

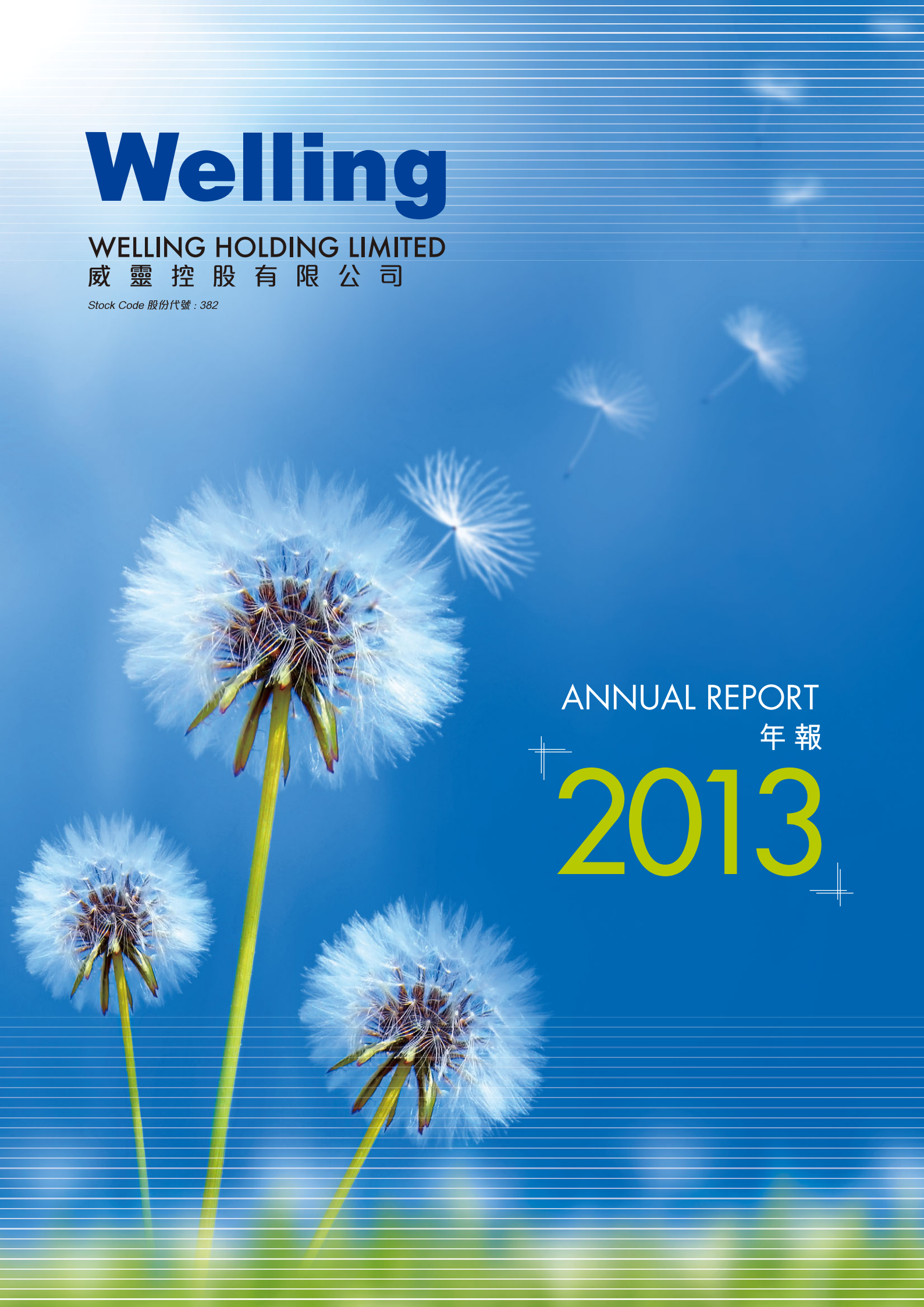
# Welling

WELLING HOLDING LIMITED  
威靈控股有限公司

Stock Code 股份代號 : 382

ANNUAL REPORT  
年報

2013



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# CORPORATE INFORMATION

## 公司資料

### Directors

#### Executive Directors

Mr. ZHOU Xiangyang (Chairman and Chief Executive Officer)  
(re-designated on 15 January 2014\*)  
Mr. JIANG Deqing  
(re-designated on 15 January 2014\*)  
Mr. LI Yang  
Mr. YU Yong Hua  
(appointed on 15 January 2014^)  
Ms. YUAN Liqun  
Mr. LI Feide

#### Independent Non-executive Directors

Mr. TAN Jinsong  
Mr. LAM Ming Yung  
Ms. CAO Zhoutao

#### Audit Committee

Mr. TAN Jinsong (Chairman)  
Mr. LAM Ming Yung  
Ms. CAO Zhoutao

#### Remuneration Committee

Ms. CAO Zhoutao (Chairman)  
Mr. TAN Jinsong  
Mr. LAM Ming Yung  
Mr. ZHOU Xiangyang  
Mr. JIANG Deqing

#### Nomination Committee

Mr. ZHOU Xiangyang (Chairman)  
Mr. JIANG Deqing  
Mr. TAN Jinsong  
Mr. LAM Ming Yung  
Ms. CAO Zhoutao

#### Executive Committee

Mr. ZHOU Xiangyang (Chairman)  
Mr. JIANG Deqing  
Mr. LI Yang  
Mr. YU Yong Hua ^  
Ms. YUAN Liqun  
Mr. LI Feide

### 董事

#### 執行董事

周向陽先生(主席兼首席執行官)  
(於2014年1月15日獲調任\*)  
姜德清先生  
(於2014年1月15日獲調任\*)  
李楊先生  
余永華先生  
(於2014年1月15日獲委任^)  
袁利群女士  
李飛德先生

#### 獨立非執行董事

譚勁松先生  
林明勇先生  
曹洲濤女士

#### 審核委員會

譚勁松先生(主席)  
林明勇先生  
曹洲濤女士

#### 薪酬委員會

曹洲濤女士(主席)  
譚勁松先生  
林明勇先生  
周向陽先生  
姜德清先生

#### 提名委員會

周向陽先生(主席)  
姜德清先生  
譚勁松先生  
林明勇先生  
曹洲濤女士

#### 行政委員會

周向陽先生(主席)  
姜德清先生  
李楊先生  
余永華先生^  
袁利群女士  
李飛德先生

\* Details of the re-designation of Mr. Zhou Xiangyang and Mr. Jiang Deqing are disclosed under the section headed "Biographical Details of Directors and Senior Management".

^ Mr. Yu Yong Hua was appointed as an Executive Director and a member of the Executive Committee of the Company on 15 January 2014.

\* 關於周向陽先生及姜德清先生調任的詳情載於「董事及高級管理人員履歷」一節。

^ 余永華先生於2014年1月15日獲委任為本公司執行董事及行政委員會委員。

## CORPORATE INFORMATION

### 公司資料

#### Company Secretary

Ms. TANG Wai Ying, Tracy CPA FCCA

#### Registered Office

Suite 3904, 39/F, Tower 6  
The Gateway, Harbour City  
9 Canton Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

#### Legal Adviser

Paul Hastings  
21-22/F, Bank of China Tower  
1 Garden Road  
Hong Kong

#### Auditor

PricewaterhouseCoopers  
Certified Public Accountants  
22nd Floor Prince's Building  
Central  
Hong Kong

#### Principal Bankers

Bank of China Ltd.  
Agricultural Bank of China Ltd.  
Industrial and Commercial Bank of China Ltd.  
China Merchants Bank Co., Ltd.  
Bank of Communications Co., Ltd.

#### Share Registrar

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

#### Website Address

<http://www.welling.com.cn>

#### Stock Code

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#### 公司秘書

鄧惠英女士 CPA FCCA

#### 註冊辦事處

香港  
九龍  
尖沙咀  
廣東道9號  
海港城港威大廈  
第6座39樓3904室

#### 法律顧問

普衡律師事務所  
香港  
花園道1號  
中銀大廈21-22樓

#### 核數師

羅兵咸永道會計師事務所  
執業會計師  
香港  
中環  
太子大廈22樓

#### 主要銀行

中國銀行股份有限公司  
中國農業銀行股份有限公司  
中國工商銀行股份有限公司  
招商銀行股份有限公司  
交通銀行股份有限公司

#### 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17M樓

#### 公司網址

<http://www.welling.com.cn>

#### 股份代號

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# CHAIRMAN'S STATEMENT

## 主席報告書

### Annual Profit

I am pleased to announce that Welling Holding Limited (the "Company") and its subsidiaries (together, the "Group") recorded a turnover of approximately HK\$8,881,723,000 (2012: approximately HK\$7,787,502,000) for the year ended 31 December 2013 (the "Year"). The audited profit attributable to the owners of the Company and earnings per share amounted to approximately HK\$785,499,000 (2012: approximately HK\$640,256,000) and HK27.70 cents (2012: HK22.69 cents) respectively, representing a profit growth of 23% compared with the same period last year. Our gross profit margin for year 2013 was approximately 16.0% (2012: approximately 15.7%).

### Business Overview

In 2013, the renewed global economic growth, coupled with a decrease in debt deficit, eased the worry about further deterioration of the debt crisis in developed countries. Developed economies showed an obvious trend of recovery but still lacked of growth momentum. A period of high growth came to an end in China, with its import and export recording a fairly flat performance as a result of adverse factors including rising costs, the appreciation of Renminbi and a shift of purchase orders to other countries. The continued transformation and upgrading of the electrical household appliances industry led to further concentration of industry leaders. The growth momentum derived from the property industry has weakened moderately, while the momentum from urbanisation has increased. The termination of stimulus policies including the Subsidy for Energy-Efficient Household Appliances during the year dampened to a certain degree the growth rate of the electrical household appliances industry in the first half of the year, but it restored normal market conditions. In the second half of the year, the industry witnessed accelerated growth on the back of recovery of the global economy and the unusually hot weather. During the year as a whole, the conditions of the industry improved compared with 2012.

The Group continued to record a steady growth and achieved high results for the Year, with its turnover rising by 14% and the profit attributable to the owners of the Company growing by 23%. Committed to generating satisfactory and stable returns to our shareholders, the Board is pleased to recommend the upward adjustment of the dividend payout ratio from 21% to 31% and the payment of a final dividend of HK8.5 cents per share.

### 全年利潤

本人欣然宣佈，威靈控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）截至2013年12月31日止年度（「本年度」）的營業額約港幣8,881,723,000元（2012年：約港幣7,787,502,000元），經審核本公司擁有人應佔利潤約港幣785,499,000元（2012年：約港幣640,256,000元）及每股盈利為27.70港仙（2012年：22.69港仙）；利潤較去年同期增長23%。本集團2013年之毛利率約16.0%（2012年：約15.7%）。

### 業務概覽

2013年全球經濟重回增長，加之債務赤字下降，市場對發達國家債務危機進一步深化的擔憂減弱，發達經濟體復蘇趨勢明顯，但增長乏力。中國經濟結束高增長時代，進出口受成本上升、人民幣升值、訂單向其他國家轉移等具體困難影響，表現平平。家電行業繼續深化轉型升級，龍頭集中度進一步提高，房地產的拉動作用略有削弱，城鎮化拉動作用加大。中國節能惠民補貼等政策刺激在年中退出，對上半年家電行業增長速度造成了一定影響，但市場也得以回歸正常，到下半年，受益於全球經濟復蘇及高溫異常天氣，行業增速加快，縱觀全年，行業整體情況好於2012年。

本集團繼續錄得穩健增長，業績於本年度再創新高，營業額上升14%，本公司擁有人應佔利潤增長23%。董事會致力為股東創造滿意及穩定的回報，欣然建議上調派息比率由21%至31%，派發末期股息每股8.5港仙。



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### 主席報告書

Adhering to the strategic direction “being customer-centred and making quality products”, the Group continued to drive its transformation in operation. On the basis of group-wide common understanding, we have taken a series of operational measures to achieve strategic focus. In doing so, we have dedicated our resources and energy to our core products, with a focus on the quality of business growth, which eventually led to record high operating profit.

For customer development, we continued to enhance the development of strategic products with a focus on improving the competitiveness of our products. In respect of traditional core products, we have accelerated the development and supply of products for strategic customers at their overseas bases, while enhancing the cooperation with the existing customers in alternating current motors for air-conditioners. Our operating revenue from strategic customers has risen sharply as a result. We have made a breakthrough in motors for washing machines by entering into formal cooperation with top manufacturers in Europe.

With regard to technological innovation, we have fully integrated our research and development (“R&D”) resources, emphasising the understanding of customer needs. By accelerating the development of new products, in particular, direct current products, now we have substantially completed the development of direct current technical platform, covering all series of motors for white goods. In the meantime, we have enhanced the management of and input in intellectual property. During the year, the Group filed 102 applications for patents, of which 44 applications were for invention patents. Currently, the Group employs a total of nearly 200 R&D professionals, of whom Ph.D. degree holders and master’s degree holders account for 25%.

In respect of product quality and manufacturing technology, we continued to hire experts specialised in quality control and lean production process from Japan, Korea, Hong Kong and Taiwan, as well as external advisory companies, with a view to enhancing the motor manufacturing technologies and product quality management standard. Based on an operating principle of professional product manufacturing at production bases, we have combined the resources of our production bases with peripheral supporting facilities to capitalise on the advantage of specialisation of each production base in certain product lines. We have made adjustments to our deployment of manufacturing bases across the board. By implementing a number of lean production plans, we have significantly improved our site management, manufacturing technology and standardisation management. The Group continued to educate all employees about lean production and the culture of rigid quality control, while implementing quality control throughout the value chain, thereby improving production efficiency and product quality continuously.

本集團堅持「以客戶為中心，做好產品」的戰略方向，持續深化經營轉型，在全集團一致共識的基礎上，推進了一系列戰略聚焦的經營動作，將資源與精力專注到核心產品上，注重企業增長品質，最終經營利潤創歷年新高。

在客戶拓展方面，繼續強化戰略產品拓展，聚焦產品的競爭力提升。傳統核心產品方面，在加深現有空調交流電機客戶合作的同時，加快戰略客戶海外基地的產品開發匹配和供貨，戰略客戶營收有了大幅提升；洗衣機電機則在歐洲頂級廠商處取得突破，達成正式合作關係。

在技術創新方面，深度整合研究與開發（「研發」）資源，強調對客戶需求的理解，加快新產品特別是直流化產品的開發，目前直流化技術平台已基本完成佈局，覆蓋白電全系列產品，同時加大了智慧財產權的管理和投入，全年集團申報專利102項，其中發明專利44件。截至目前，專業研發人員近200名，其中博士、碩士人員佔比25%。

在產品品質和製造技術方面，持續引進日本、韓國、香港及台灣等地的品質專家和精益製造專家以及外部諮詢公司提升電機製造技術和產品品質管制水平，基於基地產品製造專業化運作原則，結合基地資源和週邊配套，發揮每個基地專業化製造某幾類產品綫的優勢，全域性的調整製造佈局，並開展了大量精益專案，現場管理、製造技術和標準化管理水平有了明顯提升，集團內持續向全員灌輸精益製造和品質剛性文化，實行全價值鏈的品質管制，生產效率及產品品質持續提升。

## CHAIRMAN'S STATEMENT

### 主席報告書

In investment management, we have increased our input in solutions to improve manufacturing technology and automation solutions. The commercial motors production base in Changzhou has been completed at the end of 2013 and has commenced full operation in 2014.

As a whole, the Group has been facing adverse conditions including rising wages and the continuous increase in raw material costs and other costs. The continued appreciation of Renminbi against foreign currencies has been another headache. These two major problems have further reduced price competitiveness of the Group's products in overseas markets. These difficulties have posed more severe challenges and higher requirements to the transformation of the Group. The Group had to further accelerate the improvement of internal management and control costs in all processes including purchasing and production, while stepping up its efforts in technological transformation and innovation. Only with these measures would the Group be able to increase its profit margin, enhance its overall profitability and create value for customers constantly. Through a range of effective measures to achieve further transformation and strategic focus, the Group has identified its future development path, improved its profitability and management, and reinforced the market position of its principal products in 2013. The Group has also substantially completed the development of strategic products and consolidated the continuous transformation and foundation of growth.

### Prospects

The year 2014 marks the beginning of a new round of reform in China. It is also an important year in which the Group will continue to drive its transformation and establish a management system of delicacy management. The global economy has generally bottomed out and begun to show moderate improvement. Periodic movement is likely to be replaced by substantial and simultaneous recovery. However, the global economy is still far from a boom given two major risk factors including the termination of the third round of quantitative easing (QE3) by the United States, the heavy debts of developed economies and the debt restructuring in Europe. China's economy is still at a stage of gathering momentum, with economic and social adjustment and improvement as the main theme. In the meantime, the growth of export is expected to moderate due to factors including the appreciation of Renminbi, rapid rise

在投資管理方面，加大了製造技術提升專案和自動化專案的投入，常州商用電機生產基地已在2013年年底完成建設，並於2014年全面投入使用。

總的來說，本集團面對國內人工薪資不斷上漲和原料等其他成本持續攀升的困難，而人民幣對外幣繼續升值是另一個一直令人頭痛的問題，這兩大難題導致本集團產品在海外市場的價格競爭力進一步削弱。在這樣的困難下，給本集團的轉型升級帶來了更大的挑戰和要求，要求本集團進一步加快內部管理水平提升的速度，從採購、生產等各環節去控制成本，同時加大技改和創新的力度，這樣才能夠擴大利潤空間，提升整體盈利水平，為客戶持續創造價值。2013年本集團通過持續深化轉型和戰略聚焦的一系列有效措施，明確了企業未來的發展路徑，企業盈利能力和管理水平明顯提升，主導產品行業地位得以有效鞏固，主要戰略產品的佈局基本完成，本集團持續轉型和增長基礎更加鞏固。

### 展望未來

2014年是中國新一輪改革元年，也是本集團持續推動深化轉型，構建精細化管理體系的關鍵一年。全球經濟已基本脫離谷底，進入溫和改善，並有望從週期性波動走向實質性的同步復蘇。但由於存在美國第3輪量化寬鬆(QE3)政策退出和發達經濟體債務高企及歐洲債務重組問題兩大風險因素，全球經濟難言繁榮。中國經濟仍處蓄勢階段，以經濟、社會調整改善為主方向，同時受人民幣升值、勞動力成本快速提升、勞動生產率改進速度降低等影響，出口方面難有較大增長。家電行業將持續轉型升級，節能環保已由終極目標變為必要條件，產品智慧化、設計綠色化、生產自動化等成為行業所追求的新目標。本集團清楚意識到，順應大勢的同時，必

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### 主席報告書

of labour cost and a slowdown in the improvement of labour productivity. As the electrical household appliances industry continues its transformation and upgrading, energy saving and environmental protection, which was an ultimate goal, has become a prerequisite. The new goals of the industry are smart features, green design and automated production. We are fully aware that while acting in line with the overall trend, we must be customer-centred at all times and enhance the competitive edge of our products. We must also speed up the development of product technologies and drive the promotion of new products. Only through these efforts can we reinforce the market position of our principal products and increase the competitiveness of our strategic products quickly.

In 2014, the Group will maintain its strategic focus, drive its operational transformation and implement delicacy management across the board. With an aim to create value for customers, we will provide customers with new products that help them reduce system costs and new solutions beneficial to them, meeting their requirements. We will continue to focus on our core products and accelerate the R&D and promotion of new products, with a view to reinforcing the market position of our principal products, and increase the market shares of our strategic products. We will continue to enhance the competitive edge of direct current motors, increase our promotional efforts to achieve full coverage and sales growth. We will refine our customer relationship management and offer better products and services to existing major customers with which we have established strong partnership. Meanwhile, we will expand our cooperation with customers and make efforts to expedite the penetration of other related products. In relation to new markets, we will try to explore and develop new customers with significant potentials, while focusing on professional central air-conditioner manufacturers and industry giants of air-conditioners and washing machines. We will further integrate our R&D resources and increase the input in R&D, while improving our portfolio of talents, so as to drive the research on core technologies and standardisation. We will enhance the core competitive edge of our products by catering for customer needs. Our lean production will focus on improving our ability to meet lead times and saving of production site. While accelerating automation and the innovation in manufacturing technologies, we will focus on return on assets and strict risk control. We will continue to enhance the rigid implementation of quality standards and monitor the whole value chain, with a view to enhancing product quality.

須始終以客戶為中心，提升產品競爭力，加快新產品技術和產品的開發和推廣，才能有效鞏固主導產品的市場地位，快速提升戰略產品的市場競爭力。

2014年，本集團將繼續堅持戰略聚焦，深化經營轉型，全面推動精細化管理。以「為客戶創造價值」為宗旨，提供讓客戶降低系統成本的新產品和為客戶帶來幫助的新方案，全部工作圍繞客戶需求開展。堅持聚焦核心產品，加快新產品的研發和推廣，鞏固主導產品的市場地位，提升戰略產品的市場份額，持續提升直流電機的競爭力，加大推廣力度，推進全面覆蓋，實現銷售增長。細化客戶管理，針對現有良好合作關係的大客戶，提供更好的產品和服務，同時，擴大合作深度和廣度，嘗試加快其他相關產品的打入；針對具潛力的新市場新客戶，嘗試針對性拓展，重點開拓中央空調專業廠商和空洗類產品巨頭。進一步整合研發資源，加大研發投入，改善人才結構，推進核心技術研究和標準化工作，貼近客戶開發，提升產品的核心競爭力。精益製造聚焦於提升客戶交期保障能力和生產場地節約，加快自動化的推進和製造技術的變革，同時注重資產收益，嚴控投資風險。繼續強化品質的剛性執行，全價值鏈進行管控，強化產品品質。



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Looking ahead, the global economy has shown signs of improvement, and the electrical household appliances industry in China has returned to rational competition. The Group will adjust its strategy in light of the structure of market demand and customers' needs for upgrading in a timely manner. Meanwhile, we will enhance forward-looking research based on the technological development trends of the industry and product features, and capitalise on market opportunities to maintain our leading position in the industry. We are committed to becoming one of the world's best suppliers of motors for electrical household appliances, efficient and energy-saving motors and related solutions, providing sustainable returns for shareholders, sound career development opportunities for employees and greater value for the community.

### Acknowledgement

Last but not least, I would like to thank our shareholders, customers and business partners for their support, and the members of the Board, the management and all employees for their efforts in and contributions to the Group's business development over the past year. We are confident that the management and all employees will continue their concerted efforts to meet any future challenges and deliver substantial growth for the coming year.

#### Zhou Xiangyang

*Chairman and Chief Executive Officer*

10 March 2014

展望未來，全球經濟已有向好趨勢，國內家電行業回歸理性競爭本質，本集團將會根據市場需求結構和客戶需求升級及時調整策略，同時根據行業技術發展方向及產品特性加強前瞻性研究，及時把握市場機遇，繼續保持行業領先優勢，務求成為全球優秀的家電電機、高效節能電機和相關解決方案供應商之一，為股東提供可持續性回報，為員工提供良好的職業發展機會，為社會創造更大的價值。

### 致謝

最後，本人謹藉此機會感謝股東、客戶及合作夥伴的支持，並感謝各董事，各管理人員及全體員工為本集團的業務發展於過去一年所做出的努力和貢獻。我們深信，管理層與全體員工繼續共同努力，迎向未來挑戰，並於來年再創佳績。

主席兼首席執行官

周向陽

2014年3月10日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Business Review

#### Financial Results

The Group's profit attributable to the owners of the Company and earnings per share for the year ended 31 December 2013 amounted to approximately HK\$785,499,000 (2012: approximately HK\$640,256,000) and HK27.70 cents (2012: HK22.69 cents) respectively, representing a profit growth of 23% compared with the same period last year.

The Group's turnover for the year ended 31 December 2013 amounted to approximately HK\$8,881,723,000 (2012: approximately HK\$7,787,502,000), representing a year-on-year growth of 14%. The Group's gross profit margin was 16.0% (2012: 15.7%). Net asset value per share of the Group as at 31 December 2013 was HK\$1.34 (2012: HK\$1.08).

#### Analysis of Major Business Operations

In 2013, the global economy experienced a slow recovery but lacked of growth momentum. The economy in the United States continued to recover at a moderate pace; European economy continued to rebound, and the Japanese economy saw a moderate growth. Emerging economies showed a slowdown in growth as a whole, with China's economy recording a fairly flat performance. In the first half of 2013, China continued to see a set back in its economic growth, with a downturn in export and domestic demand. The performance in the second half of the year remained sluggish despite a rebound in the middle of the year, bringing the full-year growth rate to a fourteen-year low of approximately 7.7%.

### 業務回顧

#### 財務業績

截至2013年12月31日止年度，本公司擁有人應佔本集團利潤約港幣785,499,000元(2012年：約港幣640,256,000元)，及每股盈利為27.70港仙(2012年：22.69港仙)，利潤較去年同期增長23%。

於截至2013年12月31日止年度，本集團的營業額約港幣8,881,723,000元(2012年：約港幣7,787,502,000元)，同比增長14%，本集團的毛利率為16.0%(2012年：15.7%)。於2013年12月31日，本集團之每股資產淨值為港幣1.34元(2012年：港幣1.08元)。

#### 主要業務經營情況分析

2013年，全球經濟繼續處於緩慢的復蘇過程中，但增長乏力。美國經濟持續緩慢復蘇，歐洲經濟持續回暖，日本經濟有所增長，新興經濟體經濟增速整體下滑，中國經濟增長表現平平。2013年上半年中國經濟增速持續下降，出口和內需低迷，儘管年中出現反彈，下半年表現仍不佳，導致全年經濟增長速度約7.7%，為十四年來的最低點。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

The air-conditioner sector and the washing machine sector in China showed strong growth since the middle of 2013 despite weakness at the beginning of the year, with the overall conditions improved compared with 2012. At the beginning of 2013, the electrical household appliances industry in China faced a challenging environment. A combination of adverse factors, including the gloomy domestic and global economy, the depressed demand in the overseas electrical household appliances market, the appreciation of Renminbi and the concurrent depreciation of foreign currencies, as well as the imminent termination of favourable energy-saving subsidy policies in China, gave rise to widespread pessimism in the industry. Whereas, the domestic and export sales of the air-conditioner sector has improved significantly since July on the back of continuous recovery in the United States, European Union and Japan, the extremely hot weather resulted from global warming, coupled with a turnaround in China's property market. The domestic sales of China's washing machine sector bottomed out in 2013, but was offset by sluggish export sales, resulting in a fairly flat overall performance compared with 2012.

Inverter air-conditioners maintained a strong growth momentum and high-speed growth all through 2013. The new energy efficiency standards which took effect in the second half of the year, and the "energy efficiency leader" system which was being drafted, pave the way for the continuous growth of inverter air-conditioners in China.

#### 1. Motor Business

In 2013, the air-conditioner sector and the washing machine sector were at a stage of correction at the high level. Both tier-1 and tier-2 markets of air-conditioners and washing machines have been basically saturated. Considerable potential is observed in tier-3 and tier-4 markets, but is unlikely to be released in the short term. The trend of energy-saving, healthful, smart and artistic features for electrical household appliances will become increasingly evident in the next few years. In 2013, the total domestic and export sales volume of household air-conditioners in China increased by 7% year on year, and the total domestic and export sales of central air-conditioners increased by 11% year on year. The total domestic and export sales volume of washing machines increased slightly by 0.5% year on year, while that of refrigerator compressors increased by 5% year on year. (Source: www.chinalOL.com)

2013年中國空調行業和洗衣機行業增長呈現前低後高的態勢，且總體狀況好於2012年。2013年伊始，中國家電行業面臨非常嚴峻的形勢，國內外經濟不見起色，海外家電市場需求不振，人民幣升值和外幣貶值交織，中國節能惠民補貼政策即將結束等不利因素導致業內悲觀情緒蔓延。但是隨著美國、歐盟和日本的持續復蘇，全球暖化極端高溫天氣的頻頻出現，中國房地產市場的回暖，使得空調行業內外銷狀況在七月份後明顯好轉。2013年中國洗衣機行業內銷觸底反彈，但出口情況恰好相反，導致整體洗衣機行業狀況基本與2012年持平。

2013年變頻空調增長勢頭不減，一路高歌猛進，而下半年正式生效的新能效標準和醞釀中能效領跑者制度更為變頻空調在國內的持續增長打下堅實的基礎。

#### 1. 電機業務

2013年，國內空調和洗衣機行業處於高位盤整期，空調和洗衣機在一二級市場上的存量基本達到飽和狀態，三四級市場潛力巨大，但短期內爆發的可能性微乎其微。未來幾年空調等家電產品的節能化、健康化、智能化和藝術化趨勢將愈加明顯。2013年，中國家用空調內外銷總量同比增長7%，中央空調內外銷總額同比增長11%，洗衣機內外銷總量同比微增0.5%，冰箱壓縮機內外銷總量同比增長5%。(以上資料源自：產業在線)

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

For the year ended 31 December 2013, the Group's motor business recorded a domestic sales of approximately 95,755,000 units and an export sales of approximately 30,514,000 units, with the aggregate sales volume increasing by 20% compared with the same period last year. (Of these, the domestic sales and export sales of motors for air-conditioners was 67,334,000 units and 15,840,000 units respectively, with the aggregate sales volume increasing by 32% compared with the same period last year. The domestic sales and export sales of motors for washing machines was 11,961,000 units and 12,831,000 units respectively, with the aggregate sales volume decreasing by 4% compared with the same period last year.) The Group recorded a turnover of approximately HK\$8,881,723,000 (including HK\$4,979,943,000 from motors for air-conditioners and HK\$2,391,176,000 from motors for washing machines) for 2013, representing a rise of 14% compared with the turnover for 2012 of approximately HK\$7,787,502,000 (including HK\$3,881,386,000 from motors for air-conditioners and HK\$2,277,617,000 from motors for washing machines). The profit of the Group for 2013 amounted to approximately HK\$785,499,000, representing a growth of approximately 23% compared with approximately HK\$640,256,000 for the same period in 2012. The growth of motors for air-conditioners was mainly driven by an increase in purchase orders which benefited from the growth in the air-conditioner market and the growth of sales of major customers. Against the backdrop of the industry, the business of motors for washing machines achieved fairly flat sales through its internal efforts and enhancement of customer relations. The profit growth was driven by the improvement in internal management, the adjustment of product sales mix and the growth of aggregate sales volume.

截至2013年12月31日止年度，本集團電機業務內銷之電機銷量約95,755,000台，出口之電機銷量約30,514,000台，總銷量較去年同期上升20%（其中空調類電機內銷佔67,334,000台，以及外銷佔15,840,000台，總銷量較去年同期上升32%；而洗滌類電機內銷佔11,961,000台，以及外銷佔12,831,000台，總銷量較去年同期下跌4%）。本集團2013年之營業額約港幣8,881,723,000元（其中空調類電機及洗滌類電機營業額分別為港幣4,979,943,000元及港幣2,391,176,000元），比2012年之營業額約港幣7,787,502,000元（其中空調類電機及洗滌類電機營業額分別為港幣3,881,386,000元及港幣2,277,617,000元），較去年上升14%。本集團2013年利潤約港幣785,499,000元，比2012年同期之利潤約港幣640,256,000元，增幅約23%。空調類電機上升主要受益於空調市場增長和大客戶銷售增長帶來的訂單增長，而洗滌類電機在行業大背景下，通過自身努力，加強客戶合作關係，銷售基本持平。利潤的上升受益於內部管理的提升、產品銷售結構的調整及總銷量上升。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### 1.1 Motors for Air-Conditioners

By expanding our cooperation with major customers, we capitalised on market opportunities promptly. During the period of unusually hot weather in the second half of the year, we were able to ramp up our production capacity quickly to meet customer demands. Therefore, the sales volume of motors for air-conditioners rose sharply compared with the same period last year. The Group's proactive development of brushless direct current motor produced remarkable results in 2013, with a substantial growth of 97% in sales volume compared with the same period last year. The rapid growth is expected to continue in the future. With regard to commercial motors, we expanded our cooperation with professional central air-conditioner manufacturers, driving up the sales volume by 39% compared with the same period last year.

The sales volume of alternating current motors for air-conditioners grew by 24% compared with the same period last year. The growth of alternating current motors for air-conditioners was mainly driven by an increase in purchase orders which benefited from the growth in the air-conditioner market and the growth of sales of major customers.

#### 1.2 Motors for Washing Machines

As consumers shift to the newer generation of washing machines, the demand for drum washing machines has been rising gradually, and the growth of wave-wheel washing machines will slow down. Affected by the end market, series motors will maintain moderate growth. The existence of rigid demand for wave-wheel motors means that it is unlikely to decline in the short term.

We made critical breakthroughs in terms of customers and new products. We have entered into formal cooperation with top manufacturers in Europe for series motors. In addition, a growth of purchase orders brought by the growth of existing customers also contributed to a solid year-on-year increase in the sales volume of series motors.

The sales volume of wave-wheel motors dropped by 15% year on year, mainly due to the impact of a reduction in purchase orders from South America. The reduction was a result of rising tariffs in Brazil and the appreciation of Renminbi.

#### 1.1 空調類電機

通過加大與大客戶合作的深度和廣度，敏銳把握市場機遇，下半年異常高溫天氣時期，快速實現產能爬坡，滿足客戶訂單需求，空調產品業務銷售量較去年同期明顯增長。本集團提前佈局的無刷直流電機在2013年斬獲頗豐，銷售量實現大幅增長，較去年同期增長97%，預計後續仍將保持高速增長的態勢。商用電機與專業中央空調廠商的合作深化，銷售量較去年同期增長39%。

本年空調交流電機銷售量較去年同期增長24%，空調交流電機的增長主要受益於空調市場增長和大客戶銷售增長帶來的訂單增長。

#### 1.2 洗滌類電機

國內洗衣機市場受消費者習慣升級影響，滾筒洗衣機的需求逐步增加，波輪洗衣機的增長將放緩，受終端市場影響，串激電機將維持小幅增加，波輪電機因剛性需求存在，短時間難以出現下跌可能。

洗滌類產品在客戶和新產品方面均有重大突破，串激電機與歐洲頂級廠商達成正式合作關係。此外，現有客戶增長帶來的訂單增加，亦令串激電機穩健同比增長。

本年波輪電機銷量同比下跌15%，銷量下跌主要受南美訂單削減影響，而南美訂單減少是因為巴西關稅升高以及人民幣升值導致。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

We commenced supply of direct current motors for washing machines to industry leaders in China, making new breakthroughs in high-end products.

With regard to other products, after years of development of electrical tool motors, we have made critical breakthroughs in 2013, entering into formal cooperation with top international brand manufacturers, and have commenced supply in 2014.

In 2013, the Group focused on the essence of operation. We have taken a series of operational measures to achieve strategic focus, including the integration of technical platforms, the alignment of quality standards, the planning of manufacturing resources and the deployment of human resources. By dedicating our advantageous resources and efforts to our core products, we have enhanced our comprehensive competitiveness significantly and increased the Group's profitability continuously. This was eventually reflected in our operating results, with record high operating profit for 2013. In respect of R&D, we have fully integrated our R&D resources and continued to accelerate the development of new products. We have substantially completed the development of direct current technical platform, covering all series of motors for white goods. In respect of manufacturing technology, we have coordinated and optimised the manufacturing resources across the Group to achieve professional manufacturing at our production bases. By implementing a number of lean production plans, we have improved our site management, manufacturing technology and standardisation management significantly, laying a solid foundation for building lean factories. To enhance quality control, we have reinforced the rigid implementation of quality standards and implemented quality control throughout the value chain, enhancing product quality continuously.

In 2013, the Group conducted a number of reviews on operation, identifying the path for corporate development in the future and setting our strategic direction and focus, paving the way for building "a responsive and customer-centred manufacturing enterprise".

洗衣機直流電機在國內行業龍頭企業實現批量供貨，使高端產品實現新的突破。

至於其他產品方面，電動工具電機經多年佈局，在2013年取得重大突破，與國際一線品牌廠商達成正式合作關係，2014年實現批量供貨。

2013年，本集團關注經營本質，開展了技術平台整合、品質標準統一、製造資源統籌、人力資源調配等一系列戰略聚焦的經營措施，集中優勢資源和精力投入核心產品，綜合競爭能力明顯提升，企業盈利水平繼續提升，最終表現在經營結果上，2013年經營利潤創歷年新高。在研發方面，對研發資源進行了深度整合，繼續加快新產品開發，直流化技術平台基本完成佈局，覆蓋白電全系列產品。製造技術方面，對製造資源進行了全域性的統籌優化以實現基地產品製造專業化運作，通過大批精益專案的開展，現場管理、製造技術和標準化管理水平明顯提高，為打造精益工廠奠定了良好基礎。品質管控方面，強化品質剛性執行，實行全價值鏈的品質管制，產品品質持續提升。

2013年，本集團開展了大量經營檢討工作，明確了企業未來的發展路徑，確定了戰略方向，戰略聚焦，為打造「以客戶為中心的敏捷製造型企業」奠定了良好基礎。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### 2. Business of Associate

Shanxi Huaxiang Group Co., Ltd. (“Shanxi Huaxiang”, an associate owned as to 49% by the Group) focused on adjusting its product mix of counterweight casting parts for engineering machinery and continued to implement its product strategy. Despite the depression in the overall market of engineering machinery, Shanxi Huaxiang recorded an impressive growth, with its sales volume rising 20% compared with the same period last year. Given the transformation of the household appliances industry, casting parts for air-conditioner compressors and refrigerator compressors experienced fluctuations. With the strong support from customers, Shanxi Huaxiang recorded a solid growth. In the meantime, Shanxi Huaxiang continued to enhance the development of strategic products, increase its input in casting parts for vehicles and improve its product mix.

In response to customers’ strategic demands and the future development, Shanxi Huaxiang has made substantial investment in automatic casting, material recycling, solution to the bottleneck in the production of engineering machinery, customer designated mechanical processing projects, process innovation and the R&D of new products.

For the year ended 31 December 2013, Shanxi Huaxiang recorded a turnover of approximately HK\$1,409,240,000 (2012: approximately HK\$1,210,708,000), representing a year-on-year growth of 16%. The Group’s share of profit of Shanxi Huaxiang was approximately HK\$22,405,000 (2012: approximately HK\$17,322,000), representing a year-on-year growth of 29%. The increase in turnover and profit was mainly driven by higher gross margin brought by the adjustment to the product mix of casting parts, the marginal effect of substantial increase in the production of its industrial park, as well as the cost reduction brought by the reform of its purchasing system and the implementation of horizontal organisational structure.

#### 2. 聯營公司業務

山西華翔集團有限公司(「山西華翔」，本集團佔49%股權的聯營公司)在工程機械配重件鑄造產品上注重調整產品結構，持續推進產品戰略，在工程機械整體市場的蕭條狀態下，實現了良好的業績增長，銷售量較去年同期增長20%；空壓、冰壓鑄件在家電行業變革的大背景下，隨之波動，在客戶市場的強力支援下，實現了穩健成長。同時，山西華翔繼續強化戰略產品拓展，持續加大汽車鑄件產品的投入，完善產品結構。

為配合客戶戰略需求和未來發展需要，山西華翔在自動澆鑄、原料回收利用、工程機械產線瓶頸、客戶指定機加工專案、舊工藝創新及新產品研發方面進行大量投入。

截至2013年12月31日止年度，山西華翔的營業額約港幣1,409,240,000元(2012年：約港幣1,210,708,000元)，同比增加16%。本集團應佔山西華翔的利潤約港幣22,405,000元(2012年：約港幣17,322,000元)，同比增加29%。營業額及利潤上升主要受益於鑄造產品結構調整帶來的毛利上升、工業園規模化產量提升帶來的邊際效益、採購改革與架構扁平化帶來的成本下降。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

To recap the Group's performance for the year, the sales volume in the domestic market rose 29% year on year on the back of transformation and increasing concentration of the electrical household appliances industry, as well as stronger demand of motors for electrical household appliances because of the unusually hot weather in the second half of the year. In overseas markets, sales volume for the year showed a slight decrease of 2% year on year, partly due to the impact of the continued appreciation of Renminbi, the fluctuations in exchange rates of Euro and US dollar and trade barriers in emerging markets such as South America. In an effort to achieve strategic focus, the Group took a series of operational measures to drive transformation, thereby increasing its profitability significantly, with critical breakthroughs in some key products. As domestic electrical household appliances industry restored normal market conditions, along with the gradual recovery of the global economy, the requirements of the market on the capabilities of enterprises will become increasingly demanding. The Group will continue to keep a close eye on national policies and industry developments, while enhancing forward-looking research and capitalising on market opportunities. The Group will adjust its strategy in a timely manner in light of market demand and customers' needs for upgrading, and enhance the core competitiveness of its products. Meanwhile, the Group will drive its transformation to maintain its leading position in the industry.

### Financial Review

#### Liquidity and Financial Resources

The Group has maintained a healthy financial and liquidity position with a current ratio of 152% as at 31 December 2013 (2012: 140%).

As at 31 December 2013, the Group was in a net cash position of HK\$1,555,657,000 (2012: HK\$529,413,000), representing cash and cash equivalents and pledged bank deposits of approximately HK\$1,939,294,000 less total bank borrowings of approximately HK\$383,637,000 (comprising approximately HK\$340,554,000 would be due within one year and approximately HK\$43,083,000 would be due over one year).

總結本集團全年的業績表現，內銷市場受益於國內家電行業的轉型升級和集中度提高，及下半年的異常高溫天氣，家電電機需求加大，全年內銷銷量同比上升29%。而海外市場，人民幣持續升值，歐元、美元匯率波動和南美等新興市場的貿易保護壁壘，對海外銷售額造成了一定影響，全年外銷銷量同比下跌2%。本集團戰略聚焦，推動一系列深化轉型的經營動作，盈利能力明顯提升，部分重點產品取得重大突破。隨著國內家電行業回歸正常和本質，全球經濟逐漸復蘇，市場對企業自身能力的要求將繼續提高。本集團將繼續積極關注國家政策和行業動態，加強前瞻性研究，把握市場機遇，根據市場需求結構和客戶需求升級及時調整策略，持續提升產品核心競爭力，深化轉型，保持行業領先優勢。

### 財務回顧

#### 流動資金及財務資源

本集團之財政及流動資金狀況維持穩健，於2013年12月31日之流動比率為152%(2012年：140%)。

於2013年12月31日，本集團持有現金淨額港幣1,555,657,000元(2012年：港幣529,413,000元)，由現金及現金等價物及已抵押銀行存款約港幣1,939,294,000元減銀行借款總額約港幣383,637,000元(包括約港幣340,554,000元於1年內到期及約港幣43,083,000元於1年後到期)組成。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Financial Ratios

The following are certain financial ratios of the Group as at the consolidated statement of financial position date:

### 財務比率

下表載列本集團於綜合財務狀況表日期之若干財務比率：

		2013	2012
Inventories turnover (Note 1)	存貨周轉期(附註1)	<b>39 days</b> 日	37 days日
Trade receivables turnover (Note 2)	貿易應收款周轉期(附註2)	<b>69 days</b> 日	77 days日
Trade payables turnover (Note 3)	貿易應付款周轉期(附註3)	<b>67 days</b> 日	72 days日
Current ratio (Note 4)	流動比率(附註4)	<b>1.52 times</b> 倍	1.40 times倍

Notes:

1. Inventories turnover is calculated based on the average of the opening inventories and closing inventories divided by the cost of goods sold of the year, and multiplied by the total number of days of the year.
2. Trade receivables turnover is calculated based on the average of the opening and closing of trade receivables of third parties and related parties, divided by the revenue of the year, and multiplied by the total number of days of the year.
3. Trade payables turnover is calculated based on the average of the opening and closing of trade payables of third parties and related parties, divided by the cost of goods sold of the year, and multiplied by the total number of days of the year.
4. Current ratio is calculated based on the year-end current assets divided by the year-end current liabilities.

附註：

1. 存貨周轉期是根據年初存貨與年終存貨平均數除以當年之銷售貨品成本，再乘以當年之總天數計算。
2. 貿易應收款周轉期是根據第三方及關聯方年初應收款與年終應收款平均數除以當年之收入，再乘以當年之總天數計算。
3. 貿易應付款周轉期是根據第三方及關聯方年初應付款與年終應付款平均數除以當年之銷售貨品成本，再乘以當年之總天數計算。
4. 流動比率是根據年終流動資產除以年終流動負債計算。

### Pledge of Assets

No leasehold land and land use rights (2012: net book value of HK\$44,937,000) and property, plant and equipment (2012: net book value of HK\$53,126,000) have been pledged as security for the Group's banking facilities as at 31 December 2013.

### 資產抵押

於2013年12月31日，本集團概無租賃土地及土地使用權(2012年：賬面淨值約港幣44,937,000元)以及物業、廠房及設備(2012年：賬面淨值約港幣53,126,000元)作為銀行授信之抵押。

### Contingent Liabilities

Save as the financial guarantees as disclosed below, as at 31 December 2013 and 2012, the Group did not have any material contingent liabilities.

### 或然負債

除下文所披露之融資擔保外，本集團於2013年及2012年12月31日並無任何重大或然負債。

### Financial Guarantees

As at 31 December 2013, the Group has given guarantee to banks in respect of the banking facilities extended to the associates of the Group of approximately HK\$942,508,000 (2012: approximately HK\$719,571,000). As at 31 December 2013, bank loans of approximately HK\$613,076,000 (2012: approximately HK\$540,141,000) being guaranteed by the Group to associates have been drawn down.

### 融資擔保

於2013年12月31日，本集團就銀行向本集團聯營公司提供約港幣942,508,000元(2012年：約港幣719,571,000元)銀行授信作出擔保。於2013年12月31日，本集團所擔保之聯營公司銀行貸款約港幣613,076,000元(2012年：約港幣540,141,000元)已被提取。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### Capital Expenditure

For the year ended 31 December 2013, the capital expenditure of the Group was approximately HK\$182,053,000 (2012: approximately HK\$331,116,000) related to the purchase of property, plant and equipment, leasehold land and land use rights.

#### Derivative Financial Instruments

As at 31 December 2013, the Group's outstanding derivative financial instrument assets and liabilities under various copper and aluminium future contracts and foreign exchange forward contracts amounted to approximately HK\$26,128,000 and HK\$3,017,000 respectively (2012: derivative financial instrument assets and liabilities of approximately HK\$14,997,000 and HK\$8,913,000 respectively).

#### Exposure to Exchange Rate Fluctuations

During the Year, approximately 31% of the Group's turnover was derived from export trading settled in Euro and US dollars. In the meantime, the Group has also imported raw materials from the suppliers which were paid in Euro and US dollars for settlement. As a result, foreign exchange risks associated with these currencies were partially offset. On the other hand, the Group has made arrangements to purchase foreign exchange forward contracts to hedge against foreign exchange exposure arising from export trading. The Group has stringent control over the risk of exchange rate fluctuation, and will review from time to time the sufficiency and appropriateness of the financial instruments which were currently used to hedge significant foreign currency risks.

#### Capital Commitments

As at 31 December 2013, the Group has contracted capital commitments in respect of the purchase of property, plant and equipment amounting to approximately HK\$98,268,000 (2012: approximately HK\$120,267,000).

#### 資本開支

截至2013年12月31日止年度，本集團用於購買物業、廠房及設備以及租賃土地及土地使用權之資本開支約港幣182,053,000元（2012年：約港幣331,116,000元）。

#### 衍生金融工具

於2013年12月31日，本集團訂立若干銅及鋁期貨合約及外匯遠期合約，未到期衍生金融工具資產及負債分別約港幣26,128,000元及港幣3,017,000元（2012年：衍生金融工具資產及負債分別約港幣14,997,000元及港幣8,913,000元）。

#### 匯率波動風險

於年內，本集團營業額中約31%來自以歐元及美元結算之出口貿易。同時，本集團亦從供應商進口原料（以歐元及美元結算付款）。因此，由該等外幣引起之匯兌風險彼此能作部分抵銷。另一方面，本集團已安排購買外匯遠期合約，以對沖出口貿易產生之匯兌風險。本集團嚴格監控匯率波動風險，並會不時檢討現時用以對沖重大外幣風險之金融工具是否充足及適當。

#### 資本承擔

於2013年12月31日，本集團就購買物業、廠房及設備已訂約之資本承擔約港幣98,268,000元（2012年：約港幣120,267,000元）。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### Human Resources

As at 31 December 2013, the Group employed approximately 12,489 full time employees in Hong Kong and the PRC. While the Group was supported by a team of young and competent staff, it does not ignore the importance of the development, management and future planning of its human resources. With the use of open recruitment, job rotation, internal promotion and professional training for the recruitment, deployment and nurture of employees, it is intended to ensure the selection and deployment of employees to be carried out in an open, fair and equitable manner. Besides, it could also provide staff with a platform for their promotion and development. Through the implementation of comprehensive human resources management, it is aimed at achieving the objectives of enhancing employees contributions to the Group and shaping the Group's strategic advantages in human resources.

The Group has granted share options to employees as an incentive to motivate its employees by linking their interests to the future development and expansion of the Group. The Group currently provides employees with competitive remuneration packages (comprising salary, bonus and benefits in kind), adequate insurance cover (including pension, medical insurance, unemployment compensation insurance, work injury compensation insurance and maternity insurance) and housing provident fund. In addition, the Group also provides its employees with other benefits including on-the-job academic education, meal subsidy, housing subsidy, cooperative medical scheme services, support fund and recreational activities etc.

#### 人力資源

於2013年12月31日，本集團於香港及中國聘用約12,489名全職僱員。本集團擁有一支年輕、優秀的員工隊伍，同時亦重視人力資源的開發、管理及未來發展規劃，通過公開招聘、崗位輪換、內部升遷、專業培訓等選才、用人、育人機制，確保按公開、公平及公正原則選用人才，為員工提供一個晉升及發展的平台，通過完善的人力資源管理，提高僱員對本集團的貢獻，使本集團具備戰略性的人力資源優勢。

本集團已向僱員授出購股權，與僱員的權益緊密結合，藉以鼓勵僱員為本集團之未來發展及擴展出力。本集團目前為僱員提供具競爭力的薪酬組合(含崗位工資、獎金及實物利益)、充足的保險(包括養老保險、醫療保險、失業保險、工傷保險和生育保險)及住房公積金。此外，本集團亦為僱員提供其他福利，包括在職學歷教育、膳食補貼、住房補貼、合作醫療計劃、扶助基金及康樂活動等。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### Business Prospects

Looking ahead to 2014, the global economy is expected to continue a moderate growth. The pick-up in the recovery of developed economies including the United States and Europe will provide a favourable environment for China's economic reform. China's economic growth is not expected to accelerate significantly in the short term, but the shift from an investment-driven economy to a consumption-driven economy will benefit the electrical household appliances industry. The transition from administrative control to market liberalisation means that the supply of housing will be on the rise, leading to higher demand for electrical household appliances. Given the implementation of the new energy efficiency standards and the experimental implementation of the "energy efficiency leader" system, coupled with the rising trend of energy-saving, smart, healthful and artistic features, the air-conditioner sector and washing machine sector will accelerate the pace of product mix improvement. The competitive edges of large integrated electrical household appliances manufacturers in technology and marketing will become increasingly prominent. The Group will increase its efforts in technological development and market expansion in response to the development trends of downstream industries. We will make deployments in the domestic and overseas markets with a customer-centred approach, with a view to increasing our market shares continuously and fulfilling our predetermined profit target.

For our motor business, we intend to maintain our focus on core products, while continuing our efforts to increase our market share. We will improve delicacy management in relation to customers, offering better products and services to major customers with which we have established strong partnership. It is also our aim to expand our cooperation with these customers and make efforts to expedite the penetration of other related products. Meanwhile, we will try to develop new customers with significant potentials in new markets by addressing their needs.

#### 業務展望

展望2014年，全球經濟將繼續保持溫和增長。美國等發達經濟體經濟復蘇勢頭逐漸走強，也為中國經濟改革措施的施行提供有利環境。中國經濟增長速度在短期內雖然不會有明顯提升，但經濟增長由投資拉動轉向需求拉動將利好家電行業。中國房地產市場由行政化調控轉向市場化改革的過渡期意味著房屋供給量的不斷增加，將帶來更多的家電需求。隨著新能效標準的施行和能效领跑者制度的試行，以及節能化、智慧化、健康化和藝術化趨勢的加強，空調和洗衣機行業的產品結構升級將加速進行，綜合性大型家電企業的技術優勢和行銷優勢將更加凸顯。本集團將順應下游行業的發展趨勢繼續加大對節能產品的技術開發和市場拓展力度，佈局國內外市場，以客戶為中心，持續擴大市場佔有率，實現預定的盈利目標。

電機業務將堅持專注核心業務產品，繼續提升市場份額。完善對客戶的細化管理，為已有良好合作關係的大客戶，提供更好的產品和服務，擴大合作深度和廣度，嘗試加快打入其他相關產品，同時嘗試針對性拓展潛力新市場新客戶。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### 1. Motor Business

#### 1.1 Motors for Air-Conditioners

We aim at reinforcing our leading market position by striving to provide customers with better products, speeding up our responses and continuing to operate alternating current motors effectively. We will continue to increase the competitive edge of our alternating current motors and step up our promotional efforts. We will also shorten the development cycles of new products, especially the matching process in respect of product development for Japanese and Korean customers, driving full coverage. We will further accelerate the development of commercial motors and enhance the cooperation with professional central air-conditioner manufacturers. In 2014, our production base in Changzhou has commenced full operation to meet the future needs of customers of commercial motors for lean production.

#### 1.2 Motors for Washing Machines

Overseas washing machine markets are expected to remain steady or increase moderately as a result of the positive effect of the economic recovery in Europe and the United States coupled with the growth in emerging markets. However, brand concentration will further increase, and the proportion of consumption of high-end washing machines will rise. The application of direct current motors will accelerate in developed economies, and the demand for series motors is expected to remain steady or drop moderately. The demand for wave-wheel motors will continue to grow steadily given positive momentum in emerging markets including Southeast Asia and Brazil as a result of improvement in living standard.

By enhancing technological research and process innovation, the Group has improved the competitive edge of our series motors and wave-wheel motors substantially. The Group will drive our strategic cooperation with major customers. In the meantime, we will further expand into Southeast Asia and South America for wave-wheel motors, maintain our market shares for series motors and wave-wheel motors and reinforce our market position. In respect of direct current motors for washing machines, we will ensure normal supply of products, improve our manufacturing standards and enhance our ability to ensure timely delivery. We will also accelerate the matching process for interested potential customers and continue to expand our customer base.

### 1. 電機業務

#### 1.1 空調類電機

通過堅持為客戶提供更好的產品，加快反應速度，繼續經營好交流電機，鞏固市場領導地位；持續提升直流電機的競爭力，加大推廣力度，縮短新品開發週期，特別是日韓系大客戶的開發匹配速度，推進全面覆蓋；進一步加快商用電機的拓展，加深與中央空調專業廠商的合作。2014年，常州基地全面投入使用，以滿足商用電機客戶未來精益化生產需求。

#### 1.2 洗滌類電機

海外洗衣機市場受歐美經濟復甦和新興市場拉動的正向影響，需求預計穩中有升，但品牌集中度將進一步提高，高端洗衣機消費佔比將提升，發達經濟體區域預計直流化趨勢加速，預計串激電機需求穩中小幅下降，而波輪電機受東南亞、巴西等新興市場生活水平提升的正向拉動，需求持續穩定提升。

集團通過加強技術研究和工藝技改，從本質提升串激電機和波輪電機的產品競爭力。集團將繼續加大推進與主要客戶的戰略合作，同時，加大東南亞和南美市場波輪電機的開拓，確保串激電機和波輪電機的市場份額，強化市場地位。洗衣機直流電機保證已批量產品的正常供貨，提升製造水平，加強交貨保障能力，並加快意向客戶的開發匹配速度，繼續擴大客戶面。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### 2. Business of Associate

Shanxi Huaxiang will drive its reform, promote delicacy management and continue to implement its product strategy through R&D and innovation. While enhancing the competitive edge of its casting parts for air-conditioner compressors and refrigerator compressors, Shanxi Huaxiang will roll out its market strategy for casting parts for vehicles and speed up the progress in the automation of mechanical processing. In 2014, Shanxi Huaxiang will complete the relocation of its subsidiary and make full deployment of green production of casting parts in Huaxiang Industrial Park, laying a solid foundation for future competition.

The Group will maintain its strategic focus, monitor the essence of operation and continue to enhance its profitability. We will remain customer-centred and increase the competitive edge of our products. With top priority given to product quality, we will enhance the rigid implementation of quality standards while improving the whole-process management and enhancement of product quality. We will continue to streamline our internal workflows to increase operational efficiency and optimise the allocation of resources, with a focus on the return on assets. We will also continue to introduce core strategies and technical talents to improve our portfolio of talents, providing continuous momentum to drive the Group's transformation.

#### 2. 聯營公司業務

山西華翔將深化改革，全面推動精細化管理，通過研發創新持續推進產品戰略，在鞏固空壓、冰壓等鑄造產品的市場優勢下，全面推進對汽車鑄件市場戰略，並在機加工加快自動化生產的進度。2014年，山西華翔將完成其附屬公司的搬遷工作，全面打造華翔工業園綠色鑄造佈局，為未來的市場競爭奠定基礎。

本集團將繼續堅持戰略聚焦，關注經營本質，持續提升企業盈利能力，始終以客戶為中心，提升產品競爭力。繼續將產品品質放在首要位置，強化品質的剛性執行，完善產品品質的全過程管理和提升。繼續優化內部流程，提升營運效率，優化資源配置，注重資產收益。持續引入核心戰略、科技人才，不斷完善人才結構，為深化轉型提供持續動力。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### Corporate Business Strategies

In line with its mission “creating value for customers”, the Group will continue to drive its transformation and promote delicacy management. We will keep optimising our product mix to increase our profitability. Keeping customer needs in mind, we will respond to customers’ needs for upgrading in a timely manner. We will continue to improve customer satisfaction by improving our systems, enhancing our ability to ensure timely delivery and providing prompt responses. We intend to accelerate R&D and promotion, enhance the research on core technologies, promote standardisation management and continue to enhance the management of and input in intellectual property, with an aim to increase the core competitive edge of our products and improve our ability of technical innovation. With a view to increasing our manufacturing efficiency, we will hire experts specialised in manufacturing process to promote the standardisation of manufacturing. Meanwhile, we will increase the level of automation swiftly to improve lean production. In an effort to improve product quality on an ongoing basis, we will improve the quality control system for the whole value chain, implement quality control at the source by improving the quality level of our suppliers and enhance rigid implementation and process control. We will also gear up the improvement of our customer complaint platform and the closed-loop problem management. Taking into account various dimensions of business operation, we aim to establish a comprehensive delicacy management system. We will seek to hire middle to high level talents specialised in strategy, R&D and process to improve our portfolio of talents, so as to ensure sustainable and favourable corporate development.

#### 公司經營策略

本集團將繼續以「為客戶創造價值」為宗旨，持續推動深化轉型，全面推動精細化管理，持續優化產品結構，提升盈利能力。以客戶需求為出發點，動態適應客戶需求升級，通過完善體系，提升交貨保障能力，加快回應速度，持續提升客戶滿意度。加快研發和推廣，加大核心技術研究，推進標準化管理，繼續強化智慧財產權的管理和投入，不斷提升產品的核心競爭力，強化技術創新能力。關注製造效率的提升，引入製造工藝專家，推進製造標準化，快速提升自動化水平，提高精益製造水平。完善全價值鏈的品質管控體系，源頭控制，提升供應商品質水平，強化品質剛性執行和過程管控，加快客訴平台的完善和問題的閉環管理，持續提升產品品質。從企業經營的多維度出發，打造全面精細化管理體系，持續引進戰略、研發和工藝方面的中高端人才，改善人才結構，保證企業的可持續良性發展。



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The Company has always endeavoured to achieve a high standard of corporate governance so as to enhance the transparency and accountability to the shareholders of the Company. The board of directors of the Company (the “Board”) believes that good corporate governance will contribute to maximise the corporate value of the Company to its shareholders.

The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its corporate governance policies and practices.

The Executive Committee of the Company was entrusted by the Board with delegated authority to review the Company’s compliance with the corporate governance practices. Having considered the review presented by the Executive Committee, the Board confirmed that, save as disclosed below, the Company had complied with all code provisions of the CG Code during the Year.

In respect of code provision A.6.7 of the CG Code, an Independent Non-executive Director was unable to attend the annual general meeting and the extraordinary general meeting of the Company both held on 30 May 2013 due to other important business engagement.

### Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct of the Company for Directors’ securities transactions. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the Model Code throughout the Year.

本公司一直致力達致高水平之企業管治，藉此提高本公司透明度及對股東之問責性。本公司之董事會（「董事會」）相信，良好企業管治將有助本公司為其股東帶來最高之企業價值。

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之《企業管治守則》及《企業管治報告》（「企業管治守則」）的守則條文，作為本公司本身之企業管治政策及常規。

行政委員會獲董事會授權檢討本公司對企業管治常規的遵守情況。經考慮行政委員會提呈的檢討匯報，董事會確認，除下文所披露者外，本公司已於本年度內遵守企業管治守則的所有守則條文。

就企業管治守則第A.6.7條而言，一名獨立非執行董事因其他重要業務安排而未克出席本公司於2013年5月30日舉行的股東週年大會及股東特別大會。

### 遵守《上市發行人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所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」），作為本公司董事進行證券交易之操守守則。經向董事作出特定查詢後，全體董事確認，彼等已於本年度內一直遵守標準守則。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### The Board

The Board is responsible for laying down the Group's future development direction, overall strategies and policies, the evaluation of the performance of the Group and the management and approval of matters that are of material and substantial in nature. Senior management of the Company was delegated with the authority and responsibility by the Board for the day-to-day management, administration and operations of the Group. Senior management of each division is responsible for different businesses and functions of the Group in accordance with its particular area of expertise. The Board has also delegated various responsibilities to the Board committees. Details of these Board committees are set out below in this report.

The Board regularly reviewed the contribution required from a Director to perform his/her responsibilities to the Company and whether he/she is spending sufficient time performing his/her duties. Directors (including Independent Non-executive Directors) are active in participating regular Board meetings and other Board meetings for discussing and approving significant issues of the Group so as to make an effective Board for a timely strategic decision and to ensure the operations of the Group in line with such strategies. Independent Non-executive Directors perform their monitoring role and devote their time and effort to make contribution to the development of strategies and internal control and risk management of the Group.

For each of the Board meetings held during the year ended 31 December 2013, each Director had been consulted beforehand and served with prior notice to enable him/her to include matters in the agenda of the forthcoming Board meeting.

The Board will hold four regular meetings every year at approximately quarterly intervals. The Company generally gives at least 14 days notice in advance for regular Board meetings and gives reasonable notice for all other Board meetings in order to give all Directors opportunity to attend the meetings. During the year ended 31 December 2013, the Company had complied with the said notice requirements for Board meetings by giving all Directors adequate time to plan their schedules to attend. All Directors are active in participating the regular Board meetings, whether in person or through telephone conference or video conference, to make an effort to contribute to the affairs to be dealt with by Directors at the Board meetings.

### 董事會

董事會負責確立本集團之未來發展方向、整體戰略及政策，評估本集團之業績表現，以及管理及批准性質重大之事宜。董事會授權本公司之高級管理人員，負責主管本集團之日常管理、行政及營運。各分部之高級管理人員按其專業範疇負責本集團之不同業務及職能。董事會亦指派各董事委員會承擔特定責任。該等董事委員會之詳情載於本報告下文。

董事會定期檢討董事履行其責任所需的貢獻，以及彼是否付出足夠時間履行其職責。董事(包括獨立非執行董事)均積極參與定期董事會會議及其他討論及批准本集團重要事項的董事會會議，讓董事會能及時有效地作出策略決定，並確保本集團的營運符合該等策略。獨立非執行董事履行彼等的監察角色，及致力對本集團的戰略發展、內部控制以及風險管理作出貢獻。

於截至2013年12月31日止年度舉行之每次董事會定期會議，各董事均於會前獲得諮詢並獲發會前通告，使其可於將要舉行的董事會會議議程加入討論事項。

董事會每年舉行4次定期會議，約每季一次。本公司一般最少於14日前預先發出董事會定期會議通告，並就所有其他董事會會議發出合理通告，讓全體董事均有機會出席有關會議。截至2013年12月31日止年度，本公司已遵守上述董事會會議通告規定，讓全體董事有充裕時間作出適當安排出席會議。全體董事均積極參與定期董事會會議(不論親身參與或透過電話會議或視像會議)，致力對董事需在董事會會議處理的事務作出貢獻。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

All Directors could have accessed to the advice and services of the Company Secretary to ensure that Board procedures are complied with the applicable laws, rules and regulations and corporate governance practices and policies.

The Company Secretary is responsible for taking minutes of Board meetings which shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed at the meetings. For each of the Board meetings held during the year ended 31 December 2013, draft and final versions of the minutes of Board meetings were sent to all Directors within reasonable time (generally within 14 days for both cases) after the Board meeting had been held for their comments and records respectively. All Board minutes are kept by the Company Secretary and open for inspection by all Directors at any reasonable time on reasonable notice.

The Company's corporate governance guidelines give all Directors the rights, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense, and in such circumstances, the Board shall resolve to provide separate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting but not a written resolution. Subject to the exceptions set out in the Listing Rules, a Director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her associates has a material interest nor shall he/she be counted in the quorum present at the relevant Board meeting.

For the year ended 31 December 2013, appropriate insurance cover in respect of legal action against the Directors was arranged. The Board will review regularly to ensure there is adequate insurance cover for the Directors.

### Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer of the Company are performed by separate individuals so as to enhance the division of responsibilities between them and to ensure a balance of power and authority. During the year ended 31 December 2013, the positions of the Chairman and the Chief Executive Officer are held by Mr. Zhou Xiangyang and Mr. Jiang Deqing respectively.

全體董事均可向公司秘書取得意見及服務，以確保董事會程序符合適用法律、規則、規例及企業管治常規及政策。

公司秘書負責記錄董事會會議之會議記錄，其須充分詳細記錄董事會所考慮之事項、所達致之決定，包括會上董事所表達之關注或反對意見。於截至2013年12月31日止年度舉行之每次董事會會議，董事會會議記錄之初稿及定稿已於董事會會議舉行後合理時間內(兩者一般為14日內)送交所有董事，分別以供彼等提出意見及存檔。所有董事會會議記錄均由公司秘書保存，並可於任何合理時間以合理通知供全體董事查閱。

本公司之企業管治指予全體董事權利，可按合理要求，並在適當情況下，尋求獨立專業意見，費用由本公司支付，在該等情況下，董事會須決定向董事提供獨立專業意見，以協助有關董事履行職責。

倘董事會須處理的事宜上任何董事涉及利益衝突，而董事會斷定有關利益衝突屬重大的，有關事宜會由實質董事會會議處理，而不會以書面決議案處理。除在上市規則列載的例外情況，董事不得在任何董事會決議案投票通過其本身或其任何聯繫人士有重大利益之任何合約或安排或任何其他建議，亦不得計入相關董事會會議之法定人數內。

截至2013年12月31日止年度，已就針對董事採取之法律行動安排適當之保險保障。董事會將定期作出檢討，以確保有足夠的董事保險保障。

### 主席及首席執行官

本公司之主席及首席執行官由不同人士擔任，以加強彼等之責任分工及確保權力均衡。於截至2013年12月31日止年度，主席及首席執行官之職位分別由周向陽先生及姜德清先生擔任。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The role of the Chairman is to be responsible for taking the lead of the Board in determining the strategic direction of the Group, ensuring that all Directors are properly briefed on business contemplated at Board meetings and receive timely, adequate, complete and reliable information, good corporate governance practices and procedures are established as well as managing a good relationship and communication with shareholders. The Chief Executive Officer of the Company with the support of other Executive Directors is responsible for implementation of strategic planning of different business functions and day-to-day management of business and operations of the Group.

During the year ended 31 December 2013, the Chairman held a meeting with all Independent Non-executive Directors without the Executive Directors present.

### Board Composition

As at 31 December 2013, the Board comprised of nine Directors, including six Executive Directors, namely, Mr. Zhou Xiangyang (Chairman), Mr. Jiang Deqing (Chief Executive Officer), Mr. Lu Xiaoji, Mr. Li Yang, Ms. Yuan Liquan and Mr. Li Feide and three Independent Non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Cao Zhoutao. Throughout the year ended 31 December 2013, the Company has complied with Rules 3.10(1), 3.10A and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive directors (representing at least one-third of the board) including at least one independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise.

Ms. Cao Zhoutao was appointed as an Independent Non-executive Director on 21 October 2013 in place of Ms. Chen Chunhua who resigned as an Independent Non-executive Director on the same date.

The biographies of each of the Directors are set out in pages 46 to 51 in this annual report, which demonstrate a diversity of skills, expertise, experience and qualifications appropriate for the requirements of the business of the Company. Directors are advised to inform the Company of any change to the number and nature of offices they held in public companies or organisations and their other significant commitments in a timely manner.

The Directors, including the Chairman and the Chief Executive Officer, have no financial, business, family or other material or relevant relationships with each other.

主席負責領導董事會釐定本集團之戰略方向，確保全體董事獲恰當知會於董事會會議擬進行之事宜，並確保全體董事及時獲得充足、全面及可靠之資料、建立良好的企業管治常規及程序，以及與股東之間保持良好關係及溝通。本公司之首席執行官在其他執行董事的支持下，負責為不同業務職能實施戰略規劃，並負責本集團之日常業務管理及營運。

於截至2013年12月31日止年度，主席與所有獨立非執行董事舉行了一次會議，當中並沒有執行董事出席。

### 董事會之組成

於2013年12月31日，董事會由9名董事組成，包括6名執行董事周向陽先生(主席)、姜德清先生(首席執行官)、呂曉繼先生、李楊先生、袁利群女士及李飛德先生，以及3名獨立非執行董事譚勁松先生、林明勇先生及曹洲濤女士。於截至2013年12月31日止整個年度內，本公司已遵守上市規則第3.10(1)條、第3.10A條及第3.10(2)條，委任最少3名獨立非執行董事(佔董事會成員人數最少三分之一)，包括最少1名擁有合適專業資格或會計或相關財務管理專業知識的獨立非執行董事。

曹洲濤女士於2013年10月21日獲委任為獨立非執行董事，接替於同一日辭任獨立非執行董事的陳春花女士。

各董事之履歷載於本年報第46頁至51頁，其中顯示出符合本公司業務要求之多元化技能、專業知識、經驗及資歷。董事應及時通知本公司彼等於公眾公司及機構所擔任的職位數目及性質的任何變動，以及彼等的其他重大承擔。

各董事(包括主席及首席執行官)相互間概無財務、業務、家庭或其他重大或相關之關係。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The Nomination Committee has reviewed the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and other qualities of Directors) of the Board and confirmed that the Company has maintained a balanced composition with a strong independent element on the Board.

### Independent Non-executive Directors

The Independent Non-executive Directors are active in participating in Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. They will take the lead where potential conflicts of interests of other Directors arise. They serve as members of various Board committees and will scrutinise the performance of the Group in achieving agreed corporate goals and objectives and monitor performance reporting.

Mr. Lam Ming Yung has served the Board as an Independent Non-executive Director for more than nine years. Given his professional knowledge and experience and no connection with any Director or substantial shareholder of the Company and their respective associates (as defined under the Listing Rules), the Board considered that Mr. Lam is independent despite of his long term service with the Company.

The annual confirmation of independence made by each of the three Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules were received by the Company and reviewed by the Nomination Committee. The Nomination Committee has assessed their independence and confirmed that all the Independent Non-executive Directors are considered independent within the definitions of the Listing Rules.

### Appointments, Re-election and Removal of Directors

The articles of association of the Company (the "Articles of Association") require that (i) every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and (ii) the Managing Director of the Company (if any) shall whilst holding office as such be subject to retirement by rotation at least once every three years and shall be taken into account in determining the number of Directors to retire by rotation in each year.

提名委員會已檢討董事會的架構、規模、組成及多元化(包括但不限於董事的性別、年齡、文化及教育背景、專業經驗、技能、知識及其他資歷)，並確認本公司已維持董事會的均衡組合及充足的獨立元素。

### 獨立非執行董事

獨立非執行董事於董事會會議中擔當積極主動之角色，就戰略、政策、業績表現、問責性、資源、重要委任及操守準則等事宜作出獨立判斷。倘其他董事出現潛在利益衝突時，彼等將作出領導。彼等擔任不同董事委員會成員，負責監督本集團之業績表現以達致協定之企業目的及目標，同時亦監察業績表現之報告。

林明勇先生出任董事會獨立非執行董事超過9年。基於他的專業知識及經驗，且並無與任何董事或本公司主要股東及彼等之聯繫人(見上市規則之定義)有關連，因此，即使林先生服務本公司多年，董事會亦視林先生為獨立人士。

本公司已收到3名獨立非執行董事各自根據上市規則第3.13條而發出之年度獨立性確認書，並且由提名委員會作出審閱。提名委員會已評估彼等之獨立性，確認全體獨立非執行董事按上市規則界定均被視為獨立人士。

### 委任、重選及罷免董事

本公司組織章程細則(「組織章程細則」)規定(i)每名董事(包括按特定任期獲委任之董事)須最少每3年輪席退任一次；及(ii)本公司董事總經理(倘有)在任期間須最少每3年輪席退任一次及須計入釐定每年輪席退任之董事人數內。



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The Articles of Association provide that at every annual general meeting of the Company, and notwithstanding any contractual or other terms on which a Director may be appointed or engaged, 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, notwithstanding anything therein, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Pursuant to the requirements of the CG Code, any further re-appointment of an Independent Non-executive Director, who has served the Board for more than nine years, will be subject to separate resolution to be approved by the shareholders of the Company. The Board is of the view that such mechanism helps to ensure orderly succession to the appointments to the Board and that changes to its composition can be managed without undue disruption.

On 30 May 2013, the Company entered into letters of appointment with Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua, each an Independent Non-executive Directors, for a term commencing on 30 May 2013 and ending on the date of the Company's next annual general meeting.

On 21 October 2013, the Company entered into a letter of appointment with Ms. Cao Zhoutao, an Independent Non-executive Director (in place of Ms. Chen Chunhua who resigned as an Independent Non-executive Director on the same date) for a term commencing on 21 October 2013 and ending on the date of the Company's next annual general meeting.

All these letters of appointment shall be terminable by either party upon one month's written notice to the other party or the payment to other party of a sum equal to the relevant Director's monthly remuneration.

The Nomination Committee is responsible for the nomination of new Directors for appointment by the Board. Any nomination of Director will be reviewed and discussed by the Nomination Committee on the nominee's qualifications, experience and ability relevant to the requirements of the Company's business.

According to the Articles of Association, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting and shall be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting.

組織章程細則規定於本公司每屆股東週年大會上，不論董事獲委任或聘任之任何合約條款或其他條款，當時三分之一之董事(或倘董事人數並非三之倍數，則以最接近但不少於三分之一之人數為準)須輪席退任，惟不論當中所載內容，每名董事(包括按特定任期獲委任之董事)須最少每3年輪席退任一次。根據企業管治守則的要求，任何對已服務本公司超過9年的獨立非執行董事進一步的重新委任須待本公司股東以獨立決議案批准。董事會認為有關機制有助確保董事會之委任作有秩序之更替，從而可管理其組成變更，避免不適當干擾。

於2013年5月30日，本公司與譚勁松先生、林明勇先生及陳春花女士(各人均為獨立非執行董事)訂立委任書，任期由2013年5月30日開始至本公司下屆股東週年大會日期止。

於2013年10月21日，本公司與曹洲濤女士訂立委任書，委任其為獨立非執行董事(接替於同一日辭任獨立非執行董事的陳春花女士)，任期由2013年10月21日開始至本公司下屆股東週年大會日期止。

所有該等委任書可由任何一方向另一方作出一個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。

提名委員會負責提名新任董事以供董事會委任。任何董事提名將由提名委員會按被提名人與本公司業務要求相關的資格、經驗及能力作出審閱及討論。

根據組織章程細則，董事會有權不時或於任何時候委任任何人士為董事以填補臨時空缺或作董事會額外董事，任何此等由董事會委任之董事任期僅至下屆股東週年大會為止，並合資格重選，但不得計入以釐定於該會議上輪值退任之董事人數內。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The Nomination Committee has examined the terms of appointment of Directors, and also reviewed and assessed the independence of Independent Non-executive Directors and made recommendation to the Board on the re-election of retiring Directors at the forthcoming annual general meeting.

### Directors Continuous Training and Development Programme

To ensure that every newly appointed Director has a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities as a Director of the Company under statute and common law, each of the newly appointed Director will receive a comprehensive, formal and tailored induction and also the orientation package containing the information with regard to the duties and responsibilities of Directors under the Listing Rules, related ordinances and relevant regulatory requirements and the business and corporate governance policies of the Company.

Subsequently, updated information and continuous professional development training will also be provided to all the Directors when necessary to keep them abreast of the latest changes and development in legal, regulatory and corporate governance requirements and develop and refresh their knowledge and skills to facilitate the discharge of their responsibilities. In addition, the Company through dissemination of monthly updates in respect of the financial and operational review provides to the Directors with information in relation to the latest development of the Group's business. Besides of arranging formal training seminars for the Directors, the Company Secretary will forward the latest news and information about the Company published in Hong Kong.

Pursuant to the requirements of the code provision set out in the CG Code, all Directors have to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has put in place on-going training and professional development programme for Directors to help them discharge their duties. Directors are also required to provide to the Company records of other training they received to ensure that their contribution to the Board remains informed and relevant.

提名委員會已審閱董事委任之條款，並檢閱和評估獨立非執行董事的獨立性，及於即將舉行的股東週年大會上就重選退任董事向董事會作出建議。

### 董事的持續培訓及發展課程

為確保每名新任董事對本集團之運作及業務均有恰當了解，並確保彼等已完全知悉根據法規及普通法作為本公司董事之責任，每名新任董事均會獲得全面、正式兼特為其而設的就任須知及一套迎新資料，內載有董事根據上市規則、相關條例及相關監管規定之職責，以及本公司之業務及企業管治政策。

及後，在需要讓董事知道有關法律、監管及企業管治要求的最新變動及發展，以及開展及更新彼等的知識及技能時，亦會向全體董事提供更新資料及持續專業發展訓練，以協助彼等履行責任。此外，通過發放每月更新財務及經營回顧的信息，本公司向董事提供有關本集團業務最新發展的資料。除了為董事安排正式培訓研討會外，公司秘書將轉發刊載於香港有關本公司的最新消息及資料。

根據企業管治守則所載的守則條文規定，全體董事均須參與持續專業發展以發展及更新彼等的知識及技能。本公司已為董事制定持續培訓及專業發展課程，以協助彼等履行職務。董事亦須向本公司提供彼等所接受的其他培訓的記錄，以確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

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During the Year, the Company organised an in-house seminar for the Directors and senior management and invited the auditor of the Company as the speaker to present to the Directors and senior management the information with regard to the recent trends in corporate governance, case studies relating to risk management and compliance, and the development of environmental, social and governance reporting issues. Ms. Cao Zhoutao, the newly appointed Independent Non-executive Director has attended a director induction seminar organised by the solicitor of distinguished law firm.

### Supply of and Access to Information

In connection with the convening of regular Board meetings and any meeting of the Board committees, agenda of the meeting accompanying with the relevant documents will be sent to all Directors or members of the Board committee at least three days before the date of the Board meeting or Board committee meeting.

Management has an obligation to supply the Board and the Board committees with adequate information in a timely manner to enable members of the Board and the Board committees to make informed decisions. Where any Director requires more information than is volunteered by management, each Director may contact senior management through individual and independent channel(s) to make further enquires if necessary and such enquiries will be responded to by management within a reasonable time with sufficient details. Furthermore, minutes of Board meetings or meetings of Board committees are open for inspection by Directors at any reasonable time on reasonable notice given.

During the Year, all Directors have been provided, on a monthly basis, with the updated management and financial information of the Group, giving them an opportunity to have a balanced and understandable assessment of the Group's latest performance, position, recent developments and prospects in sufficient detail and facilitating them to discharge their duties under the relevant requirements of the Listing Rules.

### Board Committees

The Board has established four Board committees with defined scope of duties in written form. These Board committees are the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee.

於年內，本公司為董事及高級管理層舉辦了一次內部研討會，並邀請本公司核數師作主講嘉賓，向董事及高級管理層講述企業管治的近期趨勢、有關風險管理及合規的個案研究，以及環境、社會及管治報告的發展情況。新委任的獨立非執行董事曹洲濤女士出席了知名律師樓律師舉辦的董事就職指引研討會。

### 提供及使用資料

關於召開董事會定期會議及任何董事委員會會議，會議議程及相關文件會於董事會或董事委員會會議日期最少3日前送交全體董事或董事委員會成員。

管理層有責任向董事會及董事委員會適時提供充足資料，以使董事會及董事委員會成員能夠作出知情決定。倘任何董事所需之資料較管理層自願提供者為多，每名董事均可使用個別及獨立途徑接觸高級管理人員，以於有必要時作進一步查詢，而管理層將於合理時間內詳盡回應有關查詢。另外，董事會會議或董事委員會會議之會議記錄可供董事於任何合理時間內給予合理通知下查閱。

於年內，全體董事每月均獲提供本集團的最新管理及財務資料，使彼等有機會對本集團的最新業績、狀況、近期發展及前景取得充足詳情以作出平衡及可理解的評估，及促進彼等根據上市規則的相關規定履行職務。

### 董事委員會

董事會已成立4個訂有書面特定職權範圍之董事委員會。該等董事委員會為審核委員會、薪酬委員會、提名委員會及行政委員會。

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A nomination policy concerning the nomination of Directors and diversity of perspectives for the Board's consideration and a revised set of terms of reference of the Nomination Committee in compliance with the code provisions of the CG Code were adopted and approved by the Board on 18 October 2013 and are available on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and the website of the Company at <http://www.welling.com.cn>.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to obtain independent professional advice in appropriate circumstances at the expense of the Company if they consider necessary.

### Audit Committee

The Audit Committee was established by the Board on 5 August 1999. All members of the Audit Committee are Independent Non-executive Directors, at least one of whom has possessed professional qualifications and accounting and financial management related expertise.

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Tan Jinsong (chairman of Audit Committee), Mr. Lam Ming Yung and Ms. Cao Zhoutao (appointed on 21 October 2013 in place of Ms. Chen Chunhua).

The Audit Committee is responsible for, among other things, reviewing and monitoring the integrity of the consolidated financial statements of the Group, reviewing the effectiveness of the systems of internal control and risk management of the Group, reviewing the findings from the works carried out by internal audit department and monitoring the effectiveness of the Group's internal audit function. The Audit Committee is also responsible for making recommendation to the Board on the appointment of the external auditor and approving the remuneration and terms of engagement of the external auditor. Before commencement of annual audit, the Audit Committee will discuss with the external auditor the nature and scope of audit, the significant risk analysis and the impact of the change in accounting policies on the financial statements of the Group. The Audit Committee is required to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.

The Audit Committee will liaise with the Board and senior management regularly and meet at least twice a year with the Company's external auditor.

董事會於2013年10月18日採納及批准符合企業管治守則之守則條文的董事任命政策以供董事會考慮有關董事任命及多元化觀點，以及提名委員會經修訂的職權範圍，可於香港交易及結算所有限公司網頁 <http://www.hkexnews.hk> 及本公司網頁 <http://www.welling.com.cn> 查閱。

各董事委員會均獲提供足夠資源履行其職務；如彼等認為必要，亦可在合理要求下於適當時候諮詢獨立專業意見，有關費用會由本公司支付。

### 審核委員會

董事會於1999年8月5日成立審核委員會。審核委員會所有成員均為獨立非執行董事，當中至少一位成員具有專業資格及會計與財務管理相關專業知識。

審核委員會現時由3名獨立非執行董事譚勁松先生（審核委員會主席）、林明勇先生及曹洲濤女士（於2013年10月21日獲委任，以接替陳春花女士）組成。

審核委員會負責（其中包括）檢討及監察本集團綜合財務報表是否完整；檢討本集團內部監控及風險管理制度之成效；檢討內部審核部之工作結果及監察本集團內部審核功能之成效；審核委員會亦負責就委任外聘核數師向董事會作出推薦及批准外聘核數師之薪酬及聘用條款。審核委員會在年度審核開始前將與外聘核數師討論審核性質及範疇、重大風險分析及會計政策改變對本集團之財務報表之影響。審核委員會須按適用之標準檢討及監察外聘核數師是否獨立客觀及核數程序之成效。

審核委員會將定期與董事會及高級管理人員聯絡，並每年至少與本公司的外聘核數師開會兩次。

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Minutes of Audit Committee meetings are kept by the Company Secretary who also serves as secretary of the Audit Committee. Draft and final versions of the minutes of Audit Committee meetings are sent to all members of the Committee for their comments and records within a reasonable time after the meeting (usually within 14 days after the meeting).

公司秘書(同時擔任審核委員會之秘書)負責保存審核委員會之會議記錄。審核委員會會議記錄之初稿及定稿於會議舉行後合理時段內(通常為會議後14天內)送交審核委員會全體成員,以供成員表達意見及作記錄之用。

The Audit Committee had performed the following works during the year ended 31 December 2013 and up to 10 March 2014:

於截至2013年12月31日止年度及直至2014年3月10日止,審核委員會已進行下列工作:

- |  |   |
|--|---|
| (i) reviewed the Company's 2012 annual report and the preliminary announcement of final results;   | (i) 審閱本公司2012年年報及初步全年業績公告;  |
| (ii) reviewed the Company's 2013 interim report and the preliminary announcement of interim results;   | (ii) 審閱本公司2013年中期報告及初步中期業績公告;   |
| (iii) approved the remuneration and terms of engagement of the external auditor for 2013 audit and other matters;  | (iii) 批准就2013年核數及其他事項聘用之外聘核數師之薪酬及聘用條款;  |
| (iv) reviewed the 2013 internal control report prepared by the internal audit department and reviewed the effectiveness of the internal control system and risk management of the Group;   | (iv) 審閱內部審核部編製之2013年內部監控報告及檢討本集團之內部監控系統及風險管理之成效;                                      |
| (v) reviewed the connected and continuing connected transactions entered into by the Group during the Year;  | (v) 審閱於本年度本集團所訂立之關連交易及持續關連交易;   |
| (vi) acted as the key representative body for overseeing the Company's relations with the external auditor and reviewed and monitored the external auditor's independence and the non-audit services provided by the external auditor;   | (vi) 擔任本公司與外聘核數師之間的主要代表,負責監察二者之間的關係,以及檢討及監察外聘核數師是否獨立及其所提供之非核數服務;                      |
| (vii) reviewed adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programmes;   | (vii) 檢討本公司在會計及財務匯報職能方面的資源、員工資歷及經驗,以及員工所接受的培訓課程是否足夠;                                  |
| (viii) advised on significant events of the Company and highlighted the related risks to the management;   | (viii) 就本公司之重大事項提出意見,並向管理層指出有關風險;   |
| (ix) reviewed arrangements for employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and confirmed that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and | (ix) 檢討有關本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注的安排,確認有適當安排讓本公司對此事等事宜作出公平獨立的調查及採取適當行動;及 |
| (x) reviewed the Company's 2013 annual report and the preliminary announcement of final results.   | (x) 審閱本公司2013年年報及初步全年業績公告。  |



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Audit Committee has reviewed the Group's 2013 consolidated financial statements, including the accounting principles and policies adopted by the Group, in conjunction with the Company's external auditor and recommended to the Board for approval of the consolidated financial statements for the year ended 31 December 2013.

The Board agreed with the Audit Committee's proposal for the re-appointment of Messrs. PricewaterhouseCoopers as the Company's external auditor for the year 2014. The recommendation will be put forward for shareholders' approval at the forthcoming annual general meeting of the Company.

During the year ended 31 December 2013, the remuneration paid to the Company's external Hong Kong auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

審核委員會已聯同本公司外聘核數師審閱本集團之2013年綜合財務報表，包括本集團採用之會計原則及政策，並向董事會建議批准截至2013年12月31日止年度之綜合財務報表。

董事會同意審核委員會建議重新委任羅兵咸永道會計師事務所為本公司於2014年之外聘核數師。該建議將於本公司之應屆股東週年大會上提呈予股東批准。

截至2013年12月31日止年度，向本公司外聘香港核數師羅兵咸永道會計師事務所支付之酬金載列如下：

	<b>Fee paid/payable</b>
	已付／應付費用
	HK\$'000
	港幣千元
Audit services and review of continuing connected transactions	2,559
核數服務及審閱持續關連交易	2,559

## Remuneration Committee

The Remuneration Committee was established by the Board on 22 September 2005. Chairman and majority of the members of the Remuneration Committee are Independent Non-executive Directors.

The Remuneration Committee comprises three Independent Non-executive Directors, namely, Ms. Cao Zhoutao (chairman of Remuneration Committee) (appointed on 21 October 2013 in place of Ms. Chen Chunhua), Mr. Tan Jinsong and Mr. Lam Ming Yung and two Executive Directors, namely Mr. Zhou Xiangyang and Mr. Jiang Deqing. The Company adopted the model set out in code provision B.1.2(c)(i) of the CG Code as its Remuneration Committee model under which the Remuneration Committee shall determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management.

The primary duties of the Remuneration Committee include the followings:

- (i) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

## 薪酬委員會

董事會於2005年9月22日成立薪酬委員會。薪酬委員會主席及大部分成員為獨立非執行董事。

薪酬委員會現時由3名獨立非執行董事曹洲濤女士（薪酬委員會主席）（於2013年10月21日獲委任，以接替陳春花女士）、譚勁松先生及林明勇先生，以及2名執行董事周向陽先生及姜德清先生。本公司採納企業管治守則守則條文第B.1.2(c)(i)條所載的模式作為其薪酬委員會的模式，據此薪酬委員會獲授權負責釐定個別執行董事及高級管理人員的薪酬待遇。

薪酬委員會之主要職責包括：

- (i) 就本公司董事及高級管理人員之整體薪酬政策及架構，及就設立正規而具透明度之程序制訂此等薪酬政策，向董事會提出推薦意見；



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- |  |  |
|--|--|
| (ii) to review and determine, with delegated responsibilities and authorisation by the Board, the remuneration packages of individual Executive Directors and senior management with reference to the Board's corporate goals and objectives;    | (ii) 獲授權負責根據董事會訂立的企業方針及目標，檢討及釐定個別執行董事及高級管理人員的薪酬待遇；                               |
| (iii) to make recommendations to the Board on the remuneration of Independent Non-executive Directors;   | (iii) 就獨立非執行董事的薪酬向董事會提供推薦意見；   |
| (iv) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;   | (iv) 考慮同類公司支付的薪酬、須付出的時間及職責，以及集團內其他職位的僱用條件；                                       |
| (v) to review and approve compensation payable to Executive Directors and senior management for any loss of termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; | (v) 檢討及批准向執行董事及高級管理人員就喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多； |
| (vi) to review and approve compensative arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and                    | (vi) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及       |
| (vii) to ensure that no Directors or any of his/her associates is involved in deciding his/her own remuneration.   | (vii) 確保任何董事或其任何連繫人不得參與釐定其薪酬。  |

The Remuneration Committee had performed the following works during the year ended 31 December 2013 and up to 10 March 2014:

於截至2013年12月31日止年度及直至2014年3月10日止，薪酬委員會已進行下列工作：

- |   |   |
|---|---|
| (i) reviewed the remuneration proposals for Executive Directors and senior management with reference to the achievement of corporate goals and objectives set by the Board;   | (i) 參考董事會所訂企業方針及目標的成效，檢討執行董事及高級管理人員的薪酬方案；                       |
| (ii) approved the remuneration packages of Executive Directors (except the Chairman and Chief Executive Officer) and senior management after consultations with the Chairman;   | (ii) 經諮詢主席後，批准執行董事(主席及首席執行官除外)及高級管理人員之薪酬待遇；                     |
| (iii) reviewed and approved the remuneration packages of the Chairman and Chief Executive Officer in a committee meeting at which the Chairman and Chief Executive Officer abstained from voting in respect of the resolutions approving their own remuneration packages; and | (iii) 於委員會會議上審閱及批准主席及首席執行官之薪酬待遇，主席及首席執行官已在就批准其本身薪酬待遇之決議案中放棄表決；及 |
| (iv) reviewed and made recommendations to the Board on the remuneration and terms of appointment of Independent Non-executive Directors.  | (iv) 審閱獨立非執行董事之薪酬及委任條款，並向董事會提出推薦意見。                             |

## CORPORATE GOVERNANCE REPORT

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The Company's remuneration policy for Executive Directors and senior management are set on the basis that the remuneration level of Executive Directors and senior management will be linked with their responsibilities and contributions to the achievement of corporate performance target of the Company as resolved by the Board from time to time. For the purpose of determining the level of remuneration of Executive Directors and senior management, appraisal of the work performance of the Executive Directors and senior management will be conducted annually at the end of each year. Such work performance of Executive Directors and senior management will be judged by the extent to which the Group's budget target is met and the financial performance of the Group in terms of sales revenue and net profits as disclosed in the audited financial statements is achieved. Proposals for remuneration of Executive Directors and senior management will be prepared by the Human Resources Department based on the relevant remuneration data and prevailing market conditions and submitted to the Remuneration Committee for consideration and approval. Director's fee payable to Independent Non-executive Directors shall be reviewed annually by the Remuneration Committee with reference to the fees paid by comparable companies, time commitment and responsibilities of each of the Independent Non-executive Directors and determined by the Board after taking into account the recommendation made by the Remuneration Committee. No Director or any of his/her associates is involved in deciding his/her own remuneration.

Pursuant to paragraph B.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2013 is set out below:

本公司對執行董事及高級管理人員之薪酬政策乃實行薪酬與績效掛鈎，即執行董事及高級管理人員之薪酬水平應根據彼等之職責及對於完成董事會不時制定之公司績效目標所作之貢獻而釐定。為釐定執行董事及高級管理人員之薪酬水平，將於每年年末評估執行董事及高級管理人員之工作表現。執行董事及高級管理人員之有關工作表現將透過本集團預算目標之完成程度，以及本集團按經審核財務報表所披露之銷售收入及淨利潤釐定之財務表現而作出判斷。人力資源部門將根據相關薪酬數據及目前市況制定執行董事及高級管理人員之薪酬方案，並提交薪酬委員會審議批准。薪酬委員會應參考同類公司支付的薪酬，以及各獨立非執行董事須付出的時間及其職責，每年檢討應付獨立非執行董事之董事袍金；在考慮薪酬委員會的推薦意見後，由董事會釐定有關董事袍金。董事或任何其聯繫人不得參與釐定其本身之薪酬。

根據企業管治守則第B.1.5段，高級管理人員截至2013年12月31日止年度按薪酬組別呈列的薪酬如下：

Remuneration band (HK\$)	薪酬組別(港幣)	Number of individuals 人數
Nil to 3,000,000	零至3,000,000	5

Details of the Directors' emoluments for the year ended 31 December 2013 are set out in note 26 to the consolidated financial statements.

截至2013年12月31日止年度，董事酬金之詳情載於綜合財務報表附註26。

### Nomination Committee

The Nomination Committee was established by the Board on 9 March 2012 with majority of its members being Independent Non-executive Directors. The Nomination Committee shall be responsible mainly for reviewing the structure, size, composition and diversity of the Board at least annually, making recommendations to the Board on the appointment or re-appointment of Directors and assessing the independence of Independent Non-executive Directors.

### 提名委員會

董事會於2012年3月9日成立提名委員會，當中大部分成員均為獨立非執行董事。提名委員會主要負責至少每年檢討董事會之架構、規模、組成及多元化、就董事之委任或重新委任向董事會提出建議，並評估獨立非執行董事是否獨立。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The Nomination Committee comprises five members including two Executive Directors, namely, Mr. Zhou Xiangyang (chairman of Nomination Committee) and Mr. Jiang Deqing and three Independent Non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Cao Zhoutao (appointed on 21 October 2013 in place of Ms. Chen Chunhua).

Minutes of the Nomination Committee meetings are kept by the Company Secretary who also serves as secretary of the Nomination Committee. Draft and final versions of the minutes of Nomination Committee meetings are sent to all members of the Committee for their comments and records within a reasonable time after the meeting (usually within 14 days after the meeting).

The Nomination Committee had performed the following works during the year ended 31 December 2013 and up to 10 March 2014:

- (i) considered and approved the recommendation to the Board of the appointment of an Independent Non-executive Director and an Executive Director to fill the casual vacancies arisen from the resignation of an Independent Non-executive Director and an Executive Director;
- (ii) formulated the nomination policy for appointment of Directors to be submitted to the Board for approval;
- (iii) reviewed the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and other qualities of Directors) of the Board, the competences of Directors and the balance between Executive and Independent Non-executive Directors, and is of the view that there is an appropriate and diverse mix of skills and experience;
- (iv) reviewed the independence of Independent Non-executive Directors and confirmed that all Independent Non-executive Directors are considered independent; and
- (v) reviewed the profile and performance of Directors who will be subject to re-election by rotation in accordance with the Articles of Association at the forthcoming annual general meeting and recommended to the Board the re-appointment of those retiring Directors at the forthcoming annual general meeting.

提名委員會由5名成員組成，包括2名執行董事周向陽先生(提名委員會主席)及姜德清先生，以及3名獨立非執行董事譚勁松先生、林明勇先生及曹洲濤女士(於2013年10月21日獲委任接替陳春花女士)。

公司秘書(同時擔任提名委員會之秘書)負責保存提名委員會之會議記錄。提名委員會會議記錄之初稿及定稿會於會議舉行後合理時段內(通常為會議後14天內)送交提名委員會全體成員，以供成員表達意見及作記錄之用。

於截至2013年12月31日止年度及直至2014年3月10日止，提名委員會已進行下列工作：

- (i) 審議批准就獨立非執行董事及執行董事辭任向董事會提交委任獨立非執行董事及執行董事填補臨時空缺的推薦意見；
- (ii) 就委任董事制定提名政策提交董事會批准；
- (iii) 檢討董事會之架構、規模、組成、多元化(包括但不限於董事的性別、年齡、文化及教育背景、專業經驗、技能、知識及其他資歷)，董事的能力以及執行董事及獨立非執行董事的平衡，並認為董事技能及經驗的配選屬適當及多樣；
- (iv) 檢討獨立非執行董事是否獨立，並確認所有獨立非執行董事均屬獨立人士；及
- (v) 檢討將於應屆股東週年大會上根據組織章程細則輪席退任的董事的概況及表現，並於應屆股東週年大會上就重新委任該等退任董事向董事會提交推薦意見。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Executive Committee

The Executive Committee was established by the Board on 18 April 2006. As at 31 December 2013, the Executive Committee comprised of all the Executive Directors, namely, Mr. Zhou Xiangyang (chairman of the Executive Committee), Mr. Jiang Deqing, Mr. Lu Xiaoji, Mr. Li Yang, Ms. Yuan Liqun and Mr. Li Feide. Under its term of reference, the Executive Committee shall be responsible for determining matters relating to the Group's day-to-day operations management and administration.

In addition to the daily management and administration functions, the Executive Committee was delegated with the duties and responsibilities to monitor and oversee the corporate governance functions of the Group.

The Executive Committee had performed the works relating to the corporate governance functions of the Group as follows during the year ended 31 December 2013 and up to 10 March 2014:

- (i) reviewed the Company's policies and practices on corporate governance;
- (ii) reviewed and monitored the training and continuous professional development of Directors and senior management;
- (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) reviewed and monitored the code of conduct applicable to employees and Directors; and
- (v) reviewed the Company's compliance with the "Corporate Governance Code" contained in the Appendix 14 to the Listing Rules and disclosure in this Corporate Governance Report.

### 行政委員會

董事會於2006年4月18日成立行政委員會。於2013年12月31日，行政委員會由所有執行董事組成，包括周向陽先生(行政委員會主席)、姜德清先生、呂曉繼先生、李楊先生、袁利群女士及李飛德先生。根據其職權範圍，行政委員會負責就有關本集團日常營運管理及行政事宜作出決定。

除日常管理及行政職能外，行政委員會獲授權負責監察和監督本集團之企業管治職能。

於截至2013年12月31日止年度及直至2014年3月10日止，行政委員會已進行下列有關本集團企業管治職能的工作：

- (i) 檢討本公司的企業管治政策及常規；
- (ii) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (iii) 檢討及監察本公司遵從法律及監管規定的政策及常規；
- (iv) 檢討及監察僱員及董事適用之操守守則；及
- (v) 檢討本公司遵守上市規則附錄14所載的企業管治守則及在企業管治報告內之披露。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Directors' Attendance Record at Meetings

The attendance record of each of the Directors at the Board meetings, Audit Committee meetings, Remuneration Committee meeting, Nomination Committee meetings and general meetings of the Company held during the year ended 31 December 2013 and the tenure of office of each individual Director are set out in the following table:

### 董事出席會議記錄

各董事出席本公司截至2013年12月31日止年度及各個別董事在任期間內舉行的董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會之記錄詳情載於下表：

Directors	Board Meetings	Audit Committee Meetings	Remuneration Committee Meeting	Nomination Committee Meetings	General Meetings	
董事	董事會會議 (Note 1) (附註1)	審核委員會會議	薪酬委員會會議	提名委員會會議	股東大會 (Note 2) (附註2)	
Number of Meetings held	會議舉行次數	10	3	1	2	2
<b>Executive Directors</b>						
<b>執行董事</b>						
Mr. Zhou Xiangyang (Chairman)	周向陽先生(主席)	10/10	-	1/1	-	2/2
Mr. Jiang Deqing (Chief Executive Officer)	姜德清先生(首席執行官)	10/10	-	1/1	-	2/2
Mr. Lu Xiaoji	呂曉繼先生	10/10	-	-	-	2/2
Mr. Li Yang	李楊先生	10/10	-	-	-	2/2
Ms. Yuan Liqun	袁利群女士	8/10	-	-	-	2/2
Mr. Li Feide	李飛德先生	9/10	-	-	-	2/2
<b>Independent Non-executive Directors</b>						
<b>獨立非執行董事</b>						
Mr. Tan Jinsong	譚勁松先生	10/10	3/3	1/1	2/2	2/2
Mr. Lam Ming Yung	林明勇先生	10/10	3/3	1/1	2/2	2/2
Ms. Chen Chunhua (Note 3)	陳春花女士(附註3)	8/9	2/2	-	2/2	0/2
Ms. Cao Zhoutao (Note 4)	曹洲濤女士(附註4)	1/1	1/1	1/1	-	-

Notes:

- (1) During the year ended 31 December 2013, the Board held four regular meetings and six additional meetings.
- (2) During the year ended 31 December 2013, the Company held two general meetings, including the annual general meeting and the extraordinary general meeting both held on 30 May 2013.
- (3) Ms. Chen Chunhua resigned as an Independent Non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee of the Company on 21 October 2013. She was unable to attend a meeting of the Board, the annual general meeting and the extraordinary general meeting of the Company all held on 30 May 2013 due to other important business engagement.
- (4) Ms. Cao Zhoutao was appointed as an Independent Non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee of the Company on 21 October 2013. She attended all the meetings of the Board and relevant Board committees held during her tenure of office for the year ended 31 December 2013.

附註：

- (1) 截至2013年12月31日止年度，董事會舉行4次定期會議及6次臨時會議。
- (2) 截至2013年12月31日止年度，本公司舉行2次股東大會，包括股東週年大會及股東特別大會，兩次會議均於2013年5月30日舉行。
- (3) 陳春花女士於2013年10月21日辭任本公司獨立非執行董事、薪酬委員會主席、審核委員會成員及提名委員會成員。彼因其他重要業務安排而未克出席本公司於2013年5月30日舉行的董事會會議、股東週年大會及股東特別大會。
- (4) 曹洲濤女士於2013年10月21日獲委任為本公司獨立非執行董事、薪酬委員會主席、審核委員會成員及提名委員會成員。彼於截至2013年12月31日止年度之任期內，已出席所有董事會會議及相關董事委員會會議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Company Secretary

The Company Secretary, namely, Ms. Tang Wai Ying, Tracy, is also the Financial Controller of the Company. She has the day-to-day knowledge of the affairs of the Company. Ms. Tang is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that the Board policies and procedures are duly followed. She also acts as the secretary of the Board committees to ensure that all records of meeting proceedings, discussion and decision of such Board committees and Directors' training are properly kept. The Company Secretary reports to the Chairman of the Board and is responsible for facilitating the induction to be provided to newly appointed Directors and continuous professional development training to be provided to existing Directors and advising the Board through the Chairman on corporate governance matters.

During the year ended 31 December 2013, the Company Secretary has completed at least 15 hours' professional training by attending the continuing professional development programmes as well as seminars covering regulatory updates and professional knowledge about company secretarial duties launched by professional bodies.

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

### Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

The Directors acknowledged their responsibility for the preparation of the consolidated financial statements of the Company which give a true and fair view of the state of affairs of the Group on a going concern basis in accordance with Hong Kong Financial Reporting Standards and the Hong Kong Companies Ordinance.

The statements of the Directors and the auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 69 to 70 of this annual report.

### 公司秘書

公司秘書鄧惠英女士亦是本公司財務總監。彼熟悉本公司日常事務。鄧女士為特許公認會計師公會之資深會員及香港會計師公會之會員。

公司秘書擔當確保董事會內良好資訊流通以及董事會政策及程序獲遵從以支援董事會的重要角色。彼亦擔當董事委員會秘書的角色，以確保所有董事委員會的會議議程、討論及決定，以及董事培訓記錄獲妥善保存。公司秘書會向董事會主席報告，並負責促進向新委任董事提供就職指引，向現任董事提供持續專業發展培訓，以及透過主席就企業管治事宜向董事會提出意見。

截至2013年12月31日止年度，公司秘書參加持續專業發展計劃，並完成至少15小時的專業訓練，以及參與由專業團體舉辦的研討會，內容涵蓋最新法規及有關公司秘書職責的專業知識。

所有董事均可向公司秘書取得意見及服務以確保董事會會議議程以及所有適用法律、規則及法規獲遵從。

### 董事及核數師就綜合財務報表所承擔之責任

董事知悉彼等之責任，為根據香港財務報告準則及香港公司條例，按持續經營之基準，編製本公司之綜合財務報表，以真實及公平地反映本集團之財政狀況。

董事及本公司核數師就本集團綜合財務報表所作之申報責任聲明載於本年報第69頁至70頁之獨立核數師報告內。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Disclosure of Long Term Basis for Generating or Preserving Business Value

An analysis of the Group's corporate strategy and long term business model adopted for delivering the objectives of the Company is set out in the Management Discussion and Analysis of this annual report.

### Internal Control

The Board is responsible for maintaining an adequate and effective internal control system in the Company and reviewing its effectiveness through the Audit Committee. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement, fraud or loss and to manage, but not to eliminate, risks of failure in achieving the Company's objective.

The internal control system, which includes a defined management structure with specified limits of authority, is designed to (a) help the achievement of business objectives, and safeguard the Company's assets; (b) ensure proper maintenance of accounting records; and (c) ensure compliance with relevant legislation and regulations.

Management and internal audit department regularly review the Group's internal control system which covers financial, operational and compliance controls as well as risk management functions to ensure that it remains efficient and effective.

The Company has a full set of Internal Control System Manual (the "Manual") which was approved by the Board. The Manual contains a comprehensive overview and description of the objectives, content, methods and duties of the internal control system, and facilitates the ongoing examination and evaluation of the Company's compliance with existing rules and regulations and of the effectiveness of internal controls. During the year ended 31 December 2013 and up to the date of this annual report, the Company consistently applied the full set of Manual which covers the control of high-risk areas of operations, suppliers, sales, finance and personnel management. The Board has, through the Audit Committee, carried out ongoing examination and monitoring of the Group's internal control system.

During the Year, the Group based on the internal audit findings and improvement plans submitted by the internal audit department to the Audit Committee continued to enhance and improve the internal control system of the Group.

### 披露創造或保留業務價值的長遠基礎

為實現本公司目標而採納的本集團企業策略及長遠業務模式的分析載列於本年報之「管理層討論與分析」內。

### 內部監控

董事會負責確保本公司之內部監控系統完善且行之有效，並透過審核委員會檢討系統之成效。內部監控系統旨在提供合理(但非絕對)保證，避免出現重大錯誤陳述、欺詐或損失，以及管理(但非消除)未能達致本公司目標之風險。

內部監控系統包括一套設有特定權限之界定管理架構，旨在(a)協助達致業務目標，保障本公司資產；(b)確保妥善存置會計記錄；及(c)確保遵照相關法例及規則。

管理層及內部審核部定期檢討本集團之內部監控系統，包括財務、營運、合規監控及風險管理職能，以確保其維持效率及效能。

本公司備有整套經由董事會批准之內部監控系統手冊(「手冊」)。此手冊載有內部監控系統各項目標、內容、方法及職責之綜合概覽及描述，有助持續審查及評估本公司是否遵守現行規則及法規，以及內部監控系統之成效。於截至2013年12月31日止年度及截至本年報日期，本公司貫徹應用整套手冊，涵蓋業務、供應商、銷售、財務及人事管理等高風險範疇之監控。董事會已透過審核委員會持續審查及監察本集團之內部監控系統。

於年內，根據由內部審核部提交予審核委員會之內部審核結果及改善計劃，本集團已繼續提升及改進內部監控系統。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The Board has reviewed and is satisfied with the effectiveness of the Group's internal control system and believes that, such system is sufficient to provide reasonable assurances that the Group's assets are safeguarded against loss from unauthorised use or disposition, transactions are properly authorised and proper accounting records are maintained. The Board has reviewed and considered that the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function are adequate.

### Shareholders' Rights

The Company has only one class of shares, all holders of the ordinary shares in the issued share capital of the Company shall have the same rights.

#### 1. Rights and procedures for shareholders to convene an extraordinary general meeting (the "EGM"):

Shareholder(s) of the Company representing at least one-twentieth (5%) of the total voting rights of all the shareholders having a right to vote on the resolution at general meetings of the Company can request the Board to convene an EGM pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance"). The written requisition must state the objects of the EGM and must be signed by the shareholder(s) concerned and deposited at the Company's registered office at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Company Secretary in hard copy form or in electronic form.

Upon receipt of the notice of requisition to convene an EGM, the share registrar of the Company will first verify the validity of the requisition. If the requisition is confirmed in order, the Company Secretary will promptly arrange with the Board to convene an EGM by serving sufficient notice to all the registered shareholders of the Company in accordance with the relevant statutory and regulatory requirements. Otherwise, if the requisition is verified not in order, the requisitionists will be advised accordingly and no EGM will be convened as requested.

董事會已審閱並滿意本集團內部監控系統之效能，且董事會相信，該系統足以提供合理保證，確保本集團資產免受因未經授權挪用或處置而出現之損失、交易經適當授權，且維持適當會計記錄。董事會已審閱並認為本公司在會計及財務匯報職能方面的資源、員工資歷及經驗足夠，而員工所接受的培訓課程及有關預算亦充足。

### 股東權利

本公司僅有一種股份類別，所有本公司已發行股本中普通股的持有人擁有相同權利。

#### 1. 股東可召開股東特別大會（「股東特別大會」）的權利及程序：

佔全體有權在本公司股東大會上就決議案表決的股東的總表決權最少二十分之一(5%)的本公司股東，可根據《公司條例》(香港法例第622章)(「公司條例」)，要求董事會召開股東特別大會。該書面請求書必須列明股東特別大會的目的，並由相關股東簽署及以印本形式或電子形式送交本公司的註冊辦事處，地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室，並註明收件人為公司秘書。

本公司股份過戶登記處接獲召開股東特別大會的請求書後，會先核實請求的有效性。倘若請求經確認合乎程序，公司秘書將按照相關法定及監管規定即時與董事會安排召開股東特別大會，向本公司所有註冊股東發出充足的通知。然而，倘若請求被證實不合乎程序，將就此知會請求人且不會按其要求召開股東特別大會。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition proceed duly to convene an EGM for a day not more than twenty-eight (28) days after the date on which the notice convening the EGM is given, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three (3) months from the date of requisition. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene an EGM shall be repaid to the requisitionists by the Company.

## 2. Rights and procedures for shareholders to make proposals at an annual general meeting:

Shareholders may make any proposals relating to the business of the Company by sending such proposals to the Board through the Company Secretary. For the requisition of a proposed resolution to be moved or business to be dealt with at the annual general meeting, shareholders are requested to follow the requirements and procedures as set out in the Companies Ordinance as below.

Pursuant to the Companies Ordinance, shareholders can submit a written requisition to request the Company to (a) give to the shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to the shareholders entitled to have notice of the annual general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting if they representing

- (i) at least one-fortieth (2.5%) of the total voting rights of all the shareholders having a right to vote on the resolution at the annual general meeting of the Company; or
- (ii) at least fifty (50) shareholders having a right to vote on the resolution at the annual general meeting of the Company.

若董事在該請求書送交日期起計二十一(21)天內，未有在召開股東特別大會通告發出日期後不超過二十八(28)天內正式召開股東特別大會，則該等請求人士或佔全體請求人士一半以上總表決權的請求人士，可自行召開股東特別大會，但如此召開的股東特別大會不得在請求日期起計三(3)個月屆滿後舉行。倘因請求人基於董事未能妥為召開股東特別大會而產生任何合理開支，本公司須償還涉及的開支。

## 2. 股東於股東週年大會上提呈建議的權利及程序：

股東可通過公司秘書向董事會提呈與本公司事務有關的任何建議。就擬於股東週年大會上提呈動議的決議案或擬處理的事務的要求，股東須遵從公司條例所載的以下規定及程序。

根據公司條例，

- (i) 佔全體有權在本公司股東週年大會上就決議案表決的股東的總表決權最少四十分之一(2.5%)的股東；或
- (ii) 最少五十(50)名有權在本公司股東週年大會上就決議案表決的股東。

可提出書面請求要求本公司(a)向有權接收下屆股東週年大會通知書的股東發出通知書，內容有關可能會在該會議上恰當地動議並擬在該會議上動議的任何決議案；及(b)向有權接收股東週年大會通知書的股東傳閱一份字數不多於1,000字內容有關在任何提呈決議案所提述的事宜或有關將在該會議上處理的事務的陳述書。

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Such a requisition must

- (a) be signed by the requisitionists (which may be contained in one document or in several documents in like form); and
- (b) be deposited at the Company's registered office at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Company Secretary in hard copy form or in electronic form not less than six (6) weeks before the annual general meeting in the case of a requisition requiring notice of a resolution or if later, the time at which notice is given of that meeting.

### 3. Procedures for shareholders to propose a person for election as a Director:

Pursuant to Article 89 of the Articles of Association, no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company provided that the minimum length of the period, during which such notices are given, shall be at least seven (7) days. The period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Shareholder(s) who wish(es) to nominate a person for election as a Director at a general meeting should deposit to the Company Secretary (i) a notice in writing stating your intention to propose a person to be elected as a Director at the general meeting; (ii) the notice in writing of the willingness of the nominated person to be elected as a Director; and (iii) the biographical details of the nominated person as set out in Rule 13.51(2) of the Listing Rules within seven (7) days after the date of despatch of the notice of the general meeting by the Company to all shareholders (or such other period, being a period of not less than seven (7) days, as may be determined and announced by the Directors of the Company from time to time) to enable shareholders to make an informed decision on their election.

該書面要求必須：

- (a) 載有請求人士簽署(簽署可載於一份或數份同樣格式的文件內)；及
- (b) 以印本形式或電子形式送交本公司的註冊辦事處，地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室，並註明收件人為公司秘書。如屬須發出通知的決議案的情況，該書面要求須在該股東週年大會舉行前不少於六(6)個星期送達；或倘在其後，則為發出該股東週年大會通知之時。

### 3. 股東擬提名人士參選董事的程序：

根據組織章程細則第89條，除於會上告退之董事外，若非獲董事提名委任，任何人士概不得於任何股東大會上膺選出任董事，除非就擬提名有關人士參與董事選舉而向本公司發出書面通知，連同該被提名人士向本公司發出表明願意參選的書面通知，送交本公司則作別論，提交上述通知之最短期限為最少七(7)天，而提交該等通知之期間不得早於寄發進行該選舉董事之股東大會通告翌日，亦不得遲於該股東大會舉行日期前七(7)天。

有意於本公司股東大會上提名任何人士參選董事的股東應在本公司向全體股東寄發有關股東大會的通告日期後七(7)天內(或本公司董事可不時決定及公佈的任何其他期間(不少於七(7)天的期間))向公司秘書遞交(i)表明打算於股東大會上提呈一名人士參選董事的書面通知；(ii)被提名人士願意獲選為董事的書面通知；及(iii)上市規則第13.51(2)條所載被提名人士的履歷，以便股東在選舉一事上作出知情的決定。

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#### 4. Procedures for shareholders to send enquiries to the Board:

Shareholders and other stakeholders may, at any time, send their enquiries or concerns to the Board by addressing them to the Company Secretary in writing by mail to the Company's registered address at Suite 3904, 39/F, Tower 6 The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company Secretary will forward the enquiries or concerns to the Chairman of the Board or the chairman of the Board committees or senior management as appropriate within their area of responsibilities for handling.

#### Communication with Shareholders

The Board believes that general meeting can provide an open forum for communication between the Board and the shareholders of the Company. Shareholders are encouraged to attend general meetings of the Company and give valuable advice to the Company through this direct communication platform. The Company will convene an annual general meeting every year and convene any other general meetings as required. Sufficient notice for annual general meeting and other general meetings will be given to the shareholders in compliance with the requirements of the Articles of Association, the Companies Ordinance and the Listing Rules. The Chairman of the Board will attend annual general meeting and invite the chairman of Audit Committee, Remuneration Committee, Nomination Committee and other Board Committees, in their absence, other members of these Board Committees, to attend annual general meeting. They will be available to answer questions raised by shareholders at annual general meeting. The chairman or other members of the independent board committee (if any) will be available to answer questions at any general meeting to approve connected transaction or any other transaction that requires independent shareholders' approval. External auditors will be invited to attend the annual general meeting of the Company to answer questions about the conduct of the audit, the preparation and content of the auditor's report, accounting policies and auditor's independence.

#### 4. 股東向董事會提出查詢的程序：

股東及其他利益相關人士可不時向董事會提出查詢或關注事宜，方法是將有關查詢或關注事宜以書面郵寄方式寄送至本公司註冊辦事處，地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室，以交予公司秘書。公司秘書會將查詢或關注事宜轉交董事會主席或董事委員會主席或主管有關範疇的適當高級管理人員。

#### 與股東溝通

董事會相信，股東大會為董事會與本公司股東提供一個開放溝通平台。本公司鼓勵股東出席股東大會，藉此平台與本公司直接溝通，並提供寶貴的意見。本公司將每年舉行一次股東週年大會，並按需要舉行任何其他股東大會。本公司將遵守組織章程細則、公司條例及上市規則之規定向股東給予充足的股東週年大會及其他股東大會之通知。董事會主席會出席股東週年大會，並邀請審核委員會、薪酬委員會、提名委員會及其他董事委員會之主席(倘其缺席，則邀請該等董事委員會之其他成員)出席股東週年大會。彼等將於股東週年大會上解答股東提出的問題。獨立董事委員會(如有)之主席或其他成員將於任何就批准關連交易或任何其他須獲獨立股東批准的交易的股東大會上解答問題。外聘核數師將獲邀請出席本公司股東週年大會，解答有關進行審核、編製核數師報告及其內容、會計政策以及核數師是否獨立等問題。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

To facilitate enforcement of shareholders' rights, substantially different issues are dealt with under separate resolutions at general meetings of the Company.

Annual and interim reports and any significant events of the Company fall to be disclosed in accordance with the disclosure requirements under the Listing Rules and other applicable regulatory requirements will be published in a timely manner through the Company's website so as to safeguard the shareholders' rights of information.

The Company's website at <http://www.welling.com.cn> provides timely and updated information on investor relations, corporate governance and other latest news of the Company to enable shareholders and investors to have timely access to information about the Group.

The investor relations department of the Company is responsible for handling the communications with our investors, it will regularly organise road shows and one-on-one meetings with institutional investors and financial analyst to promote better understanding of the Company and keep continuous dialogues with professional investors.

The Company has established the shareholders communication policy which is available on the website of the Company.

### Constitutional Documents

There were no changes in the constitutional documents of the Company during the Year.

本公司將於本公司之股東大會上分別以個別決議案處理內容迥異之議題，以促進股東行使其權利。

本公司網站將適時刊載年報、中期報告及本公司須根據上市規則之披露規定及其他適用監管規定披露之任何重大事件，以保障股東之知情權。

本公司網站<http://www.welling.com.cn>會適時登載有關投資者關係、企業管治及本公司其他最新訊息之更新資料，以確保股東及投資者可及時得知有關本集團之資訊。

本公司設有投資者關係部專責處理與投資者之溝通，投資者關係部門將定期舉行路演，以及與機構投資者及財務分析師之一對一會談，藉此促進外界了解本公司及維持與投資者之持續對話。

本公司已制定股東溝通政策，該政策可在本公司網站閱覽。

### 組織章程文件

於年內，本公司的組織章程文件並無變動。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

#### Biographical Details of Directors

**Mr. ZHOU Xiangyang**, aged 41, was appointed as an Executive Director, the Chairman of the Board, the chairman of the Nomination Committee and the Executive Committee and a member of the Remuneration Committee of the Company since 12 December 2012. Mr. Zhou joined the Group in July 1996. Mr. Zhou is the General Manager of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and management of the business operations of the Group. He is also a director of certain subsidiaries of the Group. Mr. Zhou holds a Bachelor's Degree in Electrical Engineering from Harbin Institute of Technology and an Executive Master of Business Administration Degree (EMBA) from the Guanghua School of Management of Peking University.

On 15 January 2014, Mr. Zhou was also appointed as the Chief Executive Officer of the Company.

**Mr. JIANG Deqing**, aged 44, was appointed as an Executive Director and the Chief Executive Officer of the Company on 31 August 2008. Mr. Jiang is a member of the Remuneration Committee, the Nomination Committee and the Executive Committee of the Company. He joined the Group in May 1995. He was the Deputy General Manager of the Group. He has held various senior management positions in the Group and has over 18 years of experience in the motor industry and years of managerial experience. Mr. Jiang holds a Bachelor's Degree in Business Administration (Industrial Trade) from Chongqing University and an Executive Master of Business Administration Degree (EMBA) from the Guanghua School of Management of Peking University.

On 15 January 2014, Mr. Jiang resigned as the Chief Executive Officer of the Company but remains as an Executive Director, a member of the Remuneration Committee, the Nomination Committee and the Executive Committee of the Company.

#### 董事履歷

周向陽先生，41歲，自2012年12月12日起獲委任為本公司執行董事、董事會主席、提名委員會及行政委員會主席以及薪酬委員會委員。周先生於1996年7月加盟本集團。周先生現為本集團總經理。彼於本集團先後擔任多個高級管理職位，在本集團業務的銷售、推廣及業務運作管理方面擁有豐富經驗。彼亦為本集團若干附屬公司的董事。周先生持有由哈爾濱工業大學頒發的電機及控制電器專業工學學士學位，以及由北京大學光華管理學院頒發的高級管理人員工商管理碩士(EMBA)學位。

於2014年1月15日，周先生亦獲委任為本公司首席執行官。

姜德清先生，44歲，於2008年8月31日獲委任為本公司之執行董事及首席執行官。姜先生為本公司薪酬委員會、提名委員會及行政委員會委員。彼於1995年5月加盟本集團，曾任本集團副總經理。彼於本集團先後擔任多個高級管理職位，於電機行業擁有超過18年的經驗以及多年的管理經驗。姜先生持有由重慶大學工商管理學院頒發的工業外貿學士學位，以及由北京大學光華管理學院頒發的高級管理人員工商管理碩士(EMBA)學位。

於2014年1月15日，姜先生辭任本公司首席執行官，但仍留任本公司執行董事、薪酬委員會、提名委員會及行政委員會委員。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

**Mr. LU Xiaoji**, aged 36, was appointed as an Executive Director, the Chief Financial Officer, a member of the Executive Committee and an authorised representative of the Company on 12 December 2012. Mr. Lu joined the Group in July 1999. Mr. Lu was the Financial Controller of the Group and served various senior and middle management positions in the Group. He had considerable experience in the Group's business financial planning, accounting and auditing, costing management and fund management. Mr. Lu holds a Bachelor's Degree in Economics with a major in Accounting from Zhongnan University of Finance and Economics and a Master of Business Administration Degree from the South China University of Technology. He is a certified public accountant of China.

On 15 January 2014, Mr. Lu resigned as an Executive Director, the Chief Financial Officer, a member of the Executive Committee and an authorised representative of the Company due to the new work deployment made by Midea Group Co., Ltd.

**Mr. LI Yang**, aged 35, was appointed as an Executive Director and a member of the Executive Committee of the Company since 12 December 2012. Mr. Li joined the Group in July 2001. Mr. Li is the director of operations and human resources department of the Group and has extensive experience in operations, human resources and strategic management. He is also a director of certain subsidiaries of the Group. Mr. Li holds a Bachelor's Degree in Business Administration from the Southwestern University of Finance and Economics.

**Ms. YUAN Liqun**, aged 44, was appointed as a Non-executive Director of the Company on 17 November 2004 and re-designated as an Executive Director of the Company on 4 January 2007. Ms. Yuan is a member of the Executive Committee of the Company. She is also a director of a subsidiary of the Group. She joined the Midea Group in 1992. She has held various senior management positions in the Midea Group and has considerable experience in finance, audit and overall management. Ms. Yuan is a director and senior vice-president of Midea Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange), the chief financial officer of Midea Group and the chairman of Midea Group Finance Co., Ltd. She was a director and the supervisor of GD Midea Holding Co., Ltd. (the shares of which were de-listed on the Shenzhen Stock Exchange on 18 September 2013 and this company was de-registered on 19 December 2013). Ms. Yuan holds a Master of International Management Degree from The Australian National University.

呂曉繼先生，36歲，於2012年12月12日獲委任為本公司執行董事、首席財務官、行政委員會委員及授權代表。呂先生於1999年7月加盟本集團。呂先生為本集團財務管理部總監，於本集團先後擔任多個中高級管理職位。彼對本集團業務的財務規劃、會計核算、成本管理、資金管理擁有豐富經驗。呂先生持有由中南財經大學頒發的會計學專業經濟學學士學位，以及由華南理工大學頒發的企業管理專業管理學碩士學位。彼為中國的註冊會計師。

於2014年1月15日，由於美的集團股份有限公司所作的新工作安排，呂先生辭任本公司執行董事、首席財務官、行政委員會委員及授權代表。

李楊先生，35歲，自2012年12月12日起獲委任為本公司執行董事及行政委員會委員。李先生於2001年7月加盟本集團。李先生現為本集團營運及人力資源部總監，在營運、人力資源及戰略管理等方面擁有豐富的經驗。彼亦為本集團若干附屬公司的董事。李先生持有由西南財經大學頒發的管理學學士學位。

袁利群女士，44歲，於2004年11月17日獲委任為本公司之非執行董事，其後於2007年1月4日調任為本公司之執行董事。袁女士為本公司行政委員會委員。彼亦為本集團一間附屬公司的董事。彼於1992年加盟美的集團，先後擔任美的集團多個高級管理職位，在財務、審計及整體管理方面擁有豐富經驗。袁女士現時為美的集團股份有限公司（一間於深圳證券交易所上市的公司）之董事兼高級副總裁、美的集團之財務總監以及美的集團財務有限公司董事長。彼曾為廣東美的電器股份有限公司（其股份已於2013年9月18日於深圳證券交易所終止上市，此公司已於2013年12月19日撤銷註冊）之董事及監事長。袁女士持有由澳洲國立大學頒發的國際管理學碩士學位。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

**Mr. Li Feide**, aged 36, was appointed as an Executive Director and a member of the Executive Committee of the Company since 12 December 2012. He is also a director of a subsidiary of the Group. Mr. Li joined the Midea Group in July 1999. Mr. Li is a director and the chief officer of the strategic business development unit of Midea Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange). Mr. Li was the manager of planning and investment department and the associate director of strategic development department of Midea Group. He was also a director and the board secretary of GD Midea Holding Co., Ltd. (the shares of which were de-listed on the Shenzhen Stock Exchange on 18 September 2013 and this company was de-registered on 19 December 2013) and a director of Wuxi Little Swan Holding Co., Ltd. (a company listed on the Shenzhen Stock Exchange). Mr. Li holds a Bachelor's Degree of Mechanical Engineering and Automation from Huazhong University of Science and Technology and an Executive Master of Business Administration Degree (EMBA) from the Sun Yat-sen University.

**Mr. TAN Jinsong**, aged 49, was appointed as an Independent Non-executive Director of the Company since 1 August 2009. Mr. Tan is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Tan is a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants. He was approved as a PRC registered accountant in June 1995 and has become a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants since January 2003. He possesses over 28 years of experience in the profession of accounting and financial management. Mr. Tan is currently a professor of the School of Management of Sun Yat-sen University and was the Head of Department of the Faculty of Accountancy and the Vice Dean of the School of Management of Sun Yat-sen University.

Mr. Tan is an independent director of Sundiro Holding Co., Ltd. (a company listed on the Shenzhen Stock Exchange), Grandhope Biotech Co., Ltd. (a company listed on the ChiNext of the Shenzhen Stock Exchange), Poly Real Estate Group Co., Ltd. (a company listed on the Shanghai Stock Exchange) and China Southern Airlines Company Limited (a company listed on the Shanghai Stock Exchange, the Stock Exchange of Hong Kong and the New York Stock Exchange).

**李飛德先生**，36歲，自2012年12月12日起獲委任為本公司執行董事及行政委員會委員。彼亦為本集團一間附屬公司的董事。李先生於1999年7月加盟美的集團。李先生現為美的集團股份有限公司（一間於深圳證券交易所上市的公司）的董事及戰略經營部總監。李先生曾擔任美的集團企劃投資經理、戰略發展部副總監，彼亦曾為廣東美的電器股份有限公司（其股份已於2013年9月18日於深圳證券交易所終止上市，此公司已於2013年12月19日撤銷註冊）的董事及董事會秘書，以及無錫小天鵝股份有限公司（一間於深圳證券交易所上市的公司）的董事。李先生持有由華中理工大學頒發的機械工程及自動化工學學士學位及由中山大學頒發的高級管理人員工商管理碩士(EMBA)學位。

**譚勁松先生**，49歲，自2009年8月1日起獲委任為本公司獨立非執行董事。譚先生為本公司審核委員會主席以及薪酬委員會及提名委員會委員。譚先生現為廣東省註冊會計師協會的非執業會員。彼於1995年6月獲批准為中國註冊會計師，並由2003年1月起為廣東省註冊會計師協會的非執業會員。彼於會計及財務管理方面擁有逾28年經驗。譚先生現為中山大學管理學院教授，並曾任中山大學會計系主任及管理學院副院長。

譚先生現時為新大洲控股股份有限公司（一間於深圳證券交易所上市的公司）、廣東冠昊生物科技股份有限公司（一間於深圳證券交易所創業版上市的公司）、保利房地產（集團）股份有限公司（一間於上海證券交易所上市的公司）以及中國南方航空股份有限公司（一間於上海證券交易所、香港聯合交易所及紐約證券交易所上市的公司）的獨立董事。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

Mr. Tan was an independent director of a number of PRC listed companies, including Huafa Industrial Share Co., Ltd., Guangdong Guanhao High-Tech Co., Ltd. and Cosco Shipping Co., Ltd., all of which are listed on the Shanghai Stock Exchange, and Guangdong Ronsen Super Mirco-Wire Co., Ltd., Foshan Huaxin Packaging Co., Ltd. and Yihua Real Estate Co., Ltd., which companies are listed on the Shenzhen Stock Exchange. He was also an independent director of GD Midea Holding Co., Ltd. (the shares of which were de-listed on the Shenzhen Stock Exchange on 18 September 2013 and this company was de-registered on 19 December 2013).

**Mr. LAM Ming Yung**, aged 50, was appointed as an Independent Non-executive Director of the Company since 1 December 1999. Mr. Lam is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. He graduated from the School of Law of Shanghai Eastern Chinese College of Politics and Jurisprudence with a Bachelor of Law Degree in 1986. Mr. Lam started practicing law in 1987 in the province of Fujian in the PRC, and moved to Hong Kong in mid-1993. He was registered as a foreign lawyer with The Law Society of Hong Kong in July 1995, and is now practicing as Chief PRC Consultant, Corporate Finance, and Foreign Legal Consultant (PRC), in the Hong Kong office of Sidley Austin LLP. Mr. Lam was an independent non-executive director of China Agrotech Holdings Limited and a non-executive director of China Mining Resources Group Limited, both companies are listed on the Stock Exchange of Hong Kong. Mr. Lam was also an independent non-executive director of China Lifestyle Food & Beverages Group Limited, a company listed on the Stock Exchange of Singapore.

**Ms. CAO Zhoutao**, aged 42, was appointed as an Independent Non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee of the Company since 21 October 2013. Ms. Cao is an associate professor of School of Business Administration of South China University of Technology. She is also an independent director of Guangzhou Zhujiang Brewery Co., Ltd. and Vtron Technologies Ltd. (both companies are listed on the Shenzhen Stock Exchange). She has extensive experience in human resources, organisation behavior, financial management and accounting. She holds a Bachelor of Engineering Degree in Management Engineering from Chongqing Industrial Management School, a Master of Engineering Degree in Management Engineering and a Doctor of Management Degree in Management Science and Engineering from South China University of Technology. She is a certified public accountant of China.

譚先生亦曾於多間中國上市公司擔任獨立董事，包括於上海證券交易所上市的珠海華發實業股份有限公司、廣東冠豪高新技術股份有限公司以及中遠航運股份有限公司，以及於深圳證券交易所上市的廣東蓉勝超微線材股份有限公司、佛山華新包裝股份有限公司及宜華地產股份有限公司。彼亦曾為廣東美的電器股份有限公司(其股份已於2013年9月18日於深圳證券交易所終止上市，此公司已於2013年12月19日撤銷註冊)的獨立董事。

**林明勇先生**，50歲，自1999年12月1日起獲委任為本公司之獨立非執行董事。林先生為本公司審核委員會、薪酬委員會及提名委員會委員。彼於1986年畢業於華東政法學院，取得法律學士學位。林先生於1987年開始在中國福建省執業，並於1993年中遷往香港。彼於1995年7月向香港法律學會註冊為海外律師，現時於盛德律師事務所香港辦事處執業為中國企業融資部首席顧問及境外法律顧問(中國)。林先生曾為浩倫農業科技集團有限公司之獨立非執行董事，以及中國礦業資源集團有限公司之非執行董事，彼等均為於香港聯合交易所上市之公司。林先生亦曾為於新加坡證券交易所上市之中國休閒食品集團有限公司之獨立非執行董事。

**曹洲濤女士**，42歲，自2013年10月21日起獲委任為獲委任為本公司獨立非執行董事、薪酬委員會主席、審核委員會委員及提名委員會委員。曹女士現為華南理工大學工商管理學院副教授，亦為廣州珠江啤酒股份有限公司和廣東威創視訊科技股份有限公司(兩家公司均於深圳證券交易所上市)的獨立董事，彼在人力資源管理、組織行為學、財務管理及會計等方面擁有豐富經驗。彼持有重慶工業管理學院管理工程學學士學位、華南理工大學管理工程學碩士學位及管理科學與工程管理學博士學位。彼為中國註冊會計師。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

#### Updated Information on Directors Pursuant to Rule 13.51B(1) of the Listing Rules

Save as otherwise set out below, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

**Mr. YU Yong Hua**, aged 35, was appointed as an Executive Director, the Chief Financial Officer, a member of the Executive Committee and an authorised representative of the Company since 15 January 2014. Mr. Yu joined Midea Group in 2002. He has held various senior and middle management positions in Midea Group and has extensive experience in financial planning, accounting and auditing, costing management and fund management. He is also a director of certain subsidiaries of the Group. Mr. Yu holds a Master's Degree in Business Administration from Sichuan University. He is an accountant accredited by the Ministry of Personnel People's Republic of China.

#### Biographical Details of Senior Management

**Mr. LI Xianlu**, aged 34, joined the Group in July 2001. Mr. Li is the director of production centre of the Group. He has held various senior management positions in the Group and has extensive experience in the production management, planned logistics management, engineering and technology management of the Group's business. Mr. Li holds a Bachelor's Degree in Electrical Engineering from Shanghai Jiao Tong University.

**Mr. XIONG Jun**, aged 36, joined the Group in June 2004. Mr. Xiong is the director of supply chain management department of the Group. He has held various senior management positions in the Group including the general manager of marketing company, the general manager of home appliances motors, the director of production centre and the director of supply chain management. Mr. Xiong has extensive experience in marketing management, production management and supply chain management. Mr. Xiong holds a Bachelor's Degree in Automotive Engineering from Wuhan Automotive Polytechnic University and a Master of Business Administration Degree from Wuhan University.

#### 根據上市規則第13.51B(1)條更新董事資料

除下文另有說明者外，並無董事資料變更須根據上市規則第13.51B條予以披露。

余永華先生，35歲，自2014年1月15日起獲委任為本公司執行董事、首席財務官、行政委員會委員及授權代表。余先生於2002年加盟美的集團。彼於美的集團先後擔任多個中高級管理職位，在財務規劃、會計核算、成本管理及資金管理方面擁有豐富經驗。彼亦為本集團若干附屬公司之董事。余先生持有四川大學頒發的工商管理碩士學位。彼為中華人民共和國人事部認可的會計師。

#### 高級管理人員履歷

李先路先生，34歲，於2001年7月加盟本集團。李先生現為本集團製造中心總監。彼於本集團曾先後擔任多個高級管理職位，對本集團業務的製造管理、計劃物流管理、工程技術管理等擁有豐富經驗。李先生持有由上海交通大學頒發的電機電器及其控制專業工學學士學位。

熊峻先生，36歲，於2004年6月加盟本集團。熊先生為本集團供應鏈管理部總監。彼於本集團曾先後擔任過行銷公司總經理、家用電機總經理、製造中心總監及供應鏈管理總監多個高級管理職位。熊先生對本集團業務的行銷管理、製造管理、供應鏈管理擁有豐富經驗。熊先生持有由武漢汽車工業大學頒發的汽車工程專業工學學士學位，以及由武漢大學頒發的工商管理碩士學位(MBA)。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

**Mr. WANG Hongxiao**, aged 39, joined the Group in September 1999. Mr. Wang is the officer of research and development centre of the Group. He has held various senior and middle management positions in the Group and is familiar with the production process and integrated management of the Group's principal motor business. He has been in charge of various jobs relating to the development of new products. Mr. Wang holds a Bachelor's Degree in Electrical Engineering from Harbin Institute of Technology.

**Mr. HUANG Li Jun**, aged 39, joined the Group in March 2005. Mr. Huang is the director of quality control department of the Group. Mr. Huang served in various senior and middle management positions in the Group's research and development and production management. He has considerable experience in the research and development, production process, engineering technique and quality control of the Group's principal motor products. Mr. Huang holds a Bachelor's Degree in Mechanical Design, Manufacturing and Automation from Ningxia University.

王洪曉先生，39歲，於1999年9月加盟本集團。王先生為本集團研發中心主任。彼於本集團曾先後擔任多個中高級管理崗位，熟悉本集團的主營電機業務的生產制程及綜合管理，從事主導過多項新產品的拓展工作，王先生持有由哈爾濱工業大學頒發的電機專業工學學士學位。

黃立軍先生，39歲，於2005年3月加盟本集團。黃先生為本集團的品質管理部總監。黃先生於本集團曾先後擔任研發及製造管理多個中高級管理職位，對本集團主營電機產品的研發、製程管理、工程技術、品質管理等方面擁有豐富經驗。黃先生持有由寧夏大學頒發的機械設計製造及其自動化學士學位。



## REPORT OF THE DIRECTORS

### 董事會報告

The Directors hereby present this report of the Directors and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2013.

董事謹此提呈本公司及本集團截至2013年12月31日止年度之本董事會報告及經審核綜合財務報表。

### Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are set out in Note 10 to the consolidated financial statements.

### 主要業務及營運地區之分析

本公司之主要業務為投資控股，而本公司之附屬公司主要業務則載於綜合財務報表附註10。

An analysis of the Group's performance for the Year by business and geographical segments is set out in Note 5 to the consolidated financial statements.

本集團於本年度按業務及地區分部之業績表現分析載於綜合財務報表附註5。

### Final Results

The final results of the Group for the Year are set out in the consolidated income statement on page 74.

### 全年業績

本集團於本年度之全年業績載於第74頁之綜合收益表內。

### Dividend

The Board has recommended the payment of a final dividend of HK8.5 cents per ordinary share for the year ended 31 December 2013 (2012: HK4.8 cents). Subject to the approval of the shareholders of the Company at the annual general meeting of the Company to be held on 30 May 2014 (the "AGM"), the proposed final dividend will be paid on or about 17 June 2014 to the shareholders whose names appear on the register of members of the Company on 10 June 2014.

### 股息

董事會建議派發截至2013年12月31日止年度末期股息每股普通股8.5港仙(2012年：4.8港仙)。倘獲本公司股東於2014年5月30日舉行的本公司股東週年大會(「股東週年大會」)上批准，建議末期股息將於2014年6月17日或前後向於2014年6月10日在本公司股東名冊上已登記之本公司股東派發。

### Closure of Register of Members

For the purpose of ascertaining the shareholders' rights of attending and voting at the AGM, the register of members of the Company will be closed from 27 May 2014 to 30 May 2014, both days inclusive, during which period no transfer of shares shall be effected. In order to be entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 26 May 2014.

### 暫停辦理股份過戶登記

本公司將於2014年5月27日至2014年5月30日(包括首尾兩日)暫停辦理股份過戶登記手續，以便確定股東有權出席股東週年大會並於會上投票，期間不接受任何股份轉讓登記。為了有權出席股東週年大會並於會上投票，所有過戶文件連同有關股票須不遲於2014年5月26日下午4時30分交回本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

## REPORT OF THE DIRECTORS

### 董事會報告

For the purpose of determining the identity of shareholders who are entitled to the proposed final dividend, the register of members of the Company will be closed from 9 June 2014 to 10 June 2014, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 6 June 2014.

### Reserves

Details of movements in reserves of the Company and the Group during the Year are set out in Note 18 to the consolidated financial statements.

### Property, Plant and Equipment

Details of movements in property, plant and equipment of the Company and the Group during the Year are set out in Note 7 to the consolidated financial statements.

### Share Capital

Details of the movements in share capital of the Company during the Year are set out in Note 17 to the consolidated financial statements.

### Distributable Reserves

As at 31 December 2013, the Company had distributable reserves amounting to HK\$246,984,000 (2012: HK\$161,162,000).

### Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, restated and reclassified as appropriate, is set out on page 184. This summary does not form part of the audited consolidated financial statements.

### Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the Year.

本公司將於2014年6月9日至2014年6月10日(包括首尾兩日)暫停辦理股份過戶登記手續,以便確定有權收取建議末期股息的股東,期間不接受任何股份轉讓登記。為符合資格收取建議末期股息,所有過戶文件連同有關股票須不遲於2014年6月6日下午4時30分交回本公司之股份過戶登記處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

### 儲備

本公司及本集團於本年度之儲備變動詳情載於綜合財務報表附註18。

### 物業、廠房及設備

本公司及本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註7。

### 股本

本公司於本年度之股本變動詳情載於綜合財務報表附註17。

### 可供分派之儲備

於2013年12月31日,本公司可供分派之儲備為港幣246,984,000元(2012年:港幣161,162,000元)。

### 五年財務摘要

本集團於過往5個財政年度經適當重列及重新歸類之業績、資產及負債摘要載於第184頁。該摘要並不構成經審核綜合財務報表之一部分。

### 購買、出售或贖回上市證券

本公司或其任何附屬公司於本年度概無購買、出售或贖回本公司之任何上市證券。

# REPORT OF THE DIRECTORS

## 董事會報告

### Share Option Scheme

During the Year, the share option scheme adopted on 27 June 2003 (the “2003 Share Option Scheme”) was terminated before its expiration on 26 June 2013 and a new share option scheme (the “2013 Share Option Scheme”) was adopted by the shareholders of the Company at the Company’s annual general meeting held on 30 May 2013.

Details of the 2003 Share Option Scheme and the 2013 Share Option Scheme are disclosed in Note 17 to the consolidated financial statements.

### Directors

The Directors during the Year and up to the date of this annual report were:

#### Executive Directors

Mr. ZHOU Xiangyang (Chairman and Chief Executive Officer)

(Re-designated on 15 January 2014\*)

Mr. JIANG Deqing (Re-designated on 15 January 2014\*)

Mr. LI Yang

Mr. YU Yong Hua (appointed on 15 January 2014)

Ms. YUAN Liqun

Mr. LI Feide

Mr. LU Xiaoji (resigned on 15 January 2014)

\* Details of the re-designation of Mr. Zhou Xiangyang and Mr. Jiang Deqing are disclosed under the section headed “Biographical Details of Directors and Senior Management”.

#### Independent Non-executive Directors

Mr. TAN Jinsong

Mr. LAM Ming Yung

Ms. CAO Zhoutao (appointed on 21 October 2013)

Ms. CHEN Chunhua (resigned on 21 October 2013)

In accordance with Article 87 of the Company’s Articles of Association, Mr. Yu Yong Hua and Ms. Cao Zhoutao, who were appointed by the Board to fill casual vacancies during the Year, will retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

In accordance with Article 91 of the Company’s Articles of Association, Mr. Zhou Xiangyang, Ms. Yuan Liqun and Mr. Lam Ming Yung will retire by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

### 購股權計劃

年內，於2003年6月27日獲採納之購股權計劃（「2003年購股權計劃」）已於2013年6月26日屆滿前終止，而新購股權計劃（「2013年購股權計劃」）已於2013年5月30日舉行之本公司股東週年大會上獲本公司股東採納。

2003年購股權計劃及2013年購股權計劃之詳情於綜合財務報表附註17披露。

### 董事

於本年度及截至本年報日期在任之董事如下：

#### 執行董事

周向陽先生（主席兼首席執行官）

（於2014年1月15日獲調任\*）

姜德清先生（於2014年1月15日獲調任\*）

李楊先生

余永華先生（於2014年1月15日獲委任）

袁利群女士

李飛德先生

呂曉繼先生（於2014年1月15日辭任）

\* 關於周向陽先生及姜德清先生調任的詳情載於「董事及高級管理人員履歷」一節。

#### 獨立非執行董事

譚勁松先生

林明勇先生

曹洲濤女士（於2013年10月21日獲委任）

陳春花女士（於2013年10月21日辭任）

根據本公司之組織章程細則第87條，由董事會委任以填補本年度臨時空缺的余永華先生及曹洲濤女士，將於股東週年大會退任，並符合資格且願意於股東週年大會上重選連任。

根據本公司之組織章程細則第91條，周向陽先生、袁利群女士及林明勇先生將於股東週年大會輪值退任，並符合資格且願意於股東週年大會上重選連任。

## REPORT OF THE DIRECTORS

### 董事會報告

#### Directors' Service Contracts

On 30 May 2013, the Company entered into letters of appointment with Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua, each an Independent Non-executive Directors, for a term commencing on 30 May 2013 and ending on the date of the AGM.

On 21 October 2013, the Company entered into a letter of appointment with Ms. Cao Zhoutao, an Independent Non-executive Director (in place of Ms. Chen Chunhua who resigned as an Independent Non-executive Director on the same date) for a term commencing on 21 October 2013 and ending on the date of the AGM.

The above-mentioned letters of appointment provide that the remuneration of the Directors shall be determined in accordance with the remuneration policy as approved by the Board from time to time. Such letters of appointment are terminable by either party upon one month's written notice given to the other party or the payment of a sum equal to the relevant Director's monthly remuneration made to the other party. These letters of appointment are exempt from the shareholders' approval requirement under Rule 13.68 of the Listing Rules.

Save as disclosed herein, none of the Directors proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without the payment of compensation, other than statutory compensation.

#### Independence of Independent Non-Executive Directors

Each of the Independent Non-executive Directors has submitted to the Company the annual confirmation of independence for the year ended 31 December 2013. Nomination Committee has reviewed such annual confirmation of independence and assessed the independence of each of the Independent Non-executive Directors based on the guidelines set out in Rule 3.13 of the Listing Rules and considered that all the Independent Non-executive Directors are independent. The Board adopted the view of the Nomination Committee and confirmed that all the Independent Non-executive Directors are independent.

#### 董事服務合約

於2013年5月30日，本公司與獨立非執行董事譚勁松先生、林明勇先生及陳春花女士各自訂立委任書，任期由2013年5月30日開始至股東週年大會日期止。

於2013年10月21日，本公司與獨立非執行董事曹洲濤女士(以接替於同日辭任獨立非執行董事的陳春花女士)訂立委任書，任期由2013年10月21日開始至股東週年大會日期止。

上述委任書列明董事之薪酬將根據董事會不時批准之薪酬政策釐定。該等委任書可由任何一方向另一方作出1個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。根據上市規則第13.68條，該等委任書獲豁免遵守股東批准規定。

除本報告所披露者外，所有擬於股東週年大會上重選連任之董事，概無與本公司訂有本公司不可於1年內免付補償(法定補償除外)而終止之服務合約。

#### 獨立非執行董事之獨立性

各獨立非執行董事已就截至2013年12月31日止年度向本公司遞交就其獨立性而作出之年度確認書。提名委員會已按照上市規則第3.13條所列的指引審閱有關年度確認書，評核各獨立非執行董事的獨立性，並認為全體獨立非執行董事皆屬獨立。董事會已接納提名委員會的意見，並確認全體獨立非執行董事皆屬獨立。

## REPORT OF THE DIRECTORS

### 董事會報告

#### Remuneration Policy

The remuneration policy of the Group is set on the principles that the remuneration packages of employees should be determined based on the job duties, responsibilities, work performance, qualifications and competence of each individual employee, performance of the Group and the prevailing market and economic conditions in order to attract and retain high-calibre employees needed to run the Company successfully.

The remuneration packages of Executive Directors and senior management of the Company are reviewed annually and determined by the Remuneration Committee based on the duties, responsibilities of each individual Executive Director and senior management staff, performance of the Group and the remuneration packages paid by comparable companies in the same industry based on the prevailing market conditions. No Director or any of his associates will be involved in deciding his own remuneration. Remuneration of Independent Non-executive Directors will be reviewed annually and recommended by the Remuneration Committee to the Board for final approval.

After the termination of the 2003 Share Option Scheme on 30 May 2013, the Company has adopted the 2013 Share Option Scheme for the purpose of providing incentives to stimulate the Directors of the Company and eligible employees of the Group.

#### Pension Schemes

Details of the pension schemes operated by the Group are set out in Note 26 to the consolidated financial statements.

#### Directors' Interests in Contracts

Save as disclosed in Note 36 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its fellow subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

#### Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and senior management of the Company are set out on pages 46 to 51.

#### 薪酬政策

本集團訂立之薪酬政策，是基於每位個別僱員的工作職責、責任、工作表現、資歷及能力、本集團業績表現以及當時市場及經濟狀況而釐定僱員薪酬待遇為原則，以吸引和保留人才以切合本公司成功營運所需。

本公司執行董事及高級管理人員之薪酬待遇由薪酬委員會每年檢討及基於每位個別執行董事及高級管理人員之職責、責任及本集團業績表現以及業內可比較公司根據目前市況所支付之薪酬待遇而釐定。董事或任何其聯繫人士不得參與釐定其本身之薪酬。獨立非執行董事之薪酬則由薪酬委員會每年檢討並向董事會建議以作最後批准。

2003年購股權計劃於2013年5月30日終止之後，本公司已採納2013年購股權計劃，旨在向本公司董事及本集團合資格僱員提供獎勵及激勵。

#### 退休金計劃

本集團管理的退休金計劃詳情載於綜合財務報表附註26。

#### 董事之合約權益

除綜合財務報表附註36所披露者外，於本年度結束時或本年度任何時間內，本公司、其同系附屬公司或其控股公司概無訂立任何與本集團業務有重大關係而本公司董事直接或間接在其中擁有重大權益之合約。

#### 董事及高級管理人員履歷

董事及本公司高級管理人員履歷載於第46頁至51頁。

# REPORT OF THE DIRECTORS

## 董事會報告

### Disclosure of Interests

#### Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2013, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code adopted by the Company contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### Interests in Share Options of the Company

Movements of the share options granted to the Directors under the 2003 Share Option Scheme during the Year were as follows:

### 權益披露

#### 董事於股份、相關股份及債權證之權益及淡倉

於2013年12月31日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所，或已記入本公司須根據證券及期貨條例第352條存置之登記冊，或根據上市規則所載獲本公司採納之標準守則須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例之該等條文彼等被當作或視為擁有之權益或淡倉)如下：

#### 於本公司購股權之權益

於本年度，根據2003年購股權計劃授予董事之購股權變動如下：

Name	Date of grant	Exercise price	Exercisable period	Balance as at 1 January 2013 於2013年1月1日之結餘	Exercised during the Year 於本年度已行使	Cancelled during the Year 於本年度已取消	Lapsed during the Year 於本年度已失效	Balance as at 31 December 2013 於2013年12月31日之結餘	
		HK\$ 港幣 (Note 1) (附註1)		(Note 1) (附註1)	(Note 4) (附註4)				
<b>Directors</b>	<b>董事</b>								
Mr. Zhou Xiangyang	周向陽先生	09/01/2009	0.785	01/04/2010–31/03/2017 (Note 2) (附註2)	7,200,000	-	(1,800,000)	-	5,400,000
Mr. Jiang Deqing	姜德清先生	09/01/2009	0.785	01/04/2010–31/03/2017 (Note 2) (附註2)	7,200,000	-	(1,800,000)	-	5,400,000



# REPORT OF THE DIRECTORS

## 董事會報告

Name	Date of grant	Exercise price	Exercisable period	Balance as at 1 January 2013 於2013年1月1日之結餘	Exercised during the Year 於本年度已行使	Cancelled during the Year 於本年度已取消	Lapsed during the Year 於本年度已失效	Balance as at 31 December 2013 於2013年12月31日之結餘
Mr. Lam Ming Yung 林明勇先生	30/07/2007	3.900 HK\$ 港幣 (Note 1) (附註1)	30/07/2007– 29/07/2017	400,000 (Note 1) (附註1)	– (Note 4) (附註4)	–	–	400,000
	09/01/2009	0.785	01/04/2010– 31/03/2017 (Note 2) (附註2)	1,000,000	–	–	–	1,000,000
Ms. Chen Chunhua 陳春花女士	30/07/2007	3.900	30/07/2007– 29/07/2017	400,000	–	–	–	400,000 (Note 3) (附註3)
	09/01/2009	0.785	01/04/2010– 31/03/2017 (Note 2) (附註2)	1,000,000	(1,000,000)	–	–	–

Notes:

- On 27 May 2011, the Company implemented a share consolidation on the basis that every five issued and unissued shares of HK\$0.1 each in the share capital of the Company were consolidated into one share of HK\$0.5 each ("Share Consolidation"). As a result, the exercise price and the number of outstanding share options granted under the 2003 Share Option Scheme were adjusted to reflect the effect of the Share Consolidation.
- The consideration for each of the grants above was HK\$1. The share options granted on 9 January 2009 shall be exercisable during the share option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:
  - the first 25% of the share options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");

附註：

- 於2011年5月27日，本公司按本公司股本中每股港幣0.1元之每五股已發行及未發行股份合併為一股每股港幣0.5元之股份之基準進行股份合併（「股份合併」）。因此，根據2003年購股權計劃授出而尚未行使之購股權之行使價及數目已作調整，以反映股份合併之影響。
- 上述各項授出之代價為港幣1元。於2009年1月9日授出之購股權可於購股權期間分四批行使，歸屬比例為每批25%，惟須達致下文所述有關期間本公司擁有人應佔純利之表現目標：
  - 授予各承授人之首批25%購股權可於2010年3月31日後7年內行使，惟截至2009年12月31日止財政年度本公司擁有人應佔純利（如本公司末期業績公告所披露）須不少於截至2008年12月31日止財政年度本公司擁有人應佔純利（不包括來自已終止經營業務之業績）（「2008年純利」）之100%；

# REPORT OF THE DIRECTORS

## 董事會報告

- b) the second 25% of the share options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
- c) the third 25% of the share options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
- d) the fourth 25% of the share options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.
3. Ms. Chen Chunhua resigned as an Independent Non-executive Director of the Company on 21 October 2013. She is interested in 400,000 share options, which were granted on 30 July 2007 under the 2003 Share Option Scheme of the Company, entitling her to subscribe for 400,000 shares of the Company at an exercise price of HK\$3.9 per share, shall be lapsed on 21 April 2014.
4. The weighted average closing price of the shares of the Company immediately before the date on which the share options were exercised was HK\$1.73.
- b) 授予各承授人之第二批25%購股權可於2011年3月31日後6年內行使，惟截至2010年12月31日止財政年度本公司擁有人應佔純利(如本公司末期業績公告所披露)須不少於2008年純利之150%；
- c) 授予各承授人之第三批25%購股權可於2012年3月31日後5年內行使，惟截至2011年12月31日止財政年度本公司擁有人應佔純利(如本公司末期業績公告所披露)須不少於2008年純利之200%；及
- d) 授予各承授人之第四批25%購股權可於2013年3月31日後4年內行使，惟截至2012年12月31日止財政年度本公司擁有人應佔純利(如本公司末期業績公告所披露)須不少於2008年純利之280%。
3. 陳春花女士於2013年10月21日辭任本公司獨立非執行董事一職。彼擁有根據本公司2003年購股權計劃於2007年7月30日授出之400,000份購股權，可按行使價每股股份港幣3.9元認購400,000股股份，將於2014年4月21日失效。
4. 緊接購股權獲行使前，本公司股份的加權平均收市價為港幣1.73元。

Details of the 2003 Share Option Scheme are disclosed in Note 17 to the consolidated financial statements.

2003年購股權計劃之詳情於綜合財務報表附註17披露。

Save as disclosed above, at no time during the Year was the Company or subsidiary a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

除上文所披露者外，於年內任何時間，本公司或附屬公司概無成為任何安排之訂約方，令任何董事能夠藉購入本公司或任何其他法人團體之股份或債權證而獲益。

Apart from the above, none of the Directors or chief executives of the Company had, as at 31 December 2013, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所述者外，於2013年12月31日，概無本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所，或已記入本公司須根據證券及期貨條例第352條存置之登記冊，或根據標準守則須知會本公司及聯交所之任何權益或淡倉(包括根據證券及期貨條例之該等條文彼等被當作或視為擁有之權益或淡倉)。

# REPORT OF THE DIRECTORS

## 董事會報告

### Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31 December 2013, shareholders (other than Directors or chief executives of the Company) who had interests 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### Long Positions of Substantial Shareholders in the Shares of the Company

### 股東之權益及淡倉

就本公司任何董事或最高行政人員所知，於2013年12月31日，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分部條文須向本公司披露，或已記入本公司須根據證券及期貨條例第336條存置之登記冊之權益或淡倉之股東(本公司董事或最高行政人員除外)如下：

### 主要股東於本公司股份之好倉

Name of shareholder 股東姓名／名稱	Capacity 身份	Number of shares held 所持股份數目	Approximate percentage of shareholding 股權概約百分比
Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)") (Note 1) 美的控股(開曼群島)有限公司 (「美的(開曼群島)」)(附註1)	Beneficial owner 實益擁有人	1,901,204,779	66.73%
Midea Investment Holding (BVI) Limited ("Midea Holding (BVI)") (Note 2) 美的控股(BVI)有限公司(「美的控股(BVI)」) (附註2)	Interests of a controlled corporation 受控法團權益	1,901,204,779	66.73%
Midea Group Co., Ltd. ("Midea") (Note 3) 美的集團股份有限公司(「美的」)(附註3)	Interests of controlled corporations 受控法團權益	1,965,702,779	68.99%
Midea Holding Co., Ltd. ("Midea Holding") (formerly known as Foshan Shunde Midea Investment Holding Co., Ltd.) (Note 4) 美的控股有限公司(「美的控股」)(前稱佛山市順 德區美的投資控股有限公司)(附註4)	Interests of controlled corporations 受控法團權益	1,965,702,779	68.99%
Mr. He Xiangjian (Note 5) 何享健先生(附註5)	Interests of controlled corporations 受控法團權益	1,965,702,779	68.99%

Notes:

- These 1,901,204,779 shares of the Company were registered in the name of and beneficially owned by Midea (Cayman Islands).
- Midea Holding (BVI) was deemed to be interested in the 1,901,204,779 shares of the Company in which Midea (Cayman Islands) was interested by virtue of its holding 100% equity interest in Midea (Cayman Islands).

附註：

- 該等1,901,204,779股本公司股份以美的(開曼群島)之名義登記並由其實益擁有。
- 美的控股(BVI)因持有美的(開曼群島)100%股權而被視為於美的(開曼群島)持有的1,901,204,779股本公司股份中擁有權益。

## REPORT OF THE DIRECTORS

### 董事會報告

3. There were 64,498,000 shares of the Company registered in the name of and beneficially owned by Midea International Corporation Company Limited ("Midea International") which is a company owned as to 100% by Midea. Midea Holding (BVI) is also a company owned as to 100% by Midea. Accordingly, Midea was deemed to be interested in the aggregate of 1,965,702,779 shares of the Company including 64,498,000 shares in which Midea International was interested and 1,901,204,779 shares in which Midea Holding (BVI) was deemed to be interested by virtue of its holding 100% equity interest in both Midea International and Midea Holding (BVI).
3. 美的國際控股有限公司(「美的國際」)以其名義登記並實益擁有64,498,000股本公司股份。美的國際由美的的全資擁有。美的控股(BVI)亦為美的的全資擁有的公司。因此，美的因持有美的國際及美的控股(BVI) 100%股權而被視為於合共1,965,702,779股本公司股份中擁有權益，其中包括美的國際擁有權益之64,498,000股股份及美的控股(BVI)被視為擁有權益之1,901,204,779股股份。
4. The registered capital of Midea is owned as to 35.49% by Midea Holding. Accordingly, Midea Holding was deemed to be interested in the aggregate number of 1,965,702,779 shares of the Company in which Midea was deemed to be interested by virtue of its holding 35.49% equity interest in Midea.
4. 美的控股擁有美的的註冊資本之35.49%。因此，美的的控股因持有美的的35.49%股權而被視為於美的的被視為擁有權益之合共1,965,702,779股本公司股份中擁有權益。
5. The registered capital of Midea Holding is owned as to 94.55% by Mr. He Xiangjian. Accordingly, Mr. He Xiangjian was deemed to be interested in the aggregate number of 1,965,702,779 shares of the Company in which Midea Holding was deemed to be interested by virtue of his holding 94.55% equity interest in Midea Holding.
5. 何享健先生擁有美的的控股註冊資本之94.55%。因此，何享健先生因持有美的的控股94.55%股權而被視為於美的的控股被視為擁有權益之合共1,965,702,779股本公司股份中擁有權益。

Save as disclosed above, as at 31 December 2013, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文披露者外，於2013年12月31日，概無任何人士(本公司董事或最高行政人員除外)曾知會本公司其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分部條文須向本公司披露，或記入本公司須根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

### Directors' Interest in Competing Businesses

As at 31 December 2013, none of the Directors was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

### 董事於競爭業務之權益

於2013年12月31日，概無董事於本集團業務以外之任何業務中擁有與本集團業務直接或間接構成或可能構成競爭之權益。

### Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

### 管理合約

於本年度，本公司並無就整體業務或任何重要業務之管理及行政工作簽訂或訂有任何合約。

### Major Customers and Suppliers

Sales to the Group's five largest customers together accounted for less than 30% of the Group's total sales during the Year.

### 主要客戶及供應商

本集團5大客戶之銷售額共佔本集團於本年度之銷售總額低於30%。

Purchases from the Group's five largest suppliers together accounted for less than 30% of the Group's total purchase during the Year.

本集團5大供應商之採購額共佔本集團於本年度之採購總額低於30%。

# REPORT OF THE DIRECTORS

## 董事會報告

### Continuing Connected Transactions

During the Year, the Group had the following continuing connected transactions which were disclosed by published announcements:

1. On 15 April 2011, the Company and Midea entered into a new Midea framework agreement (the “New Midea Framework Agreement”) to renew the previous Midea framework agreement dated 13 April 2010 for a term of three years ending 31 December 2013 and set the revised and new annual caps in respect of (i) the sale of motors and electronic and electrical components for electrical household appliances and raw materials by the Group to Midea Group; and (ii) the purchase of raw materials, processed raw materials and motor samples by the Group from Midea Group (together the “Sales and Purchases CCTs”) for three years ended 31 December 2013. The New Midea Framework Agreement and the transactions contemplated thereunder (including the revised and new annual caps of the Sales and Purchases CCTs) were approved by the then independent shareholders of the Company at an extraordinary general meeting of the Company held on 26 May 2011.

On 29 April 2013, the Company and Midea entered into a renewed Midea framework agreement (the “Renewed Midea Framework Agreement”) to set out the terms, and the new annual caps for the sale of motors and electronic and electrical components for electrical household appliances and raw materials by the Group to Midea Group and the purchase of raw materials, processed raw materials and motor samples by the Group from Midea Group for the three years ending 31 December 2016. Details of the transactions are disclosed in the Company’s announcement dated 29 April 2013 and circular dated 14 May 2013.

The Renewed Midea Framework Agreement and the transactions contemplated thereunder (including the new annual caps of the aforesaid sale and purchase) were approved by the then independent shareholders of the Company at the extraordinary general meeting of the Company held on 30 May 2013.

2. On 19 April 2012, GD Welling entered into the financial services framework (renewal) agreement (the “Financial Services Framework (Renewal) Agreement”) with the Finance Company to (i) revise the annual caps for the year ended 31 December 2012 in respect of the core financial services (including deposit, loan, bills discounting, bills acceptance, guarantee and foreign exchange services) provided under the previous financial services framework agreement dated 13

### 持續關連交易

於本年度，本集團進行了以下持續關連交易(已披露於刊發的公告內)：

1. 於2011年4月15日，本公司與美的訂立新美的框架協議(「新美的框架協議」)，以重續訂立日期為2010年4月13日的先前美的框架協議，為期3年至2013年12月31日為止，並就(i)本集團向美的集團銷售家電電機及電子電器產品以及原材料；及(ii)本集團向美的集團採購原材料及經加工原材料以及電機樣本(統稱「購銷持續關連交易」)制定截至2013年12月31日止3個年度的經修訂及新訂年度上限。新美的框架協議及其項下擬進行之交易(包括購銷持續關連交易的經修訂及新訂年度上限)已於本公司在2011年5月26日舉行的股東特別大會上獲本公司當時的獨立股東批准。

於2013年4月29日，本公司與美的訂立重續美的框架協議(「重續美的框架協議」)，訂明於截至2016年12月31日止3個年度，本集團將向美的集團銷售家電電機及電子電器產品與原材料，以及本集團將向美的集團採購原材料、經加工原材料及電機樣本的條款以及新年度上限。有關交易的詳情已於本公司於2013年4月29日刊發的公告及於2013年5月14日刊發的通函中披露。

重續美的框架協議及其項下擬進行之交易(包括上述購銷之新年度上限)已於本公司在2013年5月30日舉行的股東特別大會上獲本公司當時的獨立股東批准。

2. 於2012年4月19日，廣東威靈與財務公司訂立財務服務框架(重續)協議(「財務服務框架(重續)協議」)，以(i)修訂按訂立日期為2010年4月13日的先前財務服務框架協議(「財務服務框架協議」)提供的核心財務服務(包括存款、貸款、票據貼現、票據承兌、擔保及外匯服務)所設定截至2012年12月31日止年度之年度上

## REPORT OF THE DIRECTORS

### 董事會報告

April 2010 (the “Financial Services Framework Agreement”); and (ii) extend the term of the Financial Services Framework Agreement for two more years to 31 December 2014 and set the new annual caps of the aforesaid core financial services for the two years ending 31 December 2014 in order to fulfill its business requirements. Details of the transactions are disclosed in the Company’s announcement dated 19 April 2012 and circular dated 11 May 2012.

The Financial Services Framework (Renewal) Agreement and the transactions contemplated thereunder (including the revised and new annual caps of the aforesaid core financial services) were approved by the then independent shareholders of the Company at the extraordinary general meeting of the Company held on 31 May 2012.

On 23 January 2013, the Company, GD Welling and the Finance Company entered into a supplemental agreement (the “Supplemental Agreement”) to amend the terms of the Financial Services Framework (Renewal) Agreement by adding the subsidiaries of the Company incorporated in the PRC (other than those subsidiaries of the Company held by GD Welling) as additional users to use the financial services to be provided by the Finance Company under the Financial Services Framework (Renewal) Agreement. Details of the Supplemental Agreement are disclosed in the Company’s announcement published on 23 January 2013.

- On 11 January 2013, the Company and Annto Logistics Co., Ltd. (formerly known as “Wuhu Annto Logistics Co., Ltd.”) (“Annto”, a subsidiary of Midea) entered into the new logistic service agreement (the “New Logistic Service Agreement”) to (i) further renew the previous logistic service agreement dated 13 April 2010 which had expired on 31 December 2012 in order to continue the use of logistic services to be provided by Annto and/or its subsidiaries to the Group for a three-year term; and (ii) set out the new annual caps of logistic service fees payable for the three years ending 31 December 2015. The New Logistic Service Agreement and the transactions contemplated thereunder were exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. Details of the New Logistic Service Agreement are disclosed in the Company’s announcement dated 11 January 2013.

限；及(ii)將財務服務框架協議的年期延長2年至2014年12月31日，並為上述核心財務服務設定截至2014年12月31日止2個年度之新年度上限，以滿足其業務需要。有關交易的詳情已於本公司於2012年4月19日刊發的公告及於2012年5月11日刊發的通函中披露。

財務服務框架(重續)協議及其項下擬進行之交易(包括上述核心財務服務的經修訂及新訂年度上限)已於本公司在2012年5月31日舉行的股東特別大會上獲本公司當時的獨立股東批准。

於2013年1月23日，本公司、廣東威靈及財務公司簽訂補充協議(「補充協議」)，以修訂財務服務框架(重續)協議條款，加入(除由廣東威靈持有本公司的附屬公司外)本公司於中國註冊成立的附屬公司作為額外使用方，讓其可使用財務公司按財務服務框架(重續)協議提供的財務服務。有關補充協議的詳情已於本公司於2013年1月23日刊發的公告中披露。

- 於2013年1月11日，本公司與安得物流股份有限公司(前稱「蕪湖安得物流股份有限公司」)(「安得」，美的之附屬公司)訂立新物流服務協議(「新物流服務協議」)，以(i)再重續訂立日期為2010年4月13日的先前物流服務協議(已於2012年12月31日屆滿)，以繼續使用由安得及／或其附屬公司向本集團提供的物流服務，為期3年；及(ii)設定截至2015年12月31日止3個年度的應付物流服務費的新年度上限。根據上市規則第14A章，新物流服務協議及其項下擬進行之交易獲豁免遵守獨立股東批准的規定。新物流服務協議詳情已於本公司於2013年1月11日刊發的公告中披露。



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4. On 29 April 2013, the Company entered into the purchase framework agreement (the “ZS Framework Agreement”) with Zhejiang Shangfeng Industrial Holdings Co., Ltd. (“Zhejiang Shangfeng”, a company controlled by Mr. He Jianfeng who is the son of Mr. He Xiangjian, the controlling shareholder of Midea) which set out the basis for the purchase of raw materials by the Group from Zhejiang Shangfeng, its subsidiaries and associates (“ZS Group”) and the annual caps of transaction amount for the three years ending 31 December 2015. Details of the transactions are disclosed in the Company’s announcement dated 29 April 2013 and circular dated 14 May 2013.

The ZS Framework Agreement and the transactions contemplated thereunder (including the annual caps of the aforesaid purchase of raw materials) were approved by the then independent shareholders of the Company at the extraordinary general meeting of the Company held on 30 May 2013.

5. On 27 September 2013, the Company entered into an agreement in relation to the intra group financial services (the “Intra Group Financial Services Agreement”) with Midea International Corporation Company Limited (“Midea International”, a wholly-owned subsidiary of Midea) which set out the basis for the provision of deposit services and settlement and similar services by Midea International to the Company and its subsidiaries outside the PRC and the annual caps of transaction amount for a fixed term commencing on 27 September 2013 and ending on 31 December 2015. The Intra Group Financial Services Agreement and the transactions contemplated thereunder were exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. Details of the Intra Group Financial Services Agreement are disclosed in the Company’s announcement published on 27 September 2013.

4. 於2013年4月29日，本公司與浙江上風實業股份有限公司(「浙江上風」，一家由美的控股股東何享健先生之子何劍鋒先生控制的公司)訂立採購框架協議(「浙江上風框架協議」)，該協議載列本集團向浙江上風、其附屬公司及其聯繫人(「浙江上風集團」)採購原材料的基準及截至2015年12月31日止3個年度之年度交易額上限。有關交易的詳情已於本公司於2013年4月29日刊發的公告及於2013年5月14日刊發的通函中披露。

浙江上風框架協議及其項下擬進行之交易(包括上述採購原材料之年度上限)已於本公司在2013年5月30日舉行的股東特別大會上獲本公司當時的獨立股東批准。

5. 於2013年9月27日，本公司就有關集團內部財務服務與美的國際控股有限公司(「美的國際」，為美的之全資附屬公司)訂立協議(「集團內部財務服務協議」)，該協議載列美的國際於中國以外向本公司及其附屬公司提供存款服務及結算與類似服務的基準及由2013年9月27日開始至2015年12月31日止之固定期交易額年度上限。根據上市規則第14A章，集團內部財務服務協議及其項下擬進行之交易獲豁免遵守獨立股東批准的規定。有關集團內部財務服務協議的詳情已於本公司於2013年9月27日刊發的公告中披露。

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### 董事會報告

The following table sets out the transaction amount of each of the aforesaid continuing connected transactions of the Group during the Year and the relevant approved annual caps for 2013:

下表載列上述本集團於本年度各持續關連交易的交易金額及2013年已獲批准的有關年度上限：

Transactions 交易		Transaction amount for the year ended 31 December 2013 截至2013年12月31日 年度的交易金額	Annual caps for 2013 2013年 年度上限
		RMB'000 人民幣千元	RMB'000 人民幣千元
Sale of motors and electronic and electric components for electrical household appliances and raw materials to Midea Group	向美的集團銷售家電電機及電子電器產品以及原材料	2,893,708	11,000,000
Purchase of raw materials, processed raw materials and motors samples from Midea Group	向美的集團採購原材料、經加工原材料及電機樣本	16,855	600,000
Purchase of raw materials from ZS Group	向浙江上風集團採購原材料	109,026	300,000
Financial services provided by the Finance Company	財務公司提供的財務服務		
- Deposit (daily maximum outstanding balances including accrued interest and handling fee)	- 存款(包括應計利息及手續費的每日最高結餘)	1,073,014	1,524,000
- Loan (daily maximum outstanding balances including accrued interest and handling fee)	- 貸款(包括應計利息及手續費的每日最高結餘)	281,581	1,109,000
- Bills discounting (aggregate face value of the bills discounted)	- 票據貼現(經貼現的票據總面值)	621,431	3,001,000
- Bills acceptance (aggregate face value of the bills accepted)	- 票據承兌(經承兌的票據總面值)	1,500,680	3,634,000
- Foreign exchange	- 外匯	197,990	1,464,000
- Guarantee	- 擔保	-	1,500,000
Logistic services paid to Annto and/or its subsidiaries	支付安得及/或其附屬公司提供的物流服務	5,659	10,000
		<b>HK\$'000</b> 港幣千元	<b>HK\$'000</b> 港幣千元
Provision of deposit services by Midea International (daily maximum outstanding balances including accrued interest and handling fee)	美的國際提供的存款服務(包括應計利息及手續費的每日最高結餘)	17,940	80,000

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Details of the significant related party transactions entered into by certain members of the Group during the year ended 31 December 2013 pursuant to the agreements mentioned above, which constituted continuing connected transactions under Chapter 14A of the Listing Rules, are disclosed in Note 36 to the consolidated financial statements.

The Independent Non-executive Directors have reviewed the continuing connected transactions of the Group during the Year and confirmed that the continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Board of Directors engaged PricewaterhouseCoopers, the auditor of the Company, to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing their findings and conclusions in respect of the continuing connected transactions of the Group disclosed above in accordance with Rule 14A.38 of the Listing Rules. The auditor has confirmed to the Company that nothing has come to their attention that causes them to believe the continuing connected transactions of the Group for the year ended 31 December 2013 as disclosed above:

- (1) have not received the approval of the Board of Directors of the Company;
- (2) were not, in all material respects, in accordance with the pricing policy of the Company;
- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) have exceeded the amounts of annual caps as disclosed in the previous announcements made by the Company on 15 April 2011, 19 April 2012, 11 January 2013, 23 January 2013, 29 April 2013 and 27 September 2013 in respect of each of the disclosed continuing connected transactions.

本集團若干成員公司根據上述協議於截至2013年12月31日止年度訂立之重大關聯方交易(該等交易根據上市規則第14A章構成持續關連交易)詳情，於綜合財務報表附註36披露。

獨立非執行董事已審閱本集團於本年度之持續關連交易，並確認該等持續關連交易：

- (1) 於本集團日常及正常業務過程中訂立；
- (2) 乃按一般商業條款；及
- (3) 按照規管該等交易之相關協議進行，其條款乃公平及合理，且符合本公司股東的整體利益。

董事會聘請本公司核數師羅兵咸永道會計師事務所根據香港會計師公會發出的香港鑑證業務準則第3000號「歷史財務資料審核或審閱以外的鑑證工作」，及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，以匯報本集團的持續關連交易。核數師已根據上市規則第14A.38條發出具無保留意見函件，函件載有對本集團已披露的持續關連交易的發現和總結。核數師向本公司確認其並無發現任何事實使其相信上文披露本集團截至2013年12月31日止年度的持續關連交易：

- (1) 未獲本公司董事會批准；
- (2) 在所有重大方面並未有按照本公司的定價政策進行；
- (3) 在所有重大方面並未有按照規管該等交易的相關協定進行；及
- (4) 超出本公司於2011年4月15日、2012年4月19日、2013年1月11日、2013年1月23日、2013年4月29日及2013年9月27日就該等已披露的持續關連交易先前公告之年度上限總額。

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### 董事會報告

A copy of the auditor's letter on continuing connected transactions of the Group for the year ended 31 December 2013 has been provided by the Company to the Stock Exchange. The Company confirmed that it has complied with the disclosure requirements with respect to the above mentioned continuing connected transactions of the Group in accordance with Chapter 14A of the Listing Rules.

本公司已將本集團截至2013年12月31日止年度持續關連交易有關的核數師函件副本送呈聯交所。本公司確認已就上文所述之本集團持續關連交易遵守上市規則第14A章之披露規定。

### Disclosure Pursuant to Rule 13.22 of the Listing Rules

### 根據上市規則第13.22條作出披露

As at 31 December 2013, the aggregate amount of guarantees given for the loan facilities granted to the associates by the Group amounted to approximately HK\$942,508,000 which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules. As at 31 December 2013, bank loans of approximately HK\$613,076,000 being guaranteed by the Group to associates have been drawn down. A pro-forma combined statement of financial position of the associates, in which the Group has a 49% equity interest, as at 31 December 2013 is presented below:

於2013年12月31日，本集團就聯營公司獲授貸款融資而提供之擔保合共總額約港幣942,508,000元，超過上市規則第14.07(1)條所界定之資產比率8%。於2013年12月31日，本集團所擔保之聯營公司銀行貸款約港幣613,076,000元已被提取。於2013年12月31日，由本集團擁有49%股權之聯營公司之備考合併財務狀況表呈列如下：

		<b>Pro-forma combined statement of financial position</b>	<b>Group's attributable interest (49%)</b>
		<b>備考合併 財務狀況表</b>	<b>本集團 應佔權益(49%)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
Non-current assets	非流動資產	855,005	418,952
Current assets	流動資產	1,068,002	523,321
Current liabilities	流動負債	(1,075,315)	(526,904)
Non-current liabilities	非流動負債	(178,365)	(87,398)
Non-controlling interest	非控股權益	(108,297)	(53,066)
Net assets	資產淨值	561,030	274,905
Fair value adjustments	公允價值調整		20,185
Currency translation differences	外幣折算差額		1,169
			296,259

### Non-Competition Deed

### 不競爭契據

On 22 February 2008, Midea entered into a non-competition deed in favour of the Company ("Non-Competition Deed") to undertake that Midea and other members of Midea Group (except the Group) will not engage in any business of the manufacturing and distribution of motors and electronic and electric components for all electrical household appliances and any business activities carried on or proposed to be carried on by the Group which would directly or indirectly compete with the business of the Group.

於2008年2月22日，美的以本公司為受益人訂立不競爭契據（「不競爭契據」），藉此承諾，美的及美的集團之其他成員公司（本集團除外）將不會從事一切家電電機及電子電器產品之製造及分銷業務，以及任何可能直接或間接與本集團業務或擬進行之業務構成競爭之任何業務活動。

## REPORT OF THE DIRECTORS

### 董事會報告

In compliance with the requirement of the Non-Competition Deed, Midea has submitted to the Company the annual declaration confirming that Midea and its associates (as defined in the Listing Rules) have complied with all the provisions of the Non-Competition Deed throughout the year ended 31 December 2013 ("Declaration"). The Independent Non-executive Directors have reviewed the Declaration and are satisfied with the compliance by Midea and its associates with the provisions of the Non-competition Deed and the enforcement of the Non-competition Deed during the year ended 31 December 2013.

為符合不競爭契據之規定，美的已向本公司提呈年度聲明，確認美的及其聯繫人士(定義見上市規則)已於截至2013年12月31日止年度內一直遵守不競爭契據之所有規定(「有關聲明」)。獨立非執行董事已審閱有關聲明，並信納美的及其聯繫人士已於截至2013年12月31日止年度內一直遵守不競爭契據之規定，及履行不競爭契據。

### Compliance with the Model Code and the Corporate Governance Code

Please refer to the Corporate Governance Report set out on pages 23 to 45 for the compliance with the Model Code and the Corporate Governance Code.

### 遵守標準守則及企業管治守則

有關遵守標準守則及企業管治守則，請參閱載於第23頁至45頁之企業管治報告。

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirmed that the Company has maintained, during the Year, sufficient public float as required under the Listing Rules.

### 足夠公眾持股量

根據可供本公司公開查閱且其董事亦知悉之資料，董事確認本公司於本年度內一直維持上市規則所規定之足夠公眾持股量。

### Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Group is to be proposed at the forthcoming AGM.

### 核數師

羅兵咸永道會計師事務所已審核綜合財務報表，該核數師任滿告退，並符合資格且願意膺聘連任。一項續聘羅兵咸永道會計師事務所為本集團核數師之決議案將於應屆股東週年大會上提呈。

On behalf of the Board

**Welling Holding Limited**

**ZHOU Xiangyang**

*Chairman and Chief Executive Officer*

代表董事會

**威靈控股有限公司**

*主席兼首席執行官*

**周向陽**

Hong Kong, 10 March 2014

香港，2014年3月10日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



羅兵咸永道

### Independent Auditor's Report To The Shareholders of Welling Holding Limited

(Incorporated in Hong Kong with limited liability)

### 獨立核數師報告 致威靈控股有限公司股東

(於香港註冊成立的有限公司)

We have audited the consolidated financial statements of Welling Holding Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 71 to 183, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師(以下簡稱「我們」)已審計列載於第71至183頁威靈控股有限公司(以下簡稱「貴公司」)以及其附屬公司(統稱「貴集團」)的綜合財務報表。此綜合財務報表包括於2013年12月31日的綜合和公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

### Directors' Responsibility for the Consolidated Financial Statements

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

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，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。

### 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 section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### 核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並按照香港《公司條例》第141條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

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總機：+852 2289 8888，傳真：+852 2810 9888，www.pwchk.com



## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

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

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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 10 March 2014

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

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於2013年12月31日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，2014年3月10日

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

AS AT 31 DECEMBER 2013

於2013年12月31日

		As at 31 December	
		於12月31日	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
ASSETS	資產	Note	
		附註	
<b>Non-current assets</b>	<b>非流動資產</b>		
Leasehold land and land use rights	租賃土地及土地使用權	6	221,288
Property, plant and equipment	物業、廠房及設備	7	1,212,254
Investment properties	投資物業	8	55,582
Intangible assets	無形資產	9	92,935
Investments accounted for using the equity method	以權益法入賬之投資	11	296,259
Deferred income tax assets	遞延所得稅資產	23	38,392
Available-for-sale financial assets	可供出售金融資產	12	111,959
Prepayments for property, plant and equipment	預付物業、廠房及設備款項	14	24,705
			<b>2,053,374</b>
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	13	876,729
Trade and other receivables	貿易及其他應收款	14	2,996,253
Derivative financial instruments	衍生金融工具	22	26,128
Pledged bank deposits	已抵押銀行存款		114,284
Cash and cash equivalents	現金及現金等價物	16	1,825,010
			<b>5,838,404</b>
<b>Total assets</b>	<b>總資產</b>		<b>7,891,778</b>
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to the owners of the Company</b>	<b>本公司擁有人應佔權益</b>		
Share capital	股本	17	1,424,603
Share premium	股本溢價		3,531,044
Other reserves	其他儲備	18	(2,635,843)
Retained earnings	保留盈利		
– Proposed final dividend	– 建議末期股息	31	242,183
– Others	– 其他		1,250,099
			<b>3,812,086</b>
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>62,890</b>
<b>Total equity</b>	<b>權益總額</b>		<b>3,874,976</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

AS AT 31 DECEMBER 2013

於2013年12月31日

		As at 31 December	
		於12月31日	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
LIABILITIES	負債	Note	
		附註	
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借款	19	43,083
Deferred income tax liabilities	遞延所得稅負債	23	110,690
Deferred government grants	遞延政府補貼	20	33,954
			<b>187,727</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款	21	3,436,647
Derivative financial instruments	衍生金融工具	22	3,017
Current income tax liabilities	即期所得稅負債		48,857
Borrowings	借款	19	340,554
			<b>3,829,075</b>
<b>Total liabilities</b>	<b>總負債</b>		<b>4,016,802</b>
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>7,891,778</b>
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>2,009,329</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>4,062,703</b>

The notes on pages 79 to 183 are an integral part of these consolidated financial statements.

載於第79至183頁之附註為本綜合財務報表之組成部分。

The consolidated financial statements on pages 71 to 183 were approved by the board of directors on 10 March 2014 and were signed on its behalf.

董事會於2014年3月10日批准於第71至183頁之綜合財務報表，並代表董事會簽署。

*Director*  
董事  
**ZHOU Xiangyang**  
周向陽

*Director*  
董事  
**YU Yong Hua**  
余永華

# STATEMENT OF FINANCIAL POSITION

## 財務狀況表

AS AT 31 DECEMBER 2013

於2013年12月31日

		As at 31 December	
		於12月31日	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
ASSETS	資產	Note	
		附註	
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	7	30
Interests in subsidiaries	於附屬公司的權益	10	5,475,618
			<b>5,667,643</b>
<b>Current assets</b>	<b>流動資產</b>		
Trade and other receivables	貿易及其他應收款	14	485
Dividend receivable	應收股息		250,000
Cash and cash equivalents	現金及現金等價物	16	10,173
			<b>260,658</b>
<b>Total assets</b>	<b>總資產</b>		<b>5,928,301</b>
			5,634,216
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to the owners of the Company</b>	<b>本公司擁有人應佔權益</b>		
Share capital	股本	17	1,424,603
Share premium	股本溢價		3,531,044
Other reserves	其他儲備	18	715,176
Retained earnings	保留盈利		
– Proposed final dividend	– 建議末期股息	31	242,183
– Others	– 其他		4,801
			135,442
			25,720
<b>Total equity</b>	<b>權益總額</b>		<b>5,917,807</b>
			5,631,931
<b>LIABILITIES</b>	<b>負債</b>		
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款	21	10,494
			2,285
<b>Total liabilities</b>	<b>總負債</b>		<b>10,494</b>
			2,285
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>5,928,301</b>
			5,634,216
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>250,164</b>
			156,297
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>5,917,807</b>
			5,631,931

The notes on pages 79 to 183 are an integral part of these financial statements.

載於第79至183頁之附註為該等財務報表之組成部分。

The consolidated financial statements on pages 71 to 183 were approved by the board of directors on 10 March 2014 and were signed on its behalf.

董事會於2014年3月10日批准於第71至183頁之綜合財務報表，並代表董事會簽署。

Director  
董事

ZHOU Xiangyang

周向陽

Director  
董事

YU Yong Hua

余永華

## CONSOLIDATED INCOME STATEMENT

### 綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2013

截至2013年12月31日止年度

		Year ended 31 December	
		截至12月31日止年度	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
	Note		
	附註		
<b>Revenue</b>	5	<b>8,881,723</b>	7,787,502
Cost of goods sold		<b>(7,460,116)</b>	(6,563,651)
<b>Gross profit</b>		<b>1,421,607</b>	1,223,851
Other gains – net	24	<b>68,872</b>	71,548
Selling and marketing expenses		<b>(198,489)</b>	(164,619)
Administrative expenses		<b>(313,806)</b>	(336,435)
<b>Operating profit</b>		<b>978,184</b>	794,345
Finance expenses	27	<b>(50,322)</b>	(31,823)
Finance income	27	<b>8,949</b>	6,192
Finance expenses – net	27	<b>(41,373)</b>	(25,631)
Share of profit of associates accounted for using the equity method	11	<b>22,405</b>	17,322
<b>Profit before income tax</b>		<b>959,216</b>	786,036
Income tax expense	28	<b>(167,086)</b>	(147,670)
<b>Profit for the year</b>		<b>792,130</b>	638,366
<b>Profit attributable to:</b>			
Owners of the Company		<b>785,499</b>	640,256
Non-controlling interests		<b>6,631</b>	(1,890)
		<b>792,130</b>	638,366
<b>Earnings per share attributable to the owners of the Company, expressed in HK cents per share</b>			
Basic	30	<b>27.70</b>	22.69
Diluted	30	<b>27.63</b>	22.57
The notes on pages 79 to 183 are an integral part of these consolidated financial statements.		載於第79至183頁之附註為本綜合財務報表之組成部分。	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Proposed final dividend of HK8.5 cents per ordinary share (2012: HK4.8 cents)	31	<b>242,183</b>	135,442

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 綜合全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2013

截至2013年12月31日止年度

		Year ended 31 December	
		截至12月31日止年度	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
<b>Profit for the year</b>	年度利潤	<b>792,130</b>	638,366
<b>Other comprehensive income:</b>	其他全面收益：		
<i>Items that may be reclassified to profit or loss</i>	可重新分類至損益的項目		
Currency translation differences	外幣折算差額	<b>91,031</b>	1,121
Change in value of available-for-sale financial assets	可供出售金融資產的價值變動	<b>3,375</b>	5,518
Other comprehensive income for the year, net of tax	年度其他全面收益 (扣除稅項)	<b>94,406</b>	6,639
<b>Total comprehensive income for the year</b>	年度全面收益總額	<b>886,536</b>	645,005
<b>Total comprehensive income for the year attributable to:</b>	以下人士應佔年度全面收益總額：		
Owners of the Company	本公司擁有人	<b>878,096</b>	646,915
Non-controlling interests	非控股權益	<b>8,440</b>	(1,910)
		<b>886,536</b>	645,005

The notes on pages 79 to 183 are an integral part of these consolidated financial statements.

載於第79至183頁之附註為本綜合財務報表之組成部分。



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2013

截至2013年12月31日止年度

		Attributable to the owners of the Company 本公司擁有人應佔					Non-	Total
		Share capital 股本	Share premium 股本溢價	Other reserves 其他儲備	Retained earnings 保留盈利	Total 合計	controlling interests 非控股權益	equity 權益總額
		HK\$ '000 港幣千元	HK\$ '000 港幣千元	HK\$ '000 港幣千元	HK\$ '000 港幣千元	HK\$ '000 港幣千元	HK\$ '000 港幣千元	HK\$ '000 港幣千元
<b>Balance at 1 January 2012</b>	於2012年1月1日之結餘	1,410,806	3,523,395	(2,823,274)	384,887	2,495,814	56,360	2,552,174
<b>Comprehensive income:</b>	全面收益：							
Profit for the year	年度利潤	-	-	-	640,256	640,256	(1,890)	638,366
<b>Other comprehensive income:</b>	其他全面收益：							
Available-for-sale financial assets	可供出售金融資產	-	-	5,518	-	5,518	-	5,518
Currency translation differences	外幣折算差額	-	-	1,141	-	1,141	(20)	1,121
<b>Total comprehensive income</b>	全面收益總額	-	-	6,659	640,256	646,915	(1,910)	645,005
<b>Transaction with owners:</b>	與擁有人進行的交易：							
Transfer to statutory reserves (note 18)	轉撥至法定儲備(附註18)	-	-	47,500	(47,500)	-	-	-
Share option scheme (note 17)	購股權計劃(附註17)							
- value of services provided	— 所提供服務之價值	-	-	959	-	959	-	959
- option lapsed	— 已失效的購股權	-	-	(1,514)	-	(1,514)	-	(1,514)
- proceeds from shares issued	— 發行股份所得款項	50	25	-	-	75	-	75
- share issuance expenses	— 股份發行開支	-	(3)	-	-	(3)	-	(3)
Contribution by owners relating to share-based payment (note 18(b))	有關擁有人以股份為基礎 支付的貢獻(附註18(b))	-	-	19,423	-	19,423	-	19,423
Dividend relating to 2011	2011年度股息	-	-	-	(112,865)	(112,865)	-	(112,865)
<b>Total transaction with owners</b>	與擁有人進行之交易總額	50	22	66,368	(160,365)	(93,925)	-	(93,925)
<b>Balance at 31 December 2012</b>	於2012年12月31日之結餘	1,410,856	3,523,417	(2,750,247)	864,778	3,048,804	54,450	3,103,254

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2013

截至2013年12月31日止年度

		Attributable to the owners of the Company					Non-	
		本公司擁有人應佔						
		Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests	Total equity
		股本	股本溢價	其他儲備	保留盈利	合計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Balance at 1 January 2013</b>	於2013年1月1日之結餘	1,410,856	3,523,417	(2,750,247)	864,778	3,048,804	54,450	3,103,254
<b>Comprehensive income:</b>	全面收益：							
Profit for the year	年度利潤	-	-	-	785,499	785,499	6,631	792,130
<b>Other comprehensive income:</b>	其他全面收益：							
Available-for-sale financial assets	可供出售金融資產	-	-	3,375	-	3,375	-	3,375
Currency translation differences	外幣折算差額	-	-	89,222	-	89,222	1,809	91,031
<b>Total comprehensive income</b>	全面收益總額	-	-	92,597	785,499	878,096	8,440	886,536
<b>Transaction with owners:</b>	與擁有人進行的交易：							
Transfer to statutory reserves (note 18)	轉撥至法定儲備(附註18)	-	-	21,660	(21,660)	-	-	-
Share option scheme (note 17)	購股權計劃(附註17)							
- value of services provided	- 所提供服務之價值	-	-	147	-	147	-	147
- proceeds from shares issued	- 發行股份所得款項	13,747	7,836	-	-	21,583	-	21,583
- share issuance expenses	- 股份發行開支	-	(209)	-	-	(209)	-	(209)
Dividend relating to 2012 (note 31)	2012年度股息(附註31)	-	-	-	(136,335)	(136,335)	-	(136,335)
<b>Total transaction with owners</b>	與擁有人進行之交易總額	13,747	7,627	21,807	(157,995)	(114,814)	-	(114,814)
<b>Balance at 31 December 2013</b>	於2013年12月31日之結餘	1,424,603	3,531,044	(2,635,843)	1,492,282	3,812,086	62,890	3,874,976

The notes on pages 79 to 183 are an integral part of these consolidated financial statements.

載於第79至183頁之附註為本綜合財務報表之組成部分。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2013

截至2013年12月31日止年度

		Year ended 31 December	
		截至12月31日止年度	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
	Note		
	附註		
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Cash generated from operations	32(a)	<b>1,468,830</b>	345,852
Interest paid		<b>(29,471)</b>	(15,046)
Interest received		<b>8,949</b>	6,192
Income tax paid		<b>(162,847)</b>	(107,192)
Net cash generated from operating activities		<b>1,285,461</b>	229,806
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>		
Purchases of property, plant and equipment	7	<b>(182,053)</b>	(278,337)
(Increase)/decrease in prepayments for property, plant and equipment	14	<b>(21,424)</b>	8,700
Proceeds from sale of property, plant and equipment	32(b)	<b>39,800</b>	31,030
Purchases of leasehold land and land use rights	6	-	(52,779)
Development cost	9	<b>(15,863)</b>	(15,629)
Proceeds from deferred government grants	20	<b>10,592</b>	-
Dividends received		<b>13,568</b>	2,552
Net cash used in investing activities		<b>(155,380)</b>	(304,463)
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Proceeds from borrowings		<b>1,224,575</b>	836,198
Repayments of borrowings		<b>(1,286,537)</b>	(733,927)
Decrease in pledged bank deposits		<b>25,314</b>	53,289
Dividends paid		<b>(136,335)</b>	(112,865)
Proceeds from issuance of ordinary shares	17	<b>21,583</b>	75
Shares issuance expenses	17	<b>(209)</b>	(3)
Net cash (used in)/generated from financing activities		<b>(151,609)</b>	42,767
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加/(減少)淨額</b>	<b>978,472</b>	(31,890)
Cash and cash equivalents at the beginning of the year		<b>825,717</b>	857,803
Effect on exchange difference		<b>20,821</b>	(196)
<b>Cash and cash equivalents at end of the year</b>	<b>年終之現金及現金等價物</b>	<b>1,825,010</b>	825,717

The notes on pages 79 to 183 are an integral part of these consolidated financial statements.

載於第79至183頁之附註為本綜合財務報表之組成部分。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 1 General Information

Welling Holding Limited (the “Company”) and its subsidiaries (together the “Group”) manufacture, distribute and sell motors and electronic and electric components for electrical household appliances in the People’s Republic of China (the “PRC”) and overseas.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors on 10 March 2014.

### 2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

### 1 一般資料

威靈控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)在中華人民共和國(「中國」)及海外製造、分銷及銷售家用電器之電機及電子電器產品。

本公司為於香港註冊成立之有限責任公司，註冊辦事處地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室。

本公司股份於香港聯合交易所有限公司主板上市。

除另有指明外，該等綜合財務報表以港幣(「港幣」)呈列。該等綜合財務報表已於2014年3月10日獲董事會批准刊發。

### 2 主要會計政策概要

編製該等綜合財務報表所應用之主要會計政策載列如下。除另有註明外，該等政策於所有呈列之年度中均已貫徹應用。

#### 2.1 編製基準

本集團之綜合財務報表根據香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃按歷史成本法編製，並就重估可供出售金融資產及按公允價值列值並計入損益之金融資產及金融負債(包括衍生工具)作出修訂。

編製符合香港財務報告準則之綜合財務報表需要使用若干關鍵會計估計。管理層在運用本集團會計政策過程中亦須行使判斷。涉及很大程度之判斷或複雜性之範圍，或對綜合財務報表有重大影響之假設及估計之範圍乃於附註4披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.1 Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2013.

Amendment to HKAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

HKAS 19, 'Employee benefits' was revised in June 2011. The changes on the Group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Amendment to HKFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. The amendments require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

HKFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露之變動

(a) *本集團採納的新訂及經修訂準則*

本集團在2013年1月1日開始或之後開始的財務年度首次採納以下準則。

香港會計準則第1號「財務報表的呈報」有關其他全面收益的修訂。該等修訂產生的主要變動為規定主體必須將「其他全面收益」內呈報的項目按照其是否有機會在其後重分類至損益(重分類調整)而組合起來。

於2011年6月香港會計準則第19號「僱員福利」作出修訂。本集團的會計政策變動如下：立即確認所有過往服務成本；以權益淨額(採用界定利益負債(資產)淨值按貼現率計算)取代計劃資產的權益成本及預期回報。

香港財務報告準則第7號「金融工具：披露」有關資產及負債抵銷之修訂本。該等修訂規定了新的披露要求，著重於在財務狀況表中被抵銷的已確認金融工具，以及受總互抵協定或類似協定約束(無論其是否被抵銷)的已確認金融工具的量化資料。

香港財務報告準則第10號「綜合財務報表」建基於現有原則上，認定某一主體是否應包括在母公司的綜合財務報表內時，控制權概念為一項決定性因素。此準則提供額外指引，以在難以評估時協助釐定控制權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.1 Changes in accounting policy and disclosures (Continued)

(a) *New and amended standards adopted by the Group (Continued)*

HKFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

HKFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

(b) *New standards and interpretations not yet adopted*

The following new standards have been issued but are not effective for the financial year beginning 1 January 2013, and have not been early adopted by the Group.

HKAS 32 (Amendment) 'Financial instruments: Presentation' on asset and liability offsetting is effective for annual periods beginning on or after 1 January 2014.

Amendments to HKFRS 10, 12 and HKAS 27 on 'Consolidation for investment entities' is effective for annual periods beginning on or after 1 January 2014.

HKAS 36 (Amendment) 'Impairment of assets' on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014.

HKAS 39 (Amendment) 'Financial Instruments: Recognition and Measurement' – novation of derivatives is effective for annual periods beginning on or after 1 January 2014.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露之變動(續)

(a) *本集團採納的新訂及經修訂準則(續)*

香港財務報告準則第12號「於其他實體權益之披露」包括對其他主體的所有形式的權益的披露規定，包括合營安排、聯營公司、結構化主體和其他資產負債表外工具。

香港財務報告準則第13號「公允價值計量」目的為透過提供一個公允價值的清晰定義和作為各項香港財務報告準則就公允價值計量和披露規定的單一來源，以改善一致性和減低複雜性。香港財務報告準則及美國公認會計原則的該等規定大致看齊，並不延伸至公允價值會計入賬的使用，但提供指引說明當香港財務報告準則內有其他準則已規定或容許時，應如何應用此準則。

(b) *尚未採納的新訂準則及詮釋*

以下新準則已頒布但於2013年1月1日開始之財政年度尚未生效，亦未獲本集團提早採用。

香港會計準則第32號(修訂)「金融工具：呈報」關於資產及負債的抵銷，自2014年1月1日或之後開始的年度期間生效。

香港財務報告準則第10號、第12號及香港會計準則第27號的修訂「投資實體合併」，自2014年1月1日或之後開始的年度期間生效。

香港會計準則第36號(修訂)「資產減值」關於可收回金額的披露，自2014年1月1日或之後開始的年度期間生效。

香港會計準則第39號(修訂)「金融工具：確認及計量」關於衍生工具的更替，自2014年1月1日或之後開始的年度期間生效。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted (Continued)*

HK(IFRIC)-Int 21 'Levies' is effective for annual periods beginning on or after 1 January 2014.

HKFRS 9 'Financial Instruments' is effective for annual periods beginning on or after 1 January 2015.

Management anticipates that the application of the revised standards will not result in a material impact on the Group's consolidated financial statements.

#### 2.2 Subsidiaries

##### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露之變動(續)

(b) *尚未採納的新訂準則及詮釋(續)*

香港(國際財務報告詮釋委員會)詮釋第21號「徵費」，自2014年1月1日或之後開始的年度期間生效。

香港財務報告準則第9號「金融工具」，自2015年1月1日或之後開始的年度期間生效。

管理層預期應用經修訂準則不會對本集團的綜合財務報表產生重大影響。

#### 2.2 附屬公司

##### 2.2.1 合併賬目

附屬公司指本集團擁有控制權之實體(包括結構化主體)。當本集團承受或享有參與實體所得之可變回報，且有能透過其對實體之權力影響該等回報時，則本集團控制該實體。附屬公司在控制權轉移至本集團之日起合併入賬，並在控制權終止之日起停止合併入賬。

(a) *業務合併*

本集團利用購買法將業務合併入賬。購買一間附屬公司所轉讓的代價，為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的對價包括或然對價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或然負債，首先以彼等於購買日期的公允價值計量。就個別收購基準，本集團可按公允價值或按非控制性權益應佔被購買方淨資產的比例，計量被收購方的非控制性權益。

購買相關成本在產生時列支。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (a) Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement (note 2.9.1).

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

## 2 主要會計政策概要(續)

### 2.2 附屬公司(續)

#### 2.2.1 合併賬目(續)

##### (a) 業務合併(續)

倘業務合併分階段進行，則收購方先前持有之被收購方股權於購買日期之賬面值應按購買日期之公允價值重新計量，因重新計量而產生之任何收益或虧損於損益內確認。

本集團將予轉讓之任何或然代價於購買日期按公允價值確認。或然對價(被視為一項資產或負債)公允價值之其後變動根據香港會計準則第39號之規定，確認為於損益或其他全面收益之變動。倘將或然對價分類為權益，則不會重新計量。後續結算在權益內入賬。

所轉讓對價、被收購方之任何非控股權益金額及任何先前於被收購方之股權於購買日期之公允價值超過所收購可識別淨資產公允價值之差額，乃入賬列作商譽。倘所轉讓對價、已確認非控股權益及先前持有權益之計量總額低於所收購附屬公司淨資產之公允價值(於議價收購之情況下)，則該差額會直接於收益表內確認(附註2.9.1)。

集團成員單位之間的內部交易、結餘及因集團公司間之交易而產生之未變現收益予以對銷。未變現虧損亦予以對銷。附屬公司呈報之金額已按需要作出變更，以與本集團之會計政策一致。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.2 Subsidiaries (Continued)

##### 2.2.1 Consolidation (Continued)

- (b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

- (c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

##### 2.2.2 Separate financial statements

Interests in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 2 主要會計政策概要(續)

#### 2.2 附屬公司(續)

##### 2.2.1 合併賬目(續)

- (b) *不導致失去控制權的附屬公司權益變動*

本集團與非控股權益進行有關不導致失去控制權的交易將入賬為權益交易—即與附屬公司所有者以其作為所有者身份進行的交易。所支付所有對價的公允價值與相關應佔所收購附屬公司淨資產賬面值的差額記錄為權益。向非控股權益的處置的盈虧亦記錄在權益中。

- (c) *出售附屬公司*

當本集團不再持有控制權，在主體的任何保留權益於失去控制權當日重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營公司、合營企業或金融資產。此外，之前在其他全面收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他全面收益中確認的數額重新分類至損益。

##### 2.2.2 獨立財務報表

附屬公司權益按成本扣除減值列賬。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

如股息超過宣派股息期內附屬公司的總全面收益，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對附屬公司投資作減值測試。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.3 Investments in associates accounted for using equity method

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of associates accounted for using equity method' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the income statement.

### 2 主要會計政策概要(續)

#### 2.3 以權益法入賬之聯營公司投資

聯營公司指本集團對其有重大影響力而無控制權的主體，通常附帶有20%-50%投票權的股權。聯營公司投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營公司的投資包括購買時已辨認的商譽。

如聯營公司的權益持有被削減但仍保留重大影響力，則僅按比例將之前在其他全面收益中確認的數額重新分類至損益(如適當)。

本集團應佔聯營公司購買後利潤或虧損於收益表內確認，並相應調整投資賬面值。如本集團應佔一家聯營公司的虧損等於或超過其在該聯營公司的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團將計算減值數額(按聯營公司可收回數額與其賬面值的差額計算)，並在收益表中確認於「以權益法入賬之應佔聯營公司利潤」旁。

本集團與其聯營公司之間的上游和下游交易的利潤和虧損，在集團的財務報表中確認，但僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

稀釋聯營公司股權所產生的利得或損失於收益表確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

#### 2.5 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is different from the Company's functional currency of Renminbi ("RMB"), in view of that the shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance expenses-net'. All other foreign exchange gains and losses are presented in the income statement within 'other gains – net'.

### 2 主要會計政策概要(續)

#### 2.4 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認為作出策略性決定的董事會，負責分配資源和評估經營分部的表現。

#### 2.5 外幣折算

##### (a) 功能和呈列貨幣

本集團每個主體的財務報表所列項目均以該主體經營所在的主要經濟環境的貨幣計量(「功能貨幣」)。鑒於本公司股份於香港聯合交易所有限公司上市，因此綜合財務報表以港幣(「港幣」)呈列，有別於本公司的功能貨幣人民幣(「人民幣」)。

##### (b) 交易及結餘

外幣交易採用交易或項目重新計量的估值日期的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量套期和淨投資套期外，結算此等交易產生的匯兌利得和損失以及將外幣計值的貨幣資產和負債以年終匯率折算產生的匯兌利得和損失在收益表確認。

與借款和現金及現金等價物有關的匯兌利得和損失在收益表內的「融資開支—淨額」中列報。所有其他匯兌利得和損失在收益表內的「其他收益—淨額」中列報。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.5 Foreign currency translation (Continued)

#### (b) Transactions and balances (Continued)

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in the available-for-sale revaluation reserve in other comprehensive income.

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the reporting period;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

## 2 主要會計政策概要(續)

### 2.5 外幣折算(續)

#### (b) 交易及結餘(續)

以外幣為單位及被分類為可供出售的債務證券的公允價值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的折算差額進行分析。與攤銷成本變動有關的折算差額確認為利潤或虧損，賬面值的其他變動則於其他全面收益中確認。

非貨幣性金融資產及負債(例如以公允價值計量且其變動計入損益的權益)的折算差額列報為公允價值利得和損失的一部份。非貨幣性金融資產及負債(例如分類為可供出售的權益)的折算差額包括在其他全面收益中可供出售重估儲備。

#### (c) 集團公司

其功能貨幣與本集團的呈列貨幣不同的所有集團內的主體(當中沒有惡性通貨膨脹經濟的貨幣)的業績和財務狀況按如下方法換算為列報貨幣：

- (i) 每份列報的財務狀況表內的資產和負債按報告日期的收市匯率換算；
- (ii) 每份收益表內的收益和費用按平均匯率換算(除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有由此產生的外幣折算差額在其他全面收益中確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.5 Foreign currency translation (Continued)

#### (c) Group companies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

### 2.6 Leasehold land and land use rights

Leasehold land and land use rights are up-front to acquire long-term interests in the usage of land and it is accounted for as an operating lease. It is stated at cost and charged to the consolidated income statement over the remaining period of the lease on a straight-line basis, net of any impairment losses.

### 2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

## 2 主要會計政策概要(續)

### 2.5 外幣折算(續)

#### (c) 集團公司(續)

購買境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按期末匯率換算。產生的外幣折算差額在全面收益表中入賬。

### 2.6 租賃土地及土地使用權

租賃土地及土地使用權為取得土地使用長期權益之預付款項，並入賬列作經營租賃。於租賃之剩餘期間，以直線基準(扣除任何減值虧損)按成本列賬，並於綜合收益表扣除。

### 2.7 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

其後成本僅在與該項目相關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，方會包括在資產之賬面值或確認為獨立資產(如適用)。被更換部分之賬面值將不再確認。所有其他維修及保養均需於產生之財政期間內於收益表扣除。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.7 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

		<b>Estimated useful lives</b>
		<b>估計可使用年期</b>
Buildings	樓宇	10–30 years年
Furniture and fixtures	家具及裝修	3–5 years年
Plant and machinery	廠房及機器	10–20 years年
Motor vehicles	汽車	5–10 years年
Electronic and other equipment	電子及其他設備	3–5 years年

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction-in-progress represents the direct costs of construction incurred and machinery pending to installation plus interest capitalised up to date of completion of the construction of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction-in-progress until such time the relevant assets are completed and put into use. Construction-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains — net' in the consolidated income statement.

### 2.8 Investment properties

Property that is held for long-term rental yields, and that is not occupied by the Group, are classified as investment property. Investment property is stated at historical cost less accumulated depreciation and impairment loss, if any.

## 2 主要會計政策概要(續)

### 2.7 物業、廠房及設備(續)

物業、廠房及設備之折舊採用以下估計可使用年期將成本按直線法分攤至剩餘價值計算：

	<b>Estimated useful lives</b>
	<b>估計可使用年期</b>
Buildings	10–30 years年
Furniture and fixtures	3–5 years年
Plant and machinery	10–20 years年
Motor vehicles	5–10 years年
Electronic and other equipment	3–5 years年

資產之剩餘價值及可使用年期在每個報告期終進行檢討及在適當時進行調整。

在建工程乃指興建物業、廠房及設備及有待安裝之機器所引起之直接成本並加上完工日期前之資本化利息減去任何減值虧損。在建工程不予折舊，直至相關資產完成及可供使用為止。在建工程於完成並準備投入使用時重新分類為適當類別之物業、廠房及設備。

若資產之賬面值高於其估計可收回金額，其賬面值會即時撇減至可收回金額(附註2.10)。

出售收益及虧損會透過比較所得款項與賬面值而釐定，並於綜合收益表「其他收益—淨額」中確認。

### 2.8 投資物業

持作長期收租用途且並非由本集團佔用之物業分類為投資物業。投資物業按歷史成本減累計折舊及減值虧損(如有)列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.8 Investment properties (Continued)

Subsequent expenditure is charged to the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred.

Depreciation of investment property is calculated using the straight-line method to allocate cost to their residual values over their estimated lease period.

#### 2.9 Intangible assets

##### 2.9.1 Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### 2 主要會計政策概要(續)

#### 2.8 投資物業(續)

其後開支僅在與該資產相關之未來經濟利益有可能流入本集團，而該資產之成本能可靠計量時，方會於資產之賬面值中扣除。所有其他維修及保養成本均需於產生之財政期間內於損益支銷。

投資物業之折舊採用估計租賃年期將成本按直線法分攤至剩餘價值計算。

#### 2.9 無形資產

##### 2.9.1 商譽

商譽產生自收購附屬公司，相當於所轉讓代價超過本集團在被收購方的可辨認資產、負債和或然負債淨公允價值權益與非控股權益在被收購方公允價值的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組(預期可從合併中獲取協同利益)。獲分配商譽的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

每年對商譽進行減值檢討，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽賬面值與可收回數額(使用價值與公允價值減出售成本較高者)比較。任何減值須即時確認為開支及不得在之後期間撥回。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.9 Intangible assets (Continued)

##### 2.9.2 Technology

Technology acquired is initially measured at the purchase costs and amortised on a straight-line basis over the estimated useful lives of 10 years.

##### 2.9.3 Research and development

- (a) Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense in the period in which it is incurred. Expenditure on development activities (relating to the design and testing of new or improved products) is capitalised under the category of development cost if the product or process is technically and commercially feasible, the Group has sufficient resources and the intention to complete the development, and if the cost can be reliably measured. Upon the commencement of the commercial production of a product, the expenditure on development cost amortised on a straight-line basis over the period of its expected benefit. Research and development costs comprise costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities.
- (b) Subsequent expenditure on development activities after its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.
- (c) Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their useful lives.

### 2 主要會計政策概要(續)

#### 2.9 無形資產(續)

##### 2.9.2 技術

收購的技術最初按購買成本計量，並估計可使用年期為10年以直線法攤銷。

##### 2.9.3 研究及開發

- (a) 從事研究活動以期獲取新的科學或技術知識及認知之有關開支，乃於產生期間確認為開支。倘產品或程序在技術及商業上均具可行性，本集團有充裕之資源及意向完成開發，且成本能可靠計量，有關開發活動(與嶄新或改良產品的設計及測試有關)之開支則撥作資本。為產品展開商業生產後，開發成本的費用按其預期獲益的期間以直線法攤銷。研究及開發成本包括直接歸屬研發活動的成本或可合理分配至各活動的成本。
- (b) 開發活動完成後的後續費用於其產生時確認為開支，除非開支有可能使資產產生的未來經濟利益超出其原本評定表現的標準，以及開支能可靠計量且歸屬特定資產。在符合上述條件下，後續費用會計入無形資產的成本。
- (c) 先前確認為開支之開發成本於其後期間不會確認為資產。資本化開發成本自資產可供使用之時起按估計可使用年期以直線法攤銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.10 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2.11 Financial assets

##### 2.11.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

### 2 主要會計政策概要(續)

#### 2.10 非金融資產的減值

使用壽命不限定的資產－例如商譽或未能使用而無需攤銷的無形資產，但每年須就減值進行測試。當有事件出現或情況改變顯示資產賬面值可能無法收回時，該資產會進行減值檢討。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額為資產的公允價值扣除銷售成本的金額與使用價值兩者之間的較高者。於評估減值時，資產按可分開辨認現金流量(現金產出單元)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以轉回進行檢討。

#### 2.11 金融資產

##### 2.11.1 分類

本集團將其金融資產分類為以下類別：以公允價值計量且其變動計入損益、貸款及應收款項，以及可供出售。分類視乎購入金融資產之目的。管理層在初始確認時釐定金融資產的分類。

(a) *以公允價值計量且其變動計入損益的金融資產*

以公允價值計量且其變動計入損益的金融資產指交易性金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為套期，否則亦分類為持作交易性。在此類別的資產假若預期在12個月內結算，分類為流動資產；否則分類為非流動資產。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.11 Financial assets (Continued)

#### 2.11.1 Classification (Continued)

##### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (notes 2.15 and 2.16).

##### (c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

#### 2.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

## 2 主要會計政策概要(續)

### 2.11 金融資產(續)

#### 2.11.1 分類(續)

##### (b) 貸款及應收款項

貸款及應收款項為有固定或可確定付款額且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但預期將於報告期末起計超過12個月結算的數額，則分類為非流動資產。本集團的貸款及應收款項由財務狀況表「貿易及其他應收款」與「現金及現金等價物」組成(附註2.15及2.16)。

##### (c) 可供出售金融資產

可供出售金融資產為被指定作此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在報告期末後12個月內處置該投資，否則此等資產列在非流動資產內。

#### 2.11.2 確認和計量

常規購買及出售的金融資產在交易日確認—交易日指本集團承諾購買或出售該資產之日。對於非以公允價值計量且其變動並非計入損益的所有金融資產，其投資初始按其公允價值加交易成本確認。以公允價值計量且其變動計入損益的金融資產，初始按公允價值確認，而交易成本則在收益表支銷。當從投資收取現金流量的權利已到期或已轉讓，而本集團已實質上將所有權的所有風險和報酬轉讓時，金融資產即終止確認。可供出售金融資產及以公允價值計量且其變動計入損益的金融資產其後按公允價值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.11 Financial assets (Continued)

##### 2.11.2 Recognition and measurement (Continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other gains-net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other gains when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other gains. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other gains when the Group's right to receive payments is established.

#### 2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### 2 主要會計政策概要(續)

#### 2.11 金融資產(續)

##### 2.11.2 確認和計量(續)

來自「以公允價值計量且其變動計入損益的金融資產」類別的公允價值變動所產生的利得和損失，列入產生期間收益表內的「其他收益－淨額」中。來自以公允價值計量且其變動計入損益的金融資產的股息收益，當本集團收取有關款項的權利確定時，在收益表內確認為部份其他收益。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益中確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入收益表內作為「投資證券的利得和損失」。

可供出售證券利用實際利率法計算的利息在收益表內確認為部份其他收益。至於可供出售權益工具的股息，當本集團收取有關款項的權利確定時，在收益表內確認為部份其他收益。

#### 2.12 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表報告其淨額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.13 Impairment of financial assets

##### (a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the 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. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

### 2 主要會計政策概要(續)

#### 2.13 金融資產減值

##### (a) 以攤銷成本列賬的資產

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。

減值虧損的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

對於貸款及應收款項類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。如貸款或持有至到期投資有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公允價值計量減值。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在綜合收益表轉回。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.13 Impairment of financial assets (Continued)

#### (b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

### 2.14 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if not, the gain or loss from fair value change is recognised immediately in the consolidated income statement within 'other gains – net'.

## 2 主要會計政策概要(續)

### 2.13 金融資產減值(續)

#### (b) 可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。對於債券，本集團利用上文(a)的標準。至於分類為可供出售的權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若可供出售金融資產存在此等證據，累計虧損—按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算—自權益中剔除並在損益中記賬。在綜合收益表確認的權益工具的減值虧損不會透過綜合收益表轉回。如在較後期間，被分類為債務工具的公允價值增加，而增加可客觀地與減值虧損在損益確認後發生的事件有關，則將減值虧損在綜合收益表轉回。

### 2.14 衍生金融工具

衍生工具初步按衍生工具合約訂立日之公允價值確認，其後按公允價值重新計量。對該衍生工具確認所造成收益或虧損之方法取決於該衍生工具是否指定為對沖工具，倘其指定對沖工具，則公允價值變動所產生之收益或虧損即時於綜合收益表中「其他收益—淨額」內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.16 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

### 2.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### 2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2 主要會計政策概要(續)

### 2.15 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本利用加權平均法釐定。製成品及在產品的成本包括設計成本、原材料、直接勞工、其他直接費用和相關的生產費用(依據正常經營能力)。這不包括借款費用。可變現淨值為在日常經營活動中的估計銷售價，減適用的變動銷售費用。

### 2.16 貿易及其他應收款

貿易應收款為在日常經營活動中就商品銷售而應收客戶的款項。如貿易及其他應收款的收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動資產；否則分類為非流動資產。

貿易及其他應收款以公允價值為初始確認，其後利用實際利率法按攤銷成本扣除減值準備計量。

### 2.17 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、原到期為三個月或以下的其他短期高流動性投資。

### 2.18 股本

普通股被分類為權益。

直接歸屬於發行新股或期權的新增成本在權益中列為所得款項的減少(扣除稅項)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.19 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

#### 2.21 Borrowings Costs

General and specific 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.

### 2 主要會計政策概要(續)

#### 2.19 貿易應付款

貿易應付款為在日常經營活動中購買商品或服務而應支付的債務。如貿易應付款的支付日期在一年或以內(如仍在正常經營週期中,則可較長時間),其被分類為流動負債;否則分類為非流動負債。

貿易應付款以公允價值為初始確認,其後利用實際利率法按攤銷成本計量。

#### 2.20 借款

借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬;所得款項(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在收益表確認。

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取,該費用確認為貸款的交易費用。在此情況下,費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取,則該費用資本化作為流動資金服務的預付款,並按有關的融資期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月,否則借款分類為流動負債。

#### 2.21 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借款成本,加入該等資產的成本內,直至資產大致上備妥其預定用途或銷售為止。

所有其他借款成本在產生期間內的損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.22 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### (b) Deferred income tax

###### (i) Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 2 主要會計政策概要(續)

#### 2.22 當期及遞延所得稅

本年度的稅項支出包括當期和遞延稅項。稅項在收益表中確認，但與在其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。

##### (a) 當期所得稅

當期所得稅支出根據本公司的附屬公司及聯營公司經營及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定準備。

##### (b) 遞延所得稅

###### (i) 內在差異

遞延所得稅利用負債法按資產和負債的稅基與資產和負債在綜合財務報表的賬面值所產生的暫時性差異確認。然而，若遞延稅項負債來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產僅在很可能有未來應課稅利潤而就此可使用暫時性差異時確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.22 Current and deferred income tax (Continued)

##### (b) Deferred income tax (Continued)

###### (ii) Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

##### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 2.23 Employee benefits

##### (a) Retirement benefits obligation

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee.

### 2 主要會計政策概要(續)

#### 2.22 當期及遞延所得稅(續)

##### (b) 遞延所得稅(續)

###### (ii) 外在差異

遞延所得稅就附屬公司和聯營公司投資產生的應課稅暫時性差異而準備，惟本集團可以控制暫時性差異的轉回時間，而暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債則除外。一般而言，本集團無法控制撥回聯營公司之暫時性差異。僅在已訂立有關協議的情況下，本集團方能夠控制撥回未確認之暫時性差異。

遞延所得稅資產按附屬公司及聯營公司投資產生之可予扣減暫時性差異而確認，惟以暫時性差異可能於日後撥回且可動用充足應課稅利潤抵銷暫時性差異者為限。

##### (c) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

#### 2.23 僱員福利

##### (a) 退休金責任

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理之既定供款計劃。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.23 Employee benefits (Continued)

#### (a) Retirement benefits obligation (Continued)

The Group's subsidiaries incorporated in the PRC make contributions to a state-sponsored defined contribution scheme for the Group's local staff on a monthly basis pursuant to laws of the PRC and relevant regulations issued by local social security authorities.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

The Group has no further payment obligations once the contributions have been paid.

#### (b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

#### (c) Employee leave entitlements

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

## 2 主要會計政策概要(續)

### 2.23 僱員福利(續)

#### (a) 退休金責任(續)

按照中國法律及當地社會保障機構頒佈之有關法規，本集團於中國註冊成立之附屬公司須為本集團當地員工向國家資助之既定供款計劃按月供款。

本集團向既定供款退休計劃之供款於供款產生時支銷。

本集團一經繳付供款後再無進一步付款責任。

#### (b) 辭退福利

辭退福利在本集團於正常退休日期前終止僱用職工，或當職工接受自願遣散以換取此等福利時支付。本集團於以下日期(以較早者為準)確認辭退福利：(a)當本集團無法再撤回該等福利要約時；及(b)當實體確認香港會計準則第37號範疇內之重組成本，並支付辭退福利時。若提出鼓勵自願遣散的要約，則辭退福利以預期接納要約的僱員數目計量。在報告期末後超過12個月支付的福利應折現為現值。

#### (c) 職工假期權益

職工的年假權益在假期累計至職工時確認。因職工提供服務而產生的年假估計負債，就截至報告期末止作出準備。

職工的病假權益和產假在休假前不作確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.24 Share-based payments

#### (a) Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

## 2 主要會計政策概要(續)

### 2.24 以股份為基礎的支付

#### (a) 以權益結算以股份為基礎的交易

本集團設有多項以權益結算、以股份為基礎的報酬計劃，根據該等計劃，主體收取職工的服務以作為本集團權益工具(期權)的代價。職工為換取獲授予期權而提供服務的公允價值確認為費用。將作為費用的總金額參考授予期權的公允價值釐定：

- 包括任何市場業績條件(例如主體的股價)；
- 不包括任何服務和非市場業績可行權條件(例如盈利能力、銷售增長目標和職工在某特定時期內留任實體)的影響；及
- 包括任何非可行權條件(例如規定職工儲蓄)的影響。

非市場表現和服務條件包括在有關預期可行權的期權數目的假設中。費用的總金額在等待期間內確認，等待期間指將符合所有特定可行權條件的期間。

此外，在某些情況下，職工可能在授出日期之前提供服務，因此授出日期的公允價值就確認服務開始期與授出日期之間期間內的開支作出估計。

在每個報告期末，本集團依據非市場表現和服務條件修訂其對預期可行權的期權數目的估計。主體在收益表確認對原估算修訂(如有)的影響，並對權益作出相應調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

### 2 主要會計政策概要(續)

#### 2.24 Share-based payments (Continued)

#### 2.24 以股份為基礎的支付(續)

##### (a) Equity-settled share-based payment transactions (Continued)

##### (a) 以權益結算以股份為基礎的交易(續)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

在期權獲行使後，本公司發行新股。經扣除任何直接歸屬交易成本後收取的所得款項撥入股本(面值)和股本溢價。

##### (b) Share-based payment transactions among group entities

##### (b) 集團內以股份為基礎的交易

The grant by the Company (or the Company's ultimate holding company) of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

本公司(或本公司最終控股股東)向集團附屬公司的職工授予其權益工具的期權，被視為資本投入。收取職工服務的公允價值，參考授出日的公允價值計量，並在行權期內確認，作為對附屬公司投資的增加，並相應對母公司賬目的權益貸記。

#### 2.25 Provision

#### 2.25 撥備

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

倘本集團因過往事件而有負上法定或推定責任，並且可能須動用資源履行有關責任，而相關金額能可靠估計，則會確認撥備。未來經營虧損不會確認撥備。

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

倘有多項類似責任時，解除該等責任導致損失之可能性按責任之類別作整體釐定。即使在同一類別責任內任何一個項目導致損失之可能性可能會很小，亦需就此確認撥備。

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

撥備乃按預期需用作清償責任開支以稅前比率計算之現值計量，其反映當時市場對金錢之時間值及該責任之特定風險之評估。因時間之流逝而增加之撥備確認為利息開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.26 Financial guarantees

Financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of associates to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. Any increase in the liability relating to guarantees is reported in the consolidated income statement within other operating expenses.

Where guarantees in relation to loans of the associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Group.

#### 2.27 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value-added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### 2 主要會計政策概要(續)

#### 2.26 融資擔保

融資擔保為發行人支付特定款項以補償持有人因一名特定債務人於到期時未能根據債務工具之條款支付款項而引起之損失之合約。該等融資擔保是代表聯營公司向銀行、金融機構及其他組織發出，以取得貸款、透支及其他銀行融資。

融資擔保初步按發出擔保當日之公允值在財務報表確認。由於所有擔保均在公平磋商原則下協定，而所協定之溢價價值與所擔保之責任的價值亦相符，因此融資擔保於簽訂時之公允值為零。概不會確認未來溢價之應收款項。經初步確認後，本公司在該等擔保下之負債，乃按初始金額減去根據香港會計準則第18號確認之費用之攤銷與清償有關擔保所需之金額之最佳估計兩者中之較高者計量。該等估計乃根據同類交易經驗及過往虧損歷史，輔以管理層作出的判斷而釐定。任何有關擔保之負債增加，一概在綜合收益表內呈列為其他經營開支。

若按無償代價就聯營公司之貸款而作出擔保，有關公允價值則作為注資，並在本集團的財務報表內確認為投資成本的一部分。

#### 2.27 收入確認

收入按已收或應收代價的公允價值計量，並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收入確認。本集團會根據退貨往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

## 2 Summary of Significant Accounting Policies (Continued)

### 2.27 Revenue recognition (Continued)

#### (a) Sales of finished goods and raw materials

Sales of finished goods and raw materials are recognised when an entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

#### (b) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

#### (c) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (d) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

### 2.28 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

## 2 主要會計政策概要(續)

### 2.27 收入確認(續)

#### (a) 製成品及原材料銷售

製成品及原材料銷售於實體向客戶交付產品，客戶接收產品且可合理確保可收回相關應收款時確認。

#### (b) 利息收入

利息收入採用實際利息法確認。倘應收款出現減值，本集團會將賬面值減至其可收回金額（即按工具之原定實際利率貼現之估計未來現金流量），並繼續解除貼現作為利息收入。減值貸款及應收款之利息收入使用原定實際利率確認。

#### (c) 股息收入

股息收入於收取股息之權利確定時確認。

#### (d) 租金收入

投資物業租金收入於收益表內按租期以直線法確認。

### 2.28 經營租賃

凡擁有權之絕大部分風險及回報由出租人保留之租賃，均列作經營租賃。根據經營租賃（扣除出租人給予之任何優惠）作出之付款按租期以直線法於收益表支銷。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Summary of Significant Accounting Policies (Continued)

#### 2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

#### 2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

### 3 Financial Risk Management

#### 3.1 Financial risk factors

The Group's activities expose to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk, liquidity risk and concentration risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

### 2 主要會計政策概要(續)

#### 2.29 政府補貼

當能夠合理保證將可獲取政府補貼，而本集團符合所有附帶條件時，則會按公允價值確認政府提供之補貼。

與成本有關之政府補貼遞延入賬，並於與擬補償之成本配合之所需期間在收益表中確認。

與物業、廠房及設備有關之政府補貼作為遞延政府補貼計入非流動負債，並按相關資產預期壽命以直線法於收益表入賬。

#### 2.30 股息分派

分派予本公司股東之股息在股息獲得本公司股東或董事(如適合)批准之期間內，在本集團及本公司之財務報表中確認為負債。

### 3 財務風險管理

#### 3.1 財務風險因素

本集團之業務承受多種財務風險：市場風險(包括外匯風險、現金流量及公允價值利率風險，以及價格風險)、信貸風險、流動資金風險及集中風險。本集團之整體風險管理政策集中關注難以預測之金融市場，並致力將對本集團財務表現造成之潛在不利影響減至最低。本集團使用衍生金融工具對沖若干風險。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk

###### (i) Foreign exchange risk

The Group exposes to foreign exchange risks as certain portion of its business activities are denominated in foreign currencies, primarily with respect to the HK\$, the United States dollar ("USD") and the Euro ("EUR").

To manage their foreign exchange risks arising from future commercial transactions, entities in the Group enter into forward contracts, transacted with the commercial banks. The directors are of the view that the Group's exposure to foreign exchange risk is manageable.

At 31 December 2013, if the HK\$ has weakened/strengthened by 5% against the RMB with all other variables held constant, the post-tax profit for the year would have been HK\$1,211,000 (2012: HK\$1,340,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of HK\$-denominated cash and cash equivalents, other receivables and other payables.

At 31 December 2013, if the USD has weakened/strengthened by 5% against the RMB with all other variables held constant, the post-tax profit for the year would have been HK\$18,646,000 (2012: HK\$21,598,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of USD-denominated cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

At 31 December 2013, if the EUR has weakened/strengthened by 5% against the RMB with all other variables held constant, the post-tax profit for the year would have been HK\$7,467,000 (2012: HK\$7,361,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of EUR-denominated cash and cash equivalents, trade and other receivables and trade and other payables.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險

###### (i) 外匯風險

由於本集團部分業務活動以外幣(主要是港幣、美元(「美元」)及歐元(「歐元」))列值，故本集團面對外匯風險。

為管理來自未來商業交易之外匯風險，本集團之實體與商業銀行訂立遠期合約。董事認為，本集團面對之外匯風險屬在可控制範圍以內。

於2013年12月31日，如港幣兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣1,211,000元(2012年：港幣1,340,000元)，主要由於換算以港幣列值之現金及現金等價物、其他應收款及其他應付款所產生之外匯虧損／收益。

於2013年12月31日，如美元兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣18,646,000元(2012年：港幣21,598,000元)，主要由於換算以美元列值之現金及現金等價物、貿易及其他應收款、貿易及其他應付款以及借款款項所產生之外匯虧損／收益。

於2013年12月31日，如歐元兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣7,467,000元(2012年：港幣7,361,000元)，主要由於換算以歐元列值之現金及現金等價物、貿易及其他應收款、貿易及其他應付款項所產生之外匯虧損／收益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. All the borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. During 2013 and 2012, the Group's long-term borrowings at variable rate were denominated in the USD.

The Group's amounts due from/(to) related parties were issued at interest free, and expose the Group to fair value interest rate risk.

The Company's amounts due from/(to) subsidiaries were issued at interest free, and expose the Company to fair value interest rate risk.

The directors are of the view that the interest rate risk is not material as at 31 December 2013.

At 31 December 2013, if interest rates on long-term borrowings had been 50 basis points higher/lower with all other variables held constant, the post-tax profit for the year would have been HK\$27,000 (2012: HK\$20,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (ii) 現金流量及公允價值利率風險

由於本集團並無重大計息資產，故本集團之收入及經營現金流量基本上不受市場利率變動影響。

本集團利率風險因長期借款而產生。由於所有借款按浮動利率計息，故此本集團面對現金流量利率風險。如借款按定息計息，本集團將面臨公允價值利率風險。於2013年及2012年期間，本集團浮動利率長期借款以美元列值。

由於本集團應收／(應付)關聯方款項以免息計量，故本集團面對公允價值利率風險。

由於本公司應收／(應付)附屬公司款項以免息計量，故本公司面對公允價值利率風險。

董事認為，於2013年12月31日，利率風險並不重大。

於2013年12月31日，倘長期借款之利率上升／下跌50個基點，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣27,000元(2012年：港幣20,000元)，主要由於浮息借款之利息開支增加／減少。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (iii) Price risk

The Group exposes to commodity price risk, mainly due to the fluctuations in prices of copper and aluminium, which are key raw materials to the Group's products. The price risk due to copper and aluminium is reduced through the derivatives market and through certain clause in contracts with our customers to enable the Group to have the flexibility to pass the increases in raw material costs to the customers.

At 31 December 2013, if the copper and aluminium price had been 5% higher/lower with other variables held constant, the post-tax profit for the year would have been of HK\$9,876,000 (2012: HK\$9,706,000) higher/lower, representing the change in fair value of copper and aluminium derivatives at the end of the reporting period.

The Group is not exposed to equity securities price risk.

##### (b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, pledged bank deposits, derivative financial instruments, due from related parties and trade and other receivables.

For cash and cash equivalents, pledged bank deposits and derivative financial instruments, the management manages the credit risk by transacting with state-owned financial institutions and reputable commercial banks. The maximum exposure to the credit risk before collateral held or other credit enhancements relating to cash and cash equivalents, pledged bank deposits and derivative financial instruments were their carrying value as disclosed in note 16, note 15 and note 22, respectively, as at 31 December 2013 and 2012.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (iii) 價格風險

本集團承受商品價格風險，主要由於銅及鋁價格波動。銅及鋁為本集團業務產品之主要原材料。透過衍生市場及與客戶訂立之合約所載之若干條款，可減低銅及鋁所帶來之價格風險，並使本集團具有將原材料成本漲價轉嫁給客戶之靈活性。

於2013年12月31日，倘銅及鋁價格上升/下跌5%，而所有其他變數均不變，本年度之業務稅前利潤將增加/減少港幣9,876,000元(2012年：港幣9,706,000元)，即銅及鋁衍生產品於報告期間完結時之公允價值變動。

本集團並無面臨股本證券價格風險。

##### (b) 信貸風險

本集團並無高度集中之信貸風險。信貸風險來自現金及現金等價物、已抵押銀行存款、衍生金融工具、應收關聯方款項及貿易及其他應收款。

在現金及現金等價物、已抵押銀行存款及衍生金融工具方面，管理層透過與國有金融機構及信譽良好之商業銀行進行交易來管理信貸風險。信貸風險於持有抵押品前，或與現金及現金等價物、已抵押銀行存款及衍生金融工具相關的信貸條件改善前，其於2013年及2012年12月31日的最高風險為分別披露於附註16、附註15及附註22的賬面值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

For trade and other receivables and due from related parties, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the constant repayment history, the directors are of the view that the risk of default by these counterparties is low.

For financial guarantees provided for the associates, the Group monitors the credit quality of the associates by taking into account their financial position and business development plan. As at 31 December 2013, the directors are of the view that the risk of default by the associates is low. The maximum exposure to credit risk is the balance of the borrowings before accounting for collaterals held of other credit enhancements as follows.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

在貿易及其他應收款以及應收關聯方款項方面，對方之信貸質素乃考慮其財務狀況、信貸記錄及其他因素後作出評估。個別信貸限額乃根據信貸質素之評估而設立。鑒於定期還款記錄，董事認為該等對方拖欠還款之風險甚微。

有關本集團向聯營公司提供的融資擔保，本集團評核彼等的財務狀況及業務發展計劃，以此監管其信貸質素。於2013年12月31日，董事認為聯營公司拖欠的風險為低。所面臨的最高信貸風險，即於持有抵押品前或信貸條件改善前之借款結餘載列如下。

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		Face value	Face value
		面值	面值
Financial guarantees	融資擔保		
– bank loans drawn (note 35)	– 已提取銀行貸款(附註35)	613,076	540,141

##### (c) Liquidity risk

Liquidity risk management includes maintaining sufficient cash balance, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

##### (c) 流動資金風險

流動資金風險管理包括維持充足現金結餘、從已得的信貸融資額度獲取足夠資金及規避市場風險之能力。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities and net-settled financial derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group	本集團	Less than 1 year 1年以下 HK\$'000 港幣千元	Between 1 and 2 years 1年至2年 HK\$'000 港幣千元	Over 2 years 2年以上 HK\$'000 港幣千元
At 31 December 2013	於2013年12月31日			
Borrowings	借款	<b>347,571</b>	<b>43,552</b>	–
Trade and other payables	貿易及其他應付款	<b>3,436,647</b>	–	–
Derivative financial instruments	衍生金融工具	<b>3,017</b>	–	–
Financial guarantees	融資擔保			
– bank loans drawn	– 已提取銀行貸款	<b>613,076</b>	–	–
At 31 December 2012	於2012年12月31日			
Borrowings	借款	310,934	88,192	43,683
Trade and other payables	貿易及其他應付款	3,116,101	–	–
Derivative financial instruments	衍生金融工具	8,913	–	–
Financial guarantees	融資擔保			
– bank loans drawn	– 已提取銀行貸款	540,141	–	–

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險(續)

下表分析本集團於報告期間完結至合約到期日的餘下期間按有關到期組別分類之非衍生金融負債及淨結算金融衍生財務負債淨額。表中所披露之金額乃合約未貼現現金流量。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

The Company	本公司	Less than 1 year 1年以下 HK\$'000 港幣千元	Between 1 and 2 years 1年至2年 HK\$'000 港幣千元	Over 2 years 2年以上 HK\$'000 港幣千元
At 31 December 2013	於2013年12月31日			
Trade and other payables	貿易及其他應付款	10,494	-	-
At 31 December 2012	於2012年12月31日			
Trade and other payables	貿易及其他應付款	2,285	-	-

##### (d) Concentration risk

Revenue of approximately HK\$2,413,936,000 (2012: HK\$2,110,803,000) was derived from five customers, which occupied 27% (2012: 27%) of the total revenue of the Group.

In the event that these five customers terminate their business relationship with the Group and the Group fails to find new customers, it may have a material adverse impact on the Group's financial position and result of operations.

#### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險(續)

##### (d) 集中風險

為數約港幣2,413,936,000元(2012年:港幣2,110,803,000元)之收入來自五名客戶,佔本集團總收入之27%(2012年:27%)。

倘若該五名客戶終止與本集團之業務關係,且本集團未能覓得新客戶,則可能對本集團之財務狀況及經營業績產生重大不利影響。

#### 3.2 資本管理

本集團之資本管理政策,乃保障本集團按持續經營基準繼續營運之能力,以為股東帶來回報,同時兼顧其他股權持有人之利益,並維持最佳之資本結構以減低資本成本。

為維持或調整資本結構,本集團可能發行新股份或出售資產以減低債務。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

#### 3.2 Capital management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The Group's strategy for the year ended 31 December 2013 was to maintain a gearing ratio under 75% or had a net cash position. This ratio was calculated as net debt divided by total equity. Net debt is calculated as total borrowings less pledged bank deposits and cash and cash equivalents. As the Group was in a net cash position as at 31 December 2013 and 2012, gearing ratio was not applicable.

		As at 31 December 2013 於2013年 12月31日 HK\$'000 港幣千元	As at 31 December 2012 於2012年 12月31日 HK\$'000 港幣千元
Cash and cash equivalents (note 16)	現金及現金等價物(附註16)	<b>1,825,010</b>	825,717
Pledged bank deposits	已抵押銀行存款	<b>114,284</b>	139,598
Less: Total borrowings (note 19)	減：借款總額(附註19)	<b>(383,637)</b>	(435,902)
Net cash	現金淨額	<b>1,555,657</b>	529,413
Total equity	權益總額	<b>3,874,976</b>	3,103,254
Gearing ratio (%)	資本負債比率(%)	<b>N/A</b>	N/A

#### 3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

### 3 財務風險管理(續)

#### 3.2 資本管理(續)

與業內其他公司一樣，本集團利用資本負債比率監察其資本。本集團截至2013年12月31日止年度的策略為保持資本負債比率低於75%或達至淨現金狀況。此比率按照債項淨額除以權益總額計算。債項淨額為借款總額減去已抵押銀行存款和現金及現金等價物。由於本集團於2013年及2012年12月31日處於淨現金狀況，資本負債比率並不適用。

#### 3.3 公允價值估計

下表是根據估值方法，分析金融工具之公允價值。不同分級定義如下：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除包括在第一級之報價外，資產或負債之可觀察直接(即價格)或間接(即源自價格者)輸入資料(第二級)。
- 並非根據可觀察市場資料而釐定之資產或負債之輸入資料(即不可觀察之輸入資料)(第三級)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

### 3 財務風險管理(續)

#### 3.3 Fair value estimation (Continued)

#### 3.3 公允價值估計(續)

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 31 December 2013.

下表呈列本集團於2013年12月31日按公允價值計量之金融資產及負債。

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Assets</b>	<b>資產</b>				
<b>Financial assets at fair value through profit or loss</b>	<b>按公允價值計量且其變動計入損益之金融資產</b>				
Derivative financial instruments	衍生金融工具				
– Commodity futures contracts	– 期貨商品合約	8,109	–	–	8,109
– Foreign exchange forward contracts	– 外匯遠期合約	–	18,019	–	18,019
Available-for-sale financial assets	可供出售金融資產				
– Equity investments	– 股權投資	–	–	111,959	111,959
		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Liabilities</b>	<b>負債</b>				
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公允價值計量且其變動計入損益之金融負債</b>				
Derivative financial instruments	衍生金融工具				
– Foreign exchange forward contracts	– 外匯遠期合約	–	3,017	–	3,017

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

### 3 財務風險管理(續)

#### 3.3 Fair value estimation (Continued)

#### 3.3 公允價值估計(續)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2012.

下表呈列本集團於2012年12月31日按公允價值計量之資產及負債。

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Assets</b>	<b>資產</b>				
<b>Financial assets at fair value through profit or loss</b>	<b>按公允價值計量且其變動計入損益之金融資產</b>				
Derivatives financial instruments	衍生金融工具				
– Commodity futures contracts	– 期貨商品合約	8,214	–	–	8,214
– Foreign exchange forward contracts	– 外匯遠期合約	–	6,783	–	6,783
Available-for-sale financial assets	可供出售金融資產				
– Equity investments	– 股權投資	–	–	102,819	102,819
		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Liabilities</b>	<b>負債</b>				
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公允價值計量且其變動計入損益之金融負債</b>				
Derivative financial instruments	衍生金融工具				
– Commodity futures contracts	– 期貨商品合約	59	–	–	59
– Foreign exchange forward contracts	– 外匯遠期合約	–	8,854	–	8,854

There were no transfers between level 1 and level 2 during the year.

年內，第一級與第二級之間概無相互轉移。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

#### 3.3 Fair value estimation (Continued)

##### (a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise commodity futures contracts.

##### (b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, foreign exchange forward contracts) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

### 3 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### (a) 第一級金融工具

在活躍市場買賣之金融工具之公允價值，是根據報告期間完結時之市場所報價格為基準。倘報價可隨時及可定期從交易市場、交易商、經紀、產業集團、股價服務機構或監管機關獲得，並且該等價格指真實、按公平基準之定期市場交易，則該市場被視為活躍市場。本集團持有之金融資產所用之市場報價為當時買入價。該等工具獲納入第一級。獲納入第一級之工具包括期貨商品合約。

##### (b) 第二級金融工具

並非在活躍市場買賣之金融工具(例如外匯遠期合約)之公允價值，則利用估值技術釐定。該等估值技術盡用可獲得之可觀察市場數據，從而盡量減少對實體特定估計之依賴程度。倘按公允價值計量一項工具之所有重大輸入數據均可觀察獲得，則該項工具獲納入第二級。

倘一個或多個重大輸入數據並非根據可觀察市場數據釐定，則該項工具獲納入第三級。

外匯遠期合約之公允價值乃使用結算日之遠期匯率釐定，產生之價值貼現回現值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

### 3 Financial Risk Management (Continued)

### 3 財務風險管理(續)

#### 3.3 Fair value estimation (Continued)

#### 3.3 公允價值估計(續)

##### (c) Financial instruments in level 3

##### (c) 第三級金融工具

The following table presents the changes in level 3 instruments for the year ended 31 December 2012 and 2013:

下表呈列截至2012年及2013年12月31日止年度第三級工具之變動：

		<b>Available-for-sale financial assets 可供出售金融資產</b>
		HK\$'000 港幣千元
At 1 January 2012	於2012年1月1日	97,307
Net gains transferred to equity	淨收益轉撥至權益	5,518
Currency translation differences	外幣折算差額	(6)
At 31 December 2012	於2012年12月31日	102,819
At 1 January 2013	於2013年1月1日	<b>102,819</b>
Net gains transferred to equity	淨收益轉撥至權益	<b>5,823</b>
Currency translation differences	外幣折算差額	<b>3,317</b>
At 31 December 2013	於2013年12月31日	<b>111,959</b>

If the fair value of equity investments would be shifted by 10%, the impact on the net gains transferred to equity would be HK\$582,000.

倘股權投資之公允價值轉移10%，則對轉撥至權益之淨收益影響將為港幣582,000元。

### 4 Critical Accounting Estimates and Judgments

### 4 重要會計估計及判斷

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

估計及判斷之評估會不斷進行，並且依據過往經驗及其他因素作為基礎，其中包括按現況對未來事件之合理預期。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 4 Critical Accounting Estimates and Judgments (Continued)

##### 4.1 Critical accounting estimates and assumptions

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

###### (a) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.9.1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of certain key assumptions (note 9). Changing in such key assumptions selected by management, including the discount rates or the growth rate assumptions, could materially affect the net present value used in the impairment test.

If the estimated pre-tax discount rate applied to the discounted cash flows for the CGU of GD Welling and Changzhou Welling had been 18% and 16% higher than management's estimates respectively, the recoverable amount of goodwill would be lower than its carrying amount and impairment of goodwill would be recognised.

If the estimated gross margin of the CGU of GD Welling and Changzhou Welling had been 4% and 8% lower than management's estimates respectively, the recoverable amount of goodwill would be lower than its carrying amount and impairment of goodwill would be recognised.

If the growth rate of the CGU of GD Welling and Changzhou Welling had been 108% and 112% lower than management's estimates respectively, the recoverable amount of goodwill would be lower than its carrying amount and impairment of goodwill would be recognised.

#### 4 重要會計估計及判斷(續)

##### 4.1 重要會計估計及假設

本集團對未來作出估計及假設。所得之會計估計根據涵義甚少等同於相關的實際結果。具有重大風險可導致資產及負債之賬面值於下一個財政年度中出現重大調整之估計及假設闡述如下。

###### (a) *商譽減值估計*

本集團每年按照附註2.9.1所述之會計政策測試商譽是否有任何減值。現金產生單位之可收回金額按使用價值計算而釐定，該等計算須採用若干主要假設(附註9)。改變管理層挑選之主要假設(包括貼現率或增長率假設)，足以對減值測試中使用之淨現值構成重大影響。

倘適用於廣東威靈及常州威靈現金產生單位貼現現金流量之估計稅前貼現率分別較管理層所估計者增加18%及16%，商譽可收回值將低於其賬面值，且商譽減值將予以確認。

倘廣東威靈及常州威靈現金產生單位之估計毛利率較管理層所估計者分別減少4%及8%，商譽可收回值將低於其賬面值，且商譽減值將予以確認。

倘廣東威靈及常州威靈現金產生單位之增長率較管理層所估計者分別減少108%及112%，商譽可收回值將低於其賬面值，且商譽減值將予以確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 4 Critical Accounting Estimates and Judgments (Continued)

##### 4.1 Critical accounting estimates and assumptions (Continued)

###### (b) *Income taxes*

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

###### (c) *Fair value of derivatives and other financial instruments*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various foreign exchange forward contracts that are not traded in active markets.

###### (d) *Impairment of available-for-sale equity investment*

The Group follows the guidance of HKAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

#### 4 重要會計估計及判斷(續)

##### 4.1 重要會計估計及假設(續)

###### (b) *所得稅*

釐定所得稅撥備時需要作出重大判斷。在日常業務過程中有多項交易及計算方式，均會影響最終所得稅項的確認。倘若該等事項最終所得稅項的確認與最初計提之所得稅撥備有所差異，有關差額將影響有關判斷期間之所得稅及遞延稅項撥備。

###### (c) *衍生及其他金融工具公允價值*

並非在活躍市場買賣之金融工具(例如場外衍生工具)之公允價值，則利用估值技術釐定。本集團主要根據於每個報告期末之現行市況透過其判斷選擇多種方法並作出假設。本集團已對多種並非在活躍市場交易之衍生金融工具利用貼現現金流量分析。

###### (d) *可供出售權益投資減值*

本集團根據香港會計準則第39號的指引釐定一項可供出售權益投資有否減值。釐定時須作出重大判斷。作出判斷時，本集團評估(其中包括)投資的公允價值低於其成本的時間及差額；以及獲投資公司的財務狀況及短期業務前景，包括行業及界別表現、技術變更以及經營和融資現金流等因素。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 4 Critical Accounting Estimates and Judgments (Continued)

##### 4.1 Critical accounting estimates and assumptions (Continued)

(e) *Useful lives adopted for the calculation of depreciation of property, plant and equipment*

The estimate of useful lives of property, plant and equipment was made by the management with reference to the established industry practices, technical assessments made on the durability of the assets, as well as the historical magnitude and trend of repair and maintenance expenses incurred by the Group. It could change significantly as a result of technical innovations and competitor actions in responses to severe industry cycles.

If the estimated useful lives of property, plant and equipment had been higher/lower by 10% from management's estimates, the depreciation charge would have decreased/increased by HK\$12,711,000 and HK\$15,536,000 respectively.

(f) *Provision for impairment of inventories*

Provision for impairment of inventories is based on the net realisable value which is the selling price in the ordinary course of business, less applicable variable selling expenses. The calculation of the net realisable value is determined based on management's estimates of the selling price and variable selling expenses according to prevailing market conditions.

Provision for impairment of inventories of the Group for the year ended 31 December 2013 is HK\$7,116,000 (2012: HK\$9,141,000).

(g) *Fair value of investment property*

The fair value of investment properties is determined by using valuation technique. Details of the judgment and assumptions have been disclosed in note 8.

There is no external valuer involved. The fair value express the best estimate of the Boards, and has been confirmed by the Boards.

#### 4 重要會計估計及判斷(續)

##### 4.1 重要會計估計及假設(續)

(e) *計算物業、廠房及設備折舊採納的可使用年期*

物業、廠房及設備的可使用年期由管理層參照既定行業慣例、有關資產耐用性的技術評估、本集團過往發生的維修及保養開支的幅度及走勢進行估計。該估計可能會由於技術創新及競爭對手因嚴峻的行業週期採取行動而發生重大變動。

倘若管理層估計物業、廠房及設備估計可使用年期增加/減少10%，折舊開支將分別減少/增加港幣12,711,000元及港幣15,536,000元。

(f) *存貨減值撥備*

存貨減值撥備按可變現淨值計算，而可變現淨值為日常業務過程中的售價減適用可變銷售開支。計算可變現淨值時是按當時市場狀況以管理層估計的售價及可變銷售開支為基準予以釐訂。

本集團截至2013年12月31日止年度的存貨減值撥備為港幣7,116,000元(2012年：港幣9,141,000元)。

(g) *投資物業之公允價值*

投資物業之公允價值採用估值技術釐定。有關判斷及假設之詳情已於附註8披露。

不涉及外部估值師。公允價值反映董事會之最佳估計，並獲董事會確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4 Critical Accounting Estimates and Judgments (Continued)

#### 4.1 Critical accounting estimates and assumptions (Continued)

##### (h) Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered as objective evidence that a receivable is impaired. In determining this, management makes judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect on the market and economic environment in which the debtor operates in. Where there is objective evidence of impairment, management makes judgments as to whether an impairment loss should be recorded as an expense.

Provision for impairment of trade receivables of the Group for the year ended 31 December 2013 is HK\$41,750,000 (2012: HK\$31,360,000).

### 5 Segment Information

The principal activities of the Group are the manufacturing, distribution and selling of motors and electronic and electric components for electrical household appliances in the PRC and overseas.

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, the board of directors, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the management considers the business from both business and geographical perspectives.

Before December 2012, the Group was organised into two major business divisions, which were micro motor division and washing motor division. The Group underwent a significant organisational restructuring with the merger of two original major business divisions to become the new Motor Division in December 2012. From a business perspective, the Group has only one business segment.

### 4 重要會計估計及判斷(續)

#### 4.1 重要會計估計及假設(續)

##### (h) 貿易應收款減值

管理層審閱其貿易應收款有否客觀減值憑證。債務人陷入嚴重的財困、債務人可能破產以及違責或長期拖欠還款均被視為應收款有客觀減值憑證。在釐定減值時，管理層需判斷有否可觀察資料顯示債務人的還款能力有重大變動，或有否對債務人業務所在的市場及經濟環境構成不利影響的重大變動。如有減值客觀憑證，管理層判斷有否減值虧損應記錄為開支。

本集團截至2013年12月31日止年度的貿易應收款減值撥備為港幣41,750,000元(2012年：港幣31,360,000元)。

### 5 分部資料

本集團之主要業務為在中國及海外製造、分銷及銷售家用電器之電機及電子電器產品。

根據本集團提交予負責分配資源、評估營運分部表現及作出策略性決定之主要經營決策的董事會之內部財務報告，管理層認為可從業務及地域兩方面考慮業務狀況。

於2012年12月前，本集團由兩個主要事業部組成，即微電機事業部及洗滌電機事業部。本集團於2012年12月對組織架構進行了重大調整，將原有兩個主要事業部合併成為新的電機事業部。從業務方面來看，本集團僅有一個業務分部。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 5 Segment Information (Continued)

The Group is domiciled in the PRC. The Group's revenue from customers located in the PRC and outside PRC are presented as follows:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Revenue from customers in the PRC	來自中國境內客戶之收入	6,120,266	4,909,263
Revenue from customers outside the PRC	來自中國境外客戶之收入	2,761,457	2,878,239
		<b>8,881,723</b>	7,787,502

No geographical segment analysis on non-current assets is prepared as substantially all of the Group's assets were located in the PRC.

本集團設於中國。本集團來自中國境內及境外客戶之收入呈列如下：

本集團絕大部分資產位於中國，故並無編製非流動資產之地區分部分分析。

#### 6 Leasehold Land and Land Use Rights

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Outside Hong Kong, held on leases of 10 to 50 years	香港以外，以10至50年之租賃持有	221,288	219,722

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Opening net book amount	年初賬面淨值	219,722	171,367
Additions	添置	-	52,779
Amortisation charge	攤銷開支	(5,259)	(4,542)
Currency translation differences	外幣折算差額	6,825	118
Closing net book amount	年終賬面淨值	<b>221,288</b>	219,722

At 31 December 2013, no leasehold land and land use rights (2012: net book value of HK\$44,937,000) have been pledged as security for the Group's banking facilities (note 19).

本集團於租賃土地及土地使用權之權益為預付經營租賃款項，其賬面淨值分析如下：

於2013年12月31日，無任何租賃土地及土地使用權（2012年：賬面淨值港幣44,937,000元）作為本集團銀行授信之抵押（附註19）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 7 Property, Plant and Equipment

### 7 物業、廠房及設備

#### (a) Group

#### (a) 本集團

		Construction- in-progress	Buildings	Furniture and fixtures	Plant and machinery	Motor vehicles	Electronic and other equipment	Total
		在建工程 HK\$'000 港幣千元	樓宇 HK\$'000 港幣千元	傢俬及裝修 HK\$'000 港幣千元	廠房及機器 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	電子及 其他設備 HK\$'000 港幣千元	合計 HK\$'000 港幣千元
At 1 January 2012	於2012年1月1日							
Cost	成本	136,938	426,437	68,853	954,973	19,836	69,003	1,676,040
Accumulated depreciation	累計折舊	-	(101,432)	(41,675)	(347,432)	(8,091)	(39,840)	(538,470)
Net book amount	賬面淨值	136,938	325,005	27,178	607,541	11,745	29,163	1,137,570
Year ended 31 December 2012	截至2012年12月31日							
Opening net book amount	年初賬面淨值	136,938	325,005	27,178	607,541	11,745	29,163	1,137,570
Additions	添置	122,177	7,201	7,976	96,630	3,837	40,516	278,337
Currency translation differences	外幣折算差額	(35)	(154)	(42)	(399)	(15)	(87)	(732)
Disposals	出售	(855)	(80)	(191)	(26,411)	(538)	(8,440)	(36,515)
Transfers	轉撥	(101,042)	19,739	-	81,303	-	-	-
Depreciation	折舊	-	(21,195)	(10,605)	(74,800)	(3,882)	(25,194)	(135,676)
Closing net book amount	年終賬面淨值	157,183	330,516	24,316	683,864	11,147	35,958	1,242,984
At 31 December 2012	於2012年12月31日							
Cost	成本	157,183	453,190	63,595	1,071,710	21,509	104,081	1,871,268
Accumulated depreciation	累計折舊	-	(122,674)	(39,279)	(387,846)	(10,362)	(68,123)	(628,284)
Net book amount	賬面淨值	157,183	330,516	24,316	683,864	11,147	35,958	1,242,984
Year ended 31 December 2013	截至2013年12月31日							
Opening net book amount	年初賬面淨值	157,183	330,516	24,316	683,864	11,147	35,958	1,242,984
Additions	添置	95,109	4,800	1,430	51,766	4,263	24,685	182,053
Currency translation differences	外幣折算差額	4,938	9,437	722	15,660	220	3,147	34,124
Disposals	出售	-	-	(4,090)	(43,244)	(704)	(2,415)	(50,453)
Transfers	轉撥	(134,482)	24,484	-	105,666	-	4,332	-
Depreciation	折舊	-	(17,974)	(2,900)	(81,892)	(4,036)	(33,017)	(139,819)
Transfer to investment properties (note 8)	轉撥入投資物業 (附註8)	-	(56,635)	-	-	-	-	(56,635)
Closing net book amount	年終賬面淨值	122,748	294,628	19,478	731,820	10,890	32,690	1,212,254
At 31 December 2013	於2013年12月31日							
Cost	成本	122,748	434,090	62,080	1,179,918	25,661	119,944	1,944,441
Accumulated depreciation	累計折舊	-	(139,462)	(42,602)	(448,098)	(14,771)	(87,254)	(732,187)
Net book amount	賬面淨值	122,748	294,628	19,478	731,820	10,890	32,690	1,212,254

Depreciation expense of HK\$123,776,000 (2012: HK\$124,723,000) has been charged in cost of goods sold, HK\$949,000 (2012: HK\$136,000) in selling and marketing expenses and HK\$15,094,000 (2012: HK\$10,817,000) in administrative expenses.

At 31 December 2013, no property, plant and equipment (2012: net book value of HK\$53,126,000) were pledged as security for the Group's banking facilities (note 19).

在折舊開支中，港幣123,776,000元（2012年：港幣124,723,000元）已計入銷售貨品成本，港幣949,000元（2012年：港幣136,000元）計入銷售及市場推廣開支及港幣15,094,000元（2012年：港幣10,817,000元）計入行政開支。

於2013年12月31日，無任何物業、廠房及設備（2012年：賬面淨值港幣53,126,000元）作為本集團銀行授信之抵押（附註19）。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 7 Property, Plant and Equipment (Continued)

##### (a) Group (Continued)

Construction-in-progress as at 31 December 2013 mainly comprises new manufacturing equipment being constructed.

##### (b) Company

#### 7 物業、廠房及設備(續)

##### (a) 本集團(續)

於2013年12月31日的在建工程主要包括正在建設中的新製造設備。

##### (b) 本公司

		<b>Electronic and other equipment 電子及其他設備</b>
		HK\$'000 港幣千元
At 1 January 2012	於2012年1月1日	
Cost	成本	275
Accumulated depreciation	累計折舊	(260)
Net book amount	賬面淨值	15
Year ended 31 December 2012	截至2012年12月31日止年度	
Opening net book amount	年初賬面淨值	15
Additions	添置	5
Depreciation	折舊	(4)
Closing net book amount	年終賬面淨值	16
At 31 December 2012	於2012年12月31日	
Cost	成本	280
Accumulated depreciation	累計折舊	(264)
Net book amount	賬面淨值	16
Year ended 31 December 2013	截至2013年12月31日止年度	
Opening net book amount	年初賬面淨值	<b>16</b>
Additions	添置	<b>20</b>
Depreciation	折舊	<b>(6)</b>
Closing net book amount	年終賬面淨值	<b>30</b>
At 31 December 2013	於2013年12月31日	
Cost	成本	<b>300</b>
Accumulated depreciation	累計折舊	<b>(270)</b>
Net book amount	賬面淨值	<b>30</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 8 Investment Properties

#### 8 投資物業

		<b>Group</b> 本集團 HK\$'000 港幣千元
Year ended 31 December 2013	截至2013年12月31日止年度	
Opening net book amount	年初賬面淨值	-
Net amount transfer from owner-occupied property (note 7)	從自用物業轉撥的淨額(附註7)	<b>56,635</b>
Depreciation	折舊	<b>(1,706)</b>
Currency translation differences	外幣折算差額	<b>653</b>
Closing net book amount	年終賬面淨值	<b>55,582</b>
At 31 December 2013	於2013年12月31日	
Cost	成本	<b>62,470</b>
Accumulated depreciation	累計折舊	<b>(6,888)</b>
Net book amount	賬面淨值	<b>55,582</b>

The fair value of the Group's investment properties as at 31 December 2013 was HK\$56,516,000, as estimated by the directors of the Group. It falls under level 3 in the fair value hierarchy. No valuation has been performed by independent qualified professional valuers.

經本集團董事估計，本集團投資物業於2013年12月31日的公允價值為港幣56,516,000元，處於公允價值架構的第三級。無獨立合資格專業估值師執行任何估值。

The rental income of the investment property in 2013 was HK\$2,560,000 (2012: Nil) (note 24).

2013年投資物業的租金收入為港幣2,560,000元(2012年：無)(附註24)。

As at 31 December 2013, the Group had no unprovided contractual obligations for future repairs and maintenance (2012: Nil).

於2013年12月31日，本集團就未來修理及維修並無未準備的合同債務(2012年：無)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 9 Intangible Assets

#### 9 無形資產

		Goodwill	Technology	Development cost	Group Total
		商譽	技術	開發成本	本集團
		HK\$'000	HK\$'000	HK\$'000	合計
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2012	於2012年1月1日				
Cost	成本	29,122	30,925	5,727	65,774
Accumulated amortisation	累計攤銷	-	(757)	-	(757)
Net book amount	賬面淨值	29,122	30,168	5,727	65,017
Year ended 31 December 2012	截至2012年12月31日				
	止年度				
Opening net book amount	年初賬面淨值	29,122	30,168	5,727	65,017
Additions	添置	-	-	15,629	15,629
Amortisation charge	攤銷開支	-	(3,083)	-	(3,083)
Currency translation differences	外幣折算差額	(7)	(19)	51	25
Closing net book amount	年終賬面淨值	29,115	27,066	21,407	77,588
At 31 December 2012	於2012年12月31日				
Cost	成本	29,115	30,933	21,407	81,455
Accumulated amortisation	累計攤銷	-	(3,867)	-	(3,867)
Net book amount	賬面淨值	29,115	27,066	21,407	77,588
Year ended 31 December 2013	截至2013年12月31日				
	止年度				
Opening net book amount	年初賬面淨值	<b>29,115</b>	<b>27,066</b>	<b>21,407</b>	<b>77,588</b>
Additions	添置	-	-	<b>15,863</b>	<b>15,863</b>
Amortisation charge	攤銷開支	-	<b>(3,144)</b>	-	<b>(3,144)</b>
Currency translation differences	外幣折算差額	<b>915</b>	<b>804</b>	<b>909</b>	<b>2,628</b>
Closing net book amount	年終賬面淨值	<b>30,030</b>	<b>24,726</b>	<b>38,179</b>	<b>92,935</b>
At 31 December 2013	於2013年12月31日				
Cost	成本	<b>30,030</b>	<b>31,905</b>	<b>38,179</b>	<b>100,114</b>
Accumulated amortisation	累計攤銷	-	<b>(7,179)</b>	-	<b>(7,179)</b>
Net book amount	賬面淨值	<b>30,030</b>	<b>24,726</b>	<b>38,179</b>	<b>92,935</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 9 Intangible Assets (Continued)

The goodwill is attributable to the synergies expected to arise upon the Group's acquisition of the cash-generating units ("CGU") of GD Welling and Changzhou Welling located in the PRC from the third parties. A summary of the goodwill allocation is presented below:

		<b>As at 31 December</b>	
		於12月31日	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Guangdong Welling Motor Manufacturing Co., Ltd. ("GD Welling")	廣東威靈電機製造有限公司 ("廣東威靈")	<b>25,096</b>	24,333
Changzhou Welling Motor Manufacturing Co., Ltd. ("Changzhou Welling")	常州威靈電機製造有限公司 ("常州威靈")	<b>4,934</b>	4,782
		<b>30,030</b>	29,115

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculations are as follows:

本集團從第三方收購位於中國的廣東威靈及常州威靈的現金產生單位(「現金產生單位」)預計會產生協同效應，而協同效應帶來商譽。商譽分配概要呈列如下：

現金產生單位之可收回金額乃按使用價值計算予以釐定。有關計算使用稅前現金流量預測(根據管理層批准之五年期財政預算)作出。五年期以外之現金流量乃按下文所述之估計增長率推斷。

使用價值計算之主要假設如下：

		<b>GD Welling</b>	<b>Changzhou Welling</b>
		廣東威靈	常州威靈
As at 31 December 2013	於2013年12月31日		
Gross margin (budgeted gross margin)	毛利率(預算毛利率)	<b>12%</b>	<b>18%</b>
Volume growth rate	銷量增長率	<b>15%</b>	<b>15%</b>
Long term growth rate	長期增長率	<b>1%</b>	<b>3%</b>
Discount rate (pre-tax discount rate applied to the cash flow projections)	貼現率(用於現金流量預測之稅前貼現率)	<b>15%</b>	<b>15%</b>
As at 31 December 2012	於2012年12月31日		
Gross margin (budgeted gross margin)	毛利率(預算毛利率)	12%	21%
Volume growth rate	銷量增長率	15%	15%
Long term growth rate	長期增長率	1%	3%
Discount rate (pre-tax discount rate applied to the cash flow projections)	貼現率(用於現金流量預測之稅前貼現率)	15%	15%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 9 Intangible Assets (Continued)

Management determined the compound annual volume growth rate for each CGU covering over the five-year forecast period to be a key assumption. The volume of sales in each period is the main driver for revenue and costs. The compound annual volume growth rate is based on past performance and management's expectations for the market development. The long term growth rates used are consistent with the forecasting's included in industry report. The discount rates used are pre-tax and reflect specific risks relating to the Group. No impairment is considered necessary based on the assessment.

#### 10 Interests in Subsidiaries

The details of the interests in subsidiaries of the Company are as follows:

#### 9 無形資產(續)

管理層將每個現金產生單位在五年預測期的複合年銷量增長率確定為一項主要假設。每個期間的銷售量均是收入及成本的主要來源。複合年銷量增長率是基於過往表現及管理層對市場發展的預期。所使用的長期增長率與行業報告內的預測相一致。所使用的貼現率均為稅前貼現率並反映與本集團相關的特定風險。評估顯示無需考慮減值。

#### 10 於附屬公司的權益

本公司於附屬公司的權益詳情如下：

		Company	
		本公司	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Investments in equity interests	股權投資		
– at cost, unlisted	– 按成本，非上市	<b>4,500,000</b>	4,500,000
– subsequent exchange differences due to translation into presentation currency (note 2.5(c))	– 其後因換算為呈列貨幣之折算差異(附註2.5(c))	<b>626,925</b>	470,508
Investments arising from share-based payments (i)	以股份支付支出產生之投資(i)	<b>8,348</b>	8,236
Amounts due from subsidiaries (ii)	應收附屬公司款項(ii)	<b>532,340</b>	496,874
		<b>5,667,613</b>	5,475,618

(i) The amount represents share-based payments arising from the grant of share options of the Company to employees of the subsidiaries for their services provided to the subsidiaries.

(ii) The amounts due from subsidiaries are unsecured, denominated in HK\$, interest-free, the Company does not intend to collect it in the foreseeable future, with no fixed term of repayment, non-trade related and account for as quasi-investment.

(i) 該款項指就附屬公司之僱員向附屬公司提供服務而向彼等授出本公司購股權產生之以股份支付。

(ii) 應收附屬公司款項為無抵押、以港幣列值、免息，而且本公司計劃不會在可見將來收回，無固定還款期、非貿易相關且按准投資項目入賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10 Interests in Subsidiaries (Continued)

### 10 於附屬公司的權益(續)

The particulars of the subsidiaries as at 31 December 2013 are:

附屬公司於2013年12月31日之詳情如下：

Name 名稱	Place of incorporation and operation/establishment and kind of legal entity 註冊成立及營業／ 成立地點及法定實體類別	Principal activities 主要業務	Particulars of issued share capital/ registered capital 已發行股本／ 註冊資本之詳情	Interest held 所持權益
<b>Directly held:</b> 直接持有：				
Welling Holding (BVI) Ltd. 威靈控股(BVI)有限公司	British Virgin Islands, limited liability company 英屬處女群島·有限責任公司	Investment holding 投資控股	10,000 ordinary shares of USD1 each 10,000股每股面值1美元之普通股	100%
<b>Indirectly held:</b> 間接持有：				
Changzhou Honglu Huate Electric Co., Ltd. 常州弘祿華特電機有限公司(iii)	PRC, limited liability company 中國·有限責任公司	Manufacture and trading of motors 製造及買賣電機	Registered capital RMB40,622,545 註冊資本人民幣40,622,545元	75.97%
Changzhou Welling Motor Manufacturing Co., Ltd. ("Changzhou Welling") 常州威靈電機製造有限公司(「常州威靈」)(iii)	PRC, limited liability company (foreign investment enterprises) 中國·有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD23,634,600 註冊資本23,634,600美元	75.97%
Foshan Welling Electronic & Electric Co., Ltd. ("Welling Electronic and Electric") 佛山市威靈電子電器有限公司(「威靈電子電器」)	PRC, limited liability company (foreign investment enterprises) 中國·有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD15,000,000 註冊資本15,000,000美元	100%
Foshan Welling Material Supply Co., Ltd. 佛山市威靈材料供應有限公司	PRC, limited liability company 中國·有限責任公司	Trading of raw materials 買賣原材料	Registered capital RMB20,000,000 註冊資本人民幣20,000,000元	100%
Foshan Welling Washer Motor Manufacturing Co., Ltd. ("Welling Washer") 佛山市威靈洗滌電機製造有限公司(「威靈洗滌」)	PRC, limited liability company (foreign investment enterprises) 中國·有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD6,400,000 註冊資本6,400,000美元	100%
Guangdong Welling Motor Manufacturing Co., Ltd. ("GD Welling") 廣東威靈電機製造有限公司(「廣東威靈」)	PRC, limited liability company (foreign investment enterprises) 中國·有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD48,810,000 註冊資本48,810,000美元	100%



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10 Interests in Subsidiaries (Continued)

### 10 於附屬公司的權益(續)

Name	Place of incorporation and operation/establishment and kind of legal entity 註冊成立及營業/ 成立地點及法定實體類別	Principal activities	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之詳情	Interest held 所持權益
Hefei Welling Motor Manufacturing Co., Ltd. 合肥威靈電機製造有限公司	PRC, limited liability company 中國，有限責任公司	Manufacture and trading of motors 製造及買賣電機	Registered capital RMB50,000,000 註冊資本人民幣50,000,000元	100%
Huaian Welling Motor Manufacturing Co., Ltd. ("Huaian Welling") 淮安威靈電機製造有限公司(「淮安威靈」)	PRC, limited liability company (foreign investment enterprises) 中國，有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD25,000,000 註冊資本25,000,000美元	100%
Midea Welling Motor Technology (Shanghai) Co., Ltd. 美的威靈電機技術(上海)有限公司	PRC, limited liability company 中國，有限責任公司	Providing technical consultancy services 提供技術顧問服務	Registered capital RMB10,000,000 註冊資本人民幣10,000,000元	100%
Welling International Hong Kong Ltd. ("Welling HK") 威靈國際香港有限公司(「威靈香港」)	Hong Kong, limited liability company 香港，有限責任公司	Investment holding and trading of motors 投資控股及買賣電機	10,000,000 ordinary shares of HK\$1 each 10,000,000股每股面值港幣1元之普通股	100%
Welling Macao Commercial Offshore Limited 威靈澳門離岸商業服務有限公司	Macao Special Administrative Region, limited liability company 澳門特別行政區，有限責任公司	Offshore trading 離岸交易	Registered capital Macao Pataca 100,000 註冊資本澳門幣100,000元	100%
Welling (Wuhu) Motor Manufacturing Co., Ltd. ("Wuhu Welling") 威靈(蕪湖)電機製造有限公司(「蕪湖威靈」)	PRC, limited liability company (foreign investment enterprises) 中國，有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD17,680,000 註冊資本17,680,000美元	100%
Wuhu Welling Motor Sales Co., Ltd. 蕪湖威靈電機銷售有限公司	PRC, limited liability company 中國，有限責任公司	Trading of motors 買賣電機	Registered capital RMB50,000,000 註冊資本人民幣50,000,000元	100%
Wuxi Little Swan Huayin Electrical Appliances Co., Ltd.* 無錫小天鵝華印電器有限公司*	PRC, limited liability company 中國，有限責任公司	Dormant 停業	Registered capital RMB49,673,470 註冊資本人民幣49,673,470元	100%

\* The company is deregistered during the year.

\* 公司於年內註銷營業登記。

The English name of certain companies referred in this financial statements represent management's best effort at translating the Chinese names of these companies as no English names have been registered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 10 Interests in Subsidiaries (Continued)

##### (iii) Material non-controlling interests

The total non-controlling interest for the year is HK\$62,890,000, which are all attributed to Changzhou Welling Group, which included Changzhou Welling and its subsidiary Changzhou Honglu Huate Electric Co., Ltd.

##### *Summarised financial information on subsidiaries with material non-controlling interests*

Set out below are the summarised financial information for Changzhou Welling Group.

##### **Summarised balance sheet**

		Changzhou Welling Group	
		常州威靈集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current	流動		
Assets	資產	<b>308,863</b>	179,420
Liabilities	負債	<b>(318,482)</b>	(145,810)
Total current net (liabilities)/assets	流動(負債)/資產淨額總計	<b>(9,619)</b>	33,610
Non-current	非流動		
Assets	資產	<b>216,595</b>	158,784
Liabilities	負債	<b>(6,213)</b>	(6,794)
Total non-current net assets	非流動資產淨額總計	<b>210,382</b>	151,990
Net assets	資產淨額	<b>200,763</b>	185,600

#### 10 於附屬公司的權益(續)

##### (iii) 重大非控股權益

本年度的非控股權益合共為港幣62,890,000元，全部均來自常州威靈集團(由常州威靈及其附屬公司常州弘祿華特電機有限公司組成)。

##### *具有重大非控股權益的附屬公司的財務資料概要*

以下載述常州威靈集團之財務資料概要。

##### **資產負債表概要**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 10 Interests in Subsidiaries (Continued)

##### (iii) Material non-controlling interests (Continued)

*Summarised financial information on subsidiaries with material non-controlling interests (Continued)*

##### Summarised income statement

#### 10 於附屬公司的權益(續)

##### (iii) 重大非控股權益(續)

*具有重大非控股權益的附屬公司的財務資料概要(續)*

##### 收益表概要

		<b>Changzhou Welling Group</b>	
		常州威靈集團	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		港幣千元	港幣千元
Revenue	收入	<b>223,294</b>	129,540
Profit/(loss) before income tax	扣除所得稅前利潤／(虧損)	<b>32,632</b>	(10,780)
Income tax (expense)/income	所得稅(開支)／收入	<b>(8,587)</b>	2,175
Profit/(loss) for the year	年度利潤／(虧損)	<b>24,045</b>	(8,605)
Profit/(loss) for the year allocated to non-controlling interests	分配予非控股權益的年度利潤／(虧損)	<b>6,631</b>	(1,890)
Other comprehensive income allocated to non-controlling interests	分配予非控股權益的其他全面收益	<b>1,809</b>	(20)
Total comprehensive income allocated to non-controlling interests	分配予非控股權益的全面收益總計	<b>8,440</b>	(1,910)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 10 Interests in Subsidiaries (Continued)

##### (iii) Material non-controlling interests (Continued)

Summarised financial information on subsidiaries with material non-controlling interests (Continued)

##### Summarised cash flows

		Changzhou Welling Group 常州威靈集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Cash generated from operations	經營產生之現金	91,803	91,488
Income tax paid	已付所得稅	(20)	(526)
Net cash generated from operating activities	經營活動產生之現金淨額	91,783	90,962
Net cash used in investing activities	投資活動所用之現金淨額	(63,681)	(85,480)
Net cash used in financing activities	融資活動所用之現金淨額	(29,768)	(22,221)
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等價物減少淨額</b>	<b>(1,666)</b>	<b>(16,739)</b>
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	9,465	26,211
Effect on exchange difference	匯兌差異影響	840	(7)
Cash and cash equivalents at end of year	年終之現金及現金等價物	8,639	9,465

The information above is the amount before inter-company eliminations.

#### 10 於附屬公司的權益(續)

##### (iii) 重大非控股權益(續)

具有重大非控股權益的附屬公司的財務資料概要(續)

##### 現金流量概要

以上資料均為公司間對銷前金額。

#### 11 Investments Accounted for Using the Equity Method

The amounts recognised in the balance sheet are as follows:

		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Associates	聯營公司	296,259	271,669

#### 11 以權益法入賬之投資

資產負債表內確認金額如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 11 Investments Accounted for Using the Equity Method (Continued) 11 以權益法入賬之投資(續)

The amounts recognised in the income statement are as follows:

收益表內確認金額如下：

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Associates	聯營公司	22,405	17,322

Set out below are the associates of the Group as at 31 December 2013, which, in the opinion of the directors, are material to the Group. The associates as listed below are all unlisted, and held directly by the Group; the country of incorporation or registration is also their principal place of business.

本集團於2013年12月31日有下列聯營公司，屬於董事認為對本集團有重大影響的公司。下列聯營公司均為非上市公司並由本集團直接持有，其註冊國或登記國亦是其主要營業地點之所在。

Nature of investment in associates as at 31 December 2013 and 2012:

於2013年及2012年12月31日之聯營公司投資性質：

Name of entity	Place of business/country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
實體名稱	業務地點／註冊成立國家	所有權權益百分比	關係屬性	計量方法
Shanxi Huaxiang Group Co.,Ltd. ("Shanxi Huaxiang")	PRC	49	note 1	Equity
山西華翔集團有限公司(「山西華翔」)	中國		附註1	權益法
Linkgo-HK Limited ("Linkgo") 香港林柯有限公司(「林柯」)	Hong Kong 香港	49	note 2 附註2	Equity 權益法

note 1: Shanxi Huaxiang's principal activities are manufacturing and selling precise casting used for the compressor of air conditioning and refrigerators. Shanxi Huaxiang is a private company and there is no quoted market price available for its shares.

附註1：山西華翔的主要業務是製造及銷售冷氣及冰箱壓縮機的精密鑄件。山西華翔是一間私人公司，其股份並無市場報價。

note 2: Linkgo's principal activities are investment holding. Linkgo is a private company and there is no quoted market price available for its shares.

附註2：林柯的主要業務是投資控股。林柯是一間私人公司，其股份並無市場報價。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 11 Investments Accounted for Using the Equity Method (Continued) 11 以權益法入賬之投資(續)

##### Summarised financial information for associates

Set out below are the summarised financial information for Shanxi Huaxiang and Linkgo which are accounted for using the equity method.

##### Summarised balance sheet

##### 聯營公司的財務資料概要

下列是以權益法入賬的山西華翔及林柯的財務資料概要。

##### 資產負債表概要

		Shanxi Huaxiang		Linkgo		Total	
		山西華翔		林柯		總計	
		2013	2012	2013	2012	2013	2012
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Current</b>	<b>流動</b>						
Cash and cash equivalents	現金及現金等價物	160,607	185,743	-	1	160,607	185,744
Other current assets (excluding cash)	其他流動資產 (不包括現金)	907,395	691,271	-	-	907,395	691,271
Total current assets	總流動資產	1,068,002	877,014	-	1	1,068,002	877,015
Financial liabilities (excluding trade payables)	金融負債 (不包括貿易應付款)	(530,597)	(363,778)	(22)	(21)	(530,619)	(363,799)
Other current liabilities (including trade payables)	其他流動負債 (包括貿易應付款)	(544,546)	(435,339)	(150)	(124)	(544,696)	(435,463)
Total current liabilities	總流動負債	(1,075,143)	(799,117)	(172)	(145)	(1,075,315)	(799,262)
<b>Non-current</b>	<b>非流動</b>						
Assets	資產	810,719	785,699	44,286	46,688	855,005	832,387
Financial liabilities	金融負債	(160,010)	(262,424)	-	-	(160,010)	(262,424)
Other liabilities	其他負債	(18,355)	(29,431)	-	-	(18,355)	(29,431)
Total non-current liabilities	總非流動負債	(178,365)	(291,855)	-	-	(178,365)	(291,855)
Net assets	資產淨值	625,213	571,741	44,114	46,544	669,327	618,285



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 11 Investments Accounted for Using the Equity Method (Continued) 11 以權益法入賬之投資(續)

Summarised financial information for associates (Continued)

聯營公司的財務資料概要(續)

Summarised statement of comprehensive income

全面收益表概要

		Shanxi Huaxiang		Linkgo		Total	
		山西華翔		林柯		總計	
		2013	2012	2013	2012	2013	2012
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Revenue	收入	1,409,240	1,210,708	13,441	-	1,422,681	1,210,708
Depreciation and amortisation	折舊及攤銷	(80,854)	(64,281)	-	-	(80,854)	(64,281)
Interest income	利息收入	1,122	1,936	-	-	1,122	1,936
Interest expense	利息開支	(47,369)	(48,125)	-	-	(47,369)	(48,125)
<b>Profit before income tax</b>	<b>扣除所得稅前利潤</b>	<b>64,694</b>	46,085	<b>11,011</b>	13,241	<b>75,705</b>	59,326
Income tax expense	所得稅開支	(15,797)	(9,580)	-	-	(15,797)	(9,580)
<b>Profit for the year</b>	<b>年度利潤</b>	<b>48,897</b>	36,505	<b>11,011</b>	13,241	<b>59,908</b>	49,746
<b>Dividends received from associate</b>	<b>向聯營公司收取的股息</b>	-	-	<b>13,441</b>	-	<b>13,441</b>	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 11 Investments Accounted for Using the Equity Method (Continued) 11 以權益法入賬之投資(續)

##### Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

##### Summarised financial information

##### 所呈報的財務資料的對賬表

所呈列的財務資料概要與聯營公司權益賬面值的對賬表

##### 財務資料概要

		Shanxi Huaxiang		Linkgo		Total	
		2013	2012	2013	2012	2013	2012
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Opening net assets</b>	<b>1月1日之年初資產淨值</b>						
<b>1 January</b>		<b>571,741</b>	535,246	<b>46,544</b>	33,303	<b>618,285</b>	568,549
Profit for the period	期內利潤	<b>48,897</b>	36,505	<b>11,011</b>	13,241	<b>59,908</b>	49,746
Dividend paid	已付股息	<b>(13,908)</b>	-	<b>(13,441)</b>	-	<b>(27,349)</b>	-
Currency translation differences	外幣折算差額	<b>18,483</b>	(10)	-	-	<b>18,483</b>	(10)
<b>Consolidated closing net assets</b>	<b>綜合年終資產淨值</b>	<b>625,213</b>	571,741	<b>44,114</b>	46,544	<b>669,327</b>	618,285
Non-controlling interests	非控股權益	<b>(108,297)</b>	(106,197)	-	-	<b>(108,297)</b>	(106,197)
<b>Closing net assets attributable to the owners</b>	<b>擁有人應佔年終資產淨值</b>	<b>516,916</b>	465,544	<b>44,114</b>	46,544	<b>561,030</b>	512,088
<b>Interest in associates (49%, 49%)</b>	<b>聯營公司權益(49%、49%)</b>	<b>253,289</b>	228,116	<b>21,616</b>	22,807	<b>274,905</b>	250,923
Fair value adjustments	公允價值調整	<b>1,699</b>	2,404	<b>18,486</b>	18,759	<b>20,185</b>	21,163
Currency translation differences	外幣折算差額	<b>(1,278)</b>	(1,302)	<b>2,447</b>	885	<b>1,169</b>	(417)
<b>Carrying value</b>	<b>賬面值</b>	<b>253,710</b>	229,218	<b>42,549</b>	42,451	<b>296,259</b>	271,669

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 12 Available-For-Sale Financial Assets

#### 12 可供出售金融資產

		<b>Group</b> 本集團 HK\$'000 港幣千元
At 1 January 2012	於2012年1月1日	97,307
Net gains transferred to equity	淨收益轉撥至權益	5,518
Currency translation differences	外幣折算差額	(6)
At 31 December 2012	於2012年12月31日	102,819
At 1 January 2013	於2013年1月1日	<b>102,819</b>
Net gains transferred to equity	淨收益轉撥至權益	<b>5,823</b>
Currency translation differences	外幣折算差額	<b>3,317</b>
At 31 December 2013	於2013年12月31日	<b>111,959</b>

(a) The available-for-sale financial assets represent the equity interests in a unlisted company, Midea Group Finance Co., Ltd (the "Finance Company"), which shall provide a range of financial services as approved by the China Banking Regulatory Commission ("CBRC"). The registered capital of the Finance Company was RMB1,500 million while GD Welling held 5% equity interest. The Group has no significant influence on the Finance Company.

(b) The fair value of available-for-sale financial assets was determined by the directors. A gain arising from the fair value amounting to HK\$5,823,000 (2012: HK\$5,518,000) was recognised in other comprehensive income for the year ended 31 December 2013. The directors assessed the fair value of the equity investment and are in the opinion that the fair value of the Finance Company approximately its net assets as at 31 December 2013 and 2012.

(a) 可供出售金融資產是指非上市公司美的集團財務有限公司(「財務公司」)的股權，財務公司經中國銀行業監督管理委員會(「中國銀監會」)批准提供一系列金融服務，其註冊資本為人民幣15億元，廣東威靈持有其5%的股權。本集團對財務公司並無重大影響力。

(b) 可供出售金融資產的公允價值由董事釐定。公允價值產生的收益港幣5,823,000元(2012年：港幣5,518,000元)於截至2013年12月31日止年度的其他全面收益內確認。董事評核股權投資的公允價值，並認為於2013年及2012年12月31日財務公司之公允價值與其資產淨值相若。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 13 Inventories

#### 13 存貨

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Raw materials	原材料	<b>220,163</b>	210,586
Work-in-progress	在製品	<b>30,293</b>	31,026
Finished goods (note)	製成品(附註)	<b>626,273</b>	461,919
		<b>876,729</b>	703,531

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$6,544,347,000 (2012: HK\$5,624,032,000).

During the year, the Group made a provision for impairment of inventories amounting to HK\$7,116,000 (2012: HK\$9,141,000).

note: As at 31 December 2013, the Group had finished goods which were delivered and kept in stores at customers' location amounting to approximately HK\$322,310,000 (2012: HK\$241,186,000). No sales have been recognised for these finished goods as the risks and rewards have not been passed to the customers.

存貨成本港幣6,544,347,000元(2012年:港幣5,624,032,000元)已確認為開支並計入銷售貨品成本內。

年內,本集團作出存貨減值撥備港幣7,116,000元(2012年:港幣9,141,000元)。

附註:於2013年12月31日,本集團交付及存放在客戶地點的製成品約港幣322,310,000元(2012年:港幣241,186,000元)。由於風險及回報未轉嫁予客戶,故該等製成品的銷售並未獲確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 14 Trade and Other Receivables

#### 14 貿易及其他應收款

		Group 本集團		Company 本公司	
		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元	2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Trade receivables (note (a))	貿易應收款(附註(a))	<b>1,232,725</b>	1,265,739	-	-
Less: allowance for impairment (note (c))	減：減值撥備 (附註(c))	<b>(41,750)</b>	(31,360)	-	-
Trade receivables-net	貿易應收款－淨額	<b>1,190,975</b>	1,234,379	-	-
Notes receivable (notes (a), (d))	應收票據(附註(a)、(d))	<b>1,049,262</b>	660,589	-	-
Amounts due from related parties (note (a), 36(b))	應收關聯方款項 (附註(a)、36(b))	<b>478,010</b>	880,436	-	-
		<b>2,718,247</b>	2,775,404		
Prepayments	預付款	<b>108,581</b>	204,005	<b>485</b>	485
Other receivables	其他應收款	<b>70,209</b>	131,348	-	-
Recoverable value-added tax-net (note (e))	可收回增值稅－淨額 (附註(e))	<b>123,921</b>	90,104	-	-
		<b>3,020,958</b>	3,200,861	<b>485</b>	485
Less: non-current portion	減：非即期部分				
– Prepayments for property, plant and equipment	– 預付物業、廠房及設 備款項	<b>(24,705)</b>	(3,281)	-	-
		<b>2,996,253</b>	3,197,580	<b>485</b>	485

As at 31 December 2013 and 2012, the fair values of trade and other receivables of the Group and the Company approximate their carrying amounts.

於2013年及2012年12月31日，本集團及本公司之貿易及其他應收款之公允價值與其賬面值相若。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 14 Trade and Other Receivables (Continued)

As at 31 December 2013 and 2012, prepayments of the Company are denominated in HK\$. Trade and other receivables (including amounts due from related parties) are denominated in the following currencies:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
RMB	人民幣	2,367,387	2,444,964
USD	美元	477,288	551,969
EUR	歐元	175,398	203,081
Others	其他	885	847
		<b>3,020,958</b>	3,200,861

notes:

- (a) The majority of the Group's trade receivables are with credit period from 30 to 150 days. As at 31 December 2013 and 2012, the ageing analysis of the gross trade receivables, amounts due from related parties and notes receivable respectively are as follows:

#### 14 貿易及其他應收款(續)

於2013年及2012年12月31日，本公司的預付款以港幣列值。貿易及其他應收款項(包括應收關聯方款項)均以下列貨幣列值：

附註：

- (a) 本集團大部分貿易應收款之信貸期介乎30日至150日。於2013年及2012年12月31日，貿易應收款總額、應收關聯方款項及應收票據之賬齡分析分別如下：

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
<b>Gross trade receivables:</b>	<b>貿易應收款總額：</b>		
Within 3 months	3個月以內	1,021,925	1,097,885
3 to 6 months	3至6個月	200,378	155,762
Over 6 months	6個月以上	10,422	12,092
		<b>1,232,725</b>	1,265,739

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
<b>Amounts due from related parties:</b>	<b>應收關聯方款項：</b>		
Within 3 months	3個月以內	478,010	878,851
3 to 6 months	3至6個月	-	1,557
Over 6 months	6個月以上	-	28
		<b>478,010</b>	880,436



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 14 Trade and Other Receivables (Continued)

(a) (Continued)

Notes receivable:	應收票據：	Group 本集團	
		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Within 3 months	3個月以內	86,591	259,653
3 to 6 months	3至6個月	962,671	400,936
		<b>1,049,262</b>	660,589

As at 31 December 2013 and 2012, the trade receivables of HK\$1,142,539,000 (2012: HK\$1,202,092,000) are fully performing.

(b) As at 31 December 2013, trade receivables of HK\$120,614,000 (2012: HK\$104,207,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

		Group 本集團	
		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
3 to 6 months	3至6個月	118,519	102,738
Over 6 months	6個月以上	2,095	1,469
		<b>120,614</b>	104,207

#### 14 貿易及其他應收款(續)

(a) (續)

於2013年及2012年12月31日，貿易應收款港幣1,142,539,000元(2012年：港幣1,202,092,000元)悉數獲履行。

(b) 於2013年12月31日，貿易應收款港幣120,614,000元(2012年：港幣104,207,000元)已逾期但未減值。此為眾多並無重大財務困難的獨立客戶，且根據過往經驗，逾期款項可予收回。此等貿易應收款之賬齡分析如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 14 Trade and Other Receivables (Continued)

- (c) As at 31 December 2013, trade receivables of approximately HK\$90,186,000 (2012: HK\$63,647,000) were impaired. The provision in relation thereto was approximately HK\$41,750,000 (2012: HK\$31,360,000) at 31 December 2013. The individual impaired receivables mainly relate to past due receivables from customers. There is no recent history of default for most of the customers, it was assessed that a large portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
3 to 6 months	3至6個月	81,859	53,024
Over 6 months	6個月以上	8,327	10,623
		<b>90,186</b>	63,647

Movements on the Group's allowance for impairment of trade receivables are as follows:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Beginning of the year	年初	31,360	35,266
Provision/(written back) for impairment – net	減值撥備/(撥回)–淨額	10,926	(3,209)
Bad debts written off	壞賬撇銷	(1,659)	(675)
Currency translation differences	外幣折算差額	1,123	(22)
End of the year	年終	<b>41,750</b>	31,360

The creation and release of allowance for impaired receivables have been included in administrative expenses in profit or loss (note 25). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

#### 14 貿易及其他應收款(續)

- (c) 於2013年12月31日，貿易應收款約港幣90,186,000元(2012年：港幣63,647,000元)減值。於2013年12月31日之有關撥備約港幣41,750,000元(2012年：港幣31,360,000元)。個別減值應收款主要與客戶過期應收款項有關。大部分客戶近期並無拖欠記錄，且評估大部分應收款預期將可收回。此等應收款之賬齡如下：

本集團貿易應收款的減值撥備變動如下：

新增及解除之應收款減值撥備已計入損益之行政開支內(附註25)。倘預期不能收回額外現金，則計入撥備賬之金額一般會撇銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 14 Trade and Other Receivables (Continued)

(c) (Continued)

The provision written back represented the subsequent collection of previously provided impaired amounts.

The other classes within trade and other receivables do not contain impaired assets.

(d) The balance represents bank acceptance notes with maturity periods within six months. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(e) The Group has paid input value-added taxes (“VAT”) to the State Tax Bureau for the goods purchased from its suppliers. In accordance with the relevant PRC tax regulations, these VAT can be offset with the output VAT arising from future sales but are not refundable. The balances at 31 December 2013 and 2012 represented net input VAT after offsetting the output VAT payable by the Group for domestic sales made during the year.

#### 14 貿易及其他應收款(續)

(c) (續)

撥回撥備為之後收回之過往撥備減值金額。

貿易及其他應收款之其他類別不包括已減值資產。

(d) 有關結餘為6個月內到期之銀行承兌票據。於報告日期之最大信貸風險為上述各類應收款之公允價值。本集團並無持有任何抵押品作抵押。

(e) 本集團已就購自供應商的貨品向國家稅務局支付進項增值稅(「增值稅」)。根據有關中國稅務法規，該等增值稅可抵銷未來銷售產生的銷項增值稅，惟不可退還。於2013年及2012年12月31日結餘指抵銷本集團年內就國內銷售應付的銷項增值稅後進項增值稅淨額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 15 Pledged Bank Deposits

Certain bank balances were pledged against bank acceptance notes issued by the Group and these deposits will be released upon the maturity of the relevant bank acceptance notes issued. These pledged bank deposits bear interest at bank saving rates of 2.85% per annum (2012: 3.06% per annum). All pledged bank deposits are denominated in RMB.

#### 15 已抵押銀行存款

若干銀行結餘乃作為本集團所發出之銀行承兌票據之抵押，而該等存款將於發出之相關銀行承兌票據到期日解除。該等已抵押銀行存款按銀行存款年利率2.85%(2012：年利率3.06%)計息。所有已抵押銀行存款以人民幣計值。

#### 16 Cash and Cash Equivalents

#### 16 現金及現金等價物

	Group 本集團		Company 本公司	
	2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元	2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Bank deposits and cash on hand 銀行存款及手頭現金	<b>1,825,010</b>	825,717	<b>10,173</b>	3,097

The weighted average effective interest rate on bank deposits was 0.73% per annum (2012: 0.83% per annum).

銀行存款之加權平均實際年利率為0.73% (2012年：年利率0.83%)。

#### 17 Share Capital and Share Options

#### 17 股本及購股權

##### (a) Share capital

##### (a) 股本

	Authorised Ordinary shares 法定股本之普通股	
	Number of shares ('000) 股份數目(千股)	HK\$'000 港幣千元
At 1 January 2012, 31 December 2012 and 2013, at HK\$0.5 each 於2012年1月1日、2012年及2013年12月31日每股面值港幣0.5元	4,000,000	2,000,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 17 Share Capital and Share Options (Continued) 17 股本及購股權(續)

##### (a) Share capital (Continued)

##### (a) 股本(續)

		Issued and fully paid Ordinary shares 已發行及繳足股本之普通股	
		Number of shares ('000) 股份數目(千股)	HK\$'000 港幣千元
At 1 January 2012, at HK\$0.5 each	於2012年1月1日 每股面值港幣0.5元	2,821,613	1,410,806
Share issued under the share option scheme (i)	購股權計劃下之股份發行(i)	100	50
At 31 December 2012 and 1 January 2013, at HK\$0.5 each	於2012年12月31日及 2013年1月1日 每股面值港幣0.5元	<b>2,821,713</b>	<b>1,410,856</b>
Share issued under the share option scheme (ii)	購股權計劃下之股份發行(ii)	<b>27,494</b>	<b>13,747</b>
At 31 December 2013, at HK\$0.5 each	於2013年12月31日 每股面值港幣0.5元	<b>2,849,207</b>	<b>1,424,603</b>

(i) The share options exercised by an employee of the Group for the year ended 31 December 2012, resulted in 100,000 shares being issued at HK\$0.785, yielding proceeds after transaction costs of approximately HK\$72,000, which was recognised as share capital and share premium amounting to HK\$50,000 and HK\$22,000 respectively. The weighted average closing price of shares of the Company at the time of exercise of share options was HK\$1.2.

(ii) The share options exercised by the employees of the Group for the year ended 31 December 2013, resulted in 27,494,000 shares being issued at HK\$0.785, yielding proceeds after transaction costs of approximately HK\$21,374,000, which was recognised as share capital and share premium amounting to HK\$13,747,000 and HK\$7,627,000 respectively. The weighted average closing price of shares of the Company at the time of exercise of share options was HK\$1.76.

(i) 截至2012年12月31日止年度，本集團一名僱員行使購股權，導致100,000股股份按每股港幣0.785元之價格發行，扣除交易費後之所得款項約港幣72,000元。分別確認為港幣50,000元及港幣22,000元之股本及股本溢價。購股權獲行使時，本公司股份之加權平均收市價為港幣1.2元。

(ii) 截至2013年12月31日止年度，本集團僱員行使購股權，導致27,494,000股股份按每股港幣0.785元之價格發行，扣除交易費後之所得款項約港幣21,374,000元。分別確認為港幣13,747,000元及港幣7,627,000元之股本及股本溢價。購股權獲行使時，本公司股份之加權平均收市價為港幣1.76元。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 17 Share Capital and Share Options (Continued) 17 股本及購股權(續)

##### (b) Share options

The Company adopted a share option scheme as approved by the shareholders of the Company at an extraordinary general meeting held on 27 June 2003 (the “2003 Share Option Scheme”).

During the year, the 2003 Share Option Scheme was terminated before its expiration on 26 June 2013 and a new share option scheme (the “2013 Share Option Scheme”) was adopted by the shareholders of the Company at the Company’s annual general meeting held on 30 May 2013.

Following the expiry of the 2003 Share Option Scheme, the Company may grant share options to eligible participants as recognition and acknowledgement of the contributions that the eligible participants have made or may make to the Group or any affiliates; and to attract, retain and motivate talented eligible participants to strive for the future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the eligible participants pursuant to the terms of the 2013 Share Option Scheme. Eligible participants of the 2013 Share Option Scheme include (1) any full-time or part-time employees or potential employees, executives or officers of the Group or any affiliates; (2) any directors (including non-executive directors and independent non-executive directors) of the Group or any affiliates; or (3) anyone who, as to be determined by the Board at its absolute discretion, have contributed or will contribute to the Group or any affiliates.

##### (b) 購股權

本公司採納經由本公司股東於2003年6月27日舉行之股東特別大會上批准之購股權計劃(「2003年購股權計劃」)。

年內，2003年購股權計劃已於2013年6月26日屆滿前終止，而新購股權計劃(「2013年購股權計劃」)已於2013年5月30日舉行之本公司股東週年大會上獲本公司股東採納。

於2003年購股權計劃屆滿後，本公司可向合資格參與者授出購股權，以肯定及表彰合資格參與者對本集團或任何聯屬公司已作出或可能作出的貢獻；以及吸引、挽留及激勵有才能的合資格參與者為本集團的未來發展及拓展克盡厥職，並為本公司提供靈活的政策以根據2013年購股權計劃的條款向合資格參與者提供激勵、獎勵、獎賞、報酬及／或利益。2013年購股權計劃的合資格參與者包括(1)本集團或任何聯屬公司之任何全職或兼職僱員或準僱員、行政人員或高級職員；(2)本集團或任何聯屬公司之任何董事(包括非執行董事及獨立非執行董事)；或(3)董事會全權酌情認為對本集團或任何聯屬公司已作出或將作出貢獻之任何人士。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 17 Share Capital and Share Options (Continued) 17 股本及購股權(續)

##### (b) Share options (Continued)

The 2013 Share Option Scheme is valid for a period of 10 years commencing from 30 May 2013. The limit on the number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2013 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares of the Company in issue from time to time. The total number of shares which may be issued upon exercise of all share options to be granted under the 2013 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares of the Company in issue as at the date of approval of the 2013 Share Option Scheme (being 283,724,682 shares), but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the 2013 Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the share options granted under the 2013 Share Option Scheme and any other share option schemes of the Company to each eligible participant in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue. Any further grant of share options in excess of such limit must be separately approved by the shareholders of the Company in general meeting.

Share options granted under the 2013 Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or their respective associates, must be approved by the Independent Non-executive Directors of the Company (excluding Independent Non-executive Director who is the grantee of the share options). In addition, any share options granted to a substantial shareholder or an Independent Non-executive Director of the Company, or any of their respective associates, in aggregate more than 0.1% of the total number of shares of the Company in issue or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, must be subject to shareholders' approval in general meeting of the Company.

##### (b) 購股權(續)

2013年購股權計劃自2013年5月30日起有效期為10年。於根據本公司2013年購股權計劃及任何其他購股權計劃已授出但尚未行使之所有購股權獲行使時可予發行之股份數目限額，不得超過本公司不時已發行股份總數之30%。於根據本公司2013年購股權計劃及任何其他購股權計劃將予授出之所有購股權獲行使時可予發行之股份總數，合共不得超過於2013年購股權計劃獲批准當日本公司已發行股份總數之10%（即283,724,682股），惟本公司可於股東大會上尋求股東批准更新2013年購股權計劃下之10%限額。

於根據本公司2013年購股權計劃及任何其他購股權計劃授出之購股權獲行使時，於任何12個月期間已發行及將發行者予每名合資格參與者之股份總數，不得超過本公司已發行股份總數之1%。任何進一步授出超過此限額之購股權須獲本公司股東於股東大會上另行批准。

根據2013年購股權計劃向本公司董事、最高行政人員或主要股東或彼等各自聯繫人授出購股權，須獲本公司獨立非執行董事（不包括身為購股權承授人之獨立非執行董事）批准。此外，於截至授出日期（包括該日）止任何12個月期間，向本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人授出之任何購股權，倘若合共超過本公司已發行股份總數之0.1%或總值（根據本公司於各授出日期之股份收市價計算）超過港幣5,000,000元，則須於本公司股東大會上獲股東批准。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 17 Share Capital and Share Options (Continued) 17 股本及購股權(續)

##### (b) Share options (Continued)

The offer of a grant of share options may be accepted by the grantee with payment of HK\$1 as consideration within 28 days from the date of approval for the grant of share options by the Board. The exercise period of the share options granted may be determined by the Board and in any event, such period shall not be longer than 10 years from the date upon which any particular share options are granted in accordance with the 2013 Share Option Scheme.

The exercise price of the share options shall be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant of share options, which must be a business day; and (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of share options, which must be a business day.

As at 31 December 2013, 16,406,000 share options remain outstanding and exercisable under the 2003 Share Option Scheme. No share options were granted to any eligible participants since the adoption of the 2013 Share Option Scheme.

##### (b) 購股權(續)

承授人可於董事會批准授出購股權當日起計28日內，以支付港幣1元之代價接納授出購股權建議。所授出購股權之行使期可由董事會釐定，惟無論如何該期限不得超過根據2013年購股權計劃授出任何特定購股權日期起計10年。

購股權之行使價須至少為下列之最高者 (i)於授出購股權當日(須為營業日)香港聯合交易所有限公司(「聯交所」)每日報價表所示之本公司股份收市價；及(ii)於緊接授出購股權當日(須為營業日)前5個營業日聯交所每日報價表所示之本公司股份平均收市價。

於2013年12月31日，根據2003年購股權計劃尚有16,406,000份購股權尚未行使及可予行使。自2013年購股權計劃獲採納之日起，概無任何合資格參與者獲授購股權。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 17 Share Capital and Share Options (Continued) 17 股本及購股權(續)

##### (b) Share options (Continued)

Movements in the share options granted under the 2003 Share Option Scheme during the year ended 31 December 2013 were as follows:

##### (b) 購股權(續)

於截至2013年12月31日止年度，根據2003年購股權計劃授出之購股權變動如下：

Name	Date of Grant	Exercise price (note 1) HK\$	Exercisable period	Balance as at 1 January 2013 (note 1) 於2013年 1月1日 之結餘 (附註1)	Exercised during the year (note 4) 於年內 已行使 (附註4)	Cancelled during the year	Lapsed during the year	Balance as at 31 December 2013 於2013年 12月31日 之結餘	
姓名	授出日期	行使價 (附註1) 港幣	行使期						
<b>Directors</b>	<b>董事</b>								
Mr. Zhou Xiangyang	周向陽先生	09/01/2009	0.785	01/04/2010– 31/03/2017 (note 2) (附註2)	7,200,000	-	(1,800,000)	-	5,400,000
Mr. Jiang Deqing	姜德清先生	09/01/2009	0.785	01/04/2010– 31/03/2017 (note 2) (附註2)	7,200,000	-	(1,800,000)	-	5,400,000
Mr. Lam Ming Yung	林明勇先生	30/07/2007	3.900	30/07/2007– 29/07/2017	400,000	-	-	-	400,000
		09/01/2009	0.785	01/04/2010– 31/03/2017 (note 2) (附註2)	1,000,000	-	-	-	1,000,000
Ms. Chen Chunhua (resigned on 21 Oct 2013)	陳春花女士 (於2013年10月 21日辭任)	30/07/2007	3.900	30/07/2007– 29/07/2017	400,000	-	-	-	400,000 (note 3) (附註3)
		09/01/2009	0.785	01/04/2010– 31/03/2017 (note 2) (附註2)	1,000,000	(1,000,000)	-	-	-
<b>Employees</b>	<b>僱員</b>								
In aggregate	合共	30/07/2007	3.900	30/07/2007– 29/07/2017	700,000	-	-	-	700,000
		09/01/2009	0.785	01/04/2010– 31/03/2017 (note 2) (附註2)	38,000,000	(26,494,000)	(2,000,000)	(6,400,000)	3,106,000
Total	合計				55,900,000	(27,494,000)	(5,600,000)	(6,400,000)	16,406,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 17 Share Capital and Share Options (Continued) 17 股本及購股權(續)

##### (b) Share options (Continued)

notes:

1. On 27 May 2011, the Company implemented a share consolidation on the basis that every five issued and unissued shares of HK\$0.1 each in the share capital of the Company were consolidated into one share of HK\$0.5 each ("Share Consolidation"). As a result, the exercise price and the number of outstanding share options granted under the 2003 Share Option Scheme were adjusted to reflect the effect of the Share Consolidation.
2. The consideration for each of the grants above was HK\$1. The share options granted on 9 January 2009 shall be exercisable during the share option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:
  - (a) the first 25% of the share options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
  - (b) the second 25% of the share options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;

##### (b) 購股權(續)

附註：

1. 於2011年5月27日，本公司按本公司股本中每股港幣0.1元之每五股已發行及未發行股份合併為一股每股港幣0.5元之股份之基準進行股份合併(「股份合併」)。因此，根據2003年購股權計劃授出而尚未行使之購股權之行使價及數目已作調整，以反映股份合併之影響。
2. 上述各項授出之代價為港幣1元。於2009年1月9日授出之購股權可於購股權期間分4批行使，歸屬比例為每批25%，惟須達致下文所述有關期間本公司擁有人應佔純利之表現目標：
  - (a) 授予各承授人之首批25%購股權可於2010年3月31日後7年內行使，惟截至2009年12月31日止財政年度本公司擁有人應佔純利(如本公司末期業績公告所披露)須不少於截至2008年12月31日止財政年度本公司擁有人應佔純利(不包括來自已終止經營業務之業績)(「2008年純利」)之100%；
  - (b) 授予各承授人之第2批25%購股權可於2011年3月31日後6年內行使，惟截至2010年12月31日止財政年度本公司擁有人應佔純利(如本公司末期業績公告所披露)須不少於2008年純利之150%；

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 17 Share Capital and Share Options (Continued) 17 股本及購股權(續)

##### (b) Share options (Continued)

notes: (Continued)

2. (Continued)

(c) the third 25% of the share options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and

(d) the fourth 25% of the share options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

The performance target for the four tranches had been achieved. All relevant options can be exercisable by the directors and employees respectively.

3. Ms. Chen Chunhua resigned as an Independent Non-executive Director of the Company on 21 October 2013. She is interested in 400,000 share options, which were granted on 30 July 2007 under the 2003 Share Option Scheme of the Company, entitling her to subscribe for 400,000 shares of the Company at an exercise price of HK\$3.9 per share, shall be lapsed on 21 April 2014.

4. The weighted average closing price of the shares of the Company immediately before the date on which the share options were exercised was HK\$1.73.

##### (b) 購股權(續)

附註：(續)

2. (續)

(c) 授予各承授人之第三批25%購股權可於2012年3月31日後5年內行使，惟截至2011年12月31日止財政年度本公司擁有人應佔純利(如本公司末期業績公告所披露)須不少於2008年純利之200%；及

(d) 授予各承授人之第四批25%購股權可於2013年3月31日後4年內行使，惟截至2012年12月31日止財政年度本公司擁有人應佔純利(如本公司末期業績公告所披露)須不少於2008年純利之280%。

4批購股權均已達致表現目標。董事及僱員可行使所有相關購股權。

3. 陳春花女士於2013年10月21日辭任本公司獨立非執行董事。她於根據本公司2003年購股權計劃於2007年7月30日授出之400,000份購股權中擁有權益，賦予其權利按行使價每股港幣3.9元認購本公司400,000股股份。該等購股權將於2014年4月21日失效。

4. 緊接購股權獲行使前，本公司股份的加權平均收市價為港幣1.73元。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 17 Share Capital and Share Options (Continued) 17 股本及購股權(續)

##### (b) Share options (Continued)

The fair values of the options granted are determined using the Binomial Valuation Model (“the Model”). Key assumptions of the Model are set out below:

Date of grant	9 January 2009
Risk-free rate:	1.299%
Expected dividend yield:	3%
Expected volatility of the market price of the Company’s shares:	52.34%
Expected option life:	8.2 years
Fair value as at the date of grant (approximately):	HK\$25,229,000
Date of grant	30 July 2007
Risk-free rate:	4.13%
Expected dividend yield:	0%
Expected volatility of the market price of the Company’s shares:	65.38%
Expected option life:	5.23 years
Fair value as at the date of grant (approximately):	HK\$3,453,000

The Model requires the input of subjective assumptions, including the volatility of share price. As changes in subjective input assumptions can materially affect the fair value estimate, in the directors’ opinion, the Model does not necessarily provide a reliable single measure of the fair value of share options.

##### (b) 購股權(續)

已授出購股權之公允價值採用「二項式估值模型」(「該模型」)釐定。該模型之主要假設載列如下：

授出日期：	2009年1月9日
無風險利率：	1.299%
預期股息率：	3%
本公司股份市價之 預期波幅：	52.34%
購股權之預期年期： 於授出日期之	8.2年
公允值(概約數)：	港幣25,229,000元
授出日期：	2007年7月30日
無風險利率：	4.13%
預期股息率：	0%
本公司股份市價之 預期波幅：	65.38%
購股權之預期年期： 於授出日期之	5.23年
公允值(概約數)：	港幣3,453,000元

該模型要求須輸入主觀假設(包括股價波幅)。由於輸入主觀假設之變動會對公允值估計造成重大影響，故董事認為，該模型未必是計量購股權公允值之唯一可靠方法。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18 Other reserves

### 18 其他儲備

Group		Statutory reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Share- based payment reserve	Available- for-sale revaluation reserve	Exchange reserve	Merger reserve	Total
本集團		法定儲備 基金	一般儲備 基金	企業發展 基金	購股權 儲備	以股份為 基礎的 支付儲備	可供出售 重估儲備	匯兌儲備	合併儲備	合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
		note (a) 附註(a)	note (a) 附註(a)	note (a) 附註(a)		note (b) 附註(b)			note (c) 附註(c)	
<b>Balance at 1 January 2012</b>	<b>於2012年1月1日結餘</b>	3,153	123,126	113,973	26,187	-	4,694	163,606	(3,258,013)	(2,823,274)
Share option scheme	購股權計劃									
- value of services provided	- 所提供服務之價值				959					959
(note 26(a))	(附註26(a))									
- option lapsed	- 已失效之購股權				(1,514)					(1,514)
(note 26(a))	(附註26(a))									
Change in value of available-for-sale financial assets	可供出售金融資產價值變動						5,518			5,518
Currency translation differences	外幣折算差額							1,141		1,141
Contribution by owners relating to share-based payment (note(b))	有關擁有人以股份為基礎支付的貢獻(附註(b))					19,423				19,423
Transfer to statutory reserve	轉撥至法定儲備	2,088	22,706	22,706						47,500
<b>Balance at 31 December 2012</b>	<b>於2012年12月31日結餘</b>	<b>5,241</b>	<b>145,832</b>	<b>136,679</b>	<b>25,632</b>	<b>19,423</b>	<b>10,212</b>	<b>164,747</b>	<b>(3,258,013)</b>	<b>(2,750,247)</b>
<b>Balance at 1 January 2013</b>	<b>於2013年1月1日結餘</b>	<b>5,241</b>	<b>145,832</b>	<b>136,679</b>	<b>25,632</b>	<b>19,423</b>	<b>10,212</b>	<b>164,747</b>	<b>(3,258,013)</b>	<b>(2,750,247)</b>
Share option scheme	購股權計劃									
- value of services provided	- 所提供服務之價值				147					147
(note 26(a))	(附註26(a))									
Change in value of available-for-sale financial assets	可供出售金融資產價值變動						3,375			3,375
Currency translation differences	外幣折算差額							89,222		89,222
Transfer to statutory reserve	轉撥至法定儲備	542	10,559	10,559						21,660
<b>Balance at 31 December 2013</b>	<b>於2013年12月31日結餘</b>	<b>5,783</b>	<b>156,391</b>	<b>147,238</b>	<b>25,779</b>	<b>19,423</b>	<b>13,587</b>	<b>253,969</b>	<b>(3,258,013)</b>	<b>(2,635,843)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 18 Other reserves (Continued)

#### 18 其他儲備(續)

Company 本公司		Share option reserve 購股權儲備 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
<b>Balance at 1 January 2012</b>	<b>於2012年1月1日結餘</b>	26,187	512,110	538,297
Profit for the year	年度利潤	–	–	–
Share option scheme	購股權計劃			
– value of services provided (note 26(a))	– 所提供服務之價值 (附註26(a))	959	–	959
– option lapsed (note 26(a))	– 已失效之購股權 (附註26(a))	(1,514)	–	(1,514)
Currency translation differences	外幣折算差額	–	(1,246)	(1,246)
<b>Balances at 31 December 2012</b>	<b>於2012年12月31日結餘</b>	25,632	510,864	536,496
<b>Balance at 1 January 2013</b>	<b>於2013年1月1日結餘</b>	<b>25,632</b>	<b>510,864</b>	<b>536,496</b>
Profit for the year	年度利潤	–	–	–
Share option scheme	購股權計劃			
– value of services provided (note 26(a))	– 所提供服務之價值 (附註26(a))	147	–	147
Currency translation differences	外幣折算差額	–	178,533	178,533
<b>Balances at 31 December 2013</b>	<b>於2013年12月31日結餘</b>	<b>25,779</b>	<b>689,397</b>	<b>715,176</b>

(a) The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.

(a) 本公司在中國之附屬公司須遵守中國法律及法規，以及各自之組織章程細則。該等附屬公司須提供若干法定基金，分別為一般儲備基金及企業發展基金，均自除稅後但未計股息分派之純利中提取。該純利根據按中國內地企業適用之會計原則及相關財務法規而編製之國內法定賬目計算。此等中國附屬公司須將其純利最少10%分配至儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由董事酌情釐定。一般儲備基金僅在有關當局批准後始可用作抵銷累計虧損或增加資本。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 18 Other reserves (Continued)

- (b) Midea, the intermediate holding company of the Company, implemented an incentive share plan for core management staff of Midea and its major subsidiaries during the year ended 31 December 2012, under which Midea Holding Co., Ltd (“Midea Holding”) (formerly known as Foshan Shunde Midea Investment Holding Co., Ltd), the controlling shareholder of Midea, transferred its equity interest in Ningbo Meicheng Equity Investment Partnership (“Ningbo Meicheng”) to the participants to the said incentive share plan. Ningbo Meicheng holds an aggregate interest of 3% (representing 30 million shares) in the share capital of Midea. Further to the arrangement of the incentive share plan, Midea Holding transferred 3% of its equity interest in Ningbo Meicheng to two executive directors of the Company, namely, Mr. Zhou Xiangyang and Mr. Jiang Deqing on 22 November 2012.

Since the Company has no obligation to settle the above share-based payment transaction granted by Midea Holding, the difference between the fair value of the shares transferred and the cash consideration paid for such shares amounting to HK\$19,423,000 was treated as an equity-settled share-based payment. Award of the said shares were vested immediately and this share-based payment were recognised as expenses in the Group’s consolidated income statement. The Group accounted for the shares granted to its directors as a contribution from its ultimate holding company and credited it to share-based payment reserve. The fair value of the shares transferred as estimated by management using market approach by referencing the market capitalisation and Price/Earnings multiple for the listed and unlisted subsidiaries controlled by Midea respectively.

- (c) Merger reserve represents the difference between the consideration paid for the acquisition under common control, and the aggregate nominal value of share capital/paid-up capital of the subsidiaries comprising the Group contributed by the owners of the Company.

#### 18 其他儲備(續)

- (b) 截至2012年12月31日止年度，本公司中間控股公司美的為其本身及主要附屬公司核心管理人員實行管理團隊持股計劃，據此，美的之控股股東美的控股有限公司（「美的控股」）（前稱佛山市順德區美的投資控股有限公司）將其持有寧波美晟股權投資合伙企業（「寧波美晟」）的股權轉讓予上述管理團隊持股計劃的參與者。寧波美晟持有美的股本中合共3%的權益（相當於30,000,000股股份）。而在管理團隊持股計劃安排內，美的控股亦於2012年11月22日將其持有寧波美晟的3%股權轉讓予本公司兩名執行董事周向陽先生及姜德清先生。

由於本公司無責任支付美的控股授出上述以股份為基礎支付的交易，故此獲轉讓股份的公允價值與已付有關股份現金代價之差額港幣19,423,000元已被視為以權益結算以股份為基礎的支付。上述授出的股份已即時歸屬，而以股份為基礎的支付於本集團綜合收益表內確認為開支。本集團將授予其董事的股份以其最終控股公司作出的貢獻入賬，並計入以股份為基礎的支付儲備。獲轉讓股份的公允價值按管理層的估計利用市場價格比較法，並參照美的的分別控制的上市及非上市附屬公司的市值與市盈率予以釐定。

- (c) 合併儲備指在共同控制下收購所付之代價與本公司擁有人注入本集團成員附屬公司之股本／繳足股本之面值總額之差額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 19 Borrowings

#### 19 借款

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
<b>Non-current</b>	<b>非即期</b>		
Long-term bank borrowings, unsecured	長期銀行借款－無抵押	<b>43,083</b>	129,188
<b>Current</b>	<b>即期</b>		
Short-term bank borrowings, unsecured	短期銀行借款－無抵押	<b>340,554</b>	306,714
		<b>383,637</b>	435,902

At 31 December 2013, the Group's bank borrowings were repayable as follows:

於2013年12月31日，本集團銀行借款之還款情況如下：

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	1年內	<b>340,554</b>	306,714
1 to 2 years	1至2年	<b>43,083</b>	86,125
2 to 3 years	2至3年	-	43,063
		<b>383,637</b>	435,902

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 19 Borrowings (Continued)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates are as follows:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Borrowings with fixed rate as:	定息借款：		
6 months or less	6個月或以下	254,388	49,328
Borrowings with floating rate as:	浮息借款：		
6 months or less	6個月或以下	43,083	214,323
6 months to 1 year	6個月至1年	43,083	43,063
Over 1 year	1年以上	43,083	129,188
		129,249	386,574
		383,637	435,902

The effective interest rates of the above floating rate borrowings at the end of the year were 3.38% per annum (2012: 2.42% per annum).

No leasehold land and land use rights (2012: net book value of HK\$44,937,000) and property, plant and equipment (2012: net book value of HK\$53,126,000) have been pledged as security for the Group's banking facilities as at 31 December 2013 (notes 6 and 7).

The carrying amount of bank borrowings approximates their fair value, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 2.22% (2012: 3.12%) and are within level 2 of the fair value hierarchy.

#### 19 借款(續)

本集團之借款面臨之利率變動風險及合約重新定價日期如下：

於年末，上述浮息借款之實際年利率為3.38% (2012年：年利率2.42%)。

於2013年12月31日，本集團概無租賃土地及土地使用權(2012年：賬面淨值港幣44,937,000元)以及物業、廠房及設備(2012年：賬面淨值港幣53,126,000元)作為銀行授信之抵押(附註6及7)。

由於貼現影響有限，銀行借款之賬面值與其公允值相若。公允價值乃根據借款利率2.22% (2012年：3.12%)，按現金流量貼現計算，並歸入與第2級公允值架構。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 19 Borrowings (Continued)

The carrying amounts of the borrowings are denominated in the following currencies.

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
RMB	人民幣	254,388	49,328
USD	美元	129,249	293,015
EUR	歐元	–	93,559
		<b>383,637</b>	435,902

#### 19 借款(續)

借款之賬面值以下列貨幣列值。

#### 20 Deferred Government Grants

		Group 本集團
		HK\$'000
		港幣千元
At 1 January 2012	於2012年1月1日	23,282
Credited to income statement	計入收益表	(473)
Currency translation difference	外幣折算差額	(7)
At 31 December 2012	於2012年12月31日	22,802
At 1 January 2013	於2013年1月1日	<b>22,802</b>
Receipt of grants	已收補貼	<b>10,592</b>
Credited to income statement	計入收益表	<b>(483)</b>
Currency translation difference	外幣折算差額	<b>1,043</b>
At 31 December 2013	於2013年12月31日	<b>33,954</b>

#### 20 遞延政府補貼

The amounts represented subsidies granted by local government authority in the PRC relating to acquisition of leasehold land and land use rights amounted to RMB19,260,000 (HK\$23,757,000) in 2011 and high technology research and development program in 2013 amounted to RMB8,589,000 (HK\$10,592,000).

The deferred government grants will be amortised to other gains from the point at which the relevant assets are ready for use on a straight-line basis over the assets' useful lives.

有關金額分別指中國當地政府機關於2011年為收購租賃土地及土地使用權及於2013年為高新科技研發項目提供之補貼，金額分別為人民幣19,260,000元(港幣23,757,000元)及人民幣8,589,000元(港幣10,592,000元)。

遞延政府補貼將於相關資產可供使用之時起於資產可使用年內按直線法攤銷至其他收益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 21 Trade and Other Payables

#### 21 貿易及其他應付款

		Group 本集團		Company 本公司	
		2013	2012	2013	2012
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Trade payables (note (a))	貿易應付款(附註(a))	<b>1,449,210</b>	1,163,759	-	-
Notes payable (notes (a), (b))	應付票據(附註(a)、(b))	<b>1,609,364</b>	1,409,466	-	-
Amounts due to related parties (note (a), 36(b))	應付關聯方款項 (附註(a)、36(b))	<b>60,815</b>	139,614	-	-
		<b>3,119,389</b>	2,712,839	-	-
Provision for staff welfare and bonus	員工福利及花紅撥備	<b>144,589</b>	153,699	-	-
Accruals	預提費用	<b>22,494</b>	30,713	-	-
Advances from customers	預收客戶賬款	<b>18,600</b>	4,025	-	-
Other payables	其他應付款	<b>131,575</b>	213,777	<b>10,494</b>	2,285
Others	其他	-	1,048	-	-
		<b>3,436,647</b>	3,116,101	<b>10,494</b>	2,285

(a) The ageing analysis of the trade payables and notes payable (including amounts due to related parties) of the Group was as follows:

(a) 本集團貿易應付款及應付票據(包括應付關聯方款項)之賬齡分析如下:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 3 months	3個月以內	<b>2,169,132</b>	1,616,613
3 to 6 months	3至6個月	<b>917,813</b>	1,038,878
Over 6 months	6個月以上	<b>32,444</b>	57,348
		<b>3,119,389</b>	2,712,839

(b) The balance represents non-interest bearing bank acceptance notes issued by the Group with maturity periods of less than six months. As at 31 December 2013, certain notes payable were pledged by bank deposits of approximately HK\$114,284,000 (2012: HK\$139,598,000).

(b) 有關結餘為本集團發出之不計息銀行承兌票據，到期期限少於6個月。於2013年12月31日，若干應付票據以銀行存款約港幣114,284,000元(2012年：港幣139,598,000元)作為抵押。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 22 Derivative Financial Instruments

#### 22 衍生金融工具

		Group 本集團			
		2013		2012	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Commodity futures contracts (a)	商品期貨合約(a)	8,109	-	8,214	59
Foreign exchange forward contracts (b)	外匯遠期合約(b)	18,019	3,017	6,783	8,854
		<b>26,128</b>	<b>3,017</b>	14,997	8,913

(a) The Group has entered into various copper and aluminum futures contracts to manage the fluctuation of copper and aluminum price which did not meet the criteria for hedge accounting. The fair value loss of the non-hedging copper and aluminum futures contracts amounting to approximately HK\$6,850,000 (note 24) were dealt within the consolidated income statement during the year (the fair value gain of year 2012: HK\$24,042,000).

The notional principal amounts of outstanding commodity futures contracts as at 31 December 2013 were HK\$224,125,000 (2012: HK\$220,222,000).

(b) The Group has entered into various foreign exchange forward contracts to manage the fluctuation of foreign currencies which did not meet the criteria for hedge accounting. The fair value gain of non-hedging foreign exchange forward contracts amounting to approximately HK\$42,251,000 (note 24), were dealt within the consolidated income statement during the year (the fair value gain of year 2012: HK\$20,124,000).

The notional principal amounts of the outstanding foreign exchange forward contracts as at 31 December 2013 were HK\$1,825,876,000 (2012: HK\$1,129,844,000).

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated statement of financial position.

(a) 本集團已訂立多項銅及鋁期貨合約，藉以管理銅及鋁價格波動，但不符合資格作對沖會計處理。非作對沖之銅及鋁期貨合約之公允價值虧損約港幣6,850,000元(附註24)，於年內在綜合收益表內處理(2012年公允價值收益：港幣24,042,000元)。

於2013年12月31日尚未結算商品期貨合約之名義本金金額為港幣224,125,000元(2012年：港幣220,222,000元)。

(b) 本集團已訂立多項外匯遠期合約，藉以管理外匯波動，但不符合資格作對沖會計處理。非作對沖之外匯遠期合約之公允價值收益約港幣42,251,000元(附註24)，於年內在綜合收益表內處理(2012年公允價值收益：港幣20,124,000元)。

於2013年12月31日尚未結算外匯遠期合約之名義本金金額為港幣1,825,876,000元(2012年：港幣1,129,844,000元)。

於報告日期之最大信貸風險為衍生資產於綜合財務狀況表之公允價值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 23 Deferred Income Tax

Deferred income tax is calculated in full on temporary differences under the liability method using taxation rates applicable to the companies comprising the Group.

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

#### 23 遞延所得稅

遞延所得稅採用負債法就暫時差異按本集團旗下公司適用之稅率悉數計算。

遞延所得稅資產及遞延所得稅負債之分析如下：

		Group 本集團	
		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Deferred income tax liabilities:	遞延所得稅負債：		
– Deferred income tax liabilities to be released after 12 months	– 於12個月後解除之遞延所得稅負債	<b>76,827</b>	67,761
– Deferred income tax liabilities to be released within 12 months	– 於12個月內解除之遞延所得稅負債	<b>33,863</b>	26,641
		<b>110,690</b>	94,402
Deferred income tax assets:	遞延所得稅資產：		
– Deferred income tax assets to be recovered within 12 months	– 於12個月內收回之遞延所得稅資產	<b>38,392</b>	39,567



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 23 Deferred Income Tax (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

##### Deferred income tax liabilities:

		Undistributed profits of PRC subsidiaries 中國 附屬公司之 未分派利潤 HK\$'000 港幣千元	Fair value gain 公允價值 收益 HK\$'000 港幣千元	Revaluation of assets 重估資產 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2012	於2012年1月1日	63,465	2,519	7,565	73,549
Charged/(credited) to consolidated income statement	於綜合收益表內 扣除/(計入)	27,682	(268)	(773)	26,641
Payment of withholding tax	繳付預扣稅	(5,838)	-	-	(5,838)
Currency translation differences	外幣折算差額	56	(2)	(4)	50
At 31 December 2012	於2012年12月31日	<b>85,365</b>	<b>2,249</b>	<b>6,788</b>	<b>94,402</b>
Charged/(credited) to consolidated income statement	於綜合收益表內 扣除/(計入)	<b>33,075</b>	<b>1,576</b>	<b>(788)</b>	<b>33,863</b>
Charged directly to equity	直接於權益扣除	-	<b>2,448</b>	-	<b>2,448</b>
Payment of withholding tax	繳付預扣稅	<b>(23,186)</b>	-	-	<b>(23,186)</b>
Currency translation differences	外幣折算差額	<b>2,829</b>	<b>132</b>	<b>202</b>	<b>3,163</b>
At 31 December 2013	於2013年12月31日	<b>98,083</b>	<b>6,405</b>	<b>6,202</b>	<b>110,690</b>

#### 23 遞延所得稅(續)

未經考慮在相同稅務司法權區內抵銷結餘前，遞延所得稅資產及負債於年內之變動如下：

##### 遞延所得稅負債：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 23 Deferred Income Tax (Continued)

##### Deferred income tax assets:

		Impairment losses	Fair value losses	Unpaid accruals	Deferred government grant	Total
		減值虧損	公允價值虧損	未付預提費用	遞延政府補貼	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2012	於2012年1月1日	9,804	36	23,192	5,821	38,853
Credited/(charged) to consolidated income statement	於綜合收益表內計入/(扣除)	(2,925)	1,297	1,378	971	721
Currency translation differences	外幣折算差額	(12)	5	(1)	1	(7)
At 31 December 2012	於2012年12月31日	<b>6,867</b>	<b>1,338</b>	<b>24,569</b>	<b>6,793</b>	<b>39,567</b>
Credited/(charged) to consolidated income statement	於綜合收益表內計入/(扣除)	<b>261</b>	<b>(913)</b>	<b>(3,308)</b>	<b>1,576</b>	<b>(2,384)</b>
Currency translation differences	外幣折算差額	<b>221</b>	<b>28</b>	<b>723</b>	<b>237</b>	<b>1,209</b>
At 31 December 2013	於2013年12月31日	<b>7,349</b>	<b>453</b>	<b>21,984</b>	<b>8,606</b>	<b>38,392</b>

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$1,411,000 (2012: HK\$29,000) in respect of losses amounting to HK\$5,645,000 (2012: HK\$116,000) that can be carried forward against future taxable income. Such losses will expire in 2018.

Deferred income tax liabilities have been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of all subsidiaries after the deduction of relevant statutory reserves.

#### 23 遞延所得稅(續)

##### 遞延所得稅資產：

倘日後可透過應課稅利潤變現有關稅項得益，方會確認稅項虧損為遞延所得稅資產。本集團就其港幣5,645,000元(2012年：港幣116,000元)可抵銷未來課稅收入的虧損並沒有確認港幣1,411,000元(2012年：港幣29,000元)的遞延所得稅資產。該等虧損的期限為2018年。

對於所有附屬公司未匯出盈利應繳納的預扣稅及其他稅項已確認遞延所得稅負債(扣除相關法定儲備)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 24 Other Gains – Net

#### 24 其他收益－淨額

		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Government grants received (i)	已收政府補貼(i)	43,586	15,479
Amortisation of deferred government grants (note 20)	遞延政府補貼攤銷(附註20)	483	473
Derivative financial instruments:	衍生金融工具：		
– fair value (loss)/gain on commodity futures contracts not qualified for hedge accounting (note 22(a))	– 不符合資格作對沖會計處理之商品期貨合約公允價值(虧損)/收益(附註22(a))	(6,850)	24,042
– fair value gain on foreign exchange forward contracts not qualified for hedge accounting (note 22(b))	– 不符合資格作對沖會計處理之外匯遠期合約公允價值收益(附註22(b))	42,251	20,124
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	6,982	2,552
Exchange (loss)/gain	匯兌(虧損)/收益	(14,989)	7,065
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	(10,653)	(5,485)
Claim from suppliers	來自供應商的索償	4,818	5,726
Rental income	租金收入	2,560	–
Others	其他	684	1,572
		<b>68,872</b>	<b>71,548</b>

(i) The Group obtained government grants and recognised as income amounting to HK\$43,586,000 (2012: HK\$15,479,000). Majority amount is under the condition that the Group is obliged to enhance its operation and development under the terms of this government grant.

(i) 本集團取得政府補貼港幣43,586,000元(2012年：港幣15,479,000元)並確認為收益。當中大部分補貼款項的條件為本集團須根據該政府補貼的條款加強其營運及發展。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 25 Expenses by Nature

Expenses included in cost of goods sold, selling and marketing expenses and administrative expenses are analysed as follows:

#### 25 按性質分類之開支

計入銷售貨品成本、銷售及市場推廣開支及行政開支之開支分析如下：

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Cost of inventories recognised as expense (note 13)	確認為開支之存貨成本(附註13)	<b>6,544,347</b>	5,624,032
Employee benefit expenses (note 26(a))	僱員福利開支(附註26(a))	<b>968,780</b>	828,425
Depreciation (note 7)	折舊(附註7)	<b>139,819</b>	135,676
Amortisation of leasehold land and land use rights (note 6)	租賃土地及土地使用權攤銷(附註6)	<b>5,259</b>	4,542
Amortisation of intangible assets (note 9)	無形資產攤銷(附註9)	<b>3,144</b>	3,083
Provision for/(reversal of) impairment of trade receivables — net (note 14(c))	貿易應收款減值撥備/(撥回) — 淨額(附註14(c))	<b>10,926</b>	(3,209)
Reversal of impairment of inventories-net	存貨減值撥回 — 淨額	<b>(2,025)</b>	(7,671)
Operating leases rental for land and buildings	土地及樓宇經營租賃租金	<b>9,978</b>	13,032
Auditors' remuneration	核數師酬金	<b>2,980</b>	3,431
Research and development costs	研究及開發成本	<b>10,337</b>	8,507

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 26 Employee Benefit Expenses

(a)

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Wages and salaries	工資及薪金	<b>786,402</b>	653,007
Pension costs-defined contribution plans(i)	退休金成本－既定供款計劃(i)	<b>51,555</b>	42,599
Medical benefits-defined contribution plans	醫療福利－既定供款計劃	<b>24,049</b>	20,106
Share option scheme-value of services provided (note 18)	購股權計劃－所提供服務之 價值(附註18)	<b>147</b>	959
Share option scheme-option lapsed (note 18)	購股權計劃－已失效的購股權 (附註18)	-	(1,514)
Share-based payment granted by the ultimate holding company (note 18(b))	最終控股公司授出以股份為 基礎的支付(附註18(b))	-	19,423
Other allowances and benefits	其他津貼及福利	<b>106,627</b>	93,845
		<b>968,780</b>	828,425

(i) The Group has arranged for its Hong Kong employees to join the MPF Scheme. Under the MPF Scheme, each of the Group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employers and employees are subject to a cap of HK\$1,250 per month and thereafter contributions are voluntary.

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group is currently required to make a monthly contribution equivalent to 15% to 28% of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees.

#### 26 僱員福利開支

(a)

(i) 本集團已安排其香港僱員參加強積金計劃。根據強積金計劃，集團旗下每間公司(僱主)及其僱員須按強制性公積金法例規定，每月將僱員入息之5%作為計劃供款。僱主及僱員各自之供款上限為每月港幣1,250元，其後均為自願供款。

本集團位於中國之附屬公司之僱員須參與由當地市政府管理及運營之既定供款退休金計劃。本集團現須每月支付當地市政府就每個當地計劃所設定、相當於僱員月薪15%至28%(設有上下限額)之供款，以為僱員退休金福利提供資金。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 26 Employee Benefit Expenses (Continued)

##### (b) Directors' and Senior Managements' Emoluments

The remuneration of the directors for the year ended 31 December 2013 is set out below:

Name of Director	Fees	Salary	Discretionary bonuses	Employer's contribution to pension scheme	Total	
董事姓名	袍金	薪金	酌情花紅	僱主供款	合計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Zhou Xiangyang (ii)	周向陽先生(ii)	-	1,086	2,615	9	3,710
Mr. Jiang Deqing	姜德清先生	-	827	932	9	1,768
Mr. Lu Xiaoji (vi)	呂曉繼先生(vi)	-	490	1,855	9	2,354
Mr. Li Yang (ii)	李楊先生(ii)	-	468	1,713	9	2,190
Ms. Yuan Liqun	袁利群女士	-	-	-	-	-
Mr. Li Feide (iii)	李飛德先生(iii)	-	-	-	-	-
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Tan Jinsong	譚勁松先生	180	-	-	-	180
Mr. Lam Ming Yung	林明勇先生	180	-	-	-	180
Ms. Cao Zhoutao(vii)	曹洲濤女士(vii)	35	-	-	-	35
Ms. Chen Chunhua(viii)	陳春花女士(viii)	145	-	-	-	145
		540	2,871	7,115	36	10,562

#### 26 僱員福利開支(續)

##### (b) 董事及高級管理人員酬金

董事於截至2013年12月31日止年度之酬金載列如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 26 Employee Benefit Expenses (Continued)

##### (b) Directors' and Senior Managements' Emoluments (Continued)

The remuneration of the directors for the year ended 31 December 2012 is set out below:

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情花紅	其他福利(i)	僱主供款 退休金計劃之	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Zhou Xiangyang (ii)	-	617	2,409	11,402	8	14,436
Mr. Jiang Deqing	-	494	2,082	9,244	8	11,828
Mr. Lu Xiaoji (vi)	-	367	870	-	8	1,245
Mr. Li Yang (ii)	-	394	870	-	8	1,272
Ms. Yuan Liqun	-	-	-	-	-	-
Mr. Li Feide (iii)	-	-	-	-	-	-
Mr. Cai Qiwu (iv)	-	859	3,011	1,157	5	5,032
Mr. Qu Fei (iv)	-	335	482	374	5	1,196
Mr. Li Jianwei (iv)	-	-	-	-	-	-
Mr. Zheng Weikang (iv)	-	240	-	-	-	240
Mr. Chen Jianhong (v)	-	336	1,108	-	5	1,449
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Tan Jinsong	180	-	-	-	-	180
Mr. Lam Ming Yung	180	-	-	85	-	265
Ms. Chen Chunhua	180	-	-	85	-	265
	540	3,642	10,832	22,347	47	37,408

(i) Other benefits include leave pay, share options and share-based payment granted by the ultimate holding company of the Company as disclosed in note 17(b) and note 18(b) to the consolidated financial statement.

(ii) Mr. Zhou Xiangyang and Mr. Li Yang was senior management of the Group and appointed as executive director of the Company on 12 December 2012.

(iii) Mr. Li Feide appointed on 12 December 2012.

#### 26 僱員福利開支(續)

##### (b) 董事及高級管理人員酬金(續)

董事於截至2012年12月31日止年度之酬金載列如下：

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情花紅	其他福利(i)	僱主供款 退休金計劃之	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Zhou Xiangyang (ii)	-	617	2,409	11,402	8	14,436
Mr. Jiang Deqing	-	494	2,082	9,244	8	11,828
Mr. Lu Xiaoji (vi)	-	367	870	-	8	1,245
Mr. Li Yang (ii)	-	394	870	-	8	1,272
Ms. Yuan Liqun	-	-	-	-	-	-
Mr. Li Feide (iii)	-	-	-	-	-	-
Mr. Cai Qiwu (iv)	-	859	3,011	1,157	5	5,032
Mr. Qu Fei (iv)	-	335	482	374	5	1,196
Mr. Li Jianwei (iv)	-	-	-	-	-	-
Mr. Zheng Weikang (iv)	-	240	-	-	-	240
Mr. Chen Jianhong (v)	-	336	1,108	-	5	1,449
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Tan Jinsong	180	-	-	-	-	180
Mr. Lam Ming Yung	180	-	-	85	-	265
Ms. Chen Chunhua	180	-	-	85	-	265
	540	3,642	10,832	22,347	47	37,408

(i) 其他福利包括有薪假期、購股權及本公司最終控股公司以股份支付支出(如綜合財務報表附註17(b)及附註18(b)所披露)。

(ii) 周向陽先生及李楊先生為本集團的高級管理層，於2012年12月12日獲委任為本公司執行董事。

(iii) 李飛德先生於2012年12月12日獲得委任。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 26 Employee Benefit Expenses (Continued)

##### (b) Directors' and Senior Managements' Emoluments (Continued)

- (iv) Mr. Cai Qiwu, Mr. Qu Fei, Mr. Li Jianwei and Mr. Zheng Weikang resigned on 12 December 2012.
- (v) Mr. Chen Jianhong appointed on 15 March 2012 and resigned on 12 December 2012.
- (vi) Mr. Lu Xiaoji appointed on 12 December 2012 and resigned on 15 January 2014.
- (vii) Ms. Cao Zhoutao appointed on 21 October 2013.
- (viii) Ms. Chen Chunhua resigned on 21 October 2013.

The remuneration of the key management for the year ended 31 December 2013 is set out below:

#### 26 僱員福利開支(續)

##### (b) 董事及高級管理人員酬金(續)

- (iv) 蔡其武先生、瞿飛先生、栗建偉先生及鄭偉康先生於2012年12月12日辭任。
- (v) 陳建紅先生於2012年3月15日獲得委任，並於2012年12月12日辭任。
- (vi) 呂曉繼先生於2012年12月12日獲得委任，並於2014年1月15日辭任。
- (vii) 曹洲濤女士於2013年10月21日獲得委任。
- (viii) 陳春花女士於2013年10月21日辭任。

截至2013年12月31日止年度的主要管理人員酬金載列如下：

		<b>Group</b>	
		<b>本集團</b>	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
Salaries and other employee benefits	薪金及其他僱員福利	<b>22,243</b>	22,782
Share options granted by the Company	本公司授出的購股權	<b>132</b>	712
Share-based payments granted by the ultimate holding company of the Company	本公司最終控股公司授出以股份為基礎的支付	-	19,423
		<b>22,375</b>	42,917

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 26 Employee Benefit Expenses (Continued)

##### (c) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year include two directors (2012: three) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2012: two) individual during the year are as follows:

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益	7,104	3,320
Contribution to pension schemes	退休金計劃供款	139	74
		<b>7,243</b>	<b>3,394</b>

The emoluments fell within the following bands:

Emolument bands 酬金組別		Number of individuals 人數	
		2013	2012
HK\$1,000,000 – HK\$2,000,000	港幣1,000,000元 – 港幣2,000,000元	–	2
HK\$2,000,001 – HK\$3,000,000	港幣2,000,001元 – 港幣3,000,000元	3	–

本年度集團內五名最高薪酬人士包括兩名(2012年：三名)董事，其酬金已載於上文分析。本年度應付餘下三名(2012年：兩名)人士之酬金如下：

酬金屬以下組別之人數如下：

#### 27 Finance Expenses – Net

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Interest expense	利息開支	(29,471)	(15,046)
Exchange loss	匯兌虧損	(20,851)	(16,777)
Finance expenses	融資開支	(50,322)	(31,823)
Finance income – interest income on bank deposit	融資收入 – 銀行存款之利息收入	8,949	6,192
Net finance expenses	融資開支淨額	<b>(41,373)</b>	<b>(25,631)</b>

#### 26 僱員福利開支(續)

##### (c) 五名最高薪酬人士

#### 27 融資開支 – 淨額

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 28 Income Tax Expense

##### (i) Macao and British Virgin Islands profits tax

The Group has not been subject to any taxation in these jurisdictions for the year ended 31 December 2013 (2012: Nil).

##### (ii) Hong Kong profits tax

Hong Kong profits tax is provided at annual income tax rate of 16.5% for the year ended 31 December 2013 (2012: 16.5%).

##### (iii) PRC Corporate Income Tax

Group companies registered in the PRC are subject to PRC Corporate Income Tax ("CIT"). According to the new CIT effective from 1 January 2008, all PRC enterprises are subject to a standard enterprise income tax rate of 25%, except for enterprises under specific preferential policies and provisions are discussed as follows.

Welling Washer has been eligible to high technology enterprises CIT incentive starting from year 2011 to year 2013. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2013 (2012: 15%).

GD Welling and Wuhu Welling have been eligible to high technology enterprises CIT incentive starting from year 2008 to year 2013. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2013 (2012:15%).

Huaian Welling has been eligible to high technology enterprises CIT incentive from year 2010 to year 2015. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2013 (2012: 15%).

#### 28 所得稅開支

##### (i) 澳門及英屬處女群島利得稅

本集團於截至2013年12月31日止年度毋須繳納此等司法權區的任何稅項(2012年：零)。

##### (ii) 香港利得稅

於截至2013年12月31日止年度，香港利得稅乃按照年度所得稅稅率16.5%計提(2012年：16.5%)。

##### (iii) 中國企業所得稅

本集團在中國註冊的公司須繳納中國企業所得稅(「企業所得稅」)。根據由2008年1月1日起生效的新中國企業所得稅，除企業受惠於以下所述的特定優惠稅率及規定外，所有中國公司須繳納25%標準企業所得稅率。

威靈洗滌由2011年至2013年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至2013年12月31日止年度，高新科技企業之可用優惠稅率為15%(2012年：15%)。

廣東威靈與蕪湖威靈由2008年至2013年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至2013年12月31日止年度，高新科技企業之可用優惠稅率為15%(2012年：15%)。

淮安威靈由2010年至2015年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至2013年12月31日止年度，高新科技企業之可用優惠稅率為15%(2012年：15%)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 28 Income Tax Expense (Continued)

#### 28 所得稅開支(續)

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Current tax	即期稅項		
– PRC corporate income tax	– 中國企業所得稅	129,376	121,750
– Hong Kong profits tax	– 香港利得稅	1,463	–
		<b>130,839</b>	121,750
Deferred income tax	遞延所得稅	<b>36,247</b>	25,920
Income tax expense	所得稅開支	<b>167,086</b>	147,670

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entities as follows:

本集團扣除稅前利潤之稅項與採用實體利潤適用之加權平均稅率所計算之理論稅額之差異如下：

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Profit before income tax	扣除所得稅前利潤	959,216	786,036
Calculated at the PRC statutory tax rate of 25% (2012: 25%)	按中國法定稅率25%計算 (2012年：25%)	239,804	196,509
Effect of difference in applicable tax rates	適用稅率差異之影響	(95,835)	(64,391)
Withholding tax on attributable profit	應佔利潤預扣稅	33,075	27,682
Reversal of overprovision (a)	撥回超額撥備(a)	(7,400)	–
Income not subject to tax	毋須課稅之收入	(5,466)	(15,359)
Expenses not deductible for taxation purposes	不可扣稅之開支	1,526	4,135
Tax losses not recognised as deferred income tax assets	未確認為遞延所得稅項資產之 稅項虧損	1,411	29
Utilisation of previously unrecognised tax losses	使用過往未確認稅項虧損	(29)	(935)
Income tax expense	所得稅開支	<b>167,086</b>	147,670

PRC corporate income tax is provided for at 25% (2012: 25%) of the profits for the PRC statutory financial reporting purposes, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

中國企業所得稅乃按中國法定財務呈報利潤之25%(2012年：25%)計提，並對不可就中國企業所得稅評稅或扣減之項目作出調整。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 28 Income Tax Expense (Continued)

- (a) The amounts represent the impact of change in PRC corporate income tax for one of the Group's subsidiaries, Huaian Welling, after the completion of the registration of high-technology enterprises preference tax rate at 15% in respect of 2012 with the tax bureau. The previous tax provision was originally provided based on tax rate of 25% and the over provision was reversed accordingly.

The tax charge relating to components of other comprehensive income is as follows:

		2013		
		Before tax	Tax charged	After tax
		除稅前	稅項支出	除稅後
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Fair value gains on available-for-sale financial assets	可供出售金融資產收益之公允價值	5,823	(2,448)	3,375
Currency translation differences	外幣折算差額	91,031	-	91,031
		96,854	(2,448)	94,406

#### 29 Profit Attributable to the Owners of the Company

The profit attributable to the owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$222,157,000 (2012: HK\$152,496,000).

#### 28 所得稅開支(續)

- (a) 該等金額指中國企業所得稅變動對本集團之附屬公司淮安威靈於2012年在稅務局完成高新科技企業優惠稅率15%之登記後產生之影響。先前稅項撥備原本基於25%之稅率進行撥備，相關超額撥備將據此予以撥回。

與其他全面收益部分相關的稅項支出載列如下：

#### 29 本公司擁有人應佔應佔利潤

計入本公司財務報表之本公司擁有人應佔利潤約為港幣222,157,000元(2012年：港幣152,496,000元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 30 Earnings Per Share

##### (a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2013	2012
Profit for the year attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔年度利潤(港幣千元)	785,499	640,256
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	用於計算每股基本盈利之普通股加權平均數(千股)	2,835,694	2,821,614
Basic earnings per share (HK cents)	每股基本盈利(港仙)	27.70	22.69

##### (b) Diluted

For the year ended 31 December 2013 and 2012, diluted earnings per share were calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are performance-based share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		2013	2012
Profit for the year attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔年度利潤(港幣千元)	785,499	640,256
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	用於計算每股基本盈利之普通股加權平均數(千股)	2,835,694	2,821,614
Adjustments for share options ('000 shares)	購股權調整(千股)	7,741	15,000
		2,843,435	2,836,614
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	27.63	22.57

#### 30 每股盈利

##### (a) 基本

每股基本盈利乃按本公司擁有人應佔利潤除以年內已發行普通股之加權平均數計算。

##### (b) 攤薄

截至2013年及2012年12月31日止年度，每股攤薄盈利乃透過調整已發行普通股之加權平均數，以假設潛在攤薄普通股獲全數轉換計算。本公司之潛在攤薄普通股為以表現為基準之購股權。就購股權而言，會按尚未行使購股權所附認購權之貨幣價值進行計算，以釐定可按公允值(按本公司股份平均年度市場股價釐定)收購之股份數目。按上述方法計算之股份數目會與假設因購股權獲行使而應已發行之股份數目作比較。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 31 Dividends

#### 31 股息

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Proposed final dividend of HK8.5 cents per ordinary share (2012: HK4.8 cents)	建議末期股息每股普通股8.5港仙 (2012年：4.8港仙)	<b>242,183</b>	135,442

At a meeting held on 10 March 2014, the directors proposed a final dividend of HK8.5 cents per ordinary share (2012: HK4.8 cents). This proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

The proposed final dividend for 2012 by the directors in March 2013 was HK\$135,442,000, based on the 2,821,713,000 ordinary shares issued as at 31 December 2012 of HK4.8 cents per share. Subsequently, 18,600,000 shares was issued under the share option scheme before the approval of the final dividend at the annual general meeting of the shareholders in May 2013. As a result, the actual final dividend paid for 2012 was HK\$136,335,000 based on 2,840,313,000 shares of HK4.8 cents per share.

於2014年3月10日舉行之會議上，董事建議宣派末期股息每股普通股8.5港仙（2012年：4.8港仙）。此項建議股息並未在該等綜合財務報表內反映為應付股息。

董事於2013年3月建議之2012年末期股息為港幣135,442,000元（基於2012年12月31日發行之2,821,713,000股普通股每股4.8港仙）。其後，在股東於2013年5月舉行之股東週年大會上批准末期股息之前，18,600,000股股份根據購股權計劃發行。因此，2012年已付實際末期股息為港幣136,335,000元（基於2,840,313,000股普通股每股4.8港仙）。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 32 Notes to the Consolidated Statement of Cash Flows

#### 32 綜合現金流量表附註

##### (a) Reconciliation of profit before income tax to cash generated from operations:

##### (a) 扣除所得稅前利潤與經營產生之現金對賬表：

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
<b>Profit before income tax</b>	<b>扣除所得稅前利潤</b>	<b>959,216</b>	786,036
Adjustments for:	調整：		
- Depreciation of properties, plant and equipment (note 7)	- 物業、廠房及設備折舊 (附註7)	<b>139,819</b>	135,676
- Depreciation of investment properties (note 8)	- 投資物業折舊(附註8)	<b>1,706</b>	-
- Amortisation of leasehold land and land use rights (note 6)	- 租賃土地及土地使用權攤銷(附註6)	<b>5,259</b>	4,542
- Amortisation of intangible assets (note 9)	- 無形資產攤銷(附註9)	<b>3,144</b>	3,083
- Deferred government grants (note 20)	- 遞延政府補貼(附註20)	<b>(483)</b>	(473)
- Loss on disposals of property, plant and equipment	- 出售物業、廠房及設備虧損	<b>10,653</b>	5,485
- Share option scheme-value of services provided (note 18)	- 購股權計劃—所提供服務之價值(附註18)	<b>147</b>	959
- Share option scheme-option lapsed (note 18)	- 購股權計劃—已失效的購股權(附註18)	-	(1,514)
- Share-based payment granted by the ultimate holding company (note 18(b))	- 最終控股公司授出以股份基礎的支付(附註18(b))	-	19,423
- Share of profits of investments accounted for using the equity method (note 11)	- 應佔以權益法入賬之投資利潤(附註11)	<b>(22,405)</b>	(17,322)
- Dividend income from available-for-sale financial assets(note 24)	- 可供出售金融資產之股息收入(附註24)	<b>(6,982)</b>	(2,552)
- Interest income	- 利息收入	<b>(8,949)</b>	(6,192)
- Interest expense	- 利息開支	<b>29,471</b>	15,046
- Impairment of inventories	- 存貨減值	<b>7,116</b>	9,141
- Provision for/(reversal of) impairment of trade receivables-net	- 貿易應收款撥備/(撥回)—淨額	<b>10,926</b>	(3,209)
Changes in working capital:	營運資金變動：		
- Inventories	- 存貨	<b>(180,314)</b>	(99,621)
- Derivative financial instruments	- 衍生金融工具	<b>(17,027)</b>	10,468
- Trade and other receivables	- 貿易及其他應收款	<b>216,986</b>	(486,794)
- Trade and other payables	- 貿易及其他應付款	<b>320,547</b>	(26,330)
Cash generated from operations	經營產生之現金	<b>1,468,830</b>	345,852

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 32 Notes to the Consolidated Statement of Cash Flows (Continued)

##### (b) Proceeds from sale of property, plant and equipment comprise:

		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net book value disposed (note 7)	出售之賬面淨值(附註7)	50,453	36,515
Loss on disposal of property, plant and equipment (note 24)	出售物業、廠房及設備虧損(附註24)	(10,653)	(5,485)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	39,800	31,030

There is no non-cash transaction during this period.

期內概無非現金交易。

#### 33 Contingent Liabilities

Except for the financial guarantees discussed in note 35, as at 31 December 2013 and 2012, the Group and the Company did not have any material contingent liabilities.

#### 33 或然負債

除附註35討論之融資擔保外，於2013年及2012年12月31日，本集團及本公司概無任何重大或然負債。

#### 34 Commitments

##### (a) Capital commitments

Capital expenditure contracted for at the end of the year is as follows:

#### 34 承擔

##### (a) 資本承擔

於年底，已訂約之資本開支如下：

		Group	
		本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Capital expenditure contracted for but not provided	已訂約但未撥備之資本開支	98,268	120,267

The Company does not have any capital commitment as at 31 December 2013 and 2012.

於2013年及2012年12月31日，本公司概無任何資本承擔。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 34 Commitments (Continued)

##### (b) Operating lease commitments

The future aggregate minimum lease payments of the Group under non-cancellable operating leases are as follows:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Not later than one year	不超過1年	6,006	5,879
Later than one year and not later than five years	超過1年但不超過5年	3,520	7,027
		<b>9,526</b>	12,906

The Company does not have any operating lease commitments as at 31 December 2013 and 2012.

#### 35 Financial Guarantees

The Group and the controlling shareholder of the associates have jointly and severally given guarantee to banks in respect of the banking facilities extended to the associates of the Group of approximately HK\$942,508,000 (2012: approximately HK\$719,571,000). As at 31 December 2013, bank loans of approximately HK\$613,076,000 (2012: approximately HK\$540,141,000) being guaranteed by the Group to associates have been drawn down. Under the terms of the relevant financial guarantee contract, the Group and the controlling shareholder of the associates will make payments to reimburse the lenders upon failure of the guaranteed associates to make payments when the bank loans are due.

Terms and face values of the liabilities guaranteed were as follows:

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		Face value	Face value
		面值	面值
Financial guarantees	融資擔保		
– bank loans drawn	– 已提取銀行貸款	613,076	540,141

#### 34 承擔(續)

##### (b) 經營租賃承擔

本集團根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下：

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Not later than one year	不超過1年	6,006	5,879
Later than one year and not later than five years	超過1年但不超過5年	3,520	7,027
		<b>9,526</b>	12,906

於2013年及2012年12月31日，本公司概無任何經營租賃承擔。

#### 35 融資擔保

本集團及聯營公司控股股東共同及個別就授予本集團聯營公司為數約港幣942,508,000元(2012年：約港幣719,571,000元)之銀行授信作擔保。於2013年12月31日，該等聯營公司已提取獲本公司擔保的銀行貸款約為港幣613,076,000元(2012年：約港幣540,141,000元)。根據相關融資擔保合約條款，本集團及聯營公司控股股東會就所擔保聯營公司無法在銀行貸款限期還款時，替其償還借款人。

擔保負債之條款及面值如下：

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		Face value	Face value
		面值	面值
Financial guarantees	融資擔保		
– bank loans drawn	– 已提取銀行貸款	613,076	540,141

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 35 Financial Guarantees (Continued)

In the opinion of the directors, the fair values of these financial guarantees are insignificant at initial recognition and the directors consider that the possibility of the default of the parties involved is remote, accordingly no value has been recognised at the inception of the guarantee contracts and at the end of the reporting period.

#### 36 Related Party Transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the year are summarised below:

##### (a) Transactions with related parties

The following transactions were carried out with related parties in accordance with the terms mutually agreed between the respective parties:

#### 35 融資擔保(續)

董事認為，該等融資擔保的公允價值於初始確認時並不重大，亦認為相關協議方違約之可能性甚微，因此，於擔保合約期及報告期末尚未確認價值。

#### 36 關聯方交易

本公司與其附屬公司間之交易已於綜合賬目內抵銷。本集團與其他關聯方於年內之交易概述如下：

##### (a) 與關聯方之交易

以下乃與關聯方按各訂約方相互協定之條款進行之交易：

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
<b>Sales to related parties:</b>	<b>向關聯方銷售：</b>		
– Controlled by the ultimate holding company	– 由最終控股公司控制	<b>3,626,658</b>	2,560,827
– Controlled by a substantial shareholder of the ultimate holding company	– 由最終控股公司之主要股東控制	–	13,456
		<b>3,626,658</b>	2,574,283
<b>Purchases from related parties:</b>	<b>向關聯方採購：</b>		
– Controlled by the ultimate holding company	– 由最終控股公司控制	<b>21,125</b>	228,648
– Controlled by a substantial shareholder of the ultimate holding company	– 由最終控股公司之主要股東控制	–	188
– Controlled by a close family member of the ultimate holding company's substantial shareholder	– 由最終控股公司主要股東之近親控制	<b>136,641</b>	3,056
		<b>157,766</b>	231,892

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 36 Related Party Transactions (Continued)

#### 36 關聯方交易(續)

##### (a) Transactions with related parties (Continued)

##### (a) 與關聯方之交易(續)

		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
<b>Other transactions with related parties – Controlled by the ultimate holding company</b>	<b>與關聯方之其他交易 — 由最終控股公司控制</b>		
(i) Logistics services received from related parties	(i)向關聯方獲取物流服務	7,093	–
(ii) Rental income received from a related party	(ii)向關聯方獲取的租金收入	2,560	–
(iii) Rental expenses paid to a related party	(iii)向關聯方支付的租金開支	–	2,489
(iv) Sales of intangible assets to a related party	(iv)向關聯方出售的無形資產	895	–
(v) Share-based payment contribution	(v)以股份為基礎的支付貢獻	–	19,423
(vi) IT and management consulting fee paid to a related party	(vi)向關聯方支付的IT及管理諮詢費用	10,481	–
<b>Financial services provided by the Finance Company – Controlled by the ultimate holding company</b>	<b>財務公司提供的財務服務 — 由最終控股公司控制</b>		
(i) Short-term borrowings received	(i)取得短期借款	690,664	234,308
(ii) Short-term borrowings repaid	(ii)償還短期借款	690,664	234,308
(iii) Issues of bills	(iii)開具之票據	1,908,776	602,602
(iv) Discounted bills	(iv)貼現票據	790,424	188,651
(v) Interest income on deposits received	(v)收取存款利息收入	3,756	4,491
(vi) Interest expense and bank charges paid	(vi)支付利息開支及銀行費用	17,413	5,572
(vii) Settlement of foreign currency	(vii)外匯結算	251,831	–

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 36 Related Party Transactions (Continued)

##### (b) Balances with related parties

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
<b>Due from related parties included in trade and other receivables:</b>	應收關聯方款項，包括貿易及其他應收款項：		
– Controlled by the ultimate holding company	– 由最終控股公司控制	<b>478,010</b>	880,436

As at 31 December 2013, the amounts due from related parties including notes receivable of approximately HK\$38,101,000 (2012: HK\$410,580,000).

於2013年12月31日，應收關聯方款項金額包括應收票據約為港幣38,101,000元(2012年：港幣410,580,000元)。

		Group 本集團	
		2013	2012
		HK\$'000	HK\$'000
		港幣千元	港幣千元
<b>Due to related parties included in trade and other payables:</b>	應付關聯方款項，包括貿易及其他應付款項：		
– Controlled by the ultimate holding company	– 由最終控股公司控制	<b>6,869</b>	137,419
– Controlled by a substantial shareholder of the ultimate holding company	– 由最終控股公司之主要股東控制	–	247
– Controlled by a close family member of the ultimate holding company's substantial shareholder	– 由最終控股公司主要股東之近親控制	<b>53,946</b>	1,948
		<b>60,815</b>	139,614

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

#### 36 Related Party Transactions (Continued)

##### (b) Balances with related parties (Continued)

As at 31 December 2013, the amounts due to related parties including notes payable of approximately HK\$23,309,000 (2012: HK\$36,293,000).

The balances due from/to related parties are denominated in RMB, unsecured, interest free and are repayable on demand. No balance due from related parties is past due or impaired.

#### 36 關聯方交易(續)

##### (b) 與關聯方之結餘(續)

於2013年12月31日，應付關聯方款項金額包括應付票據約為港幣23,309,000元(2012年：港幣36,293,000元)。

應收／應付關聯方結餘以人民幣列值，並為無抵押、免息且須於要求時償還。概無應收關聯方結餘逾期或減值。

		Group 本集團	
		2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
<b>Other balances with related parties</b>	<b>與關聯方之結餘</b>		
<b>– Controlled by the ultimate holding company</b>	<b>– 由最終控股公司控制</b>		
(i) Short-term deposits in the Finance Company	(i)於財務公司之短期存款	<b>1,364,811</b>	355,411
(ii) Bills have been issued but not yet due in the Finance Company	(ii)於財務公司已開具但尚未到期票據	<b>1,113,966</b>	352,288
(iii) Discounted bills receivable not yet due in the Finance Company	(iii)於財務公司已貼現但尚未到期應收票據	<b>366,517</b>	115,861
(iv) Short-term deposits in a related party	(iv)於關聯方之短期存款	<b>17,940</b>	–

Save as discussed in note 10, the Company does not have other balances with related parties.

除附註10所述外，本公司與關聯方概無其他結餘。

#### 37 Ultimate Holding Company

The directors regard Midea Holding, a company incorporated in the PRC, as being the ultimate holding company. As at 31 December 2013, Midea Holding held 68.99% of the Company's share.

#### 37 最終控股公司

董事視美的控股(於中國註冊成立之公司)為最終控股公司。於2013年12月31日，美的控股持有本公司68.99%的股份。



## FIVE-YEAR FINANCIAL SUMMARY

### 五年財務摘要

		Year ended 31 December 截至12月31日止年度				
		2013	2012	2011	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		Audited	Audited	Audited	Audited	Audited
		經審核	經審核	經審核	經審核	經審核
<b>Results</b>	<b>業績</b>					
Revenue	收入	<b>8,881,723</b>	7,787,502	10,490,373	7,235,360	4,960,958
Profit attributable to the owners of the Company	本公司擁有人 應佔利潤	<b>785,499</b>	640,256	607,563	532,338	353,823
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	<b>7,891,778</b>	6,839,053	6,162,452	6,331,676	3,799,041
Total liabilities	總負債	<b>(4,016,802)</b>	(3,735,799)	(3,610,278)	(4,356,372)	(2,599,888)
Total equity	權益總額	<b>3,874,976</b>	3,103,254	2,552,174	1,975,304	1,199,153

