-executive Directors, Mr. Sze Ching Bor and Mr. Cheung Miu and the independent non-executive Directors, Professor Bai Changhong, Ms. An Na and Mr. Lee Keung did not attend the AGM held on 10 June 2014 due to their business commitments.

Code Provision E.1.2. stipulates that the chairman of the Board should attend the AGM. The chairman should also invite the chairpersons of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the AGM. The chairperson of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. Due to other business commitments, the chairpersons of audit committee, remuneration committee and nomination committee, Mr. Lee Keung, Ms. An Na and Professor Bai Changhong were unable to attend the AGM held on 10 June 2014.

During the financial year, there is no significant change in the Company's constitutional documents.

投資者關係及與股東之溝通

有關本集團的資料已以財務報告、公告及股東大會（包括股東週年大會）形式提供予股東，方便股東隨時瞭解本集團的業務活動及動向。本集團亦設立公司網站www.baofengmodern.com，作為促進與股東有效溝通的渠道。

股東可隨時將其查詢及關注事項以書面形式寄往本公司的香港主要營業地點（地址為香港上環永樂街93-103號協成行上環中心5樓504室），以便送交董事會。

守則條文第A.6.7.條規定非執行董事及獨立非執行董事應出席股東週年大會並對股東的意見有公正的瞭解。由於非執行董事史清波先生及張渺先生及獨立非執行董事白長虹教授、安娜女士及李強先生因彼等的公務而未能出席於二零一四年六月十日舉行的股東週年大會，故本公司偏離此條文。

守則條文第E.1.2.條規定，董事會主席應出席股東週年大會。主席亦應邀請審核、薪酬、提名及任何其他委員會（如適用）之主席出席。如有關委員會主席缺席，主席應邀請委員會其他成員或當無其他成員能夠出席，有關委員會主席可另委任代表出席。有關人士應可於股東週年大會上回答問題。獨立董事委員會主席（如有）亦應於任何股東大會上回答問題，以批准關連交易或需要獨立股東批准之任何其他交易。審核委員會主席李強先生、薪酬委員會主席安娜女士及提名委員會主席白長虹教授因彼等的其他公務而未能出席於二零一四年六月十日舉行的股東週年大會。

於本財政年度內，本公司之組織章程文件概無重大變動。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHT

Convening an Extraordinary General Meeting and Putting Forward Proposals at Shareholders' Meetings

Pursuant to Article 58 of the Articles, any one or more members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The same requirements and procedures also apply to any proposal to be tabled at shareholders' meetings for adoption.

Directors' and Officers' Liabilities Insurance

Appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against the Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group has been arranged by the Company.

股東的權利

召開股東特別大會及於股東大會上提呈議案

根據細則第58條，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票權）十分之一的本公司股東於任何時候有權向本公司董事會或秘書發出有關書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向要求人作出償付。

相同的要求及程序亦適用於任何於股東大會上提呈以供採納的議案。

董事及高級職員的責任保險

就本集團企業活動引致本公司及其附屬公司董事及高級職員所面臨的法律行動，本公司已為董事及高級職員的責任購買相關保險。

Biographical Details of Directors

董事履歷詳情

EXECUTIVE DIRECTORS

Mr. ZHENG Jingdong (鄭景東先生)

Mr. Zheng Jingdong, aged 49, is the Chairman of the Board, Chief Executive Officer and an executive Director. He has been a Director since 21 July 2008. Mr. Zheng has more than 10 years of experience in the slipper business in the PRC. He has been appointed as a director of Quanzhou Baofeng Shoes Co Ltd (“Quanzhou Baofeng”) since 28 March 2007 and as a director of BAOF International Limited (“BAOF HK”) since 21 July 2008. He has been appointed as the Chairman of the Board and Chief Executive Officer of the Group on 10 May 2013.

Mr. LEUNG Tsz Chung (梁子冲先生)

Mr. Leung Tsz Chung has been appointed as the executive Director, Vice-Chairman of the Board and the authorised representative under the Listing Rules with effect from 3 February 2015. Mr. Leung, aged 45, holds a degree of bachelor of arts in Business Studies from the Hong Kong Polytechnic University in 1991 and a degree of master in Business Administration from the University of New South Wales in 1996. He is qualified as a certified professional marketer and has over 20 years of extensive experience in business administration and marketing. Mr. Leung is the legal representative of Bay Zu Precision Co., Ltd (北儒精密股份有限公司) since November 2011, whose shares are traded on Gretai Securities Market of the Republic of China (中華民國證券櫃檯買賣中心). Mr. Leung joined 2D Material Technology Company Limited, a wholly owned subsidiary of the Company, as the chief executive officer in November 2014. Mr. Leung would focus on developing the business of material technology and O2O business for the Group.

NON-EXECUTIVE DIRECTORS

Mr. SZE Ching Bor (史清波先生)

Mr. Sze Ching Bor, aged 67, is the founder of our Group and he was appointed as a non-executive Director on 30 June 2010. He has been appointed as a director of BAOF HK since 8 January 2008.

執行董事

鄭景東先生

鄭景東先生，49歲，為董事會主席、本集團行政總裁兼執行董事。彼自二零零八年七月二十一日起擔任董事，擁有逾10年的中國拖鞋業務經驗。彼自二零零七年三月二十八日及二零零八年七月二十一日起先後獲委任為泉州寶峰鞋業有限公司（「泉州寶峰」）及寶峰新國際有限公司（「寶峰香港」）的董事。彼於二零一三年五月十日獲委任為董事會主席兼本集團行政總裁。

梁子冲先生

梁子冲先生自二零一五年二月三日起獲委任為執行董事及董事會副主席以及上市規則下之授權代表。梁先生，45歲，分別於一九九一年及一九九六年取得香港理工大學商業研究文學士學位及新南威爾斯大學工商管理碩士學位。彼為合資格認許市務師，於工商管理及市場行銷擁有逾二十年豐富經驗。自二零一一年十一月起，梁先生為北儒精密股份有限公司之法定代表，該公司之股份於中華民國證券櫃檯買賣中心買賣。梁先生於二零一四年十一月加入2維材料科技有限公司（本公司之全資附屬公司）擔任行政總裁。梁先生將致力發展本集團之材料科技業務及O2O業務。

非執行董事

史清波先生

史清波先生，67歲，為本集團創辦人，於二零一零年六月三十日獲委任為非執行董事。彼自二零零八年一月八日起獲委任為寶峰香港的董事。

Biographical Details of Directors

董事履歷詳情

Mr. CHAN Chak Chak Daniel (陳策策先生)

Mr. Chan Chak Chak Daniel has been appointed as the non-executive Director since 21 November 2014. Mr. Chan, aged 41, obtained a Bachelor of International Accounting from 廈門大學 (the University of Xiamen) in 1996. Mr. Chan has extensive years of experience in various industries, among others, manufacturing of electronic communications devices, manufacturing of metallic products, hotels food and beverage, advertisement, real estate, construction materials, and corporate investment. Mr. Chan had been appointed as the chairman of the board of directors of 金鷹公司 (Jinying Company) since 2004 and Jinying Company is principally engaged in the business of manufacturing and product development of electronic communications devices.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. AN Na (安娜女士)

Ms. An Na, aged 55, was appointed as an independent non-executive Director on 30 June 2010. She has been the executive editor of 中國輕工業出版社 (China Light Industry Press) since 1982. She has also been a vice president of 北京《瑞麗》雜誌社 (Beijing Rayli Magazine House) since 2003 at which she has been responsible for managing and co-ordinating the publication of several fashion magazines. In February 2015, she resigned her post and remained as a consultant in Beijing Rayli Magazine House. She received an editor's qualification from 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission) in 2008. She obtained a bachelor's degree in Engineering with a major in the study of leather from 西北輕工業學院 (Northwest Institute of Light Industry) (now known as 陝西科技大學 (Shaanxi University of Science and Technology)) in 1982.

陳策策先生

陳策策先生自二零一四年十一月二十一日起獲委任為非執行董事。陳先生，41歲，於一九九六年獲得廈門大學國際會計本科學歷。陳先生於各業界均擁有豐富經驗，其中包括製造電子通訊產品、製造金屬產品、酒店餐飲、廣告、房地產、建築材料及企業投資。陳先生自二零零四年起獲委任為金鷹公司的董事長，該公司主要從事電子通訊產品製造及產品開發業務。

獨立非執行董事

安娜女士

安娜女士，55歲，於二零一零年六月三十日獲委任為獨立非執行董事，自一九八二年起擔任中國輕工業出版社正編審，並自二零零三年起兼任北京《瑞麗》雜誌社副社長，負責管理及統籌多本時尚雜誌的刊發。彼於二零一五年二月已辭任北京《瑞麗》雜誌社副社長，但繼續擔任顧問一職。彼於二零零八年獲國務院國有資產監督管理委員會授予編輯資格。安娜女士於一九八二年獲得西北輕工業學院（現稱陝西科技大學）工程學士學位，主修皮革。

Biographical Details of Directors 董事履歷詳情

Mr. CHEN Shaohua (陳少華先生)

Mr. Chen Shaohua was appointed as an independent non-executive Director on 3 February 2015. Mr. Chen, aged 48, graduated from the Open University of China (國家開放大學) (previously known as China Central Radio and TV University (中央廣播電視大學)), and obtained a bachelor's degree in Management majoring in Accounting from Beijing Technology and Business University (北京工商大學) in 2010. He is a member of the Chinese Institute of Certified Public Accountants (CICPA) and qualified as certified assets valuer, certified tax agent, certified real estate valuer, certified cost engineer and certified land valuer in the PRC. Mr. Chen is a senior accountant and senior economist in the PRC. He has over 20 years of extensive experience in accounting, audit and tax matters. Mr. Chen is right now the chairman of the board of directors and legal representative of auditing firm, tax company, asset and property valuation company in the PRC.

Professor ZHAO Jinbao (趙金保教授)

Professor Zhao Jinbao was appointed as an independent non-executive Director on 3 February 2015. Professor Zhao, aged 51, graduated from Harbin Institute of Technology (哈爾濱工業大學) of the PRC and obtained a bachelor of engineering degree in Electrochemistry in 1984 and a master's degree in Engineering in 1987. Professor Zhao further obtained a doctor's degree in Engineering from Kyoto University in Japan in 1996. He has been a professor of Physical Chemistry in the Xiamen University (廈門大學) of the PRC since August 2011. He has over 20 years of extensive experience in research and development in the field of engineering and chemistry and was recruited as one of the experts in The Recruitment Program of Global Experts (海外高層次人才引進計劃), also known as Thousand Talents Program (千人計劃) in the PRC in 2011.

陳少華先生

陳少華先生自二零一五年二月三日起獲委任為獨立非執行董事。陳先生，48歲，畢業於國家開放大學（前稱中央廣播電視大學），並於二零一零年取得北京工商大學管理學學士學位，主修會計。彼為中國註冊會計師協會會員，亦為中國合資格註冊資產評估師、註冊稅務師、註冊房地產估價師、註冊造價工程師及註冊土地估價師。陳先生為中國高級會計師及高級經濟師。彼於會計、審核及稅務事宜擁有逾二十年豐富經驗。陳先生現時為中國審計公司、稅務公司以及資產及物業估價公司之董事會主席及法人代表。

趙金保教授

趙金保教授自二零一五年二月三日起獲委任為獨立非執行董事。趙教授，51歲，畢業於中國哈爾濱工業大學，並分別於一九八四年及一九八七年取得電化學工程學士學位及工學碩士學位。趙教授於一九九六年再取得日本京都大學工程學博士學位。彼自二零一一年八月起擔任中國廈門大學物理化學系教授。彼於工程及化學範疇內之研發擁有逾二十年豐富經驗，並於二零一一年獲聘為中國「海外高層次人才引進計劃」（亦名為「千人計劃」）之其中一名專家。

Report of the Directors

董事會報告

The Directors are pleased to present their report and the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The result of the Group for the year ended 31 December 2014 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 44 to 132.

The Board does not recommend payment of a final dividend for the year ended 31 December 2014 (2013: nil).

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for the last five financial years is set out on page 4 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year are set out in notes 28 and 29 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

董事會謹此提呈董事會報告及截至二零一四年十二月三十一日止年度之經審核財務報表。

主要業務

本公司主要業務為投資控股，主要附屬公司的主要業務詳情載於財務報表附註17。年內本集團的主要業務性質並無重大變更。

業績及股息

本集團截至二零一四年十二月三十一日止年度的業績與本公司及本集團於該日的事務狀況載於財務報表第44至132頁。

董事會並不建議派發截至二零一四年十二月三十一日止年度的末期股息（二零一三年：無）。

財務資料概要

本集團過往五個財政年度的財務資料概要載於本年報第4頁。概要並非經審核財務報表的一部分。

物業、廠房及設備

年內本集團的物業、廠房及設備的變動詳情載於財務報表附註15。

股本及購股權

年內本公司股本及購股權變動詳情載於財務報表附註28及29。

優先認購權

本公司細則或開曼群島的法例並無有關優先認購權的規定，要求本公司按比例向既有股東發售新股份。

Report of the Directors

董事會報告

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2014, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to approximately RMB666,002,000. The amount of RMB666,002,000 includes the Company's share premium account and contributed surplus of RMB745,961,000 in aggregate at 31 December 2014, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

During the financial year, sales to the Group's five largest customers accounted for 63.1% of the total sales for the year and sales to the largest customer included therein amounted to 38.1%.

Purchases from the Group's five largest suppliers accounted for 39.2% of the total purchases for the year and purchase from the Group's largest supplier included therein amounted to 21.7% of the total purchases for the year.

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

購買、贖回或出售本公司上市證券

截至二零一四年十二月三十一日止年度，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

年內本公司及本集團的儲備變動詳情分別載於財務報表附註30(b)及綜合權益變動表。

可分派儲備

於二零一四年十二月三十一日，本公司可分派儲備根據開曼群島公司法計算約為人民幣666,002,000元。人民幣666,002,000元包括二零一四年十二月三十一日本公司股份溢價賬及實繳盈餘共人民幣745,961,000元，倘緊隨建議分派股息日期後，本公司有能力支付其於日常業務過程中到期的債項，則或會分派上述儲備。

主要客戶及供應商

於本財政年度內，本集團對五大客戶的銷售額佔年度總銷售額的63.1%，而當中對最大客戶的銷售則佔38.1%。

本集團從五大供應商進行的採購佔年內總採購額的39.2%，而當中從最大供應商進行的採購佔年內總採購額21.7%。

本公司董事、其聯繫人士及據董事所知持有本公司已發行股本5%以上的股東概無持有本集團五大客戶或供應商任何實益權益。

Report of the Directors

董事會報告

DIRECTORS

The Chairman and the Directors during the year and up to the date of this report were:

- **Executive Directors:**

Mr. ZHENG Jingdong (Chairman and Chief Executive Officer)

Mr. LEUNG Tsz Chung (Appointed as Vice-chairman on 3 February 2015)

Mr. ZHANG Aiguo (Resigned on 3 February 2015)

- **Non-Executive Directors:**

Mr. SZE Ching Bor

Mr. CHAN Chak Chak Daniel (Appointed on 21 November 2014)

Mr. CHEUNG Miu (Resigned on 21 November 2014)

- **Independent Non-Executive Directors:**

Ms. AN Na

Professor ZHAO Jinbao (Appointed on 3 February 2015)

Mr. CHEN Shaohua (Appointed on 3 February 2015)

Professor BAI Changhong (Resigned on 3 February 2015)

Mr. LEE Keung (Resigned on 3 February 2015)

Pursuant to Article 83(3) of the Articles, Mr. Chan Chak Chak Daniel, who was appointed by the Board as an additional Director in November 2014; and Mr. Leung Tsz Chung, Mr. Chen Shaohua and Professor Zhao Jinbao, who were appointed by the Board as additional Directors in February 2015, shall hold office until the AGM, being the first AGM after this appointment, and shall retire and subject to re-election from office at the AGM. Being eligible, each of them will offer themselves for re-election.

董事

年內及截至本報告日期，主席及董事為：

- **執行董事：**

鄭景東先生（主席兼行政總裁）

梁子冲先生（於二零一五年二月三日獲委任為副主席）

張愛國先生（於二零一五年二月三日辭任）

- **非執行董事：**

史清波先生

陳策策先生（於二零一四年十一月二十一日獲委任）

張渺先生（於二零一四年十一月二十一日辭任）

- **獨立非執行董事：**

安娜女士

趙金保教授（於二零一五年二月三日獲委任）

陳少華先生（於二零一五年二月三日獲委任）

白長虹教授（於二零一五年二月三日辭任）

李強先生（於二零一五年二月三日辭任）

根據細則第83(3)條，陳策策先生於二零一四年十一月獲董事會委任為額外董事；梁子冲先生、陳少華先生及趙金保教授於二零一五年二月獲董事會委任為額外董事，彼等將在任直至股東週年大會（即該等委任後之首個股東週年大會）為止，並須於股東週年大會上退任及可予膺選連任。彼等均符合資格並將於股東週年大會上膺選連任。

Report of the Directors

董事會報告

Pursuant to Articles 84(1) and (2), at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at the AGM at least once every three years. A retiring Director shall be eligible for re-election. Any Director appointed pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. In accordance with Articles 84(1) and (2), Ms. An Na shall retire from office by rotation at the AGM. Being eligible, Ms. An Na will offer herself for re-election as an independent non-executive Director at the AGM.

The Company has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers the independent non-executive Directors to be independent.

BIOGRAPHICAL DETAILS OF THE DIRECTORS

The biographical details of the Directors are set out on pages 27 to 29 of the annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with our Company for an initial term of 3 years (other than for Mr. Chan Chak Chak Daniel, initial term of 2 years), which will continue thereafter until terminated by not less than three months' notice (other than for Mr. Cheung Miu, terminated by not less than two months' notice) in writing served by either party on the other. The details of the remuneration of each of the Directors are revealed on notes 9 to the financial statements.

No Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors are subject to retirement by rotation at least once every three years as required by the Articles of Association.

DIRECTORS' INTERESTS IN CONTRACTS

Saved for transactions as disclosed in note 33 to the financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries and fellow subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year.

根據細則第84(1)及(2)條，於每屆股東週年大會上，三分之一之在任董事（或如彼等人數並非三(3)之倍數，則以最接近三分之一但不少於三分之一之數目為準）須輪流退任，而每名董事須最少每三年退任一次。退任董事將合資格膺選連任。根據細則第83(3)條委任之任何董事，於釐定輪流退任之特定董事或董事人數時，不得計算在內。根據細則第84(1)及(2)條，安娜女士將於股東週年大會上輪流退任。彼符合資格於股東週年大會上重選為獨立非執行董事。

本公司已收到各名獨立非執行董事根據上市規則第3.13條發出的獨立身份年度確認。本公司認為該等獨立非執行董事均為獨立人士。

董事履歷詳情

董事履歷詳情載於本年報第27至29頁。

董事服務合約

各董事已與本公司訂立初步任期三年的服務合約（陳策策先生除外，其初步任期為兩年），任期直至一方向另一方送達不少於三個月的書面通知終止合約為止（張渺先生除外，其合約可發出不少於兩個月的通知而終止）。各董事的薪酬詳情披露於財務報表附註9。

概無董事與本公司訂有本公司不可於一年內無償（法定補償除外）終止的服務合約。

組織章程細則規定，董事須每三年至少輪流退任一次。

董事的合約權益

除財務報表附註33所披露的交易外，概無董事於本公司、其控股公司或其任何附屬公司及同系附屬公司於年內訂立且對本集團業務屬重要的合約中直接或間接擁有重大權益。

管理合約

年內並無訂立或存續任何有關管理及經營本集團全部或大部分業務的合約。

Report of the Directors

董事會報告

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

At 31 December 2014, the interests and short positions of the Directors and chief executive in the share capital and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Interests and short positions in ordinary shares of the Company:

Name of Director	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital ⁽²⁾ 佔本公司已發行股本百分比 ⁽²⁾
董事姓名	身份及權益性質	所持股份數目	股本百分比 ⁽²⁾
Mr. Sze Ching Bor 史清波先生	Interest in controlled corporation 所控制法團的權益	519,035,767(L) 233,155,792(S)	51.20% 23%

Long positions in share options of the Company:

Name of Director	Capacity and nature of interest	Number of options held ⁽¹⁾	Percentage of the Company's issued share capital ⁽²⁾ 佔本公司已發行股本百分比 ⁽²⁾
董事姓名	身份及權益性質	所持購股權數目 ⁽¹⁾	股本百分比 ⁽²⁾
Mr. Zheng Jingdong 鄭景東先生	Beneficial owner 實益擁有人	2,750,000	0.27%
Mr. Zhang Aiguo 張愛國先生	Beneficial owner 實益擁有人	1,500,000	0.15%

Note:

- (1) These represent the number of shares which will be allotted and issued to the respective Directors upon the exercise of the share options granted to each of them under a share option scheme adopted on 8 January 2011 (the "Share Option Scheme").
- (2) The percentage has been adjusted based on the total number of shares of the Company in issue as at 31 December 2014 (i.e. 1,013,720,833 shares).

董事及主要行政人員於股份及相關股份及債券中的權益及淡倉

於二零一四年十二月三十一日，董事及主要行政人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股本及相關股份及債券中擁有記錄於本公司根據證券及期貨條例第352條須予存置的股東名冊內的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則須另行知會本公司及聯交所的權益及淡倉如下：

於本公司普通股中的權益及淡倉：

於本公司購股權中的好倉：

附註：

- (1) 上述數額為因根據於二零一一年一月八日採納的購股權計劃（「購股權計劃」）授予各董事的購股權獲行使而將向其配發及發行的股份數目。
- (2) 上述百分比已根據本公司於二零一四年十二月三十一日的已發行股份總數（即1,013,720,833股）作出調整。

Report of the Directors

董事會報告

(3) The letters "L" and "S" denote the person's long and short positions respectively in the Shares of our Company.

(3) 字母「L」及「S」分別代表該人士所持本公司的好倉及淡倉。

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

除上文所披露者外，於二零一四年十二月三十一日，概無董事或主要行政人員在本公司或其相聯法團的股份、相關股份或債券中擁有須根據證券及期貨條例第352條記錄的權益或淡倉，或根據上市發行人董事進行證券交易的標準守則須另行知會本公司及聯交所的權益或淡倉。

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 8 January 2011. Details of the Share Option Scheme are set out in note 29 to the financial statements.

購股權計劃

本公司於二零一一年一月八日採納購股權計劃。購股權計劃的詳情載於財務報表附註29。

The following table discloses the outstanding share options under the Share Option Scheme as at 31 December 2014:

下表披露於二零一四年十二月三十一日購股權計劃項下的尚未行使購股權：

Name or Category of participants	參與人的姓名或類別	Date of grant (Note 1)	Number of options 購股權數目					Outstanding as at 31 December 2014 於二零一四年 十二月三十一日 尚未行使	Exercise period (Note 2)	Exercise price per share (HK\$)
			Outstanding as at 1 January 2014 於二零一四年 一月一日 尚未行使	Granted during the period	Exercised during the period	Cancelled during the period	Forfeited during the period			
Executive Directors	執行董事									
Zheng Jingdong	鄭景東	30/8/2011	2,750,000	-	-	-	2,750,000	A	1.18	
Zhang Aiguo	張愛國	30/8/2011	1,500,000	-	-	-	1,500,000	A	1.18	
Sub-total	小計		4,250,000	-	-	-	4,250,000			
Employees of the Group in aggregate	本集團僱員合共									
		30/8/2011	6,000,000	-	-	-	6,000,000	A	1.18	
		30/8/2011	3,700,000	-	-	(3,700,000)	-	B	1.18	
Sub-total	小計		9,700,000	-	-	(3,700,000)	6,000,000			
Total	總計		13,950,000	-	-	(3,700,000)	10,250,000			

Notes:

附註：

1. The closing price of the Company's shares immediately before the date of grant on 30 August 2011 was HK\$1.17.

1. 本公司股份於緊接授出日期二零一一年八月三十日前的收市價為1.17港元。

Report of the Directors

董事會報告

2. The respective exercise periods of the share options granted are as follows:

- A: From 30 August 2012 to 29 August 2016;
- B: From 30 August 2014 to 29 August 2016.

The vesting period of the share options is from the date of grant until the commencement of the exercise period.

3. Exercise conditions:

- (i) Provided always that a grantee of share options shall remain as a Director or an employee of the Company or its subsidiaries, at the time of exercise of his or her share options;
- (ii) Performance target for share options with exercise period A: the Company's Profit (as defined below) for the year ended 31 December 2011 is higher than RMB150,000,000;
- (iii) Performance target for share options with exercise period B: the Company's Profit for the year ended 31 December 2013 is higher than RMB230,000,000.

"Profit" is defined as the Company's consolidated net profit attributable to owners of the Company as shown in the audited accountant's report for the corresponding fiscal year, excluding the impact of (i) after-tax employee expenses arising from the grant of the share options and (ii) non-operating gains and losses.

4. The number and/or exercise price of the options may be subject to adjustments in the case of rights or bonus issues, or other changes in the Company's share capital.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

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

2. 所授出購股權各自行使期如下：

- A: 二零一二年八月三十日至二零一六年八月二十九日；
- B: 二零一四年八月三十日至二零一六年八月二十九日。

該等購股權的歸屬期為自授出日期起直至行使期開始止。

3. 行使條件：

- (i) 購股權承授人於行使其購股權時仍須為董事或本公司或其附屬公司僱員；
- (ii) A行使期購股權的績效目標：本公司截至二零一一年十二月三十一日止年度的溢利（定義見下文）超過人民幣150,000,000元；
- (iii) B行使期購股權的績效目標：本公司截至二零一三年十二月三十一日止年度的溢利超過人民幣230,000,000元。

「溢利」界定為相應財政年度經審核會計師報告所示本公司擁有人應佔本公司綜合淨利潤，不包括(i)因授出購股權引致的除稅後僱員開支及(ii)非經營性損益的影響。

4. 購股權的數目及／或行使價或會在供股或紅股發行或本公司股本出現其他變動時予以調整。

董事購買股份或債券的安排

除上文「董事及主要行政人員於股份及相關股份及債券中的權益及淡倉」及「購股權計劃」兩節所披露者外，本公司董事或彼等的配偶或未成年的子女於年內概無獲授任何可透過收購本公司股份或債券獲利的權利，亦無行使該等權利；而本公司、其控股公司或其任何附屬公司及同系附屬公司概無訂立任何安排讓本公司董事取得於任何其他法團的有關權利。

Report of the Directors

董事會報告

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

At 31 December 2014, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東及其他人士於股份及相關股份中的權益及淡倉

於二零一四年十二月三十一日，以下本公司已發行股本及購股權5%或以上的權益及淡倉記入本公司須根據證券及期貨條例第336條存置的權益登記冊：

INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

於股份及相關股份中的權益及淡倉

Name	Capacity and nature of interest	Number of shares	Percentage of the Company's issued share capital ⁽¹⁵⁾
名稱	身份及權益性質	股份數目	佔本公司已發行股本百分比 ⁽¹⁵⁾
Mr. Sze Ching Bor ⁽¹⁾ 史清波先生 ⁽¹⁾	Interest in controlled corporation 所控制法團的權益	519,035,767 (L) 233,155,792 (S)	51.20% 23%
Ms. Tsang Shuk Ping ⁽²⁾ 曾淑萍女士 ⁽²⁾	Spousal interest 配偶權益	519,035,767 (L) 233,155,792 (S)	51.20% 23%
Best Mark International Limited ⁽¹⁾	Beneficial owner/Other 實益擁有人/其他	473,876,157 (L) 233,155,792 (S)	46.75% 23%
Ms. Lin Weihuan ⁽³⁾ Lin Weihuan女士 ⁽³⁾	Interest in controlled corporation 所控制法團的權益	233,155,792 (L)	23%
Total Shine Investments Limited ⁽³⁾	Beneficial owner 實益擁有人	233,155,792 (L)	23%
RBS AA Holdings (UK) Limited ⁽⁴⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
CITIC Capital China Mezzanine Fund Limited ("CITIC Capital")	Beneficial owner 實益擁有人	85,325,500 (L)	8.42%
Multifield International Limited ⁽⁵⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
CITIC Capital Investment Holdings Limited ⁽⁶⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
CITIC Capital Holdings Limited ⁽⁷⁾ 中信資本控股有限公司 ⁽⁷⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%

Report of the Directors

董事會報告

Name	Capacity and nature of interest	Number of shares	Percentage of the Company's issued share capital ⁽¹⁵⁾
名稱	身份及權益性質	股份數目	佔本公司已發行股本百分比 ⁽¹⁵⁾
CITIC Limited ⁽⁸⁾ 中國中信股份有限公司 ⁽⁸⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
Warlord Investment Corporation ⁽⁹⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
The Royal Bank of Scotland N.V. ⁽¹⁰⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
RBS Holdings N.V. ⁽¹¹⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
RFS Holdings B.V. ⁽¹²⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
The Royal Bank of Scotland Group plc. ⁽¹³⁾	Interest in controlled corporation 所控制法團的權益	85,325,500 (L)	8.42%
Ms. Ming Chu ⁽¹⁴⁾ 明珠女士 ⁽¹⁴⁾	Interest in controlled corporation 所控制法團的權益	66,135,247 (L)	6.52%
Star Sky Entertainment Group Limited ⁽¹⁴⁾	Beneficial owner 實益擁有人	66,135,247 (L)	6.52%

Notes:

- (1) Mr. Sze Ching Bor ("Mr. Sze") is deemed to be interested in the shares of the Company (the "Shares") held by Best Mark International Limited ("Best Mark") and Capital Vision International Limited ("Capital Vision"). Best Mark and Capital Vision are wholly owned and controlled by Mr. Sze and are interested in 473,876,157 Shares and 45,159,610 shares respectively, representing approximately 46.75% and 4.45%, respectively of the issued share capital of the Company. Best Mark granted an option to Total Shine Investments Limited to acquire 233,155,792 shares in aggregate, representing 23% of the issued capital of the Company.
- (2) Ms. Tsang Shuk Ping, the spouse of Mr. Sze, is deemed to be interested in Mr. Sze's interests in the Company.

附註:

- (1) 史清波先生(「史先生」)被視為擁有 Best Mark International Limited (「Best Mark」)及Capital Vision International Limited (「Capital Vision」)所持本公司股份(「股份」)之權益。Best Mark及Capital Vision由史先生全資擁有及控制，分別於473,876,157股股份及45,159,610股股份中擁有權益，分別相當於本公司已發行股本約46.75%及4.45%。Best Mark已授予Total Shine Investments Limited一份購股權，以收購合共233,155,792股股份，相當於本公司已發行股本的23%。
- (2) 史先生之妻曾淑萍女士被視為擁有史先生所持本公司之權益。

Report of the Directors

董事會報告

- (3) Ms. Lin Weihuan (“Ms. Lin”) is deemed to be interested in the shares held by Total Shine Investments Limited (“Total Shine”). Total Shine is wholly owned and controlled by Ms. Lin and obtained an option granted by Best Mark entitling it to acquire 233,155,792 Shares.
- (3) Lin Weihuan女士(「Lin女士」)被視為於Total Shine Investments Limited(「Total Shine」)持有的股份中擁有權益。Total Shine由Lin女士全資擁有及控制，已取得Best Mark授予的購股權，以收購233,155,792股股份。
- (4) RBS AA Holdings (UK) Limited owns 33.3% of CITIC Capital China Mezzanine Fund Limited (“CITIC Capital”). Accordingly, RBS AA Holdings (UK) Limited is deemed to be interested in the Shares in which CITIC Capital is interested for the purpose of Part XV of the SFO.
- (4) RBS AA Holdings (UK) Limited擁有CITIC Capital China Mezzanine Fund Limited(「CITIC Capital」)的33.3%股權。因此，根據證券及期貨條例第XV部，RBS AA Holdings (UK) Limited被視為於CITIC Capital擁有權益的股份中擁有權益。
- (5) Multifield International Limited owns 33.3% of CITIC Capital and accordingly is deemed to be interested in the Shares in which CITIC Capital is interested for the purpose of Part XV of the SFO.
- (5) Multifield International Limited擁有CITIC Capital的33.3%股權，因此根據證券及期貨條例的第XV部被視為於CITIC Capital擁有權益的股份中擁有權益。
- (6) CITIC Capital Investment Holdings Limited wholly owns Multifield International Limited and is deemed to be interested in the Shares in which Multifield International Limited is interested for the purpose of Part XV of the SFO.
- (6) CITIC Capital Investment Holdings Limited全資擁有Multifield International Limited，根據證券及期貨條例第XV部被視為於Multifield International Limited所持股份中擁有權益。
- (7) CITIC Capital Holdings Limited wholly owns CITIC Capital Investment Holdings Limited and is deemed to be interested in the Shares in which CITIC Capital Investment Holdings Limited is interested for the purpose of Part XV of the SFO.
- (7) 中信資本控股有限公司全資擁有CITIC Capital Investment Holdings Limited，根據證券及期貨條例第XV部被視為於CITIC Capital Investment Holdings Limited擁有權益的股份中擁有權益。
- (8) CITIC Limited owns 55% of CITIC Capital Holdings Limited and is deemed to be interested in the Shares in which CITIC Capital Holdings Limited is interested for the purpose of Part XV of the SFO.
- (8) 中國中信股份有限公司擁有中信資本控股有限公司的55%股權，根據證券及期貨條例第XV部被視為於中信資本控股有限公司擁有權益的股份中擁有權益。
- (9) Warlord Investment Corporation owns 40% of the shareholding interests in CITIC Capital Holdings Limited. Accordingly it is deemed to be interested in the Shares in which CITIC Capital Holdings Limited is interested for the purpose of Part XV of the SFO.
- (9) Warlord Investment Corporation擁有中信資本控股有限公司的40%股權。因此，該公司根據證券及期貨條例第XV部被視為於中信資本控股有限公司擁有權益的股份中擁有權益。
- (10) The Royal Bank of Scotland N.V. owns 33.3% of CITIC Capital and accordingly is deemed to be interested in the Shares in which CITIC Capital is interested for the purpose of Part XV of the SFO.
- (10) The Royal Bank of Scotland N.V.擁有CITIC Capital的33.3%股權，因此根據證券及期貨條例第XV部被視為於CITIC Capital擁有權益的股份中擁有權益。
- (11) RBS Holdings N.V. wholly owns The Royal Bank of Scotland N.V., it is deemed to be interested in the Shares in which The Royal Bank of Scotland N.V. is interested for the purpose of Part XV of the SFO.
- (11) RBS Holdings N.V.全資擁有The Royal Bank of Scotland N.V.，根據證券及期貨條例第XV部被視為於The Royal Bank of Scotland N.V.擁有權益的股份中擁有權益。

Report of the Directors

董事會報告

- (12) The RFS Holdings B.V. wholly owns RBS Holdings N.V., it is deemed to be interested in the Shares in which RBS Holdings N.V. is interested for the purpose of Part XV of the SFO.
- (13) The Royal Bank of Scotland Group plc. owns 97.7% of RFS Holdings B.V., it is deemed to be interested in the Shares in which RFS Holdings B.V. is interested for the purpose of Part XV of the SFO.
- (14) Ms. Ming Chu (“Ms. Ming”) is deemed to be interested in the shares held by Star Sky Entertainment Group Limited (“Star Sky”). Star Sky is wholly owned and controlled by Ms. Ming. Star Sky is interested in a warrant to subscribe for 36,922,649 Shares and a convertible note to convert into 29,212,598 Shares.
- (15) The percentage has been adjusted based on the total number of shares of the Company in issue as at 31 December 2014. (i.e. 1,013,720,833 shares).
- (16) The letters “L” and “S” denotes the person’s long and short position respectively in the Shares of our Company.
- (12) The RFS Holdings B.V.全資擁有RBS Holdings N.V.，根據證券及期貨條例第XV部被視為於RBS Holdings N.V.擁有權益的股份中擁有權益。
- (13) The Royal Bank of Scotland Group plc. 擁有RFS Holdings B.V.的97.7%股權，根據證券及期貨條例第XV部被視為於RFS Holdings B.V.擁有權益的股份中擁有權益。
- (14) 明珠女士（「明女士」）被視為於Star Sky Entertainment Group Limited（「Star Sky」）持有的股份中擁有權益。Star Sky由明女士全資擁有及控制。Star Sky於可認購36,922,649股股份的認股權證及可轉換成29,212,598股股份的可換股票據中擁有權益。
- (15) 該百分比已根據本公司於二零一四年十二月三十一日已發行股份總數（即1,013,720,833股）作出調整。
- (16) 字母「L」及「S」分別代表該人士所持本公司股份的好倉及淡倉。

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

CONNECTED TRANSACTIONS

No connected transaction was entered into or in existence during the year. The related party transactions disclosed in note 33 to the financial statements do not fall under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules.

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.

除上文所披露者外，於二零一四年十二月三十一日，除了其權益載於上文「董事及主要行政人員於股份及相關股份及債券中的權益及淡倉」一節的本公司董事及主要行政人員外，概無任何人士於本公司股份或相關股份中擁有須根據證券及期貨條例第336條記錄的登記權益或淡倉。

關連交易

年內並無訂立或存續任何關連交易。財務報表附註33所披露的關連人士交易並非上市規則第14A章所界定的「關連交易」或「持續關連交易」。

充足的公眾持股量

根據本公司可獲取的公開資料及就董事所知，於本報告日期，公眾至少持有本公司已發行股本總額的25%。

Report of the Directors

董事會報告

EMOLUMENT POLICY

The Group's emolument policies are based on the merit, qualifications and competence of individual employees and are reviewed by the remuneration committee periodically.

The emoluments of the Directors are recommended by the remuneration committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company adopted a share option scheme to motivate and reward its Directors and eligible employees. Details of the Share Option Scheme are set out in note 29 to the financial statements

AUDITOR

Pan-China (H.K.) CPA Limited retire and a resolution for their re-appointment as the Company's auditor is to be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

ZHENG Jingdong
Chairman

Hong Kong
25 March 2015

薪金政策

本集團的薪金政策乃基於個別僱員的資質、資格及能力釐定，並由薪酬委員會定期檢討。

董事酬金由薪酬委員會經參考本集團的營運業績、個別表現及可比較市場統計數據而提出建議並由董事會決定。

本公司採納購股權計劃，以鼓勵及嘉許其董事及合資格僱員。購股權計劃詳情載於財務報表附註29。

核數師

天健（香港）會計師事務所有限公司將於應屆股東週年大會上退任本公司核數師，會上將提呈決議案以將其續聘。

代表董事會

主席
鄭景東

香港
二零一五年三月二十五日

Independent Auditor's Report

獨立核數師報告



PAN-CHINA (H.K.) CPA LIMITED Certified Public Accountants

天健(香港)會計師事務所有限公司

To the shareholders of Baofeng Modern International Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Baofeng Modern International Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 44 to 132, which comprise the consolidated and Company's statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other 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 International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

致寶峰時尚國際控股有限公司列位股東

(於開曼群島註冊成立之有限公司)

吾等已審核第44頁至132頁所載寶峰時尚國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，包括於二零一四年十二月三十一日的綜合及公司財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他詮釋資料。

董事對綜合財務報表的責任

貴公司董事負責遵照國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定，編製真實公允的綜合財務報表，並負責董事認為必要之內部監控，確保綜合財務報表並無因欺詐或錯誤所引致的重大錯誤陳述。

核數師的責任

吾等的責任是根據審核結果對綜合財務報表發表意見，並按照協定委聘條款將此意見僅向全體股東呈報，除此以外，概無其他用途。吾等概不就本報告的內容向任何其他人士負責或承擔任何責任。吾等乃按照香港會計師公會頒佈的香港審計準則進行審核。該等準則要求吾等遵守職業道德規範，並規劃及執行審核，以合理確保該等綜合財務報表不存有任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014, and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PAN-CHINA (H.K.) CPA LIMITED

Certified Public Accountants

Wong Ho Yuen, Gary

Practicing Certificate Number P01316

11/F., Hong Kong Trade Centre,
161-167 Des Voeux Road Central,
Hong Kong

25 March 2015

審核工作涉及執行程序，以取得與綜合財務報表所載金額及披露事項有關的審核憑證。所選程序取決於核數師的判斷，包括評估綜合財務報表出現重大錯誤陳述（不論是否因欺詐或錯誤引起）的風險。在作出該等風險評估時，核數師考慮與公司編製真實公平的綜合財務報表有關的內部監控，以設計在有關情況下適當的審核程序，但並非對公司內部監控是否有效表達意見。審核工作亦包括評估董事所採用的會計政策是否恰當及所作的會計估算是否合理，以及評估綜合財務報表的整體呈列方式。

吾等相信，吾等已獲充分恰當的審核憑證，以為吾等的審核意見提供基礎。

意見

吾等認為，該等綜合財務報表均已按照國際財務報告準則真實公平地反映 貴集團於二零一四年十二月三十一日之事務狀況及 貴集團於截至該日止年度之虧損及現金流量狀況，並已按照香港公司條例的披露規定妥善編製。

天健(香港)會計師事務所有限公司

執業會計師

黃浩源

執業證書號碼 P01316

香港
德輔道中161-167號
香港貿易中心11樓

二零一五年三月二十五日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
REVENUE	收益	6	196,773	624,122
Cost of sales	銷售成本		(177,720)	(437,185)
GROSS PROFIT	毛利		19,053	186,937
Other net income and gains	其他收入及收益淨額	6	13,050	5,786
Selling and distribution expenses	銷售及分銷開支		(13,812)	(48,748)
General and administrative expenses	一般及行政開支		(35,936)	(61,613)
Finance costs	融資成本	7	(8,549)	(4,621)
Fair value (loss)/gain on financial liabilities at fair value through profit or loss	按公平值計入損益之 金融負債之公平值 (損失)/收益	25	(4,019)	17,116
(LOSS)/PROFIT BEFORE TAX	除稅前(虧損)/溢利	8	(30,213)	94,857
Income tax expense	所得稅開支	11	(939)	(26,979)
(LOSS)/PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔年內 (虧損)/溢利及年內 全面(開支)/收入總額	12	(31,152)	67,878
(LOSS)/EARNINGS PER SHARE	每股(虧損)/盈利	14		
– Basic (RMB)	– 基本(人民幣)		(0.03)	0.07
– Diluted (RMB)	– 攤薄(人民幣)		N/A 不適用	N/A 不適用

Details of the dividends are disclosed in note 13 to the consolidated financial statements.

股息詳情披露於綜合財務報表附註13。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2014 於二零一四年十二月三十一日

			2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	95,214	103,010
Prepaid lease payments	預付租金	16	34,330	35,175
			129,544	138,185
CURRENT ASSETS	流動資產			
Inventories	存貨	18	30,967	32,417
Trade and bills receivables	應收貿易賬款及應收票據	19	41,533	62,283
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	20	14,034	39,767
Income tax recoverable	可收回所得稅		2,151	–
Pledged deposits	已質押存款	21	5,696	5,546
Cash and bank balances	現金及銀行結餘	21	1,148,881	1,173,494
			1,243,262	1,313,507
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易賬款及應付票據	22	48,297	35,116
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	23	51,051	32,350
Interest-bearing bank borrowings	計息銀行借貸	24	121,884	142,000
Convertible notes	可換股票據	25	53,123	79,946
Warrants	認股權證	25	4,137	3,019
Amount due to a director	應付一名董事款項	26	–	33,440
Income tax payable	應付所得稅項		–	355
			278,492	326,226
NET CURRENT ASSETS	流動資產淨值		964,770	987,281
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,094,314	1,125,466
NON-CURRENT LIABILITY	非流動負債			
Deferred tax liability	遞延稅項負債	27	3,071	3,071
NET ASSETS	資產淨值		1,091,243	1,122,395

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2014 於二零一四年十二月三十一日

			2014 二零一四年	2013 二零一三年
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
EQUITY	權益			
Share capital	股本	28	67,258	67,258
Reserves	儲備	30(a)	1,023,985	1,055,137
TOTAL EQUITY	權益總額		1,091,243	1,122,395

The consolidated financial statements on pages 44 to 132 were approved and authorised for issue by the board of directors on 25 March 2015 and signed on its behalf by:

第44至132頁的綜合財務報表經董事會於二零一五年三月二十五日批准及授權刊發，並由以下人士代表簽署：

ZHENG Jingdong

鄭景東

Director

董事

LEUNG Tsz Chung

梁子冲

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Share capital	Share premium	Contributed surplus	Statutory surplus fund	Exchange fluctuation reserve	Capital redemption reserve	Share options reserve	Retained profits	Total reserves	Total equity
		股本	股份溢價	實繳盈餘	法定盈餘	匯兌波動儲備	資本贖回儲備	購股權儲備	保留溢利	儲備總額	權益總額
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 28)	(note 30(a))	(note 30(a))	(note 30(a))	(note 30(a))					
		(附註28)	(附註30(a))	(附註30(a))	(附註30(a))	(附註30(a))					
At 1 January 2013	於二零一三年一月一日	67,466	353,205	141,376	87,576	155	316	7,259	399,250	989,137	1,056,603
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	-	-	-	67,878	67,878	67,878
Repurchase and cancellation of shares	購回及註銷股份	28	(208)	(2,270)	-	-	208	-	(208)	(2,270)	(2,478)
Equity-settled share option arrangements	以股權結算的購股權安排	29	-	-	-	-	-	(3,489)	3,881	392	392
Transfer to statutory surplus fund	轉撥至法定盈餘公積金	-	-	-	7,902	-	-	-	(7,902)	-	-
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及二零一四年一月一日	67,258	350,935	141,376	95,478	155	524	3,770	462,899	1,055,137	1,122,395
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	-	-	-	(31,152)	(31,152)	(31,152)
Equity-settled share option arrangements	以股權結算的購股權安排	29	-	-	-	-	-	(891)	891	-	-
At 31 December 2014	於二零一四年十二月三十一日	67,258	350,935	141,376	95,478	155	524	2,879	432,638	1,023,985	1,091,243

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
(Loss)/profit before tax	除稅前(虧損)/溢利	(30,213)	94,857
Adjustments for:	就下列各項調整：		
Interest income	利息收入	(4,528)	(4,141)
Interest expenses	利息開支	8,549	4,621
Depreciation	折舊	10,339	9,558
Amortisation of prepaid lease payments	預付租金攤銷	845	845
Loss on disposals of items of property, plant and equipment	出售物業、廠房及設備項目虧損	698	237
(Reversal of impairment loss)/impairment loss on trade receivables	(撥回)/計提應收貿易賬款之減值虧損	(19)	1,162
Write-down of inventories	存貨撇減	411	7,805
Equity-settled share option expense	以股權結算的購股權開支	-	392
Fair value loss/(gain) on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之公平值損失/(收益)	4,019	(17,116)
Operating cash flow before changes in working capital	營運資金變動前之經營現金流量	(9,899)	98,220
Decrease in inventories	存貨減少	1,039	34,208
Decrease in trade and bills receivables	應收貿易賬款及應收票據減少	20,769	79,137
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	25,733	(10,372)
Increase/(decrease) in trade and bills payables	應付貿易賬款及應付票據增加/(減少)	13,181	(52,522)
Increase/(decrease) in deposits received, other payables and accruals	已收按金、其他應付款項及應計費用增加/(減少)	18,701	(26,861)
Cash generated from operations	經營所得現金	69,524	121,810
Interest received	已收利息	4,528	4,141
PRC taxes paid	已付中國稅項	(3,445)	(51,000)
Net cash flows from operating activities	經營活動所得現金流量淨額	70,607	74,951
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	(3,958)	(3,487)
Proceeds from disposals of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	717	686
Increase in pledged deposits	已質押存款增加	(150)	(5,476)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(3,391)	(8,277)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Repayment of convertible notes	償還可換股票據	(29,724)	(56,389)
New bank loans	新增銀行貸款	179,553	150,441
Repayments of bank loans	償還銀行貸款	(199,669)	(49,173)
Advance from a director	董事墊款	-	53,320
Repayment to a director	償還董事款項	(33,440)	(19,880)
Repurchase of shares	購回股份	-	(2,478)
Interest paid	已付利息	(8,549)	(4,621)
Net cash flows (used in)/from financing activities	融資活動(所用)/所得現金流量淨額	(91,829)	71,220
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(24,613)	137,894
Cash and cash equivalents at beginning of year	年初現金及現金等價物	1,173,494	1,035,600
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	1,148,881	1,173,494
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	1,148,881	1,173,494

Statement of Financial Position

財務狀況表

As at 31 December 2014 於二零一四年十二月三十一日

		Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
NON-CURRENT ASSET	非流動資產			
Investments in subsidiaries	於附屬公司的投資	17	888,431	870,130
CURRENT ASSETS	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	20	–	499
Cash and bank balances	現金及銀行結餘	21	148	816
			148	1,315
CURRENT LIABILITIES	流動負債			
Deposits received, other payables and accruals	已收按金、其他應付款項及 應計費用	23	20,436	2,076
Amounts due to subsidiaries	應付附屬公司款項	17	74,220	2,509
Convertible notes	可換股票據	25	53,123	79,946
Warrants	認股權證	25	4,137	3,019
Amount due to a director	應付董事款項	26	–	32,245
			151,916	119,795
NET CURRENT LIABILITIES	流動負債淨額		(151,768)	(118,480)
NET ASSETS	資產淨值		736,663	751,650
EQUITY	權益			
Share capital	股本	28	67,258	67,258
Reserves	儲備	30(b)	669,405	684,392
TOTAL EQUITY	權益總額		736,663	751,650

ZHENG Jingdong

鄭景東

Director

董事

LEUNG Tsz Chung

梁子冲

Director

董事

Notes to Consolidated Financial Statements

綜合財務報表附註

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

1. CORPORATE INFORMATION

Baofeng Modern International Holdings Company Limited (“the Company”) is a limited liability company incorporated in the Cayman Islands. The address of registered office and principal place of business of the Company as disclosed in the “Corporate Information” section of the annual report. The shares of the Company are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 January 2011 (the “Listing Date”).

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 17 to the consolidated financial statements.

The consolidated financial statements are presented in RMB, which is the same as the functional currency of the Company.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Best Mark International Limited (“Best Mark”), which was incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Sze Ching Bor.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

The Group has applied new and revised IFRSs, which include IFRS(s), International Accounting Standards (“IAS(s)”) and Interpretation (“Int”), issued by the International Accounting Standards Board (“IASB”) for the first time in the current year:

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC*-Int 21	Levies

* IFRIC represents the International Financial Reporting Standards Interpretation Committee

1. 公司資料

寶峰時尚國際控股有限公司(「本公司」)為於開曼群島註冊成立的有限責任公司，本公司註冊辦事處及主要營業地點的地址於本年報「公司資料」一節披露。本公司股份於二零一一年一月二十八日(「上市日期」)於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司的主要業務為投資控股。附屬公司主要業務的詳情載於綜合財務報表附註17。

綜合財務報表以人民幣呈列，其亦為本公司之功能貨幣。

本公司董事認為，本公司的直接控股公司及最終控股公司為於英屬處女群島註冊成立的Best Mark International Limited(「Best Mark」)。其最終控制人為史清波先生。

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)

本集團已於本年度首次應用由國際會計準則理事會(「國際會計準則理事會」)頒佈的新訂及經修訂國際財務報告準則，包括國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋(「詮釋」)。

國際財務報告準則第10號、投資實體 國際財務報告準則第12號 及國際會計準則第27號 (修訂本)	
國際會計準則第32號 (修訂本)	抵銷金融資產及 金融負債
國際會計準則第36號 (修訂本)	非金融資產之可收回 金額披露
國際會計準則第39號 (修訂本)	衍生工具之約務更替及 對沖會計處理之延續
國際財務報告準則詮釋 委員會—詮釋第21號	徵費

Notes to Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

The application of the new and revised IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

IFRS 9	Financial Instruments ¹
IFRS 14	Regulatory Deferral Accounts ²
IFRS 15	Revenue from Contracts with Customers ³
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁵
Amendments to IAS 1	Disclosure Initiative ⁴
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁵
Amendments to IAS 16 and IAS 41	Agriculture – Bearer Plants ⁵
Amendments to IAS 19	Defined Benefit Plans – Employee Contribution ⁴
Amendments to IAS 27	Equity Method in Separate Financial Statements ⁵
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to IFRS 10, IFRS 12 and IAS 28	Investments Entities: Applying the Consolidation Exception ⁵
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle ⁶
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle ⁴
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle ⁵

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

於本年度應用新訂及經修訂國際財務報告準則對本集團於本年度及過往年度之財務表現及狀況及／或綜合財務報告所載披露並無重大影響。

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第14號	監管遞延賬戶 ²
國際財務報告準則第15號	客戶合約的收益 ³
國際財務報告準則第11號(修訂本)	收購合資經營權益的會計處理 ⁵
國際會計準則第1號(修訂本)	披露計劃 ⁴
國際會計準則第16號及國際會計準則第38號(修訂本)	澄清折舊及攤銷的可接受方法 ⁵
國際會計準則第16號及國際會計準則第41號(修訂本)	農業-生產性植物 ⁵
國際會計準則第19號(修訂本)	界定福利計劃-僱員供款 ⁴
國際會計準則第27號(修訂本)	獨立財務報表的權益法 ⁵
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者及其聯營公司或合營企業之間的資產出售或注入 ⁵
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號(修訂本)	投資實體：應用綜合入賬的例外情況 ⁵
國際財務報告準則(修訂本)	國際財務報告準則二零一零年至二零一二年周期的年度改進 ⁶
國際財務報告準則(修訂本)	國際財務報告準則二零一一年至二零一三年周期的年度改進 ⁴
國際財務報告準則(修訂本)	國際財務報告準則二零一二年至二零一四年周期的年度改進 ⁵

Notes to Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

1. Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2. Effective for first annual IFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
3. Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4. Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5. Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
6. Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance (Cap.32).

The consolidated financial statements have been prepared on the historical cost basis except for convertible notes and warrants which are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

1. 於二零一八年一月一日或之後開始的年度期間生效，允許提早應用。
2. 就於二零一六年一月一日或之後開始的首份國際財務報告準則年度財務報表生效，允許提早應用。
3. 於二零一七年一月一日或之後開始的年度期間生效，允許提早應用。
4. 於二零一四年七月一日或之後開始的年度期間生效，允許提早應用。
5. 於二零一六年一月一日或之後開始的年度期間生效，允許提早應用。
6. 於二零一四年七月一日或之後開始的年度期間生效，存在少數例外情況，並允許提早應用。

本集團現正評估初步應用該等新訂及經修訂國際財務報告準則之影響，但尚未確定該等新訂及經修訂國際財務報告準則會否對其經營業績及財務狀況構成重大影響。

3. 主要會計政策

綜合財務報表乃根據國際會計準則理事會頒佈的國際財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例(第32章)所規定的適用披露資料。

綜合財務報表乃按歷史成本基準編製，惟於各呈報期末按公平值計量的可換股票據及認股權證除外，詳情見下文會計政策。

歷史成本一般按換取貨物及服務所付代價的公平值釐定。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. 主要會計政策(續)

公平值乃指市場參與者之間於計量日進行的有序交易中出售資產可收取或轉讓負債須支付的價格，無論該價格是直接觀察到的結果還是採用其他估值方法作出的估計。在對資產或負債的公平值作出估計時，本集團會考慮市場參與者在計量日對該資產或負債定價時所考慮的特徵。在此等綜合財務報表中作計量及／或披露用途的公平值均按此基準釐定，惟國際財務報告準則第2號範圍內的以股份為基礎的付款交易、國際會計準則第17號範圍內的租賃交易與公平值有部分地方相若但並非公平值的計量（譬如國際會計準則第2號中的可變現淨值或國際會計準則第36號中的使用價值）除外。

此外，就財務呈報而言，公平值計量根據公平值計量輸入值的可觀察程度及公平值計量輸入值對其整體的重要性分類為第1級、第2級或第3級，詳情如下：

第1級輸入值為實體於計量日可取得的相同資產或負債於活躍市場的未經調整報價；

第2級輸入值為除第1級所含報價以外資產或負債的直接或間接可觀察輸入值；及

第3級輸入值為資產或負債的不可觀察輸入值。

主要會計政策載列如下。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 主要會計政策(續)

綜合入賬基準

綜合財務報表合併本公司及本公司(及其附屬公司)所控制實體的財務報表。本公司符合以下情況時，即取得控制權：

- 有權控制投資對象；
- 因其參與投資對象業務而承擔或享有浮動回報的風險或權利；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素當中一項或多項出現變動，本集團會重新評估其是否對投資對象擁有控制權。

附屬公司的綜合入賬於本集團取得對有關附屬公司的控制權開始，並於本集團失去對有關附屬公司的控制權時終止。具體而言，年內所收購或出售附屬公司的收入及開支乃自本集團取得控制權之日起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日為止。

損益及其他全面收益的每個項目乃歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧損結餘。

於必要時，本集團將對附屬公司的財務報表作出調整，以令彼等的會計政策與本集團的會計政策一致。

有關本集團成員之間交易的所有集團內公司間的資產及負債、權益、收入、支出及現金流量於綜合入賬時悉數對銷。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less any identified impairment loss. The results of the subsidiaries are accounted for by the Company as the basis of dividend received and receivable.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold in the normal course of business, net of discounts and sales related taxes. Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

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

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

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 主要會計政策(續)

於附屬公司的投資

於附屬公司的投資按成本減任何已識別減值虧損於本公司的財務狀況表列賬。附屬公司的業績由本公司按已收及應收股息入賬。

收益確認

收益乃按一般業務過程中已售貨品的已收或應收代價平公值計量(扣除折扣及相關銷售稅項)。銷售貨品的收益於貨品交付及所有權轉移,並符合下列所有條件時確認:

- 本集團已將貨品所有權的大部分風險及回報轉移至買方;
- 本集團並無保留一般與所有權相關的持續管理參與,亦無實際控制已售貨品;
- 能可靠計量收益金額;
- 與交易相關的經濟利益可能流入本集團;及
- 交易已產生或將產生的成本能可靠計量。

金融資產的利息收入於經濟利益很可能流入本集團及收入金額能可靠計量時確認。利息收入乃按時間基準,並參考未償還本金及適用實際利率累計,實際利率即於金融資產的預期年期內,將估計未來現金收入準確折現至初次確認資產賬面淨值的利率。

本集團有關確認經營租約收益的會計政策於下文租約會計政策載述。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease.

3. 主要會計政策(續)

租約

凡租約條款規定將擁有權的絕大部分風險及回報轉移至承租人的租約會歸類為融資租約。所有其他租約均歸類為經營租約。

本集團作為出租人

經營租約的租金收入在有關租賃期內按直線法確認於損益內。在磋商及安排經營租約時產生的初步直接成本計入租賃資產的賬面值，並於租賃年期以直線法確認。

本集團作為承租人

經營租約款項乃於租賃年期以直線法確認為開支，惟倘另一系統化基準更能代表租賃資產耗用經濟利益的時間模式則除外。經營租約所產生的或然租金乃於其產生的期間確認為開支。

倘訂立經營租約時獲得租賃優惠，則有關優惠會確認為負債。優惠總利益以直線法確認為扣減租金開支，惟倘另一系統化基準更能代表租賃資產耗用經濟利益的時間模式則除外。

租賃土地及樓宇

倘租約包括土地及樓宇租約，則本集團根據各租約擁有權所附帶的絕大部分風險及回報是否已轉移至本集團的評估結果，決定將各租約分開歸類為融資或經營租約，除非明確兩類租約均為經營租約，於該情況下，整份租約會歸類為經營租約。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasehold land and building (continued)

Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease. To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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 in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策(續)

租賃土地及樓宇(續)

尤其是，最低租賃款項(包括任何一次性預付款)於租賃初期按租賃的土地成分及樓宇成分中租賃權益的相對公平值比例於土地與樓宇成分間分配。倘租賃款項能夠可靠分配，以經營租約入賬的租賃土地權益於綜合財務狀況表中呈列為「預付租金」，並於租賃年期按直線法攤銷。

借貸成本

用作收購、建設或生產(即需要一段長時間方可達致其擬定用途或銷售的資產)直接相關的借貸成本計入該等資產的成本內，直至該等資產完全達致其擬定用途或銷售為止。

所有其他借貸成本於產生期間於損益內確認。

外幣

於編製個別集團實體的財務報表時，以該實體功能貨幣以外貨幣(外幣)結算的交易按交易當日的適用匯率確認。於呈報期末，以外幣計值的貨幣項目會按該日的匯率重新換算。按公平值以外幣列賬的非貨幣項目乃按公平值釐定當日的適用匯率重新換算。按外幣歷史成本計量的非貨幣項目毋須重新換算。

貨幣項目的匯兌差額於產生期間於損益內確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

Retirement benefit cost

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

The employees of the Group's subsidiary which operates in Mainland China are required to participate in central pension scheme operated by the local municipal government. The subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the PRC government. The PRC government undertakes to assume the benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for benefits for their qualified employees under these plans.

3. 主要會計政策(續)

外幣(續)

就呈列綜合財務報表而言，本集團海外業務的資產及負債乃採用於各呈報期末的適用匯率換算為本集團的呈列貨幣(即人民幣)。收入及開支項目則按年內平均匯率換算。所產生的匯兌差額(如有)於其他全面收入內確認並於權益中的匯率波動儲備項下累計(於適當時候撥入非控股權益)。

退休福利成本

本集團根據強制性公積金計劃條例，為其香港所有僱員設有定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃根據僱員底薪的一定百分比作出，並根據強積金計劃規則於供款到期應付時確認為開支。強積金計劃資產與本集團資產分開，乃透過獨立管理基金持有。本集團的僱主供款於向強積金計劃作出供款時全數歸屬僱員所有。

本集團於中國內地經營的附屬公司的僱員需要參與由地區市政府運作的中央退休金計劃。附屬公司須就中央退休金計劃於薪酬成本中作若干百分比的供款。根據中央退休金計劃的規則，供款因已成為應付款項計入損益。

本集團每月向中國政府設立的定額供款住房、醫療及其他福利計劃供款。中國政府保證承擔該等計劃保障的所有現職及退休僱員的福利義務。本集團對該等計劃的供款於產生時列支。本集團就該等計劃對其合資格僱員並無其他福利方面的義務。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

3. 主要會計政策(續)

政府補貼

政府補貼僅於有合理保證本集團符合該補貼所有附帶條件而可收取該補貼時，方予確認。

作為已產生開支或虧損的應收補償或就給予本集團即時財務資助而未來無相關成本的政府補貼，於成為應收款項的期間於損益內確認。

稅項

所得稅開支指即期應付稅項及遞延稅項的總和。即期應付稅項乃根據年內的應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所呈報的「除稅前溢利」不同，乃由於應課稅溢利不包括在其他年度應課稅收入或可扣稅開支項目，亦不包括毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按呈報期末已頒佈或實際已頒佈的稅率計算。

遞延稅項乃根據綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基的暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認。遞延稅項資產只限於在有應課稅溢利可供對銷的所有可扣稅暫時差額時方會確認。

遞延稅項負債乃就投資於附屬公司所產生的應課稅暫時差額予以確認，除非本集團可控制暫時差額的撥回，且此暫時差額在可見將來可能不會撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

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

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

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or for administrative purposes are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產及負債根據於呈報期末已頒佈或實際已頒佈的稅率(及稅法),並按於清還負債及變現資產期間預期應用的稅率計量。

遞延稅項負債及資產的計量,反映本集團在呈報期末預期收回或清償其資產及負債賬面值的方式所導致的稅務後果。

即期及遞延稅項乃於損益內確認,除非是有關已於其他全面收入內或直接於權益中確認的項目,則此等即期及遞延稅項亦分別於其他全面收入內或直接於權益中確認。

物業、廠房及設備

物業、廠房及設備(包括持作生產或供應貨品或作行政用途的樓宇)於綜合財務狀況表中按成本減其後累計折舊及累計減值虧損(如有)列賬。

折舊乃於估計可使用年期使用直線法撇銷資產成本減其剩餘價值而確認。估計可使用年期、剩餘價值及折舊方法於呈報期末檢討,而任何估計變動的影響會按前瞻基準入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, as the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Research and development costs

All research costs are charged to the consolidated statement of profit or loss and other comprehensive income as incurred.

3. 主要會計政策(續)

物業、廠房及設備(續)

作生產或供應貨品或行政用途的在建物業按成本減任何已確認減值虧損列賬。成本包括專業費及就合格資產而言，根據本集團會計政策資本化的借貸成本。該等物業落成及可作擬定用途時，將分類至適當類別的物業、廠房及設備。該等資產的折舊按與其他物業資產採用相同的基準進行，在資產可作擬定用途時開始折舊。

物業、廠房及設備項目乃於出售時或當預期持續使用該資產將不會產生日後經濟利益時終止確認。於終止確認該資產時產生之任何盈虧(以出售所得款項淨額與該項目之賬面值間之差額計算)乃計入年度之損益內。

作將來業主自用的在建樓宇

倘樓宇正處於開發階段，以作生產或行政用途，於建築期內計提的預付租賃款項攤銷則計入在建樓宇成本之一部分。在建樓宇乃按成本減任何已識別減值虧損列賬。當該等樓宇可投入使用(即其地點及狀況已符合管理層擬定營運要求)時，則開始計提折舊。

研究及開發成本

所有研究成本於產生時計入綜合損益及其他全面收益表。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Research and development costs (continued)

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策(續)

研究及開發成本(續)

開發新產品項目產生的開支僅於本集團可展示完成無形資產的技術可行性因而可供使用及銷售、完成的意圖及使用或出售資產的能力、資產如何產生未來經濟利益的方法、完成項目的可用資源及於發展期間能可靠地計量開支時才可撥充資本及遞延。開發產品的開支倘未能符合此等要求，會於產生時計入開支。

存貨

存貨按成本與可變現淨值之較低者列賬。存貨成本按加權平均法計算。可變現淨值指估計存貨售價減所有估計完成成本及作出銷售所需之成本。

現金及現金等價物

綜合財務狀況表中的現金及短期存款包括銀行及手頭現金及到期日為三個月或以下的短期存款。編製綜合現金流量表所用的現金及現金等價物包括上文所界定的現金及短期存款(扣除未償還銀行透支)。

金融工具

金融資產及金融負債於集團實體成為合約條文的訂約方時確認入賬。金融資產及金融負債初步按公平值計量。直接因收購或發行金融資產及金融負債而產生的交易成本於首次確認時在金融資產或金融負債(不包括按公平值計入損益的金融資產或金融負債)的公平值入賬或扣除(視乎情況而定)。因收購按公平值計入損益的收購金融資產或金融負債的交易成本，即時於損益內確認。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets

The Group's financial assets are loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

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

Impairment loss on financial assets

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

3. 主要會計政策(續)

金融工具(續)

金融資產

本集團的金融資產分為貸款及應收款項。所有常規的金融資產買賣均按交易日基準確認及取消確認。常規買賣為須於根據市場法規或慣例所確定的時間內交付資產的金融資產買賣。

實際利率法

實際利率法是計算債務工具攤銷成本及按有關期間攤分利息收入的方法。實際利率乃為一種在債務工具的預期年期，或較短期間(倘合適)將估計未來現金收入(包括所有已付或收取並為實際利率組成部分的費用及點數、交易成本及其他溢價或折讓)精確貼現至首次確認時的賬面淨額的利率。

就債務工具而言，利息收入乃按實際利率確認。

貸款及應收款項

貸款及應收款項指附帶固定或可釐定付款金額，且並無在活躍市場報價的非衍生金融資產。於首次確認後，貸款及應收款項(包括應收貿易賬款及應收票據、按金及其他應收款項、已質押存款和現金及銀行結餘)採用實際利率法按攤銷成本減任何已識別減值虧損計量(詳見下文金融資產減值虧損的會計政策)。

金融資產減值虧損

在各呈報期末會評估金融資產是否有任何減值跡象。倘若有任何客觀證據表明，由於一個或多個於首次確認金融資產後發生的事項，且金融資產的估計未來現金流量受到影響，則金融資產被視為減值。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment loss on financial assets (continued)

For all financial assets, objective evidence of impairment could include:

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

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值虧損(續)

就所有其他金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對方出現重大財務困難；或
- 違約，如拖欠支付或無力償還利息或本金；或
- 借款人可能破產或進行財務重組；或
- 因財政困難而導致金融資產於活躍市場消失。

此外，應收貿易賬款及資產等被評估為非個別減值的若干金融資產類別，按整體基準進行減值評估。應收賬款組合的客觀減值證據可包括本集團的過往收款經驗、組合內延遲還款至超過三個月的平均信貸期的次數增加，以及與應收賬款逾期有關的全國或地方經濟狀況明顯轉變。

就按攤銷成本列賬的金融資產而言，已確認減值虧損金額按該資產的賬面值與按金融資產原先實際利率折現的估計未來現金流量的現值間的差額計量。

就所有金融資產而言，金融資產的賬面值直接按減值虧損減少，惟應收貿易賬款除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目的賬面值變動於損益內確認。倘應收貿易賬款被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷的款項計入損益內。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment loss on financial assets (continued)

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

Financial liabilities and equity instruments

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

The Group's financial liabilities are classified into either financial liabilities at fair value through profit or loss ("FVTPL") or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值虧損(續)

就按攤銷成本計量的金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生的事件有關，則先前確認的減值虧損透過損益內撥回，惟該資產於撥回減值日期的賬面值不得超過在並無確認減值的情況下應有的攤銷成本。

金融負債及股本工具

集團實體發行的債務及股本工具均按所訂立合約安排的內容及金融負債與股本工具的釋義分類為金融負債或股本。

本集團的金融負債分類為按公平值計入損益的金融負債或其他金融負債。

按公平值計入損益的金融負債

倘金融負債為持作買賣或於首次確認時指定為按公平值計入損益，則金融負債乃分類為按公平值計入損益。

倘若出現下列情況，則金融負債分類為持作買賣：

- 主要為於近期購回而收購；或
- 於初步確認時，其為本集團聯合管理的已識別金融工具組合的一部分，而具備於近期實際短期獲利的模式；或
- 其為非指定及非有效作為對沖工具的衍生工具。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments

(continued)

Financial liabilities at FVTPL (continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss. Fair value is determined in the manner described in note 36.

Other financial liabilities

Other financial liabilities including trade and bills payables, deposits received, other payables and accruals, interest-bearing bank borrowings and amount due to a director are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

按公平值計入損益的金融負債(續)

金融負債(持作買賣的金融負債除外)可於下列情況下於首次確認時指定為按公平值計入損益：

- 該指定可以消除或大幅減少計量或確認方面原應產生的不一致性；或
- 該金融負債構成一組金融資產或金融負債或兩者的一部分，而根據本集團制定的風險管理或投資策略，該項金融負債的管理及績效乃以公平值基準進行評估，且有關分組的資料乃按該基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具合約的一部分，而國際會計準則第39號允許將整個組合合約(資產或負債)指定為按公平值計入損益。

按公平值計入損益的金融負債按公平值計量，因重新計量產生的任何收益或虧損直接於損益內確認。公平值按附註36所述的方式釐定。

其他金融負債

其他金融負債(包括應付貿易賬款及應付票據、已收按金、其他應付款項及應計費用、計息銀行借貸及應付一名董事款項)其後採用實際利率法按攤銷成本計量。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments

(continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity.

Convertible notes

Convertible notes entitle the note holder to convert the note into equity instruments, other than into a fixed number of equity instruments at a fixed conversion price, are regarded as combined instruments consist of a liability and a derivative component.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

實際利率法

實際利率法是計算金融負債攤銷成本及按有關期間攤分利息開支的方法。實際利率乃為一種在金融負債的預期年期，或較短期間(倘合適)將估計未來現金付款(包括所有已付或收取並為實際利率組成部分的費用及點數、交易成本及其他溢價或折讓)精確貼現至首次確認時的賬面淨額的利率。

利息開支按實際利率法確認，惟分類為按公平值計入損益的金融負債除外，其利息開支計入淨收入或淨虧損。

股本工具

股本工具指任何可證明扣減所有負債後的本集團資產剩餘權益的合約。本集團發行的股本工具按已收所得款項(扣除直接發行成本)確認。

購回本公司自身股本工具已直接於權益中確認及扣除。本公司概無就購買、出售、發行或註銷自身股本工具而於損益內確認收益或虧損。

可換股票據

賦予票據持有人權利把票據轉換為權益工具的可換股票據(按固定兌換價轉換為固定數目權益工具者除外)，被視為包括負債及衍生部分的合併工具。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Convertible notes (continued)

On initial recognition, the convertible notes with the derivative component as a whole are designated as financial liabilities at FVTPL. The entire convertible notes are initially recognised at fair value on the date of issue and are subsequently measured at fair value until extinguished on conversion or redemption. Changes in the fair value of the entire convertible notes are recognised in the profit or loss as they arise. Interest on convertible notes designated as financial liabilities at FVTPL is included in the fair value gain or loss for that period. Upon conversion of the convertible notes, the fair value of the convertible notes converted is reclassified to equity.

Transaction costs that are directly attributable to the issue of the convertible notes designated as financial liabilities at FVTPL are recognised immediately in the profit or loss.

Warrants

Warrants which meet the definition of a derivative are initially recognised at fair value at initial recognition and are subsequently measured at fair value. Changes in the fair value of warrants are recognised in the income statement as they arise.

3. 主要會計政策(續)

金融工具(續)

可換股票據(續)

初步確認時，可換股票據連同衍生工具部分整體被指定為按公平值計入損益的金融負債。全部可換股票據於發行日按公平值初步確認，並按公平值進行後續計量，直至獲轉換或贖回而撤銷為止。全部可換股票據的公平值變動於其出現時在損益內確認。指定為按公平值計入損益的金融負債的可換股票據的利息，計入該期間的公平值收益或虧損。可換股票據獲轉換後，其公平值重新分類為權益。

直接歸屬於發行按公平值計入損益的金融負債的可換股票據交易成本，即時在損益內確認。

認股權證

符合衍生金融工具定義的認股權證初步確認時按公平值確認，並按公平值進行後續計量。認股權證的公平值變動於其出現時在收益表確認。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Warrants (continued)

Derecognition

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

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

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

Equity-settled share-based payment transactions

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in share options reserve.

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

3. 主要會計政策(續)

金融工具(續)

認股權證(續)

終止確認

金融資產僅於自資產收取現金流量的合約權利屆滿，或將金融資產及其擁有權的絕大部份風險及回報轉移至另一實體時終止確認。倘本集團並無轉移亦無保留擁有權的絕大部份風險及回報，並繼續控制已轉讓資產，本集團會繼續將資產確認入賬，條件為須繼續涉及該項資產，以及確認相關負債。倘本集團保留已轉讓金融資產擁有權的絕大部份風險及回報，本集團會繼續確認該金融資產，亦會就已收取的款項確認已抵押借貸。

於終止確認整項金融資產時，資產賬面值與已收及應收代價，及已於其他全面收入中確認並於權益中累計的累計收益或虧損的總和之間的差額，將於損益內確認。

於且僅於本集團的債務獲解除、取消或屆滿時，金融負債會終止確認。終止確認金融負債賬面值與已付及應付代價之間的差額於損益內確認。

按股權結算以股份支付的交易

就須符合指定歸屬條件而授出購股權而言，所獲服務的公平值乃參考所授出購股權於授出日期的公平值而釐定，並按直線基準於歸屬期內支銷，而購股權儲備亦相應增加。

於呈報期末，本集團對預期最終歸屬的購股權的估計數目進行修訂。修訂最初估計的影響(如有)於損益內確認，以致累計開支反映經修訂估計，並對購股權儲備作出相應調整。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Equity-settled share-based payment transactions
(continued)

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Impairment losses on assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續)

金融工具(續)

按股權結算以股份支付的交易(續)

購股權獲行使時，先前於購股權儲備已確認的金額將轉撥至股份溢價。當購股權於歸屬日期獲沒收，或於屆滿日期仍未獲行使，先前於購股權儲備確認的金額將轉撥至保留溢利。

資產的減值虧損

於呈報期末，本集團檢討其資產的賬面值，以確定是否存在跡象顯示該等資產蒙受減值虧損。倘出現有關跡象，將對該項資產的可收回金額進行估計，從而確定其減值虧損程度(如有)。倘無法估計個別資產的可收回金額，本集團將估計其所屬現金產生單位的可收回金額。倘可確定合理及一致的分配基準，則公司資產會分配至個別現金產生單位，否則將分配至可確定合理及一致分配基準的最小現金產生單位組。

可收回金額是指減去出售成本後的公平值與使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量按稅前貼現率折算至其現值，該折現率反映當期市場對貨幣時間價值的評估及未來現金流量估計未予調整的資產的特定風險。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment losses on assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, that are not readily apparent for other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

3. 主要會計政策(續)

資產的減值虧損(續)

倘估計資產(或現金產生單位)的可收回金額低於其賬面值,則該資產(或現金產生單位)的賬面值減低至其可收回金額。減值虧損會即時於損益內確認。倘其後撥回減值虧損,則該項資產(或現金產生單位)的賬面值增加至其經調整的估計可收回金額,而已增加的賬面值不得高於假設於過往年度並未確認該項資產(或現金產生單位)的減值虧損所應釐定的賬面值。撥回的減值虧損即時於損益內確認。

4. 重大會計判斷及估計不確定因素主要來源

於應用本集團的會計政策(如附註3所述)時,本公司董事須就未能從其他來源獲得的資產及負債金額作出判斷、估計及假設。估計及相關假設根據過往經驗及被認為有關的其他因素作出。實際結果或會與該等估計不同。

該等估計及相關假設會持續地獲檢討。如有關修訂只影響作出修訂的期間,則會於期間內確認會計估計的修訂,或如有關修訂影響本期間及往後期間,則會於作出修訂期間及往後期間確認會計估計的修訂。

應用會計政策的重大判斷

以下為本公司董事於應用本集團的會計政策過程中所作出的重大判斷(涉及估計者除外,見下文),而該等判斷對已在綜合財務報表中確認的數額及作出的披露有最重大影響。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Classification between investment properties and owner-occupied properties

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

Certain properties of the Group comprise a portion that is held to earn rentals and another portion that is held for use in the supply of goods and for administrative purposes. As the portion that is held to earn rentals is not significant and could not be sold separately and the portion that is held for use in supply of goods and for administrative purposes is significant, the properties are not classified as investment properties.

Withholding taxes arising from the distributions of dividends

The Group's determination as to whether to accrue for withholding taxes from the distribution of dividends from a subsidiary in the PRC according to the relevant tax jurisdiction is subject to judgement on the timing of the payment of the dividend, where the Group considered that if it is probable that the profits of the subsidiary in the PRC will not be distributed in the foreseeable future, then no withholding taxes should be provided.

4. 重大會計判斷及估計不確定因素主要來源(續)

應用會計政策的重大判斷(續)

投資物業及自用物業的分類

本集團會釐定一項物業是否屬於投資物業，並已制定決定分類的條件。投資物業為持作賺取租金或資本增值或以上兩用途的物業。因此，本集團會衡量物業所產生現金流量是否獨立於本集團持有的其他資產。若干物業包括持作賺取租金或資本增值以及用作提供貨品及服務或行政用途的不同部分。倘該等物業部分能獨立出售或根據融資租約獨立出租，則本集團會將各個相關部分分別入賬。倘該等部分不能獨立出售而持作提供貨品及服務或行政用途的部分並不重大，則該等物業方視為投資物業。本集團會獨立衡量個別物業，以釐定一項物業的配套服務是否重要致使其不合資格分類作投資物業。

本集團若干物業包括持作賺取租金以及持作提供貨品及行政用途的部分。由於持作賺取租金的物業部分不重大，且不能單獨出售，而持作提供貨品及行政用途的物業部分較重大，因此該等物業並非歸類為投資物業。

股息分派產生的預扣稅

本集團釐定是否須根據相關稅法為中國附屬公司所分派的股息計提應計預扣稅時，須判斷支付股息的時間。倘本集團認為可見未來不會有中國附屬公司的溢利分派，則不會作出預扣稅撥備。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Building

Despite the Group has paid the full purchase consideration as detailed in note 15, certain of the Group's rights to use of the building was not granted formal titles from the relevant government authorities. The directors of the Company are of the opinions that the risks and rewards of using these assets have been transferred to the Group and the absence of formal titles to this building does not impair the value of the relevant properties to the Group.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives and impairment of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to the ones previously estimated, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 重大會計判斷及估計不確定因素主要來源(續)

應用會計政策的重大判斷(續)

樓宇

儘管如附註15所述，本集團已支付全部收購代價，但本集團若干樓宇的使用權尚未獲有關政府部門授予正式業權。本公司董事認為，使用該等資產的風險及回報已轉移至本集團，而尚未取得該等樓宇使用權的正式業權不會減損本集團於相關物業的價值。

估計不確定因素的主要來源

以下為於呈報期末，極可能導致下一個財政年度期間資產及負債的賬面值須作出重大調整的有關未來的主要假設及估計之不確定因素的其他主要來源。

物業、廠房及設備的可使用年期及減值

本集團釐定物業、廠房及設備的估計可使用年期及相關折舊開支。該等估計乃基於性質及功能相若的物業、廠房及設備過往的實際可使用年期記錄而作出。管理層會修訂可使用年期與之前估計相異的項目的折舊開支，並撇銷或撇減技術已過時或非策略性質的已棄用或已出售資產。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Useful lives and impairment of property, plant and equipment (continued)

The Group assesses whether there are any indicators of impairment for property, plant and equipment at the end of each reporting period. Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

As at 31 December 2014, the carrying amount of property, plant and equipment was approximately RMB95,214,000 (2013: RMB103,010,000).

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market conditions and the historical experience of selling merchandise of a similar nature. It could change significantly as a result of changes in customer taste or competitor actions. The Group reassesses these estimates at the end of the reporting period. As at 31 December 2014, the carrying amount of inventories was approximately RMB30,967,000, net of allowance for write-down inventories approximately RMB8,216,000 (2013: RMB32,417,000 with allowance for write-down of RMB7,805,000).

4. 重大會計判斷及估計不確定因素主要來源(續)

估計不確定因素的主要來源(續)

物業、廠房及設備的可使用年期及減值(續)

本集團於各呈報期末評估物業、廠房及設備有否出現任何減值跡象。物業、廠房及設備於有跡象顯示可能無法收回賬面值時測試減值。倘資產或現金產生單位之賬面值高於其可收回金額(即公平值減銷售成本與使用價值兩者之較高者)，即表示出現減值。公平值減銷售成本乃以可取得之類似資產公平交易中具約束力之銷售交易數據，或可觀察市場價格減出售資產所帶來之成本計算。計算使用價值時，管理層必須估算資產或現金產生單位之估計未來現金流量，並選用適當之貼現率，以計算該等現金流量之現值。

於二零一四年十二月三十一日，物業、廠房及設備的賬面值約為人民幣95,214,000元(二零一三年：人民幣103,010,000元)。

存貨的可變現淨值

存貨的可變現淨值為日常業務過程中的估計售價減估計銷售開支。該等估計乃基於現時市況及過往銷售同類性質商品的經驗而作出，並會因客戶喜好的變化或競爭對手的行動而出現重大改變。本集團於呈報期末重估該等估計。於二零一四年十二月三十一日，存貨的賬面值扣除存貨撇減撥備約人民幣8,216,000元後約為人民幣30,967,000元(二零一三年：扣除存貨撇減撥備人民幣7,805,000元後為人民幣32,417,000元)。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Impairment allowances for trade and other receivables

The Group estimates the impairment allowances for trade and other receivables by assessing the recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgements. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances at the end of the reporting period.

As at 31 December 2014, the carrying amount of trade and bills receivables was approximately RMB41,533,000 (2013: RMB62,283,000), net of allowance for doubtful debt of approximately RMB1,143,000 (2013: RMB1,162,000).

As at 31 December 2014, the carrying amount of other receivables were approximately RMB2,024,000 (2013: RMB12,939,000).

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. 重大會計判斷及估計不確定因素主要來源(續)

估計不確定因素的主要來源(續)

應收貿易賬款及其他應收款項減值撥備

本集團基於信貸紀錄及當時市況評估應收貿易賬款及其他應收款項的可收回程度，以估計其減值撥備。本集團需就此作出估計及判斷。一旦發生事件或情況轉變顯示結餘未必可收回，則會就應收貿易賬款及其他應收款項作出撥備。倘預測與原本估計有差異，則有關差異會影響所涉期間的應收貿易賬款及其他應收款項的賬面值以及相關減值虧損。本集團會於呈報期末重估減值撥備。

於二零一四年十二月三十一日，應收貿易賬款及應收票據的賬面值約為人民幣41,533,000元(二零一三年：人民幣62,283,000元)，已扣除呆賬撥備約人民幣1,143,000元(二零一三年：人民幣1,162,000元)。

於二零一四年十二月三十一日，其他應收款項的賬面值約為人民幣2,024,000元(二零一三年：人民幣12,939,000元)。

遞延稅項資產

如很可能會有應課稅溢利可用於抵銷未動用稅項虧損，則會確認遞延稅項資產。管理層需要基於未來應課稅溢利可能出現的時間及水平以及未來稅務規劃策略，就釐定可確認的遞延稅項資產金額作出重大判斷。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Valuation of convertible notes and warrants

As described in note 25 to the consolidated financial statements, the convertible notes and warrants are designated as financial liabilities at FVTPL. The Group engaged an independent firm of professionally qualified valuers to assist in determining the fair value of convertible notes and warrants. The fair value of the convertible notes and warrants are determined using the binomial model. The significant inputs into the model included risk-free interest rate, conversion price/exercise price, stock price, discount rate, expected volatility, expected life and expected dividend yields. When the actual results of the inputs differ from management's estimate, it will have an impact on the fair value gain or loss and the fair value of the convertible notes and warrants.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for share-based payments are disclosed in note 29.

5. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group's reportable and operating segments are as follows:

4. 重大會計判斷及估計不確定因素主要來源(續)

估計不確定因素的主要來源(續)

可換股票據及認股權證的估值

根據綜合財務報表附註25所述，可換股票據及認股權證指定為按公平值計入損益的金融負債。本集團已聘請獨立專業合資格估值公司協助釐定可換股票據及認股權證的公平值。可換股票據及認股權證的公平值運用二項模式釐定。該模式所用的主要數據包括無風險利率、換股價／行使價、股價、貼現率、預期波幅、預期年期及預期股息收益率。倘該等數據的實際結果與管理層的預測有別，則會影響可換股票據及認股權證的公平值損益及其公平值。

以股份為基礎的付款

本集團參考於授出日期股本工具之公平值，計算與僱員所進行以股權結算交易之成本。估計以股份為基礎之付款交易之公平值，須釐定最適合之估值模式，乃取決於授出之條款及條件。此項估計亦須釐定代入估值模式之最適合參數，包括購股權預期年期、波幅及股息收益率，並就此作出假設。估計以股份為基礎的付款之公平值所用的假設及模式於附註29中披露。

5. 分部資料

向本公司董事，即主要經營決策者（「主要經營決策者」）呈報以供分配資源及評估分部表現的資料乃集中於所交付及所提供的貨品或服務類別。具體而言，本集團可呈報及經營分部如下：

Notes to Consolidated Financial Statements

綜合財務報表附註

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

5. SEGMENT INFORMATION (continued)

- (a) the Boree branded products segment manufactures and trades Boree branded slippers, sandals and casual footwear (“Boree Products”);
- (b) the Baofeng branded products segment manufactures and trades Baofeng branded slippers (“Baofeng Products”);
- (c) the Brand Licensee Business segment manufactures and trades licensed slippers (“Brand Licensee Business”); and
- (d) the Original Equipment Manufacturer (“OEM”) segment produces slippers for branding and resale by others.

CODM monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted result before tax.

The accounting policies of the operating segments are the same as the Group’s accounting policies described in note 3. The segment profit or loss represents the profit earned by or loss from each segment without allocation of interest income, other unallocated net income and gains, fair value (loss)/gain on financial liabilities at FVTPL, finance costs as well as corporate and other unallocated expenses. Segment assets exclude property, plant and equipment, prepaid lease payments, raw materials, work in progress, prepayments, deposits and other receivables, income tax recoverable, pledged deposits and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude trade and bills payables, certain other payables and accruals, interest-bearing bank borrowings, convertible notes, warrants, amount due to a director and income tax payable as these liabilities are managed on a group basis.

5. 分部資料(續)

- (a) 寶人牌產品分部生產及出售寶人牌拖鞋、涼鞋及休閒鞋(「寶人牌產品」);
- (b) 寶峰牌產品分部生產及出售寶峰牌拖鞋(「寶峰牌產品」);
- (c) 授權品牌業務分部生產及出售代理拖鞋(「授權品牌業務」);及
- (d) 原設備製造商(「OEM」)分部生產品牌拖鞋以供轉售。

主要經營決策者獨立監察本集團各營運分部的業績，以便決定資源分配及評估表現。分部表現按可呈報分部業績評估，亦會用於計量經調整除稅前業績。

經營分部的會計政策與附註3所述本集團會計政策一致。分部溢利或虧損指各分部賺取的溢利或產生的虧損，惟並無分配利息收入、其他未分配收入及收益淨額、按公平值計入損益之金融負債之公平值(損失)/收益、融資成本及企業和其他未分配開支。由於物業、廠房及設備、預付租金、原材料、在製品、預付款項、按金及其他應收款項、可收回所得稅、已質押存款和現金及銀行結餘均為按集團層面管理的資產，故不計入分部資產。

由於應付貿易賬款及應付票據、部份其他應付款項及應計費用、計息銀行借貸、可換股票據、認股權證、應付一名董事款項及應付所得稅項均為按集團層面管理的負債，故不計入分部負債。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

5. SEGMENT INFORMATION (continued)

Segment revenues and results

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

Year ended 31 December 2014

5. 分部資料(續)

分部收益及業績

以下為按可呈報及經營分部劃分的本集團收益及業績分析。

截至二零一四年十二月三十一日止年度

		Boree Products	Baofeng Products	Brand Licensee Business 授權	OEM	Total 總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Segment revenue	分部收益					
Sales to external customers	向外界客戶銷售	51,488	847	779	143,659	196,773
Segment results	分部業績	(16,832)	(438)	(290)	18,419	859
<i>Reconciliation:</i>	<i>對賬:</i>					
Interest income	利息收入					4,528
Other unallocated net income and gains	其他未分配淨收入及收益					8,522
Corporate and other unallocated expenses	企業及其他未分配開支					(31,554)
Fair value loss on financial liabilities at FVTPL	按公平值計入損益之金融負債之公平值損失					(4,019)
Finance costs	融資成本					(8,549)
Loss before tax	除稅前虧損					(30,213)

Notes to Consolidated Financial Statements

綜合財務報表附註

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

5. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

Year ended 31 December 2013

5. 分部資料(續)

分部收益及業績(續)

截至二零一三年十二月三十一日止年度

		Boree Products	Baofeng Products	Brand Licensee Business 授權	OEM	Total
		寶人牌產品 RMB'000 人民幣千元	寶峰牌產品 RMB'000 人民幣千元	品牌業務 RMB'000 人民幣千元	RMB'000 人民幣千元	總額 RMB'000 人民幣千元
Segment revenue	分部收益					
Sales to external customers	向外界客戶銷售	224,470	90,888	13,928	294,836	624,122
Segment results	分部業績	66,758	27,331	(5,588)	48,526	137,027
<i>Reconciliation:</i>	<i>對賬:</i>					
Interest income	利息收入					4,141
Other unallocated net income and gains	其他未分配淨收入及收益					1,645
Corporate and other unallocated expenses	企業及其他未分配開支					(60,451)
Fair value gain on financial liabilities at FVTPL	按公平值計入損益之金融負債之公平值收益					17,116
Finance costs	融資成本					(4,621)
Profit before tax	除稅前溢利					94,857

Notes to Consolidated Financial Statements

綜合財務報表附註

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

5. SEGMENT INFORMATION (continued)

Segment assets and liabilities

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

Year ended 31 December 2014

5. 分部資料(續)

分部資產及負債

以下為按可呈報及經營分部劃分的本集團資產及負債分析：

截至二零一四年十二月三十一日止年度

		Boree Products	Baofeng Products	Brand Licensee Business 授權	OEM	Total
		寶人牌產品 RMB'000 人民幣千元	寶峰牌產品 RMB'000 人民幣千元	品牌業務 RMB'000 人民幣千元	RMB'000 人民幣千元	總額 RMB'000 人民幣千元
Segment assets	分部資產	2,318	-	-	51,045	53,363
<i>Reconciliation:</i>	<i>對賬：</i>					
Corporate and other unallocated assets	企業及其他未分配資產					1,319,443
Total assets	資產總值					1,372,806
Segment liabilities	分部負債	850	850	-	15,777	17,477
<i>Reconciliation:</i>	<i>對賬：</i>					
Corporate and other unallocated liabilities	企業及其他未分配負債					264,086
Total liabilities	負債總額					281,563

Notes to Consolidated Financial Statements

綜合財務報表附註

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

5. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

Year ended 31 December 2013

5. 分部資料(續)

分部資產及負債(續)

截至二零一三年十二月三十一日止年度

		Boree Products	Baofeng Products	Brand Licensee Business 授權	OEM	Total
		寶人牌產品 RMB'000 人民幣千元	寶峰牌產品 RMB'000 人民幣千元	品牌業務 RMB'000 人民幣千元	人民幣千元	總額 RMB'000 人民幣千元
Segment assets	分部資產	9,610	1,787	15,509	49,548	76,454
<i>Reconciliation:</i>	<i>對賬:</i>					
Corporate and other unallocated assets	企業及其他未分配 資產					1,375,238
Total assets	資產總值					1,451,692
Segment liabilities	分部負債	1,100	1,100	2,500	-	4,700
<i>Reconciliation:</i>	<i>對賬:</i>					
Corporate and other unallocated liabilities	企業及其他未分配 負債					324,597
Total liabilities	負債總額					329,297

Notes to Consolidated Financial Statements

綜合財務報表附註

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

5. SEGMENT INFORMATION (continued)

Other segment information

Year ended 31 December 2014

	Boree Products	Baofeng Products	Brand Licensee Business 授權 品牌業務	OEM	Total 總額
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Impairment loss on trade receivables	934	-	12	197	1,143
Write-down of inventories	8,216	-	-	-	8,216
					9,359

Year ended 31 December 2013

	Boree Products	Baofeng Products	Brand Licensee Business 授權 品牌業務	OEM	Total 總額
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Impairment loss on trade receivables	1,093	-	12	57	1,162
Write-down of inventories	7,805	-	-	-	7,805
					8,967

5. 分部資料(續)

其他分部資料

截至二零一四年十二月三十一日止年度

	Boree Products	Baofeng Products	Brand Licensee Business 授權 品牌業務	OEM	Total 總額
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Impairment loss on trade receivables	934	-	12	197	1,143
Write-down of inventories	8,216	-	-	-	8,216
					9,359

截至二零一三年十二月三十一日止年度

	Boree Products	Baofeng Products	Brand Licensee Business 授權 品牌業務	OEM	Total 總額
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Impairment loss on trade receivables	1,093	-	12	57	1,162
Write-down of inventories	7,805	-	-	-	7,805
					8,967

Notes to Consolidated Financial Statements

綜合財務報表附註

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

5. SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

PRC (principal place of operations)	中國(主要營運地點)
United States of America	美國
South America	南美洲
Europe	歐洲
South East Asia	東南亞
Other countries	其他國家

The revenue information above is based on the locations of the customers.

(b) Non-current assets

PRC (principal place of operations)	中國(主要營運地點)
-------------------------------------	------------

The non-current assets information above is based on the locations of the assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

Customer A	客戶A
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The Group's major customers are in the OEM segment.

5. 分部資料(續)

地區資料

(a) 來自外界客戶的收益

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

62,064	435,240
122,753	170,070
4,400	3,634
4,254	1,747
1,883	8,073
1,419	5,358

196,773 624,122

以上收益資料乃基於客戶位置劃分。

(b) 非流動資產

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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129,498	138,114
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以上非流動資產資料乃基於資產位置劃分。

主要客戶的資料

於相關年度，來自客戶之收益佔本集團總銷售額10%以上者如下：

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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75,043	71,721
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本集團主要客戶是來自OEM分部。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

6. REVENUE, OTHER NET INCOME AND GAINS

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

An analysis of revenue, other net income and gains is as follows:

6. 收益、其他收入及收益淨額

收益亦即本集團的營業額，相當於已扣除退貨及貿易折扣撥備的已售貨品發票淨額。

收益、其他收入及收益淨額的分析如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Revenue	收益		
Manufacture and sale of goods	生產及銷售貨品	196,773	624,122
Other net income and gains	其他收入及收益淨額		
Interest income	利息收入	4,528	4,141
Sales of scrap material	銷售廢料	2,239	450
Sales of semi-products	銷售半成品	1,076	-
Rental income	租金收入	322	243
Subsidy income*	補貼收入*	4,323	905
Others	其他	562	47
		13,050	5,786

* There are no unfulfilled conditions or contingencies relating to these subsidies.

* 並無有關該等補貼的未達成條件或或然情況。

7. FINANCE COSTS

Interest on bank loans repayable within five years

7. 融資成本

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Interest on bank loans repayable within five years	8,549	4,621

須於五年內償還的銀行
貸款利息

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

8. (LOSS)/PROFIT BEFORE TAX

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

8. 除稅前(虧損)/溢利

本集團的除稅前(虧損)/溢利已扣除/(計入):

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Cost of inventories sold*	已售存貨成本*	177,309	429,380
Depreciation*	折舊*	10,339	9,558
Amortisation of prepaid lease payments	預付租金攤銷	845	845
Minimum lease payments under operating leases in respect of land and buildings*	根據土地及樓宇經營租約的最低租金付款*	7,671	7,367
Employee benefit expenses (including directors' remuneration – note 9)*:	僱員福利開支(包括董事酬金—附註9)*:		
Wages and salaries	工資及薪金	46,093	70,537
Equity-settled share option expense	以股權結算的購股權開支	–	392
Staff welfares	僱員福利	853	2,255
Contributions to retirement benefits schemes	退休福利計劃供款	4,544	8,823
		51,490	82,007
Auditors' remuneration	核數師酬金	1,590	1,504
(Reversal of impairment loss)/impairment loss on trade receivables	(撥回)/計提應收貿易賬款減值虧損	(19)	1,162
Write-down of inventories	存貨撇減	411	7,805
Loss on disposals of items of property, plant and equipment	出售物業、廠房及設備項目虧損	698	237
Foreign exchange differences, net	外匯差額淨額	429	1,446
Research and development costs**	研發成本**	2,733	2,145

* The cost of inventories sold for the year ended 31 December 2014 includes approximately RMB31,876,000 (2013: RMB50,861,000) relating to direct staff costs, depreciation of manufacturing facilities and operating lease payments in respect of land and buildings, which are also included in the respective total amounts disclosed above for each of these types of expenses.

** The research and development costs are included in "General and administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

* 截至二零一四年十二月三十一日止年度已售存貨成本包括約人民幣31,876,000元(二零一三年:人民幣50,861,000元)的直接僱員成本、生產設施折舊以及土地及樓宇的經營租約付款,此等項目亦已計入上文所披露各類開支的相關總額。

** 研發成本已計入綜合損益及其他全面收益表的「一般及行政開支」。

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綜合財務報表附註

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

9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executives' remuneration for the years, disclosed pursuant to the Listing Rules and section 78 Schedule 11 to the Hong Kong Companies Ordinance (Cap.622) with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap.32), are as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Fees (Note a)	袍金(附註a)	802	805
Other emoluments:	其他酬金：		
– Salaries, allowances and benefits in kind (Note b)	– 薪金、津貼及實物福利(附註b)	1,010	1,444
– Contributions to retirement benefits schemes (Note b)	– 退休福利計劃供款(附註b)	23	24
		1,835	2,273

Notes

(a) Independent non-executive directors

The fees paid or payable to independent non-executive directors during the current year are as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Professor Bai Changhong	白長虹教授	162	161
Mr. Lee Keung	李強先生	162	161
Ms. An Na	安娜女士	162	161
		486	483

There were no other emoluments payable to the independent non-executive directors during the year (2013: Nil).

9. 董事及主要行政人員酬金

根據上市規則及香港公司條例(第622章)附表11第78條並參考前身香港公司條例(第32章)第161條所披露的年度董事及主要行政人員酬金如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Fees (Note a)	袍金(附註a)	802	805
Other emoluments:	其他酬金：		
– Salaries, allowances and benefits in kind (Note b)	– 薪金、津貼及實物福利(附註b)	1,010	1,444
– Contributions to retirement benefits schemes (Note b)	– 退休福利計劃供款(附註b)	23	24
		1,835	2,273

附註

(a) 獨立非執行董事

本年度已付或應付獨立非執行董事的袍金如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Professor Bai Changhong	白長虹教授	162	161
Mr. Lee Keung	李強先生	162	161
Ms. An Na	安娜女士	162	161
		486	483

年內並無應付獨立非執行董事的其他酬金(二零一三年：零)。

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9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (continued)

Notes (continued)

Non-executive directors

The fees paid or payable to non-executive directors during the current year are as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Mr. Sze Ching Bor	史清波先生	162	161
Mr. Cheung Miu (resigned on 21 November 2014)	張渺先生(於二零一四年十一月二十一日辭任)	144	161
Mr. Chan Chak Chak Daniel (appointed on 21 November 2014)	陳策策先生(於二零一四年十一月二十一日獲委任)	10	-
		316	322

There were no other emoluments payable to the non-executive directors during the year (2013: Nil).

非執行董事

本年度已付或應付非執行董事的袍金如下:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Mr. Sze Ching Bor	史清波先生	162	161
Mr. Cheung Miu (resigned on 21 November 2014)	張渺先生(於二零一四年十一月二十一日辭任)	144	161
Mr. Chan Chak Chak Daniel (appointed on 21 November 2014)	陳策策先生(於二零一四年十一月二十一日獲委任)	10	-
		316	322

年內並無應付非執行董事的其他酬金(二零一三年:零)。

(b) Executive directors and chief executive officer

		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 RMB'000 人民幣千元	Contributions to retirement benefits schemes 退休福利計劃供款 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Year ended 31 December 2014	截至二零一四年十二月三十一日止年度				
Mr. Zhang Aiguo	張愛國先生	-	489	10	499
Mr. Zheng Jingdong ³	鄭景東先生 ³	-	521	13	534
		-	1,010	23	1,033

(b) 執行董事及行政總裁

		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 RMB'000 人民幣千元	Contributions to retirement benefits schemes 退休福利計劃供款 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Year ended 31 December 2014	截至二零一四年十二月三十一日止年度				
Mr. Zhang Aiguo	張愛國先生	-	489	10	499
Mr. Zheng Jingdong ³	鄭景東先生 ³	-	521	13	534
		-	1,010	23	1,033

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9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (continued)

Notes (continued)

(b) Executive directors and chief executive officer (continued)

Year ended 31 December 2013	截至二零一三年十二月三十一日止年度	Fees	Salaries, allowances and benefits in kind	Contributions to retirement benefits schemes	Total
			薪金、津貼及實物福利	退休福利計劃供款	
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Mr. Zheng Liuhe ¹	鄭六和先生 ¹	–	280	–	280
Mr. Chen Qingwei ²	陳慶偉先生 ²	–	278	5	283
Mr. Zhang Aiguo	張愛國先生	–	380	7	387
Mr. Zheng Jingdong ³	鄭景東先生 ³	–	506	12	518
		–	1,444	24	1,468

1 Mr. Zheng Liuhe was retired on 10 May 2013.

2 Mr. Chen Qingwei, who resigned on 10 May 2013 was also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as chief executive officer up to the date of resignation.

3 Mr. Zheng Jingdong has been appointed as the chief executive officer of the Company on 10 May 2013 and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

There was no arrangement under which a director and chief executive officer waived or agreed to waive any remuneration during the year (2013: Nil).

9. 董事及主要行政人員酬金(續)

附註(續)

(b) 執行董事及行政總裁(續)

Year ended 31 December 2013	截至二零一三年十二月三十一日止年度	Fees	Salaries, allowances and benefits in kind	Contributions to retirement benefits schemes	Total
			薪金、津貼及實物福利	退休福利計劃供款	
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Mr. Zheng Liuhe ¹	鄭六和先生 ¹	–	280	–	280
Mr. Chen Qingwei ²	陳慶偉先生 ²	–	278	5	283
Mr. Zhang Aiguo	張愛國先生	–	380	7	387
Mr. Zheng Jingdong ³	鄭景東先生 ³	–	506	12	518
		–	1,444	24	1,468

1 鄭六和先生於二零一三年五月十日退休。

2 陳慶偉先生於二零一三年五月十日辭任，亦曾任本公司行政總裁，其上述酬金包括其截至辭任日期作為行政總裁所提供服務之酬金。

3 鄭景東先生於二零一三年五月十日獲委任為本公司行政總裁，其上述酬金包括其作為行政總裁所提供服務之酬金。

年內，概無訂立董事及行政總裁放棄或同意放棄任何酬金之安排(二零一三年：無)。

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10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2013: two) directors and the chief executive officer, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining highest paid employee who is neither a director nor chief executive officer of the Company are as follow:

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	1,312	1,542
Contributions to retirement benefits schemes	14	17
	1,326	1,559

During the year ended 31 December 2014, the remuneration of the non-director and non-chief executive officer, highest paid employee fell within the band of RMB500,001 to RMB1,000,000 (2013: RMB500,001 to RMB1,000,000).

11. INCOME TAX EXPENSE

Current – PRC	即期 – 中國
Charge for the year	年內徵稅
Under-provisions in prior years	過往年度撥備不足
Total tax charge for the year	年內稅項費用總額

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the year (2013: Nil). Taxes on profits assessable in the PRC have been calculated at the prevailing rates, based on existing legislation, interpretations and practices in respect thereof.

Pursuant to the Enterprise Income Tax Law of the PRC being effective on 1 January 2008, the PRC income tax rate is unified to 25% for all enterprises.

10. 五名最高薪僱員

年內，五名最高薪僱員中有兩名(二零一三年：兩名)為董事及行政總裁，彼等的酬金詳情載於上文附註9。本公司其餘非董事及非行政總裁的最高薪僱員於本年度的酬金詳情如下：

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
薪金、津貼及實物福利	1,312	1,542
退休福利計劃供款	14	17
	1,326	1,559

截至二零一四年十二月三十一日止年度，非董事及非行政總裁的最高薪僱員酬金介乎人民幣500,001元至人民幣1,000,000元(二零一三年：人民幣500,001元至人民幣1,000,000元)之間。

11. 所得稅開支

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
–	–	25,305
939	939	1,674
Total tax charge for the year	939	26,979

由於本集團年內在香港並無產生應課稅溢利，故並無作出香港利得稅撥備(二零一三年：零)。中國的應課稅溢利稅項乃根據相關的現行法例、詮釋及常規按適用稅率計算。

根據於二零零八年一月一日生效的中國企業所得稅法，中國所得稅率對所有企業統一為25%。

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11. INCOME TAX EXPENSE (continued)

The tax charge for the year can be reconciled to the "loss before tax" per consolidated statement of profit or loss and other comprehensive income as below:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
(Loss)/profit before tax	除稅前(虧損)/溢利	(30,213)	94,857
Tax at the applicable tax rates	按適用稅率計算的稅項	(6,455)	24,006
Under-provisions in prior years	過往年度撥備不足	939	1,674
Income not subject to tax	毋須課稅收入	(423)	(2,824)
Expenses not deductible for tax	不可扣稅開支	6,878	3,312
Tax effect of tax loss not recognised	未確認稅項虧損的稅務影響	-	811
Income tax expense for the year	年內所得稅開支	939	26,979

Pursuant to the income tax law of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate for the withholding tax is 5% (2013: 5%). In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008, the directors of the Company have made assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future. No deferred tax liability has been provided for the remaining of such profits of approximately RMB516,360,000 (2013: RMB534,822,000) as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

At 31 December 2014, there were no significant unrecognised deferred tax liabilities (2013: Nil) for withholding taxes that would be payable on the unremitted earnings of the Company's subsidiary expected to be distributed, after considering the abovementioned factors, in the foreseeable future.

11. 所得稅開支(續)

年內稅項費用可與綜合損益及其他全面收益表所呈列的「除稅前虧損」對賬如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
(Loss)/profit before tax	除稅前(虧損)/溢利	(30,213)	94,857
Tax at the applicable tax rates	按適用稅率計算的稅項	(6,455)	24,006
Under-provisions in prior years	過往年度撥備不足	939	1,674
Income not subject to tax	毋須課稅收入	(423)	(2,824)
Expenses not deductible for tax	不可扣稅開支	6,878	3,312
Tax effect of tax loss not recognised	未確認稅項虧損的稅務影響	-	811
Income tax expense for the year	年內所得稅開支	939	26,979

根據中國所得稅法，在中國成立的外資企業向外國投資者宣派的股息須繳付10%預扣稅。此項規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者所屬司法權區間訂有稅務條約，則適用的預扣稅稅率可能較低。本集團的適用預扣稅稅率為5% (二零一三年：5%)。估計在中國成立的附屬公司預期就二零零八年一月一日起所賺取盈利分派的股息所須繳納的預扣稅時，本公司董事已基於多項因素作出評估，包括本集團的股息政策及於可見未來本集團營運所需的資金及營運資本水平。本集團並無就該等盈餘溢利約人民幣516,360,000元 (二零一三年：人民幣534,822,000元) 計提遞延稅項負債，乃因本集團可控制撥回暫時差額的時間，且暫時差額於可見未來很可能不會撥回。

於二零一四年十二月三十一日，在考慮上述因素後，就可預見將來預計分派本公司附屬公司的未匯出盈利的應付預扣稅而言，並無重大未確認遞延稅項負債(二零一三年：零)。

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11. INCOME TAX EXPENSE (continued)

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

12. (LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated (loss)/profit attributable to owners of the Company for the year ended 31 December 2014 includes a loss of approximately RMB14,987,000 (2013: profit of RMB1,517,000) which has been dealt with in the financial statements of the Company (note 30(b)).

The loss of RMB14,987,000 (2013: profit of RMB1,517,000) for the year ended 31 December 2014 included a management fee of RMB2,634,000 (2013: RMB4,005,000) to a subsidiary of the Company.

13. DIVIDEND

No dividend was proposed for the years ended 31 December 2014 and 2013 and since the end of the reporting period.

14. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share is based on the consolidated loss for the year attributable to owners of the Company and the weighted average number of ordinary shares of 1,013,720,833 (2013: 1,014,923,299) in issue during the year.

The weighted average number of ordinary shares used to calculate the basic loss per share for the year ended 31 December 2014 included the 1,013,720,833 ordinary shares in issue.

The weighted average number of ordinary shares used to calculate the basic earnings per share for the year ended 31 December 2013 included the 1,017,020,833 ordinary shares in issue and 3,300,000 repurchased and cancelled shares.

No adjustment has been made to the basic (loss)/earnings per share amount presented for the year ended 31 December 2014 and 2013 in respect of a dilution as the exercise price of the share options and warrants and the conversion price of the convertible notes of the Company outstanding during the years were higher than the average market price of the Company's ordinary shares for the year and accordingly, there is no dilutive effect on the basic (loss)/earnings per share.

11. 所得稅開支(續)

本公司向其股東派付的股息並無附帶所得稅。

12. 本公司擁有人應佔(虧損)/溢利

截至二零一四年十二月三十一日止年度，本公司擁有人應佔綜合(虧損)/溢利包括虧損約人民幣14,987,000元(二零一三年：溢利人民幣1,517,000元)，已在本公司財務報表處理(附註30(b))。

截至二零一四年十二月三十一日止年度的虧損人民幣14,987,000元(二零一三年：溢利人民幣1,517,000元)包括向本公司一間附屬公司支付管理費人民幣2,634,000元(二零一三年：人民幣4,005,000元)。

13. 股息

截至二零一四年及二零一三年十二月三十一日止年度以及自呈報期末以來並無建議派發股息。

14. 每股(虧損)/盈利

每股基本虧損乃基於本公司擁有人應佔年內綜合虧損及年內已發行普通股之加權平均股數1,013,720,833股(二零一三年：1,014,923,299股)計算。

用作計算截至二零一四年十二月三十一日止年度每股基本虧損的普通股之加權平均股數包括1,013,720,833股已發行的普通股。

用作計算截至二零一三年十二月三十一日止年度每股基本盈利的普通股之加權平均股數包括1,017,020,833股已發行的普通股及3,300,000股已回購及註銷的股份。

由於本公司於截至二零一四年及二零一三年十二月三十一日止年度尚未行使的購股權及認股權證的行使價及尚未行使的可換股票據的換股價高於年內本公司普通股的平均市價，因而對每股基本(虧損)/盈利並無攤薄影響，故並無就同年所呈列的每股基本(虧損)/盈利金額作出任何攤薄調整。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings	Plant and machinery	Motor vehicles	Furniture fixtures and office equipment 傢俬、裝置及辦公室設備	Leasehold improvements 租賃裝修	Construction in progress 在建工程	Total 總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Group	本集團							
Cost:	成本：							
At 1 January 2014	於二零一四年一月一日	72,543	24,371	2,454	6,498	41,908	1,404	149,178
Additions	增加	-	1,215	-	53	-	2,690	3,958
Disposals	出售	-	(4,017)	-	(13)	-	-	(4,030)
At 31 December 2014	於二零一四年十二月三十一日	72,543	21,569	2,454	6,538	41,908	4,094	149,106
Accumulated depreciation:	累計折舊：							
At 1 January 2014	於二零一四年一月一日	19,768	14,765	1,714	2,218	7,703	-	46,168
Provided during the year	年內撥備	3,265	1,652	199	1,028	4,195	-	10,339
Eliminated on disposals	出售時撇銷	-	(2,606)	-	(9)	-	-	(2,615)
At 31 December 2014	於二零一四年十二月三十一日	23,033	13,811	1,913	3,237	11,898	-	53,892
Net carrying amount:	賬面淨值：							
At 31 December 2014	於二零一四年十二月三十一日	49,510	7,758	541	3,301	30,010	4,094	95,214
Cost:	成本：							
At 1 January 2013	於二零一三年一月一日	72,543	24,212	7,271	6,313	40,168	841	151,348
Additions	增加	-	213	88	883	1,740	563	3,487
Disposals	出售	-	(54)	(4,905)	(698)	-	-	(5,657)
At 31 December 2013	於二零一三年十二月三十一日	72,543	24,371	2,454	6,498	41,908	1,404	149,178
Accumulated depreciation:	累計折舊：							
At 1 January 2013	於二零一三年一月一日	16,580	12,970	5,092	2,284	4,418	-	41,344
Provided during the year	年內撥備	3,188	1,844	696	545	3,285	-	9,558
Eliminated on disposals	出售時撇銷	-	(49)	(4,074)	(611)	-	-	(4,734)
At 31 December 2013	於二零一三年十二月三十一日	19,768	14,765	1,714	2,218	7,703	-	46,168
Net carrying amount:	賬面淨值：							
At 31 December 2013	於二零一三年十二月三十一日	52,775	9,606	740	4,280	34,205	1,404	103,010

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15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of the lease terms and 20 years
Plant and machinery	10 years
Motor vehicles	5 years
Furniture, fixtures and office equipment	5 years
Leasehold improvements	Over the shorter of the lease terms and 5 years

The Group's buildings are situated in the PRC and are held under medium term leases.

At 31 December 2014, included in "Buildings" is a property for self-use with a carrying amount of approximately RMB27,300,000 (2013: RMB27,300,000) for which the Group has not yet obtain the building ownership certificate. The Group is in the process of applying the building ownership certificate.

The Group has pledged buildings with a net carrying value of approximately RMB22,210,000 (2013: 25,475,000) to secure general banking facilities granted to the Group.

16. PREPAID LEASE PAYMENTS

Group	本集團	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Carrying amount at 1 January	一月一日的賬面值	35,991	36,836
Amortisation during the year	年內攤銷	(845)	(845)
Carrying amount at 31 December	十二月三十一日的賬面值	35,146	35,991
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的流動部分	(816)	(816)
Non-current portion	非流動部分	34,330	35,175

The leasehold land is situated in the PRC and the respective prepaid lease payments are held under medium term leases.

The Group has pledged the land use right with a net carrying amount of approximately RMB35,146,000 (2013: RMB5,223,000) to secure general banking facilities granted to the Group.

15. 物業、廠房及設備(續)

上述物業、廠房及設備項目以下列年率按直線法折舊：

樓宇	租期及20年之較短者
廠房及機器	10年
汽車	5年
傢具、裝置及辦公室設備	5年
租賃裝修	租期及5年之較短者

本集團的樓宇均位於中國，根據中期租約持有。

於二零一四年十二月三十一日，賬面值約人民幣27,300,000元(二零一三年：人民幣27,300,000元)的自用物業尚未由本集團取得房屋所有權證，已計入「樓宇」。本集團現正申請房屋所有權證。

本集團已抵押賬面淨值約人民幣22,210,000元(二零一三年：人民幣25,475,000元)的樓宇作為本集團獲授一般銀行融資的擔保。

16. 預付租金

租賃土地位於中國且相關預付租金是根據中期租約持有。

本集團已抵押賬面淨值約人民幣35,146,000元(二零一三年：人民幣5,223,000元)的土地使用權作為本集團獲授一般銀行融資的擔保。

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

17. INVESTMENTS IN SUBSIDIARIES

17. 於附屬公司的投資

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Company	本公司		
Unlisted shares, at cost	非上市股份·按成本	303,659	303,658
Due from a subsidiary	應收一間附屬公司款項	584,772	566,472
		888,431	870,130

Particulars of the subsidiaries are set out as follows:

附屬公司的詳情載列如下：

Name 名稱	Place of registration/ incorporation and operations 登記/註冊 成立及經營地點	Issued and fully paid up capital 已發行及 悉數繳足資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
BAOF International Limited 寶峰新國際有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	-	Provision of management services 提供管理服務
Quanzhou Baofeng Shoes Co., Ltd.* ("Quanzhou Baofeng") 泉州寶峰鞋業有限公司*(「泉州寶峰」)	PRC 中國	RMB544,229,000 人民幣544,229,000元	-	100	Manufacture and sale of slippers 製造及銷售拖鞋
Baofeng Modern (HK) Limited 寶峰時尚(香港)有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	-	Dormant 暫無營業
Astute Sino Developments Limited ("Astute Sino") 睿華發展有限公司(「睿華」)	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	US\$1 1美元	100	-	Dormant 暫無營業
2D Material Technology Company Limited** ("2D HK") 2維材料科技有限公司**(「2維香港」)	Hong Kong 香港	HK\$100 100港元	100	-	Dormant 暫無營業
2D Material Technology Limited*** ("2D BVI")	BVI	US\$100	100	-	Dormant
2D Material Technology Limited*** (「2D BVI」)	英屬處女群島	100美元	100	-	暫無營業

* Quanzhou Baofeng is a wholly-foreign-owned enterprise established under the law of the PRC.

* 泉州寶峰為根據中國法律註冊成立的外商獨資公司。

** 2D HK is a wholly-owned subsidiary incorporated in Hong Kong on 14 November 2014.

** 2維香港為於二零一四年十一月十四日在香港註冊成立的全資附屬公司。

*** 2D BVI is a wholly-owned subsidiary incorporated in the BVI on 26 November 2014

*** 2D BVI為於二零一四年十一月二十六日在英屬處女群島註冊成立的全資附屬公司。

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17. INVESTMENTS IN SUBSIDIARIES (continued)

The amount due from a subsidiary is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the directors, the balance is not repayable within 12 months from the end of the reporting period and is considered as a quasi-equity loan to a subsidiary. The carrying value of the amount due from a subsidiary approximates to its fair value.

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

18. INVENTORIES

Group	本集團
Raw materials and consumables	原材料及消耗品
Work in progress	在製品
Finished goods	製成品

During the year ended 31 December 2014, included in the write-down of inventories of RMB411,000 recognised in the profit or loss was a reversal of impairment loss of RMB7,805,000 which had been written down to net realisable value in prior period.

19. TRADE AND BILLS RECEIVABLES

Group	本集團
Trade receivables	應收貿易賬款
Less allowance for doubtful debts	減呆賬撥備
Bills receivables	應收票據

17. 於附屬公司的投資(續)

應收一間附屬公司的款項為無抵押、免息及無固定還款期。董事認為，結餘毋須於呈報期結算日起計十二個月內償還，並被視為提供予一間附屬公司的準股本貸款。應收一間附屬公司款項的賬面值與其公平值相若。

應付各附屬公司款項為無抵押、免息及於要求時償還。

18. 存貨

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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7,911	9,304
11,226	8,942
11,830	14,171
30,967	32,417

截至二零一四年十二月三十一日止年度，於損益中確認的存貨撇減人民幣411,000元包括撥回減值虧損人民幣7,805,000元，該款項已於過往期間撇減至可變現淨值。

19. 應收貿易賬款及應收票據

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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42,569	63,445
(1,143)	(1,162)
107	-
41,533	62,283

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

19. TRADE AND BILLS RECEIVABLES (continued)

The Group's trading terms with its customers are mainly on credit. The credit period offered to its customers is generally for a period of three months. The Group seeks to apply strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The following is an aged analysis of the Group's trade and bills receivables, net of allowance for doubtful debts as at the end of the reporting period, based on the invoice date, which approximates the respective revenue recognition dates.

Within 3 months	3個月內
4 to 6 months	4至6個月
7 to 12 months	7至12個月

An aged analysis of the Group's trade and bills receivables that are not considered to be impaired is as follows:

Neither past due nor impaired	未逾期亦無減值
Less than 3 months past due	逾期3個月以內
Over 3 months past due	逾期超過3個月

19. 應收貿易賬款及應收票據(續)

本集團與客戶的貿易條款主要以信貸進行。向客戶提供的信貸期一般為三個月。本集團致力嚴格監控未償還的應收款項，並設有信貸監控部門，以減低信貸風險。高級管理層定期檢討逾期結餘。基於上文所述，且本集團之應收款項及與大量不同的客戶有關，故並無重大集中信貸風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他提升信貸的項目。應收貿易賬款均不計息。

於呈報期末，本集團應收貿易賬款及應收票據扣除呆賬撥備後的按發票日期(與其各自的收入確認日期相若)劃分的賬齡分析如下：

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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28,969	26,243
6,176	18,386
6,388	17,654

41,533 62,283

本集團並無被視為減值的應收貿易賬款及應收票據的賬齡分析如下：

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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28,969	26,243
6,176	18,386
6,388	17,654

41,533 62,283

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綜合財務報表附註

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

19. TRADE AND BILLS RECEIVABLES (continued)

Included in the Group's trade and bills receivable balances are debtors with aggregate carrying amount of RMB12,564,000 (2013: RMB36,040,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Receivables that were neither past due nor impaired mainly represent sales made to recognised and creditworthy customers for whom there was no recent history of default.

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

Movement in the allowance for doubtful debts

As at 1 January	於一月一日
(Reversal of impairment loss)/impairment loss on trade receivables	(撥回)/計提應收貿易賬款減值虧損

As at 31 December	於十二月三十一日
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Included in the impairment loss are individually impaired trade receivables with an aggregate balance of RMB1,143,000 (2013: RMB1,162,000) which are long outstanding. The Group does not hold any collateral over these balances.

19. 應收貿易賬款及應收票據(續)

本集團應收貿易賬款及應收票據餘額包括賬面總值為人民幣12,564,000元(二零一三年: 人民幣36,040,000元)的應收賬款, 該等款項於報告日期已逾期, 而本集團並未就其作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

未逾期亦無減值的應收款項主要為向知名且信譽度高的客戶作出的銷售, 該等客戶近期並無拖欠紀錄。

已逾期但未減值的應收款項涉及多個與本集團有良好還款紀錄的獨立客戶。根據過往經驗, 本公司董事認為, 由於信貸質素並無重大改變, 且該等結餘仍視為可全數收回, 故毋須作出減值撥備。

呆賬撥備變動

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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	1,162	-
	(19)	1,162
	1,143	1,162

減值虧損包括個別減值的應收貿易賬款, 該等款項已長時間未償還, 總結餘為人民幣1,143,000元(二零一三年: 人民幣1,162,000元)。本集團並無就該等結餘持有任何抵押品。

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

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

20. 預付款項、按金及其他應收款項

		Group 本集團		Company 本公司	
		2014	2013	2014	2013
		二零一四年	二零一三年	二零一四年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Prepayments:	預付款項：				
– Advanced to customers	– 向客戶墊款	6,514	16,511	–	–
– Rental deposits	– 租金按金	3,025	6,050	–	–
– License fees	– 授權費	1,203	810	–	499
– Prepaid lease payments	– 預付租金	816	816	–	–
– Others	– 其他	218	414	–	–
Value added tax (“VAT”) recoverable	可收回增值稅 (「增值稅」)	–	1,675	–	–
Deposits	按金	234	552	–	–
Other receivables	其他應收款項	2,024	12,939	–	–
		14,034	39,767	–	499

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

As at 31 December 2013, included in other receivables were amount advanced to an independent third party amounting to RMB9,000,000. The amount is unsecured, carried interest rate at 20.40% per annum and repayment on 14 January 2014. The amount was fully settled during the year.

上述資產概無逾期或減值。計入上述結餘的金融資產與近期並無拖欠紀錄的應收款項有關。

於二零一三年十二月三十一日，其他應收款項包括墊付予一名獨立第三方為數人民幣9,000,000元的款項。該款項為無抵押，按年利率20.40%計息，並須於二零一四年一月十四日償還。該款項已於年內悉數結清。

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

21. PLEDGED DEPOSITS AND CASH AND BANK BALANCES

Deposits were pledged for bills payable of RMB18,986,000 (2013: RMB17,818,000) for the year ended 31 December 2014 (note 22).

At 31 December 2014, the cash and bank balances and pledged deposits of the Group denominated in RMB amounted to RMB1,153,154,000 (2013: RMB1,171,946,000). The RMB is not freely convertible into other currencies, however, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Pledged deposits earn fixed interest rate ranging from 2.6% to 2.8% (2013: 3.05%) per annum. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

22. TRADE AND BILLS PAYABLES

Group
Trade payables
Bills payables

本集團
應付貿易賬款
應付票據

2014	2013
二零一四年	二零一三年
RMB'000	RMB'000
人民幣千元	人民幣千元

29,311

17,298

18,986

17,818

48,297

35,116

21. 已質押存款和現金及銀行結餘

截至二零一四年十二月三十一日止年度，已就人民幣18,986,000元(二零一三年：人民幣17,818,000元)的應付票據質押存款(附註22)。

於二零一四年十二月三十一日，本集團以人民幣計值的現金及銀行結餘及已質押存款為人民幣1,153,154,000元(二零一三年：人民幣1,171,946,000元)。人民幣不可自由兌換成其他貨幣。然而，根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過授權進行外匯業務的銀行將人民幣兌換成其他外幣。

銀行現金按每日銀行存款利率而定的浮動息率計息。已質押存款按固定年利率介乎2.6%至2.8%(二零一三年：3.05%)計息。銀行結餘及已質押存款存放在有信譽且近期無拖欠紀錄的銀行。

22. 應付貿易賬款及應付票據

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

22. TRADE AND BILLS PAYABLES (continued)

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

Group	本集團
Within 3 months	3個月內
Over 3 months	3個月以上

22. 應付貿易賬款及應付票據(續)

於呈報期末，本集團應付貿易賬款及應付票據按發票日期劃分的賬齡分析如下：

2014	2013
二零一四年	二零一三年
RMB'000	RMB'000
人民幣千元	人民幣千元

33,930	24,747
14,367	10,369

48,297	35,116
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The trade and bills payables are non-interest-bearing and are normally settled on six months terms (2013: two to six months). The bills payable of RMB18,986,000 (2013: RMB17,818,000) were secured by the Group's pledged deposits amounting to RMB5,696,000 as at 31 December 2014 (2013: RMB5,546,000).

應付貿易賬款及應付票據不計息，且一般於六個月(二零一三年：兩至六個月)內結算。於二零一四年十二月三十一日，本集團通過已質押存款人民幣5,696,000元(二零一三年：人民幣5,546,000元)為人民幣18,986,000元(二零一三年：人民幣17,818,000元)的應付票據作出擔保。

23. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

Deposits received:	已收按金：
– Advanced from customers	– 客戶預付款項
– Others	– 其他
Other payables	其他應付款項
VAT payable	應付增值稅
Accruals	應計費用

23. 已收按金、其他應付款項及應計費用

Group		Company	
本集團		本公司	
2014	2013	2014	2013
二零一四年	二零一三年	二零一四年	二零一三年
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元

17,477	2,200	15,777	–
224	60	632	–
22,112	21,425	1,813	1,711
3,284	–	–	–
7,954	8,665	2,214	365
51,051	32,350	20,436	2,076

Other payables are non-interest-bearing and have a credit term of two to three months.

其他應付款項不計息，信貸期為兩至三個月不定。

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

24. INTEREST-BEARING BANK BORROWINGS

24. 計息銀行借貸

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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Group

本集團

Secured bank loans repayable within one year

須於一年內償還的有抵押銀行貸款

121,884

142,000

(a) At 31 December 2014 and 2013, the bank loans were denominated in RMB and bore interest rates ranging from:

(a) 於二零一四年及二零一三年十二月三十一日，銀行貸款均以人民幣計值，並按以下範圍的息率計息：

Year ended 31 December 2014 5.600% – 7.950% per annum

截至二零一四年十二月三十一日止年度 每年5.600%至7.950%

Year ended 31 December 2013 5.360% – 6.000% per annum

截至二零一三年十二月三十一日止年度 每年5.360%至6.000%

(b) At 31 December 2014, the secured bank loans of the Group were secured by a pledge of the Group's buildings (note 15) and land use right (note 16), amounting to approximately RMB22,210,000 (2013: RMB25,475,000) and approximately RMB35,146,000 (2013: RMB5,223,000) respectively. In addition, the bank loans were guaranteed by two independent third parties.

(b) 於二零一四年十二月三十一日，本集團約人民幣22,210,000元(二零一三年：人民幣25,475,000元)的樓宇(附註15)及約人民幣35,146,000元(二零一三年：人民幣5,223,000元)之土地使用權(附註16)已抵押作為本集團有抵押銀行貸款的擔保。此外，有關銀行貸款已獲兩名獨立第三方擔保。

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

25. CONVERTIBLE NOTES AND WARRANTS

Pursuant to a subscription agreement entered into with Asia Equity Value Ltd (the “Subscriber”) on 8 June 2012 (the “Subscription Agreement”), the Company issued a 7% senior guaranteed convertible notes with a principal amount of HK\$176,000,000 (i.e. RMB143,470,000) (the “Convertible Notes”) to the Subscriber on 21 June 2012 (the “Issuance Date”). In addition, pursuant to the Subscription Agreement, the Company also issued to the Subscriber warrants (“Warrants”) which carry the rights to subscribe for 62,026,431 new ordinary shares of the Company as a condition to the issuance of the Convertible Notes.

At the same time, Best Mark International Limited (the “Stock Lender”), a substantial shareholder of the Company, entered into a stock borrowing agreement (the “Stock Borrowing Agreement”) with the Subscriber, pursuant to which the Stock Lender lent the Subscriber 32,000,000 ordinary shares of the Company on the Issuance Date at nil consideration (see “Stock Borrowing” below).

Convertible Notes

The Convertible Notes give the holder of the Convertible Notes (the “Notes Holder”) the right (the “Conversion Right”) to convert all or any part of the outstanding principal amount of the Convertible Notes into fully paid ordinary shares of US\$0.01 each in the Company at HK\$1.31 per share (the “Conversion Price”). The Conversion Price is subject to anti-dilution adjustment for stock dividends, stock splits, dilutive securities issuances and other customary adjustment events from time to time in accordance with the terms and conditions of the Convertible Notes. The Notes Holder can exercise the Conversion Right from time to time during the conversion period from the issuance date to the maturity date. The Convertible Notes shall mature on the third anniversary of the Issuance Date (i.e. 21 June 2015) (the “Maturity Date”).

25. 可換股票據及認股權證

根據於二零一二年六月八日與Asia Equity Value Ltd(「認購人」)訂立的認購協議(「認購協議」)，本公司於二零一二年六月二十一日(「發行日期」)向認購人發行本金額為176,000,000港元(即人民幣143,470,000元)、按7%計息的優先擔保可換股票據(「可換股票據」)。此外，根據認購協議，本公司亦向認購人發行認股權證(「認股權證」)，作為發行可換股票據的條件，認股權證附有權利可認購本公司62,026,431股新普通股。

同時，本公司主要股東Best Mark International Limited(「借股人」)與認購人訂立一份借股協議(「借股協議」)，據此，借股人於發行日期以零代價向認購人借出本公司32,000,000股普通股(見下文「借股」)。

可換股票據

可換股票據賦予可換股票據持有人(「票據持有人」)權利(「換股權」)，以每股1.31港元(「換股價」)將可換股票據的全部或任何部份未兌換本金額兌換為本公司每股面值0.01美元的繳足普通股。換股價須根據可換股票據的條款及條件，不時因應股票股息的反攤薄調整、股票拆分、攤薄證券發行及其他慣常調整事件而予以調整。票據持有人可於自發行日期起至到期日止的換股期間內不時行使換股權。可換股票據將於發行日期的第三個週年當日(即二零一五年六月二十一日)(「到期日」)到期。

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

25. CONVERTIBLE NOTES AND WARRANTS

(continued)

Convertible Notes (continued)

The Company shall redeem the principal amount of the Convertible Notes in equal installments of HK\$16,000,000 (i.e. RMB13,043,000) on each of dates falling six, nine, twelve, fifteen, eighteen, twenty-one, twenty-four, twenty-seven, thirty, thirty-three, and thirty-six months after the Issuance Date (each a "Repayment Date") and the first Repayment Date being the 180th day following the Issuance Date.

If on any date (the "Call Exercise Date") after the Issuance Date, the volume weighted average price per share, is greater than 160% of the reference market price as mentioned in the Subscription Agreement for each of the 20 consecutive trading days immediately preceding the Call Exercise Date and provided that certain standard equity conditions are and remain satisfied during such period, the Company may issue a call exercise notice to require the Subscriber to exercise the right of conversion attached to the Convertible Notes in whole or in part.

The Company is obliged to pay interest on the Convertible Notes at a rate of 7% per annum on each Repayment Date. Interest is computed on the basis of a 360-day year for the actual number of days lapsed.

The principal repayment amount and accrued but unpaid interest thereto shall be payable either i) in whole in cash; ii) in whole in shares; or iii) in a combination of cash and shares, provided that the Company may only pay such installments in shares, in accordance with certain terms and conditions as mentioned in the Subscription Agreement.

Upon the occurrence of any events of defaults or certain events as mentioned in the Subscription Agreement, the Notes Holder may elect to require the Company to redeem all of the outstanding principal amount under the Convertible Notes. As long as the Notes Holder does not elect to require the Company to redeem the Convertible Notes before the Maturity Date due to the occurrence of the events aforementioned, the Company is obliged to pay interest at 7% per annum until the Convertible Notes are converted or redeemed, whichever date is earlier.

25. 可換股票據及認股權證(續)

可換股票據(續)

本公司將於發行日期後滿六、九、十二、十五、十八、二十一、二十四、二十七、三十、三十三及三十六個月當日(各為「償還日期」)按分期等額贖回本金額16,000,000港元(即人民幣13,043,000元)的可換股票據,第一個償還日期為發行日期後第180日。

倘於發行日期後的任何日期(「要求行使日期」),緊接要求行使日期前20個連續交易日每日每股份的交易量加權平均價超逾認購協議所載參考市價的160%,惟前提是若干標準股權條件於有關期間持續獲達成,則本公司可發出要求行使通知,要求認購人全部或部分行使可換股票據所附的換股權。

本公司須於各償還日期按年利率7%支付可換股票據的利息。計算利息時以一年360日為基準,按所涉實際日數釐定。

本金償還金額及其應計但未付利息須 i)全部以現金; ii)全部以股份;或iii)以現金與股份結合的方式支付,惟根據認購協議所載的若干條款及條件,本公司可僅以股份支付有關分期款項。

於發生任何違約事件或認購協議提述的若干事件時,票據持有人可選擇要求本公司贖回可換股票據項下所有尚未償還本金額。只要票據持有人並無因發生上述事件而選擇要求本公司於到期日前贖回可換股票據,本公司有責任按年利率7%支付相關利息,直至可換股票據獲兌換或贖回(以較早者為準)。

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

25. CONVERTIBLE NOTES AND WARRANTS

(continued)

Convertible Notes (continued)

In the event where the Company fails or is unable to deliver shares of the Company upon the exercise of any right to convert attached to any Convertible Notes due to any restriction on the allotment or issuance of shares, the Company shall (i) deliver the maximum number of shares permitted to be allotted or issued by the Company to the Notes Holder (the "Shortfall Shares") and (ii) pay such Notes Holder an amount in cash to be calculated by: $120\% \times (\text{number of shares required to be delivered by the Company} - \text{the Shortfall Shares}) \times \text{the volume weighted average price per share as of the date of the relevant convertible notes conversion notice}$.

The Convertible Notes included a debt instrument with embedded derivatives. Upon initial recognition, the Convertible Notes are designated as financial liabilities at FVTPL. The fair value of the Convertible Notes is remeasured at the end of each reporting period and any gains or losses arising from changes in fair value are recognised in the income statement.

The Conversion Price of the Convertible Notes had been adjusted from HK\$1.31 to HK\$1.27 in accordance with the terms and conditions of the Convertible Notes with effect from 12 October 2012 as the Company declared and announced the 2012 interim dividend of HK2.5 cents per ordinary share on 31 August 2012.

On 7 December 2012, the Company had redeemed the first outstanding installment of HK\$16,000,000 of the Convertible Notes and the accrued interest of HK\$6,160,000 (up to the first Repayment Date) by issuing 21,806,833 ordinary shares with a nominal value of US\$0.01 each at a price of approximately HK\$1.02 per share to the Subscriber for the first repayment due on 21 December 2012 (the "First Repayment"). The fair value of the first outstanding installment redeemed was RMB14,475,000 at the First Repayment Date on 21 December 2012, with reference to the valuations performed by BMI Appraisals Limited ("BMI"), an independent firm of professionally qualified valuers.

25. 可換股票據及認股權證(續)

可換股票據(續)

倘本公司因股份配售或發行的任何限制，而未能於行使可換股票據附帶的任何兌換權利後交還本公司股份，則本公司會(i)向票據持有人交還本公司可配售或發行股份的最高數目(「差額股票」)及(ii)以現金向該等票據持有人支付一筆款項，該款項按以下方法計算： $120\% \times (\text{本公司將須交還的股份數目} - \text{差額股票}) \times \text{於相關可換股票據兌換通知日期的每股股份的交易量加權平均價}$ 。

可換股票據包含附帶嵌入式衍生工具的債務工具。於首次確認後，可換股票據被指定為按公平值計入損益的金融負債。可換股票據的公平值於各呈報期末重新計量，公平值變動產生的任何盈虧於收益表內確認。

由於本公司於二零一二年八月三十一日宣派及公佈二零一二年中期股息每股普通股2.5港仙，自二零一二年十月十二日起可換股票據的換股價已根據可換股票據的條款及條件由1.31港元調整至1.27港元。

於二零一二年十二月七日，本公司就首次償還(「首次償還」)於二零一二年十二月二十一日通過向認購人以每股約1.02港元發行21,806,833股每股面值0.01美元的普通股，贖回可換股票據的第一期尚未償還分期款項16,000,000港元及應計利息6,160,000港元(直至首次償還日期)。經參考獨立專業合資格估值師中和邦盟評估有限公司(「邦盟」)所作的估值，於首次償還日期二零一二年十二月二十一日，已贖回的第一期尚未償還分期款項的公平值為人民幣14,475,000元。

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

25. CONVERTIBLE NOTES AND WARRANTS

(continued)

Convertible Notes (continued)

During the year ended 31 December 2013, the Group repaid part of the principal amount of convertible notes of RMB50,560,000 and accrued interest of RMB5,829,000 by cash.

During the year ended 31 December 2014, the Group repaid part of the principal amount of Convertible Notes of RMB25,315,000 and accrued interest of RMB4,409,000 by cash up to 21 June 2014. Subsequent to 21 June 2014, the Group did not make any payment of principals and interests (the "Non-Payments") in accordance with the payment schedule as stated in the Subscription Agreement as the Subscriber was negotiating with three independent third parties (the "Transferees") to dispose (the "Disposal") of the Convertible Notes in the aggregate principal amount of HK\$64,000,000, representing the entire outstanding principal amount of the Convertible Notes.

The terms and conditions of the Disposal was finally concluded and the agreement (the "Disposal Agreement") was entered amongst the Subscriber and Transferees on 29 October 2014. The Transferees agreed that the Non-Payments have not constituted any breach of the terms and conditions as stated in Subscription Agreement and waived the Group's obligation to make payment of the Non-Payments and the remaining installment until the Maturity Date.

Warrants

The Warrants initially give the holder of the Warrants (the "Warrants Holder") the rights to subscribe for 62,026,431 new shares of the Company's ordinary shares. The initial subscription price of the Warrants is HK\$1.53 per share (the "Subscription Price"), subject to anti-dilution adjustment for stock dividends, stock splits, dilutive securities issuances and other customary adjustment events from time to time in accordance with the terms and conditions of the Warrants. The subscription period of the Warrants commences from 6 months after the Issuance Date (i.e. 22 December 2012) (the "Warrants Subscription Date"), and will mature on the fifth anniversary from the Warrants Subscription Date (i.e. 22 December 2017).

25. 可換股票據及認股權證(續)

可換股票據(續)

截至二零一三年十二月三十一日止年度，本集團以現金償還可換股票據的部分本金額人民幣50,560,000元及應計利息人民幣5,829,000元。

截至二零一四年十二月三十一日止年度，本集團截至二零一四年六月二十一日已償還可換股票據的部份本金金額為人民幣25,315,000元及應計利息人民幣4,409,000元。由於認購人與三名獨立第三方(「承讓人」)磋商出售(「出售事項」)本金總額為64,000,000港元之可換股票據(為可換股票據之全部未償還本金額)，於二零一四年六月二十一日後，本集團並無按照認購協議所述付款計劃支付任何本金及利息(「未付款」)。

於二零一四年十月二十九日，認購人與承讓人最終達成出售事項之條款及條件並訂立協議(「出售協議」)，承讓人同意未付款不構成違反認購協議所述條款及條件，並豁免本集團直至到期日前，償還未付款及餘下償還日期的款項之義務。

認股權證

認股權證初步賦予認股權證持有人(「認股權證持有人」)權利，可認購62,026,431股本公司新普通股。認股權證的初步認購價為每股1.53港元(「認購價」)，須根據認股權證的條款及條件不時受股票股息的反攤薄調整、股票分拆、攤薄證券發行及其他慣常調整事件而予以調整。認股權證的認購期間自發行日期後六個月(即二零一二年十二月二十二日)(「認股權證認購日期」)開始直至認股權證認購日期起計滿五週年當日(即二零一七年十二月二十二日)屆滿。

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25. CONVERTIBLE NOTES AND WARRANTS

(continued)

Warrants (continued)

Upon the occurrence of any events of defaults or certain events as mentioned in the Subscription Agreement, the Warrants Holder may elect to require the Company to redeem or purchase all or a portion of its Warrants at a price equal to the Black Scholes Value in respect of the relevant Warrants as mentioned in the Subscription Agreement.

The Warrants are classified as derivatives and are accounted for as financial liabilities at FVTPL upon initial recognition. The fair value of the Warrants are remeasured at the end of each reporting period and any gains or losses arising from change in fair value are recognised in the income statement.

On 7 February 2013, the Company has entered into a supplemental instrument with the Subscriber to amend certain major terms and conditions of the Warrants (the "Supplemental Warrant Instrument"). The Supplemental Warrant Instrument has been approved by the Subscriber as the sole holder of the Warrants in accordance with the terms and conditions of the Warrants. In accordance with the Supplemental Warrant Instrument, the Company and the Subscriber agreed that any adjustments to the Subscription Price should take effect if the adjustment is HK\$0.01 or more. As a result of the above, the Subscription Price has been adjusted from HK\$1.53 to HK\$1.49 with effect from 12 October 2012 as a result of the distribution of the 2012 interim dividend of HK2.5 cents per ordinary share by the Company.

No warrants have been exercised during both years ended 31 December 2013 and 2014.

According to the Disposal Agreement, the Warrants were also transferred from the Subscriber to the Transferees on 29 October 2014.

Upon full subscription of the Warrants, a total of 63,691,570 new shares will be issued and the net proceeds upon full subscription are approximately HK\$94,900,000 (i.e. RMB77,360,000).

25. 可換股票據及認股權證(續)

認股權證(續)

於發生任何違約事件或認購協議提述的若干事件時，認股權證持有人可選擇要求本公司按認購協議規定的價格（相當於相關認股權證的布萊克－斯科爾斯值）贖回或購回其全部或部份認股權證。

認股權證分類為衍生工具，於首次確認後入賬列作按公平值計入損益的金融負債。認股權證的公平值於各呈報期末重新計量，公平值變動產生的任何盈虧於收益表內確認。

於二零一三年二月七日，本公司與認購人訂立補充文據，以修訂認股權證的若干主要條款及條件（「補充認股權證文據」）。補充認股權證文據已根據認股權證的條款及條件獲認購人（作為認股權證的唯一持有人）批准。根據補充認股權證文據，本公司及認購人同意，倘就認購價所作的任何調整等於或超過0.01港元，則有關調整須生效。因此，由於本公司派付二零一二年中期股息每股普通股2.5港仙，故認購價自二零一二年十月十二日起由1.53港元調整至1.49港元。

截至二零一三年及二零一四年十二月三十一日止年度均無認股權證獲行使。

根據出售協議，認股權證亦由認購人於二零一四年十月二十九日轉讓予承讓人。

認股權證獲悉數認購後，將發行合共63,691,570股新股份，而悉數認購後的所得款項淨額約為94,900,000港元（即人民幣77,360,000元）。

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25. CONVERTIBLE NOTES AND WARRANTS

(continued)

Stock Borrowing

At the same time of the Subscriber entering into the Subscription Agreement, the Stock Lender, a substantial shareholder of the Company, entered into a Stock Borrowing Agreement with the Subscriber, pursuant to which the Stock Lender lent 32,000,000 of the Company's ordinary shares to the Subscriber on the Issuance Date with no interest, consideration and collateral. The legal title of the shares will be returned to the Stock Lender on the second business day following the later of i) the date on which the principal and interest of the Convertible Notes have been redeemed and paid in full by the Company or ii) the date on which all Warrants have been exercised or expired.

The stock borrowing arrangement (the "Stock Borrowing Arrangement") is considered as a deemed capital contribution to the Company from a shareholder and accounted for as an equity component. Upon initial recognition, the value of such contribution from the substantial shareholder is accounted for as a deemed contribution in the shareholder's equity. The carrying amount of such contribution from the substantial shareholder is not remeasured in subsequent years.

Since 27 July 2012, the shares of the Company are no longer within the definition of "Designated Security" under the Rules of the Stock Exchange. At the request of the Subscriber, on 10 September 2012, the Stock Lender and the Subscriber entered into an amendment agreement (the "Amendment Agreement") to amend the Stock Borrowing Agreement. Pursuant to the Amendment Agreement, the terms in the Stock Borrowing Agreement has been modified to a share transfer agreement (the "Share Transfer Agreement"), pursuant to which 32,000,000 of the Company's ordinary shares were sold by the Stock Lender to the Subscriber at HK\$32,320,000 (the "Consideration"). The Stock Lender is no longer entitled to the redelivery of the respective shares or their equivalent under the Share Transfer Agreement.

25. 可換股票據及認股權證(續)

借股

於認購人訂立認購協議之時，借股人（本公司的主要股東）與認購人訂立一份借股協議，據此，借股人於發行日期向認購人借出32,000,000股本公司普通股（無利息、代價及抵押）。該等股份的法定所有權將於以下較遲日期後第二個營業日歸還予借股人：i)本公司悉數贖回及支付可換股票據本金及利息之日或ii)所有認股權證獲行使或屆滿之日。

借股安排（「借股安排」）被視為視作股東向本公司注資，並入賬列作權益部份。於首次確認後，有關主要股東注資的價值入賬列作股東權益項下的視作注資。有關主要股東注資的賬面值於其後年度不予重新計量。

自二零一二年七月二十七日起，本公司股份不再屬於聯交所規則項下「指定證券」的界定範圍內。應認購人之要求，於二零一二年九月十日，借股人與認購人訂立一份修訂協議（「修訂協議」），以修訂借股協議。根據修訂協議，借股協議之條款已修訂為一份股份轉讓協議（「股份轉讓協議」），據此，借股人以32,320,000港元（「代價」）向認購人出售本公司32,000,000股普通股。根據股份轉讓協議，借股人不再享有交還股份或其等值物的權利。

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25. CONVERTIBLE NOTES AND WARRANTS

(continued)

Stock Borrowing (continued)

On 10 September 2012, the Stock Lender and the Subscriber entered into a letter agreement (the "Call and Put Option Confirmation") pursuant to which the Subscriber had granted to the Stock Lender the right to purchase 32,000,000 of the Company's ordinary shares at a strike price of HK\$1.01 (the "Call Option") and the Stock Lender has granted the Subscriber the right to require the Stock Lender to purchase 32,000,000 of the Company's ordinary shares at the same strike price (the "Put Option"). The Stock Lender may exercise the Call Option at any time and from time to time during the period between (i) the later of (a) the date on which the principal and interest of the Convertible Notes and all other sums outstanding and payable by the Company under the Amendment Agreement have been redeemed and/or paid in full by the Company; and (b) the date on which all Warrants have been exercised or expired (the "Expiration Date") and (ii) 60 days after the Expiration Date (both dates inclusive), unless any of the events as stipulated under the Call and Put Option Confirmation occur earlier than the Expiration Date, which will then entitle the Stock Lender to exercise the Call Option earlier. The Subscriber may exercise the Put Option at any time and from time to time between the date on which the Amendment Agreement became effective and 60 days after the Expiration Date (both dates inclusive).

Pursuant to the Call and Put Option Confirmation, the Stock Lender shall pay the aggregate strike price payable upon exercise of the Put Option in full to the Subscriber as credit support for its obligations in relation to the Put Option, which has been satisfied by offsetting against the Subscriber's obligation to pay the Consideration of HK\$32,320,000 to the Stock Lender.

As details set out in the Company's announcement dated 19 December 2014, 32,000,000 of the Company's ordinary shares had been transferred by the Subscriber to the Stock Lender and the transaction set out in the Call and Put Option Confirmation was terminated.

25. 可換股票據及認股權證(續)

借股(續)

於二零一二年九月十日，借股人與認購人訂立一份協議書(「認購及認沽期權確認書」)，據此，認購人向借股人授出以行使價1.01港元購買本公司32,000,000股普通股的權利(「認購期權」)，而借股人向認購人授出要求借股人以相同行使價購買本公司32,000,000股普通股的權利(「認沽期權」)。借股人可於(i)(a)本公司悉數贖回及／或支付修訂協議項下可換股票據的本金額及利息以及本公司尚未償還及應付的全部其他款項之日；及(b)全部認股權證已獲行使或到期之日(「到期日」)(以(a)與(b)之較後者為準)起至(ii)到期日後60日(包括首尾兩天)止期間，隨時及不時行使認購期權，除非認購及認沽期權確認書規定的任何事項早於到期日發生，在該情況下，則可賦予借股人權利提早行使認購期權。認購人可於修訂協議生效之日起至到期日後60日(包括首尾兩天)隨時及不時行使認沽期權。

根據認購及認沽期權確認書，借股人須於悉數行使認沽期權後就其於認沽期權的責任向認購人支付應付的總行使價作為信貸支持，而該責任已透過認購人向借股人支付代價32,320,000港元的責任時抵銷。

按照本公司日期為二零一四年十二月十九日之公佈所載詳情，32,000,000股本公司普通股已由認購人轉讓予借股人，認購及認沽期權確認書所載交易已獲終止。

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25. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes, the Warrants and the Stock Borrowing Arrangement

At the Issuance Date, the consideration received totaling HK\$176,000,000 (equivalent to RMB143,470,000) was allocated by the directors of the Company to the Convertible Notes, the Warrants and a deemed contribution from a substantial shareholder under the Stock Borrowing Arrangement, with reference to the valuations performed by BMI as follows:

25. 可換股票據及認股權證(續)

可換股票據、認股權證及借股安排估值

於發行日期，已收代價合共176,000,000港元(相當於人民幣143,470,000元)由本公司董事參考邦盟所作之估值，分配至可換股票據、認股權證及借股安排項下的視作主要股東注資，如下：

		RMB'000 人民幣千元
Financial liabilities at FVTPL:	按公平值計入損益的金融負債：	
Convertible Notes	可換股票據	122,204
Warrants	認股權證	9,083
Deemed contribution from a substantial shareholder under the Stock Borrowing Arrangement	借股安排項下的視作主要股東注資	12,183
Consideration received	已收代價	143,470

The movements of the Convertible Notes and the Warrants were as follows:

可換股票據及認股權證的變動如下：

		Convertible Notes 可換股票據 RMB'000 人民幣千元	Warrants 認股權證 RMB'000 人民幣千元	Total 合共 RMB'000 人民幣千元
Fair value at 1 January 2013	於二零一三年一月一日的公平值	146,133	10,337	156,470
The 2 nd to 5 th repayment	第二至第五次償還	(56,389)	-	(56,389)
Fair value gain credited to profit or loss during the year	年內於損益計入的公平值收益	(9,798)	(7,318)	(17,116)
Fair value at 31 December 2013	於二零一三年十二月三十一日的公平值	79,946	3,019	82,965
The 6 th to 7 th repayment	第六至第七次償還	(29,724)	-	(29,724)
Fair value loss charged to profit or loss during the year	年內於損益扣除的公平值虧損	2,901	1,118	4,019
Fair value at 31 December 2014	於二零一四年十二月三十一日的公平值	53,123	4,137	57,260

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25. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes, the Warrants and the Stock Borrowing Arrangement (continued)

As at 31 December 2014 and 2013, the fair values of the Convertible Notes and the Warrants were based on the valuations performed by Asset Appraisal Limited, an independent firm of professionally qualified valuers and calculated using the binomial model and the inputs into the model were as follows:

25. 可換股票據及認股權證(續)

可換股票據、認股權證及借股安排估值(續)

於二零一四年及二零一三年十二月三十一日，可換股票據及認股權證的公平值均乃根據獨立專業合資格估值師中誠達資產評估顧問有限公司採用二項模式計算估值，該模式的輸入值如下：

		2014 二零一四年	2013 二零一三年
Convertible Notes	可換股票據		
Stock price (HK\$)	股價(港元)	0.560	0.530
Principal amount (HK\$'000)	本金額(千港元)	64,000	96,000
Coupon rate (%)	票面利率(%)	7.000	7.000
Conversion price (HK\$)	換股價(港元)	1.270	1.270
Volatility (%)	波幅(%)	83.600	37.187-62.790
Risk-free rate (% per annum)	無風險利率(%，每年)	0.060	0.101-0.258
Expected life (years)	預期年期(年)	0.470	0.220-1.470
Expected dividend yield (%)	預期股息收益率(%)	0	0
Warrants	認股權證		
Stock price (HK\$)	股價(港元)	0.560	0.530
Exercise price (HK\$)	行使價(港元)	1.490	1.490
Volatility (%)	波幅(%)	59.310	48.370
Risk-free rate (% per annum)	無風險利率(%，每年)	0.980	1.030
Expected life (years)	預期年期(年)	2.975	3.975
Expected dividend yield (%)	預期股息收益率(%)	0	0

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26. AMOUNT DUE TO A DIRECTOR

The amount is unsecured, interest-free and repayable on demand. The amount was fully settled during the year.

27. DEFERRED TAX LIABILITY

The amount represents Group's withholding taxes to the dividend payable by a PRC subsidiary amounted RMB62,075,000 as at 31 December 2014 and 2013.

The Group has no significant unprovided deferred tax in respect of the reporting period and as at the end of the reporting period (2013: RMB3,071,000).

28. SHARE CAPITAL

The details of the authorised and issued share capital of the Company are as follows:

26. 應付一名董事款項

該款項為無抵押、免息及須於要求時償還。該款項已於年內悉數結清。

27. 遞延稅項負債

該金額指本集團就一家中國附屬公司應付股息的預扣稅，於二零一四年及二零一三年十二月三十一日為人民幣62,075,000元。

截至呈報期末，本集團並無有關呈報期間的重大未撥備遞延稅項(二零一三年：人民幣3,071,000元)。

28. 股本

本公司法定及已發行股本之詳情如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Authorised:	法定：		
5,000,000,000 ordinary shares of US\$0.01 each	5,000,000,000股每股面值0.01美元的普通股	342,400	342,400
Issued and fully paid:	已發行及繳足：		
1,013,720,833 ordinary shares of US\$0.01 each	1,013,720,833股每股面值0.01美元的普通股	67,258	67,258

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

28. SHARE CAPITAL (continued)

Ordinary shares

28. 股本(續)

普通股

	Number of ordinary shares US\$0.01 each 每股面值0.01 美元的普通股 數目	Nominal value of ordinary shares 普通股面值 US\$'000 千美元	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元
Authorised:	法定：		
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	於二零一三年 一月一日、 二零一三年 十二月三十一日、 二零一四年一月一日 及二零一四年 十二月三十一日	5,000,000,000	50,000 342,400
Issued:	已發行：		
At 1 January 2013 Repurchase and cancellation of shares (Note)	於二零一三年一月一日 購回及註銷股份(附註)	1,017,020,833 (3,300,000)	10,170 (33) 67,466 (208)
At 31 December 2013, 1 January 2014 and 31 December 2014	於二零一三年 十二月三十一日、 二零一四年一月 一日及二零一四年 十二月三十一日	1,013,720,833	10,137 67,258

Note:

During the year ended 31 December 2013, the Company repurchased its 3,300,000 ordinary shares at prices ranging from HK\$0.92 to HK\$0.93 per share at a total consideration of approximately HK\$3,059,000 (equivalent to RMB2,478,000). The 3,300,000 repurchased ordinary shares were cancelled during the year ended 31 December 2013. The premium of approximately HK\$2,811,000 (equivalent to RMB2,270,000) paid on the repurchase of such shares was debited to the share premium account and an amount of HK\$258,000 (equivalent to RMB208,000) was transferred from retained profits of the Company to the capital redemption reserve as set out in note 30 to the consolidated financial statements.

附註：

截至二零一三年十二月三十一日止年度，本公司回購其3,300,000股普通股，回購價介乎每股0.92港元至0.93港元，代價總額約為3,059,000港元（相當於人民幣2,478,000元）。3,300,000股已回購普通股於截至二零一三年十二月三十一日止年度被註銷。就回購該等股份已支付的溢價約為2,811,000港元（相當於人民幣2,270,000元），已自股份溢價賬扣除，金額為258,000港元（相當於人民幣208,000元）已自本公司保留溢利轉撥至資本贖回儲備，詳情載於綜合財務報表附註30。

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綜合財務報表附註

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

29. SHARE OPTION SCHEME

On 8 January 2011, the Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include, among others, the Company's directors, including independent non-executive directors, employees, suppliers of goods or services, customers, consultants of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Scheme became effective on 28 January 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares of the Company in issue at the Listing Date. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

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

An offer of the grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and which shall not exceed 10 years after the date on which the share options are granted and accepted. The exercise of any option may be subject to a vesting schedule to be determined by the Board.

29. 購股權計劃

於二零一一年一月八日，本公司運作一項購股權計劃（「該計劃」），旨在向為本集團業務之成功作出貢獻之合資格參與者提供獎勵及報酬。該計劃合資格參與者包括（其中包括）本公司董事（包括獨立非執行董事）、本集團僱員、產品或服務供應商、客戶、顧問、本公司股東及本公司附屬公司之任何非控股股東。該計劃由二零一一年一月二十八日起生效，除非獲取消或修訂，否則將由該日起計十年內保持有效。

根據該計劃及本集團任何其他計劃授出的所有購股權獲行使時可予發行的股份最高數目，合共不得超過本公司於上市日期已發行股份之10%。於任何十二個月期間內，根據該計劃授予各合資格參與者之購股權可予發行之最高股份數目以本公司任何時候已發行股份之1%為限。授出超過此限制之任何其他購股權均須獲股東於股東大會上批准。

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人士之購股權須經獨立非執行董事事先批准。此外，於授出日期起的十二個月期間內，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權超逾本公司之已發行股份0.1%或根據於截至及包括授出日期止十二個月期間本公司股份收市價計算之總值超過5,000,000港元，則須經股東於股東大會上事先批准。

授出購股權之要約可於要約日期起計二十八天內由承授人支付名義代價1港元後予以接納。所授出購股權之行使期乃由董事釐定，不得超過購股權授出及獲接納日期後10年。任何購股權之行使可能受限於董事會釐定之歸屬期。

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29. SHARE OPTION SCHEME (continued)

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

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

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

		2014 二零一四年		2013 二零一三年	
		Weighted average exercise price 加權平均 行使價	Number of options 購股權數目	Weighted average exercise price 加權平均 行使價	Number of options 購股權數目
At 1 January	於一月一日	1.18	13,950,000	1.18	34,000,000
Forfeited during the year	年內沒收	1.18	-	1.18	(6,100,000)
Cancelled during the year	年內註銷	1.18	(3,700,000)	1.18	(13,950,000)
At 31 December	於十二月三十一日	1.18	10,250,000	1.18	13,950,000

No share options were granted and exercised, and nil (2013: 6,100,000) share options were forfeited during the year ended 31 December 2014 due to cessation of employment of the participants.

In addition, 3,700,000 (2013:13,950,000) share options were cancelled as the Group failed to meet the performance target as set out in the Scheme. Details of the performance target have been set out in Company's announcement dated 30 August 2011.

The outstanding share options as at 31 December 2014 were vested to the grantees in the following manner:

29. 購股權計劃(續)

購股權之行使價由本公司董事釐定，惟不得低於以下之較高者(i)本公司股份於購股權要約日期在聯交所之收市價；(ii)本公司股份於緊接要約日期前五個交易日在聯交所之平均收市價及(iii)本公司股份的面值。

購股權並不賦予持有人收取股息或於股東大會投票之權利。

年內，根據計劃尚未行使的購股權如下：

於截至二零一四年十二月三十一日止年度，概無購股權獲授出及行使，另有零份(二零一三年：6,100,000份)購股權因參與者終止僱傭關係而被沒收。

此外，由於本集團未能符合計劃所載表現目標，3,700,000份(二零一三年：13,950,000份)購股權已註銷。有關表現目標之詳情載於本公司日期為二零一一年八月三十日之公佈內。

於二零一四年十二月三十一日尚未行使購股權按下列方式歸屬予承授人：

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29. SHARE OPTION SCHEME (continued)

- 10,250,000 of such share options were vested on 30 August 2012 with an exercise period from 30 August 2012 to 29 August 2016.

The outstanding share options as at 31 December 2013 were vested to the grantees in the following manner:

- 10,250,000 of such share options were vested on 30 August 2012 with an exercise period from 30 August 2012 to 29 August 2016; and
- 3,700,000 of such share options are vested on 30 August 2013 with an exercise period from 30 August 2013 to 29 August 2016.

The exercise price and exercise period of the share options outstanding as at the end of the reporting period are as follows:

2014

二零一四年

Number of options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
10,250,000	1.18	30 August 2012 to 29 August 2016 二零一二年八月三十日至二零一六年八月二十九日

2013

二零一三年

Number of options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
13,950,000	1.18	30 August 2012 to 29 August 2016 二零一二年八月三十日至二零一六年八月二十九日

The fair value of the share options granted during the year ended 31 December 2011 was HK\$12,880,000 (equivalent to RMB10,549,000) of which the Group recognised a share option expense of nil (2013: RMB392,000) during the year ended 31 December 2014.

29. 購股權計劃(續)

- 該等購股權的10,250,000份已於二零一二年八月三十日歸屬，行使期為二零一二年八月三十日至二零一六年八月二十九日。

於二零一三年十二月三十一日尚未行使購股權按下列方式歸屬予承授人：

- 該等購股權的10,250,000份已於二零一二年八月三十日歸屬，行使期為二零一二年八月三十日至二零一六年八月二十九日；及
- 該等購股權的3,700,000份於二零一三年八月三十日歸屬，行使期為二零一三年八月三十日至二零一六年八月二十九日。

於呈報期末尚未行使的購股權的行使價及行使期如下：

截至二零一一年十二月三十一日止年度已授出的購股權公平值為12,880,000港元(相當於人民幣10,549,000元)，其中本集團於截至二零一四年十二月三十一日止年度確認為購股權開支為零(二零一三年：人民幣392,000元)。

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29. SHARE OPTION SCHEME (continued)

The fair value of equity-settled share options granted during the year ended 31 December 2011 was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

		2011 二零一一年
Dividend yield (%)	股息收益率(%)	1.80
Volatility (%)	波幅(%)	47.42
Risk-free interest rate (%)	無風險利率(%)	0.79
Expected life of options (year)	購股權預期年期(年)	5
Weighted average share price (HK\$ per share)	加權平均股價(每股港元)	1.18

The expected life of the options is based on the historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

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

During the year ended 31 December 2014, 3,700,000 of cancelled share options with fair value of approximately RMB891,000 which previously recognised in share options reserve have been transferred to retained profits.

During the year ended 31 December 2013, 6,100,000 and 13,950,000 of forfeited or cancelled share options with fair value of approximately RMB1,087,000 and RMB2,794,000 respectively which previously recognised in share options reserve had been transferred to retained profits.

29. 購股權計劃(續)

截至二零一一年十二月三十一日止年度已授出的以股權結算的購股權公平值採用二項模式於授出日期進行估算，並計及授出該等購股權的條款及條件。下表列示使用該模式時的數據：

購股權預期年期乃根據歷史數據釐定，未必代表可能出現的行使模式。預期波幅乃假設歷史波幅可代表未來趨勢，但未必為實際結果。

計量公平值時並無計及已授出購股權的其他特徵。

截至二零一四年十二月三十一日止年度，原於購股權儲備確認的公平值約人民幣891,000元的3,700,000份已註銷購股權已轉撥至保留溢利。

截至二零一三年十二月三十一日止年度，已沒收或已註銷購股權原於購股權儲備確認的公平值分別約人民幣1,087,000元及人民幣2,794,000元的6,100,000份及13,950,000份已轉撥至保留溢利。

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29. SHARE OPTION SCHEME (continued)

As at 31 December 2014, the Company had 10,250,000 (2013: 13,950,000) share options outstanding under the Scheme, which represented approximately 1.0% (2013: 1.4%) of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 10,250,000 (2013: 13,950,000) additional ordinary shares of the Company and additional share capital and share premium of approximately HK\$800,000 (equivalent to RMB655,000) (2013: HK\$1,085,000 equivalent to RMB868,000) and approximately HK\$11,295,000 (equivalent to RMB9,250,000) (2013: HK\$15,375,000 equivalent to RMB12,300,000), before issue expenses.

30. RESERVES

(a) Group

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

(i) Contributed surplus

On 17 January 2011, CITIC Capital, the Company and its shareholders had entered into certain conditional release and discharge agreements, pursuant to which, the new exchangeable note would be duly released and discharged, which had taken place on the Listing Date, 28 January 2011, and prior to the commencement of the trading of the Company's shares on the Stock Exchange. Accordingly, the liability component of the new exchangeable note of RMB57,768,000 on the Listing Date was extinguished and transferred to the contributed surplus in shareholders' equity upon the full conversion of the new exchangeable note.

29. 購股權計劃(續)

於二零一四年十二月三十一日，本公司於計劃項下擁有10,250,000份(二零一三年：13,950,000份)尚未行使的購股權，佔本公司於該日期已發行股份約1.0%(二零一三年：1.4%)。根據本公司現時資本架構，悉數行使該等尚未行使的購股權將導致額外發行10,250,000股(二零一三年：13,950,000股)本公司的普通股及額外新增股本及股份溢價分別約800,000港元(相當於人民幣655,000元)(二零一三年：1,085,000港元，相當於人民幣868,000元)及約11,295,000港元(相當於人民幣9,250,000元)(二零一三年：15,375,000港元，相當於人民幣12,300,000元)(未扣除發行開支)。

30. 儲備

(a) 本集團

於目前及過往呈報期間，本集團儲備的金額及增減呈列於綜合權益變動表。

(i) 實繳盈餘

於二零一一年一月十七日，CITIC Capital、本公司及其股東訂立若干有條件解除及撤除協議，據此，於上市日期即二零一一年一月二十八日及本公司股份於聯交所開始買賣之前，新可換股票據獲正式解除及撤除。因此，於悉數兌換新可換股票據後，於上市日期新可換股票據負債部分人民幣57,768,000元已撇銷並轉撥至股東權益內的實繳盈餘。

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30. RESERVES (continued)

(a) Group (continued)

(i) Contributed surplus (continued)

Pursuant to the Stock Borrowing Agreement entered into with the Subscriber on 21 June 2012, the Stock Lender lent 32,000,000 ordinary shares of the Company to the Subscriber. Upon initial recognition, the value of such contribution amounting to approximately RMB12,183,000 from the substantial shareholder was accounted for as a deemed contribution in the shareholder's equity. The carrying amount of such contribution from the substantial shareholder is not remeasured in subsequent years.

On 17 December 2014, the Company was informed by Best Mark that 32,000,000 shares had been transferred by the Subscriber to Best Mark and the transaction set out in the Call and Put Option Confirmation was terminated.

(ii) Statutory surplus fund

In accordance with the relevant regulations applicable in the PRC, the Group's subsidiary established in the PRC is required to transfer a certain percentage of its statutory annual profits after tax (after offsetting any prior period's losses), if any, to the statutory surplus fund until the balance of the fund reaches 50% of its registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory surplus fund may be used to offset against accumulated losses of the PRC subsidiary. The amount of the transfer is subject to the approval of the board of directors of the PRC subsidiary.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the PRC which are dealt with in accordance with the accounting policy set out in note 3 to the consolidated financial statements.

30. 儲備(續)

(a) 本集團(續)

(i) 實繳盈餘(續)

根據於二零一二年六月二十一日與認購人訂立的借股協議，借股人向認購人借出本公司普通股32,000,000股。於首次確認後，有關主要股東注資的價值約為人民幣12,183,000元，於股東權益項下入賬列為視作注資。有關主要股東作出的注資賬面值於其後年度不予重新計量。

於二零一四年十二月十七日，本公司獲Best Mark告知，32,000,000股股份已由認購人轉讓予Best Mark，認購及認沽期權確認書中所載交易已終止。

(ii) 法定盈餘公積金

根據中國相關適用規例，本集團在中國成立的附屬公司須將法定年度除稅後溢利(已抵銷任何過往期間虧損)(如有)的若干百分比轉撥至法定盈餘公積金，直至公積金結餘達到其註冊資本50%為止。法定盈餘公積金可用作抵銷中國附屬公司的累計虧損，惟須遵守相關中國法規的若干規限。所轉撥的金額須經中國附屬公司的董事會批准。

(iii) 匯兌波動儲備

匯兌波動儲備包括換算中國境外營運財務報表所產生的一切外匯差額，乃根據綜合財務報表附註3所載會計政策入賬處理。

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30. RESERVES (continued)

(b) Company

30. 儲備(續)

(b) 本公司

		Share premium	Contributed surplus	Capital redemption reserve	Share options reserve	Accumulated losses	Total
	Notes	股份溢價	實繳盈餘	贖回儲備	購股權儲備	累計虧損	總額
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	353,205	395,026	316	7,259	(71,053)	684,753
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	1,517	1,517
Repurchase and cancellation of shares	購回及註銷股份	28 (2,270)	-	208	-	(208)	(2,270)
Equity-settled share option arrangements	以股權結算的購股權安排	29 -	-	-	(3,489)	3,881	392
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及二零一四年一月一日	350,935	395,026	524	3,770	(65,863)	684,392
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	(14,987)	(14,987)
Equity-settled share option arrangements	以股權結算的購股權安排	-	-	-	(891)	891	-
At 31 December 2014	於二零一四年十二月三十一日	350,935	395,026	524	2,879	(79,959)	669,405

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31. OPERATING LEASE ARRANGEMENTS

The Group leases a production plant and office premises under operating lease arrangements. Leases for these properties are negotiated for terms of three years.

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

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Within one year	一年內	3,936	7,266
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	523	4,186
		4,459	11,452

At the end of the reporting period, the Company did not have any significant operating lease arrangements.

32. COMMITMENTS

In addition to the operating lease commitments detailed in note 31 above, the Group had the following commitments at the end of the reporting period:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Contracted for capital commitment in respect of investment in a subsidiary	有關於附屬公司投資的訂約資本承擔	128,171	128,171
Contracted for commitments in respect of:	有關以下項目的訂約承擔：		
– advertising and consultancy services	– 廣告及諮詢服務	159	–
– research and development	– 研發	–	333
– property, plant and equipment	– 物業、廠房及設備	515	–
– product licences	– 產品許可證	800	5,264
– manufacturing and distributorship licence	– 生產及經銷許可證	–	18,256
		1,474	23,853

At the end of the reporting period, the Company did not have any significant commitments.

31. 經營租約安排

本集團根據經營租約安排租賃生產廠房及辦公室。該等物業的租期經協商定為三年。

於呈報期末，本集團根據不可撤銷經營租約於下列日期屆滿的未來最低租金付款總額如下：

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Within one year	3,936	7,266
In the second to fifth years, inclusive	523	4,186
	4,459	11,452

於呈報期末，本公司並無任何重大經營租約安排。

32. 承擔

除上文附註31所詳述的經營租約承擔外，本集團於呈報期末有以下承擔：

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Contracted for capital commitment in respect of investment in a subsidiary	128,171	128,171
Contracted for commitments in respect of:		
– advertising and consultancy services	159	–
– research and development	–	333
– property, plant and equipment	515	–
– product licences	800	5,264
– manufacturing and distributorship licence	–	18,256
	1,474	23,853

於呈報期末，本公司並無任何重大承擔。

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33. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group is as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Fees	袍金	-	-
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,575	2,986
Contributions to retirement benefits schemes	退休福利計劃供款	23	24
		1,598	3,010

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings (note 24), convertible notes and warrants (note 25), net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

33. 關連人士交易

本集團主要管理人員的酬金如下：

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Fees	-	-
Other emoluments:		
Salaries, allowances and benefits in kind	1,575	2,986
Contributions to retirement benefits schemes	23	24
	1,598	3,010

34. 資本風險管理

本集團管理其資本，旨在透過優化債務與股本平衡，確保本集團的實體可持續經營，亦為股東締造最大回報。本集團的整體策略與往年維持不變。

本集團的資本架構包括債務淨額(包括借貸(附註24)、可換股票據及認股權證(附註25)(扣除現金及現金等價物))及本公司擁有人應佔權益(包括已發行股本、儲備及保留溢利)。

本公司董事每半年檢討一次資本結構。作為檢討的一部分，本公司董事考慮資本成本及與各類資本相關的風險。根據本公司董事的建議，本集團將透過支付股息、發行新股、購回股份以及發行新債或贖回現有債務以平衡其整體資本結構。

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35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2014 and 2013 are as follows:

Financial assets

Loans and receivables
Trade and bills receivables
Deposits and other receivables (note 20)
Pledged deposits
Cash and bank balances

貸款及應收款項
應收貿易賬款及應收票據
按金及其他應收款項(附註20)
已質押存款
現金及銀行結餘

35. 按類別劃分的金融工具

於二零一四年及二零一三年十二月三十一日的各類金融工具賬面值如下：

金融資產

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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	41,533	62,283
	2,258	13,491
	5,696	5,546
	1,148,881	1,173,494
	1,198,368	1,254,814

Financial liabilities

Non-derivative financial liabilities

非衍生金融負債

Trade and bills payables 應付貿易賬款及應付票據
Other payables (note 23) 其他應付款項(附註23)
Accruals (note 23) 應計費用(附註23)
Interest-bearing bank borrowings 計息銀行借貸
Convertible notes 可換股票據
Amount due to a director 應付一名董事款項

	2014 二零一四年 Financial liabilities at amortised cost 按公平 以攤銷成本 計入損益的 金融負債 RMB'000 人民幣千元			2013 二零一三年 Financial liabilities at amortised cost 按公平 以攤銷成本 計入損益的 金融負債 RMB'000 人民幣千元		
	Financial liabilities at FVTPL	Financial liabilities at amortised cost	Total	Financial liabilities at FVTPL	Financial liabilities at amortised cost	Total

	-	48,297	48,297	-	35,116	35,116
	-	22,112	22,112	-	21,425	21,425
	-	7,954	7,954	-	8,665	8,665
	-	121,884	121,884	-	142,000	142,000
	53,123	-	53,123	79,946	-	79,946
	-	-	-	-	33,440	33,440
	53,123	200,247	253,370	79,946	240,646	320,592

Derivative financial liabilities
Warrants

衍生金融負債
認股權證

	4,137	-	4,137	3,019	-	3,019
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36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial liabilities	Fair value as at 31 December 2014 於二零一四年十二月三十一日的公平值	Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入值
Convertible notes	Liabilities, RMB53,123,000	Level 2	Binomial Model The key inputs are set out in note 25
可換股票據	負債， 人民幣53,123,000元	第二級	二項式模式 主要輸入值載於附註25
Warrants	Liabilities, RMB4,137,000	Level 2	Binomial Model The key inputs are set out in note 25
認股權證	負債， 人民幣4,137,000元	第二級	二項式模式 主要輸入值載於附註25

There were no transfers between Level 1 and 2 for the years ended 31 December 2014 and 2013.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

36. 金融工具的公平值計量

本集團根據經常性基準按公平值計量的金融資產及金融負債的公平值

於各呈報期末，本集團的若干金融資產及金融負債按公平值計量。下表呈列該等金融資產及金融負債公平值釐定方式(尤其是所用的估值方法及輸入值)的相關資料。

截至二零一四年及二零一三年十二月三十一日止年度，第一級與第二級之間並無轉撥。

董事認為，於綜合財務報表確認的金融資產及金融負債的賬面值與其公平值相若。

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36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

As at 31 December 2014

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Convertible Notes	可換股票據	-	53,123	-	53,123
Warrants	認股權證	-	4,137	-	4,137

As at 31 December 2013

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Convertible Notes	可換股票據	-	79,946	-	79,946
Warrants	認股權證	-	3,019	-	3,019

36. 金融工具的公平值計量(續)

公平值等級

於二零一四年十二月三十一日

於二零一三年十二月三十一日

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments, include trade and bills receivables, other receivables, pledged deposits, cash and bank balances, trade and bills payables, other payables and accruals, interest-bearing bank borrowings, convertible notes, warrants, and amount due to a director. Details of the financial instruments are disclosed in respective notes.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk, liquidity risk and commodity price risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

37. 財務風險管理目的及政策

本集團的主要金融工具包括應收貿易賬款及應收票據、其他應收款項、已質押存款、現金及銀行結餘、應付貿易賬款及應付票據、其他應付款項及應計費用、計息銀行借貸、可換股票據、認股權證及應付一名董事款項。該等金融工具的詳情於各附註披露。

本集團金融工具的主要風險包括外幣風險、信貸風險、利率風險、流動資金風險及商品價格風險。下文載列如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時和有效地採取適當的措施。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales transactions and financing denominated in United States dollars ("US\$") and Hong Kong dollars ("HK\$"). As the HK\$ is virtually pegged to the US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates and accordingly.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US\$ exchange rate, with all other variables held constant, of the Group's (loss)/profit before tax.

		Increase/ (decrease) in US\$ rate	Increase/ (decrease) in the Group's (loss)/ profit before tax 本集團除稅前 (虧損)/ 溢利上升/ (下跌) RMB'000 人民幣千元
2014	二零一四年		
If US\$ strengthens against RMB	倘美元兌人民幣升值	5	1,588
If US\$ weakens against RMB	倘美元兌人民幣貶值	(5)	(1,588)
2013	二零一三年		
If US\$ strengthens against RMB	倘美元兌人民幣升值	5	(2,161)
If US\$ weakens against RMB	倘美元兌人民幣貶值	(5)	2,161

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should needs arise.

37. 財務風險管理目的及政策(續)

外幣風險

本集團有交易貨幣風險，主要源自以美元(「美元」)及港元(「港元」)計值的銷售交易及融資活動。由於港元實際上與美元掛鈎，本集團預期美元兌港元的匯率並無重大變動。

下表顯示於呈報期末，倘所有其他變量保持不變，本集團除稅前(虧損)/溢利對美元匯率的合理可能變動的敏感性。

本集團現時並無外幣對沖政策，但管理層監察外匯風險，並會於有需要時考慮對沖重大外幣風險。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

As at 31 December 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 19% (2013: 38%) of the total trade receivables as at 31 December 2014.

The Group has concentration of credit risk as 21% (2013: 22%) and 53% (2013: 58%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates.

37. 財務風險管理目的及政策(續)

信貸風險

於二零一四年十二月三十一日，本集團所面臨因對方未能履行責任及本集團提供的財務擔保而將為本集團帶來財務損失的最大信貸風險，乃來自於綜合財務狀況表所列明有關已確認金融資產的賬面值。

為將信貸風險降至最低，本集團管理層已委派專責小組負責釐定信貸限額、批准信貸，以及應用其他監管程序以確保會就收回逾期債項採取跟進行動。此外，本集團於呈報期末檢討各項獨立交易債項的可收回數額，確保已作出足夠的減值虧損以應付未能收回的數額。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

由於對方是獲國際評級機構授予高信貸評級的銀行，故流動資金的信貸風險有限。

本集團按地理位置劃分的信貸風險主要集中在中國，中國佔於二零一四年十二月三十一日的應收貿易賬款總額的19% (二零一三年：38%)。

本集團有集中信貸風險，原因是應收貿易賬款總額的21% (二零一三年：22%) 及53% (二零一三年：58%) 為分別來自於本集團的最大客戶及五大客戶。

利率風險

本集團面臨的市場利率變化風險主要與本集團按浮息計息的銀行借貸有關。

Notes to Consolidated Financial Statements

綜合財務報表附註

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The Group regularly reviews and monitors the floating interest rate borrowings in order to manage its interest rate risks. The interest-bearing bank borrowings, cash and short term deposits are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the income statement as earned/incurred.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's net profit (through the impact on floating rate borrowings)

37. 財務風險管理目的及政策(續)

利率風險(續)

本集團定期審查及監測浮息借貸以管理其利率風險。計息銀行借貸、現金及短期存款按攤銷成本入賬，而不會定期重估。浮息收入及支出於損益按已賺取/已產生予以進賬/扣除。

下表顯示倘所有其他變量保持不變，本集團淨利潤(因浮息借貸影響)對利率之合理可能變動的敏感性。

		Increase in interest rate 利率增加 (basis points) (基點)	(Increase)/ decrease in (loss)/profit before tax 除稅前 (虧損)/溢利 (增加)/減少 RMB'000 人民幣千元
2014	二零一四年	100	(1,219)
2013	二零一三年	100	1,420

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2014, the Group has available unutilised overdraft and short-term bank loan facilities of approximately RMB40,000,000 and RMB23,000,000 respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

37. 財務風險管理目的及政策(續)

流動資金風險

在流動資金風險管理方面，本集團監控並維持管理層認為足以撥付本集團營運所需現金及現金等價物水平，並盡量減低現金流量波動的影響。管理層監察銀行借貸的使用情況，並確保遵守貸款契約。

本集團依賴銀行借貸作為流動資金的重要來源。於二零一四年十二月三十一日，本集團可用而尚未動用的透支及短期銀行貸款融資分別約為人民幣40,000,000元及人民幣23,000,000元。

下表詳列本集團非衍生金融負債的餘下合約到期情況。該表根據本集團可能被要求還款的最早日期金融負債的未折現現金流量而編製。其他非衍生金融負債的到期日基於協定償還日期而定。此表包括利息及本金現金流量。於呈報期末，倘利息流為浮動利率，則未折現金額按利率曲線計算。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

2014
二零一四年

37. 財務風險管理目的及政策(續)

流動資金風險(續)

		On demand	Less than 12 months	1 to 5 years	Total	Carrying amount
		於要求時	少於十二個月	一至五年	總額	賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities	非衍生金融負債					
Trade and bills payables	應付貿易賬款及應付票據	-	48,297	-	48,297	48,297
Other payables (note 23)	其他應付款項(附註23)	-	22,112	-	22,112	22,112
Accruals (note 23)	應計費用(附註23)	-	7,954	-	7,954	7,954
Interest-bearing bank borrowings	計息銀行借貸	-	129,197	-	129,197	121,884
Convertible notes	可換股票據	-	46,774	-	46,774	53,123
		-	254,334	-	254,334	253,370
Derivative financial liabilities	衍生金融負債					
Warrants	認股權證	-	-	4,137	4,137	4,137

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

2013

二零一三年

		On demand	Less than 12 months	1 to 5 years	Total	Carrying amount
		於要求時	少於十二個月	一至五年	總額	賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities	非衍生金融負債					
Trade and bills payables	應付貿易賬款及應付票據	–	35,116	–	35,116	35,116
Other payables (note 23)	其他應付款項 (附註23)	21,425	–	–	21,425	21,425
Accruals (note 23)	應計費用 (附註23)	–	8,665	–	8,665	8,665
Interest-bearing bank borrowings	計息銀行借貸	–	150,520	–	150,520	142,000
Convertible notes	可換股票據	–	54,195	11,407	65,602	79,946
Amount due to a director	應付一名董事款項	33,440	–	–	33,440	33,440
		54,865	248,496	11,407	314,768	320,592
Derivative financial liabilities	衍生金融負債					
Warrants	認股權證	–	–	3,019	3,019	3,019

37. 財務風險管理目的及政策(續)

流動資金風險(續)

Notes to Consolidated Financial Statements

綜合財務報表附註

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

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

Commodity price risk

The major raw materials used in the production of the Group's products include rubber and plastics. The Group is exposed to fluctuations in the prices of these raw materials which are influenced by global as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes.

38. EVENT AFTER THE REPORTING PERIOD

On 13 March 2015, the Company entered into a warrant subscription agreement (the "Warrant Subscription Agreement") with two warrant subscribers (the "Warrant Subscribers") in relation to the issue of a total of 88,000,000 warrants (the "Warrant") to the Warrant Subscribers at the issue price of HK\$0.07 per Warrant.

The Warrants entitle the Warrant Subscribers to subscribe for 88,000,000 shares (the "New Shares") of initially HK\$1.5 per New Share (subject to adjustments in accordance with the terms of the Warrants) for a period of eighteen months commencing from the date of issue of the Warrants. The net proceeds from the Warrant issue, after the deduction of related expenses, are estimated to be approximately HK\$6,000,000. Such net proceeds will be applied by the Company as the general working capital of the Group. Completion of the Warrant issue is subject to the fulfillment of the conditions referred to Warrant Subscription Agreement.

Details of the Warrant issue are set out in the announcement dated 13 March 2015.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2015.

37. 財務風險管理目的及政策(續)

流動資金風險(續)

倘浮動利率變動有別於對呈報期末釐定利率的估計，計入上述非衍生金融負債的各種浮動利率工具數額將會發生變動。

商品價格風險

本集團製造產品的主要原材料包括橡膠及塑膠。本集團面臨全球及區域供求情況令該等原材料價格波動的風險。原材料價格波動可能對本集團的財務表現有不利影響。本集團過往並無訂立任何商品衍生工具以對沖可能出現的商品價格波動。

38. 呈報期後事項

於二零一五年三月十三日，本公司與兩名認股權證認購人（「認股權證認購人」）訂立一份認股權證認購協議（「認股權證認購協議」），內容有關按發行價每份認股權證0.07港元向認股權證認購人發行合共88,000,000份認股權證（「認股權證」）。

認股權證賦予認股權證認購人權利，以於認股權證發行日期起十八個月期間按每股新股1.5港元之初步價格（可按照認股權證之條款作出調整）認購88,000,000股股份（「新股」）。認股權證發行所得款項淨額（扣除相關開支後）估計約為6,000,000港元。該所得款項淨額將由本公司用作本集團一般營運資金。認股權證發行須待認股權證認購協議所述條件達成後，方告完成。

認股權證發行之詳情載於日期為二零一五年三月十三日之公佈。

39. 財務報表之批准

財務報表經董事會於二零一五年三月二十五日批准及授權發佈。

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2014 年度報告 ANNUAL REPORT



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寶峰時尚國際控股有限公司
(於開曼群島註冊成立的有限公司)
股份代號 : 1121

Baofeng Modern International Holdings Company Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1121