



CHANGFENG AXLE (CHINA) COMPANY LIMITED

暢豐車橋（中國）有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號：1039)



2014 Annual Report 年度報告

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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Wong Kwai Mo (Chairman)
(resigned on 25 March 2015)
Ms. Wu Ching
Mr. Lai Fengcai (Chief executive officer)
(resigned on 25 March 2015)
Mr. Cheng Jerome (Chairman)
(appointed on 25 March 2015)
Mr. Yuan Weitao (appointed on 25 March 2015)

Non-Executive Director

Ms. Dong Ying, Dorothy
Mr. Feng Xiaohui (appointed on 25 March 2015)
Mrs. Guo Yan (appointed on 25 March 2015)

Independent Non-Executive Directors

Mr. Zhu Weizhou (resigned on 25 March 2015)
Dr. Li Xiuqing (resigned on 25 March 2015)
Mr. Chong Ching Hei (resigned on 25 March 2015)
Mr. Wong Chi Keung (appointed on 25 March 2015)
Mr. Liu Erhfei (appointed on 25 March 2015)
Mr. Chan Chi Keung, Alan (appointed on 25 March 2015)

COMPANY SECRETARY

Mr. Chan Yuk Man, Calvin

AUDIT COMMITTEE

Mr. Chong Ching Hei (Chairman)
(resigned on 25 March 2015)
Mr. Zhu Weizhou (resigned on 25 March 2015)
Dr. Li Xiuqing (resigned on 25 March 2015)
Mr. Wong Chi Keung (Chairman)
(appointed on 25 March 2015)
Mr. Liu Erhfei (appointed on 25 March 2015)
Mr. Chan Chi Keung, Alan (appointed on 25 March 2015)

REMUNERATION COMMITTEE

Mr. Zhu Weizhou (Chairman) (resigned on 25 March 2015)
Mr. Chong Ching Hei (resigned on 25 March 2015)
Mr. Wong Kwai Mo (resigned on 25 March 2015)
Mr. Liu Erhfei (Chairman) (appointed on 25 March 2015)
Mr. Cheng Jerome (appointed on 25 March 2015)
Mr. Wong Chi Keung (appointed on 25 March 2015)

董事

執行董事

王桂模先生(主席)
(於二零一五年三月二十五日辭任)
胡靜女士
賴鳳彩先生(行政總裁)
(於二零一五年三月二十五日辭任)
Cheng Jerome 先生(主席)
(於二零一五年三月二十五日獲委任)
袁偉濤先生(於二零一五年三月二十五日獲委任)

非執行董事

董穎女士
馮小暉先生(於二零一五年三月二十五日獲委任)
郭燕女士(於二零一五年三月二十五日獲委任)

獨立非執行董事

朱偉洲先生(於二零一五年三月二十五日辭任)
李秀清博士(於二零一五年三月二十五日辭任)
莊清喜先生(於二零一五年三月二十五日辭任)
黃之強先生(於二零一五年三月二十五日獲委任)
劉二飛先生(於二零一五年三月二十五日獲委任)
陳志強先生(於二零一五年三月二十五日獲委任)

公司秘書

陳玉文先生

審核委員會

莊清喜先生(主席)(於二零一五年三月二十五日辭任)
朱偉洲先生(於二零一五年三月二十五日辭任)
李秀清博士(於二零一五年三月二十五日辭任)
黃之強先生(主席)
(於二零一五年三月二十五日獲委任)
劉二飛先生(於二零一五年三月二十五日獲委任)
陳志強先生(於二零一五年三月二十五日獲委任)

薪酬委員會

朱偉洲先生(主席)(於二零一五年三月二十五日辭任)
莊清喜先生(於二零一五年三月二十五日辭任)
王桂模先生(於二零一五年三月二十五日辭任)
劉二飛先生(主席)(於二零一五年三月二十五日獲委任)
Cheng Jerome 先生(於二零一五年三月二十五日獲委任)
黃之強先生(於二零一五年三月二十五日獲委任)

NOMINATION COMMITTEE

Dr. Li Xiuqing (Chairperson)
(resigned on 25 March 2015)
Mr. Wong Kwai Mo (resigned on 25 March 2015)
Mr. Zhu Weizhou (resigned on 25 March 2015)
Mr. Cheng Jerome (Chairman)
(appointed on 25 March 2015)
Mr. Wong Chi Keung (appointed on 25 March 2015)
Mr. Chan Chi Keung, Alan (appointed on 25 March 2015)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 708, 7/F,
Delta House,
3 On Yiu Street,
Shatin,
Hong Kong

PRINCIPAL BANKERS

Bank of China
China Construction Bank
Industrial and Commercial Bank of China

AUDITORS AND REPORTING ACCOUNTANTS

Deloitte Touche Tohmatsu

LEGAL ADVISOR

Sidley Austin
Jun He Law Offices

提名委員會

李秀清博士(主席)(於二零一五年三月二十五日辭任)
王桂模先生(於二零一五年三月二十五日辭任)
朱偉洲先生(於二零一五年三月二十五日辭任)
Cheng Jerome 先生(主席)
(於二零一五年三月二十五日獲委任)
黃之強先生(於二零一五年三月二十五日獲委任)
陳志強先生(於二零一五年三月二十五日獲委任)

主要股份過戶登記處

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

香港主要營業地點

香港
沙田
安耀街3號
匯達大廈
7樓708室

主要往來銀行

中國銀行
中國建設銀行
中國工商銀行

核數師及申報會計師

德勤•關黃陳方會計師行

法律顧問

盛德律師事務所
君合律師事務所



Corporate Information

公司資料

STOCK CODE

1039

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

COMPANY'S WEBSITE

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

INVESTOR RELATIONSHIP

Mr. Chan Yuk Man, Calvin
ir@changfengaxle.com

股份代號

1039

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東 183 號
合和中心
17 樓 · 1712-1716 室

公司網址

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

投資者關係

陳玉文先生
ir@changfengaxle.com



Chairman's Statement

主席報告

To the Shareholders,

I would like to extend my sincere thanks to all of you for supporting Changfeng Axle (China) Company Limited (the “Company”). On behalf of the board of directors (the “Board”) of the Company, I am pleased to present you with the audited financial results of the Company and its subsidiaries (collectively, referred to as the “Group”) for the year ended 31 December 2014.

In 2001, Ms. Wu Ching, the founder of the Company, established Fujian Changfeng Axle Manufacturing Co., Ltd. (previously known as Longyan Changfeng Mechanical Factory Co. Ltd.), which was engaged in manufacturing and sales of axle housings and other axle components. Over the effort of the management in the past years, the Company was successfully listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 24 September 2010, thus tapping the international capital market. This listing not only boosted the Company’s capital base, but also strengthened our Group’s leading position in the industry and enhanced the Company’s competitive advantage, creating more business opportunities and giving an impetus to the Group’s development.

Year 2014 was another challenging year due to the uncertain economic environment in China, Russia and around the world. The medium and heavy truck industry in China was affected by the slow down of construction and infrastructure development projects and the tightening of credit policy imposed by the relevant regulatory authority. Facing the less favorable truck industry environment in China, for the year ended 31 December 2014, the Group recorded a revenue of RMB336.9 million (2013: RMB429.8 million) and the loss attributable to owners of the Company of RMB149.7 million (2013: RMB228.1 million).

各位股東：

本人謹此就閣下對暢豐車橋(中國)有限公司(「本公司」)的支持致以萬分感謝。本人代表本公司董事會(「董事會」)，欣然向閣下提呈本公司及其附屬公司(統稱為「本集團」)截至二零一四年十二月三十一日止年度的經審核財務業績。

於二零零一年，本公司創辦人胡靜女士成立福建暢豐車橋製造有限公司(前身為龍岩暢豐機械製造有限公司)，經營橋殼和其他車橋零部件的生產與銷售。經過管理層過去多年的努力，本公司於二零一零年九月二十四日在香港聯合交易所有限公司(「聯交所」)成功上市，進軍國際資本市場。此次上市不僅加強本公司的資本基礎，亦增強本集團在業界的領導地位，提高本公司的競爭優勢，創建更多業務機會及推動本集團的發展。

二零一四年又是充滿挑戰的一年，因為中國、俄羅斯及全球經濟環境存在不明朗因素。建設及基礎設施發展項目速度放緩及相關監管機構實行信貸政策緊縮，中國中重卡行業因此受到影響。面對中國不利的卡車行業環境，截至二零一四年十二月三十一日止年度，本集團錄得收入人民幣336.9百萬元(二零一三年：人民幣429.8百萬元)及本公司擁有人應佔虧損人民幣149.7百萬元(二零一三年：人民幣228.1百萬元)。



Chairman's Statement

主席報告

During the year under review, the Group proactively faced the challenge in its business. It expanded its product offerings and strengthened its development and production capability through enhancement of production bases. The Group continued to implement quality control procedures.

Looking forward, the Group expects the business in truck and train market to continue to be challenging in the year 2015 in view of the uncertainty in the China, Russia and the global economic situation. The Group aims to develop its local and overseas market in both train and truck components. At the same time, the Group will continue to strengthen its axle assemblies and related component parts industry through the development in the domestic and overseas medium and heavy duty truck markets. The Group will diversify and enhance its product range in order to capture new opportunities in the domestic and international railway industries. We believe that the Group will achieve better results and hence optimize return for shareholders.

This year marked an important milestone in the Group's development. With the completion of the issuance and allotment of 610,606,060 subscription shares and 122,121,212 consideration shares to the shareholders of Century East Network Limited ("Century East") at the end of March 2015, the Group will actively participate into the electronic commerce business to broaden its income sources. Our new Board of Directors will include Mr. Cheng Jerome, Mr. Yuan Weitao, Mr. Feng Xiaohui, Mrs. Guo Yan, and the three independent non-executive Directors, namely, Mr. Wong Chi Keung, Mr. Liu Erhfei, and Mr. Chan Chi Keung, Alan, all of whom have extensive experience in the electronic commerce industry as well as the accounting and financial sector; while Ms. Wu Ching and Ms. Dong Ying, Dorothy will remain as our executive director and non-executive director respectively. We have full confidence that, under the leadership of an experienced and energetic core management team, this business diversification approach will bring a new momentum to the Group and start a new chapter in the future development of the Group.

於回顧年度，本集團積極面對業務中的挑戰，透過壯大生產基地，擴展產品種類及增強產品開發和生產能力。本集團繼續實施質量監控程序。

展望未來，本集團預期在不明朗的中國、俄羅斯及全球經濟狀況下，二零一五年的卡車及列車市場業務仍然充滿挑戰。本集團致力發展其列車及卡車零部件本地及海外市場。同時，本集團將繼續透過開發海內外中型及重型卡車市場鞏固其車橋總成及相關零部件行業。本集團將擴大及增加產品類別，以於國內外鐵路行業捕捉機遇。我們相信本集團將取得更佳業績，為股東爭取最佳回報。

本年度為本集團發展的重要里程碑。隨著於二零一五年三月底完成向Century East Network Limited(「Century East」)股東發行及配發610,606,060股認購股份及122,121,212股代價股份後，本集團將積極參與電子商貿業務以擴大其收入來源。本公司新一屆董事會將包括Cheng Jerome先生、袁偉濤先生、馮小暉先生、郭燕女士以及三名獨立非執行董事黃之強先生、劉二飛先生及陳志強先生，彼等均於電子商貿行業以及會計及金融業擁有豐富經驗；而胡靜女士及董穎女士仍將分別留任執行董事及非執行董事。我們深信，在經驗豐富及精力充沛的核心管理團隊的領導下，該業務多元化方針為本集團帶來新增長動力及為本集團未來發展翻開新的一頁。



Chairman's Statement

主席報告

Finally, on behalf of the Board, I would like to take this opportunity to express my gratitude to all shareholders, customers, employees, suppliers and partners for their continuous support and encouragement. We are committed to using the highest quality and technical standards and fully utilizing every opportunity to give returns to shareholders and all teams for their long-term support.

Mr. Wong Kwai Mo
Chairman

24 March 2015

最後，本人藉此機會代表董事會對全體股東、客戶、員工、供應商及合作夥伴一直以來的支持及鼓勵表示感謝。我們致力於採納最高的質量及技術標準，充分利用每個機會回饋股東及所有團隊的長期支持。

主席
王桂模

二零一五年三月二十四日



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is an independent axle component provider for China's medium duty truck ("MDT") and heavy duty truck ("HDT") aftermarket, and also an independent axle assembly providers for China's MDT and HDT original equipment manufacturers ("OEM") market. The Group is principally engaged in the manufacture and sales of axle assemblies and axle components in the People's Republic of China ("PRC").

The Group's products cover all major axle components, including cast steel and punched steel axle housings, brake drums, axle shafts, axle differentials and reducers, steering knuckles and front axle beams. An extensive range of front, middle and rear axle assemblies and suspension assemblies are also manufactured.

In year 2014, through the effort of the casting experts and breakthrough in the casting process of the Group, the Group has commenced the delivery of the train bolster and train side frame to the Commonwealth of Independent States ("CIS") and establish the platform for the Group's entrance into the international railway industry. However, to a large extent, this business was suspended in 2014 due to continued unstable political and market environment in Russia and other member states of the CIS, as well as the need to apply for certification under new standards imposed by Russia, Belarus and Kazakhstan (member states of CIS) for the Group's railway components as the Group had previously relied on certification issued by Ukraine testing authorities which had become invalid for the Russian market following diplomatic fallout between Russia and Ukraine. Formal submission of the Group's railway components to the official testing facilities was made in October 2014. New certification will only be issued if all the Group's railway components pass the new standard as laid out by the authorities at the end of the testing process. The testing process is currently on schedule and is expected to finish by end March 2015. However, the testing authorities have the right to extend the testing time of such components if necessary.

The Group has two production facilities in the PRC, one of which is located in Kaifeng city, Henan province, and another one is located in Longyan city, Fujian province. Those production facilities are strategically located in proximity to primary suppliers and customers so as to accelerate the Group's procurement process, reduce product delivery time and transportation costs and improve logistical efficiency to meet customers' demands.

業務回顧

本集團為中國中型卡車（「中卡」）及重型卡車（「重卡」）維修市場上一家獨立車橋零部件供應商，亦為中國中重卡原設備製造商（「OEM」）市場上一家獨立車橋總成供應商。本集團主要在中華人民共和國（「中國」）從事製造及銷售車橋總成及車橋零部件。

本集團的產品涵蓋所有主要車橋零部件，包括鑄鋼及沖焊橋殼、制動鼓、半軸、差減速器總成、轉向節及前軸。本集團亦生產種類多樣的前橋總成、中橋總成、後橋總成及平衡懸架總成。

於二零一四年，透過鑄造專家的努力及本集團鑄造工藝取得的突破性進展，本集團已開始向獨立國家聯合體（「獨聯體」）交付列車搖枕及列車側架，為本集團進入國際鐵路行業而建立平台。然而，該業務於二零一四年中止在很大程度上乃由於俄羅斯及其他獨聯體成員國家持續不穩定政治及市場環境造成業務中斷，以及需就本集團鐵路零部件申請俄羅斯、白俄羅斯及哈薩克斯坦（獨聯體成員國家）施行新標準項下的證書，原因為本集團先前依賴烏克蘭檢測機構頒發的證書因俄羅斯與烏克蘭的外交影響隨即於俄羅斯市場變為無效。本集團已於二零一四年十月向官方檢測機構正式提交其鐵路零部件。新證書僅將於 貴集團所有鐵路零部件通過機構的新標準於測試進程結束時發出。測試進程正按計劃進行及預期於二零一五年三月底完成。然而，如有需要，測試機構有權延長有關零部件的測試時間。

本集團於中國擁有兩個生產基地，其中一個位於河南省開封市，另外一個位於福建省龍岩市。生產基地策略性地設在主要供應商及客戶附近，使本集團可加快採購過程、縮短產品交付時間、降低運輸成本及提高物流效率，以滿足客戶的需求。



Management Discussion and Analysis

管理層討論及分析

MDT and HDT aftermarket

The Group is an independent axle component provider for China's MDT and HDT aftermarket with diversified product offerings among independent axle component providers in China. During the year ended 31 December 2014, the axle components were sold to customers in the aftermarket through its extensive sales, marketing and services network across the PRC. For the year ended 31 December 2014, revenue generated from the aftermarket amounted to approximately RMB165.9 million (2013: approximately RMB222.9 million) and accounted for approximately 49.2% (2013: approximately 51.9%) of the Group's total revenue, representing a decrease of approximately 25.6% as compared with the corresponding period in 2013.

MDT and HDT OEM market

The Group primarily sells axle assemblies directly to OEMs in the PRC on a made-to-order basis to match its customers' specification requirements. A small portion of axle components is occasionally sold to other axle assembly providers. For the year ended 31 December 2014, revenue from the OEM market amounted to approximately RMB168.7 million (2013: approximately RMB172.8 million) and accounted for 50.1% (2013: 40.2%) of the Group's total revenue, representing a decrease of 2.3% as compared with the corresponding period in 2013.

Train and railway market

The Group commenced the export of the train side frame and train bolster in 2013. For the year ended 31 December 2014, revenue from the train and railway market amounted to approximately RMB2.4 million (2013: RMB34.2 million) and accounted for 0.7% (2013: 7.9%) of the Group's total revenue.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2014, the Group recorded a consolidated revenue of approximately RMB336.9 million (2013: approximately RMB429.8 million), representing a decrease of 21.6% as compared with the same period in 2013. Since the second half of year 2013, there was increasing pressure on the aftermarket and OEM market, the business environment of the truck market remained challenging in the year of 2014.

Revenue from the Group's aftermarket segment decreased by approximately 25.6% from RMB222.9 million in 2013 to RMB165.9 million in 2014. The decrease in revenue was mainly due to (i) less favorable industry environment caused by the slow down of construction and infrastructure development projects in China, which hampered the demand in the aftermarket industry; and (ii) decrease in unit

中重型卡車維修市場

本集團為中國中重型卡車維修市場上一家獨立車橋零部件供應商，在中國眾多獨立車橋零部件供應商中，提供多樣化的車橋零部件產品。於截至二零一四年十二月三十一日止年度，本集團主要透過中國的廣泛銷售、營銷及服務網絡向維修市場的客戶銷售車橋零部件。於截至二零一四年十二月三十一日止年度，來自維修市場的收入約為人民幣165.9百萬元(二零一三年：約人民幣222.9百萬元)，佔本集團總收入約49.2%(二零一三年：約51.9%)，較二零一三年同期減少約25.6%。

中重型卡車OEM市場

本集團主要直接向中國OEM廠商銷售按訂單製造以符合客戶規格要求的橋總成。本集團間或會將一小部分車橋零部件銷售予其他橋總成供應商。截至二零一四年十二月三十一日止年度，來自OEM市場的收入約為人民幣168.7百萬元(二零一三年：約人民幣172.8百萬元)，佔本集團總收入的50.1%(二零一三年：40.2%)，較二零一三年同期減少2.3%。

列車及鐵路市場

本集團已自二零一三年開始出口列車側架及列車搖枕。於截至二零一四年十二月三十一日止年度，來自列車及鐵路市場的收入約為人民幣2.4百萬元(二零一三年：人民幣34.2百萬元)，佔本集團總收入0.7%(二零一三年：7.9%)。

財務回顧

收入

於截至二零一四年十二月三十一日止年度，本集團錄得綜合收入約人民幣336.9百萬元(二零一三年：約人民幣429.8百萬元)，較二零一三年同期減少21.6%。自二零一三年下半年起，維修及OEM市場壓力持續不斷，卡車市場業務環境於二零一四年上半年仍具挑戰。

本集團的維修市場分部收入自二零一三年的人民幣222.9百萬元減少約25.6%，至二零一四年的人民幣165.9百萬元。此收入減少乃主要由於(i)中國的建設及基礎設施發展項目速度放緩，令行業環境不容樂觀，此狀況抑制了維修市場行業的需求；及(ii)於維修市場行業競爭愈加激烈的情況下，若干產品的單位售價下降所致。維修市場行業競爭



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selling price of certain products under keen competition in the aftermarket industry. The keen competition in the aftermarket industry was mainly due to the slow down of demand in axle components industry and tightening of the credit policy in China, as a result some of the competitors sold their products at a low cost in order to maintain cashflow liquidity.

Revenue from the Group's OEM and related market segment slightly decreased by approximately 2.3% from RMB172.8 million in 2013 to RMB168.7 million in 2014. This was mainly due to the decline in growth rate in the trucking industry.

Revenue from the train and railway market of RMB2.4 million was recognised after the commencement of delivery of the train and railway components in year 2014.

Gross profit and gross profit margin

For the year ended 31 December 2014, the Group's gross profit decreased by 46.9% from approximately RMB72.9 million in 2013 to approximately RMB38.7 million in 2014. Gross profit margin decreased from approximately 17.0% in 2013 to approximately 11.5% in 2014 mainly due to the decrease in average unit selling price under the keen competition in the aftermarket industry, which increased the Group's pressure on the gross profit margin of the Company.

Other expense and other gains and losses

Other expense of the Group decreased from other gains of approximately RMB2.6 million in 2013 to other expense of approximately RMB3.1 million in 2014, the decrease was mainly attributable to a loss on disposal of property, plant and equipment during the year.

Selling and distribution expenses

Selling and distribution expenses of the Group decreased from approximately RMB25.7 million in 2013 to approximately RMB20.5 million in 2014. The decrease was mainly due to the decrease in the delivery cost for the axle business.

Research and development expenditure

Research and development expenditure of the Group decreased from approximately RMB24.0 million in 2013 to approximately RMB17.7 million in 2014. The decrease was mainly due to the decrease in research and development in the Group's train and railway business compared to the same period in 2013.

激烈乃主要由於中國車橋零部件行業需求減緩及信貸政策縮緊所致，故若干競爭者按低價傾銷其產品，以維持充足的現金流。

本集團的OEM及相關市場分部收入自二零一三年的人民幣172.8百萬元輕微減少約2.3%，至二零一四年的人民幣168.7百萬元。此收入減少乃主要由於卡車行業增長率下降。

來自列車及鐵路市場的收入人民幣2.4百萬元乃自二零一四年開始交付列車及鐵路零部件後確認。

毛利及毛利率

於截至二零一四年十二月三十一日止年度，本集團的毛利減少46.9%，自二零一三年約人民幣72.9百萬元減少至二零一四年的約人民幣38.7百萬元。毛利率自二零一三年約17.0%下降至二零一四年約11.5%，主要由於在維修市場行業競爭愈加激烈的情況下平均單位售價下降所致，此增加了本集團於本公司毛利率的壓力。

其他開支以及其他收益及虧損

本集團的其他開支自二零一三年其他收益約人民幣2.6百萬元減少至二零一四年其他開支約人民幣3.1百萬元，該減少主要歸因於年內出售物業、廠房及設備產生虧損。

銷售及分銷開支

本集團的銷售及分銷開支自二零一三年約人民幣25.7百萬元減少至二零一四年約人民幣20.5百萬元。該減少乃主要由於車橋業務運輸成本減少。

研發開支

本集團的研發開支由二零一三年約人民幣24.0百萬元減少至二零一四年約人民幣17.7百萬元。該減少主要由於本集團列車及鐵路業務的研發活動較二零一三年同期減少所致。

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Administrative expenses

The Group's administrative expenses decreased from approximately RMB68.2 million in 2013 to approximately RMB62.8 million in 2014. The decrease in administrative expenses was mainly due to the efficient cost control policy implemented by the Group.

Finance costs

The Group incurred finance costs of approximately RMB29.3 million in 2014, which represented approximately 8.7% (2013: approximately 7.6%) of its revenue and an decrease of approximately 9.9% from RMB32.6 million in 2013. The decrease was mainly due to the decrease in average bank borrowing throughout year 2014.

Taxation

Tax charge decreased from RMB0.6 million in 2013 to a tax credit of RMB0.3 million in 2014 due to the substantial loss during the year 2013.

LIQUIDITY AND FINANCIAL RESOURCES

Summary of consolidated cash flow statement

行政開支

本集團的行政開支自二零一三年約人民幣68.2百萬元減少至二零一四年約人民幣62.8百萬元。行政開支減少主要由於本集團實施有效成本控制所致。

融資成本

本集團於二零一四年產生的融資成本約為人民幣29.3百萬元，佔其收入約8.7%（二零一三年：約7.6%），較二零一三年的人民幣32.6百萬元減少約9.9%。減少主要由於二零一四年全年的平均銀行借款減少所致。

稅項

由於二零一三年產生重大虧損，稅項開支由二零一三年的人民幣0.6百萬元減少至二零一四年的稅項抵免人民幣0.3百萬元。

流動資金及財務資源

綜合現金流量表概要

		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 and cash equivalent at 1 January	於一月一日的現金及現金等值項目	57,902	61,872
Net cash from operating activities	經營活動所得現金淨額	38,376	62,916
Net cash from investing activities	投資活動所得現金淨額	67,204	59
Net cash used in financing activities	融資活動所用現金淨額	(156,624)	(66,945)
Cash and cash equivalent at 31 December	於十二月三十一日的現金及現金等值項目	6,858	57,902

Cash and cash equivalent of the Group were mainly generated from the cash flow deriving from investing activities and financing activities.

As at 31 December 2014, cash and cash equivalent of the Group was approximately RMB6.9 million (2013: approximately RMB57.9 million).

As compared with the year of 2013, cash and cash equivalent decreased by approximately RMB51.0 million, which was mainly resulted from the net cash used in financing activities of approximately RMB156.6 million (2013: approximately RMB66.9 million).

本集團的現金及現金等值項目主要來自投資活動及融資活動所得的現金流量。

於二零一四年十二月三十一日，本集團的現金及現金等值項目約為人民幣6.9百萬元（二零一三年：約人民幣57.9百萬元）。

與二零一三年相比，現金及現金等值項目減少約人民幣51.0百萬元，主要是由於融資活動所用的現金淨額約人民幣156.6百萬元（二零一三年：約人民幣66.9百萬元）。



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As at 31 December 2014, net current assets of the Group was approximately RMB186.2 million (2013: approximately RMB83.3 million). As at 31 December 2014, the current ratio (i.e. total current assets/total current liabilities) of the Group was approximately 131.8% (2013: approximately 111.7%).

As at 31 December 2014, total assets of the Group were approximately RMB1,277.1 million (2013: approximately RMB1,581.6 million) and total liabilities were approximately RMB584.7 million (2013: approximately RMB709.4 million). As at 31 December 2014, the debt ratio (i.e. total liabilities/total assets) was 45.8% (2013: 44.9%).

As at 31 December 2014, the Group had total borrowings of approximately RMB336.9 million (2013: approximately RMB464.2 million) and the gearing ratio (i.e. total borrowing/total capital and reserve) was approximately 48.7% (2013: approximately 53.2%).

The Group will continue to strengthen its liquidity and financial resources through the improvement of the working capital, especially timely collection of trade receivables.

Trade and bills receivable

Trade and bills receivables of the Group in 2014 were approximately RMB213.5 million (2013: RMB264.5 million). The decrease in balance was due to the decrease in revenue, strengthen of the collection process through closely monitor of those debtors and impairment loss on trade receivables.

Inventory

The inventory balance of the Group for the year ended 31 December 2014 amounted to approximately RMB220.9 million (2013: approximately RMB240.3 million) which mainly reflected the decrease in raw materials and finished goods required for the decrease in market demand.

Trade and bills payable

Trade and bills payables of the Group in 2014 were approximately RMB87.9 million (2013: approximately RMB124.0 million). Again, the decrease in balance reflected the decrease in raw materials required for the decrease in market demand.

Pledged assets

As at 31 December 2014, the Group has pledged assets of approximately RMB356.4 million (2013: approximately RMB210.6 million) to secure the grant of banking facilities. As at 31 December 2014, the Group did not pledge the equity shares of any of its PRC subsidiaries as collateral to secure bank borrowings (2013: Nil).

於二零一四年十二月三十一日，本集團的流動資產淨值約為人民幣186.2百萬元(二零一三年：約人民幣83.3百萬元)。於二零一四年十二月三十一日，本集團的流動比率(即總流動資產/總流動負債)約為131.8%(二零一三年：約111.7%)。

於二零一四年十二月三十一日，本集團的總資產約為人民幣1,277.1百萬元(二零一三年：約人民幣1,581.6百萬元)，總負債約為人民幣584.7百萬元(二零一三年：約人民幣709.4百萬元)。於二零一四年十二月三十一日，負債比率(即總負債/總資產)為45.8%(二零一三年：44.9%)。

於二零一四年十二月三十一日，本集團的借款總額約為人民幣336.9百萬元(二零一三年：約人民幣464.2百萬元)及資產負債比率(即借款總額/資本及儲備總額)約為48.7%(二零一三年：約53.2%)。

本集團將繼續透過改善營運資金(尤其是及時收回貿易應收款項)，來增強其流動資金及財務資源。

貿易應收款項及應收票據

本集團於二零一四年的貿易應收款項及應收票據約為人民幣213.5百萬元(二零一三年：人民幣264.5百萬元)。結餘的減少乃由於收入減少、透過密切監察該等應收賬款加強收回流程及貿易應收款項減值虧損所致。

存貨

本集團於截至二零一四年十二月三十一日止年度的存貨結餘約為人民幣220.9百萬元(二零一三年：約人民幣240.3百萬元)，這主要反映為應對市場需求減少而減少原材料及製成品。

貿易應付款項及應付票據

本集團於二零一四年的貿易應付款項及應付票據約為人民幣87.9百萬元(二零一三年：約人民幣124.0百萬元)。此結餘的減少再次反映因市場需求減少而導致原材料減少。

抵押資產

於二零一四年十二月三十一日，本集團已抵押約人民幣356.4百萬元(二零一三年：約人民幣210.6百萬元)的資產，作為獲授銀行融資的擔保。於二零一四年十二月三十一日，本集團並未將任何其中國附屬公司的權益股份用作銀行借款的抵押(二零一三年：無)。

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Contingent liabilities

As at 31 December 2014, the Group had no significant contingent liabilities (2013: Nil).

Capital commitment

As at 31 December 2014, the contracted capital commitment of the Group which were not provided in the financial statements amounted to RMB0.1 million (2013: approximately RMB2.0 million). Such capital commitments were mainly for the capital expenditure in respect of upgrading and acquisition of certain production equipment at our production facilities.

In 2011, Changfeng Gear Manufacturing Co., Ltd (“Changfeng Gear”) was incorporated pursuant to the cooperation agreement entered into between the Group and an independent third party on 11 November 2010, pursuant to which the Group and an independent third party, being the non-controlling shareholder of Changfeng Gear, owns as to 60% and 40% of the equity interest of Changfeng Gear, respectively. The Group made a cash contribution of RMB60,000,000 to Changfeng Gear whilst the non-controlling shareholder contributed new machineries with an aggregate value of RMB40,000,000 to Changfeng Gear. The Group and the non-controlling shareholder were committed to inject an additional amount of RMB60,000,000 and RMB40,000,000, respectively in the year 2012. However, due to change in development plan, the Group and the non-controlling shareholder entered into supplemental agreements to amend the capital injection schedule to 31 December 2014 and amend the capital contribution method, respectively. For further details regarding the supplemental agreements, please refer to the announcements of the Company dated 31 December 2012, 27 May 2013 and 29 December 2013. As at 31 December 2014, there was no capital commitment (31 December 2013: RMB48 million) being made by the Group for such capital injection.

Employees and remuneration policy

As at 31 December 2014, the Group had 950 employees (2013: 1,271 employees). For the year ended 31 December 2014, total staff costs were approximately RMB56.9 million (2013: approximately RMB72.6 million).

During the year under review, the Group also provided internal training, external training and correspondence courses for its staff in order to promote self improvement and enhancement of skills relevant to work. The remuneration of the Directors was determined with reference to their position, responsibilities and experience and prevailing market conditions.

或然負債

於二零一四年十二月三十一日，本集團並無重大或然負債（二零一三年：無）。

資本承擔

於二零一四年十二月三十一日，已訂約但並無於財務報表作出撥備的本集團資本承擔為人民幣0.1百萬元（二零一三年：約人民幣2.0百萬元）。該等資本承擔主要為更新及購買若干本集團生產基地之生產設備所產生的資本開支。

於二零一一年，福建暢豐齒輪有限公司（「暢豐齒輪」）乃根據本集團與一名獨立第三方於二零一零年十一月十一日訂立的合作協議註冊成立，據此，本集團及獨立第三方（即暢豐齒輪的非控股股東）於暢豐齒輪分別擁有60%及40%的權益。本集團向暢豐齒輪提供現金供款人民幣60,000,000元，而非控股股東則向暢豐齒輪提供價值合共約人民幣40,000,000元的新機器。本集團及非控股股東承諾將於二零一二年分別額外注入人民幣60,000,000元及人民幣40,000,000元。然而，由於發展計劃變動，於二零一四年十二月三十一日，本集團及非控股股東訂立補充協議，分別修訂注資方法。有關補充協議的進一步詳情，請參閱本公司日期為二零一二年十二月三十一日、二零一三年五月二十七日及二零一三年十二月二十九日的公佈。於二零一四年十二月三十一日，本集團就該等注資並無作出資本承擔（二零一三年十二月三十一日：人民幣48百萬元）。

僱員及薪酬政策

於二零一四年十二月三十一日，本集團有950名僱員（二零一三年：1,271名僱員）。截至二零一四年十二月三十一日止年度，總員工成本約為人民幣56.9百萬元（二零一三年：約人民幣72.6百萬元）。

於回顧年度，本集團亦為其員工提供內部培訓、外部培訓及函授課程，以提倡自我改進及增強其與工作相關的技能。董事之酬金乃參考其職務、責任、經驗及當前市況而釐定。



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Foreign exchange risk

The business of the Group is mainly located in the PRC and most of the transactions are denominated in Renminbi. Most of the assets and liabilities of the Group are computed in Renminbi. As at 31 December 2014, the Group's foreign currencies amounted to approximately RMB1.6 million (2013: 2.1 million). During the year ended 31 December 2014, the Group did not utilize any future contracts, currency borrowings and otherwise to hedge against its foreign exchange risk. However, the Group will continue to monitor the risk exposures and will consider to hedge against material currency risk if required.

DIVIDEND

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

PROSPECTS

Having faced with the continuous uncertainty in the global economic situation and fierce competition in the China truck market, the Company expects business to continue to be challenging in year 2015. To ensure the sustainable success, the Group's management has formulated various strategies and measures to cope with these challenges. The strategies and measures include diversifying the range of the Group's casting and punching products in other industry, exploring the opportunities in overseas market and starting the electronic commerce business by acquiring a target group of companies.

Looking forward, in light of the Group's (i) recognition in the overseas train and railway industry; (ii) extensive sales, marketing and services network among all axle component providers in the aftermarket; (iii) diversified axle component offerings well recognized for high quality by customers; and (iv) role as an independent provider of axle products in both the aftermarket and OEM market, enhancing the cross-marketing capabilities and maximising the sales and profit, the Group strive to strengthen its position in the railway and truck industry, to further expand its product offerings in China, CIS and overseas market.

The Group will further enhance the following aspects in order to increase its competitiveness within the market in the upcoming years.

Expansion to overseas markets

In order to expand gradually into other overseas markets in anticipation of overseas demand for the Group's products (both railways and truck components), the Company will leverage its broad range of quality product offerings, product development capabilities and cost competitiveness, the Group are well positioned to expand sales of its products

外匯風險

本集團的業務主要位於中國，而大部分交易以人民幣進行。本集團的大部分資產和負債均以人民幣計值。於二零一四年十二月三十一日，本集團的外幣達約人民幣1.6百萬元(二零一三年：2.1百萬元)。於截至二零一四年十二月三十一日止年度，本集團並無使用任何遠期合約、貨幣借款或以其他方式對沖本集團的外匯風險。然而，本集團會繼續監察所承受的風險，並會考慮於有需要時對沖重大貨幣風險。

股息

董事會並不建議就截至二零一四年十二月三十一日止年度派發任何末期股息(二零一三年：無)。

展望

面對全球經濟狀況持續之不明朗因素及中國卡車市場之激烈競爭，本公司預期業務於二零一五年仍然具挑戰性。為確保持續成功，本公司管理層已制定多項策略及措施，豐富其他行業的鑄造及沖焊產品種類，探索開發海外市場業務機會及通過收購目標公司集團開展電子商貿業務，以應對該等挑戰。

展望未來，憑藉本集團(i)獲海外列車及鐵路行業的認可；(ii)維修市場所有車橋零部件供應商的廣泛銷售、營銷及服務網絡；(iii)以高品質獲客戶認同的豐富車橋零部件產品；及(iv)作為維修市場及OEM市場車橋產品獨立供應商的地位、日益提升的交叉營銷能力以及不斷擴大的銷售額和溢利，本集團力爭於鐵路及卡車行業鞏固其地位，進一步擴大其於中國、獨聯體及海外市場的產品供應。

本集團將於往後數年進一步加強以下各方面以增強其於市場上的競爭力。

擴大海外市場

由於預期其他海外市場對本集團的產品(鐵路及卡車零部件)有一定需求，為逐步進軍海外市場，本公司將憑借其種類繁多的高質量產品品種、產品開發能力及成本競爭力，本集團現已就開拓其他海外市場的產品銷售作好充分



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into other overseas markets. The Group has implemented its overseas expansion plan gradually through a variety of efforts, including:

- exploring the new markets for its train and railway products;
- diversifying and developing the new casting and punching products to satisfy the customer requirements in various industries and countries;
- modifying its existing products to satisfy the specification requirements of different types and models of vehicles used overseas; and
- increasing the sales of its customized axle assemblies in the overseas OEM market, upon identifying potential OEM customers who may have a need for customized axle assemblies.

Cost control

The Group will make use of its production facilities located in the PRC which form a strategic production and distribution network for its products, so as to efficiently control the production cost and logistic cost. Besides, the Group will further consolidate the production lines and functional departments and dispose those unutilised facilities to lower its administrative and production cost. Furthermore, the Group will strategically cooperate with suppliers in order to lengthen the credit terms and reduce the purchase price.

Marketing network

In order to enhance its market penetration of the train and railway industry, MDT industry and HDT aftermarket, the Group will (i) expand its overseas and local market by selling components with higher margin with a view to increase subsequent demand for their corresponding products; (ii) expand its extensive sales, marketing and services network vertically and horizontally; and (iii) provide comprehensive models and products offerings, with its strong brand recognition.

Electronic commerce business

In view of the recent unsatisfactory financial results, the Group is of the view that it is appropriate to seek other suitable business opportunities and income streams to diversify the existing business of the Group to strive for growth potential and maximize the returns to the Shareholders. The acquisition of Century Network Holding Limited and its subsidiaries ("Century East Group") in year 2015 represented a valuable opportunity for the Group to bring in solid strategic corporate investors which have extensive experience, strong expertise and a wide business network in the telecommunication, information technology and e-commerce industry and to develop the online peer-to-peer business in the PRC.

準備。本集團已逐步透過多項努力實現海外拓展計劃，包括：

- 開拓列車及鐵路產品的新市場；
- 多樣化及開發新的洗鑄及沖焊產品以滿足各行業及各國家的客戶需求；
- 修改現有產品以符合海外市場使用的不同種類及型號汽車的規格要求；及
- 當物色到對定製車橋總成可能存在需求的潛在OEM客戶後，在海外OEM市場增加定製車橋總成銷售。

成本控制

本集團將利用位於中國的生產基地為其產品形成一個策略生產及分銷網絡，從而有效地控制生產成本及物流成本。此外，本集團將進一步整合生產線及功能部門及出售未動用之生產設施以降低其行政及生產成本。此外，本集團將策略性地與供應商合作，從而延長信貸期並降低採購價格。

市場網絡

為提高我們於列車及鐵路行業及中重型卡車維修市場的市場佔有率，本集團將(i)通過銷售較高利潤的零部件擴充海外及本地市場以增加其相應產品的後續需求；(ii)垂直及水平地擴大其廣泛的銷售、營銷及服務網絡；及(iii)其全面的產品型號及種類與強大的品牌知名度。

電子商貿業務

鑑於近期財務業績未如理想，本集團認為本公司應尋求其他合適業務機遇及收入來源，將本集團現有業務多元化，務求達致業務增長及為股東帶來最大回報。Century Network Holding Limited及其附屬公司(「Century East集團」)於二零一五年的收購事項為本集團帶來穩健策略性企業投資者的良機，有關投資者在電訊、資訊科技及電子商貿行業擁有豐富經驗、深厚的專業知識及龐大業務網絡，亦可藉此機會在中國開發對等網絡業務。



Management Discussion and Analysis

管理層討論及分析

Century East Group started its electronic commerce business in May 2013 through the establishment of a cross-border business-to-business electronic distribution platform, CCIGMALL.com., where Century East Group sources, imports and channels authentic goods from suppliers abroad, and then distributes and resells such goods to domestic retailers in the PRC. Since May 2013, Century East Group has conducted thorough market operation researches, liaised with overseas suppliers, secured co-operation and distribution channels, and developed the platform for the operation of CCIGMALL.com. The business model is to set up a direct path between pre-identified overseas suppliers, distributors and domestic retailers in the PRC. The CCIGMALL.com platform adopts the order driven model in that retailers place their orders at designated terminals through the CCIGMALL.com platform and the orders will then be pulled together by Century East Group and sent to distributors and suppliers online directly. The distributors, upon accepting the orders and completing customs clearance, will then deliver the goods to the retailers in the PRC. The key value and competitive strength of such business model is that it incurs less intermediaries cost, unlike the traditional trading business model. Besides, CCIGMALL.com platform targets to maintain a vast database and analysing system, which could collect and analyse data of users' consumption behaviour and generate data of stock and supplies of distributors to continually guide and optimize suppliers' product procurement and downstream retailers' network expansion. The platform would also provide data support for the pricing of wholesaling and retailing products.

Century East Group is managed by a team with extensive experience in telecommunications, information technology and e-commerce industry, including but not limited to, the areas of software and website development and engineering, sales and marketing, brand and operation management gathered through their previous positions at various prestigious corporations.

Century East集團於二零一三年五月透過成立跨境業務對業務的電子分銷平台CCIGMALL.com展開其電子商貿業務，Century East集團可向境外供應商採購、進口及引入正貨商品，並其後將有關商品分銷及轉售予中國國內零售商。自二零一三年五月起，Century East集團進行全面的市場營運研究、聯絡海外供應商、確保合作及分銷渠道及開發CCIGMALL.com營運平台。Century East集團的業務模式是在預先識別的海外供應商、分銷商及中國國內零售商之間設立直接渠道。CCIGMALL.com平台採用訂單推動模式，零售商可透過CCIGMALL.com平台在指定終端機下達訂單，其後將由Century East集團集合訂單並於網上直接傳送至分銷商及供應商。分銷商接獲訂單並辦妥清關手續後，其後將商品送往中國零售商。有關業務模式的主要價值及競爭優勢為其所產生的中介費較少，有別於傳統貿易業務模式。此外，CCIGMALL.com平台目標維持龐大的數據庫及分析系統，可收集及分析用家消費行為及提供分銷商存貨及供應數據，以持續指引及將供應商產品採購及下游零售商網絡擴展達至最高。平台亦提供有關批發及零售產品定價的數據支援。

Century East集團由經驗豐富的團隊管理，彼等曾任職多間享負盛名的企業，在電訊、資訊科技及電子商貿等行業(包括但不限於軟件及網頁開發及工程、銷售及營銷、品牌及營運管理)累積豐富經驗。

Directors and Senior Management

董事及高級管理層

The biographical details of Directors and senior management of the Company during the year under review, and as at the date of this report, are set out below:

EXECUTIVE DIRECTORS

Mr. Wong Kwai Mo, aged 51, was appointed as the Director on 21 May 2008 and was re-designated as the chairman and the executive Director on 28 June 2010. Mr. Wong is responsible for the overall management, business and strategic development, and major decision-making of our Group. Mr. Wong has over 18 years of management and operations experience in the automotive parts and axle industry. Mr. Wong graduated from East China University of Political Science and Law (華東政法大學) with a bachelor's degree in law in 1987 and worked for Longyan City Public Security Bureau (龍岩市公安局) and Longyan City Administration of Industry and Commerce (龍岩市工商行政管理局) respectively until 1991. He then relocated to Hong Kong in 1992. Mr. Wong served as the factory manager of Yongding Changfeng Machinery Manufacturing Factory ("Yongding Changfeng") from 1993 to 2004 during which he gained experience in management and administration. Mr. Wong joined our Group in 2001 when his spouse, Ms. Wu Ching, founded Fujian Changfeng. From 2008 onwards, he has been the director and the general manager of Fujian Changfeng. Mr. Wong has developed several patents relating to axle components. Mr. Wong has resigned as the chairman and the executive Director on 25 March 2015.

Ms. Wu Ching, aged 50, was appointed as the Director on 21 May 2008 and was re-designated as the executive Director on 28 June 2010. Together with Mr. Wong, Ms. Wu is responsible for overall management, business and strategic development, and major decision-making of our Group. Ms. Wu has over 18 years of management and operations experience in the automotive parts and axle industry. Ms. Wu graduated from Fujian Normal University (福建師範大學) with a bachelor's degree in arts in 1985 and worked for Education Bureau of Longyan (龍岩市教育局) from 1986 to 1989. Ms. Wu then relocated to Hong Kong in 1989. Ms. Wu worked for Yongding Changfeng from 1993 to 2001 during which she gained experience in management. Ms. Wu founded Fujian Changfeng in March 2001. Since 2001, she has been the chairperson of Fujian Changfeng. Ms. Wu is currently the deputy chairperson of Longyan City Machinery Industry Association (龍岩市機械行業協會) and Longyan City Association of Women Entrepreneurs (龍岩市女企業家協會) and a member of Yongding County CPPCC (永定縣政協). Ms. Wu received the National Machinery Industry Outstanding Entrepreneur (全國機械工業優秀企業家) award in 2009 jointly by the China Machinery Industry Federation (中國機械工業聯合會) and the China Machinery Enterprise Management Association (中國機械工業企業管理協會).

於回顧年度及於本報告日期，本公司董事及高級管理層的履歷詳情載列如下：

執行董事

王桂模先生，51歲，於二零零八年五月二十一日獲委任為董事，並於二零一零年六月二十八日調任為主席兼執行董事。王先生負責本集團的整體管理、業務及策略發展及作出主要決策。王先生在汽車零件及車橋行業的管理及營運方面擁有逾18年的經驗。王先生於一九八七年畢業於華東政法大學，獲法律學學士學位，並於一九九一年前分別任職於龍岩市公安局及龍岩市工商行政管理局。彼隨後於一九九二年移居香港。王先生於一九九三年至二零零四年擔任永定縣長豐機械製造廠（「永定長豐」）的廠長，彼於在任期間獲得有關管理及行政方面的經驗。王先生於二零零一年加入本集團，當時其配偶胡靜女士創立福建暢豐。自二零零八年以來，彼一直擔任福建暢豐的董事兼總經理。王先生已開發有關車橋零部件的若干項專利。王先生於二零一五年三月二十五日辭任主席及執行董事職務。

胡靜女士，50歲，於二零零八年五月二十一日獲委任為董事，並於二零一零年六月二十八日調任為執行董事。王先生與胡女士一起負責本集團的整體管理、業務及策略發展及作出主要決策。胡女士在汽車零件及車橋行業的管理及營運方面擁有逾18年的經驗。胡女士於一九八五年畢業於福建師範大學，獲文學學士學位，並於一九八六年至一九八九九年於龍岩市教育局工作。胡女士隨後於一九八九九年移居香港。由一九九三年至二零零一年，胡女士於永定長豐工作，彼於在任期間獲得有關管理方面的經驗。胡女士於二零零一年三月創立福建暢豐。自二零零一年以來，彼一直擔任福建暢豐的董事長。胡女士現時為龍岩市機械行業協會及龍岩市女企業家協會的副會長及永定縣政協委員。胡女士於二零零九年獲中國機械工業聯合會與中國機械工業企業管理協會共同頒發全國機械工業優秀企業家稱譽。



Directors and Senior Management

董事及高級管理層

Mr. Lai Fengcai, aged 38, was appointed as the chief executive officer and executive Director on 24 September 2010. Mr. Lai is responsible for overall management, business and strategic development, major decision-making, operations, sales and marketing, internal control of our Group. Mr. Lai has worked in our Group for nine years and he joined our Group as the head of the production department of Fujian Changfeng in 2001. He was promoted as the deputy general manager of Fujian Changfeng in 2003 and was respectively in charge of production, procurement, sales and marketing. From 2006 onwards, he has been the vice president of Fujian Changfeng in charge of the day-to-day operations of Fujian Changfeng. He has over 11 years of experience in operation and management in the automotive parts and axle industry. Mr. Lai has resigned as executive Director on 25 March 2015.

Mr. Cheng Jerome, aged 62, was appointed as the chairman and the executive Director on 25 March 2015. He joined Beijing Century Fortunet Technology Co., Ltd (北京世紀鑫網科技有限公司) ("OPCo") a 51% owned subsidiary of the Company since 25 March 2015, in December 2014 and currently serves as the chief information officer of OPCo. Mr. Cheng graduated from University Paris 7 with a DEA (D'Etudes approfondies) French degree in information technology in 1986. He has working experience of over 24 years in the IT industry, serving the AXA Group and Oracle Corporation, both of which are among the Top 500 worldwide fortune companies. From 1986 to 1994, Mr. Cheng served the AXA Group successively as network engineer and architect, head of network architecture team and head of information technology system performance. From 1998 to 2008, Mr. Cheng worked for BEA Systems, Inc., a company specialized in enterprise infrastructure software products which was acquired by Oracle Corporation in 2008, as principal consulting engineer in BEA France, as managing consulting engineer in BEA France, as pre-sales consulting manager in BEA APAC region and as senior manager of BEA Technology Centre in Beijing, China. In June 2008, Mr. Cheng joined Oracle Systems Hong Kong Limited as the senior manager of soft development and served as Principal Solution Architect of Oracle Fusion Middleware world wide architecture team from May 2010 to December 2014.

賴鳳彩先生，38歲，自二零一零年九月二十四日起獲委任為行政總裁兼執行董事。賴先生負責本集團的整體管理、業務及策略發展、作出主要決策、營運、銷售及營銷及內部監控。賴先生已在本集團工作九年並於二零零一年加入本集團擔任福建暢豐生產部主管。彼於二零零三年被擢升為福建暢豐副總經理，主管生產、採購、銷售及營銷。由二零零六年起，彼獲委任為福建暢豐副總裁，負責福建暢豐的日常營運。彼在汽車零件及車橋行業的營運及管理方面擁有逾11年的經驗。賴先生於二零一五年三月二十五日辭任執行董事職務。

Cheng Jerome 先生，62歲，於二零一五年三月二十五日獲委任為主席兼執行董事。彼於二零一四年十二月加入北京世紀鑫網科技有限公司(「OPCo」，自二零一五年三月二十五日起由本公司擁有51%權益之附屬公司)及現任OPCo 首席信息官。Cheng 先生於一九八六年畢業於巴黎第七大學，獲授信息技術碩士學位。彼於信息技術行業擁有逾24年工作經驗，曾任職安盛集團及甲骨文股份有限公司(均為財富世界500強公司)。於一九八六年至一九九四年，Cheng 先生任職安盛集團，先後擔任網絡工程師及架構師、網絡架構團隊主管及信息技術系統表現主管。於一九九八年至二零零八年，Cheng 先生任職BEA Systems, Inc. (該公司專門從事企業基建軟件產品，於二零零八年被甲骨文股份有限公司收購)，擔任BEA法國主要顧問工程師、BEA法國管理顧問工程師、BEA亞太地區售前顧問經理及中國北京BEA技術中心高級經理。於二零零八年六月，Cheng 先生加入甲骨文香港有限公司，擔任軟件開發高級經理，及於二零一零年五月至二零一四年十二月擔任Oracle Fusion Middleware 全球架構團隊的主要解決方案架構師。

Directors and Senior Management

董事及高級管理層

Mr. Yuan Weitao, aged 48, was appointed as the executive Director on 25 March 2015. He joined OPCo in September 2014 and currently serves as a director and executive vice president of OPCo, and a director of each of Century Investment (Holding) Limited (“CIH”), a substantial shareholder of the Company, and Century East, a non-wholly owned subsidiary of CIH. Mr. Yuan graduated from Tsinghua University with a bachelor’s degree in engineering in 1989 and a master’s degree in engineering in 1992. He has working experience of over 20 years in international trade, telecommunications and media industries. Mr. Yuan joined China National Electronics Import & Export Company (中國電子進出口總公司), administered by the Ministry of Mechanical Electronic Devices of the People’s Republic of China, after his graduation and worked in its overseas subsidiary as a marketing manager in 1994. Mr. Yuan joined CIH as vice president in 1999 and was responsible for project development and external cooperation of CIH. Mr. Yuan has been the general manager of Beijing United Online Technology Co. Ltd (北京聯合在線科技有限公司), a subsidiary of China Mobile Communications Corporation (中國移動通信集團公司) (“China Mobile”), in 2000; a vice-president and the representative of the China office of CMBSat which was a subsidiary of Echostar, one of the US leading satellite television operators, in 2006; and a vice general manager of CSMM, a subsidiary of China Telecommunications Corporation (中國電信集團公司), from 2010 to August 2014.

NON-EXECUTIVE DIRECTOR

Ms. Dong Ying, Dorothy, aged 44, was appointed as the Director on 6 August 2008 and was re-designated as the non-executive Director on 28 June 2010. Ms. Dong has over 18 years of experience in investments and corporate finance. Ms. Dong is a managing partner of C.V. Starr Investment Advisors (Asia) Limited and, prior to an internal restructuring, Starr International Company (Asia), Limited (together, “Starr Asia”). Prior to joining Starr Asia in 2007, she served as a vice president at AIG Global Investment Corp. (Shanghai) Ltd., a division of American International Group, Inc, focusing on private equity in the PRC, and as a director at Anglo Chinese Corporate Finance Limited and a director of its Shanghai advisory company. Ms. Dong received a bachelor’s degree in law from Shanghai University (Fudan Sub-school) in the PRC in July 1992, and a Master of Business Administration degree from McGill University, Canada in June 1997. She was admitted as a Chartered Financial Analyst in September 1999 and is a member of the Hong Kong Society of Financial Analysts and the CFA Institute. Ms. Dong is a representative from Starr Investments Cayman II, Inc. (“Starr Investments”) on our Board. Following our Listing, Ms. Dong will be subject to the normal retirement, re-election and removal processes applicable to all other Directors as stipulated in the Articles.

袁偉濤先生，48歲，於二零一五年三月二十五日獲委任為執行董事。彼於二零一四年九月加入OPCo及現任OPCo董事及執行副總裁，並為Century Investment (Holding) Limited(「CIH」)(本公司主要股東)及Century East(CIH的非全資附屬公司)的董事。袁先生畢業於清華大學，於一九八九年獲工程學學士學位及於一九九二年獲工程學碩士學位。彼於國際貿易、通信及媒體行業擁有逾20年工作經驗。畢業後，袁先生加入由中華人民共和國機械電子設備部主管的中國電子進出口總公司，並於一九九四年於其海外附屬公司擔任營銷經理。袁先生於一九九九年加入CIH，擔任副總裁並負責CIH項目開發及外部合作。袁先生於二零零零年擔任中國移動通信集團公司(「中國移動」)附屬公司北京聯合在線科技有限公司總經理；於二零零六年擔任美國領先衛星電視運營商Echostar附屬公司CMBSat中國辦事處副總裁及代表；以及於二零一零年至二零一四年八月擔任中國電信集團公司附屬公司CSMM副總經理。

非執行董事

董穎女士，44歲，於二零零八年八月六日獲委任為董事，並於二零一零年六月二十八日調任為非執行董事。董女士在投資及企業財務方面擁有逾18年的經驗。董女士為C.V. Starr Investment Advisors (Asia) Limited及(於內部改組前)Starr International Company (Asia), Limited(合稱「Starr Asia」)的執行合夥人。於二零零七年加盟Starr Asia前，彼為美國國際集團的業務支部AIG Global Investment Corp. (Shanghai) Ltd.的副總裁，專門負責中國私人股權投資，並曾任英高財務顧問有限公司董事及其上海諮詢公司董事。董女士於一九九二年七月在中國上海大學(復旦分校)取得法學士學位，及於一九九七年六月在加拿大McGill University取得工商管理碩士學位。彼於一九九九年九月成為一名特許財務分析師並為香港財務分析師學會及CFA Institute會員。董女士於我們的董事會乃代表Starr Investments Cayman II, Inc. (「Starr Investments」)。於本公司上市後，董女士須遵從細則所載適用於所有其他董事的一般退任、重選和罷免程序。



Directors and Senior Management

董事及高級管理層

Mr. Feng Xiaohui, aged 37, was appointed as the non-executive Director on 25 March 2015 and currently serves as the senior vice president of OPCo and Beijing Century Fortunet Network Technology Co., Ltd. (北京世紀新干線網絡技術有限公司), a 51% owned subsidiary of the Company. He has working experience of over 13 years in the communications and the IT industry. Mr. Feng graduated from Xi'an Institute of Statistics with a bachelor's degree in economics in 1999. From August 1999 to April 2014, Mr. Feng worked for Putian Eastcom Communication Co., Ltd (普天東方通信股份有限公司), Huawei Technologies Co., Ltd (華為技術有限公司) as a department head, and Peopleyun Co., Ltd (上海雲人信息科技有限公司) as vice president.

Mrs. Guo Yan, aged 42, was appointed as the non-executive Director on 25 March 2015. She has working experience of over 17 years in the IT industry. She has experience in the management of IT sales and operation of over 15 years. She has led numerous information/communications technology projects and has extensive experience particularly in the new mobile internet business model. Mrs. Guo graduated in testing technology and instruments (檢測技術與儀器) from Xi'dian University in 1994 and obtained a postgraduate diploma in astronomical instruments and methods (天文儀器與方法) from the Chinese Academy of Science in 1997. From 1997 to 2014, Mrs. Guo worked for Huawei Technologies Co., Ltd (華為技術有限公司) as a senior client manager of eastern China region, a director of mobile system division of China region, a director of the IT purchasing division of the China region. Mrs. Guo also participated in the market development of China Mobile in Shanghai as a team leader and acted as a project manager in the project of the IT centralized purchasing bid of China United Network Communications Corporations Limited (中國聯合通信有限公司) ("China Unicom").

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhu Weizhou, aged 49, was appointed as the independent non-executive Director on 24 September 2010. Mr. Zhu graduated from East China University of Political Science and Law (華東政法大學) with a bachelor's degree in law in 1987. Mr. Zhu has been the chairman of Xifu Investment Co., Ltd. (西富投資有限公司) from October 2007 onwards. Mr. Zhu was a director of Gemdale Co., Ltd. (金地集團股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600383), from November 2006 to April 2008. Mr. Zhu also served as an assistant to the chairman of Guangsha Holdings Venture Capital Co., Ltd. (廣廈控股創業投資有限公司), the controlling shareholder of Zhejiang Guangsha Co., Ltd. (浙江廣廈股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600052), from August 2002 to December 2008. Mr. Zhu resigned as the independent non-executive Director on 25 March 2015.

馮小暉先生，37歲，於二零一五年三月二十五日獲委任為非執行董事及現任OPCo及北京世紀新干線網絡技術有限公司(本公司擁有51%權益的附屬公司)的副總裁。彼於通信及IT行業擁有逾13年工作經驗。馮先生於一九九九年畢業於西安統計學院，獲經濟學學士學位。於一九九九年八月至二零一四年四月，馮先生曾供職於普天東方通信股份有限公司、華為技術有限公司任部門主管，以及上海雲人信息科技有限公司任副總裁。

郭燕女士，42歲，於二零一五年三月二十五日獲委任為非執行董事。彼於IT行業擁有逾17年工作經驗。彼於管理IT銷售及經營方面擁有逾15年經驗。彼曾主導若干信息/通信技術項目，尤其對新移動網絡業務模式擁有豐富經驗。郭女士於一九九四年畢業於西安電子科技大學檢測技術與儀器專業並於一九九七年自中國科學院獲得天文儀器與方法研究生文憑。自一九九七年至二零一四年，郭女士就職華為技術有限公司，歷任華中地區高級客戶經理、中國地區移動系統部主任、中國地區IT採購部主任。郭女士亦以小組領導的身份參與中國移動上海的市場開發及於中國聯合通信有限公司(「中國聯通」)IT集中採購投標項目擔任項目經理。

獨立非執行董事

朱偉洲先生，49歲，自二零一零年九月二十四日起獲委任為獨立非執行董事。朱先生於一九八七年畢業於華東政法大學，獲法律學士學位。朱先生由二零零七年十月起出任西富投資有限公司董事長。朱先生於二零零六年十一月至二零零八年四月期間出任金地集團股份有限公司(一家於上海證券交易所上市的公司，股份代號：600383)董事。朱先生亦於二零零二年八月至二零零八年十二月任浙江廣廈股份有限公司(一家於上海證券交易所上市的公司，股份代號：600052)的控股股東廣廈控股創業投資有限公司主席助理。朱先生於二零一五年三月二十五日辭任獨立非執行董事職務。

Directors and Senior Management

董事及高級管理層

Dr. Li Xiuqing, aged 49, was appointed as the independent non-executive Director on 24 September 2010. Dr. Li received a doctor's degree in legal history, a master's degree in law and a bachelor's degree in law from East China University of Political Science and Law (華東政法大學) in June 2004, June 1990 and July 1987, respectively. She is a professor of law and doctoral tutor at East China University of Political Science and Law (華東政法大學). Dr. Li is the chief editor of ECUPL Journal (華東政法大學學報). She was a visiting scholar at Oxford University from January 2003 to July 2003 and received the Shanghai Outstanding Young Jurist (上海市優秀中青年法學家) award in 2006. Dr. Li has published more than 30 articles in major law journals in the PRC. Dr. Li resigned as the independent non-executive Director on 25 March 2015.

Mr. Chong Ching Hei, aged 42, has been appointed as the independent non-executive Director on 24 September 2010. Mr. Chong graduated from Hong Kong Polytechnic University with a master's degree in professional accounting. Mr. Chong has over 17 years of experience in auditing and corporate financial services. Mr. Chong was admitted as an associate member of the Hong Kong Institute of Certified Public Accountants in October 1999. He is currently the financial controller of Tianjin Development Holdings Limited ("Tianjin Development") (Stock Code: 882), a company whose shares are listed on the Stock Exchange. Prior to that, Mr. Chong was the financial controller and company secretary of Jianhua Concrete Pile Holdings Limited until June 2013. He also served as the financial controller and company secretary of China Water Property Group Limited (Stock Code: 2349), a company whose shares are listed on the Stock Exchange, until March 2011. From April 2004 to March 2006, he was also the financial controller and company secretary of Coastal Rapid Transit Company Limited (濱海交通發展有限公司), the subsidiary of Tianjin Development. Mr. Chong previously worked for Deloitte Touche Tohmatsu in Hong Kong for over seven years. Mr. Chong resigned as independent non-executive Director on 25 March 2015.

李秀清博士，49歲，自二零一零年九月二十四日起獲委任為獨立非執行董事。李博士於二零零四年六月、一九九零年六月及一九八七年七月在華東政法大學分別取得法律史博士學位、法律碩士學位及法律學士學位。彼為華東政法大學法學教授及博士生導師。李博士為華東政法大學學報總編輯。自二零零三年一月至二零零三年七月，彼亦為牛津大學訪問學者，並於二零零六年獲頒發上海市優秀中青年法學家獎。李博士曾於中國的主要法律期刊上發表逾30篇論文。李先生於二零一五年三月二十五日辭任獨立非執行董事職務。

莊清喜先生，42歲，自二零一零年九月二十四日起獲委任為獨立非執行董事。莊先生畢業於香港理工大學並獲得專業會計碩士學位。莊先生在審計及企業財務服務方面擁有逾十七年經驗。莊先生於一九九九年十月成為香港會計師公會會員。彼現時為天津發展控股有限公司（「天津發展」）（一家於聯交所上市的公司，股份代號：882）之財務總監。在此之前，莊先生擔任建華管樁控股有限公司之財務總監兼公司秘書至二零一三年六月。彼亦曾擔任中國水務地產集團有限公司（一家於聯交所上市的公司，股份代號：2349）之財務總監兼公司秘書至二零一一年三月。於二零零四年四月至二零零六年三月期間，彼曾擔任天津發展之附屬公司濱海交通發展有限公司之財務總監兼公司秘書。莊先生曾在香港德勤•關黃陳方會計師行任職超過七年。莊先生於二零一五年三月二十五日辭任獨立非執行董事職務。



Directors and Senior Management

董事及高級管理層

Mr. Wong Chi Keung, aged 60, was appointed as the independent non-executive Director on 25 March 2015. Mr. Wong obtained a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and CPA Australia and an associate member of the Institute of Chartered Secretaries and Administrators and the Chartered Institute of Management Accountants. Mr. Wong is also a responsible officer for asset management, advising on securities and advising on corporate finance for Greater China Capital Limited under the SFO. Mr. Wong has over 35 years of experience in finance, accounting and management. Mr. Wong was an executive director, the deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited (now known as Yuexiu Property Company Limited), a company listed on the Main Board of the Stock Exchange (stock code: 123) for over ten years. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited (stock code: 214), Asia Standard International Group Limited (stock code: 129), Century City International Holdings Limited (stock code: 355), China Nickel Resources Holdings Company Limited (stock code: 2889), China Ting Group Holdings Limited (stock code: 3398), ENM Holdings Limited (stock code: 128), Golden Eagle Retail Group Limited (stock code: 3308), Paliburg Holdings Limited (stock code: 617), Regal Hotels International Holdings Limited (stock code: 78), TPV Technology Limited (stock code: 903), Yuan Heng Gas Holdings Limited (stock code: 332) and Zhuguang Holdings Group Company Limited (stock code: 1176), all of which are companies listed on the Stock Exchange. Mr. Wong was also an independent non-executive director of First Natural Foods Holdings Limited (now known as Imperial Pacific International Holdings Limited) (stock code: 1076) from 26 November 2007 to 21 November 2013 and PacMos Technologies Holdings Limited (stock code: 1010) from 9 August 1995 to 30 June 2014.

黃之強先生，60歲，於二零一五年三月二十五日獲委任為獨立非執行董事。黃先生自澳洲阿德雷德大學取得工商管理碩士學位。彼為香港會計師公會、英國特許公認會計師公會及澳洲會計師公會資深會員、英國特許秘書及行政人員學會及英國特許管理會計師公會會員。黃先生亦為香港證券及期貨條例下之註冊負責人員，為漢華資本有限公司提供資產管理，就證券提供意見及就機構融資提供意見。黃先生於財務、會計及管理方面積逾三十五年之經驗。黃先生曾擔任越秀投資有限公司(現稱越秀地產股份有限公司，於聯交所主板上市的公司，股份代號：123)執行董事、副總經理、集團財務總監及公司秘書超過十年。黃先生現亦擔任滙漢控股有限公司(股份代號：214)、泛海國際集團有限公司(股份代號：129)、世紀城市國際控股有限公司(股份代號：355)、中國鎳資源控股有限公司(股份代號：2889)、華鼎集團控股有限公司(股份代號：3398)、安寧控股有限公司(股份代號：128)、金鷹商貿集團有限公司(股份代號：3308)、百利保控股有限公司(股份代號：617)、富豪酒店國際控股有限公司(股份代號：78)、冠捷科技有限公司(股份代號：903)、元亨燃氣控股有限公司(股份代號：332)及珠光控股集團有限公司(股份代號：1176)的獨立非執行董事及審核委員會成員，該等公司均為聯交所上市公司。黃先生亦由二零零七年十一月二十六日至二零一三年十一月二十一日及一九九五年八月九日至二零一四年六月三十日分別為第一天然食品有限公司(現稱博華太平洋國際控股有限公司，股份代號：1076)及弘茂科技控股有限公司(股份代號：1010)的獨立非執行董事。

Directors and Senior Management

董事及高級管理層

Mr. Liu Erhfei, aged 56, was appointed as the independent non-executive Director on 25 March 2015. Mr. Liu Erhfei is a co-founder of Cindat Capital Management Limited (“Cindat”), a global real estate investment platform with China Cinda Asset Management Company Limited as an anchor shareholder. Prior to founding Cindat in 2013, he was an investment banker/investor since 1984. From 1999 to 2012, he was the chairman of Merrill Lynch China initially and country executive of Bank of America Merrill Lynch after 2009. From 1999 to 2002, he was also head of technology in Asia. From 2002 to 2008, he was also co-chairman of investment banking in Asia. In addition to his various investment banking responsibilities, he was in charge of the firm’s private equity business in China from 2006 to 2010. He was elected the Banker of the Year in Asia in 2006 by “Banker” magazine. From 1997 to 1999, he was head of Asia for Credit Agricole Indosuez. From 1994 to 1997, he was head of Asia for Smith Barney Inc.. From 1992 to 1994, he worked at Goldman Sachs Group, Inc. initially as an associate and later as head of investment banking for China. From 1990 to 1992, he worked at Morgan Stanley Group Inc. as head of coverage for Thailand. In 1984, he started his investment banking career at Rothschild Inc. in New York. Mr. Liu graduated from Harvard Business School in 1987 with a master’s degree in business administration, from Brandeis University in 1984 with a bachelor of arts degree in economics and international relations and from Beijing Foreign Languages University in 1981. Mr. Liu is currently on the boards of Huabao Finance Investment Company Limited, the financial service platform of BaoSteel Group Corporation; Wing Lung Bank Limited, a wholly owned subsidiary of the China Merchants Bank Group; and Aspire Holdings Company Limited, a majority owned subsidiary of China Mobile (Hong Kong) Limited.

劉二飛先生，56歲，於二零一五年三月二十五日獲委任為獨立非執行董事。劉二飛先生為全球地產投資平台信達資本管理有限公司(Cindat Capital Management Limited) (「信達」) (中國信達資產管理股份有限公司為固定股東)的聯合創辦人。於二零一三年創辦信達前，彼自一九八四年起為投資銀行家／投資人。一九九九年至二零一二年，彼最初擔任美林中國區主席及於二零零九年後擔任美銀美林區域行政總裁。一九九九年至二零零二年，彼亦為亞洲技術主管。二零零二年至二零零八年，彼亦為亞洲投資銀行部聯席主席。二零零六年至二零一零年，除其於投資銀行部多項職責外，彼亦負責該公司於中國的私募股權業務。彼於二零零六年獲「銀行家」雜誌選為年度亞洲銀行家。一九九七年至一九九九年，彼為東方匯理銀行亞洲主管。一九九四年至一九九七年，彼為Smith Barney Inc. 亞洲主管。一九九二年至一九九四年，彼任職於Goldman Sachs Group, Inc.，最初為資深分析師，其後為投資銀行部中國區主管。一九九零年至一九九二年，彼於Morgan Stanley Group Inc. 任職泰國區客戶業務主管。彼於一九八四年在紐約Rothschild Inc. 開始其投資銀行生涯。劉先生於一九八七年畢業於哈佛商學院，獲工商管理碩士學位，於一九八四年獲Brandeis University 經濟學文學學士學位以及於一九八一年獲北京外國語大學國際關係學文學學士學位。劉先生現為Huabao Finance Investment Company Limited (寶鋼集團有限公司的金融服務平台)、永隆銀行有限公司 (招商銀行集團的全資附屬公司) 及卓望控股有限公司 (中國移動香港有限公司擁有大多數權益的附屬公司) 的董事。



Directors and Senior Management

董事及高級管理層

Mr. Chan Chi Keung Alan, aged 51, was appointed as the independent non-executive Director on 25 March 2015. Mr. Chan is a qualified solicitor admitted in England and Wales in October 1991 and in Hong Kong in February 1992. Mr. Chan practiced corporate and commercial law for more than two decades. He is an independent non-executive director and a member of each of the audit committee, the remuneration committee and the nomination committee of Focus Media Network Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8112). He is also an independent non-executive director, chairman of the remuneration committee and a member of each of the audit committee and nomination committee of L&A International Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8195). Previously, Mr. Chan held a number of regional general counsel roles with international corporations, including legal vice president for NagaCorp Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3918), head of legal services of The Hong Kong Jockey Club and the Greater China Legal Counsel for Sun Microsystems. Mr. Chan obtained a bachelor of science degree in civil engineering from the Aston University of Birmingham, England and a bachelor of laws degree in China Law from the China University of Political Science and Law in Beijing, China. Mr. Chan is a registered civil celebrant in Hong Kong; a council member of the China Overseas Friendship Association, Beijing, China (中華海外聯誼會理事); a committee member by Special Appointment of the Eighth Zhuhai Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議珠海市第八屆委員會特聘委員) and a director of the Hong Kong Chiu Chow Chamber of Commerce Limited.

SENIOR MANAGEMENT

Mr. Yang Jinwen, aged 41, is the vice president. Mr. Yang is responsible for daily operations, production, distribution and product development for our Group. Mr. Yang has worked in our Group for 12 years. He has over ten years of experience in operation and management in the automotive parts and axle industry. Mr. Yang graduated from China Agricultural University (中國農業大學) with a bachelor's degree in heat engines (熱力發動機) in 1996. He was qualified as an intermediate mechanical engineer in December 2003 by the Personnel Bureau of the city of Longyan (龍岩市人事局). He was responsible for technology management at Longyan Pump and Nozzle Plant of Longma Group of Fujian (福建龍馬集團龍岩油嘴油泵廠) from August 1996 to February 2002.

陳志強先生，51歲，於二零一五年三月二十五日獲委任為獨立非執行董事。陳先生於一九九一年十月取得英國及威爾斯的事務律師資格及於一九九二年二月取得香港的事務律師資格。陳先生已從事公司法及商業法的執業超過二十年。彼為Focus Media Network Limited (於聯交所創業板上市的公司，股份代號：8112)的獨立非執行董事以及審核委員會、薪酬委員會及提名委員會成員。彼亦為樂亞國際控股有限公司 (於聯交所創業板上市的公司，股份代號：8195)獨立非執行董事、薪酬委員會主席以及審核委員會及提名委員會成員。陳先生曾於大型國際企業擔任多個區域總顧問職位，包括金界控股有限公司 (於聯交所主板上市的公司，股份代號：3918)的法律副總裁、香港賽馬會的法律事務主管以及Sun Microsystems大中華法律顧問。陳先生取得英國伯明翰阿斯顿大學(Aston University)頒授的土木工程理學士學位以及中國北京中國政法大學頒授的中國法律法學專業學位。陳先生為香港註冊婚姻監禮人、中華海外聯誼會理事、中國人民政治協商會議珠海市第八屆委員會特聘委員及香港潮州商會有限公司董事。

高級管理層

楊金文先生，41歲，為副總裁。楊先生負責本集團的日常業務、生產、分銷及產品開發。楊先生已在本集團工作12年。彼在汽車零件及車橋行業的營運及管理方面擁有逾10年的經驗。楊先生於一九九六年畢業於中國農業大學，獲熱力發動機學士學位。彼於二零零三年十二月獲龍岩市人事局認為中級工程師。於一九九六年八月至二零零二年二月期間，彼負責福建龍馬集團龍岩油嘴油泵廠的技術管理。

Directors and Senior Management 董事及高級管理層

Mr. Chan Yuk Man, Calvin, aged 44, is the financial controller, company secretary and one of our authorized representatives. Mr. Chan holds a bachelor of arts honours degree in history from the Chinese University of Hong Kong, a master's degree in finance from the Chinese University of Hong Kong and a master's degree in corporate governance from the Open University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, and a member of the Institute of Internal Auditors. Mr. Chan has served various accounting and financial management roles in Hong Kong and China for more than 19 years. He has extensive knowledge and experience in accounting, auditing, taxation, financial management and control, and company secretarial practice relating to Hong Kong and China business.

陳玉文先生，44歲，為財務總監、公司秘書兼授權代表之一。獲香港中文大學頒授歷史系榮譽文學士、香港中文大學頒授金融學碩士學位及香港公開大學頒授企業管治碩士學位。彼為香港會計師公會及英國特許公認會計師公會之資深會員，並為國際內部審計師協會成員。陳玉文先生曾於香港及中國出任不同會計及金融管理職位超過19年。彼於有關香港及中國業務的會計、審核、稅務、金融管理及控制以及公司秘書實務方面具備豐富知識及經驗。



Directors' Report

董事會報告

The Board is pleased to present the annual report and the audited financial statements of the Group for the year ended 31 December 2014.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 May 2008 under The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with ("Companies Law") with limited liability.

In preparing for the listing of the Company's shares on the Main Board of the Stock Exchange, the Group underwent a reorganization. As a result, the Company became the holding company of each of the companies currently comprising the Group. Details of the reorganization are set out in the prospectus of the Company dated 13 September 2010. The shares of the Company were listed on the Main Board of the Stock Exchange on 24 September 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 34 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year under review.

RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31 December 2014 are set out in the financial statements on page 58.

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2014.

FINANCIAL STATEMENTS

The summary of the results, assets and liabilities of the Group for the year ended 31 December 2014 is set out on page 59.

RESERVES

Movements in the reserves of the Group during the year ended 31 December 2014 are set out on page 60.

DISTRIBUTABLE RESERVES

As at 31 December 2014, there were no distributable reserves held by the Company.

SHARE CAPITAL

Changes in share capital of the Company for the year ended 31 December 2014 are set out in note 26 to the financial statements.

董事會欣然提呈本集團截至二零一四年十二月三十一日止年度的年報及經審核財務報表。

一般資料

本公司於二零零八年五月二十一日在開曼群島根據開曼群島法例第22章公司法(一九六一年第三號法例，經綜合及修訂)(「公司法」)註冊成立為有限公司。

本集團為籌備本公司股份在聯交所主板上市已進行重組。本公司從而成為現組成本集團各公司的控股公司。重組詳情載於本公司日期為二零一零年九月十三日的招股章程。本公司股份於二零一零年九月二十四日起在聯交所主板上市。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務詳情載於財務報表附註34。本集團之主要業務性質於回顧年度內並無任何重大變動。

業績及分派

本集團截至二零一四年十二月三十一日止年度的業績載於第58頁的財務報表內。

董事會並不建議就截至二零一四年十二月三十一日止年度派付任何末期股息。

財務報表

本集團於截至二零一四年十二月三十一日止年度的業績、資產及負債概要載於第59頁。

儲備

本集團於截至二零一四年十二月三十一日止年度內之儲備變動載於第60頁。

可供分派儲備

於二零一四年十二月三十一日，本公司沒有可供分派儲備。

股本

本公司股本截至二零一四年十二月三十一日止年度之變化載於財務報表附註26。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company (the "Articles") or the laws of Cayman Islands, which would oblige the Company to offer new shares to existing shareholders on a pro-rata basis.

SHARE OPTION SCHEME

Pursuant to the resolutions in writing passed by all shareholders of the Company on 28 June 2010, the Company approved and adopted a share option scheme for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group (the "Share Option Scheme"). During the year ended 31 December 2014, no share option had been granted under the Share Option Scheme.

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme was 80,000,000 Shares, which represented 10% of the Shares in issue.

The Share Option Scheme became effective on 24 September 2010 and the options issued pursuant to the Share Option Scheme will expire no later than 10 years from the date of grant of the option. Under the Share Option Scheme, the Board may grant options to any employees, directors, advisors, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries to subscribe shares of the Company.

For any options granted to Directors, chief executives or substantial shareholders of the Company, options to be granted shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of options).

The number of shares issued and to be issued in respect of options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the total shares of the Company in issue at any point in time, without prior approval from the shareholders.

The amount payable on acceptance of an option is HK\$1.00, which will be payable on or before a prescribed acceptance date. In relation to any options granted under the Share Option Scheme, the exercise price is determined by the Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

The Share Option Scheme does not contain any minimum period(s) for which an option must be held before it can be exercised. However, at the time of granting of the options, the Board may specify any such minimum period(s).

優先購買權

根據本公司之組織章程細則(「細則」)或開曼群島法例，並無載列有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

購股權計劃

根據本公司全體股東於二零一零年六月二十八日通過的書面決議案，本公司批准及採納一項購股權計劃以允許本集團向所選的參與者授出購股權作為其對本集團作出貢獻的鼓勵或獎賞(「購股權計劃」)。截至二零一四年十二月三十一日止年度，並無根據購股權計劃授出任何購股權。

於本年報日期，根據購股權計劃可發行的股份總數為80,000,000股，佔當日已發行股份的10%。

購股權計劃於二零一零年九月二十四日生效，根據購股權計劃授出的購股權將於授出日期起計不超過十年後屆滿。根據購股權計劃，董事會可授出購股權予董事會全權認為將會或已經對本公司或其任何附屬公司作出貢獻的任何僱員、董事、顧問、諮詢人、供應商、客戶、代理及有關其他人士以認購本公司股份。

任何授予本公司之董事、高級行政人員或主要股東的購股權，均須經本公司獨立非執行董事(不包括身為購股權建議承授人的任何獨立非執行董事)批准。

未經股東事先批准，於任何一年內，因行使已授予或可授予任何人士的購股權而已發行及可予發行之股份數目，不得超過於授出當時本公司已發行股份數目的1%。

接納每份購股權時的應付款項為1.00港元，該款項將於規定的接納日期或之前支付。就任何根據該計劃授出的購股權而言，行使價由董事釐定，不得低於下列三者中之最高者：(i)授出當日本公司股份的收市價；(ii)於緊接授出日期前五個營業日股份的平均收市價；及(iii)本公司股份的面值。

購股權計劃並無載列購股權可獲行使前須持有的任何最短期限。然而，於授出購股權時，董事會可具體規定任何有關最短期限。



Directors' Report

董事會報告

Unless otherwise terminated by the Board or the shareholders in a general meeting in accordance with the terms of the Share Option Scheme, the Scheme shall be valid and effective for a period of 10 years from the date on which it became unconditional which was 24 September 2010, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

SHARE AWARD SCHEME

A share award scheme (the "Share Award Scheme") was adopted on 10 February 2012 to recognize and motivate the contributions made to the Group by its employees and to give incentives in order to retain them for the continuous operation and development of the Group. As at 31 December 2014, no share had been awarded under the Share Award Scheme. Details of the rules of the Share Award Scheme are set out in the announcements of the Company dated 10 February 2012 and 9 October 2013.

The Share Award Scheme shall be valid and effective for a term of 5 years commencing on the date of adoption on 10 February 2012. Pursuant to the Share Award Scheme, shares will be acquired by the independent trustee at the cost of the Company and be held in trust for selected employees until the end of each vesting period. Vested shares will be transferred to the selected employees at nil consideration. At no point in time shall the Trustee be holding more than 10% of the issued capital of the Company under the Share Award Scheme. Despite that the Board may provide directions to grant the voting right to the Trustee, the Board exerts no influence over the voting decision of the Trustee and the Trustee is entitled to vote in its sole absolute discretion, if such voting right is so granted. As at 31 December 2014, no voting right has been granted by the Board to the Trustee and no voting right in respect of the Shares held by it under the Scheme has been exercised in any general meeting of the Company after the adoption of the Share Award Scheme.

MAJOR SUPPLIERS AND CUSTOMERS

During the year under review, the aggregate sales attributable to the Group's five largest customers comprised approximately 56.8% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 25.0% of the Group's total sales. The aggregate purchases during the year under review attributable to the Group's five largest suppliers were approximately 27.1% of the Group's cost of sales and the purchases attributable to the Group's largest supplier were approximately 7.2% of the Group's cost of sales.

So far as is known to the Directors, none of the Directors, their associates or substantial shareholders (which own more than 5% of the Company's issued share capital) has any interest in the share capital of any of the five largest customers and suppliers of the Group.

除非經董事會或股東在股東大會上遵照購股權計劃的條款另行終止，否則該計劃的有效期為十年，由成為無條件的二零一零年九月二十四日起計算，該期間結束後不會再授出或提呈購股權，惟若為使十年期屆滿前授出的任何仍然有效的購股權得以行使，或根據購股權計劃的條文可能另有規定，購股權計劃的條文將繼續具有十足效力。

股份獎勵計劃

本公司於二零一二年二月十日採納股份獎勵計劃（「股份獎勵計劃」），以表彰及鼓勵其僱員向本集團作出的貢獻並給予獎勵，為本集團持續經營及發展挽留該等僱員。於二零一四年十二月三十一日，概無根據股份獎勵計劃獎勵任何股份。股份獎勵計劃規則詳情載於本公司日期為二零一二年二月十日及二零一三年十月九日的公佈。

股份獎勵計劃自採納日期二零一二年二月十日起計5年之年期有效。根據股份獎勵計劃，獨立受託人將收購股份（相關費用由本公司承擔）並受託代獲選僱員持有股份，直至各歸屬期末。已歸屬股份將轉讓予獲選僱員且不收取任何費用。受託人根據股份獎勵計劃不得持有本公司超過10%之已發行股本。儘管董事會可能指示向受託人授出投票權，董事會不會左右受託人的投票決定，如獲授有關投票權，受託人有權全權酌情進行投票。於二零一四年十二月三十一日，董事會並無向受託人授出投票權，亦無根據股份獎勵計劃持有的股份投票權於採納該計劃後的本公司任何股東大會上獲行使。

主要供應商及客戶

於回顧年度內，本集團五大客戶應佔銷售總額佔本集團銷售總額約56.8%，而本集團最大客戶應佔銷售額則佔本集團總銷售額約25.0%。於回顧年度內，本集團五大供應商應佔採購總額佔本集團銷售成本約27.1%，而本集團最大供應商應佔採購額則佔本集團銷售成本約7.2%。

據董事所知，概無任何董事、彼等之聯繫人士或該等主要股東（擁有超過本公司已發行股本5%之人士）於本集團的五大客戶及五大供應商中擁有任何股本權益。

BANK BORROWINGS

Particulars of bank borrowings of the Group as at 31 December 2014 are set out in note 25 to the consolidated financial statements.

DONATIONS

The Group did not make any charitable and other donations during the year under review (2013: Nil).

PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2014, the Group held property, plant and equipment of approximately RMB302.1 million. Details of the movements are set out in note 16 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company did not redeem any of its listed shares during the year ended 31 December 2014. Neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the listed shares of the Company during the year ended 31 December 2014.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the Shareholders of the Company by reason of their holding of Company's securities.

DIRECTORS

During the year under review and as at the date of this report, the Board comprises the following directors:

Executive Directors

Mr. Wong Kwai Mo (*Chairman*)
(*resigned on 25 March 2015*)
Ms. Wu Ching
Mr. Lai Fengcai (*Chief executive officer*)
(*resigned on 25 March 2015*)
Mr. Cheng Jerome (*Chairman*)
(*appointed on 25 March 2015*)
Mr. Yuan Weitao (*appointed on 25 March 2015*)

Non-Executive Director

Ms. Dong Ying, Dorothy
Mr. Feng Xiaohui (*appointed on 25 March 2015*)
Mrs. Guo Yan (*appointed on 25 March 2015*)

銀行借款

本集團於二零一四年十二月三十一日之銀行借款詳情載於綜合財務報表附註25。

捐贈

本集團於回顧年度內並無作出任何慈善及其他捐贈(二零一三年：零)

物業、廠房及設備

截至二零一四年十二月三十一日止年度內，本集團擁有物業、廠房及設備約人民幣302.1百萬元。變動之詳情載於綜合財務報表附註16。

購買、出售或贖回本公司股份

本公司於截至二零一四年十二月三十一日止年度並無贖回其任何上市股份。本公司或其任何附屬公司概無於截至二零一四年十二月三十一日止年度內購買、出售及贖回本公司任何上市股份。

稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東的稅務寬減或減免。

董事

於回顧年度及於本報告日期，董事會包括下列董事：

執行董事

王桂模先生(*主席*)
(*於二零一五年三月二十五日辭任*)
胡靜女士
賴鳳彩先生(*行政總裁*)
(*於二零一五年三月二十五日辭任*)
Cheng Jerome 先生(*主席*)
(*於二零一五年三月二十五日獲委任*)
袁偉濤先生(*於二零一五年三月二十五日獲委任*)

非執行董事

董穎女士
馮小暉先生(*於二零一五年三月二十五日獲委任*)
郭燕女士(*於二零一五年三月二十五日獲委任*)



Directors' Report

董事會報告

Independent Non-Executive Directors

Mr. Zhu Weizhou (resigned on 25 March 2015)
Dr. Li Xiuqing (resigned on 25 March 2015)
Mr. Chong Ching Hei (resigned on 25 March 2015)
Mr. Wong Chi Keung (appointed on 25 March 2015)
Mr. Liu Erhfei (appointed on 25 March 2015)
Mr. Chan Chi Keung, Alan (appointed on 25 March 2015)

In accordance with article 84 of the Articles, each of Ms. Wu Ching, Ms. Dong Ying, Dorothy, Mr. Feng Xiaohui, Mr. Wong Chi Keung, Mr. Liu Erhfei and Mr. Chan Chi Keung, Alan will retire from the office of Director by rotation and, being eligible, will offer himself/herself for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

During the year under review, each of the executive Directors and the non-executive Director has entered into a service agreement with the Company for an initial term of three years commencing from 24 September 2013, whereas each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from 24 September 2013.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and considers all the independent non-executive Directors to be independent.

DIRECTORS' REMUNERATION

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. Details of Directors' remuneration are set out in note 13 to the financial statements.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 17 to 25 of the annual report.

獨立非執行董事

朱偉洲先生(於二零一五年三月二十五日辭任)
李秀清博士(於二零一五年三月二十五日辭任)
莊清喜先生(於二零一五年三月二十五日辭任)
黃之強先生(於二零一五年三月二十五日獲委任)
劉二飛先生(於二零一五年三月二十五日獲委任)
陳志強先生(於二零一五年三月二十五日獲委任)

按照細則第84條，胡靜女士、董穎女士、馮小暉先生、黃之強先生、劉二飛先生及陳志強先生各自將在即將召開的股東週年大會上依章輪值退任董事，合資格並將參加重新選舉。

董事服務合約

於回顧年度，各執行董事及非執行董事已與本公司訂立服務協議，初步為期三年，而任期由二零一三年九月二十四日開始，而各獨立非執行董事已與本公司訂立委任函件，而任期由二零一三年九月二十四日開始，初步為期三年。

擬於即將召開的股東週年大會上膺選連任的董事概無與本集團任何成員公司訂立任何本集團可於一年內毋須賠償(法定賠償除外)而予以終止的合約。

獨立性確認書

本公司已接獲各獨立非執行董事根據聯交所證券上市規則(「上市規則」)第3.13條發出的年度獨立性確認書，並認為所有獨立非執行董事均為獨立人士。

董事薪酬

薪酬委員會考慮並向董事會建議本公司支付董事的薪酬及其他福利。薪酬委員會定期審核所有董事的薪酬，以確保董事的薪酬及補償水平適當。董事薪酬之詳情載列於財務報表附註13。

董事及高級管理層履歷

本公司董事及本集團高級管理層的履歷詳情載於本年報第17頁至第25頁。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the heading "Connected Transactions", there was no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party to and in which a Director had a material interest in, whether directly or indirectly, and subsisted at the end of the financial year under review or at any time during the financial year under review save as disclosed under the section headed "Related Party Disclosures" below and note 33 to the financial statements.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

None of the Directors held any interests in any competing business against the Company or any of its jointly controlled entities and subsidiaries for the year ended 31 December 2014.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSIDIARIES

Details of the major subsidiaries of the Company as of 31 December 2014 are set out in note 34 to the financial statements.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2014, the interests or short positions of each Director and chief executive in the shares, underlying shares or debentures of the Company or its any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are being taken or deemed to have taken under such provision of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the "Model Code") as set out in Appendix 10

董事於重大合約之權益

除「關連交易」一段所披露者外，本公司或其任何附屬公司概無訂立與本集團業務有關，且本公司董事在其中直接或間接擁有重大利益且於回顧財政年度結束時或於回顧財政年度內任何時間仍然有效的任何重大合約，惟下文「關連方披露」一節及財務報表附註33所披露者除外。

董事於競爭業務之權益

截至二零一四年十二月三十一日止年度，概無董事於同本公司或其任何共同控制實體及附屬公司存在競爭的業務中擁有任何權益。

董事購買股份或債券之權利

於回顧年度內任何時間，概無向任何董事或彼等各自配偶或未成年子女授予透過購買本公司股份或債券的方式獲得權益的權利，彼等亦無行使任何該等權利；本公司、其控股公司或其任何附屬公司或同系附屬公司亦無參與任何安排，致使董事可購入任何其他法人團體的該等權利。

附屬公司

本公司主要附屬公司於二零一四年十二月三十一日的詳情載於財務報表附註34。

本公司董事及最高行政人員於股份、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，董事及最高行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉；或根據上市規則附錄10所載本公司董事進行證券交易的標準



Directors' Report

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of the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

守則(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

(i) Interest in our Company

(i) 於本公司的權益

Name of Director 董事名稱	Nature of Interest 權益性質	Number of Securities 證券數目	Approximate percentage of shareholding 概約股權百分比
Wu Ching (Note) 胡靜(附註)	Interest of a controlled corporation 受控法團權益	406,128,560	50.77%
Wong Kwai Mo (Note) 王桂模(附註)	Interest of a controlled corporation 受控法團權益	406,128,560	50.77%

Note: Each of Wu Ching and Wong Kwai Mo holds 50% of the issued share capital of Changfeng Axle Holdings Ltd. ("Changfeng BVI").

附註：胡靜及王桂模各自持有50% Changfeng Axle Holdings Ltd. (「暢豐BVI」)已發行股本。

(ii) Interest in associated corporations

(ii) 於相聯法團的權益

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Number of shares 股份數目	Percentage Shareholding 股權百分比
Wu Ching 胡靜	Changfeng BVI 暢豐BVI	25,000	50%
Wong Kwai Mo 王桂模	Changfeng BVI 暢豐BVI	25,000	50%

Save as disclosed above, as at 31 December 2014, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文披露者外，於二零一四年十二月三十一日，概無本公司董事或最高行政人員或彼等各自的聯繫人士於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益及淡倉。

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SUBSTANTIAL SHAREHOLDERS

As at 31 December 2014, so far as was known to the Directors and chief executives of the Company, the following persons had interests and short positions of 5% or more in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

Long and short positions in the Shares and underlying Shares of our Company

主要股東

於二零一四年十二月三十一日，據本公司董事及最高行政人員所知，於股份中擁有根據證券及期貨條例第336條須存置之登記冊內記錄之5%或以上權益及淡倉的人士如下：

本公司股份及相關股份的好倉及淡倉

Name of Shareholders	Nature of interest	Interests in Shares (long position (L)/ short position (S)) 股份權益 (好倉 (L)/淡倉 (S))	Approximate percentage of shareholding 概約股權 百分比	Notes
股東名稱	權益性質			附註
Changfeng BVI 暢豐 BVI	Beneficial owner 實益擁有人	406,128,560(L)	50.77%	1
Wu Ching 胡靜	Interest of a controlled corporation 受控法團權益	406,128,560(L)	50.77%	1
Wong Kwai Mo 王桂模	Interest of a controlled corporation 受控法團權益	406,128,560(L)	50.77%	1
Starr International Foundation	Interest of a controlled corporation 受控法團權益	224,710,691(L)	14.66%	2
Starr International AG	Interest of a controlled corporation 受控法團權益	224,710,691(L)	14.66%	2
Starr International Company Inc.	Interest of a controlled corporation 受控法團權益	224,710,691(L)	14.66%	2
Starr International Investments Ltd	Interest of a controlled corporation 受控法團權益	224,710,691(L)	14.66%	2
Starr Insurance and Reinsurance Ltd	Interest of a controlled corporation 受控法團權益	114,801,600(L)	14.35%	2
Starr International Cayman, Inc.	Interest of a controlled corporation 受控法團權益	114,801,600(L)	14.35%	2
Starr Investments	Beneficial owner 實益擁有人	114,801,600(L)	14.35%	2



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Name of Shareholders 股東名稱	Nature of interest 權益性質	Interests in Shares (long position (L)/ short position (S)) 股份權益 (好倉 (L)/淡倉 (S))	Approximate percentage of shareholding 概約股權百分比	Notes 附註
Starr Investments Cayman V, Inc.	Beneficial owner 實益擁有人	109,909,091(L)	7.17%	2
Century East Network Limited	Interests of a party to an agreement to acquire interests in the Company 收購本公司權益的協議中訂約方的權益	732,727,272(L) 732,727,272(S)	91.59% 91.59%	3
Century Investment (Holding) Limited	Interest of a controlled corporation 受控法團權益	732,727,272(L) 732,727,272(S)	91.59% 91.59%	3
Pun Tang	Interest of a controlled corporation 受控法團權益	732,727,272(L) 732,727,272(S)	91.59% 91.59%	3
Jindi Wu	Interest of a controlled corporation 受控法團權益	84,263,636(L)	5.50%	4
Jinyu Developments Limited ("Jinyu Developments") 錦御發展有限公司(「錦御發展」)	Beneficial owner 實益擁有人	84,263,636(L)	5.50%	4

Notes:

1. Changfeng BVI is owned as to 50% by Wu Ching and as to 50% by Wong Kwai Mo. Both Wu Ching and Wong Kwai Mo are deemed to be interested in the Shares held by Changfeng BVI for the purpose of the SFO.
2. Starr Investments is wholly-owned by Starr International Cayman, Inc., which is in turn wholly-owned by Starr Insurance and Reinsurance Ltd.. Starr Insurance and Reinsurance Ltd. and Starr Investments Cayman V, Inc. are wholly-owned subsidiaries of Starr International Investments Ltd., which is in turn wholly-owned by Starr International. Starr International is wholly-owned by Starr International AG, which is wholly-owned by Starr International Foundation, a charitable foundation established in Switzerland.

Each of Starr International Foundation, Starr International AG, Starr International, Starr International Investments Ltd., Starr Insurance and Reinsurance Ltd. and Starr International Cayman, Inc. is deemed to be interested in the Shares held by Starr Investments for the purpose of the SFO.

Each of Starr International Foundation, Starr International AG, Starr International and Starr International Investments Ltd. is deemed to be interested in the Shares held by Starr Investments Cayman V, Inc. for the purpose of the SFO.

The approximate percentage of shareholding in which each of Starr International Foundation, Starr International AG, Starr International, Starr International Investments Ltd. is interested is calculated with reference to the percentage of shareholding of both Starr Investments and Starr Investments Cayman V, Inc. upon the Subscription Completion and the Acquisition Completion.
3. Century East, being a party to the Subscription Agreement and the Acquisition Agreement under which an aggregate of 732,727,272 Shares will be allotted and issued to its shareholders, is therefore deemed to be interested in the 732,727,272 Shares, for the purpose of SFO. In addition, as at the Latest Practicable Date, Century East is owned by CIH as to 69% and CIH, together with Ms. Pun Tang as its sole shareholder, is therefore deemed to be interested in the interests of Century East, for the purpose of SFO. Upon the Subscription Completion and the Acquisition Completion, CIH will be interested in 505,581,818 Shares, representing approximately 32.99% of the entire issued share capital of the Company.
4. Upon the Subscription Completion and the Acquisition Completion, Jinyu Developments and Ms. Jindi Wu will be interested in 84,263,636 Shares, representing approximately 5.50% of the entire issued share capital of the Company.
5. Save as Wu Ching and Wong Kwai Mo being the directors of the Changfeng BVI and Dong Ying Dorothy being a director of Starr Investments and Century East, none of the Directors is a director or employee of the companies or trust foundation disclosed in this paragraph.

Save as disclosed above, as at the 31 December 2014, so far as was known to the Directors or chief executive of the Company, no other person or companies (other than the Directors or the chief executive of the Company) had an interest or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

附註：

1. 暢豐BVI由胡靜擁有50%權益及由王桂模擁有50%權益。根據證券及期貨條例，胡靜與王桂模均被視為擁有暢豐BVI所持有股份的權益。
2. Starr Investments由Starr International Cayman, Inc.全資擁有，Starr International Cayman, Inc.由Starr Insurance and Reinsurance Ltd.全資擁有。Starr Insurance and Reinsurance Ltd.及Starr Investments Cayman V, Inc.為Starr International Investments Ltd.的全資附屬公司，Starr International Investments Ltd.由Starr International全資擁有。Starr International由Starr International AG全資擁有，Starr International AG由Starr International Foundation（於瑞士成立的慈善基金）全資擁有。

根據證券及期貨條例，Starr International Foundation、Starr International AG、Starr International、Starr International Investments Ltd.、Starr Insurance and Reinsurance Ltd.及Starr International Cayman, Inc.各自被視為擁有Starr Investments所持有股份的權益。

根據證券及期貨條例，Starr International Foundation、Starr International AG、Starr International及Starr International Investments Ltd.各自被視為擁有Starr Investments Cayman V, Inc.所持有股份的權益。

Starr International Foundation、Starr International AG、Starr International及Starr International Investments Ltd.各自擁有權益的股權概約百分比乃參考於認購完成及收購完成後Starr Investments及Starr Investments Cayman V, Inc.的股權百分比而計算。
3. Century East為認購協議及收購協議的訂約方，根據有關協議合共732,727,272股股份將配發及發行予其股東，因此，根據證券及期貨條例，Century East被視為於732,727,272股股份中擁有權益。此外，於最後實際可行日期，Century East由CIH擁有69%，因此，根據證券及期貨條例，CIH連同其惟一股東Pun Tang女士被視為於Century East的權益中擁有權益。認購完成及收購完成後，CIH將於505,581,818股股份（約佔本公司全部已發行股本約32.99%）中擁有權益。
4. 認購完成及收購完成後，錦御發展及Jindi Wu女士將於84,263,636股股份（約佔本公司全部已發行股本約5.50%）中擁有權益。
5. 除胡靜及王桂模為暢豐BVI的董事及董穎為Starr Investments及Century East的董事外，概無董事為本段所披露的該等公司或信託基金的董事或僱員。

除上文所披露者外，於二零一四年十二月三十一日，就本公司董事或最高行政人員所知，概無其他人士或公司（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須向本公司披露的權益或淡倉，或直接或間接擁有可於任何情況下在本集團任何其他成員公司股東大會上投票的任何類別股本面值10%或以上權益。



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SUFFICIENCY OF PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float throughout the year ended 31 December 2014.

RETIREMENT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, each of the employer and employee are required to make contributions of 5% of the employees' relevant income to the scheme, subject to a cap of monthly relevant income of HK\$30,000. Contributions made to the scheme are vested immediately.

The employees of the subsidiaries in the People's Republic of China participate in the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of their salaries to these schemes to pay the benefits. The only obligation of the Group in respect to these schemes is the required contributions under the schemes.

For the year ended 31 December 2014, the Group's total contributions to the retirement schemes charged in the income statement amounted to approximately RMB6.2 million (2013: approximately RMB8.2 million). Details of the Group's pension scheme and the basis of calculation are set out in note 11 to the financial statements.

公眾持股量充足

根據本公司可獲得的資料及董事所知，於截至二零一四年十二月三十一日止年度，本公司始終維持充足的公眾持股量。

退休計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例管轄的司法權區的受聘僱員設立一項強制性公積金計劃（「強積金計劃」）。強積金計劃為一項由獨立受託人管理的定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入的5%向計劃供款，最高為每月相關收入的30,000港元。計劃供款即時歸屬。

於中華人民共和國的附屬公司僱員均參與由有關當局設立的退休計劃。附屬公司須按僱員薪金某個百分比向該等計劃供款以支付福利。本集團對該等計劃的唯一責任為根據計劃作出所需供款。

截至二零一四年十二月三十一日止年度，本集團對退休計劃的總供款約人民幣6.2百萬元（二零一三年：約人民幣8.2百萬元）自收益表中扣除。有關本集團的退休金計劃及計算基準載於財務報表附註11。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company therefore strives to attain and maintain effective corporate governance practices and procedures. Throughout the year ended 31 December 2014 and save as disclosed herein this report, the Company has complied with the CG Code contained in Appendix 14 to the Listing Rules. The Group's principal corporate governance practices are set out on pages 33 to 43 of the annual report.

CONNECTED TRANSACTIONS

On 27 December 2013, a wholly-owned subsidiary of the Company, Longyan Shengfeng, and the connected person of the Company, Lonking Machinery, entered into the equity transfer agreement pursuant to which Longyan Shengfeng has conditionally agreed to acquire and Lonking Machinery has conditionally agreed to sell its 40% interest in the JV Company, details of which are founded in the Company's announcement dated 27 December 2013.

On 27 December 2013, the JV Company, Lonking Machinery and Fujian Changfeng also entered into a debt waiver agreement in relation to the extinguishment of the account payable in the sum of RMB33,908,400 due to Lonking Machinery in respect of certain equipments and machinery for the production of gears and the sale and acquisition of the two sets of inverted vertical turning centers for the production of gears, details of which are disclosed in the Company's announcement dated 27 December 2013.

During the year ended 31 December 2014, the Group entered into the following continuing transactions with its connected persons. The transactions constituted "continuing connected transactions" for the Company under the Listing Rules. The transactions are subject to the reporting requirements set out in Chapter 14A of the Listing Rules.

企業管治常規守則

本公司承諾建立良好企業管治常規及程序以加強投資者信心及本公司之間責性及透明度。因此，本公司致力達到及保持有效的企業管治常規及程序。除本報告所披露者外，截至二零一四年十二月三十一日止整個年度內，本公司已遵守上市規則附錄14所載的企業管治守則。本集團的主要企業管治常規載於本年報第33頁至第43頁。

關連交易

於二零一三年十二月二十七日，本公司全資附屬公司龍岩盛豐與本公司關連人士龍工機械訂立股權轉讓協議，據此，龍岩盛豐有條件同意收購及龍工機械有條件同意出售其於合營公司的40%權益。有關詳情載於本公司日期為二零一三年十二月二十七日的公佈。

於二零一三年十二月二十七日，合營公司、龍工機械及福建暢豐訂立債務豁免協議，內容有關償清應付予龍工機械總額為人民幣33,908,400元之應付賬款，該應付賬款有關用作生產齒輪的若干設備及機器，以及銷售及收購用於生產齒輪的兩套倒立式車削中心。有關詳情披露於本公司日期為二零一三年十二月二十七日的公佈。

截至二零一四年十二月三十一日止年度，本集團與其關連人士簽訂以下持續交易。根據上市規則，該等交易構成本公司的「持續關連交易」。該等交易須遵守上市規則第14A章所載的申報規定。



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CONTINUING CONNECTED TRANSACTIONS WHICH ARE SUBJECT TO THE REPORTING, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Purchase of roughcast axle housing from Yongding Changfeng Machinery Manufacturing Factory ("Yongding Changfeng")

On 29 May 2010, the Company entered into a sale and purchase agreement (the "Purchase Agreement") with Yongding Changfeng, pursuant to which the Company agreed to purchase or procure its subsidiaries to purchase roughcast axle housing from Yongding Changfeng for the production of the products for a term of three years commencing from 1 January 2010 to 31 December 2012. Subsequently on 24 December 2012, the parties entered into a renewal agreement to renew the terms of the Purchase Agreement for a fixed term of another three years expiring on 31 December 2015.

The price for the roughcast axle housing supplied by Yongding Changfeng will be determined on the following basis in order of priority:

- the price prescribed by the State (including any price prescribed by any relevant local authorities), if applicable;
- the price recommended under the State pricing guidelines, when no State-prescribed price is available;
- the market price, when neither the State-prescribed price nor the State recommended price is available; or
- the price which is no less favourable to the Group than is available from independent third parties, when none of the above is available or applicable.

Mr. Lu is a cousin of Mr. Wong Kwai Mo, being one of the controlling shareholders of the Company. As Yongding Changfeng may be substantially influenced or controlled by Mr. Lu, who is the legal representative and the factory manager of Yongding Changfeng, and Mr. Wong Kwai Mo, who has held a prior position and role at Yongding Changfeng, Yongding Changfeng is therefore deemed as a connected person of our Company pursuant to Rules 14A.06 and 14A.11(4) of the Listing Rules.

During the year under review, the actual aggregate amount of transactions under the Purchase Agreement was approximately RMB0.3 million and the annual cap amount granted by the Stock Exchange was RMB20 million.

須遵守申報、公佈及獨立股東批准規定的持續關連交易

1. 自永定縣長豐機械製造廠(「永定長豐」)購買橋殼毛坯

於二零一零年五月二十九日，本公司與永定長豐訂立買賣協議(「採購協議」)，據此，本公司同意採購或促使其附屬公司向永定長豐採購橋殼毛坯，以供生產我們產品之用，自二零一零年一月一日起至二零一二年十二月三十一日止為期三年。二零一二年十二月二十四日後，訂約方訂立續期協議，以重續採購協議期限，為期三年，於二零一五年十二月三十一日屆滿。

由永定長豐所供應的橋殼毛坯的價格將根據以下基準按優先次序釐定：

- 如適用，根據國家定價(包括由任何相關地方機構所定的任何價格)；
- 若無國家定價，根據國家定價指引下的建議定價；
- 若無國家定價亦無國家建議定價，根據市場價格；或
- 若無以上定價或有關定價不適用時，根據對於本集團而言不遜於可自獨立第三方獲得的價格。

盧先生為本公司控股股東之一王桂模先生的表兄弟。由於永定長豐可能大受永定長豐的法定代表人兼工廠經理盧先生及先於於永定長豐擁有職位及職務的王桂模先生影響或控制，因此根據上市規則第14A.06及14A.11(4)條，永定長豐被視為本公司的關連人士。

於回顧年度內，採購協議項下的實際交易總額為約人民幣0.3百萬元，而聯交所授出的年度上限金額為人民幣20百萬元。

CONTINUING CONNECTED TRANSACTIONS WHICH ARE SUBJECT TO THE REPORTING AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

2. Supply Agreement with Yongding Changfeng

On 29 May 2010, the Company entered into a supply agreement (the "Supply Agreement") with Yongding Changfeng, pursuant to which the Company has agreed to supply or procure members of the Group to supply scrap steel which is steel waste created during the production of steel and expected to be disposed of or not required by the Group to Yongding Changfeng for a term of three years commencing from 1 January 2010 to 31 December 2012. Subsequently on 24 December 2012, the parties entered into a renewal agreement to renew the terms of the Supply Agreement for a fixed term of another three years expiring on 31 December 2015.

The price for the scrap steel supplied by the Group to Yongding Changfeng will be determined on the following basis in order of priority:

- the price prescribed by the State (including any price prescribed by any relevant local authorities), if applicable;
- the price recommended under the State pricing guidelines, when no State-prescribed price is available;
- the market price, when neither the State-prescribed price nor the State recommended price is available; or
- the price which is no less favorable to the Group than is available from independent third parties, when none of the above is available or applicable.

Mr. Lu is a cousin of Mr. Wong Kwai Mo, being one of the controlling shareholders of the Company. As Yongding Changfeng may be substantially influenced or controlled by Mr. Lu, who is the legal representative and the factory manager of Yongding Changfeng, and Mr. Wong Kwai Mo, who has held a prior position and role at Yongding Changfeng, Yongding Changfeng is therefore deemed as a connected person of our Company pursuant to Rules 14A.06 and 14A.11(4) of the Listing Rules.

During the year under review, there was no actual amount of transactions under Supply Agreement and the annual cap amount granted by the Stock Exchange was RMB20 million.

須遵守申報及公佈規定但獲豁免遵守獨立股東批准規定的持續關連交易

2. 永定長豐的供應協議

於二零一零年五月二十九日，本公司與永定長豐訂立供應協議（「供應協議」），據此，本公司同意供應或促使本集團成員公司向永定長豐供應廢鋼（生產鋼過程中產生而本集團預期出售或不需要的鋼廢料），自二零一零年一月一日起至二零一二年十二月三十一日止為期三年。二零一二年十二月二十四日後，訂約方訂立續期協議，以重續供應協議期限，為期三年，於二零一五年十二月三十一日屆滿。

由本集團向永定長豐供應廢鋼的價格將根據以下基準按優先次序釐定：

- 如適用，根據國家定價（包括由任何相關地方機構所定的任何價格）；
- 若無國家定價，根據國家定價指引下的建議定價；
- 若無國家定價亦無國家建議定價，根據市場價格；或
- 若無以上定價或有關定價不適用時，根據對於本集團而言不遜於可自獨立第三方獲得的價格。

盧先生為本公司控股股東之一王桂模先生的表兄弟。由於永定長豐可能大受永定長豐的法定代表人兼工廠經理盧先生及先前於永定長豐擁有職位及職務的王桂模先生影響或控制，因此根據上市規則第14A.06及14A.11(4)條，永定長豐被視為本公司的關連人士。

於回顧年度內，供應協議項下並無實際交易額，而聯交所授出的年度上限金額為人民幣20百萬元。



Directors' Report

董事會報告

Pursuant to Rule 14A.38 of the Listing Rules, the Board has engaged the auditor of the Company to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group. The auditor has reported its factual findings on these procedures to the Board. The independent non-executive Directors have reviewed the continuing connected transactions and the report of the auditor.

Based on the work performed, the auditors of the Company confirmed to the Board that the above continuing connected transactions:

- (i) have been approved by the Board;
- (ii) are in accordance with the pricing policy of the Group;
- (iii) have been entered into under the terms of the related agreements governing the transactions; and
- (iv) have not exceeded the relevant cap amount allowed by the Stock Exchange.

The independent non-executive Directors have reviewed the above connected continuing transactions and are in the opinion that the above continuing connected transactions entered into by the Group were:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there is no available comparison, on terms that are no less favorable to the Group than terms to or from independent third parties; and
- (iii) in accordance with the agreements governing the transactions on terms that are fair and reasonable so far as the shareholders of the Company.

Other than disclosed above, there was no other transaction which needs to be disclosed as connected transaction in accordance with the requirements of the Listing Rules during the year ended 31 December 2014.

根據上市規則第 14A.38 條，董事會已聘用本公司之核數師就本集團之持續關連交易程序進行若干共同協定。核數師已根據該等程序向董事會報告其據實調查結果。獨立非執行董事已審閱該等持續關連交易及核數師之報告。

根據已履行的工作，本公司核數師向董事會確認，上述持續關連交易：

- (i) 已獲董事會批准；
- (ii) 符合本集團的定價政策；
- (iii) 根據規管該等交易的相關協議的條款訂立；及
- (iv) 並無超逾聯交所允許的相關上限金額。

獨立非執行董事已審閱上述持續關連交易且認為，本集團乃於下列情況下訂立上述持續關連交易：

- (i) 於本集團日常業務過程中進行；
- (ii) (a) 按正常商業條款訂立；或 (b) 倘無可比較，則按照不遜於本集團向獨立第三方提供或獨立第三方向本集團提供之條款訂立；及
- (iii) 根據規管該等交易之協議，其條款對本公司股東而言屬公平合理。

除上文所披露者外，截至二零一四年十二月三十一日止年度，概無任何其他交易須根據上市規則規定視作關連交易予以披露。

DEED OF NON-COMPETITION

The Company has received, from each of the controlling shareholders of the Company, an annual declaration on his/her/its compliance with the undertakings contained in the Deed of Non-Competition entered into by each of them in favour of the Company pursuant to which each of the controlling shareholders of the Company has undertaken to the Company that he/she/it will not and will procure that his/her/its associates (other than members of the Group) not to, engage in any of our business including (without limitation) the following activities:

- acquiring, holding, developing, transferring, disposing or otherwise dealing in, whether directly or indirectly, axle components business or related investments;
- engaging, having a right or in any way having an economic interest, in the promotion or development of or investment in axle components business; or
- acquiring, holding, transferring, disposing or otherwise dealing in any option, right or interest over any of the matters set out in the two paragraphs above;

except for acquiring, holding, transferring, disposing or otherwise dealing in, directly or indirectly, shares of any company, joint venture, corporation or entity of any nature, whether or not incorporated, with any interest in the matters set out in the three paragraphs above so long as their aggregate interest in any such entity is less than 5% of its equity interest.

Details of the Deed of Non-Competition were disclosed in the Prospectus under the section headed "Relationship with Our Controlling Shareholders".

The independent non-executive Directors have reviewed and were satisfied that each of the controlling shareholders of the Company has complied with the Deed of Non-Competition for the year ended 31 December 2014.

不競爭契據

本公司已收到本公司各控股股東就彼遵守不競爭契據所載承諾而作出的年度聲明。不競爭契據由各控股股東與本公司訂立，據此，本公司各控股股東向本公司承諾將不會，及將促使其聯繫人士（本集團的成員公司除外）不會，從事任何我們所從事的業務，包括但不限於以下活動：

- 直接或間接收購、持有、開發、轉讓、出售或以其他方式買賣車橋零部件業務或相關投資；
- 從事車橋零部件業務的推廣或開發或投資工作，於當中擁有權利或以任何方式擁有經濟利益；或
- 收購、持有、轉讓、出售或以其他方式買賣涉及以上兩段所述事項的任何購股權、權利或權益；

惟只要於任何實體的權益合共少於其股本權益5%，則直接或間接收購、持有、轉讓、出售或以其他方式買賣任何公司、合營企業、企業或任何性質實體（不論是否已註冊成立）的股份，連同涉及以上三段所述事項的任何權益除外。

不競爭契據的詳情於招股章程「與控股股東的關係」一節中披露。

獨立非執行董事已審閱並滿意各控股股東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的情況。



Directors' Report

董事會報告

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 18 May, 2015 to Thursday, 21 May 2015, both days inclusive, during which period no transfer of shares will be registered. In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 21 May 2015, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 15 May 2015.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") had reviewed together with the management and external auditors the accounting principles and policies adopted by the Group and the audited annual consolidated financial statements for the year ended 31 December 2014.

AUDITORS

The consolidated financial statements for the year ended 31 December 2014 have been audited by Deloitte Touche Tohmatsu who shall retire at the forthcoming annual general meeting of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

By order of the Board

Wong Kwai Mo
Chairman

Hong Kong, 24 March 2015

暫停辦理股東過戶登記

本公司將自二零一五年五月十八日(星期一)至二零一五年五月二十一日(星期四)(首尾兩天包括在內)暫停辦理股東過戶登記,在此期間暫停股份過戶。為確定股東是否有權出席本公司將於二零一五年五月二十一日(星期四)舉行之應屆股東週年大會及於會上投票,所有股份過戶文件連同有關股票證書必須不遲於二零一五年五月十五日(星期五)下午4時30分交回本公司香港股份過戶登記處香港中央證券登記有限公司,地址為香港皇后大道東183號合和中心17樓1712-1716室。

審核委員會

本公司審核委員會(「審核委員會」)已與管理層及外聘核數師審閱本集團採納的會計原則及政策以及截至二零一四年十二月三十一日止年度的經審核年度綜合財務報表。

核數師

截至二零一四年十二月三十一日止年度的綜合財務報表已由執業會計師德勤•關黃陳方會計師行審核。德勤•關黃陳方會計師行須於本公司應屆股東週年大會上告退。本公司將於應屆股東週年大會上提呈一項決議案以再度委任德勤•關黃陳方會計師行為本公司的核數師。

承董事會命

主席
王桂模

香港,二零一五年三月二十四日

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 December 2014.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Company's shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for shareholders.

Save as disclosed herein, the Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2014.

THE BOARD

The Board consists of seven Directors, three of whom are executive Directors, one of whom is non-executive Director and three of whom are independent non-executive Directors. The functions and duties conferred on the Board include convening shareholders' meetings and reporting on the work of the Board to the shareholders at shareholders' meetings as may be required by applicable laws, implementing resolutions passed at shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and applicable laws. The senior management is delegated with the authority and responsibilities by the Board for the day-to-day management and operations of the Group. The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company. The composition of the Board is well balanced with the directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The executive Directors and independent non-executive Directors bring a variety of experience and expertise to the Company.

董事會欣然於截至二零一四年十二月三十一日止年度的年報中呈列本企業管治報告。

企業管治常規

本公司承諾建立良好的企業管治常規及程序，冀能成為一家具透明度及問責性的機構，以開放態度向公司股東負責。董事會致力於遵守企業管治原則並已採納良好的企業管治常規，以符合法律及商業準則，專注於例如內部監控、公平披露及向所有股東負責等領域，以確保本公司所有業務之透明度及問責性。本公司相信，有效的企業管治是為股東創造更多價值之基礎。董事會將繼續不時檢討及改善本集團之企業管治常規，以確保本集團由有效董事會領導以為股東帶來最大回報。

除本文所披露者外，本公司已於截至二零一四年十二月三十一日止整個年度遵守上市規則附錄14所載的企業管治常規守則（「企業管治守則」）。

董事會

董事會由七名董事組成，即三名執行董事、一名非執行董事及三名獨立非執行董事。董事會之功能及職責包括根據適用法律之可能規定召開股東大會並於會上向股東報告董事會之工作，實施股東大會上通過之決議案，釐定本公司之業務計劃及投資計劃，制定本公司之年度預算及最終賬目，制定本公司之股息及花紅分派建議以及行使細則及適用法律賦予董事會之其他權力、功能及職責。董事會授予高級管理層授權及責任負責本集團之日常管理及經營。董事會定期會面，以檢討本公司之財務及經營表現，並審議及批准本公司之總體策略及政策。董事會之成員各有所長，而董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專門技術。執行董事及獨立非執行董事為本公司帶來不同的經驗及專門技術。



Corporate Governance Report

企業管治報告

The composition of the Board during the year ended 31 December 2014 and up to the date of this Annual Report is set out below:

Executive Directors

Mr. Wong Kwai Mo (Chairman)
(resigned on 25 March 2015)
Ms. Wu Ching
Mr. Lai Fengcai (Chief executive officer)
(resigned on 25 March 2015)
Mr. Cheng Jerome (Chairman)
(appointed on 25 March 2015)
Mr. Yuan Weitao (appointed on 25 March 2015)

Non-Executive Director

Ms. Dong Ying, Dorothy
Mr. Feng Xiaohui (appointed on 25 March 2015)
Mrs. Guo Yan (appointed on 25 March 2015)

Independent Non-Executive Directors

Mr. Zhu Weizhou (resigned on 25 March 2015)
Dr. Li Xiuqing (resigned on 25 March 2015)
Mr. Chong Ching Hei (resigned on 25 March 2015)
Mr. Wong Chi Keung (appointed on 25 March 2015)
Mr. Liu Erhfei (appointed on 25 March 2015)
Mr. Chan Chi Keung, Alan (appointed on 25 March 2015)

The biographical details of the current Board members are set out under the section headed "Directors and Senior Management" on pages 17 to 25 of this report.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

During the year ended 31 December 2014, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise, and the independent non-executive directors represented over one-third of the Board.

The Company has received an annual confirmation of independence from each of its independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers that the three independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

截至二零一四年十二月三十一日止年度內及截至本年報日期止，董事會的組成如下：

執行董事

王桂模先生(主席)
(於二零一五年三月二十五日辭任)
胡靜女士
賴鳳彩先生(行政總裁)
(於二零一五年三月二十五日辭任)
Cheng Jerome 先生(主席)
(於二零一五年三月二十五日獲委任)
袁偉濤先生(於二零一五年三月二十五日獲委任)

非執行董事

董穎女士
馮小暉先生(於二零一五年三月二十五日獲委任)
郭燕女士(於二零一五年三月二十五日獲委任)

獨立非執行董事

朱偉洲先生(於二零一五年三月二十五日辭任)
李秀清博士(於二零一五年三月二十五日辭任)
莊清喜先生(於二零一五年三月二十五日辭任)
黃之強先生(於二零一五年三月二十五日獲委任)
劉二飛先生(於二零一五年三月二十五日獲委任)
陳志強先生(於二零一五年三月二十五日獲委任)

現有董事會成員的履歷詳情載於本年報第17頁至25頁的「董事及高級管理層」一節。

董事名單(按類別劃分)亦根據上市規則不時於本公司發出之所有企業通訊中予以披露。根據上市規則，各獨立非執行董事已在所有企業通訊中列明。

截至二零一四年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事，而其中至少一位獨立非執行董事具備適當之專業資格，或會計或相關之財務管理專長之規定，且獨立非執行董事人數佔董事會三分之一以上。

根據上市規則第3.13條，本公司已從各位獨立非執行董事接獲年度獨立確認書。根據有關確認書之內容，本公司認為，三位獨立非執行董事均為獨立，且彼等符合上市規則第3.13條所載有關獨立性之特定指引。

Corporate Governance Report

企業管治報告

All Directors have separate and independent access to the Company's senior management to fulfill their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notices in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the company secretary and are open for inspection by Directors.

The Company has arranged for appropriate and sufficient insurance coverage on directors' liabilities in respect of legal actions taken against its directors arising out of corporate activities.

The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company.

Mr. Wong Kwai Mo is the husband of Ms. Wu Ching, and Ms. Wu Ching is the wife of Mr. Wong Kwai Mo. Save as disclosed, there is no other relationship among members of the Board, the Chairman or the Chief Executive Officer.

Non-executive Directors

The non-executive Director has entered into a service agreement with the Company for an initial term of three years commencing from 24 September 2013, whereas each of the independent non-executive Directors has entered into a letter of appointment with the Company and is appointed for an initial term of three years commencing from 24 September 2013.

In accordance with article 84 of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

Chairman and Chief Executive Officer

During the year ended 31 December 2014, the roles and duties of the Chairman and the Chief Executive Officer of the Company are carried out by different individuals and have been clearly defined in writing.

所有董事可個別及獨立地與本公司的高級管理層人員接洽以履行彼等之職責，並可於提出合理的要求後在適當的情況下尋求獨立專業意見，費用由本公司支付。所有董事亦可與公司秘書接洽，而公司秘書乃負責確保董事會的程序及一切適用規則和規例獲得遵循。議程及隨附的董事會／委員會文件可於會議召開前事先給予合理通知下分發予董事／董事委員會成員。董事會會議及董事委員會會議的記錄詳細記錄董事會所考慮的事項及達致的決定，包括董事所提出的任何事項或發表的反對意見，概由公司秘書存檔，並可供董事查閱。

本公司已安排適合及充足保險，以覆蓋董事就企業活動期間產生對董事所提出法律訴訟的責任。

董事會定期會面，以檢討本公司之財務及經營表現，並審議及批准本公司之總體策略及政策。

王桂模先生乃胡靜女士之丈夫，而胡靜女士乃王桂模先生之妻子。除所披露者外，董事會成員、主席或行政總裁間並無其他關係。

非執行董事

非執行董事已與本公司訂立服務協議，自二零一三年九月二十四日開始初步為期三年，而每位獨立非執行董事已與本公司訂立委聘書，其委任自二零一三年九月二十四日開始初步為期三年。

根據細則第84條，於每次股東週年大會上，當時之三分之一董事（倘數目並非三之倍數，則為最接近之數目，惟不得少於三分之一）須輪值告退，惟各董事均須最少每三年輪值退任一次。

主席及行政總裁

截至二零一四年十二月三十一日止年度，本公司的主席及行政總裁的角色及職責由不同人士擔任，並以書面清楚界定。



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The Chairman of the Board is Mr. Wong Kwai Mo, and the Chief Executive Officer is Mr. Lai Fengcai. The positions of Chairman and Chief Executive Officer are held by separate persons in order to preserve independence and a balance of views and judgement. With the support of the senior management, the Chairman is responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organizational structure, control systems and internal procedures and processes for the Board's approval.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors keep abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2014, some of the Directors attended external seminars and/or conferences organized during the year under review. All Directors also read materials in relation to regular update to statutory requirements, Listing Rules and other relevant topics related to a listed company.

BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established the following Board committees to oversee the particular aspects of the Group's affairs. Each of these committees comprises independent non-executive Directors who are being invited to join as members.

董事會的主席為王桂模先生，而行政總裁為賴鳳彩先生。主席及行政總裁的職位由不同人士擔任，以保持獨立性及作出判斷時有平衡意見。在高級管理層協助下，主席確保董事能適時收到充分、完整及可靠資料及有關董事會會議上提出之事宜之適當簡介。行政總裁主要負責實行董事會批准及授權的目標、政策及策略。彼須負責本公司日常管理及運作。行政總裁亦負責發展策略計劃及制訂組織架構、監控系統及內部程序及流程供董事會批准。

董事的持續專業發展

董事須時刻了解身為本公司董事的職責並遵守本公司的行為操守、跟進業務活動及本公司發展。

每名新任董事將於首次接受委任時獲得正式、全面及專門為其設計的入職培訓，以確保彼等對本公司業務及運作均有適當理解，並充分知悉於上市規則及任何相關法定要求下董事的職責及責任。

董事應參與適當的持續專業發展以發展及更新其知識及技能，從而確保彼等對董事會的貢獻為知情及相關。公司鼓勵所有董事出席相關培訓課程，費用由本公司支付。

截至二零一四年十二月三十一日止年度內，若干董事出席了外部研討會及／或回顧年度內召開的會議。全體董事亦閱讀有關定期更新的法定規定、上市規則及上市公司所涉其他相關主題的材料。

董事委員會

作為優良企業管治常規的重要構成部分，董事會已成立以下的董事委員會，以監察本集團特定範疇的事務。各委員會的成員皆由獲邀加入委員會的獨立非執行董事組成。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and monitor the Company's financial reporting and internal control principles of the Company and to provide advice and comments to the Board. The members meet regularly with the external auditors and the Company's senior management for the review, supervision and discussion of the Company's financial reporting and internal control procedures and ensure that management has discharged its duty to have an effective internal control system. The Audit Committee consists of three members, namely Mr. Chong Ching Hei, Mr. Zhu Weizhou and Dr. Li Xiuqing, of whom are all independent non-executive Directors. Mr. Chong Ching Hei, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

The Audit Committee held two meetings during the year under review to review the financial results of the Group and significant issues on the financial reporting and compliance procedures, internal control and risk management systems.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2014, including the accounting principles and practices adopted by the Group, selection and appointment of the external auditors.

Corporate Governance Functions

During the period under review, the Audit Committee is also responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties as below:

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

審核委員會

審核委員會按照上市規則第3.21及3.22條成立，並備有符合企業管治守則的書面職權範圍。審核委員會的主要職責為審核及監督本公司的財務申報及本公司的主要內部監控系統，並向董事會提供建議及意見。成員定期與外部核數師及本公司高級管理層進行會晤，以審核、監督及討論本公司的財務申報及內部監控程序，並確保管理層履行其職責建立有效的內部監控系統。審核委員會由三名成員，即莊清喜先生、朱偉洲先生及李秀清博士（均為獨立非執行董事）組成。莊清喜先生具備適當的專業資格及會計事宜經驗，故獲委任為審核委員會主席。

審核委員會於回顧年度已召開兩次會議，審閱本集團的財務業績及有關財務申報、合規程序、內部監控及風險管理系統的重要事宜。

審核委員會已審閱本集團截至二零一四年十二月三十一日止年度的綜合財務報表（包括本集團採納的會計原則及常規）、甄選及委任外部核數師。

企業管治功能

於回顧期間，審核委員會亦負責制定本公司企業管治政策，履行以下企業管治職責：

- 制定及審閱本集團之企業管治政策及常規及向董事會作出推薦意見；
- 審閱及監察董事及高級管理層之培訓及持續專業發展；
- 審閱及監察本集團遵守法定及監管規定之政策及常規（倘適合）；
- 制定、審閱及監察適用於本集團僱員及董事之相關操守守則及合規手冊（如有）；
- 審閱本集團是否已遵守企業管治守則及企業管治報告之披露規定。



Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established on 24 September 2010 with written terms of reference in compliance with the CG Code. The Remuneration Committee is chaired by Mr. Zhu Weizhou with two Directors, namely Mr. Chong Ching Hei and Mr. Wong Kwai Mo, as members. The principal responsibilities of the Remuneration Committee are to formulate and recommend remuneration policy to the Board, make recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management’s remunerations, approve and review management’s proposals with reference to the Board’s corporate goals and objectives and make recommendations to the Board on the remuneration of non-executive Directors of the Company. The Board expects the Remuneration Committee to exercise independent judgment and ensures that executive Directors do not participate in the determination of their own remunerations.

The Remuneration Committee held one committee meeting during the year under review to review and made recommendation to the Board on the remuneration policy and structure of the Company and remuneration packages of Directors and senior management.

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) was established on 24 September 2010. The chairman is Dr. Li Xiuqing, an independent non-executive Director, and the two other members are Mr. Wong Kwai Mo and Mr. Zhu Weizhou. The Nomination Committee is responsible for determining the policy for the nomination of Directors, reviewing the structure, size and composition of the Board, making recommendation to the Board on selection of candidates for directorships, appointment and reappointment of Directors and Board succession and assessing the independence of independent non-executive Directors.

The Company adopts the board diversity policy and recognizes board diversity as the key element for the achievement of its strategic goals and sustainable development.

In considering the composition and diversity of the Board, the Company takes into account a number of factors from various aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All decisions regarding appointment of members of the Board will be based on the candidates’ meritocracy having regard to a set of objective standards that take into account the benefits of board diversity.

薪酬委員會

本公司薪酬委員會(「薪酬委員會」)乃按照企業管治守則的規定於二零一零年九月二十四日成立，並備有書面職權範圍。薪酬委員會由朱偉洲先生擔任主席，兩名董事，即莊清喜先生及王桂模先生為成員。薪酬委員會的主要職責為制定薪酬政策並向董事會提供意見；就本公司所有董事及高級管理層的全體薪酬政策及架構向董事會提供意見；參考董事會訂立的企業方針及目標而批准及檢討管理層的建議及就本公司非執行董事的薪酬向董事會提供意見。董事會預期薪酬委員會行使獨立判斷並確保執行董事並不參與釐定彼等本身的薪酬。

於回顧年度，薪酬委員會已召開一次會議，檢討本公司薪酬政策及架構以及董事及高級管理層之薪酬待遇並就此向董事會提供推薦意見。

提名委員會

本公司提名委員會(「提名委員會」)於二零一零年九月二十四日成立。主席為獨立非執行董事李秀清博士，而其他兩名成員為王桂模先生及朱偉洲先生。提名委員會負責釐定提名董事之政策、審核董事會的結構、規模和構成；就甄選董事職務候選人、委任、重新委任董事及董事會的繼任事宜向董事會提供意見，並評估獨立非執行董事的獨立性。

本公司採納董事會成員多元化政策，並認為董事會成員多元化乃實現本公司策略目標及可持續發展的關鍵因素。

於考慮董事會的構成及多元化時，本公司考慮多方面因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及服務任期。所有有關委任董事會成員之決定均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

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Selection of candidates will be based on a set of diversity criteria, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be made with reference to the candidates' merits and contributions to the Board.

The Nomination Committee held one meeting during the year under review to review the structure, size and composition of the Board and the independence of the independent non-executive Directors.

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

The individual attendance record of each Director at the meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee and the general meeting of the Company during the year ended 31 December 2014 is set out below:

		Board Meeting 董事會會議	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
<i>Executive Directors</i>	<i>執行董事</i>					
Mr. Wong Kwai Mo (Chairman)	王桂模先生(主席)	8/9	N/A 不適用	1/1	1/1	1/1
Ms. Wu Ching	胡靜女士	8/9	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Lai Fengcai	賴鳳彩先生	9/9	N/A 不適用	N/A 不適用	N/A 不適用	0/1
<i>Non-executive Director</i>	<i>非執行董事</i>					
Ms. Dong Ying, Dorothy	董穎女士	6/9	N/A 不適用	N/A 不適用	N/A 不適用	0/1
<i>Independent non-executive Directors</i>	<i>獨立非執行董事</i>					
Mr. Zhu Weizhou	朱偉洲先生	7/9	2/2	1/1	1/1	1/1
Dr. Li Xiuqing	李秀清博士	6/9	2/2	N/A 不適用	1/1	0/1
Mr. Chong Ching Hei	莊清喜先生	9/9	2/2	1/1	N/A 不適用	1/1

Code Provision A.6.7 of the CG Code provides that the independent non-executive Directors and non-executive Directors should attend general meetings of the Company. Due to prior business and personal engagements external to the Company, the non-executive Director, Ms. Dong Ying, Dorothy and the independent non-executive Director, Dr. Li Xiuqing were unable to attend the annual general meeting of the Company held during the year ended 31 December 2014.

甄選人選將基於一系列多元化標準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及服務任期。最終決定將參考人選的長處及可為董事會提供的貢獻而作決定。

於回顧年度，提名委員會已召開一次會議，檢討董事會的結構、規模及構成以及獨立非執行董事的獨立性。

會議及董事出席次數

截至二零一四年十二月三十一日止年度，各位董事出席董事會、審核委員會、薪酬委員會及提名委員會會議以及本公司股東大會的個人出席記錄載列如下：

企業管治守則之守則條文第A.6.7條規定獨立非執行董事及非執行董事須出席本公司股東大會。由於本公司之前的外部業務及私人活動，非執行董事董穎女士及獨立非執行董事李秀清博士並無參加於截至二零一四年十二月三十一日止年度舉行之本公司股東週年大會。



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COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the period under review, they were in compliance with the required provisions set out in the Model Code. All Directors declared that they have complied with the Model Code for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparation of the financial statements for the financial year ended 31 December 2014 which give a true and fair view of the state of affairs of the Company and of the Group at that date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the applicable statutory requirements and accounting standards. The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report".

AUDITORS' REMUNERATION

During the year ended 31 December 2014, the remuneration paid or payable to the Group's auditors, Deloitte Touche Tohmatsu, in respect of their audit and non-audit services are as follows:

Items 項目

Statutory audit services
Non-audit services

法定核數服務
非核數服務

Total

總數

Amount
金額
(RMB'000)
(人民幣千元)

1,347

—

1,347

遵守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10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)作為其進行證券交易的行為守則。全體董事作出具體查詢後確認，彼等於回顧期內一直遵守標準守則所載的規定條文。全體董事宣稱彼等於截至二零一四年十二月三十一日止年度內一直遵守標準守則的規定。

董事對財務報表的責任

董事知悉彼等就編製截至二零一四年十二月三十一日止財政年度財務報表的責任，財務報表如實反映本公司及本集團於該日的事務狀況及本集團截至該日期止年度的業績及現金流量，並根據適用的法定規定及會計準則按持續經營基準妥為編製。有關本公司外聘核數師對財務報表所承擔之申報責任的聲明，已載於「獨立核數師報告」內。

核數師薪酬

截至二零一四年十二月三十一日止年度，已付或應付本集團核數師德勤•關黃陳方會計師行的核數及非核數服務薪酬如下：

INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and shareholders' interests, and review and monitor the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate. The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal controls. The Company also has a process of identifying, evaluating, and managing the significant risks to the achievement of its operational objective. This process is subject to continuous improvement and has been in place since 24 September 2010 and up to the date of this report. The day-to-day operation is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

During the year under review, the Board has conducted a review of the effectiveness of the Company's internal control systems including financial, operational and compliance controls and risk management for the year ended 31 December 2014. Internal Control department was assigned to assist the Board to perform a high-level review of the internal control systems for its business operations and processes. Such review covered the financial, compliance and operational controls as well as risk management mechanisms and assessment was made by discussions with the management of the Company and its external auditors. The Board believes that the existing internal control systems are adequate and effective.

PROCEDURES FOR SHAREHOLDERS TO REQUISITION AND CONVENE AN EXTRAORDINARY GENERAL MEETING (INCLUDING PROPOSING A RESOLUTION AT AN EXTRAORDINARY GENERAL MEETING)

- Any two or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholders") shall at all times have the right, by a written requisition signed by the Eligible Shareholders concerned (the "Requisition"), to require the Board to convene an extraordinary general meeting, and to put any resolution so requisitioned to vote at such extraordinary general meeting.

內部監控

董事會負責維持健全有效的內部監控制度，以保障本集團資產及股東利益，並定期檢討及規管本公司內部監控及風險管理系統之效率，以確保足夠內部監控及風險管理系統。本公司已制定適用於所有營運單位的書面政策及程序，確保內部監控的效率。本公司亦有識別、評估及管理重大風險的程序以達成其營運目標。該程序須不斷改善，並自二零一零年九月二十四日起及直至本報告日期始終使用。日常營運則委託個別部門，對其本身部門的行為及表現進行問責，並須嚴格遵守董事會制定的政策。本公司不時進行內部監控系統效率的審閱，確保其能夠符合及應對靈活及不時轉變之經營環境。

於回顧年度內，董事會已對本公司截至二零一四年十二月三十一日止年度之內部監控系統的成效進行檢討，包括財務、營運及合規控制及風險管理。內部監控部門已被指派協助董事會就其業務營運及流程的內部監控系統進行深入檢討。該檢討涵蓋財務、守規及營運監控以及風險管理機制，並與本公司之管理層及其內部核數師討論後作出評估。董事會相信，現有內部監控系統乃充分有效。

股東要求及召開股東特別大會(包括於股東特別大會上提呈決議案)程序

- 任何兩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)十分之一的股東(「合資格股東」)於任何時候有權透過經相關合資格股東簽署之書面要求(「書面要求」)要求董事會召開股東特別大會，並提呈所要求之任何決議案於股東特別大會上表決。



Corporate Governance Report

企業管治報告

- Eligible Shareholders who wish to requisition the Board to convene an extraordinary general meeting for the purpose of proposing a resolution at the extraordinary general meeting must deposit the Requisition at the principal place of business of the Company in Hong Kong at Room 708, 7/F, Delta House, 3 On Yiu Street, Shatin, Hong Kong.
- The Requisition must state clearly the names of the Eligible Shareholders concerned, specify the objects of the meeting, and be signed by the Eligible Shareholders concerned. The Eligible Shareholders must prove their shareholdings in the Company to the satisfaction of the Company.
- The Company will check the Requisition and the identities and the shareholdings of the Eligible Shareholders will be verified with the Company's branch share registrar. If the Requisition is found to be proper and in order and in compliance with the memorandum and articles of association of the Company, the Board will within 21 days of the date of deposit of the Requisition, proceed duly to convene an extraordinary general meeting to be held within a further 21 days, for the purpose of putting any resolution(s) proposed by the Eligible Shareholders to vote at such extraordinary general meeting. However, if the Requisition has been verified as not in order and not in compliance with the memorandum and articles of association of the Company, the Eligible Shareholders concerned will be advised of this outcome and accordingly, the Board will not convene an extraordinary general meeting and will not put any resolution(s) proposed by the Eligible Shareholders to vote at any such extraordinary general meeting or any other general meeting of the Company.
- If within 21 days of the date of deposit of the Requisition, the Board has not advised the Eligible Shareholders that the Requisition is not in order and not in compliance with the memorandum and articles of association of the Company, and the Board has failed to proceed to convene an extraordinary general meeting, the Eligible Shareholders themselves (or any one or more of the Eligible Shareholders who holds more than one-half of the total voting rights of all the Eligible Shareholders who signed the Requisition) may proceed to convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board in accordance with the memorandum and articles of association of the Company, provided that the extraordinary general meeting so convened must be held before the expiration of three months from the date of deposit of the Requisition. All reasonable expenses incurred by the Eligible Shareholders concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholders concerned by the Company.
- 有意向董事會提出書面要求召開股東特別大會藉以於股東特別大會上提呈決議案的合資格股東必須將書面要求交回本公司於香港的主要營業地點，地址為香港沙田安耀街3號匯達大廈7樓708室。
- 書面要求必須載明相關合資格股東的姓名，闡明大會的目的，並由相關合資格股東簽署。合資格股東必須證明彼等於本公司的股權，令本公司信納。
- 本公司將核查書面要求，而合資格股東的身份及股權將由本公司股份過戶登記分處核實。倘書面要求被證實適當及合理，並符合本公司組織章程大綱及細則，董事會將於遞呈日期起21日內，安排於下一個21日內召開股東特別大會，以於該股東特別大會上提呈合資格股東建議的任何決議案進行投票表決。然而，倘書面要求被證實為不合理，且不符合本公司的組織章程大綱及細則，相關合資格股東將獲告知此結果，而董事會據此將不會召開股東特別大會，且將不會於有關股東特別大會或本公司任何其他股東大會上提呈合資格股東建議的任何決議案進行投票表決。
- 倘於書面要求日期起21日內，董事會並無告知合資格股東書面要求不合理及不符合本公司組織章程大綱及細則，且董事會未有召開股東特別大會，合資格股東本人（或任何一位或以上持有簽署書面要求的全部合資格股東的總投票權一半以上的合資格股東）可按盡可能接近董事會根據本公司組織章程大綱及細則召開股東大會的方式，召開股東特別大會，惟所召開的股東特別大會必須於書面要求日期起三個月屆滿前舉行。相關合資格股東因董事會未有召開大會而合理產生的所有開支，將由本公司向相關合資格股東作出償付。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of maintaining a clear, timely and effective communication with the shareholders of the Company and investors. The Board also recognizes that effective communication with its investors is critical in establishing investors' confidence and attracting new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the investors and the shareholders of the Company will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the Company's website at www.changfengaxle.com.hk. Further, shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong. The Board maintains regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group's strategy, operations, management and plans. The Directors and members of various board committees will attend the annual general meeting of the Company and answer any questions raised. The resolution of every important proposal will be proposed at general meetings separately.

The chairman of general meetings of the Company would explain the procedures for conducting a poll before proposing a resolution for voting. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

During the year under review, there was no change to the constitutional documents of the Company.

Shareholders investors and the media can make enquiries to the Company through the following means:

Telephone number: (852) 2638 1663
By post: Room 708, 7/F, Delta House,
3 On Yiu Street, Shatin, Hong Kong
Attention: Mr. Chan Yuk Man, Calvin
By email: ir@changfengaxle.com

與股東的聯繫

董事會深明與本公司股東及投資者保持明確、及時和有效的聯繫之重要性。董事會亦深知與投資者之有效溝通，乃建立投資者信心及吸引新投資者之關鍵。因此，本集團致力於保持高透明度，以確保本公司投資者及股東通過刊發之年報、中期報告、公佈及通函，得到準確、清晰、完整而及時的本集團資料。本公司亦在公司網站 www.changfengaxle.com.hk 刊登全部企業通訊。另外，本公司股東可向董事會發出其查詢及關注事項，並註明送至本公司的香港主要營業地點。董事會與機構投資者及分析員不時保持溝通，讓彼等得悉本集團的策略、營運、管理及計劃。董事及各委員會成員均將出席本公司股東週年大會及解答問題。股東大會上，各項重要議案須以獨立決議案方式提呈。

本公司股東大會主席會於投票方式表決一項決議案之前解釋進行投票的程式。投票的結果將於大會上宣佈，並將分別在聯交所及本公司的網站上公佈。此外，本公司定期與機構投資者、財務分析師及財務媒體會晤，並即時發佈有關本公司任何重大進程之資料，從而透過雙向及高效之聯繫促進本公司之發展。

於回顧年度，本公司的憲章文件並無變動。

股東投資者及媒體可透過下列方式向本公司作出查詢：

電話：(852) 2638 1663
郵遞：香港沙田安耀街3號
匯達大廈7樓708室
致：陳玉文先生
電郵：ir@changfengaxle.com



Independent Auditor's Report

獨立核數師報告

Deloitte.
德勤

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGFENG AXLE (CHINA) COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Changfeng Axle (China) Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 58 to 139, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") 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 HKICPA. 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.

致暢豐車橋(中國)有限公司股東 獨立核數師報告

(於開曼群島註冊成立的股份有限公司)

本行已審核第58頁至第139頁列載的暢豐車橋(中國)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,包括二零一四年十二月三十一日的綜合財務狀況表和截至該日期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和其他說明性附註。

董事對綜合財務報表的責任

貴公司董事須負責根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則及香港公司條例所規定的披露要求真實而公平地編製綜合財務報表,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任乃依據我們的審核對該等綜合財務報表發表意見,並僅向閣下(作為一個整體)報告我們的意見,本報告不得用作其他用途。我們概不就本報告的內容對其他任何人士負上或承擔責任。我們根據香港會計師公會頒佈的香港審計準則進行審核。該等準則要求我們遵守道德規範,並計劃及執行審核工作,以合理確定綜合財務報表是否不存在重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY (CONTINUED)

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

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

BASIS FOR QUALIFIED OPINION

Included in the consolidated financial statements as at 31 December 2014 were property, plant and equipment and inventories related to the Group's train and railway business with carrying amounts of approximately RMB220,354,000 and RMB34,367,000 respectively. As set out in notes 16 and 19 to the consolidated financial statements, the directors of the Company determined that the recoverable amount of the property, plant and equipment and the net realisable value of the inventories approximated to their carrying amounts and therefore no impairment loss was recognised for the year ended 31 December 2014.

核數師的責任(續)

審核工作涉及執行程式以獲取與綜合財務報表所載金額及披露資料有關的審核憑證，所選用的程式取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師將考慮與實體編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計在有關環境下適當的審核程式，但目的並非為對實體內部控制的有效性發表意見。審核工作亦包括評估董事所採用會計政策的適當性及所作出的會計估計的合理性，並評估綜合財務報表的整體呈列方式。

我們相信，我們所獲得的審核憑證已足夠及適當地為我們的審核意見提供了基礎。

保留意見基準

於二零一四年十二月三十一日之綜合財務報表中，物業、廠房及設備以及存貨涉及 貴集團列車及鐵路業務，賬面值分別約為人民幣220,354,000元及人民幣34,367,000元。如綜合財務報表附註16及19所載， 貴公司董事已釐定物業、廠房及設備可收回金額以及存貨之可變現淨值與彼等之賬面值相若，故截至二零一四年十二月三十一日止年度並無確認減值虧損。



Independent Auditor's Report

獨立核數師報告

BASIS FOR QUALIFIED OPINION (CONTINUED)

However, the sales of train and railway components to the Group's only customer in Russia have been suspended since May 2014 and have not recommenced as at the date of this report. The cash flow projection prepared by the directors on which the Group's impairment analysis is based assumes a significant volume of sales to this customer in the coming twelve months and thereafter. The directors of the Company considered the suspension in the sales to be temporary and the sales will recommence in the second quarter of 2015, and therefore did not adjust the assumptions in the cash flow projection. Due to the ongoing suspension of sales to this customer, we were unable to satisfy ourselves as to whether such assumption is reasonable and accordingly whether any impairment in respect of the property, plant and equipment and the inventories should be recognised for the year ended 31 December 2014. Any adjustments found to be necessary would affect the Group's financial position as at 31 December 2014 and the loss for the year then ended.

QUALIFIED OPINION

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

保留意見基準(續)

然而，向 貴集團唯一一名俄國主要客戶銷售列車及鐵路零部件已自二零一四年五月中止，且於該報告日期尚未恢復銷售。 貴集團減值分析所採用之由董事編製之現金流預測乃假設於未來十二個月及其後向該客戶銷售大量零部件。 貴公司董事認為銷售中止乃屬暫時且銷售將於二零一五年第二季度重新開始，故並未就現金流預測所作假設作出調整。由於持續中止對該客戶之銷售，吾等無法信納該假設是否合理，且有關物業、廠房及設備以及存貨之任何減值是否據此於截至二零一四年十二月三十一日止年度確認。任何必要調整將對 貴集團於二零一四年十二月三十一日的財務狀況及截至該日止年度之虧損造成影響。

保留意見

我們認為，除保留意見基準一段所述事宜之可能影響外，該等綜合財務報表已按照香港財務報告準則真實而公平地反映了 貴集團於二零一四年十二月三十一日的財務狀況及其截至該日止年度的虧損及現金流量，並按香港公司條例之披露規定妥為編製。



Independent Auditor's Report

獨立核數師報告

EMPHASIS OF MATTER

Without further qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicates that the Group incurred a loss of approximately RMB149,730,000 during the year ended 31 December 2014. The directors of the Company consider that the Group will have sufficient working capital to finance its operations provided that it is able to successfully renew the banking facilities and implement the other measures as set out in note 2 to the consolidated financial statements. However, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 March 2015

強調事項

在並無進一步對結論作出保留意見的情況下，吾等謹請閣下垂注綜合財務報表附註2，其中指出，貴集團於截至二零一四年十二月三十一日止年度產生虧損約人民幣149,730,000元。貴公司董事認為，貴集團將有足夠經營資金以為其營運撥資，惟其須可成功續訂銀行融資及實施其他措施（如綜合財務報表附註2所載）。然而，該等情況顯示存在一個重大不明朗因素，可致貴集團持續經營之能力嚴重存疑。

德勤•關黃陳方會計師行
執業會計師
香港
二零一五年三月二十四日



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	收入	8	336,928	429,795
Cost of sales	銷售成本		(298,243)	(356,915)
Gross profit	毛利		38,685	72,880
Other (expense) income and other gains and losses	其他(開支)收入及其他 收益及虧損	9	(3,056)	2,573
Selling and distribution expenses	銷售及分銷開支		(20,529)	(25,656)
Research and development expenditure	研發開支		(17,725)	(23,988)
Administrative expenses	行政開支		(62,802)	(68,204)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	29	(6,105)	–
Impairment loss on trade receivables	貿易應收款項減值虧損	20	(20,080)	(89,600)
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之 已確認減值虧損		(55,764)	(52,133)
Impairment loss recognised in respect of prepaid lease payments	預付租賃款項之已確認減值虧損		–	(30,332)
Reversal of impairment loss recognised in respect of property, plant and equipment classified as assets held for sale	分類為持作出售資產的物業、 廠房及設備之已確認 減值虧損撥回	23	26,712	19,602
Finance costs	融資成本	10	(29,336)	(32,552)
Loss before tax	除稅前虧損	11	(150,000)	(227,410)
Taxation	稅項	12	270	(645)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額		(149,730)	(228,055)
(Loss) profit and total comprehensive (expense) income attributable to:	以下人士應佔(虧損)溢利及 全面(開支)收入總額：			
Owners of the Company	本公司擁有人		(152,449)	(208,245)
Non-controlling interests	非控股權益		2,719	(19,810)
			(149,730)	(228,055)
			RMB 人民幣	RMB 人民幣
Basic loss per share	每股基本虧損	14	(0.19)	(0.26)

Consolidated Statement of Financial Position

綜合財務狀況表

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 assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	302,098	524,037
Prepaid lease payments	預付租賃款項	17	203,763	262,391
Prepayment for acquisition of machinery	購買機器預付款項		236	2,602
Deferred tax assets	遞延稅項資產	18	145	–
			506,242	789,030
Current assets	流動資產			
Inventories	存貨	19	220,933	240,344
Trade receivables	貿易應收款項	20	160,420	177,077
Bills receivables	應收票據	20	53,079	87,449
Other receivables	其他應收款項	20	131,872	140,508
Prepaid lease payments	預付租賃款項	17	4,378	6,241
Tax recoverable	可收回稅項		2,439	2,439
Pledged bank deposits	已抵押銀行存款	22	3,350	–
Bank balances and cash	銀行結餘及現金	22	6,858	57,902
			583,329	711,960
Assets classified as held for sale	分類為持作出售資產	23	187,544	80,591
			770,873	792,551
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	24	87,919	123,995
Other payables	其他應付款項	24	158,544	119,721
Borrowings-due within one year	借款－於一年內到期	25	336,879	464,167
Tax liabilities	稅項負債		1,343	1,343
			584,685	709,226
NET CURRENT ASSETS	流動資產淨值		186,188	83,325
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		692,430	872,355
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	18	–	195
			692,430	872,160
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	26	53,560	53,560
Reserves	儲備		638,870	799,844
Equity attributable to owners of the Company	本公司擁有人應佔權益		692,430	853,404
Non-controlling interests	非控股權益		–	18,756
			692,430	872,160

The consolidated financial statements on pages 58 to 139 were approved and authorised for issue by the board of directors on 24 March 2015 and are signed on its behalf by:

載於第58頁至139頁的綜合財務報表於二零一五年三月二十四日獲董事會批准及授權刊發，並由下列董事代表簽署：

DIRECTOR
董事

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

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Share premium	Capital reserves	Surplus reserves	Special reserves	compensation scheme	Shares held under awarded (Accumulated shares losses) retained earnings	Total	Non-controlling interests	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	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
At 1 January 2013	於二零一三年一月一日	53,560	599,296	226,982	149,020	822	(1,627)	33,596	1,061,649	38,566	1,100,215
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	-	-	(208,245)	(208,245)	(19,810)	(228,055)
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	53,560	599,296	226,982	149,020	822	(1,627)	(174,649)	853,404	18,756	872,160
(Loss) profit and total comprehensive (expense) income for the year	年內(虧損)溢利及全面(開支)收入總額	-	-	-	-	-	-	(152,449)	(152,449)	2,719	(149,730)
Acquisition of additional interest in a subsidiary (note 28)	購買一間附屬公司之額外權益(附註28)	-	-	-	-	(8,525)	-	-	(8,525)	(21,475)	(30,000)
At 31 December 2014	於二零一四年十二月三十一日	53,560	599,296	226,982	149,020	(7,703)	(1,627)	(327,098)	692,430	-	692,430

Notes:

附註：

- The balance represents deemed distribution, transfer and deemed contribution arising from group reorganisation for listing purposes which took place in 2008 and 2009.
- The balance comprising statutory surplus reserve and discretionary surplus reserve, which are non-distributable and the transfer to these reserves is determined according to the relevant laws in the People's Republic of China (the "PRC") and by the board of directors of the PRC subsidiaries in accordance with the Article of Association of the subsidiaries. Statutory surplus reserve can be used to make up for previous year's losses or convert into additional capital of the PRC subsidiaries of the Company. Discretionary surplus reserve can be used to expand the existing operations of the Company's PRC subsidiaries.
- Amount of RMB822,000 represents the difference between the amount paid for acquisition of additional interest in a subsidiary during year 2007 and the non-controlling interests being acquired of.

- 該結餘指於二零零八年及二零零九年為上市目的而進行集團重組時產生的視作分派、轉讓及視作供款。
- 該結餘包括不可分派的法定盈餘儲備及酌情盈餘儲備，對該等儲備進行的轉撥乃根據中華人民共和國(「中國」)相關法律進行及由中國附屬公司的董事會根據該等附屬公司的組織章程決定。法定盈餘儲備可用作彌補往年虧損或轉換為本公司中國附屬公司的額外資本。酌情盈餘儲備可用作擴充本公司中國附屬公司現時的營運規模。
- 人民幣822,000元指於二零零七年收購於一間附屬公司額外權益的已付款項與已收購非控股權益之差額。

Amount of RMB8,525,000 recognised during the year represents the difference between the amount paid for acquisition of additional interest in a subsidiary without the overall gain or loss of control in that subsidiary and the carrying amount of non-controlling interest being acquired of.

於年內人民幣8,525,000元指收購於一間附屬公司額外權益而不會導致完全取得或失去附屬公司控制權時的已付金額與已收購非控股權益賬面值之差額。

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

	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
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(150,000)	(227,410)
Adjustments for:	就以下各項作出調整：		
Reversal of impairment losses on trade receivables	貿易應收款項減值虧損撥回	(20,884)	(4,388)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	37,016	38,214
Finance costs	融資成本	29,336	32,552
Release of prepaid lease payments	撥回預付租賃款項	5,524	6,436
Impairment loss recognised in respect of	就以下各項確認之減值虧損		
– trade receivables	– 貿易應收款項	20,080	89,600
– advance to suppliers	– 向供應商墊款	8,619	–
– inventories	– 存貨	19,272	–
– property, plant and equipment	– 物業、廠房及設備	55,764	52,133
– prepaid lease payments	– 預付租賃款項	–	30,332
Reversal of impairment loss recognised in respect of property, plant and equipment classified as assets held for sale	分類為持作出售資產的物業、廠房及設備之已確認減值虧損撥回	(26,712)	(19,602)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	6,105	–
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損(收益)	25,599	(580)
Interest income	利息收入	(250)	(216)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	9,469	(2,929)
Decrease in inventories	存貨減少	139	38,389
Decrease (increase) in trade receivables	貿易應收款項減少(增加)	17,461	(6,892)
Decrease in bills receivables	應收票據減少	34,370	21,369
Decrease (increase) in other receivables	其他應收款項減少(增加)	28,300	(3,974)
(Decrease) increase in trade and bill payables	貿易應付款項及應付票據(減少)增加	(36,076)	23,802
Decrease in other payables	其他應付款項減少	(15,217)	(7,248)
Cash generated from operations	經營產生之現金	38,446	62,517
Income tax refund	退回所得稅	–	644
Income tax paid	已付所得稅	(70)	(245)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	38,376	62,916



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

	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
INVESTING ACTIVITIES	投資活動		
Deposit received for disposal of assets classified as held for sale	出售分類為持作出售資產收取按金	36,000	–
Proceeds on disposal of a subsidiary	出售一間附屬公司所得款項	35,000	–
Deposit received for disposal of a subsidiary	出售一間附屬公司收取按金	28,000	28,000
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	5,875	9,725
Interest received	已收利息	250	216
Proceeds from disposal of held for trading investments	出售持作買賣投資所得款項	–	20,000
Prepayment for acquisition of machinery	購買機器預付款項	(236)	(40,083)
Payment of prepaid lease payments	支付預付租賃款項	(1,001)	(7,217)
Purchases of property, plant and equipment	購買物業、廠房及設備	(3,334)	(10,582)
Placement of pledged bank deposits	存放已抵押銀行存款	(3,350)	–
Acquisition of additional interest in a subsidiary	購買一間附屬公司之額外權益	(30,000)	–
NET CASH FROM INVESTING ACTIVITIES	投資活動所得現金淨額	67,204	59
FINANCING ACTIVITIES	融資活動		
Repayments of borrowings	償還借款	(526,588)	(553,470)
Interest paid	已付利息	(29,336)	(32,552)
New borrowings raised	新增借款	399,300	519,077
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(156,624)	(66,945)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(51,044)	(3,970)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初現金及現金等值項目	57,902	61,872
CASH AND CASH EQUIVALENTS AT THE END OF YEAR, represented by bank balances and cash	年終現金及現金等值項目，即銀行結餘及現金	6,858	57,902

Notes to the 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. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability in the Cayman Islands. Its immediate and also its ultimate holding company is Changfeng Axle Holdings Ltd. (incorporated in the British Virgin Islands), which 50.8% equity interests are owned by Wong Kwai Mo and Wu Ching in aggregate. The Company's shares were listed on the Stock Exchange of Hong Kong Limited with effect from 24 September 2010. The address of the Company's registered office is at Room 708, 7/F, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Group are manufacture and sale of axle and related components in the PRC. Particulars of the subsidiaries of the Company are set out in note 34.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements of the Company, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a loss of RMB149,730,000 for the year ended 31 December 2014. In the opinion of the directors of the Company, the Group is able to continue as a going concern at least in the coming twelve months taking into consideration the measures which include, but are not limited to the following:

- (a) The Group is able to renew banking facilities from various banks in full upon their maturity based on the past history and good relationships of the Group with the banks for the operation requirements of the Group.
- (b) The disposal of land held by Sichuan Changfeng Axle Co., Ltd. ("Sichuan Changfeng") will be completed and the outstanding consideration as at 31 December 2014 amounted to RMB35,084,000. In February 2015, RMB10,000,000 was received and the remaining of RMB25,084,000 would be received by April 2015.

1. 一般資料

本公司於開曼群島註冊成立為獲豁免有限公司。其直接及最終控股公司為Changfeng Axle Holdings Ltd. (於英屬處女群島註冊成立)，王桂模及胡靜合共持有該公司50.8%股權。本公司的股份已自二零一零年九月二十四日起於香港聯合交易所有限公司上市。本公司的註冊辦事處為香港新界沙田安耀街3號匯達大廈7樓708室。

本公司的主要業務為投資控股。本集團的主要業務為於中國製造及銷售車橋及相關零部件。本公司附屬公司詳情載於附註34。

綜合財務報表以人民幣(「人民幣」)列示，人民幣亦為本公司的功能貨幣。

2. 編製綜合財務報表的基準

於編製本公司綜合財務報表時，鑒於本集團於截至二零一四年十二月三十一日止年度內產生虧損人民幣149,730,000元，本公司董事已審慎考慮本集團之未來流動資金。本公司董事認為，經考慮(包括但不限於)以下措施，本集團至少能在未來十二個月持續經營：

- (a) 基於往績及本集團與各銀行的良好關係，本集團能於銀行信貸到期前自各銀行悉數續新銀行融資以滿足本集團營運需要。
- (b) 完成出售四川暢豐車橋有限公司(「四川暢豐」)持有之土地。於二零一四年十二月三十一日，代價人民幣35,084,000元尚未收取。於二零一五年二月，已收取人民幣10,000,000元，餘下人民幣25,084,000元將於二零一五年四月前收取。



Notes to the 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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- (c) The disposal of land held by Kaifeng Changfeng Axle Co., Ltd. (“Kaifeng Changfeng”) at a consideration of RMB102,690,000 will be completed. In January 2015, RMB73,000,000 has been received and the remaining of RMB29,690,000 would be received by April 2015.
- (d) The suspension in the sales of train and railway components is temporary and the directors believe the sales will be recommenced in the second quarter of 2015.
- (e) The Group has been applying more stringent selection criteria to select new customers for new sales orders with better repayment terms.

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

Amendments to HKFRSs and the new Interpretation that are mandatorily effective for the current year

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new Interpretation issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKFRS 10,
HKFRS 12 and HKAS 27
香港財務報告準則第10號、香港財務報告準則
第12號及香港會計準則第27號(修訂本)

Amendments to HKAS 32
香港會計準則第32號(修訂本)
Amendments to HKAS 36

香港會計準則第36號(修訂本)
Amendments to HKAS 39

香港會計準則第39號(修訂本)
HK(IFRIC)-Int 21
香港(國際財務報告詮釋委員會)第21號

2. 編製綜合財務報表的基準(續)

- (c) 可完成以代價人民幣102,690,000元出售開封暢豐車橋有限公司(「開封暢豐」)持有之土地。於二零一五年一月已收取人民幣73,000,000元，餘下人民幣29,690,000元將於二零一五年四月前收取。
- (d) 銷售列車及鐵路零部件中止乃屬暫時且董事認為銷售將於二零一五年第二季度重新開始。
- (e) 本集團一直採用更嚴格的選擇標準甄選新客戶，從而尋求附帶更佳還款條款的新銷售訂單。

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之香港財務報告準則修訂本及新訂詮釋

本集團於本年度首次應用下列香港會計師公會(「香港會計師公會」)所頒佈之香港財務報告準則及新訂詮釋。

Investment Entities

投資實體

Offsetting Financial Assets and Financial Liabilities
抵銷金融資產及金融負債

Recoverable Amount Disclosures for Non-Financial
Assets

非金融資產之可收回金額披露

Novation of Derivatives and Continuation of Hedge
Accounting

衍生工具更替及對沖會計法之延續

Levies

徵費

Notes to the 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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

Except as described below, the application of the new and revised HKFRSs 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.

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

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

The application of the amendments has had no material impact on the disclosures in the Group’s consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

除下文所述外，於本年度應用新修訂及經修訂香港財務報告準則並無對本年度及過往年度本集團財務表現及狀況及／或該等綜合財務報表所披露金額產生任何重大影響。

香港會計準則第36號（修訂本）非金融資產之可收回金額披露

本集團於本年度首次應用香港會計準則第36號（修訂本）非金融資產之可收回金額披露。倘獲分配商譽或具有無限使用年期之其他無形資產之現金產生單位（「現金產生單位」）並無出現減值或減值或撥回，香港會計準則第36號（修訂本）取消就有關現金產生單位可收回金額作出披露之規定。此外，倘資產或現金產生單位之可收回金額乃按照其公平值減出售成本釐定，該等修訂引入額外披露規定。該等新披露包括公平值等級、主要假設及所使用之估值技巧，與香港財務報告準則第13號公平值計量所規定作出之披露一致。

應用該等修訂不會對本集團綜合財務報表之披露造成重大影響。



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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9
香港財務報告準則第9號
HKFRS 14
香港財務報告準則第14號
HKFRS 15
香港財務報告準則第15號
Amendments to HKFRS 11
香港財務報告準則第11號(修訂本)
Amendments to HKAS 1
香港會計報告準則第1號(修訂本)
Amendments to HKAS 16
and HKAS 38
香港會計準則第16號及香港會計準則
第38號(修訂本)
Amendments to HKAS 16
and HKAS 41
香港會計準則第16號及香港會計準則
第41號(修訂本)
Amendments to HKAS 19
香港會計準則第19號(修訂本)
Amendments to HKAS 27
香港會計準則第27號(修訂本)
Amendments to HKFRS 10,
HKFRS 12 and HKAS 28
香港財務報告準則第10號、香港財務
報告準則第12號及香港會計準則第28號
(修訂本)
Amendments to HKFRS 10
and HKAS 28
香港會計報告則第10號及香港會計準則
第28號(修訂本)
Amendments to HKFRSs
香港財務報告準則(修訂本)
Amendments to HKFRSs
香港財務報告準則(修訂本)
Amendments to HKFRSs
香港財務報告準則(修訂本)

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒布但尚未生效之新訂及經修訂香港財務報告準則：

Financial Instruments¹
金融工具¹
Regulatory Deferral Accounts²
監管遞延賬目²
Revenue from Contracts with Customers³
來自客戶合約之收入³
Accounting for Acquisitions of Interests in Joint
Operations⁵
收購共同營運權益之會計處理⁵
Disclosure Initiative⁵
披露計劃⁵
Clarification of Acceptable Methods of Depreciation
and Amortisation⁵
折舊及攤銷可接受方法之澄清⁵
Agriculture: Bearer Plants⁵
農業：生產性植物⁵
Defined Benefit Plans: Employee Contributions⁴
界定福利計劃：僱員供款⁴
Equity Method in Separate Financial Statements⁵
獨立財務報表之權益法⁵
Investment Entities: Applying the Consolidation
Exception⁵
投資實體：應用綜合入賬的例外情況⁵
Sale or Contribution of Assets between an Investor
and its Associate or Joint Venture⁵
投資者與其聯營公司或合營企業之間的資產出售
或投入⁵
Annual Improvements to HKFRS 2010-2012 Cycle⁶
香港財務報告準則二零一零年至二零一二年週期之
年度改進⁶
Annual Improvements to HKFRS 2011-2013 Cycle⁴
香港財務報告準則二零一一年至二零一三年週期之
年度改進⁴
Annual Improvements to HKFRS 2012-2014 Cycle⁵
香港財務報告準則二零一二年至二零一四年週期之
年度改進⁵

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

New and revised HKFRSs in issue but not yet effective (continued)

- 1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- 2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with early application is 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.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

- 1 於二零一八年一月一日或之後開始之年度期間生效，可提早採用。
- 2 於二零一六年一月一日或之後開始的首份年度香港財務報告準則財務報表生效，可提早採用。
- 3 於二零一七年一月一日或之後開始之年度期間生效，可提早採用。
- 4 於二零一四年七月一日或之後開始之年度期間生效，可提早採用。
- 5 於二零一六年一月一日或之後開始之年度期間生效，可提早採用。
- 6 於二零一四年七月一日或之後開始之年度期間生效，少數情況除外，可提早採用。

香港財務報告準則第15號來自客戶合約之收入

於二零一四年七月，香港財務報告準則第15號已頒佈，其制定一項單一全面模式供實體用於將來自客戶合約所產生之收入入賬。當香港財務報告準則第15號生效時，將取代現時沿用之收入確認指引，包括香港會計準則第18號收入，香港會計準則第11號建築合約及相關的詮釋。

香港財務報告準則第15號的核心原則乃實體應確認收入以體現向客戶轉讓承諾貨品或服務之數額，並反映實體預期交換該等貨品或服務而應得之代價。具體來說，該準則引入了五步法來確認收入：



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

New and revised HKFRSs in issue but not yet effective (continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors anticipate that the application of the new or revised HKFRSs, other than those set out above, will have no material impact on the results and the financial position of the Group.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒布但尚未生效的新訂及經修訂香港財務報告準則（續）

香港財務報告準則第15號來自客戶合約之收入（續）

- 第1步：識別與客戶之合約
- 第2步：識別合約內之履約責任
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合約內之履約責任
- 第5步：當（或隨著）實體符合履約責任時確認收入

根據香港財務報告準則第15號，當（或隨著）實體符合履約責任時確認收入，即當貨品或服務按特定之履約責任轉移並由客戶「控制」時。香港財務報告準則第15號已就特別情況之處理方法加入更明確之指引。此外，香港財務報告準則第15號亦要求較廣泛之披露。

本公司董事預期，於日後應用香港財務報告準則第15號或會對本集團綜合財務報表所呈報及披露金額構成重大影響。然而，本集團於完成詳細審閱前，無法合理估計有關香港財務報告準則第15號之影響。

董事預計，除上文載列者外，新訂或經修訂香港財務報告準則將不會對本集團之業績及財務狀況造成重大影響。

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4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, 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 HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

4. 主要會計政策

合規聲明

綜合財務報表已按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例第32章所規定的適用披露。

編製基準

如下文載列之會計政策所說明，於各報告期末綜合財務報表按照歷史成本基準編製，惟若干以公平值計量的金融工具除外。

歷史成本一般根據交換貨品及服務代價的公平值而定。

公平值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。於綜合財務報表中作計量及／或披露用途之公平值按此基準釐定，惟香港財務報告準則第2號範圍內股份付款範圍內的股份付款交易、香港會計準則第17號租賃範圍內的租賃交易及與公平值相似但非公平值的計量（例如香港會計準則第2號可變現淨值或香港會計準則第36號之使用價值）除外。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

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.

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.

4. 主要會計政策 (續)

編製基準 (續)

此外，公平值計量可根據公平值計量之輸入值的可觀察程度及其對整體公平值計量之重要性分為第一、第二或第三層，以作財務報告之用，敘述如下：

- 第一層的輸入值指個體能於計量日在活躍市場上得到相同的資產或負債的標價（未予調整）；
- 第二層的輸入值指除包含在第一層的標價以外，可直接或間接觀察得到的資產或負債的輸入值；及
- 第三層的輸入值指資產或負債不可觀察得到的輸入值。

主要會計政策載列如下。

綜合賬目基準

綜合財務報表包括本公司及本公司控制的實體及其附屬公司的財務報表。倘屬以下情況，則本公司取得控制權：

- 對投資對象行使權力；
- 因參與投資對象之業務而可或有權獲得可變回報；及
- 有能力行使其權力而影響其回報。

倘事實及情況表明以上所列控制權三個要素的一個或多個有所變動時，本集團重估其是否控制投資對象。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

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 component 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.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4. 主要會計政策 (續)

綜合賬目基準 (續)

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

損益及其他全面收益各項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使因此而導致非控股權益出現虧絀結餘。

於有需要時會調整附屬公司的財務報表，使其會計政策與本集團所採用者一致。

所有集團內公司間資產及負債、權益、收益、支出及現金流(與本集團成員公司間之交易有關)均於綜合賬目時全額撇銷。

本集團於現有附屬公司之擁有權權益之變動

本集團於附屬公司之擁有權權益變動若並無導致本集團失去該等附屬公司之控制權，則以權益交易入賬。本集團之權益與非控股權益之賬面值均會予以調整，以反映其於附屬公司之相關權益之變動。非控股權益所調整所依據之金額與所付或所收代價之公平值間之差額，均直接於權益確認並歸屬於本公司擁有人。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

4. 主要會計政策 (續)

綜合賬目基準 (續)

本集團於現有附屬公司之擁有權之變動 (續)

倘本集團失去附屬公司之控制權，則收益或虧損會於損益表確認，並按(i)所收代價之公平值及任何保留權益之公平值之總額與(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益之先前賬面值間之差額計算。先前於其他全面收益就該附屬公司確認之所有金額於入賬時乃假設本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則所訂明/允許而重新分類至損益表或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留之任何投資之公平值，根據香港會計準則第39號被視為其後入賬初步確認之公平值，或(如適用)初步確認於聯營公司或合營企業之投資成本。

持作出售非流動資產

倘非流動資產及出售集團之賬面金額將主要透過出售交易(而非透過持續使用)收回，則非流動資產及出售集團分類為持作出售。此條件僅於資產(或出售集團)可以其現況供即時出售，出售條款僅屬出售該資產(或出售集團)之一般慣常條款，且極有可能出售時，方告達成。管理層必須承諾進行出售，即應預期於分類日期起計一年內合資格確認為一項已完成出售。

當本集團承諾進行涉及喪失一間附屬公司控制權之出售計劃，倘符合上述條件，該附屬公司之所有資產及負債均分類為持作出售，不論本集團會否於出售後保留其前附屬公司之非控股權益。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets held for sale (continued)

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

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

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.

4. 主要會計政策 (續)

持作出售非流動資產 (續)

分類為持作出售之非流動資產(及出售集團)按其以往賬面金額與公平值減出售成本之較低者計量。

收入確認

收入按已收或應收代價的公平值計量。收入已就估計客戶退貨、回扣及其他類似撥備作出扣減。

銷售貨品

銷售貨品之收入於貨品付運及轉讓所有權時達成以下條件時予以確認：

- 本集團將貨品擁有權的主要風險及回報轉嫁予買方；
- 本集團對所售貨品不再具有一般與擁有權相關的程度的持續管理參與權，亦無實際控制權；
- 收入金額能可靠計量；
- 與交易相關的經濟利益可能流入本集團；及
- 交易已產生或將予產生的成本能可靠計量。

利息收入

當經濟利益可能流入本集團及收益金額能可靠計量時，金融資產的利息收入方獲確認。利息收入乃參照未償還本金額及適用實際利率按時間基準累算，實際利率乃將於金融資產預期可使用年期內的估計日後收取現金確切地貼現至該資產於初步確認時的賬面淨值的利率。



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4. 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 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.

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. 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.

4. 主要會計政策 (續)

租賃

凡租賃條款規定將擁有權的絕大部份風險及回報撥歸承租人之租賃均列作融資租賃。所有其他租賃則列作經營租賃。

本集團作為承租人

經營租賃付款於租賃年內按直線基準確認為開支，除非另有系統基準更能代表租賃資產使用經濟利益的時間模式。

倘就訂立經營租賃獲得租賃優惠，則有關優惠確認為負債。優惠利益總額乃按直線法確認為租金開支之扣減，惟倘有另一系統基準更能代表從租賃資產獲得經濟利益之時間模式則另當別論。

租賃土地及樓宇

倘一項租賃同時包括土地及樓宇部分，則本集團會分別依照各部分擁有權隨附之絕大部分風險及回報是否已轉移至本集團，評估各部分分類應被界定為融資或是經營租賃，除非兩個部分被清楚確定為經營租賃，於此情況下，整份租賃歸類為經營租賃。具體而言，最低租賃款項是(包括任何一筆過支付之預付款項)會按訂立租賃時租賃土地部分與樓宇部分租賃權益之相關公平值，按比例於土地與樓宇部分之間分配。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (continued)

Leasehold land and building (continued)

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. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchanges prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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.

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

4. 主要會計政策 (續)

租賃 (續)

租賃土地及樓宇 (續)

倘能可靠地分配租賃款項，則入賬列為經營租賃之租賃土地權益將於綜合財務狀況表內列作「預付租賃款項」，並於租賃期內以直線法攤銷入賬。倘未能可靠地於土地及樓宇部分之間分配租賃款項，則整項租賃一般會分類為融資租賃，並入賬列作物業、廠房及設備。

外幣

為編製各個別集團實體的財務報表，以非實體功能貨幣(外幣)進行的交易均按交易日期的適用匯率記賬。於報告期末，以外幣計值的貨幣項目均按於該日適用的匯率重新換算。以外幣計值按公平值列賬的非貨幣項目，乃按於公平值釐定當日的適用匯率重新換算。按歷史成本計量以外幣計值的非貨幣項目則毋須重新換算。

貨幣項目的滙兌差額於其產生期間的損益內確認。

借款成本

收購、建造或生產合資格資產(即需要一段頗長時間始能達致其擬定用途或可供銷售的資產)的直接應計借款成本均計入該等資產的成本，直至該等資產大體上已可作其擬定用途或可供銷售為止。

所有其他借款成本均於其產生期間的損益內確認。



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4. 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 are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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.

Retirement benefit costs and termination benefits

Payments made to state-managed retirement benefit scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payment transactions

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 27.

4. 主要會計政策 (續)

政府津貼

政府津貼於確認前須先有合理保證本集團將遵守津貼隨附的條件及能夠收取該等津貼。

政府津貼按系統性基準於本集團將津貼所擬補償的相關成本確認為開支的期間於損益內確認。具體而言，以要求本集團購買、建造或以其他方式收購非流動資產的政府津貼於綜合財務狀況報表內確認為遞延收入並會於有關資產的可使用年期內在系統性及理性的基礎上轉撥至損益內。

就作為對已產生的開支或虧損的補償或就為本集團提供即時財務支持而不涉及未來相關成本的目的而應收的政府津貼乃於其應收的期間在損益內確認。

退休福利成本及離職福利

向國家管理退休福利計劃作出的付款乃於僱員提供令其有權取得供款的服務時確認為開支。

以股份為基礎的付款交易

權益結算以股份為基礎的付款交易

權益結算以股份為基礎的付款予僱員或提供同類服務的其他人士按股本工具於授出日期的公平值計量。有關權益結算以股份為基礎的付款交易之公平值釐定詳情載於附註27。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment transactions (continued)

Equity-settled share-based payment transactions (continued)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

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

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When 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 earnings.

Share award scheme

The fair value of services received determined by reference to the fair value of shares awarded at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in awarded shares compensation reserve.

When trustee purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held under awarded shares compensation scheme and deducted from total equity. No gain or loss is recognised on the transactions of the Company's own shares.

4. 主要會計政策 (續)

以股份為基礎的付款交易 (續)

權益結算以股份為基礎的付款交易 (續)

於授出股權結算以股份為基礎的付款當日釐定的公平值基於本集團對最終歸屬之股本工具的估計按直線法於歸屬期支銷，相應增加計入權益。

於報告期末，本集團修訂對預期最終歸屬之股本工具數量的估計。修訂原有估計的影響(如有)於損益確認，以使累計開支符合經修訂的估計，而相關調整計入購股權儲備。

對於授出當日立即歸屬之購股權，所授購股權公平值即時於損益支銷。

行使購股權時，先前於購股權儲備確認的金額會轉撥至股份溢價。倘若購股權於歸屬日期後被沒收或於到期日仍未行使，則先前於購股權儲備確認的金額會轉撥至保留盈利。

股份獎勵計劃

所獲服務之公平值乃參考獎勵股份於授出日期之公平值釐定，在歸屬期間以直線法列作開支，並於獎勵股份報酬儲備作相應增加。

倘受託人在公開市場認購本公司股份，則已付代價(包括任何直接應佔增量成本)呈列為根據獎勵股份報酬計劃持有的股份，並自總權益中扣除。並無就本公司本身股份之交易確認任何盈虧。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment transactions (continued)

Equity-settled share-based payment transactions (continued)

Share award scheme (continued)

When the trustee transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held under awarded shares compensation scheme. Accordingly, the related expense of the granted shares vested is reversed from awarded shares compensation reserve. The difference arising from such transfer is debited/credited to accumulated profits.

When the share awards are forfeited, the amount previously recognised in awarded shares compensation reserve will be transferred to accumulated losses.

Taxation

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

Current 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 current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. 主要會計政策 (續)

以股份為基礎的付款交易 (續)

權益結算以股份為基礎的付款交易 (續)

股份獎勵計劃 (續)

倘歸屬時受託人向承授人轉讓本公司股份，則已歸屬的已授出股份的相關成本從根據獎勵股份報酬計劃持有的股份撥回。因此，已歸屬的已授出股份的相關開支從獎勵股份報酬儲備撥回。轉讓所產生差額扣自／計入累計溢利。

倘獎勵股份被沒收，先前於獎勵股份報酬儲備確認的金額將轉撥至累計溢利。

稅項

所得稅開支指當期應付稅款與遞延稅項的總和。

即期稅項

當期應付稅項按有關年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所列「除稅前溢利」不同，因為其不包括於其他年度的應課稅或可扣減的收益或開支，亦不包括毋須課稅或不可扣稅項目。本集團的即期稅項乃按於報告期末已頒佈或實際上已頒佈的稅率計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax (continued)

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

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

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

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.

4. 主要會計政策 (續)

稅項 (續)

即期稅項 (續)

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時差額予以確認。一般就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產一般則於可能出現應課稅溢利對銷可用的可扣稅暫時差額時確認。若初次確認一項交易(業務合併除外)的其他資產及負債而產生暫時差額，而該差額不會影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

與於附屬公司之投資有關之應課稅暫時差額確認為遞延稅項負債，除本集團能夠控制暫時差額的回撥及暫時差額很大機會於可預見將來不會撥回則除外。與該等投資相關之可扣減暫時差額產生之遞延稅項資產僅於可能將有足夠應課稅溢利以應用暫時差額的利益且預期將於可見將來撥回時始確認。

遞延稅項資產的賬面值於報告期末被審閱，而倘不再可能擁有足夠應課稅溢利以收回所有或部份資產時則會作出扣減。

遞延稅項資產及負債按預期將於清付負債或變賣資產期間適用之稅率，按於報告期末已頒佈或實際上已頒佈之稅率(及稅法)計量。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax (continued)

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 for the year

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

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

Construction in progress 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, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of assets (other than construction in progress) less their residual values over their 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.

4. 主要會計政策 (續)

稅項 (續)

即期稅項 (續)

遞延稅項負債及資產之計量反映於報告期末本集團預計收回或清付其資產及負債之賬面值之模式而引致之稅務後果。

本年度即期及遞延稅項

即期及遞延稅項於損益中確認，惟倘其與於其他全面收益或直接於權益確認之項目相關，則即期及遞延稅項亦會分別於其他全面收益或直接於權益確認。就因對業務合併進行初始會計處理而產生的即期稅項或遞延稅項而言，稅務影響乃計入業務合併的會計處理內。

物業、廠房及設備

物業、廠房及設備(包括持作用於生產或供應貨品或服務，或用於行政用途的樓宇，惟在建工程除外)按成本減其後累積折舊及其後累積減值虧損(如有)於綜合財務狀況表內列賬。

用作生產、供應或作行政用途之在建工程以成本減任何已確認減值虧損列賬。成本包括專業費用，就合資格資產而言亦包括根據本集團會計政策資本化之借款成本。當在建工程完成及準備作擬定用途時，該等物業分類為物業、廠房及設備的適當類別。該等資產的折舊於資產可投入擬定用途時按與其他物業資產相同的基準開始提撥。

物業、廠房及設備項目(在建工程除外)減其剩餘價值乃按其估計可使用年期限用直線法確認折舊以撇銷該等項目的成本。估計可使用年期、剩餘價值及折舊方法乃於報告期末檢討，估計變動的影響按預先計提的基準入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

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.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

4. 主要會計政策 (續)

物業、廠房及設備(續)

個別物業、廠房及設備的項目於出售或於預期繼續使用該資產不會帶來任何日後經濟利益時取消確認。物業、廠房及設備項目的出售或停用而產生的任何收益或虧損按其銷售所得款項淨額與資產賬面值的差額釐定並於損益內確認。

研發開支

研究活動開支於其產生期間確認為開支。

由開發活動(或由內部項目開發階段產生)的內部產生無形資產僅於以下所有各項均得到證明時確認：

- 完成該無形資產的技術可行性從而使其可予使用或出售；
- 完成及使用或出售該無形資產的意圖；
- 使用或出售該無形資產的能力；
- 該無形資產將很有可能產生未來經濟利益的方式；
- 有充足的技術、財務或其他資源以完成開發及使用或出售該無形資產；及
- 能可靠地計量無形資產於其開發期間所用的開支。

內部產生無形資產的初步確認金額乃從無形資產首次符合上列確認條件的日期起所產生的開支總額。如並無可確認的內部產生無形資產，開發開支將於產生時的期間於損益中確認。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible 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 units, 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.

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 a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

4. 主要會計政策 (續)

除商譽外的有形資產及無形資產減值

在報告期末，本集團對其有形及無形資產之賬面值作出評估，以釐定有否任何跡象顯示該等資產出現減值虧損。如果存在任何此類跡象，則會對資產的可收回金額作出估計，以確定減值虧損的程度(如有)。如果無法估計個別資產的可收回金額，本集團會估計該資產所屬的現金產出單元的可收回金額。如果可以識別一個合理和一致的分配基礎，總部資產也應分配至個別現金產出單元，若不能分配至個別現金產出單元，則應將總部資產按能識別的、合理且一致的基礎分配至最小的現金產出單元組合。

可收回金額是指公平值減去出售成本後的餘額和使用價值兩者中的較高者。在評估使用價值時，預計未來現金流量會採用稅前折現率折現為現值，該稅前折現率應反映對貨幣時間價值的當前市場評價及該資產特有的風險(未針對該風險調整估計未來現金流量)。

倘若估計資產(或現金產出單元)的可收回金額少於其賬面值，則資產(或現金產出單元)的賬面值將被削減至其可收回金額。減值虧損即時於損益表確認。

倘其後撥回減值虧損，則會增加資產的賬面值至其可收回金額的經修訂估計，惟已增加的賬面值不會超過倘於過去年度概無就資產(或現金產出單元)確認減值虧損所釐定的賬面值。撥回減值虧損即時於損益表確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the 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.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and 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 directly attributable to the acquisition or issue of financial assets and 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 financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

4. 主要會計政策 (續)

存貨

存貨按成本與可變現淨值中之較低者呈列。成本按加權平均法計算。可變現淨值指存貨的預計售價減任何估計完成成本及銷售所需成本。

撥備

當本集團因過往事件而承擔現有責任(法定或推定)，而本集團可能須償付該責任時確認撥備，該責任的金額可得以可靠地估計。

確認為撥備的金額按於報告期末對償付現有責任所需的代價的最佳估計，並經考慮與該責任相關的風險及不確定因素。倘使用估計清償現有責任的現金流量計量撥備，其賬面值為該等現金流量(倘貨幣的時間價值影響重大)的現值。

金融工具

當集團實體成為工具合約條文的訂約方時，本集團的金融資產及負債於綜合財務狀況報表內確認。

金融資產及金融負債初步按公平值計量。因收購或發行金融資產及負債(按公平值列賬及在損益處理的金融資產或金融負債除外)而直接應佔的交易成本於初步確認時按適用情況加入或扣自該項金融資產或金融負債的公平值。按公平值列賬及在損益表處理之金融資產或金融負債直接應佔之交易成本即時於損益表確認。

金融資產

本集團的金融資產均分類為貸款及應收款項。分類乃視乎金融資產之性質及用途並於初步確認時釐定。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

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.

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. loans and receivables (including trade receivables, bills receivable, other receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of 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.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

實際利率法

實際利率法乃計算債務工具的經攤銷成本以及分攤相關期間的利息收入的方法。實際利率乃按債務工具的預計年期或(如適用)較短期間內準確折讓至初步確認的賬面淨值的估計未來現金收入(包括構成實際利率不可或缺部份的已付或已收的一切費用、交易成本及其他溢價或折讓)的利率。

債務工具的收入按實際利率基準確認。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生金融資產，而其在活躍市場並無報價。貸款及應收款項(包括貿易應收款項、應收票據、其他應收款項、已抵押銀行存款及銀行結餘及現金)乃採用實際利息法以攤銷成本減任何減值列賬。

利息收入乃採用實際利率確認，惟短期應收款項除外，因為確認利息並無意義。

金融資產減值

金融資產乃於報告期末評估減值跡象。倘有客觀證據證明，金融資產的估計未來現金流因首次確認金融資產後發生的一項或多項事件而受到影響，則金融資產被認為將出現減值。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. 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, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

減值的客觀證據可能包括：

- 發行人或對手方的重要財務困難；或
- 違反合約，如利息或本金支付的違約或拖欠；或
- 借款人可能將宣告破產或財務重組；或
- 因財務困境而使金融資產喪失活躍市場。

就若干類別的金融資產(如貿易應收款項)而言，被評為不會單獨作出減值的資產會彙集一併評估減值。應收款項組合出現減值的客觀證據包括本集團過往收款紀錄、組合內逾期超過平均信貸期的還款數目上升，以及國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

就按攤銷成本入賬的金融資產而言，已確認減值虧損數額以資產賬面值與以金融資產原來實際利率貼現的估計未來現金流之現值之間的差異來計算。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment 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.

Equity instruments

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

Other financial liabilities

Other financial liabilities (including trade, bills and other payables and borrowings) are subsequently measured at amortised cost using the effective interest method.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

除貿易應收款項的賬面值是通過撥備賬作出扣減外，金融資產的賬面值減少乃直接經由所有金融資產的減值虧損而導致。當一項貿易應收款項被認為不可收回時，將於撥備賬作出撇銷。倘於過往撇銷的金額於其後收回，則在撥備賬對銷。撥備賬的賬面值變動於損益確認。

就按攤銷成本計量的金融資產而言，倘於隨後期間減值虧損額減少且該減幅客觀上與確認減值虧損後所發生之事件有關，則先前已確認的減值虧損會在其後期間於損益賬中撥回，惟須以減值撥回當日的投資賬面值不得超過未確認減值時原有的攤銷成本為限。

金融負債及股權工具

集團實體發行的債務及股權工具乃根據已訂立的合約安排內容以及金融負債及股權工具的定義分類為金融負債或股權。

股權工具

股權工具乃扣除所有負債後證明於實體資產內擁有剩餘權益的任何合約。集團實體發行的股權工具按已收所得款項扣除直接發行成本確認。

其他金融負債

其他金融負債(包括貿易應付款項、應付票據及其他應付款項及借貸)乃隨後採用實際利率法按已攤銷成本計量。

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4. 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.

Derecognition

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

On derecognition of a financial asset, 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.

4. 主要會計政策 (續)

金融工具 (續)

金融負債及股權工具 (續)

實際利率法

實際利率法為計算金融負債的攤銷成本及在相關期間分配利息開支的方法。實際利率是在金融負債的預計年期或較短期間(如適用)內，將其未來現金付款確切貼現為初始確認時賬面淨值(包括構成實際利率不可缺少部分之已付或已收取之全部費用、交易成本及其他溢價或折讓)所使用的利率。

利息開支按實際利率基準確認。

解除確認

僅於資產所得現金流量的合約權利屆滿時，或金融資產所有權之絕大部分風險及回報轉讓予另一實體時，本集團方會取消確認金融資產。倘本集團並未轉讓亦未保留所有權的絕大部分風險及回報，並繼續控制已轉讓資產，則本集團可繼續將資產確認入賬，條件為須持續涉及該項資產，以及確認一項相關負債。倘本集團保留已轉讓金融資產所有權的絕大部分風險及回報，則本集團繼續確認該金融資產並亦確認已收所得款項之有抵押借款。

一旦終止確認金融資產，資產的賬面值與已收及應收代價和已在其他全面收益中確認及在權益中累計的累積損益之和之間的差額會在損益中確認。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition (continued)

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 主要會計政策 (續)

金融工具 (續)

金融負債及股權工具 (續)

本集團只有在責任獲解除、註銷或屆滿時，將解除確認金融負債。獲解除確認的金融負債的賬面值與已付及應付的代價間差額於損益中確認。

5. 估計不確定因素主要來源

於應用附註4所述的本集團會計政策時，本公司董事須對並未能輕易從其他途徑得悉的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及其他被視為相關的因素。實際結果可能與該等估計不同。

估計及相關假設將按持續基準被審閱。倘對會計估計的修訂僅影響一段期間，則僅於估計被修訂的期間確認對會計估計的修訂，或倘修訂影響目前及未來期間則會於修訂及未來期間予以確認。

估計不確定因素主要來源

以下為可產生須對下一個財政年度的資產及負債賬面值作出重大調整的重大風險的有關未來主要假設，以及於報告期末的其他估計不確定因素的主要來源。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(a) Estimated impairment of property, plant and equipment and prepaid lease payments

Whenever certain events or changes in circumstances indicate that the carrying amount of property, plant and equipment and prepaid lease payments may not be recoverable, the directors conducted an impairment review by comparing its recoverable amount (higher of value in use and fair value less costs to sell) to the carrying amount of the property, plant and equipment and prepaid lease payments related to the group's production. When the recoverable amount is determined based on the value in use calculation, the value in use calculation is determined based on the expected future cash flows arising from the usage of these assets discounted by a suitable discount rate. Where the future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2014, an impairment loss amounted to RMB55,764,000 is recognised (2013: Nil) in respect of property, plant and equipment and related to the group's production as disclosed in note 16. No further impairment loss is recognised (2013: Nil) in respect of prepaid lease payments related to the Group's production as at 31 December 2014 as disclosed in note 16.

For the property, plant and equipment and prepaid lease payments not for use in the group's production and/or held for sale, the directors conducted an impairment review by comparing its net realisable value less cost to sell to the carrying amount. During the year, an impairment loss of RMB26,712,000 for the property, plant and equipment classified as assets held for sale was reversed in 2014 (2013: impairment loss of RMB52,135,000 and RMB30,332,000 for property, plant and equipment and prepaid lease payments respectively), as the estimated recoverable amount is higher than the carrying amount at the end of the reporting period (note 23).

5. 估計不確定因素主要來源(續)

估計不確定因素主要來源(續)

(a) 物業、廠房及設備及預付租賃款項的估計減值

若干事件或事況變化顯示物業、廠房及設備及預付租賃款項的賬面值或不能收回。董事透過將可收回金額(即使用價值與公平值減出售成本之較高者)與本集團生產相關的物業、廠房及設備以及預付租賃款項的賬面值作比較進行減值檢討。倘可收回金額按計算使用價值釐定,則計算使用價值乃按使用經適用折現率折現之該等資產而產生的預期現金流釐定。倘未來現金流量低於預期,則可能出現重大減值虧損。於二零一四年十二月三十一日,就附註16所披露與本集團生產相關的物業、廠房及設備確認減值虧損人民幣55,764,000元(二零一三年:無)。於二零一四年十二月三十一日,就附註16所披露與本集團生產相關之預付租賃款項並無進一步減值虧損(二零一三年:無)確認。

就並非作本集團生產之用及/或持作銷售的物業、廠房及設備及預付租賃款項而言,董事透過可變現淨值(扣除銷售成本)與賬面值作比較,進行減值評估。年內,分類為持作出售資產之物業、廠房及設備之減值虧損人民幣26,712,000元(二零一三年:物業、廠房及設備及預付租賃款項之減值虧損分別為人民幣52,135,000元及30,332,000元)已於二零一四年撥回,因於報告期末之估計可收回金額高於賬面值(附註23)。



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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(b) Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition), together with the consideration of subsequent settlement and aging of the trade receivables. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2014, the carrying amount of trade receivables is approximately RMB160,420,000 (net of impairment loss of RMB282,231,000) (2013: RMB177,077,000 net of impairment loss of RMB283,035,000). During the year, an additional impairment loss of RMB20,080,000 has been provided and impairment loss of RMB20,884,000 brought forward from prior year has been reversed.

(c) Impairment of inventories

The Group records inventories at the lower of cost and net realisable value. Net realisable value is the estimated selling price for inventories, less all the estimated costs of completion and costs necessary to make the sales.

5. 估計不確定因素主要來源(續)

估計不確定因素主要來源(續)

(b) 貿易應收款項的估計減值

倘存在減值虧損的客觀證據，本集團會考慮未來現金流量估計。減值虧損金額乃按資產賬面值金額與估計未來現金流量(不包括尚未產生的未來信貸損失)按金融資產的原來實際利率(即於初步確認時計算的實際利率)折現的現值之間的差額計算，當中會考慮隨後結算及貿易應收款項的賬齡。倘實際未來現金流量少於預期，則可能產生重大減值虧損。於二零一四年十二月三十一日，貿易應收款項的賬面值約為人民幣160,420,000元(扣除減值虧損人民幣282,231,000元)(二零一三年：人民幣177,077,000元，扣除減值虧損人民幣283,035,000元)。年內，額外減值虧損人民幣20,080,000元已作撥備及自上年度結轉之減值虧損人民幣20,884,000元已撥回。

(c) 存貨減值

本集團按成本或可變現淨值(以較低者為準)將存貨入賬。可變現淨值為存貨的估計售價減任何估計完成成本及進行銷售所需的成本。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

(c) Impairment of inventories (continued)

Operational procedures have been in place to monitor the risk as a significant proportion of the Group's working capital is devoted to inventories. Procedure-wise, the management reviews the inventory aging listing on a regular basis for those aged inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the financial statements for any obsolete and slow-moving items. Although the Group carried periodic review on the net realisable value of inventory, the actual realisable value of inventory is not known until the sales take place. As at 31 December 2014, the carrying amount of inventories is approximately RMB220,933,000 (2013: RMB240,344,000), net of allowance for inventories of approximately RMB19,272,000 (2013: Nil).

(d) Provision for warranty claims

Provision for warranty is made based on the possible claims on the products by customers with reference to the warranty coverage period and the percentage of warranty expenses incurred over total sales amount during the financial year. In case where the actual claims are greater than expected, a material increase in warranty expenses may arise, which would be recognised in profit or loss for the period in which such a claim takes place. Warranty provision has been included in trade and other payables with carrying amount of approximately RMB1,063,000 at 31 December 2014 (2013: RMB1,071,000).

5. 估計不確定因素主要來源 (續)

估計不確定因素主要來源 (續)

(c) 存貨減值 (續)

由於本集團相當大部份的營運資金亦用作增加存貨，因此已制訂營運程序以監察此風險。根據程序，管理層定期就陳舊存貨審閱存貨貨齡清單。此涉及比較陳舊存貨項目的賬面值及相關之可變現淨值。目的為確定是否須於財務報表就任何陳舊及滯銷項目作出撥備。儘管本集團定期審閱存貨的可變現淨值，惟直至銷售前不能得知存貨的實際可變現價值。於二零一四年十二月三十一日，存貨賬面值約為人民幣220,933,000元(二零一三年：人民幣240,344,000元)，扣除存貨撥備約人民幣19,272,000元(二零一三年：無)。

(d) 保修索償撥備

保修撥備乃經參考保修有效期間及已產生的保修開支佔於財政年度的總銷售金額的百分比就客戶對產品的可能索償而作出。倘實際索償較預期為多，則保修開支可能顯著增加，而此將於作出索償的期間於損益確認。於二零一四年十二月三十一日保修撥備賬面值計入貿易及其他應付款項約為人民幣1,063,000元(二零一三年：人民幣1,071,000元)。



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6. 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 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 bank and other borrowings disclosed in note 25, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

6. 資本風險管理

本集團管理其資本以確保本集團內的實體將能持續經營並同時透過優化債務及權益結餘為股東帶來最大回報。本集團的整體策略較去年維持不變。

本集團的資產結構包括淨債務(其中包括附註25所披露的銀行及其他借款)，扣除現金及現金等值項目及本公司擁有人應佔權益，其中包括已發行股本及儲備。

本公司董事定期審閱資本架構。作為審閱的一部分，董事考慮資本成本及與各類資本相關的風險。本集團將根據董事的推荐建議透過支付股息、發行新股以及購回股份、發行新債或贖回現有債務平衡其整體資本架構。

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7. FINANCIAL INSTRUMENTS

7. 金融工具

(a) Categories of financial instruments

(a) 金融工具類別

Financial instrument classification 金融工具分類	Carrying amount 賬面值	2014	
		二零一四年	二零一三年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Financial assets 金融資產			
Trade and other receivables 貿易及其他應收款項	Loans and receivables 貸款及應收款項	169,251	184,657
Bills receivables 應收票據	Loans and receivables 貸款及應收款項	53,079	87,449
Pledged bank deposits 已抵押銀行存款	Loans and receivables 貸款及應收款項	3,350	–
Bank balances and cash 銀行結餘及現金	Loans and receivables 貸款及應收款項	6,858	57,902
		232,538	330,008
Financial liabilities 金融負債			
Trade, bills and other payables* 貿易應付款項、應付票據及其他應付款項*	At amortised cost 按攤銷成本	216,526	209,019
Borrowings 借款	At amortised cost 按攤銷成本	336,879	464,167
		553,405	673,186

* Excluded advances from customers, warranty provision, other tax payables and accruals.

* 不包括來自客戶的墊款、保修撥備、其他應付稅項及應計款項。



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7. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bills receivables, pledged bank deposits, bank balances and cash, trade, bills and other payables and borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments included market risk (currency risk and interest rate risk), credit risk and liquidity 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.

(c) Currency risk

Certain bank balances of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

United States dollars ("US\$")	美元 (「美元」)
Hong Kong dollars ("HK\$")	港元 (「港元」)

A 5% increase or decrease in foreign currencies against the functional currency of the Company would not have a significant effect in profit or loss of the Company.

7. 金融工具 (續)

(b) 金融風險管理目標及政策

本集團主要金融工具包括貿易及其他應收款項、應收票據、已抵押銀行存款、銀行結餘及現金、貿易應付款項、應付票據及其他應付款項及借款。金融工具詳情於各自附註披露。有關金融工具的風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動性風險。下文載列降低該等風險的政策。管理層管理及監察該等風險以確保及時及有效採取適當措施。

(c) 貨幣風險

本集團若干銀行結餘以外幣列值。本集團現時並無外幣對沖政策。然而，管理層監控匯兌風險及將於必要時考慮對沖重大外幣風險。

於報告期末，本集團以外幣列值的貨幣資產賬面值如下：

Assets 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
162	114
1,444	1,949

本公司外幣兌功能貨幣增值或貶值5%將不會對本公司損益造成重大影響。

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7. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the bank balances.

The Group's borrowings have fixed interest rates and therefore, are subjected to fair value interest rate risk.

Sensitivity analysis

The following analysis is prepared assuming the bank balances outstanding at the end of the reporting period remain the same for the whole year and all other variables were held constant. A 25 basis points (2013: 25 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For those bank balances with an interest rate of 0.001% per annum, the analysis below reflects the sensitivity that the interest rate may drop to 0%. The pre-tax loss for both years would decrease/(increase) as follows:

25 basis points higher	上升 25 個基點
25 basis points lower	下跌 25 個基點

The Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

7. 金融工具(續)

(d) 利率風險

利率風險為一項金融工具的未來現金流量的公平值將因市場利率改變而波動所帶來的風險。本集團因銀行結餘所賺取的利息的利率改變而面對現金流量利率風險。

本集團的借款以固定利率計息，故受公平值利率風險影響。

敏感度分析

以下分析之編製乃假設於報告期末尚餘的銀行結餘於整個年度維持不變及所有其他變量維持不變。倘向主要管理人員作出內部報告的利率風險屬管理層經對利率波動的合理評估，則使用升值或貶值 25 個基點(二零一三年：25 個基點)。

就該等年利率為 0.001% 的銀行結餘而言，以下分析反映利率可能跌至 0% 的敏感度。兩個年度的除稅前虧損將減少/(增加)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
26	145
(22)	(140)

本集團監察利率風險，並將於必要時考慮對沖重大利率風險。



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7. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial asset fails to meet its contractual obligations.

The Group has concentration of credit risk as 15.7% (2013: 12.5%) and 55.9% (2013: 35.8%) of the total trade receivables are due from the Group's largest customer and the five largest customers respectively. The Group also has concentration of credit risk by geographical location as trade and bills receivable, comprise various debtors which are located in the PRC.

The Group manages this risk by reviewing 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.

The Group set up a committee (the "Committee") to focus on the settlement of the trade receivables in September 2011 due to the downturn of economy. The Committee regularly reviewed on the recoverability of trade receivables (including regularly communicated with individual debtor, held internal meeting to discuss and analyse the status on individual debtor, and sought for lawyer review on the status of debtor with financial or operational problems). Based on the nature of customers, the Committee classified the customers to different portfolios for analysis. The works of Committee included understanding of background, financial strength, sales and repayment of each portfolio.

7. 金融工具(續)

(e) 信貸風險

信貸風險為因一名金融資產的客戶或第三方未能履行其合約責任而產生意外虧損的風險。

本集團擁有佔貿易應收款項總額15.7%(二零一三年:12.5%)及55.9%(二零一三年:35.8%)的信貸集中風險,分別來自本集團的最大客戶及五大客戶。由於多名有關貿易應收款項及應收票據的債務人乃位於中國,故本集團在地域上亦出現信貸風險集中情況。

本集團透過審閱於報告期末各個別貿易債務的可收回金額管理此項風險,從而確保已就不可收回金額作出足夠的減值虧損撥備。

於二零一一年九月,由於經濟衰退,本集團設立一個委員會(「委員會」)以關注貿易應收款項的結算情況。委員會定期檢討貿易應收款項的可收回性(包括定期與個別債務人溝通,舉行內部會議討論及分析個別債務人的現狀,並就存在財務或營運問題的債務人的狀況尋求法律意見)。根據客戶的性質,委員會將客戶分類為不同組合進行分析。委員會的職責包括了解各組合的背景、財務實力、銷售及償還能力。

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7. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Credit risk (continued)

As at 31 December 2014, the Group had trade receivables amounted to RMB442,651,000 (2013: RMB460,112,000) before impairment loss of RMB282,231,000 (2013: RMB283,035,000). It was noted by the Committee that some of the debtors had financial problems and the recoverability of these receivables was low, and a report was prepared by the Committee suggesting a provision of RMB20,080,000 (2013: RMB89,600,000) based on an analysis of the recoverability by customer portfolio. The analysis was based on the present value of estimated future cash flows discounted at individual debtors' original effective interest rate, together with the subsequent settlement and aging of individual debtors.

The board of directors has reviewed the report of the Committee and considered the provision suggested is adequate but not excessive and the remaining trade receivables at 31 December 2014 of RMB160,420,000 (after impairment loss of RMB282,231,000) is collectible.

The board of directors considered the credit risk of the bills receivables and liquid funds is limited because the majority of counterparties are reputable state-owned banks located in the PRC.

Other than the concentration of the credit risk on trade receivables, bills receivables, bank balances and pledged bank deposits, the Group does not have any other significant concentration of credit risk.

(f) Liquidity risk

In the management of the liquidity risk, the Group closely monitors the utilisation of bank and other borrowings, its cash position resulting from its operations and maintains a level of cash and cash equivalents to finance the Group's operation and mitigate the effects of fluctuations in cash flows.

7. 金融工具(續)

(e) 信貸風險(續)

於二零一四年十二月三十一日，本集團貿易應收款項為人民幣442,651,000元(二零一三年：人民幣460,112,000元)，未計及減值虧損人民幣282,231,000元(二零一三年：人民幣283,035,000元)。委員會獲悉該等債務人存在財務問題且該等應收款項的可收回性甚微，委員會已編製報告，根據按客戶組合對可收回性所作的分析建議作出撥備人民幣20,080,000元(二零一三年：人民幣89,600,000元)。該分析乃基於個別債務人原來實際利率折現估計未來現金流現值得出，當中計及隨後結算及個別債務人的賬齡。

董事會已審閱委員會報告，並認為建議撥備乃為充足而不致過多，並認為於二零一四年十二月三十一日的貿易應收款項餘額人民幣160,420,000元(已計減值虧損人民幣282,231,000元)屬可收回。

由於大部份交易對手為於中國頗具聲譽的國有銀行，因此，董事會認為應收票據及流動資金的信貸風險有限。

除貿易應收款項、應收票據、銀行結餘及已抵押銀行存款的集中信貸風險外，本集團概無任何其他重大信貸集中風險。

(f) 流動性風險

於管理流動性風險時，本集團密切監察銀行及其他借款的動用情況及其因營運所產生的現金狀況，並維持足夠的現金及現金等值項目水平以資助本集團的營運及減輕現金流波動的影響。



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7. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Liquidity risk (continued)

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2014, the Group has short-term bank loan facilities of approximately RMB281,080,000 (31 December 2013: RMB451,167,000), details of which are set out in note 25.

The following table details the Group's remaining contractual maturity for its financial liabilities as at 31 December 2014 and 2013. 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 table includes both interest and principal cash flows.

Liquidity and interest risk table

		Weighted average interest rate	Within 3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount
		加權平均利率 %	三個月內 人民幣千元	三個月至一年 人民幣千元	總未貼現現金流量 人民幣千元	賬面值 人民幣千元
2014	二零一四年					
Trade, bills and other payables	貿易應付款項、應付票據及其他應付款項	-	184,404	32,122	216,526	216,526
Borrowings	借款	7.55	77,707	272,967	350,674	336,879
			262,111	305,089	567,200	553,405
2013	二零一三年					
Trade, bills and other payables	貿易應付款項、應付票據及其他應付款項	-	174,154	34,865	209,019	209,019
Borrowings	借款	6.12	215,828	259,716	475,544	464,167
			389,982	294,581	684,563	673,186

7. 金融工具(續)

(f) 流動性風險(續)

本集團倚賴銀行借貸作為主要流動資金來源。於二零一四年十二月三十一日，本集團的短期銀行借款融資為約人民幣281,080,000元(二零一三年十二月三十一日：451,167,000元)。詳情載於附註25。

下表詳述於二零一四年及二零一三年十二月三十一日，本集團金融負債的餘下合約到期期限。下表乃根據以本集團可能被要求付款的最早日期為基準的金融負債的未貼現現金流量編製。此表同時包括利息及本金現金流量。

流動性及利息風險表

		Weighted average interest rate	Within 3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount
		加權平均利率 %	三個月內 人民幣千元	三個月至一年 人民幣千元	總未貼現現金流量 人民幣千元	賬面值 人民幣千元
2014	二零一四年					
Trade, bills and other payables	貿易應付款項、應付票據及其他應付款項	-	184,404	32,122	216,526	216,526
Borrowings	借款	7.55	77,707	272,967	350,674	336,879
			262,111	305,089	567,200	553,405
2013	二零一三年					
Trade, bills and other payables	貿易應付款項、應付票據及其他應付款項	-	174,154	34,865	209,019	209,019
Borrowings	借款	6.12	215,828	259,716	475,544	464,167
			389,982	294,581	684,563	673,186

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7. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Fair value

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. 金融工具(續)

(g) 公平值

其他金融資產及金融負債的公平值乃根據以貼現現金流量分析為基準的公認定價模式或使用可觀察的目前市場交易的價格釐定。

本公司董事認為，按攤銷成本於綜合財務報表入賬的金融資產及金融負債的賬面值與其公平值相若。

8. REVENUE AND SEGMENT INFORMATION

(a) Products within each operating segment

The segment information reported was presented based on the types of products and the types of customers to which the products are sold, which is consistent with the internal information that is regularly reviewed by the directors of the Company, who are the chief operating decision makers of the Group, for the purposes of resource allocation and assessment of performance.

The Group has three reportable operating segments as follows:

- OEM and related market – manufacturing and selling of axle assemblies and axle components to heavy duty truck and middle duty truck manufacturers and other assembly manufacturers.
- Aftermarket – manufacturing and selling of axle components and axle assemblies to market for providing after-sales services.
- Train and railway business – manufacturing and selling of train and railway components which commenced sales and became a new operating segment since 2013.

8. 收入及分部資料

(a) 各營運分部內的产品

所申報的分部資料乃以產品種類及購買產品的客戶類型為基準呈列，此與作為本集團主要營運決策人的董事定期審閱以分配資源及評估表現的內部資料相符。

本集團擁有以下三個可報告營運分部：

- OEM及相關市場—向重型卡車及中型卡車製造商及其他總成製造商製造及銷售橋總成及車橋零部件。
- 維修市場—製造及於市場銷售車橋零部件及橋總成以提供售後服務。
- 列車及鐵路業務—於二零一三年開始銷售並成為新營運分部之列車及鐵路零部件的製造及銷售。



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8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

8. 收入及分部資料(續)

(b) Segment revenue and results

(b) 分部收入及業績

		Segment revenue 分部收入		Segment results 分部業績	
		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	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
OEM and related market	OEM及相關市場	168,713	172,769	18,785	29,726
Aftermarket	維修市場	165,851	222,864	19,276	34,035
Train and railway business	列車及鐵路業務	2,364	34,162	624	9,119
External revenue/segment results	外部收入/分部業績	336,928	429,795	38,685	72,880
Other (expense) income and other gains and losses	其他(開支)收入及其他收益及虧損			(3,056)	2,573
Selling and distribution expenses	銷售及分銷開支			(20,529)	(25,656)
Research and development expenditure	研發開支			(17,725)	(23,988)
Administrative expenses	行政開支			(62,802)	(68,204)
Loss on disposal of a subsidiary	收購一間附屬公司之虧損			(6,105)	-
Impairment loss on trade receivables (note)	貿易應收款項減值虧損(附註)			(20,080)	(89,600)
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之已確認減值虧損			(55,764)	(52,133)
Impairment loss recognised in respect of prepaid lease payments	預付租賃款項之已確認減值虧損			-	(30,332)
Reversal of impairment loss recognised in respect of property, plant and equipment classified as assets held for sale	分類為持作出售資產的物業、廠房及設備之已確認減值虧損撥回			26,712	19,602
Finance costs	融資成本			(29,336)	(32,552)
Loss before tax	除稅前虧損			(150,000)	(227,410)
Taxation	稅項			270	(645)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額			(149,730)	(228,055)

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8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment revenue and results (continued)

Revenue reported above represents revenue generated from external customers. There was no inter-segment sales during the year.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment results represent the gross profit of each operating segment. This is the measure reported to the directors of the Company for the purposes of resources allocation and performance assessment.

Note: The amount consisted of an impairment loss on trade receivables for the OEM and related market of RMB1,825,000 (2013: RMB31,112,000) and trade receivables for aftermarket of RMB18,255,000 (2013: RMB58,488,000).

(c) Segment assets

OEM and related market	OEM及相關市場
Aftermarket	維修市場
Train and railway business	列車及鐵路業務
Total of all segments	所有分部合計
Unallocated	未分配
Consolidated assets	綜合資產

Segment assets represent trade receivables for OEM and related market and aftermarket, inventories and property, plant and equipment related to Train and railway business.

Segment liabilities are not presented as liabilities are generally incurred for all operating segments and not presented to the directors for performance assessment and resource allocation.

8. 收入及分部資料(續)

(b) 分部收入及業績(續)

以上所報告的收入代表來自外部客戶的收入。年內並無分部間銷售。

營運分部的會計政策與附註4所述本集團會計政策一致。分部業績指各營運分部的毛利。此為就分配資源及評估表現而向本公司董事申報的計算項目。

附註：該款項包括於OEM及相關市場的貿易應收款項減值虧損人民幣1,825,000元(二零一三年：人民幣31,112,000元)及於維修市場的貿易應收款項人民幣18,255,000元(二零一三年：人民幣58,488,000元)。

(c) 分部資產

Assets	
資產	
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
84,744	83,643
75,676	93,434
254,721	247,443
415,141	424,520
861,974	1,157,061
1,277,115	1,581,581

分部資產指OEM及相關市場與維修市場、及與列車及鐵路業務相關的存貨及物業、廠房及設備的貿易應收款項。

由於所有營運分部一般亦會產生負債及不會向董事就表現評估及資源分配呈報，故不會呈列分部負債。



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8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(d) Geographical information

The Group principally operates in the PRC (country of domicile of the operating subsidiaries). All non-current assets of the Group are located in the PRC.

The Group's revenue from external customers are attributed to the PRC of RMB334,564,000 (2013: RMB395,633,000) and Russia of RMB2,364,000 (2013: RMB34,162,000) respectively.

(e) 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 ¹	客戶 A ¹
Customer B ¹	客戶 B ¹
Customer C ²	客戶 C ²

¹ Revenue from OEM and related market.

² Revenue from after market.

³ The corresponding revenue did not contribute over 10% of the total sales of the Group.

8. 收入及分部資料(續)

(d) 地域資料

本集團主要於中國(營運附屬公司的註冊國家)營運。本集團所有非流動資產均位於中國。

所有本集團來自外部客戶的收入均歸屬於中國及俄羅斯，金額分別為人民幣334,564,000元(二零一三年：人民幣395,633,000元)及人民幣2,364,000元(二零一三年：人民幣34,162,000元)。

(e) 有關主要客戶的資料

於各年度所貢獻收入佔本集團總銷售額逾10%之客戶如下：

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
84,301	51,617
N/A 不適用 ³	47,460
42,583	N/A 不適用 ³

¹ 來自OEM及相關市場的收入。

² 來自維修市場的收入。

³ 相應收入並未超過本集團總銷售額10%。

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9. OTHER (EXPENSE) INCOME AND OTHER GAINS AND LOSSES

9. 其他(開支)收入及其他收益及虧損

		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
Reversal of impairment loss on trade receivables	貿易應收款項減值虧損撥回	20,884	4,388
Government grant (note)	政府津貼(附註)	8,326	6,255
Income from suppliers on defects claim	來自供應商缺陷索償的收入	825	3,869
Bank interest income	銀行利息收入	250	216
(Loss) gain on disposal of property, plant and equipment	出售物業、廠房及設備的(虧損)收益	(25,599)	580
Loss on sales of scrap materials	出售廢棄材料的虧損	(15,144)	(7,176)
Net foreign exchange loss	匯兌虧損淨額	(4)	(522)
Others	其他	7,406	(5,037)
		(3,056)	2,573

Note: Grants primarily represented incentives received from local authorities by the group entities as encouragement of its business development. These grants are accounted for as immediate financial support with no future related costs expected to be incurred nor related to any assets.

附註：該等金額主要指地方機關向本集團實體授出款項，以鼓勵其業務發展。該等授出款項列作即期財務支援，預期未來將不產生相關費用及與任何資產無關。



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10. FINANCE COSTS

10. 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 borrowings wholly repayable within five years	27,543	31,675
Other borrowings wholly repayable within five years	1,793	877
	29,336	32,552

11. LOSS BEFORE TAX

11. 除稅前虧損

Loss before tax has been arrived at after charging (crediting):

除稅前虧損已扣除(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
Employee benefits expenses (including directors):		
– salaries and other benefits	50,676	64,332
– retirement benefit scheme contributions	6,223	8,238
Total staff costs (included RMB33,124,000 (2013: RMB43,712,000) in cost of sales, RMB1,860,000 (2013: RMB2,904,000) in selling and distribution expenses, RMB1,978,000 (2013: RMB2,498,000) in research and development expenditure, and RMB19,937,000 (2013: RMB23,456,000) in administrative expenses)	56,899	72,570
Depreciation of property, plant and equipment	37,016	38,214
Release of prepaid lease payments	5,524	6,436
Impairment loss on property, plant and equipment	55,764	52,133
Auditors' remuneration	1,347	1,562
Impairment loss on advance to suppliers	8,619	–
Impairment loss on trade receivables	20,080	89,600
Cost of inventories recognised as expenses		
– included in cost of sales	297,653	353,904
– included in research and development expenditure	10,807	15,217
Allowance for inventories, net (included in cost of sales)	19,272	–
Reversal of impairment loss on trade receivables	(20,884)	(4,208)

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for the year ended 31 December 2014

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12. TAXATION

12. 稅項

The taxation comprises:	稅項包括：
Current tax expense	即期稅項開支
Under(over)provision in prior years	過往年度撥備不足(超額撥備)
Deferred taxation (note 18)	遞延稅項(附註18)

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
-	1,862
70	(1,449)
(340)	232
(270)	645

The taxation for the year represents the PRC Enterprise Income Tax which is calculated at the prevailing tax rate of 25% on the taxable income of the group entities in the PRC for the years ended 31 December 2014 and 2013.

年內稅項開支指中國企業所得稅，該稅項乃就於截至二零一四年及二零一三年十二月三十一日止年度，於中國的集團實體的應課稅收入按現行稅率25%計算。

The Company was incorporated in the Cayman Islands and is not subject to any income tax.

本公司在開曼群島註冊成立及不須繳付任何所得稅。

On 26 June 2013 and 5 September 2013, Kaifeng Changfeng and Longyan Shengfeng Machinery Manufacturing Co., Ltd. ("Longyan Shengfeng"), both are wholly owned subsidiaries of the Company, obtained "High and New Technology Enterprise" status for 3 years and subject to a preferential tax rate of 15% for the period from 2013 to 2015 according to the PRC Tax Law.

於二零一三年六月二十六日及二零一三年九月五日，本公司兩間全資附屬公司開封暢豐及龍岩盛豐機械製造有限公司(「龍岩盛豐」)分別獲得「高新技術企業」證書，為期三年，根據中國稅法，此證書可讓開封暢豐及龍岩盛豐從二零一三年至二零一五年止期間享受15%的優惠稅率。



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12. TAXATION (CONTINUED)

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

Loss before tax	除稅前虧損
Tax at the domestic income tax rate of 25%	按內資企業所得稅率25%繳納的稅項
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響
Tax effect of deductible temporary difference not recognised	未確認可扣除暫時性差額的稅務影響
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響
Tax effect of preferential tax rate	優惠稅率的稅務影響
Under(over)provision in prior years	過往年度撥備不足(超額撥備)

Under the New Tax Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated distributable profits of the PRC subsidiaries amounting to approximately RMB115,909,000 and RMB197,917,000 for the years ended at 31 December 2014 and 2013 respectively, as the Company is able to control the timing of the reversal of temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

As at 31 December 2014, the Group had deductible temporary difference of RMB282,231,000 (2013: RMB283,035,000) attributable to the impairment loss on trade receivables. No deferred tax asset has been recognised in relation to such deductible temporary difference as, in the opinion of directors, the utilisation of such temporary difference is remote.

12. 稅項(續)

年內稅項可於綜合損益及其他全面收益表與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
(150,000)	(227,410)
(37,500)	(56,853)
25,856	20,950
(201)	22,393
16,823	21,294
(5,318)	(5,690)
70	(1,449)
(270)	645

根據新稅法，自二零零八年一月一日起就中國附屬公司所賺取的溢利宣派的股息徵收預扣稅。由於本公司可控制撥回暫時性差額時間，且暫時性差額可能將不會於可見將來撥回，因此，於綜合財務報表內概無就截至二零一四年及二零一三年十二月三十一日止年度歸屬於中國附屬公司累計可供分派溢利分別約人民幣115,909,000元及人民幣197,917,000元的暫時性差額作出遞延稅項撥備。

於二零一四年十二月三十一日，本集團擁有因貿易應收款項減值虧損而產生的可扣除暫時性差額為人民幣282,231,000元(二零一三年：人民幣283,035,000元)。由於董事認為使用該等暫時性差額微乎其微，因此並無有關該等可扣除暫時性差額的遞延稅項資產已被確認。

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13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments of the directors and the chief executive on a name basis are as follows:

For the year ended 31 December 2014

13. 董事及僱員薪酬

(a) 董事及最高行政人員的酬金

董事及最高行政人員酬金按姓名基準載述如下：

截至二零一四年十二月三十一日止年度

		Other emoluments 其他酬金			
		Salaries and other benefits 薪金及 其他福利	Retirement benefit scheme contributions 退休福利 計劃供款	Total emoluments 總酬金	
	Fees 袍金	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Wong Kwai Mo*	王桂模*	-	1,236	12	1,248
Wu Ching*	胡靜*	-	1,236	12	1,248
Lai Fengcai*	賴鳳彩*	-	600	17	617
Dong Ying, Dorothy	董穎	-	-	-	-
Zhu Weizhou	朱偉洲	-	81	-	81
Li Xiuqing	李秀清	-	-	-	-
Chong Ching Hei	莊清喜	-	81	-	81
		-	3,234	41	3,275



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13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2013

		Other emoluments 其他酬金			
		Salaries and other benefits	Retirement benefit scheme contributions	Total emoluments	
		薪金及 其他福利	退休福利 計劃供款	總酬金	
		Fees 袍金			
		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
Wong Kwai Mo*	王桂模*	–	1,245	12	1,257
Wu Ching*	胡靜*	–	1,245	12	1,257
Lai Fengcai*	賴鳳彩*	–	600	17	617
Dong Ying, Dorothy	董穎	–	–	–	–
Zhu Weizhou	朱偉洲	–	81	–	81
Li Xiuqing	李秀清	–	81	–	81
Chong Ching Hei	莊清喜	–	81	–	81
		–	3,333	41	3,374

* Executive directors

Lai Fengcai is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Except for one director, Li Xiuqing, who waived salaries and other benefits amount to RMB81,000 in 2014, none of the directors waived any emoluments during the years ended 31 December 2014 and 2013.

13. 董事及僱員薪酬(續)

(a) 董事及最高行政人員的酬金(續)

截至二零一三年十二月三十一日止年度

		Other emoluments 其他酬金			
		Salaries and other benefits	Retirement benefit scheme contributions	Total emoluments	
		薪金及 其他福利	退休福利 計劃供款	總酬金	
		Fees 袍金			
		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
Wong Kwai Mo*	王桂模*	–	1,245	12	1,257
Wu Ching*	胡靜*	–	1,245	12	1,257
Lai Fengcai*	賴鳳彩*	–	600	17	617
Dong Ying, Dorothy	董穎	–	–	–	–
Zhu Weizhou	朱偉洲	–	81	–	81
Li Xiuqing	李秀清	–	81	–	81
Chong Ching Hei	莊清喜	–	81	–	81
		–	3,333	41	3,374

* 執行董事

賴鳳彩亦為本公司最高行政人員，其於上文披露的酬金包括就彼以最高行政人員身份提供服務的酬金。

除於二零一四年一名董事李秀清放棄薪金及其他福利達人民幣81,000元外，於截至二零一四年及二零一三年十二月三十一日止年度，概無董事放棄任何酬金。

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13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(b) Employees' emoluments

During the year ended 31 December 2014, of the five individuals with the highest emoluments in the Group, three (2013: three) were directors of the Company whose emoluments are included in the disclosures in note (a) above. The emoluments of the five individuals are as follows:

Salaries and other benefits	薪金及其他福利
Contributions to retirement benefit scheme	退休福利計劃供款

Their emoluments were within the following bands:

Nil to HK\$1,000,000 (equivalent to approximately Nil to RMB792,200)	零至 1,000,000 港元 (相等於約零至人民幣 792,200 元)
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately RMB792,201 to RMB1,188,300)	1,000,001 港元至 1,500,000 港元 (相等於約人民幣 792,201 元至人民幣 1,188,300 元)
HK\$1,500,001 to HK\$2,000,000 (equivalent to RMB1,188,301 to RMB1,584,400)	1,500,001 港元至 2,000,000 港元 (相等於約人民幣 1,188,301 元至人民幣 1,584,400 元)

During both years, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 董事及僱員薪酬(續)

(b) 僱員酬金

於截至二零一四年十二月三十一日止年度，本集團五名最高薪人士中，其中三名(二零一三年：三名)為本公司董事，彼等薪酬於上文附註(a)披露。該五名人士的酬金如下：

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
3,708	4,463
68	69
3,776	4,532

彼等的酬金介乎以下範圍：

Number of individuals 僱員人數	
2014 二零一四年	2013 二零一三年
3	2
-	1
2	2

於該兩年，本集團概無向五名最高薪人士(包括董事及僱員)支付酬金以作為加入或加入本集團後的獎勵或離職的補償。



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14. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

Loss for the purpose of
basic loss per share

虧損－每股基本虧損

Loss for the year attributable to
owners of the Company

本公司擁有人應佔年內虧損

Number of shares

Number of ordinary shares for the
purposes of basic loss per share

股份數目

普通股數目－每股基本虧損

No diluted loss per share is presented as the Company did not have any potential ordinary shares in issue during both years or at the end of each reporting period.

14. 每股虧損

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

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
(152,449)	(208,245)
2014 二零一四年	2013 二零一三年
800,000,000	800,000,000

由於於該兩個年度或於各報告期末本公司並無任何潛在已發行普通股，故並無呈列每股攤薄虧損。

15. DIVIDENDS

No dividend was paid or declared by the Company during the years ended 31 December 2014 and 2013.

15. 股息

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概無支付或宣派任何股息。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Buildings	Motor vehicles	Furniture, fixture and equipment 傢俬、裝置及設備	Machinery	Construction in progress	Total
		樓宇 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	傢俬、裝置及設備 RMB'000 人民幣千元	機器 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
COST	成本						
At 1 January 2013	二零一三年一月一日	347,795	6,342	6,537	390,667	83,038	834,379
Additions	添置	13,308	306	702	51,301	34,942	100,559
Transfer	轉讓	54,928	-	5	52,988	(107,921)	-
Reclassified as held for sale (note 23)	重新分類為持作出售 (附註23)	(15,452)	-	(459)	(111,330)	-	(127,241)
Disposal	出售	(10,000)	-	-	-	-	(10,000)
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	390,579	6,648	6,785	383,626	10,059	797,697
Additions	添置	-	-	2,649	3,287	-	5,936
Transfer	轉讓	-	-	-	1,332	(1,332)	-
Reclassified as held for sale (note 23)	重新分類為持作出售 (附註23)	(127,245)	-	(876)	(8,486)	-	(136,607)
Disposal	出售	-	(86)	-	(41,313)	-	(41,399)
Disposal of a subsidiary (note 29)	出售一間附屬公司(附註29)	(37,582)	-	-	(771)	-	(38,353)
At 31 December 2014	於二零一四年十二月三十一日	225,752	6,562	8,558	337,675	8,727	587,274
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值						
At 1 January 2013	二零一三年一月一日	83,804	2,444	3,512	166,443	-	256,203
Provided for the year	年內撥備	10,377	956	873	26,008	-	38,214
Impairment loss recognised in profit or loss	於損益中確認的減值虧損	15,709	-	290	36,134	-	52,133
Reversal of impairment loss recognised in profit or loss	於損益確認之減值虧損撥回	(7,100)	-	-	(12,502)	-	(19,602)
Reclassified as held for sale (note 23)	重新分類為持作出售 (附註23)	(7,432)	-	(123)	(44,878)	-	(52,433)
Disposal	出售	(855)	-	-	-	-	(855)
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	94,503	3,400	4,552	171,205	-	273,660
Provided for the year	年內撥備	11,575	980	700	23,761	-	37,016
Impairment loss recognised profit or loss	於損益中確認的減值虧損	17,960	-	-	37,804	-	55,764
Reversal of impairment loss recognised in profit or loss	於損益確認之減值虧損撥回	(24,935)	-	-	(1,777)	-	(26,712)
Reclassified as held for sale (note 23)	重新分類為持作出售(附註23)	(31,343)	-	(569)	(3,256)	-	(35,168)
Disposal	出售	-	(63)	-	(9,862)	-	(9,925)
Disposal of a subsidiary (note 29)	出售一間附屬公司(附註29)	(8,746)	-	-	(713)	-	(9,459)
At 31 December 2014	於二零一四年十二月三十一日	59,014	4,317	4,683	217,162	-	285,176
CARRYING VALUES	賬面值						
At 31 December 2014	於二零一四年十二月三十一日	166,738	2,245	3,875	120,513	8,727	302,098
At 31 December 2013	於二零一三年十二月三十一日	296,076	3,248	2,233	212,421	10,059	524,037



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16. PROPERTY, PLANT AND EQUIPMENT- (CONTINUED)

The above items of property, plant and equipment, other than construction in progress, are depreciated on straight-line basis at the following rates after taking into account the residual values:

Buildings	Over the shorter of the term of lease, or 4.5%
Motor vehicles	18%
Furniture, fixture and equipment	18%
Machinery	9%

The Group has pledged certain buildings to secure general banking facilities grant to the Group at the end of the reporting period as detailed in note 25.

During the year ended 31 December 2014, the Group entered into conditional agreements in respect of disposal of certain land and buildings held by two wholly owned subsidiaries, Sichuan Changfeng and Kaifeng Changfeng. Relevant assets with carrying amount of RMB49,572,000 (net of impairment of RMB10,701,000) and RMB51,867,000, respectively, had been classified as assets classified as held for sale as at 31 December 2014. Details are set out in note 23.

During the year ended 31 December 2013, the Group had entered into a conditional agreement in respect of disposal of its entire equity interest in a wholly owned subsidiary, Fujian Changfeng Axle Manufacturing Co., Ltd ("Fujian Changfeng"). Relevant assets with carrying amount of RMB33,308,000 for Fujian Changfeng had been classified as assets classified as held for sale as at 31 December 2014 and 31 December 2013. Details are set out in note 23.

16. 物業、廠房及設備(續)

除在建工程以外的以上物業、廠房及設備項目經計及剩餘價值後，按以下比率以直線基準折舊：

樓宇	按最短租賃期限，或4.5%
汽車	18%
傢俬、裝置及設備	18%
機器	9%

於各報告期末，本集團已抵押若干樓宇，以獲得授予本集團的一般銀行融資，詳情見附註25。

於二零一四年十二月三十一日止年度，本集團就出售兩間全資擁有附屬公司四川暢豐及開封暢豐擁有之若干土地及樓宇訂立有條件協議。於二零一四年十二月三十一日相關資產之賬面值分別為人民幣49,572,000元(扣除人民幣10,701,000元之減值)及人民幣51,867,000元已分類為持作出售資產。有關詳情載列附註23。

截至二零一三年十二月三十一日止年度，本集團就出售其於全資附屬公司福建暢豐車橋製造有限公司(「福建暢豐」)之全部股權訂立有條件協議。福建暢豐之有關資產之賬面值為人民幣33,308,000元於二零一四年十二月三十一日及二零一三年十二月三十一日已分類為持作出售資產。有關詳情載於附註23。

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16. PROPERTY, PLANT AND EQUIPMENT- (CONTINUED)

During the year ended 31 December 2013, the Group had entered into sales agreement in respect of disposal of certain machineries held by a non-wholly owned subsidiary, Changfeng Gear Manufacturing Co., Ltd. ("Changfeng Gear"), which were planned for manufacture and sales of gear. Relevant assets with carrying amount of RMB41,500,000 (net of impairment of RMB20,975,000) for Changfeng Gear had been classified as assets classified held for sale as at 31 December 2013. Details are set out in note 23. The disposal of relevant machineries held for sale was completed during the year ended 31 December 2014.

In addition, as the Group had terminated its plan on manufacturing and sales of gear, the remaining machineries in Changfeng Gear (excluding certain machineries held for sale as mentioned above) with carrying amount of RMB15,449,000 were fully impaired as of 31 December 2013.

For certain non-core leasehold land and building premises remained inactive as of 31 December 2013, recoverable amounts of the relevant assets have been determined on the basis of net realisable value less cost to sell with reference to the valuation report issued by an independent valuer, Roma Appraisals Limited, by reference to recent market price of respective buildings. The independent valuer has adopted the direct comparison approach assuming sale of property in its existing state by making reference to comparable sales transactions as available in the relevant market. Impairment loss of RMB5,008,000 and RMB10,701,000 on building premises had been recognised for Changfeng Gear and Sichuan Changfeng, and impairment loss of RMB30,332,000 on leasehold land for Sichuan Changfeng respectively during the year ended 31 December 2013.

For the year ended 31 December 2014, in relation to the fixed assets related to the Group's current production, the directors of the Company conducted an impairment assessment on the Group's property, plant and equipment and prepaid lease payments by assessing on the expected recoverable amount based on the higher of value in use and fair value less cost of disposal.

16. 物業、廠房及設備(續)

截至二零一三年十二月三十一日止年度，本集團就出售其於非全資附屬公司福建暢豐齒輪有限公司(「暢豐齒輪」)之若干機器(計劃用作製造及銷售齒輪)訂立銷售協議。暢豐齒輪之有關資產之賬面值為人民幣41,500,000元(扣除減值人民幣20,975,000元)於二零一三年十二月三十一日已分類為持作出售資產。有關詳情載於附註23。出售持作出售相關機器於截至二零一四年十二月三十一日止年度完成。

此外，由於本集團已終止製造及銷售齒輪之計劃，故此截至二零一三年十二月三十一日，於暢豐齒輪之餘下機器(除上述若干持作出售之機器外)人民幣15,449,000元之賬面值已悉數減值。

就於二零一三年十二月三十一日仍閒置的若干非核心租賃土地及樓宇物業而言，相關資產之可收回金額乃參考由獨立估值師羅馬國際評估有限公司(經參考個別樓宇之近期市價)出具之估值報告後，以可變現淨值減出售成本之基準釐定。獨立估值師採納直接比較法，假設物業以現時狀況出售，參照有關市場可用的可作比較的销售交易。截至二零一三年十二月三十一日止年度，暢豐齒輪及四川暢豐之樓宇物業已分別確認人民幣5,008,000元及人民幣10,701,000元之減值虧損及就四川暢豐之租賃土地確認人民幣30,332,000元之減值虧損。

截至二零一四年十二月三十一日止年度，就與本集團現時生產相關之固定資產而言，本公司董事透過基於使用價值與公平值減出售成本之較高值評估預計可收回金額對本集團物業、廠房及設備及預付租賃款項進行減值測試。



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16. PROPERTY, PLANT AND EQUIPMENT- (CONTINUED)

For the CGU engaged in manufacturing and selling of axle assemblies and axle components ("Axle CGU") and the CGU engaged in manufacturing and selling of train and railway components ("Railway CGU"), the recoverable amounts of the relevant assets have been determined on the basis of the value in use calculation using a pre-tax discount rate of 12.77% (2013: 12.10%).

The calculations for both Axle CGU and Railway CGU use cash flow projections based on financial forecasts approved by management of the Group covering five years with the cash flows beyond such period extrapolated using a steady growth rate till the end of useful lives of the relevant assets. Key assumptions for the value in use calculations relate to the estimation of cash inflow/outflows which include budgeted sales and gross margin, such estimation is based on the management's expectations for the prospective market and market development.

For Axle CGU, the value in use calculation of the relevant assets is lower than their carrying amounts by RMB55,764,000 as at 31 December 2014, and hence impairment loss of RMB55,764,000 was recognised for the year ended 31 December 2014 (2013: Nil).

16. 物業、廠房及設備(續)

就從事製造及銷售橋總成及車橋零部件之現金產生單位(「車橋現金產生單位」)及從事製造及銷售列車及鐵路部件之現金產生單位(「鐵路現金產生單位」)而言，相關資產之可收回金額按採用稅前折現率12.77%(二零一三年：12.10%)計算的使用價值而釐定。

車橋現金產生單位及鐵路現金產生單位之計算方法乃使用本集團管理層批准涵蓋五年財務預測之現金流預測，而該期間之外之現金流乃使用直至相關資產可使用年期結束時之穩定增長率推測。使用價值計算之主要假設與現金流入／流出估計有關，包括預算銷售額及毛利，該估計乃依據管理層就未來市場及市場發展之預期。

於二零一四年十二月三十一日，就車橋現金產生單位而言，相關資產的使用價值計算低於其賬面值達人民幣55,764,000元，因此截至二零一四年十二月三十一日止年度確認減值虧損人民幣55,764,000元(二零一三年：無)。



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16. PROPERTY, PLANT AND EQUIPMENT- (CONTINUED)

For Railway CGU, the value in use calculation of the relevant assets exceeds their carrying amounts as at 31 December 2014 and hence no further impairment loss was recognised for the year ended 31 December 2014 (2013: Nil). It was noted that the sales to the only customer in Russia have been suspended since May 2014 and have not recommenced as at the date of this report. The cash flow projection prepared by the directors on which the Group's impairment analysis is based assumes a significant volume of sales to this customer in the coming twelve months and thereafter as the directors of the Company considered the suspension in the sales to be temporary. The directors of the Company have been actively negotiating with the Russian customer for resumption of the transaction and a batch of products has been sent to Russia for quality inspection in October 2014. The directors of the Company expected that trading will resume in the second quarter of 2015 as long as the clearance on quality can be obtained. On this basis, the directors of the Company is of the opinion that the recoverable amount of the property, plant and equipment approximates to their carrying amounts and no impairment loss was recognised.

For the prepaid lease payments of both Axle CGU and Railway CGU, the directors of the Company made reference to the recent market prices of the leasehold land located in the similar location as the Group's leasehold land on which the property, plant and equipment are situated and concluded no impairment on prepaid lease payments is required.

16. 物業、廠房及設備(續)

於二零一四年十二月三十一日，就鐵路現金產生單位而言，相關資產的使用價值計算超出其賬面值，因此截至二零一四年十二月三十一日止年度並無進一步確認減值虧損(二零一三年：無)。據悉，向唯一一名俄羅斯客戶的銷售已自二零一四年五月起暫停，且於本報告日期尚未恢復。本集團減值分析乃以董事編製的現金流量預測為基準，而該預測乃假設於未來十二個月及其後對該客戶有大量銷售量，因本公司董事認為暫停銷售乃屬暫時性。本公司董事正積極與俄羅斯客戶磋商恢復交易事宜，且於二零一四年十月已向俄羅斯寄送一批產品銷售供質檢。本公司董事預期交易將於二零一五年第二季度恢復，惟需獲得質量。有鑑於此，本公司董事會認為，物業、廠房及設備之可收回金額與彼等之賬面值相若，故並無確認減值虧損。

就車橋現金生產單位及鐵路現金生產單位之預付租賃款項而言，本公司董事經參考與物業、廠房及設備所處的本集團租賃土地處於相同地點租賃土地之近期市價後得出結論，預付租賃款項無須減值。



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17. PREPAID LEASE PAYMENTS

17. 預付租賃款項

		RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	303,966
Additions	添置	7,217
Reclassified as held for sale (note 23)	重新分類為持作出售(附註23)	(5,783)
Released to profit or loss	轉撥至損益	(6,436)
Impairment loss recognised in profit or loss	於損益中確認的減值虧損	(30,332)
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	268,632
Additions	添置	1,001
Reclassified as held for sale (note 23)	重新分類為持作出售(附註23)	(47,014)
Released to profit or loss	轉撥至損益	(5,524)
Disposal of a subsidiary (note 29)	出售一間附屬公司(附註29)	(8,954)
At 31 December 2014	於二零一四年十二月三十一日	208,141

Analysed for reporting purpose:	就申報目的分析:
Current assets	流動資產
Non-current assets	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
4,378	6,241
203,763	262,391
208,141	268,632

At 31 December 2014, the Group's prepaid lease payments comprise medium-term lease leasehold land located in the PRC.

於二零一四年十二月三十一日，本集團的預付租賃款項包括位於中國的中期租約租賃土地。

Prepaid lease payments are released to profit or loss over the lease terms ranging from 45 to 50 years.

預付租賃款項於介乎45至50年的租期內轉撥至損益。

The Group is in the process of obtaining the land use right certificate of a parcel of land included in prepaid lease payments with carrying amount of approximately RMB90,988,000 at 31 December 2014 (2013: RMB92,966,000).

本集團將獲得一幅土地的土地使用權，計入預付租賃款項，於二零一四年十二月三十一日的賬面值約為人民幣90,988,000元(二零一三年：人民幣92,966,000元)。

For the details of the impairment assessment of the leasehold land refer to note 16.

有關租賃土地減值評估之詳情請參閱附註16。

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18. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and movement thereon during the years ended 31 December 2014 and 2013:

At 1 January 2013 (Credit) charge to profit or loss	於二零一三年一月一日 於損益賬(計入)列支
At 31 December 2013 and 1 January 2014 Credit to profit or loss	於二零一三年十二月三十一日 及二零一四年一月一日 於損益賬計入
At 31 December 2014	於二零一四年十二月三十一日

The revaluation of the prepaid lease payments, buildings, machinery, motor vehicles, furniture, fixture and equipment and inventories arose from the acquisition of a subsidiary, Longyan Shengfeng in prior years.

No deferred tax asset has been recognised in respect of the tax losses principally attributable to subsidiaries in the PRC due to the unpredictability of future profit streams. The tax losses of the PRC subsidiaries can be carried forward for five years.

As at 31 December 2014, the Group had deductible temporary difference of RMB282,231,000 (2013: RMB283,035,000) attributable to the impairment loss on trade receivables. No deferred tax asset has been recognised in relation to such deductible temporary difference as, in the opinion of directors, the utilisation of such temporary difference is remote.

The Group has no other significant unprovided deferred tax for the years ended 31 December 2014 and 2013.

18. 遞延稅項

以下為已確認的主要遞延稅項負債(資產)及其於截至二零一四年及二零一三年十二月三十一日止年度的變動:

Revaluation of identifiable assets and liabilities 重估可識別 資產及負債 RMB'000 人民幣千元	Unrealised profit for inventories 存貨未變現 溢利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
815	(852)	(37)
(35)	267	232
780	(585)	195
(35)	(305)	(340)
745	(890)	(145)

預付租賃款項、樓宇、機器、汽車、傢俬、裝置及設備以及存貨的重估來自過往年度收購一間附屬公司龍岩盛豐。

就主要歸屬於中國附屬公司的稅項虧損並無確認遞延稅項資產，由於未來溢利的不可預見性。中國附屬公司的稅項虧損可結轉五年。

於二零一四年十二月三十一日，本集團擁有因貿易應收款項減值虧損而產生的可扣減暫時性差額人民幣282,231,000元(二零一三年：人民幣283,035,000元)。由於董事認為使用該等暫時性差額的可能性微乎其微，因此並無就該等可扣減暫時性差額確認遞延稅項資產。

於截至二零一四年及二零一三年十二月三十一日止年度，本集團概無其他重大未撥備遞延稅項。



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18. DEFERRED TAXATION (CONTINUED)

The Group had unrecognised tax losses as follows:

Expiry date	到期日
2014	二零一四年
2015	二零一五年
2016	二零一六年
2017	二零一七年
2018	二零一八年
2019	二零一九年

19. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

The amount includes inventories related to Train and railway business, being work in progress amounted to RMB32,756,000 (2013: RMB9,199,000) and finished goods amounted to RMB1,611,000 (2013: RMB2,438,000). It was noted that the sales to the only customer in Russia have been suspended since May 2014 and have not recommenced as at the date of this report.

Accordingly, the directors of the Company is of the opinion that the net realisable value of inventories approximates their carrying amounts and therefore no impairment loss was recognised for the year ended 31 December 2014.

18. 遞延稅項(續)

本集團擁有的未確認稅項虧損如下：

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
-	958
3,679	3,679
15,736	15,736
161,804	161,804
77,146	77,146
67,256	-
325,621	259,323

19. 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
131,990	109,845
43,825	51,677
45,118	78,822
220,933	240,344

該款項包括與列車及鐵路業務相關的在製品人民幣32,756,000元(二零一三年：人民幣9,199,000元)及製成品人民幣1,611,000元(二零一三年：人民幣2,438,000元)。據悉，向唯一一名俄羅斯客戶的銷售已自二零一四年五月中止，且於本報告日期尚未恢復銷售。

因此，本公司董事已釐定存貨的可變現淨值與彼等之賬面值相若，故截至二零一四年十二月三十一日止年度並無確認減值虧損。

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20. TRADE, BILLS AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

Trade receivables	貿易應收款項
Less: impairment loss on trade receivables	減：貿易應收款項減值虧損
Bills receivables	應收票據
Other receivables	其他應收款項
Advances to suppliers	向供應商墊款
Prepaid expenses	預付開支
VAT-in recoverable	增值稅－可收回
Total trade and other receivables	貿易及其他應收款項總額

At the end of the reporting period, trade receivables with outstanding amount of RMB37,500,000 (2013: RMB29,409,000) have been factored to certain banks. The Group continues to present the factored trade receivables as trade receivables until maturity.

At the end of the reporting period, bills receivables with outstanding amount of RMB26,194,000 (2013: RMB65,114,000) have been endorsed to certain creditors. The Group continues to present the endorsed bills as bills receivables until maturity.

The Group allows credit period of 90-120 days to its trade customers. The aging analysis of trade receivables and bills receivables is presented based on the invoice date at the end of the reporting period.

20. 貿易應收款項、應收票據及其他應收款項

貿易及其他應收款項包括以下各項：

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
442,651	460,112
(282,231)	(283,035)
160,420	177,077
53,079	87,449
8,831	7,580
105,211	94,711
–	1,942
17,830	36,275
345,371	405,034

於報告期末，未償還貿易應收款項人民幣37,500,000元(二零一三年：人民幣29,409,000元)由若干銀行代為收取。本集團繼續將保理貿易應收款項呈列為貿易應收款項直至到期日為止。

於報告期末，未償還應收票據達人民幣26,194,000元(二零一三年：人民幣65,114,000元)已背書予若干供應商。本集團繼續將已背書票據呈列為應收票據直至到期日為止。

本集團向其貿易客戶提供90至120天的信貸期。貿易應收款項及應收票據的賬齡分析根據於報告期末的發票日期呈列。



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20. TRADE, BILLS AND OTHER RECEIVABLES (CONTINUED)

The aging of trade receivables (net of impairment loss on trade receivables) is presented based on the invoice date, which approximated the respective revenue recognition date as follows:

0 to 90 days	0至90日
91 to 120 days	91至120日
121 to 180 days	121至180日
181 to 365 days	181至365日
Over 365 days	365日以上

The aging of bills receivables is as follows:

0 to 90 days	0至90日
91 to 120 days	91至120日
121 to 180 days	121至180日

Before accepting any new customers, the Group has assessed the potential customer's credit quality and defined credit limit of each customer. Limits attributed to customers are reviewed once a year.

In determining the recoverability of trade receivables, the Committee that is responsible for understanding background, financial strength, sales and repayment ability of each debtor, regularly reviewed recoverability of trade receivables (including regularly communicating with individual debtor, holding internal meeting to discuss and analyse the status of each individual debtor, and seeking for lawyer review on the status of debtor with financial or operational problems). Based on the nature of customers, the Committee classified the customers to different portfolios for analysis.

20. 貿易應收款項、應收票據及其他應收款項(續)

按發票日期(與各自收入確認日期相若)呈列的貿易應收款項(扣除貿易應收款項減值虧損)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
58,773	81,660
8,847	18,148
17,416	33,238
37,801	41,463
37,583	2,568
160,420	177,077

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
24,774	73,507
5,420	7,070
22,885	6,872
53,079	87,449

於接受任何新客戶前,本集團已評估潛在客戶的信貸質素及各客戶的定額信貸限額。給予客戶的限額會每年審閱一次。

於確定貿易應收款項的可收回性時,委員會負責了解各債務人的背景、財務實力、銷售與還款能力,定期檢討貿易應收款項的可收回性(包括定期與個別債務人溝通、舉行內部會議討論及分析各個債務人的狀況及尋求律師審查債務人的財務狀況或經營問題)。根據客戶的性質,委員會將客戶分類為不同組合以作分析。

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20. TRADE, BILLS AND OTHER RECEIVABLES (CONTINUED)

It was noted by the Committee that some of the debtors had financial problems and the recoverability of these receivables was low, and a report was prepared by the Committee suggesting a provision of RMB282,231,000 (2013: RMB283,035,000) based on an analysis of the recoverability by customer portfolio. The analysis was based on the present value of estimated future cash flows discounted at individual debtors' original effective interest rate, together with the subsequent settlement and aging of individual debtors. The board of directors has reviewed the report of the Committee and considered the provision suggested is adequate but not excessive.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB101,647,000 and RMB95,417,000 at 31 December 2014 and 2013 respectively, which are past due for which the Group has not provided for impairment loss as continuous business relationship and subsequent settlement of RMB13,410,000 was received from those debtors and the remaining amounts are still considered recoverable based on historical experience.

Aging of trade receivables which are past due but not impaired:

91 to 120 days	91 至 120 日
121 to 180 days	121 至 180 日
181 to 365 days	181 至 365 日
Over 365 days	365 日以上

20. 貿易應收款項、應收票據及其他應收款項(續)

委員會獲悉該等債務人存在財務問題且該等應收款項的可收回性甚微，且委員會已編製報告，根據按客戶組合對可收回性所作之分析建議作出撥備人民幣282,231,000元(二零一三年：人民幣283,035,000元)。該分析乃基於個別債務人原來實際利率折現估計未來現金流現值得出，計及隨後結算及個別債務人的賬齡。董事會已審閱委員會的報告，認為建議撥備為充足而不致過多。

計入本集團貿易應收款項結餘為於二零一四年及二零一三年十二月三十一日總賬面值分別約人民幣101,647,000元及人民幣95,417,000元的應收賬款，該等應收賬款已逾期，惟由於從該等債務人得悉持續業務關係及後期收款人民幣13,410,000元及根據過往經驗，餘下款項仍被視為可收回，因此，本集團並未就該等款項作出減值虧損撥備。

已逾期但未減值的貿易應收款項賬齡分析：

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
8,847	18,148
17,416	33,238
37,801	41,463
37,583	2,568
101,647	95,417



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20. TRADE, BILLS AND OTHER RECEIVABLES (CONTINUED)

Movement in the impairment loss on trade receivables

1 January	一月一日
Impairment loss recognised on receivables	應收款項之已確認減值虧損
Amounts recovered during the year	年內已收回款項
31 December	十二月三十一日

20. 貿易應收款項、應收票據及其他應收款項(續)

貿易應收款項減值虧損的變動

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
283,035	197,643
20,080	89,600
(20,884)	(4,208)
282,231	283,035

21. TRANSFER OF FINANCIAL ASSETS

The following were the Group's financial assets as at 31 December 2014 and 2013 that were transferred to banks or suppliers by factoring or discounting those receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing (see note 25) or trade payables respectively. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

As at 31 December 2014

Carrying amount of transferred assets	轉讓資產賬面值
Carrying amount of associated liabilities	相關負債賬面值
Net position	淨持倉量

21. 轉讓金融資產

以下為本集團於二零一四年及二零一三年十二月三十一日的金融資產，乃透過按全面追索基準讓售或貼現該等應收款項向銀行或供應商轉讓。由於本集團並無轉移與該等應收款項有關之重大風險及回報，其會繼續悉數確認應收款項的賬面值，並已確認於轉移時所收取的現金分別作為有抵押借款(見附註25)或貿易應付款項。該等金融資產於本集團綜合財務狀況表按攤銷成本入賬。

於二零一四年十二月三十一日

Trade receivables factored to banks with full recourse 按全面追索向銀行保理的貿易應收款項 RMB'000 人民幣千元	Bills receivables endorsed to suppliers with full recourse 按全面追索向供應商背書的應收票據 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
37,500	26,194	63,694
(30,000)	(26,194)	(56,194)
7,500	-	7,500

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21. TRANSFER OF FINANCIAL ASSETS (CONTINUED)

As at 31 December 2013

Carrying amount of transferred assets	轉讓資產賬面值	
Carrying amount of associated liabilities	相關負債賬面值	
Net position	淨持倉量	

21. 轉讓金融資產(續)

於二零一三年十二月三十一日

Trade receivables factored to banks with full recourse 按全面追索向銀行保理的貿易應收款項 RMB'000 人民幣千元	Bills receivables endorsed to suppliers with full recourse 按全面追索向供應商背書的應收票據 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
29,409	65,114	94,523
(26,467)	(65,114)	(91,581)
2,942	-	2,942

22. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Bank and cash of the Group comprise bank balances and cash. The deposits carry interest rate ranging from 0.01% to 3.85% (2013: 0.01% to 3.85%).

Pledged bank deposits represent amounts deposited with banks as security for the bank accepted bills issued to its suppliers for the purchase of raw materials. Pledged bank deposits carry interest rate at 0.35% per annum for the year ended 31 December 2014.

22. 已抵押銀行存款／銀行結餘及現金

本集團銀行存款及現金包括銀行結餘及現金。該存款按介乎0.01%至3.85%的利率計息(二零一三年: 0.01%至3.85%)。

已抵押銀行存款代表存入銀行以作為銀行接受向其供應商發出以購買原材料的票據的金額的抵押。截至二零一四年十二月三十一日止年度，已抵押銀行存款按年利率0.35%計息。



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23. ASSETS CLASSIFIED AS HELD FOR SALE

The major classes of assets classified as held for sale are as follows:

As at 31 December 2014	截至二零一四年十二月三十一日
Property, plant and equipment	物業、廠房及設備
Prepaid lease payments	預付租賃款項
As at 31 December 2013	截至二零一三年十二月三十一日
Property, plant and equipment	物業、廠房及設備
Prepaid lease payments	預付租賃款項

The respective assets to be disposed of, which are expected to be sold within twelve months from the end of the reporting period, have been classified as “assets classified as held for sale” and are presented separately in the consolidated statements of financial position.

- (a) On 30 July 2014, Sichuan Changfeng entered into the a conditional agreement with Jialing District People’s Government of Nanchong City in respect of disposal of two parcels of land located in Nanchong City, Sichuan Province, the PRC and the erected factories and other structures at an aggregate cash consideration of RMB71,084,000. Deposit of RMB36,000,000 has been received and recognised in other payables as of 31 December 2014.

23. 分類為持作出售資產

分類為持作出售資產之主要類別如下：

Sichuan Changfeng 四川暢豐 RMB'000 人民幣千元 (a)	Kaifeng Changfeng 開封暢豐 RMB'000 人民幣千元 (b)	Fujian Changfeng 福建暢豐 RMB'000 人民幣千元 (c)	Changfeng Gear 暢豐齒輪 RMB'000 人民幣千元 (d)	Total 總計 RMB'000 人民幣千元
49,572	51,867	33,308	-	134,747
20,826	26,188	5,783	-	52,797
70,398	78,055	39,091	-	187,544
-	-	33,308	41,500	74,808
-	-	5,783	-	5,783
-	-	39,091	41,500	80,591

預期將於報告期末十二個月內分別將予出售的資產已分類為「持作出售資產」並於綜合財務狀況表內單獨呈現。

- (a) 於二零一四年七月三十日，四川暢豐與南充市嘉陵區人民政府訂立有條件協議，內容有關出售位於中國四川省南充市的兩幅土地、其上所座落的工廠及其他建築，現金代價總額為人民幣71,084,000元。已收取人民幣36,000,000元的按金並於二零一四年十二月三十一日確認為其他應付款項。

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23. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

- (b) On 4 January 2015, Kaifeng Changfeng entered into a conditional agreement with Kaifeng Land Resumption Centre and Kaifeng Urban District Management Committee in respect of disposal of a parcel of land located in Kaifeng City, Henan Province, the PRC (the "Kaifeng Land") and the erected factories and other structures at an aggregate cash consideration of RMB102,690,000. The first instalment amounting to RMB73,000,000 has been received in January 2015. The remaining proceeds of RMB29,690,000 is expected to be received by April 2015.

Since negotiations between Kaifeng Changfeng and interested parties have been taken place during the year ended 31 December 2014, the relevant assets have been classified as assets classified as held for sale at the end of the reporting period.

A reversal of impairment loss on property, plant and equipment classified as held for sale amounting to HK\$26,712,000 was recognised in the profit or loss during the year, since its estimated recoverable amount is higher than the carrying amount as at the end of the reporting period.

- (c) On 16 December 2013, the Group entered into a conditional agreement with an independent third party in respect of disposal of its entire equity interest in Fujian Changfeng at an aggregate cash consideration of RMB56,000,000. Fujian Changfeng is established in the PRC and is engaged in manufacture and sale of axle and related components, and remained inactive as of the date of the agreement. Deposit of RMB56,000,000 had been received as of 31 December 2014. The completion of the disposal of Fujian Changfeng is subjected to the granting of certain documents from relevant government authority in Fujian province, the PRC. In the opinion of the directors, the disposal is expected to be completed by April 2015.

23. 分類為持作出售資產(續)

- (b) 於二零一五年一月四日，開封暢豐與開封市土地整理儲備中心及開封新區管理委員會訂立有條件協議，內容有關出售位於中國河南省開封市的一塊土地以及其上所座落的工廠及其他建築，現金代價總額為人民幣102,690,000元。於二零一五年一月已收取首期款項人民幣73,000,000元。剩餘所得款項人民幣29,690,000元預期將於二零一五年四月收取。

因開封暢豐與有利益關係人士於截至二零一四年十二月三十一日止年度已進行磋商，相關資產於報告期末分類為持作出售資產。

年內，分類為持作出售資產之物業、廠房及設備減值虧損撥回26,712,000港元於損益確認，因於報告期末其估計可收回金額超出賬面值。

- (c) 於二零一三年十二月十六日，本集團就出售其於福建暢豐之全部權益與獨立第三方訂立有條件協議，總現金代價為人民幣56,000,000元。福建暢豐於中國註冊成立，從事製造及銷售車橋及相關部件，於協議日期暫無業務。截至二零一四年十二月三十一日已收取按金人民幣56,000,000元。出售福建暢豐須待中國福建省相關政府機構授出若干文件後，方告完成。董事認為，出售預期將於二零一五年四月前完成。



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23. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The net proceeds of disposal as detailed above exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised in respect of (a), (b) and (c).

(d) On 27 December 2013, the Group entered into sales agreement to dispose certain machineries at net consideration of RMB41,500,000. As the net carrying amount of the relevant assets is higher than the net proceeds of disposal, RMB20,975,000 impairment loss has been recognised in profit and loss for the year ended 31 December 2013. The disposal transaction was completed during the year ended 31 December 2014.

24. TRADE, BILLS AND OTHER PAYABLES

Trade, bills and other payables comprise the following:

Trade payables	貿易應付款項
Bills payables	應付票據
Advances from customers	來自客戶的墊款
Payables for property, plant and equipment	物業、廠房及設備應付款項
Deposit received for disposal of a subsidiary	出售一間附屬公司收取按金
Deposit received for disposal of assets classified as held for sale	出售分類為持作出售資產收取按金
Payroll and welfare payables	應付工資及福利
Warranty provision (note)	保修撥備(附註)
Other accruals	其他應計款項
Other tax payables	其他應付稅項
Other payables	其他應付款項

23. 分類為持作出售資產(續)

上文所詳述之出售所得款項淨額超出相關資產及負債之賬面淨值，因此並無就(a)、(b)及(c)確認減值虧損。

(d) 於二零一三年十二月二十七日，本集團訂立銷售協議出售若干機器，代價淨額為人民幣41,500,000元。截至二零一三年十二月三十一日止年度，由於相關資產之賬面值超出出售之所得款項淨額，人民幣20,975,000元減值虧損已於損益確認。出售交易於截至二零一四年十二月三十一日止年度完成。

24. 貿易應付款項、應付票據及其他應付款項

貿易應付款項、應付票據及其他應付款項包括以下各項：

	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
	43,875	58,880
	44,044	65,115
	87,919	123,995
	7,500	13,772
	12,755	40,752
	56,000	28,000
	36,000	–
	15,297	7,262
	1,063	1,071
	14,032	14,762
	7,342	5,295
	8,555	8,807
	158,544	119,721
	246,463	243,716

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24. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

Note: Movement of warranty provision is as follows:

At 1 January 2013	於二零一三年一月一日
Additional provision during the year	年內額外撥備
Utilisation of provision	動用撥備
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
Additional provision during the year	年內額外撥備
Utilisation of provision	動用撥備
At 31 December 2014	於二零一四年十二月三十一日

At 31 December 2014 and 2013, the warranty provision represents management's best estimate of the Group's liability under 6-month warranty granted on products, based on prior experience and industry practice for defective products.

The following is an aging analysis of trade payables, presented based on invoice date, at the end of the reporting period:

Within 30 days	30日內
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日
181 to 365 days	181至365日

Trade payables and bills payables principally comprise amounts outstanding for purchase of goods. The credit period for purchase of goods is between 30 to 180 days.

24. 貿易應付款項、應付票據及其他應付款項(續)

附註：保修撥備的變動如下：

Warranty provision

保修撥備
RMB'000
人民幣千元

1,065

8,931

(8,925)

1,071

6,727

(6,735)

1,063

於二零一四年及二零一三年十二月三十一日，保修撥備指管理層對本集團就產品提供的六個月保修所承擔的責任的最佳估計，並以過往經驗及有關缺陷產品的行業常規為基準。

以下為於各報告期末的貿易應付款項(按發票日期呈列)的賬齡分析：

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
12,141	19,888
5,122	8,657
3,547	8,072
15,539	10,628
7,526	11,635
43,875	58,880

貿易應付款項及應付票據主要包括結欠購買貨品金額。購買貨品的信貸期介乎30至180日。



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24. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

The aging of bills payables is as follows:

Within 30 days	30日內
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日

25. BORROWINGS

Bank borrowings	銀行借款
Other borrowings	其他借款
Unsecured	無抵押
Secured	有抵押
Carrying amount repayable:	應償還賬面值：
Within one year	一年內
Less: Amount shown under current liabilities	減：流動負債下的金額
Amount shown under non-current liabilities	非流動負債項下的金額

All borrowings are denominated in RMB, carry fixed interest rates and are shown under current liabilities.

24. 貿易應付款項、應付票據及其他應付款項(續)

以下為應付票據的賬齡分析：

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
15,530	16,204
6,612	13,754
12,847	22,555
9,055	12,602
44,044	65,115

25. 借款

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
281,080	451,167
55,799	13,000
336,879	464,167
120,329	68,000
216,550	396,167
336,879	464,167
336,879	464,167
(336,879)	(464,167)
-	-

所有借款均以人民幣計值、以固定利率計息及於流動負債呈列。

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25. BORROWINGS (CONTINUED)

The ranges of effective interest rates (which are also equal to contractual interest rates) on the Group's borrowings are as follows:

Fixed-rate borrowings 定息借款

The Group has pledged certain assets to secure banking facilities granted to the Group. The carrying values of the assets pledged are as follows:

Buildings 樓宇
Machinery 機器
Land use rights 土地使用權
Trade receivables 貿易應收款項

25. 借款(續)

本集團借款的實際利率(其亦相等於合約利率)之範圍如下:

2014 二零一四年	2013 二零一三年
0%-10.98% per annum 年利率	5.5%-7.872% per annum 年利率

本集團已抵押若干資產以作為向本集團授出的銀行融資的擔保。已抵押的資產的賬面值如下:

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
86,309	91,638
-	37,500
232,606	52,010
37,500	29,409
356,415	210,557

26. SHARE CAPITAL

Ordinary shares of US\$0.01 each

Authorised:
At 31 December 2013,
1 January 2014 and
31 December 2014

Issued & fully paid:
At 31 December 2013,
1 January 2014 and
31 December 2014

26. 股本

每股面值0.01美元的普通股

法定:
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

已發行及繳足:
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

Number of shares 股份數目	Amount 金額 US\$'000 千美元
5,000,000,000	50,000
800,000,000	8,000



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26. SHARE CAPITAL (CONTINUED)

26. 股本(續)

	2014 & 2013 二零一四年及 二零一三年 RMB'000 人民幣千元
Shown on the consolidated statement of financial position	於綜合財務狀況表呈列
	53,560

27. SHARE-AWARD SCHEME

27. 股份獎勵計劃

The Company's share award scheme (the "Scheme") was approved and adopted pursuant to a resolution passed on 30 August 2012. The Company resolved that a sum of HK\$10,000,000 be provided to the Scheme for the purchase of shares of US\$0.01 each in the capital of the Company. Such shares will be awarded to the selected employees to be selected by the board, or the Executive Committee acting on behalf of the board, for the purpose of recognising contributions of and giving incentive to the selected employees in order to retain them for the continual operation and development of the Company.

本公司根據於二零一二年八月三十日通過之決議案，批准及採納股份獎勵計劃(「計劃」)。本公司議決以向計劃提供的總額10,000,000港元購買本公司股本中每股面值為0.01美元的股份。該等股份將用於獎勵經董事會或代表董事會的執行委員會甄選的入選僱員，以表揚其所作貢獻及激勵及挽留該等入選僱員為本公司的持續經營及發展繼續做出貢獻。

At the date of adoption of the Scheme, the maximum number of shares that can be purchased approximately to 19,230,000 shares, represents approximately 2.4% of the issued share capital of the Company. 2,832,000 shares have been purchased during year 2012 by the trustee through the Stock Exchange of Hong Kong Limited under the Scheme:

於採納該計劃的日期，可購買的最高股份數目約為19,230,000股，約佔本公司已發行股本的2.4%。於二零一二年，受託人已根據該計劃透過香港聯合交易所有限公司購買2,832,000股股份：

Month of purchase		Number of ordinary shares of US\$0.01 each 每股0.01美元的普通股的股份數目	Average price per share 每股的平均價格 HK\$ 港元	Aggregate consideration paid 已付代價總額 RMB'000 人民幣千元
購買月份				
November 2012	二零一二年十一月	2,832,000	0.71	1,627

No shares have been granted to selected employees during the years ended 31 December 2014 and 2013.

於截至二零一四年及二零一三年十二月三十一日止年度，並無向甄選僱員授出股份。

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28. ACQUISITION OF ADDITIONAL INTEREST IN A SUBSIDIARY

On 27 December 2013, the Group had entered into an equity transfer agreement with Lonking (Jiangxi) Machinery Co., Ltd. (“Lonking Machinery”) to acquire an additional 40% interest in the Group’s subsidiary, Changfeng Gear at a cash consideration of RMB30,000,000. Changfeng Gear is established in the PRC and is engaged in manufacture and sale of gear. A loss of RMB8,525,000 had been recognised in special reserves, which represents the difference between the consideration paid of RMB30,000,000 and the carrying amount of the 40% non-controlling interests being acquired of.

The transaction has completed on 26 January 2014 and Changfeng Gear became a wholly owned subsidiary of the Group thereafter.

29. DISPOSAL OF A SUBSIDIARY

On 27 June 2014, the Group entered into a conditional agreement with an independent third party in respect of disposal of its entire 100% equity interest in Changfeng Gear at an aggregate cash consideration of RMB35,000,000. Changfeng Gear is remained inactive as of the date of the agreement. The disposal was completed on 31 October 2014, on which date control of Changfeng Gear passed to the purchaser.

The assets and liabilities attributable to the subsidiary on the date of disposal are as follows:

28. 收購一間附屬公司之額外權益

於二零一三年十二月二十七日，本集團與龍工（江西）機械有限公司（「龍工機械」）訂立股權轉讓協議，以現金代價人民幣30,000,000元收購於本公司附屬公司暢豐齒輪之額外40%權益。暢豐齒輪於中國成立，從事製造及銷售齒輪。虧損人民幣8,525,000元已於特別儲備中確認，乃已付代價人民幣30,000,000元與所收購40%非控股權益賬面值間之差額。

交易已於二零一四年一月二十六日完成，且暢豐齒輪隨後成為本集團全資附屬公司。

29. 出售一間附屬公司

於二零一四年六月二十七日，本集與一名獨立第三方訂立有條件協議，內容有關按現金代價總額人民幣35,000,000元出售於暢豐齒輪的全部股權。暢豐齒輪於協議日期暫無業務。出售已於二零一四年十月三十一日完成，於該日，暢豐齒輪之控制權轉移至買方。

該附屬公司於出售日期應佔資產及負債如下：



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29. DISPOSAL OF A SUBSIDIARY (CONTINUED)

The nets assets of the subsidiary on the date of disposal were as follows:

		RMB'000 人民幣千元
Consideration received:	已收代價：	
Cash received	已收現金	35,000
Analysis of assets and liabilities over which control was lost:	失去控制權之資產及負債分析：	
Property, plant and equipment	物業、廠房及設備	28,894
Prepaid lease payments	預付租賃款項	8,954
Other receivables	其他應收款項	3,257
Net assets disposed of	已出售資產淨值	41,105
Loss on disposal of subsidiary:	出售附屬公司之虧損：	
Consideration received	已收代價	35,000
Net assets disposed of	已出售資產淨值	(41,105)
Loss on disposal of subsidiary	出售附屬公司之虧損	(6,105)

30. OPERATING LEASE

Minimum lease payments paid under operating leases in respect of office premises amounted to RMB138,000 and RMB1,235,000 for the years ended 31 December 2014 and 2013 respectively.

At the end of the reporting period, the Group had commitments for future lease payments under non-cancellable operating leases which fall 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	107	124
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	-	88

Operating lease payments represent rental payable by the Group for certain office premises and warehouse properties. Leases are negotiated for a term of 1 to 2 years with fixed rate.

29. 出售一間附屬公司(續)

附屬公司於出售日期之資產淨值如下：

30. 經營租賃

根據辦公室物業的經營租賃已付的最低租賃付款於截至二零一四年及二零一三年十二月三十一日止年度分別為人民幣 138,000 元及人民幣 1,235,000 元。

於報告期末，本集團根據不可撤銷經營租賃的未來租賃付款承擔的到期情況如下：

經營租賃付款指本集團就若干辦公室物業及倉儲物業應付的租金。租賃按一年至兩年期磋商及以固定比率計算。

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31. OTHER COMMITMENTS

31. 其他承擔

		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
Capital expenditure in respect of acquisition of plant and machinery – contracted for but not provided in the consolidated financial statements (note 1)	收購廠房及機器的資本開支 — 已訂約但未於綜合財務報表撥備 (附註1)	106	2,010
Capital expenditure in respect of capital contribution to a subsidiary – contracted for but not provided in the consolidated financial statements (note 2)	向一間附屬公司注資的資本開支 — 已訂約但未於綜合財務報表撥備 (附註2)	-	48,000

Notes:

- The capital expenditure in both years 2014 and 2013 is related to the construction of production facilities to facilitate the Group's operation.
- The capital expenditure in year 2013 was related to the capital contribution to a subsidiary, Changfeng Gear. No such capital commitment was noted as at 31 December 2014 as the subsidiary was disposed of during the year, details of which are set out in note 29.

附註：

- 於二零一四年及二零一三年的資本開支均與興建生產基地以擴充本集團的營運規模有關。
- 於二零一三年的資產開支與一間附屬公司暢豐齒輪之注資有關。於二零一四年十二月三十一日並無該資本承擔，因附屬公司已於年內出售，有關詳情載於附註29。



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32. RETIREMENT BENEFIT PLAN

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The employees of the Group are members of a state-managed retirement benefit scheme operated by the PRC government. The Company's subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

33. RELATED PARTY DISCLOSURES

Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended 31 December 2014 and 2013 was as follows:

Short-term benefits	短期福利
Post-employment benefits	退休福利

32. 退休福利計劃

本集團為所有合資格的香港僱員設立強制性公積金計劃。該計劃的資產與本集團資產分開，並由信託人控制的基金持有。本集團按相關薪金成本5%向該計劃供款，與僱員供款一致。

本集團的僱員為由中國政府運作的國家管理退休福利計劃的成員。本公司附屬公司須按工資成本的若干百分比向退休福利計劃供款以提供福利資金。本集團就退休福利計劃的唯一責任為作出計劃項下的規定供款。

33. 關連方披露

主要管理人員薪酬

於截至二零一四年及二零一三年十二月三十一日止年度，董事及其他主要管理人員的薪酬如下：

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
3,934	3,981
68	96
4,002	4,077

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34. PARTICULARS OF SUBSIDIARIES

The Company has the following indirectly held, unless otherwise stated, subsidiaries:

34. 附屬公司詳情

本公司擁有以下間接持有(另有註明者除外)的附屬公司：

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid share/ registered capital 已發行及繳足股份/ 註冊股本	Effective equity interest attributable to the Group as at 31 December 於十二月三十一日本集團應佔實際股本權益				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年	
暢豐控股香港有限公司 Chang Feng Holding (Hong Kong) Limited	Hong Kong 14 February 2008 香港 二零零八年二月十四日	HK\$10,000 10,000港元	100%	100%	-	-	Investment holding 投資控股
福建暢豐車橋製造有限公司(附註1) Fujian Changfeng Axle Manufacturing Co., Ltd. (note 1)	PRC 5 March 2001 中國 二零零一年三月五日	RMB26,000,000 人民幣26,000,000元	-	-	100%	100%	Manufacture and sale of axle and related components 製造及銷售車橋及相關零部件
福建暢豐機械製造有限公司(附註1) Fujian Changfeng Machinery Manufacturing Co., Ltd. (note 1)	PRC 8 July 2013* 中國 二零一三年七月八日*	RMB787,000,000 人民幣787,000,000元	-	-	100%	100%	Manufacture and sale of axle and related components 製造及銷售車橋及相關零部件
龍岩盛豐機械製造有限公司 Longyan Shengfeng Machinery Manufacturing Co., Ltd.	PRC 29 March 2006 中國 二零零六年三月二十九日	RMB356,000,000 人民幣356,000,000元	-	-	100%	100%	Manufacture and sale of roughcast 製造及銷售毛坯
開封暢豐車橋有限公司 Kaifeng Changfeng Axle Co., Ltd.	PRC 19 April 2006 中國 二零零六年四月十九日	RMB375,000,000 人民幣375,000,000元	-	-	100%	100%	Manufacture and sale of axle 製造及銷售車橋
開封暢豐機械製造有限公司 Kaifeng Changfeng Machinery Manufacturing Co., Ltd.	PRC 9 August 2012 中國 二零一二年八月九日	RMB50,000,000 人民幣50,000,000元	-	-	100%	100%	Manufacture and sale of train bolster, train side frame and related train components 生產及銷售列車搖枕及列車側架以及相關列車零部件
北京暢豐車橋技術研究所 Beijing Changfeng Axle Research Institution Co., Ltd.	PRC 6 July 2010 中國 二零一零年七月六日	RMB1,000,000 人民幣1,000,000元	-	-	100%	100%	Research and development of axle and related components 研發車橋及相關零部件
四川暢豐車橋有限公司 Sichuan Changfeng Axle Co., Ltd.	PRC 16 July 2009 中國 二零零九年七月十六日	RMB160,000,000 人民幣160,000,000元	-	-	100%	100%	Manufacture and sale of axle 製造及銷售車橋
福建暢豐齒輪有限公司(附註2) Changfeng Gear Manufacturing Co., Ltd. (note 2)	PRC 21 July 2011 中國 二零一一年七月二十一日	RMB60,000,000 人民幣60,000,000元	-	-	-	60%	Manufacture and sale of gear 製造及銷售齒輪

* incorporated in 2013.

* 於二零一三年註冊成立



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34. PARTICULARS OF SUBSIDIARIES (CONTINUED)

Notes:

1. Pursuant to the approval granted by local government, a new entity, Fujian Changfeng Machinery Manufacturing Co., Ltd. had been split out from the original entity, Fujian Changfeng Axle Manufacturing Co., Ltd, on 8 July 2013, with a registered capital of RMB787,000,000.
2. Changfeng Gear Manufacturing Co., Ltd. ceased to be a subsidiary of the Company upon the disposal of its 100% equity interest during the year ended 31 December 2014, details of which are set out in note 29.

35. EVENTS AFTER THE REPORTING PERIOD

- (1) As detailed in note 23(b), Kaifeng Changfeng entered into a conditional agreement with Kaifeng Land Resumption Centre and Kaifeng Urban District Management Committee to dispose of Kaifeng Land and the erected factories and other structures at an aggregate consideration of RMB102,690,000. Out of the total consideration, RMB73,000,000 has been received subsequently in January 2015.
- (2) On 26 September 2014, the Company and Century East Network Limited ("Century East") entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue and Century East agreed to subscribe for 610,606,060 ordinary shares (the "Subscription Share") of the Company at a subscription price of HK\$0.33 per ordinary share (the "Share"). The Subscription Share shall be allotted and issued to the shareholders of Century East (the "Subscription Transaction").

34. 附屬公司詳情(續)

附註：

1. 根據地方政府的批准，於二零一三年七月八日，新實體福建暢豐機械製造有限公司，自其原實體福建暢豐車橋製造有限公司分拆出來，註冊股本為人民幣787,000,000元。
2. 福建暢豐齒輪有限公司於截至二零一四年十二月三十一日出售其全部股權後不再為本公司附屬公司，有關詳情載於附註29。

35. 報告其後事項

- (1) 如附註23(b)所詳述，開封暢豐與開封市土地整理儲備中心及開封新區管理委員會訂立有條件協議，按代價總額人民幣102,690,000元出售開封土地、工廠及其他建築。於代價總額中，人民幣73,000,000元已隨後於二零一五年一月收取。
- (2) 於二零一四年九月二十六日，本公司與Century East Network Limited(「Century East」)訂立認購協議，據此，本公司已有條件同意配發及發行及Century East同意按每股普通股(「股份」)認購價0.33港元購買610,606,060股本公司普通股(「認購股份」)。認購股份將配發及發行予Century East股東(「認購交易」)。

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35. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(2) (continued)

On the same date, the Company and Century East further entered into an acquisition agreement (the “Acquisition Agreement”), pursuant to which Century East conditionally agreed to sell and the Company conditionally agreed to purchase the 51% issued share capital of Century Network Holding Limited, a non-wholly owned subsidiary of Century East which engaged in electronic commerce business through cross-border business-business electronic distribution platform, at a consideration of US\$5,200,000 (equivalent to RMB32,400,000) to be settled by the allotment and issue of the 122,121,212 new Shares to the shareholders of Century East (the “Acquisition Transaction”).

The approval from the shareholders on the Subscription Transaction and Acquisition Transaction were granted on the extraordinary general meeting held on 10 March 2015, details of which were stated in the Company’s circular and announcement dated on 17 February 2015 and 10 March 2015, respectively.

35. 報告其後事項 (續)

(2) (續)

同日，本公司及Century East進一步訂立收購協議(「收購協議」)，據此，Century East有條件同意出售及本公司有條件同意購買Century East(透過跨境B2B電子分銷平台展開其電子商貿業務)非全資附屬公司Century Network Holding Limited的51%已發行股本，代價5,200,000美元(相當於人民幣32,400,000元)將透過向Century East股東配發及發行122,121,212股新股份結算(「收購交易」)。

股東已於二零一五年三月十日舉行的股東特別大會上批准認購交易及收購交易，有關詳情載於日期分別為二零一五年二月十七日及二零一五年三月十日之通函及公佈。



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36. FINANCIAL SUMMARY OF THE COMPANY

36. 本公司財務概要

RESULTS

業績

		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
Administrative expenses	行政開支	(7,017)	(7,717)
Loss for the year	年內虧損	(7,017)	(7,717)

ASSETS AND LIABILITIES

資產及負債

		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		
Investment in a subsidiary	於一間附屬公司的投資	863,894	863,894
CURRENT ASSET	流動資產		
Bank balances	銀行結餘	623	643
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	13,188	10,396
Amounts due to subsidiaries	應付附屬公司款項	30,632	26,427
		43,820	36,823
Net current liabilities	流動負債淨額	(43,197)	(36,180)
Total assets less current liabilities	總資產減流動負債	820,697	827,714
OWNERS' EQUITY	擁有人權益		
Share capital	股本	53,560	53,560
Reserves	儲備	767,137	774,154
		820,697	827,714

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37. RESERVES

37. 儲備

		Share premium	Capital reserve	Shares held under awarded shares compensation scheme 根據獎勵 股份報酬計劃 持有的股份	Accumulated losses	Total
		股份溢價 RMB'000 人民幣千元	股本儲備 RMB'000 人民幣千元 (Note) (附註)	RMB'000 人民幣千元	累積虧損 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	599,296	226,982	(1,627)	(42,780)	781,871
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(7,717)	(7,717)
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	599,296	226,982	(1,627)	(50,497)	774,154
Loss and total comprehensive expense for the year	年內虧損及全面 開支總額	-	-	-	(7,017)	(7,017)
At 31 December 2014	於二零一四年 十二月三十一日	599,296	226,982	(1,627)	(57,514)	767,137

Note: The balance represents deemed distribution, transfer and deemed contribution arising from the group reorganisation for listing purposes which took place in 2008 and 2009.

附註：該結餘指於二零零八年及二零零九年為上市目的而進行集團重組時產生的視作分派、轉讓及視作供款。



5-Year Financial Summary

五年財務摘要

		Year ended 31 December 截至十二月三十一日止年度				2014
		2010	2011	2012	2013	2014
		二零一零年	二零一一年	二零一二年	二零一三年	二零一四年
		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
RESULTS	業績					
Revenue	收入	1,318,709	920,681	503,841	429,795	336,928
Profit (loss) before tax	除稅前溢利 (虧損)	335,565	81,421	(459,635)	(227,410)	(150,000)
Income tax (expense) credit	所得稅(開支)抵免	(49,890)	(21,775)	(1,103)	(645)	270
Profit (loss) for the year	年內溢利(虧損)	285,675	59,646	(460,738)	(228,055)	(149,730)
		At 31 December 於十二月三十一日				2014
		2010	2011	2012	2013	2014
		二零一零年	二零一一年	二零一二年	二零一三年	二零一四年
		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
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	2,079,087	2,305,591	1,764,871	1,581,581	1,277,115
Total liabilities	負債總額	(616,227)	(743,011)	(664,656)	(709,421)	(584,685)
Net assets	資產淨值	1,462,860	1,562,580	1,100,215	872,160	692,430

This report is published in both English and Chinese languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

本報告以中英文兩種語言印製，在兩種文體的說明上存在歧義時，以英文為準。

