



中國稀土控股有限公司
China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock code 股份代號：00769

Annual Report
2013
年報





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公司資料

CORPORATE INFORMATION

董事

執行董事

蔣泉龍先生(主席)
錢元英女士(副主席)
蔣才南先生

獨立非執行董事

王國珍先生
黃春華先生
金重先生

審核委員會

王國珍先生(主席)
黃春華先生
金重先生

薪酬委員會

黃春華先生(主席)
王國珍先生
金重先生

提名委員會

金重先生(主席)
王國珍先生
黃春華先生

公司秘書

羅納德先生

註冊辦事處

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

總辦事處及主要營業地點

中國江蘇省
宜興市丁蜀鎮

香港營業地點

香港
中環雪廠街16號
西洋會所大廈15樓

DIRECTORS

Executive Directors

Mr. Jiang Quanlong (Chairman)
Ms. Qian Yuanying (Deputy Chairman)
Mr. Jiang Cainan

Independent Non-executive Directors

Mr. Wang Guozhen
Mr. Huang Chunhua
Mr. Jin Zhong

AUDIT COMMITTEE

Mr. Wang Guozhen (Chairman)
Mr. Huang Chunhua
Mr. Jin Zhong

REMUNERATION COMMITTEE

Mr. Huang Chunhua (Chairman)
Mr. Wang Guozhen
Mr. Jin Zhong

NOMINATION COMMITTEE

Mr. Jin Zhong (Chairman)
Mr. Wang Guozhen
Mr. Huang Chunhua

COMPANY SECRETARY

Mr. Law Lap Tak

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Dingshu Town, Yixing City
Jiangsu Province, the PRC

PLACE OF BUSINESS IN HONG KONG

15/F, Club Lusitano
16 Ice House Street, Central
Hong Kong

公司資料

CORPORATE INFORMATION

香港法律顧問

趙不渝 馬國強律師事務所

HONG KONG LEGAL ADVISERS

Chiu & Partners

核數師

國富浩華(香港)會計師事務所有限公司

AUDITOR

Crowe Horwath (HK) CPA Limited

主要往來銀行

中國

中國銀行股份有限公司
中國工商銀行股份有限公司
中國建設銀行股份有限公司
招商銀行股份有限公司

PRINCIPAL BANKERS

PRC

Bank of China Limited
Industrial & Commercial Bank of China Limited
China Construction Bank Corporation
China Merchants Bank Company Limited

香港

渣打銀行(香港)有限公司
法國巴黎銀行
中信銀行國際有限公司
中國銀行(香港)有限公司
南洋商業銀行有限公司

Hong Kong

Standard Chartered Bank (Hong Kong) Limited
BNP Paribas
CITIC Bank International Limited
Bank of China (Hong Kong) Limited
Nanyang Commercial Bank, Limited

主要股份過戶登記處

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心17樓

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

互聯網址

www.creh.com.hk

INTERNET WEBSITE

www.creh.com.hk

香港聯合交易所有限公司股份代號

769

STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

769

公關顧問

縱橫財經公關顧問有限公司

PUBLIC RELATIONS CONSULTANT

Strategic Financial Relations Limited

財務摘要

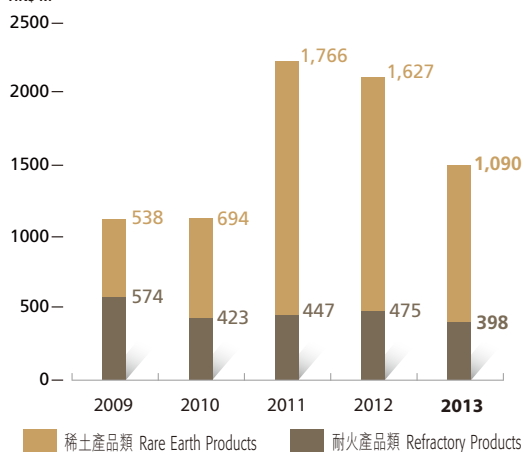
FINANCIAL HIGHLIGHTS

營業額

TURNOVER

截至十二月三十一日止年度
For the year ended 31 December百萬港元
HK\$'M

Year	Turnover (HK\$'M)
2009	1,112
2010	1,117
2011	2,213
2012	2,102
2013	1,488

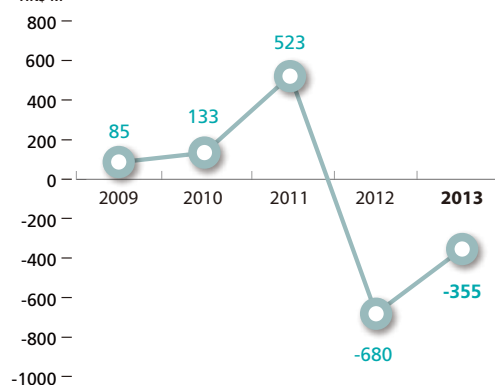
百萬港元
HK\$'M

本公司擁有人應佔溢利／(虧損)淨額

NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

截至十二月三十一日止年度
For the year ended 31 December百萬港元
HK\$'M

Year	Net Profit/(Loss) (HK\$'M)
2009	85
2010	133
2011	523
2012	-680
2013	-355

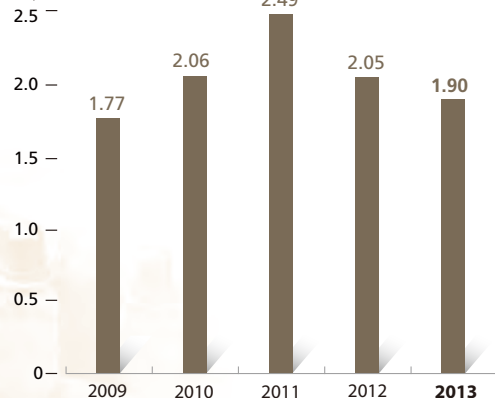
百萬港元
HK\$'M

每股資產淨值

NET ASSETS PER SHARE

於十二月三十一日
As at 31 December港元
HK\$

Year	Net Assets per Share (HK\$)
2009	1.77
2010	2.06
2011	2.49
2012	2.05
2013	1.90

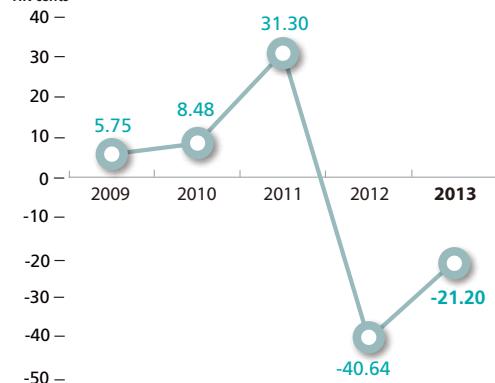
港元
HK\$

每股基本盈利／(虧損)

BASIC EARNINGS/(LOSS) PER SHARE

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

Year	Basic Earnings/(Loss) per Share (HK cents)
2009	5.75
2010	8.48
2011	31.30
2012	-40.64
2013	-21.20

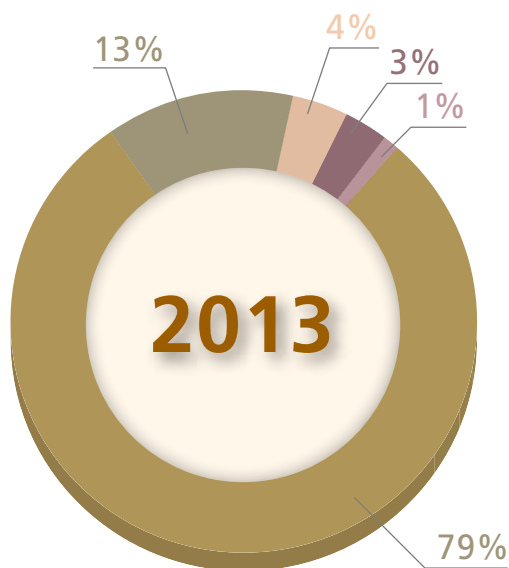
港仙
HK cents

財務摘要
FINANCIAL HIGHLIGHTS

營業額 TURNOVER

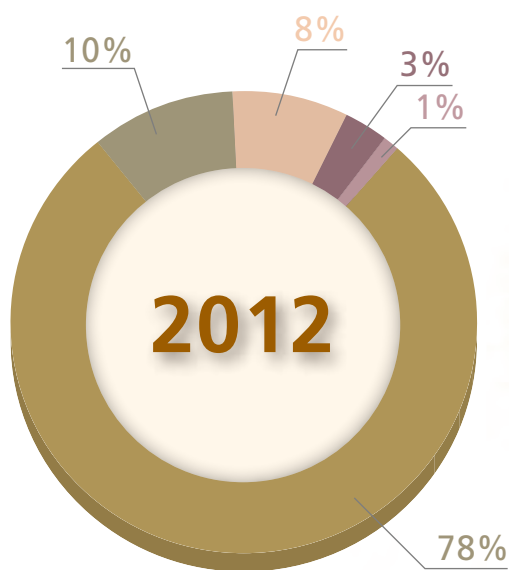
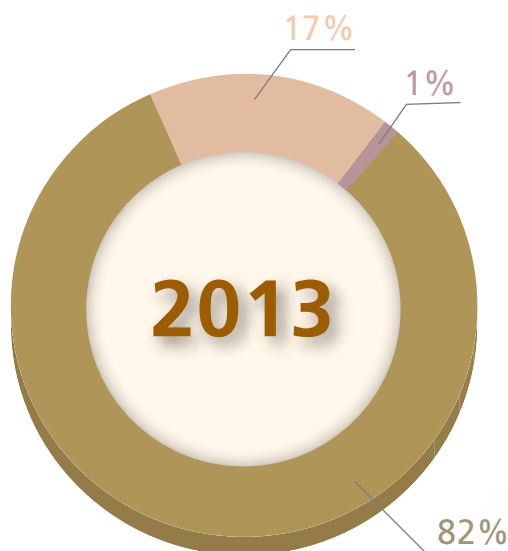
稀土產品類

Rare Earth Products



耐火產品類

Refractory Products



- 中華人民共和國 The People's Republic of China
- 歐洲 Europe
- 日本 Japan
- 美國 The United States of America
- 其他 Others

- 中華人民共和國 The People's Republic of China
- 日本 Japan
- 其他 Others

主席報告書

CHAIRMAN'S STATEMENT



致各位股東：

本人謹代表董事會向各位股東提呈中國稀土控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）截至二零一三年十二月三十一日止年度之全年業績報告。

二零一三年，全球經濟持續不穩定，影響了稀土應用市場的發展，本集團稀土業務亦難免受到影響。然而，中華人民共和國（「中國」）政府積極整合稀土產業。二零一三年八月份，中國工信部、國土資源部、商務部等部門正式發佈《打擊稀土開採、生產、流通環節違法違規行為專項行動方案》，展開稀土行業整治工作，於多個省市大力開

To Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the annual results of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2013.

The global economy continued to be unstable in 2013, which affected the development of rare earth products applications and, in turn, the Group's rare earth business. Facing this challenge, the Chinese Government actively promoted the reform and consolidation of rare earth enterprises. In August 2013, ministries and authorities including the Ministry of Industry and Information Technology, the Ministry of Land and Resources and the Ministry

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展查封非法礦場和監管專項行動，打擊非法開採稀土、整頓違規生產、打擊流通環節等違法違規行為。

二零一四年初，由工信部牽頭制定的組建稀土大集團方案獲得國務院批復同意。此方案將敲定稀土大集團「一加五」格局，建立規範有序的稀土資源開發、冶煉分離和市場秩序。措施落實後將可提高國內稀土產業生產質量及改善出口秩序。此外，稀土收儲正在進行第二輪談判，有望敲定細節問題。在收儲預期落實的強烈背景下，稀土價格有望轉趨穩定，行業氣氛預期將得以改善。

另外，本集團於二零一三年九月向合營夥伴歐司朗有限公司購入其所擁有合營公司—歐司朗(中國)熒光材料有限公司之全數股權。收購完成後該公司將成為本集團的全資附屬公司。是項收購有助本集團全面掌控該公司的銷售策略，自主開拓營銷網絡，將充分發揮這高技術生產設備的效益。

耐火材料業務方面，由於下游鋼鐵及玻璃行業受大環境影響持續低迷，影響了本集團的銷售數量。本集團將繼續加強整合營運、優化成本效益，並著力擴闊此分部的收入來源。

of Commerce, jointly announced a “Special Action Plan to Counter Illegal and Irregular Acts in Rare Earth Mining, Production and Market Distribution” in order to rectifying the rare earth industry. Actions including the sealing of illegal mines and implementation of supervisory measures in many provinces and cities aimed at combating illegal mining and production of rare earth as well as stopping improper market distribution.

In early 2014, the State Council has approved the proposal of “Establishment of Large Rare Earth Enterprises” led by the Ministry of Industry and Information Technology. This proposal serves to further confirm the “1+5” pattern of the country's large rare earth enterprises aiming for setting up an orderly rare earth mining, smelting and distributing system. The implementation of the measures will improve the production quality and export orders of the rare earth industry in the state. In addition, the second round of discussions on the rare earth hoarding plan is in progress, which is expected to confirm details. Under strong projection of the implementation of the hoarding plan, the prices of rare earth are expected to stabilise and market sentiment should also improve.

In September 2013, the Group has acquired from its joint venture partner OSRAM GmbH its entire interest in the joint venture, OSRAM (China) Fluorescent Materials Co., Ltd. Upon the completion of the acquisition, that company has become a wholly-owned subsidiary of the Group. The acquisition enables the Group to have entire control over the sales strategy of that company, develop its own sales network and fully realise the efficiency of its advanced technology production facilities.

For the refractory materials business, the downstream steel and glass industries were affected by the overall operating environment and continued to be stagnant which in turn affected the Group's sales volume. The Group will continue to strengthen its operational integration, optimise cost efficiencies and broaden the income stream of such business segment.

主席報告書

CHAIRMAN'S STATEMENT

財務業績

二零一三年，全球經濟持續不確定性，受行業需求大幅度波動影響，稀土市場仍然低迷。截至二零一三年十二月三十一日止財政年度，本集團錄得營業額約為1,488,282,000港元，較去年的2,101,918,000港元下跌約29%。雖然隨著國內多個部委展開稀土行業整治工作，稀土價格於年中稍微回暖，但全年整體價格仍呈下降趨勢，致使稀土產品的營業額受壓，由去年約1,626,524,000港元下調約33%至約1,090,092,000港元，佔總營業額約73%。耐火材料產品方面，由於鋼鐵及水泥等行業仍有待復甦，此分部錄得營業額398,190,000港元，較去年的475,394,000港元下跌約16%，佔總營業額約27%。由於產品價格下跌的幅度高於原材料價格的跌幅，導致本集團整體毛利虧損217,560,000港元，毛虧率約為15%（二零一二年度：毛虧率21%）。然而，由於下半年的業績表現明顯優於上半年，全年的毛利虧損已比中期的273,480,000港元減少，反映了營商情況在持續改善中。計及其他銷售和管理費用及稅金，淨虧損為369,706,000港元，比二零一二年度的淨虧損699,519,000港元減少約47%。每股虧損約21.20港仙（二零一二年度：每股虧損40.64港仙）。

股息

由於本集團仍然虧損，董事會建議不派發二零一三年度之末期股息。

FINANCIAL RESULTS

Affected by the persistent uncertainty in the global economy and substantial fluctuations in market demand in 2013, the rare earth market remained sluggish. For the financial year ended 31 December 2013, the Group's turnover was HK\$1,488,282,000, a reduction of approximately 29% compared to HK\$2,101,918,000 last year. Although many ministries and authorities in China have imposed more stringent regulation and supervision measures on the rare earth industry which has contributed to a slight rebound in product prices in the middle of the year, the downtrend in overall product prices during the whole year affected the turnover of rare earth products. Turnover of rare earth products declined by about 33% from about HK\$1,626,524,000 last year to HK\$1,090,092,000, accounting for about 73% of the Group's total turnover. As the steel and cement industries in China have yet to recover, turnover of the refractory materials business dropped by 16% from HK\$475,394,000 last year to HK\$398,190,000, accounting for about 27% of the Group's total turnover. Because the range of reduction in product prices was higher than that in raw material prices, the Group recorded an overall gross loss of HK\$217,560,000, with a gross loss margin of around 15% (2012: gross loss margin of 21%). Nevertheless, as the results performance in the second half was significantly better than that of the first half, annual gross loss has improved compared to the loss of HK\$273,480,000 reported in the interim period, reflecting the continuous improvement in operating environment. After taking into account selling and administrative expenses and taxation, the Group recorded a net loss of HK\$369,706,000, significantly lower than that of HK\$699,519,000 in 2012 by approximately 47%. Loss per share was approximately 21.20 HK cents (2012: loss per share of 40.64 HK cents).

DIVIDEND

As the Group continued to record losses, the Board did not recommend the payment of a final dividend for 2013.

主席報告書

CHAIRMAN'S STATEMENT

業務回顧

稀土業務

二零一三年，稀土產品價格仍處於下降軌道，導致本集團稀土業務的整體營業額繼續減少，由去年的1,626,524,000港元下跌約33%至本年的1,090,092,000港元。本集團於稀土業務上的毛虧率已由去年的32%減至本年的25%。業務分部虧損為372,713,000港元，較去年的646,884,000下降約42%。

多種稀土產品價格於年內繼續呈普遍下降的趨勢，且跌幅顯著。當中氧化鏷、氧化鈾、氧化鈿、氧化釷及氧化鐳的平均售價與去年相比下跌了約六至八成，而氧化釷、氧化鎳、氧化鈳、氧化鈹及鈹鎳共沉等則下跌了約三至五成。銷售數量方面，雖然本集團於回顧年內共出售約4,400噸稀土氧化物，較去年增加約六成。但增長的主要是較為便宜的產品如氧化鏷及氧化鈿，故銷售量的增幅速度不足以彌補產品價格跌幅，再加上產品銷售組合的變動，致使稀土業務的整體營業額仍遜於去年。



年內，政府愈加嚴緊執行對各稀土企業的指令性生產限制，本集團配合政策調整了產量，使稀土產品生產量下降約8%。貿易量略為上升了不足200噸，反映出銷售量大為上升主要為售出了以往存倉的產品。有見市場不明朗，本集團盡量在運用流動資金上保持靈活性，因此策略性減少庫存，由本年初至本年末已減少稀土類庫存額約四成。

BUSINESS REVIEW

Rare Earth Business

Prices of rare earth products continued to decline in 2013, which caused the overall turnover of the Group's rare earth business to decrease continuously by approximately 33% from HK\$1,626,524,000 last year to HK\$1,090,092,000 this year. Gross loss margin of the Group's rare earth business, however, dropped from 32% last year to 25% this year. Segmental loss was HK\$372,713,000, a reduction of about 42% from HK\$646,884,000 last year.

The prices of many rare earth products continued the downward trend and declined significantly during the year. The average selling price of lanthanum oxide, cerium oxide, samarium oxide, gadolinium oxide and dysprosium oxide decreased by around 60% to 80% compared to last year, while those of neodymium oxide, europium oxide, erbium oxide, terbium oxide and yttrium-europium coprecipitates dropped by about 30% to 50%. The Group sold around 4,400 tonnes of rare earth oxides during the year under review, which was around 60% more than last year. However, the increase was mainly in those products such as lanthanum oxide and cerium oxide with relatively cheaper selling prices. Thus, the pace of growth in sales volume could not entirely offset the price drop of rare earth products. This together with the change in product sales mix have led to a lower overall turnover in the rare earth business when compared with last year.

During the year, the Chinese Government strengthened the implementation of production limits for rare earth enterprises and the Group has adjusted its production volume in line with the policies. The production volume of the Group's rare earth products dropped by about 8% compared with last year while trading volume increased slightly by less than 200 tonnes. This apparent discrepancy has reflected that the notable growth in sales volume was mainly coming from reducing inventory level. To cope with uncertain market conditions, the Group has maintained flexibility on its liquid fund by strategically reducing its inventory level. The rare earth inventory was 40% less at the end of the year than it was at the beginning of the year.

主席報告書

CHAIRMAN'S STATEMENT

成本方面，材料成本仍佔生產成本九成以上。雖然年內稀土原材料的平均價格比去年下降了約三成，但產量減少及工資上漲亦使平均成本未能大幅下調。然而由於本年度所準備的存貨撥備較去年大幅減少，使本年的毛虧率得以下降。

另一方面，本集團的拋光粉生產綫項目已於二零一三年七月開始投入試產，部份樣品已送予客戶進行測試檢驗。由於目前大部份樣品仍在檢測階段，暫未為本集團帶來顯著銷售貢獻。但隨著更多光學及液晶顯示螢幕產品的誕生，本集團有信心拋光粉的需求將不斷提升。

稀土金屬方面，金屬鐳及金屬釹仍然為本集團之主要稀土金屬產品。由於下游市場環境欠佳，二零一三年銷售量較去年減少約五成，平均售價亦減少約兩成半至四成，致使銷售額同比下跌了逾六成。扣除無形資產攤銷等成本後，毛虧率擴大至約20%。由於前景不明朗，故本集團按保守推算將來市況，決定將該分部餘下逾30,000,000港元的無形資產全數作出減值撥備。使將來更能合理地反映該項目的資產回報。

市場分佈方面，本集團稀土產品最主要的市場仍在中國，該市場銷售額佔稀土產品銷售總額約79%。繼中國之後，歐洲成為最大的海外市場，約佔13%。另一方面，日本經濟的疲弱使該市場的銷售額顯著下跌，由去年約佔8%的市場份額下跌至本年的約4%。美國市場仍佔約3%。

As for costs, material cost still accounted for more than 90% of the Group's production costs. Although the average price of rare earth raw materials dropped by about 30% when compared with last year, the decrease in production volume and increase in wages limited the substantial reduction in average cost. However, the inventory provision made in the year was substantially lower than that in last year, which resulted in decreased gross loss margin for the year.

The Group's polishing powder production line has been engaged in trial production since July 2013. Several samples were sent to customers for testing and evaluation. As most of the samples are still undergoing testing and evaluation, such production line has not yet made a notable contribution to the Group's sales. However, the Group is confident that the demand for polishing powder will continue to rise along with the launch of more optical and liquid-crystal display (LCD) products.

For the rare earth metals division, lanthanum metals and neodymium metals continued to be the main rare earth metals products produced by the Group. Adversely affected by the weak downstream market, the sales volume declined around 50% in 2013, as did the average selling price which dropped by around 25% to 40%. As a result, the sales amount decreased by more than 60% year-on-year. After deducting costs including amortisation of intangible assets, the gross loss margin enlarged to around 20%. Facing uncertain prospects, the Group made a prudent projection assessment about the future market which led to a decision of full impairment on the remaining intangible assets in this segment valued at more than HK\$30,000,000. After that, it is believed that such division can more reasonably reflect the return on assets in the future.

Geographically, China remained as the major market of the Group's rare earth products, accounting for around 79% of the total sales of rare earth products. Europe became the largest export market and accounted for around 13% of the total. The weak economic condition in Japan has resulted in marked reduction in the sales amount to that market. Its share of the segment sales reduced from about 8% last year to about 4% this year, while the US accounted for about 3% of the segment sales.

主席報告書

CHAIRMAN'S STATEMENT

耐火材料業務

年內，本集團耐火材料業務的整體營業額由去年的475,394,000港元下跌約16%至398,190,000港元，毛利率約為15%。業務分部盈利為25,415,000港元，較去年的22,306,000上升約14%。

由於國內經濟放緩以及產能過剩問題窒礙鋼鐵及水泥等行業發展，加上耐火材料行業競爭激烈，影響本集團國內耐火材料產業的銷售量持續下跌。而日本經濟疲弱亦導致出口量下調。另一方面，本集團合資企業宜興旭硝子工業陶瓷有限公司的生產線自二零一二年順利竣工投產後，過去一直由本集團完成出口至部份日本客戶如鎂鋁尖晶石磚等產品的銷售訂單因而逐漸轉移至該合資企業，亦減少了本集團自身的銷售量。年內本集團銷售了約28,400噸一般耐火材料及高溫陶瓷產品，較去年下跌了約三成。售價方面，主要產品如電熔鎂鉻磚、鋁碳磚、不定形耐火材料及高溫陶瓷方面的賽隆系列產品於本年的平均價格與去年相若，變化不足5%。成本方面，主要原材料價格變化不大，就碳化矽本年的平均價格亦比去年上升不足一成半。然而因為產量減少導致平均成本上升，加上人均工資的上漲，致使該部分毛利率下調至約10%。

**Refractory Materials Business**

During the year, total turnover of the Group's refractory materials business dropped around 16% from HK\$475,394,000 last year to HK\$398,190,000. Gross profit margin was approximately 15%. Segmental profit amounted to HK\$25,415,000, which was approximately 14% higher than HK\$22,306,000 in the previous year.

The slower economic growth in China and the overcapacity in the steel and cement industries has hindered development of these businesses. In addition, keen competition in the refractory materials industry have dragged down the Group's sales volume of refractory materials in the state continuously. A relatively weak Japanese economy has also contributed to the decreasing exports to that country. Besides, after its joint venture, Yixing AGC Ceramics Co., Ltd., started operation in 2012, the Group gradually consigned certain Japanese orders including magnesia-alumina spinel bricks to it, so the sales volume of the Group itself decreased accordingly. During the year, the Group sold around 28,400 tonnes of ordinary refractory materials and high temperature ceramics products, a drop of about 30% when compared with last year. The average selling price of major products such as fused magnesium chrome bricks, alumina-graphite bricks, unshaped refractory materials and Sialon series of high temperature ceramics products remained relatively flat with less than 5% deviation when compared with last year. As for costs, major material prices did not change significantly and the average selling price of silicon carbide increased by less than 15% from last year. However, the lower production volume has boosted the average production cost, which together with the increase in the average labour cost, led to the drop in gross profit margin of the division to around 10%.

主席報告書

CHAIRMAN'S STATEMENT

鎂砂業務方面，自二零一零年末投產以來，本集團的高純鎂砂項目生產流程越趨成熟，生產量不斷提高，使電熔鎂砂和高純鎂砂的銷售量比去年上升逾一成至約79,000噸。產品售價輕微下降不足一成，營業額增長不足5%。毛利率微減至約17%。



市場分佈方面，由於部分出口訂單改由旗下合資企業負責生產銷售，未能在本集團的出口銷售中反映，因此本集團耐火材料業務的出口比例下調至約18%，內銷業務約佔82%。

合營項目

本集團與歐司朗有限公司共同投資的歐司朗(中國)熒光材料有限公司經磨合調試後已漸漸踏上軌道。年內錄得營業額約為154,685,000港元，而銷售量更由二零一二年約200噸大幅增加至約300噸。然而市況不景、需求疲弱的環境下，銷售量仍未能符合投資初期的預算目標。產品售價較去年平均下調約二至三成。其營業額在扣除銷售成本後已能獲得微利，雖然仍未能抵銷其他行政及財務等費用，但反映該公司業務正逐步改善。長遠而言，將有利於本集團的利潤增長。該公司於回顧年內錄得虧損淨額約19,983,000港元。

Regarding the magnesium grain business, the production workflow of high purity magnesium grain has become more mature and the production volume has gradually increased since it started operation at the end of 2010. The sales volume of fused magnesium grain and high purity magnesium grain rose by more than 10% to around 79,000 tonnes and their selling prices slightly dropped by less than 10%. The turnover grew by less than 5% and gross profit margin was slightly reduced to around 17%.

By market segment, as some of the export orders were transferred to the joint venture, which was not reflected in the Group's export sales, the proportion of the Group's refractory materials for export dropped to around 18% and domestic sales occupied the remaining 82%.

Joint Venture Projects

OSRAM (China) Fluorescent Materials Co., Ltd., the joint venture set up with OSRAM GmbH, keeps on improving performance after completing testing and modulation of the production workflow. During the year, it recorded a turnover of approximately HK\$154,685,000 and its sales volume surged from 200 tonnes in 2012 to around 300 tonnes. Because of the weak market and demand, sales volume has not yet reached the pre-set goal at the initial investment period. Compared with last year, the selling prices of products dropped by around 20% to 30% in average. The joint venture recorded a modest profit after deducting cost of sales. Though it was not enough to offset other administrative and finance costs, its performance is a valid indicator of the gradual improvement of the business. In the long run, the joint venture should contribute to the Group's profit growth. That company recorded a net loss of around HK\$19,983,000 for the year.

主席報告書

CHAIRMAN'S STATEMENT

由於合營夥伴歐司朗有限公司在中國投資策略的改變，經商討後，其終於二零一三年九月願意以優惠價格共15,132,500港元將其持有合營企業的50.1%權益出讓給本集團。交易於二零一四年一月二十二日完成後，該公司已正式成為本集團全資附屬公司。現該公司已正式更名為「宜興銀茂熒光材料有限公司」。截至交易完成日，經評估後該公司淨資產約值74,582,000港元。此宗收購將有助本集團整合整體銷售步署，大力開拓營銷網絡，擴展客戶基礎及進一步優化營運管理，冀望回報能得以提高。

另外，本集團與日本旭硝子工業陶瓷株式會社合作成立的宜興旭硝子工業陶瓷有限公司，於回顧年內已售出約12,800噸燒結耐火材料，與去年相比增長逾倍。除了日本作為該合營企業主要市場外，年內更開始少量地拓展了部份國內市場。隨著銷售量增加，該合營企業於年內已有輕微的毛利，利潤雖未足以抵銷管理行政費用，然而已是一大邁進。隨著該合營企業運作逐漸熟練，可望成本能有效控制，未來為本集團帶來貢獻。

展望

二零一三年，國內稀土市場充滿挑戰，但下半年的情況已漸漸有所改善。隨著八月多部委展開稀土行業整治工作，加大力度打擊稀土行業違法行為，促進行業觸底回升。踏入二零一四年，在政府的政策扶持以及環球經濟改善的支持下，國內稀土市場氣氛逐步回暖。大部份稀土產品於第一季度的市場價格基本上已止跌回穩。隨著國家牽頭的稀土收儲計劃得以落實，以及稀土大集團的組建得到明確的發展，中國的稀土產業預期將持續在更規範有序的環境下健康發展，稀土價格相信會逐漸穩步回升。

As the Group's partner, OSRAM GmbH, has changed its business strategy in China, after negotiation, it decided to dispose of its 50.1% interest in the joint venture to the Group in September 2013 at a favourable price of HK\$15,132,500. After the transaction completed on 22 January 2014, that company has now become a wholly-owned subsidiary of the Group and renamed as Yixing Silver Mile Fluorescent Materials Company Limited. As at the transaction completion date, that company had net assets of approximately HK\$74,582,000 after assessment. The transaction will enable the Group to consolidate its overall sales approach, expand its sales network and customer base, and further optimise its operation and management, thus increasing the return on its investment.

In addition, the Group's another joint venture, Yixing AGC Ceramics Co., Ltd. setting up with Asahi Glass Ceramics Co., Ltd. from Japan, sold approximately 12,800 tonnes of sintered refractory materials during the year under review, up more than a double from the previous year. On top of serving its major market Japan, that company also started expanding its market domestically with small quantity during the year. Along with the growth of sales volume, it recorded a little gross profit margin in the year. Although its profit was not enough to offset the management and administrative costs, this performance nonetheless represents a significant improvement. When this joint venture becomes more mature and implements more effective cost control measures, it is expected to bring a contribution to the Group in the future.

PROSPECTS

In 2013, the domestic rare earth market presented myriad challenges, but market conditions have slightly improved in the second half. Following the regulating measures of the rare earth industry implemented by the various ministries and authorities in August that coping with illegal industry practices, the industry started to bottom out. Under favourable Chinese government policies and a better global economy in 2014, the domestic rare earth market appears to have gradually revived. The market prices of most rare earth products stabilised in the first quarter of 2014. After the government policies of hoarding up rare earth resources and establishing large rare earth enterprises are being clear, the rare earth industry in China is expected to develop in a more orderly and healthier environment, and the prices of rare earth products are expected to gradually rise.

主席報告書

CHAIRMAN'S STATEMENT

雖然海外多個國家相繼開發其稀土資源，為稀土市場增添不穩定因素，惟中國於發展規模及開採成本上具競爭優勢，中國於未來數年仍然為世界市場的最大供應國。此外，歐美經濟正穩步復甦，將對市場需求帶來正面影響。本集團將維持一貫穩守的策略，冀望在市場信心提升下，二零一四年來自稀土業務的業績將有所改善。

本集團的拋光粉產品正逐步獲得客戶認同，預期該生產線將進一步改良技術並盡快展開銷售，以擴大市場範圍及積極開拓客戶群，有助改善產品結構組合。

耐火材料業務方面，雖然主要出口市場日本的經濟仍未復甦，以及業內的競爭給整個行業帶來挑戰。然而，本集團在穩固的業務基礎上積極提升服務水準，在產品質量及服務上突顯優勢以加強競爭實力，並在產品研發上加大力度，優化產品工藝，以進一步穩固行業地位，實現可持續發展。

流動資金及財務資源

本集團維持審慎理財原則，流動資金充裕。於二零一三年十二月三十一日，本集團持有現金及銀行存款金額共約1,369,054,000港元。回顧年內，本集團將已到期的銀行貸款悉數償還。本集團的流動資產淨額約為2,368,367,000港元。總負債對總資產的比率減至約4%。

Although more countries have started to exploit their indigenous rare earth resources which will create uncertainties for the market, domestic producers in China still enjoy the competitive advantages in scale of development and exploitation cost, so the country will remain as the largest supplier in the global market in the coming years. On the other hand, the eventual stabilisation of the European and the US economies should positively affect market demand. The Group will retain its existing conservative strategies and hopefully when market confidence returns, results improvement will be seen for the rare earth business during 2014.

The Group's polishing powder products are gaining wider customer recognition. After the production line upgrades its technology and starts sales, the Group will be able to expand its market coverage and customer base. The product structure and mix will be improved as well.

For the refractory materials business, although the economy in Japan, its major overseas market, has not yet recovered and the keen competition in the industry will continue to bring challenges, the Group will leverage its solid business foundation to improve its service, so it can enhance its competitiveness by providing better product quality and services. It will also strengthen research and development and upgrade its production technology with the aim to reinforce its position in the industry and achieve sustainable growth.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has continued to maintain prudent capital arrangements, and has sufficient cash on hand. As at 31 December 2013, the Group had cash and bank deposits valued at approximately HK\$1,369,054,000. During the year under review, the Group has repaid all of its bank loans. The Group had a balance of net current assets valued at approximately HK\$2,368,367,000, with the total liabilities to total assets ratio reduced to around 4%.

主席報告書

CHAIRMAN'S STATEMENT

本集團並無資產已被抵押。本集團並未持有任何金融衍生工具產品。本集團亦無面臨重大的息率風險。匯率方面，本集團大部份之資產、負債及交易均以人民幣結算，另亦有部份以美元及港元列值。於回顧期內人民幣、美元及港元的匯率相對穩定。

本集團於中國的兩家附屬公司分別向兩家國內銀行提供了企業擔保，使本集團的兩家合營企業分別獲得銀行貸款融資。於本年末，該兩家合營企業分別利用該等擔保向銀行提取了39,000,000元人民幣及27,996,000元人民幣貸款。

承接去年，本集團的合營企業歐司朗（中國）熒光材料有限公司與其廠房建造商就廠房建造之質素及付款的爭議仍未有定案。該建造商仍在追討合營企業合同餘款約34,973,000港元，而合營企業亦仍在向該建造商索償退還已付之合同款項約62,639,000港元。

The Group had no charge on assets, nor has it held any financial derivative products. It was not exposed to material interest rate risk. Regarding foreign exchange, most of the Group's assets, liabilities and transactions are denominated in Renminbi, and the rest are in US dollars or Hong Kong dollars. During the year under review, the exchange rates of Renminbi, US dollar and Hong Kong dollar were stable.

Two subsidiaries of the Group in China provided corporate guarantees to two local banks to facilitate the two joint ventures to obtain loan financing. As at the end of the year, the two joint ventures had drawn loans of RMB39,000,000 and RMB27,996,000 from the banks respectively based on the guarantees.

Brought forward from last year, the dispute between OSRAM (China) Fluorescent Materials Co. Ltd., a joint venture of the Group, and a contractor of its plant concerning the quality and settlement of its plant constructed has not yet been resolved. The contractor has still pursued litigation against the joint venture to recover the remaining unpaid contract fee of about HK\$34,973,000. The joint venture has also submitted a legal claim against the contractor for the contract fee already paid of about HK\$62,639,000.



主席報告書

CHAIRMAN'S STATEMENT

僱員及薪酬

於二零一三年十二月三十一日，本集團僱用各級員工共約1,000人，包括多名大學畢業生及經驗豐富的專業翹楚。本集團為員工提供完善的薪酬及福利制度。本年度內，僱員成本包括董事酬金合計約為63,339,000港元。另外，本集團亦定期為在職員工提供培訓及進修的機會，以保持其專業水準。

總結

本集團一直不懈於全方位的持續優化，不斷提升自身的營運效益，並培育專業的團隊帶領本集團實現更高行業地位，務求在充滿挑戰的市場中保持最佳競爭力，爭取好成績。

本人謹代表本集團衷心感謝各位業務夥伴、股東、投資者和供應商長期以來對公司的不懈支持，以及管理團隊和員工的盡心盡力。本人謹代表董事會及管理層向彼等致以最衷心的謝意。

主席

蔣泉龍

香港，二零一四年三月二十八日

STAFF AND REMUNERATION

As at 31 December 2013, the Group had a workforce of approximately 1,000 including university graduates and experienced professionals. The Group provided a comprehensive staff remuneration and welfare system. During the year, the Group spent approximately HK\$63,339,000 on staff costs, including directors' emoluments. It also provided regular on-the-job training and study opportunities to employees to assist them in maintaining professional standards.

CONCLUSION

The Group has strived to optimise every aspect of its operations, boost its operational efficiency and develop a professional team to lead the Group to raise its status within the industry in a bid to maintain the strongest competitiveness in the challenging market and achieve good results.

On behalf of the Group, I would like to express my sincere gratitude to our business partners, shareholders, investors and suppliers for their ongoing support, and our management team and staff for their dedicated efforts and contributions. Also, on behalf of the Board of Directors and management, I would like to extend my most sincere appreciation to all of these parties.

Jiang Quanlong

Chairman

Hong Kong, 28 March 2014

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

執行董事

蔣泉龍先生，61歲，本集團創辦人及主席。蔣先生負責制訂本集團整體業務發展政策。蔣先生獲江蘇省人事廳評定具高級經濟師資格。蔣先生在稀土及耐火材料行業擁有逾三十年經驗。於創辦本集團之前，蔣先生曾擔任某耐火材料製造廠的經理及某玻璃陶瓷製造公司的營業經理。此外，蔣先生亦為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之主席兼執行董事，及本公司主要股東YY Holdings Limited之唯一董事。蔣先生為本集團副主席錢元英女士之丈夫。

錢元英女士，54歲，本集團創辦人及副主席，兼為本集團行政總裁。錢女士負責本集團整體管理工作。錢女士獲江蘇省人事廳評定具高級經濟師資格，另外亦獲得中國職業經理人資格。錢女士在稀土及耐火材料行業方面擁有逾二十年經驗。於創辦本集團之前，錢女士曾任職學校教師。錢女士為本集團主席蔣泉龍先生之妻子。

蔣才南先生，55歲，於一九八六年加入本集團，至二零零五年獲委任為執行董事。蔣先生兼為宜興新威利成耐火材料有限公司總經理，主管耐火材料業務之運作及銷售。蔣先生在耐火材料行業擁有逾三十年的豐富經驗。

EXECUTIVE DIRECTORS

Mr. Jiang Quanlong, aged 61, is a founding member and the chairman of the Group. Mr. Jiang is responsible for the formulation of the Group's overall business development policies. Mr. Jiang is recognised as a senior economist by Jiangsu Provincial Personnel Department. Mr. Jiang has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Mr. Jiang had been a factory manager of a refractory materials production plant and a sales manager of a glass and ceramics manufacturing company. Besides, Mr. Jiang is also the chairman and an executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited, and the sole director of YY Holdings Limited, a substantial shareholder of the Company. Mr. Jiang is the husband of Ms. Qian Yuanying, the deputy chairman of the Group.

Ms. Qian Yuanying, aged 54, is a founding member and the deputy chairman of the Group. Ms. Qian is also the chief executive officer of the Group. Ms. Qian is responsible for the overall management of the Group and has particular responsibility for the marketing aspect of the Group's business. Ms. Qian is recognised as a senior economist by Jiangsu Provincial Personnel Department, and she is also qualified as a Chinese Career Manager. Ms. Qian has over 20 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Ms. Qian was a high school teacher. Ms. Qian is the wife of Mr. Jiang Quanlong, the chairman of the Group.

Mr. Jiang Cainan, aged 55, joined the Group in 1986 and was appointed as an executive director in 2005. Mr. Jiang is also the general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited and is responsible for the operation and sales of refractory materials business. Mr. Jiang has over 30 years of experience in the refractory materials industry.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

獨立非執行董事

黃春華先生，49歲，於二零零一年加入本集團，為本公司獨立非執行董事。黃先生擁有英國斯特克萊大學工商管理學碩士和市場學博士學位及武漢大學經濟學學士學位。現時黃先生為正道集團有限公司(其股份於香港聯合交易所有限公司上市)之副主席兼執行董事。黃先生於二零零七年五月至二零零九年四月期間為法國巴黎證券(亞洲)有限公司證券董事和中國資本市場策略師。在此之前，黃先生於二零零二年十一月至二零零七年十月擔任正道集團有限公司副主席，並曾在多所證券公司任職分析師。黃先生在金融市場上擁有豐富的知識和經驗。

金重先生，62歲，於二零零四年加入本集團，為本公司獨立非執行董事。金先生在武漢鋼鐵學院材料工程學系耐火專業專科畢業，曾在貴陽市耐火材料廠總廠出任副總工程師。

王國珍先生，78歲，於二零一二年加入本集團，為本公司獨立非執行董事。王先生畢業於天津大學，主修金屬物理化學。現時王先生為中國恩菲工程技術有限公司稀土項目之高級專家顧問。王先生於一九八七年至一九九四年為中國國務院稀土領導小組專家組成員及產業組組長及於一九九四年至二零零六年為國家發展和改革委員會稀土專家組成員及產業組組長。王先生於一九八零年至二零零九年曾連續擔任中國稀土學會理事、常務理事、稀土專家組專家以及稀土環保與勞動衛生專業委員會主任委員。王先生於二零零九年獲委任為中國稀土學會榮譽理事。此外，王先生亦為泛亞環保集團有限公司(其股份於香港聯合交易所有限公司上市)之獨立非執行董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huang Chunhua, aged 49, joined the Group in 2001 as an independent non-executive director of the Company. Mr. Huang obtained a Ph.D degree in Marketing and a Master degree in Business Administration from University of Strathclyde and a Bachelor degree in Economics from Wuhan University. Currently Mr. Huang is the deputy chairman and an executive director of Hybrid Kinetic Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited. For the period from May 2007 to April 2009, Mr. Huang was a director and China equity market strategist of BNP Paribas Securities (Asia) Limited. Prior to that he was the deputy chairman of Hybrid Kinetic Group Limited between November 2002 and October 2007 and an analyst of various securities companies. Mr. Huang has extensive knowledge and experience in financial market.

Mr. Jin Zhong, aged 62, joined the Group in 2004 as an independent non-executive director of the Company. Mr. Jin graduated from the Faculty of Material Engineering of Wuhan Steel College, specialising in refractory studies. Mr. Jin was previously the deputy chief engineer of the head factory of Guiyang City Refractory Materials Factory.

Mr. Wang Guozhen, aged 78, joined the Group in 2012 as an independent non-executive director of the Company. Mr. Wang graduated from Tianjin University, majoring in Physical chemistry of metals. Currently Mr. Wang is a senior expert consultant in rare earth projects of China Enfi Engineering Corporation. For the period from 1987 to 1994, Mr. Wang was a member of the Experts Group of the Rare Earth Leading Group of the State Council, the People's Republic of China and the head of its industry group. From 1994 to 2006, Mr. Wang was a member of the Group of Rare Earth Experts of the National Development and Reform Commission and the head of its industry group. Mr. Wang also worked at the Chinese Society of Rare Earths (the "CSRE") consecutively as a director, a standing director, an expert in its rare earth experts group and a senior member of its Rare Earth Related Environmental Protection and Labor Hygiene Professional Committee from 1980 to 2009. In 2009, Mr. Wang was appointed as honorary executive of the CSRE. Besides, Mr. Wang is also an independent non-executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

公司秘書

羅納德先生，44歲，於一九九九年加入本集團，為本公司財務總監及公司秘書。羅先生畢業於香港並取得工商管理學士學位，為香港會計師公會及英國特許公認會計師公會會員。加入本集團前，羅先生曾於香港一家國際會計師行任職核數經理。

高級管理層

蔣鑫先生，29歲，於二零零八年加入本集團，至二零一二年獲委任為本公司總經理。蔣先生負責本集團業務的市場推廣工作。蔣先生擁有英國曼徹斯特大學主修國際商業、金融及經濟之文學士學位及威爾斯大學主修商業研究之文學士學位。蔣先生為本集團主席蔣泉龍先生及本集團副主席錢元英女士之子。

蔣洪君先生，55歲，於二零零零年加入本集團，現任本公司副總經理，負責本集團日常行政事務。蔣先生在行政管理方面擁有逾三十年的經驗。

俞正明先生，78歲，於一九九九年加入本集團，擔任宜興新威利成稀土有限公司的總工程師兼技術顧問。俞先生原是一家著名稀土廠的廠長及總工程師，是稀土及有色金屬行業的資深專家。

徐建文先生，45歲，於一九八八年加入本集團，現任宜興新威利成稀土有限公司總經理，主管稀土業務之運作。徐先生在稀土行業擁有逾二十年的生產管理經驗。

COMPANY SECRETARY

Mr. Law Lap Tak, aged 44, joined the Group in 1999. Mr. Law is the financial controller and company secretary of the Company. Mr. Law graduated in Hong Kong and obtained a Bachelor degree in Business Administration. Mr. Law is a member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Prior to joining the Group, Mr. Law was an audit manager in an international accounting firm in Hong Kong.

SENIOR MANAGEMENT

Mr. Jiang Xin, aged 29, joined the Group in 2008 and was appointed as the general manager of the Company in 2012. Mr. Jiang is responsible for the marketing aspect of the Group's business. Mr. Jiang obtained a Bachelor degree in Arts majoring in International Business, Finance and Economics from University of Manchester and a Bachelor degree in Arts majoring in Business Studies from University of Wales. Mr. Jiang is a son of Mr. Jiang Quanlong, the chairman of the Group and Ms. Qian Yuanying, the deputy chairman of the Group.

Mr. Jiang Hongjun, aged 55, joined the Group in 2000. Mr. Jiang is the deputy general manager of the Company and is responsible for the daily administrative affairs of the Group. Mr. Jiang has over 30 years of experience in administrative management.

Mr. Yu Zhengming, aged 78, joined the Group in 1999. Mr. Yu is the chief engineer and technical consultant of Yixing Xinwei Leeshing Rare Earth Company Limited. Prior to joining the Group, Mr. Yu was the factory general manager and chief engineer of a renowned rare earth factory. Mr. Yu is an expert in rare earth and non-ferrous metals industries.

Mr. Xu Jianwen, aged 45, joined the Group in 1988. Mr. Xu is the general manager of Yixing Xinwei Leeshing Rare Earth Company Limited and is responsible for the operation of rare earth business. Mr. Xu has over 20 years of experience in production management in the rare earth industry.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

王建平先生，52歲，於二零零四年加入本集團，現任無錫新威高溫陶瓷有限公司總經理，主管高溫陶瓷業務之運作。王先生在行政管理及營銷方面擁有逾十五年的經驗。

Mr. Wang Jianping, aged 52, joined the Group in 2004. Mr. Wang is the general manager of Wuxi Xinwei High Temperature Ceramics Company Limited and is responsible for the operation of the high temperature ceramics business. Mr. Wang has over 15 years of experience in administrative management and sales.

張惠林先生，61歲，於一九八八年加入本集團，現任海城市蘇海鎂礦有限公司及海城新威利成鎂資源有限公司總經理，主管鎂砂業務之運作。張先生在耐火材料原材料供應及銷售上擁有豐富的管理經驗。

Mr. Zhang Huilin, aged 61, joined the Group in 1988. Mr. Zhang is the general manager of Haicheng City Suhai Magnesium Ore Company Limited and Hai Cheng Xinwei Leeshing Magnesium Resources Company Limited and is responsible for the operation of magnesium grains business. Mr. Zhang has extensive management experience in raw material supply and sales of refractory materials.



企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治常規

本公司致力於維持良好之企業管治常規及程序。本公司已根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載的企業管治守則（「企業管治守則」）內的所有政策及原則而採納其本身之企業管治常規守則。董事會（「董事會」）認為，本公司於截至二零一三年十二月三十一日止年度內一直遵守企業管治守則。

董事進行證券交易

本公司已採納不低於上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」）的守則（「公司守則」）。在本公司提出特定查詢後，所有董事均已確認於截至二零一三年十二月三十一日止年度內一直遵守標準守則及公司守則。

董事會組成

本公司由董事會規管，負責指導及監察本公司之事務，並監督本集團之業務、決策及表現。董事會委派管理人員執行其決策及日常運作。

CORPORATE GOVERNANCE PRACTICES

The Company is committed to attending good corporate governance practices and procedures. The Company has adopted its own code of corporate governance based on the principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). In the opinion of the Board of Directors (the “Board”), the Company has complied with the CG Code throughout the year ended 31 December 2013.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the “Company’s Code”) regarding securities transactions by directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirms that all directors have complied with the required standards as stated in the Model Code and the Company’s Code throughout the year ended 31 December 2013.

BOARD COMPOSITION

The Company is governed by the Board which is responsible for directing and supervising its affairs and oversight of the Group’s businesses, strategic decision and performance. Execution of the Board’s decisions and daily operations are delegated to the management.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會於本年度之組成及董事會會議之出席情況如下：

The composition of the Board during the year and the attendance of the Board meetings are as follows:

董事 Director	出席／會議數目 Attendance/No. of meetings
執行董事 Executive director	
蔣泉龍(主席) Jiang Quanlong (Chairman)	5/5
錢元英(副主席兼行政總裁) Qian Yuanying (Deputy Chairman and Chief Executive Officer)	5/5
蔣才南 Jiang Cainan	5/5
獨立非執行董事 Independent non-executive director	
黃春華 Huang Chunhua	5/5
金重 Jin Zhong	5/5
王國珍 Wang Guozhen	5/5

蔣泉龍先生乃錢元英女士之丈夫。除已披露者外，董事會成員間並無家庭或其他重要關係。

Mr. Jiang Quanlong is the husband of Ms. Qian Yuanying. Save as disclosed, there are no family or other material relationship among Board members.

董事培訓及持續專業發展

每名新獲委任董事於其任期開始時將會接受綜合、正規及特定之開導，以確保其適當瞭解本公司之業務及營運，並完全知悉根據上市規則及有關法規規定其須履行之責任及義務。

TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed director will receive comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

倘有需要，本公司亦有適當安排向董事提供持續指導及專業發展。

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

企業管治報告

CORPORATE GOVERNANCE REPORT

於本年度，本公司已於總部安排了一講座向所有董事講解上市規則的最新修訂。除黃春華先生外，董事包括蔣泉龍先生、錢元英女士、蔣才南先生、金重先生及王國珍先生均有出席該講座。黃春華先生雖然未有出席該講座，但有關的參考資料已提供給其自行研習。

會議常規及操守

董事會定期會議之通告至少於會議舉行日期前十四天送呈全體董事。就其他董事會及委員會會議而言，一般亦發出合理之通告。

董事會文件連同所有合適、完整及可靠之資料均至少於每次董事會會議或委員會會議舉行日期前三天送呈全體董事，以讓董事評估本公司最近之發展及財務狀況，並讓彼等能夠作出知情決定。董事會及各位董事亦於必要時，分別及獨立接觸高級管理人員。

公司秘書負責編撰及保管所有董事會會議及委員會會議記錄。草擬的記錄一般於每次會議後，在合理時間內給董事傳閱以發表意見，而最後之版本公開供董事查閱。

根據現時之董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會於正式召開之董事會會議上考慮及處理。

主席及行政總裁

儘管董事會主席蔣泉龍先生乃行政總裁錢元英女士之丈夫，惟彼等之角色及職責乃分開。主席負責制定本集團之整體業務發展政策，而行政總裁負責本集團業務之整體管理。

During the year, a seminar on update of the Listing Rules amendments was arranged for all directors at the Company's headquarter. Except Mr. Huang Chunhua, directors including Mr. Jiang Quanlong, Ms. Qian Yuanying, Mr. Jiang Cainan, Mr. Jin Zhong and Mr. Wang Guozhen attended the seminar. Although Mr. Huang Chunhua has not attended the seminar, the related reference materials have been provided to him for his own study.

PRACTICES AND CONDUCT OF MEETINGS

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Although Mr. Jiang Quanlong, the Chairman of the Board, is the husband of Ms. Qian Yuanying, the Chief Executive Officer, their roles and responsibilities are separated. The Chairman is responsible for the formulation of the Group's overall business development policies while the Chief Executive Officer is responsible for the overall management of the Group's business.

企業管治報告

CORPORATE GOVERNANCE REPORT

獨立非執行董事

本公司之獨立非執行董事乃才能超卓之專業人士，具有財務管理及本集團相關業務方面之專業技術及經驗。彼等就策略發展向本公司提供建議，並使董事會能夠於遵守財務及其他強制性申報規定方面維持高水準，並提供足夠之檢查及平衡，以保護股東及本公司之整體利益。每位獨立非執行董事已與本公司訂立服務合約，為期兩年。本公司已接獲全體獨立非執行董事就其獨立性作出之書面確認。董事會認為彼等均獨立。

董事會委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會以處理本公司的特定事宜。本公司所有委員會均設立了明確的書面職權範圍。董事會委員會之職權範圍已在本公司及香港聯合交易所有限公司（「聯交所」）網頁上刊載，及按要求提供與股東。

企業管治功能

董事會負責執行企業管治守則的第D.3.1條守則條文所載之功能。

董事會已審閱本公司企業管治的政策及實施、董事及高級管理人員的培訓及持續專業發展、本公司就合法及合規要求、標準守則及企業管治守則的遵守而制定的政策及實施，及在本企業管治報告中披露。

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive directors of the Company are highly skilled professionals with expertise and experience in the field of financial management and businesses related to the Group. They advise the Company on strategy development and enable the Board to maintain high standards of compliance of financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. Each of the independent non-executive directors has entered into a service contract with the Company for a term of two years. The Company has received written confirmations from all independent non-executive directors concerning their independence. The Board considers that all of them are independent.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and are available to shareholders upon request.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the Code Provision D.3.1 of the CG Code.

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

企業管治報告

CORPORATE GOVERNANCE REPORT

於本年度，董事會已採納了董事會成員多元化政策以載列董事會達至多元化的途徑。董事會認為董事會成員多元化能透過考慮不同方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技術知識及行業及區域經驗而達至。本公司目標於維持一適當平衡與本公司業務發展相關的多元化觀點的董事會。

During the year, the Board has adopted a Board Diversity Policy setting out the approach to achieve diversity on the Board. The Board has considered that diversity of the Board members can be achieved through consideration of a number of aspects, including but not limit to gender, age, cultural and educational background, professional qualification, skills, knowledge and industry and regional experience. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth.

審核委員會

審核委員會之主要職能為協助董事會審閱與本公司核數師之關係、財務資料、財務申報系統及內部監控程序。

AUDIT COMMITTEE

The principal functions of the Audit Committee are to assist the Board in reviewing the relationship with the auditor of the Company, the financial information, the financial reporting system and internal control procedures.

審核委員會於本年度之組成及委員會會議之出席情況如下：

The composition of the Audit Committee during the year and the attendance of the Committee meetings are as follows:

成員 Member	出席／會議數目 Attendance/No. of meetings
獨立非執行董事 Independent non-executive director	
王國珍(主席) Wang Guozhen (Chairman)	2/2
黃春華 Huang Chunhua	2/2
金重 Jin Zhong	2/2

在會議上，審核委員會審閱了本公司所採納之會計政策及慣例及討論審核、內部監控及財務申報事宜，包括於執行董事缺席及核數師協助下，審閱了本公司之中期及全年業績。

During the meetings, the Audit Committee reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters, including the review of the interim and annual results of the Company with the assistance of the auditor without the presence of the executive directors.

企業管治報告

CORPORATE GOVERNANCE REPORT

薪酬委員會

薪酬委員會之主要職能為向董事會提供本公司董事及高級管理人員薪酬政策及結構方面之意見，並檢討彼等之具體薪酬組合。

薪酬委員會於本年度之組成及委員會會議之出席情況如下：

成員

Member

出席／會議數目

Attendance/No. of meetings

獨立非執行董事

Independent non-executive director

黃春華 (主席)	1/1
Huang Chunhua (Chairman)	
金重	1/1
Jin Zhong	
王國珍	1/1
Wang Guozhen	

在會議上，薪酬委員會檢討了薪酬政策及對董事之薪酬組合作出了建議。

提名委員會

提名委員會之主要職能為參考已採納的董事會成員多元化政策審閱董事會之組成、討論及協定以達至董事會成員多元化之可衡量目標、制定及發展董事提名及委任之有關程序、向董事會就董事委任及繼任、及評核獨立非執行董事之獨立性等提供意見。

REMUNERATION COMMITTEE

The principal functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management, and to review their specific remuneration packages.

The composition of the Remuneration Committee during the year and the attendance of the Committee meetings are as follows:

During the meeting, the Remuneration Committee reviewed the remuneration policy and recommended the remuneration packages of directors.

NOMINATION COMMITTEE

The principal functions of the Nomination Committee are to review the Board composition with reference to the Board Diversity Policy adopted, discuss and agree on measurable objectives for achieving diversity on the Board, develop and formulate relevant procedures for the nomination and appointment of directors, make recommendations to the Board on the appointment and succession planning of directors, and assess the independence of independent non-executive directors.

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提名委員會於本年度之組成及委員會會議之出席情況如下：

The composition of the Nomination Committee during the year and the attendance of the Committee meetings are as follows:

成員 Member	出席／會議數目 Attendance/No. of meetings
獨立非執行董事 Independent non-executive director	
金重(主席) Jin Zhong (Chairman)	2/2
黃春華 Huang Chunhua	2/2
王國珍 Wang Guozhen	2/2

在會議上，提名委員會檢討了本公司之董事會組成及董事會成員多元化政策。提名委員會認為本公司維持了具備多元化董事（無論在技能、經驗、知識、專才、文化、獨立性、年齡及性別）的董事會。

During the meetings, the Nomination Committee reviewed the Board composition and Board Diversity Policy of the Company. The Nomination Committee considers that the Company maintains a Board with a diversity of Directors in terms of skills, experience, knowledge, expertise, culture, independence, age and gender.

董事之重選

本公司之公司細則訂明每位董事須至少每三年輪值退任一次，及董事獲委任以填補空缺者須留任至本公司下屆股東大會。錢元英女士及黃春華先生將根據細則第108(A)及(B)條輪值退任。兩位均合資格並願意膺選連任。

RE-ELECTION OF DIRECTORS

The Company's Articles of Association specify that every director should be subject to retirement by rotation at least once every three years and the director appointed to fill a casual vacancy shall hold office only until the next following general meeting of the Company. Ms. Qian Yuanying and Mr. Huang Chunhua will retire by rotation according to Article 108(A) and (B). Both of them, being eligible, will offer themselves for re-election.

核數師之酬金

於本年度，本公司就核數師提供之法定審核服務（包括中期審閱）支付之酬金為3,475,000港元。核數師並無提供任何其他非審核服務。

AUDITOR'S REMUNERATION

During the year, the remuneration in respect of statutory audit services (including interim review) provided by the auditor of the Company was HK\$3,475,000. There was no other non-audit service provided by the auditor.

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董事對財務報表所負之責任

編製真實及公平地反映本集團財務狀況及各個財政期間之業績及現金流量之財務報表乃董事之責任。於編製財務報表時，董事須確保採納適當會計政策。財務報表乃按持續經營基準編製。

本公司核數師就其於財務報表之報告責任載於本年報第42至44頁的獨立核數師報告內。

內部控制

董事會全面負責維持本集團內部控制之適當系統並檢討其效率。董事會已委派管理人員實施及評估內部控制系統。藉由外聘顧問的協助，本集團進行了內部控制系統的審閱，並將主要結果向審核委員會匯報。該審閱涵蓋有關財務、營運、合規及風險管理的主要及重要控制範疇。

股東權利

股東大會

本公司股東大會為股東及董事會提供溝通之機會。董事會主席以及審核委員會、薪酬委員會及提名委員會之主席（或於其缺席之情況下，其正式委任之代表）將於股東大會上回答提問，本公司核數師亦被邀請出席本公司的股東週年大會（「股東週年大會」）及協助董事回答股東有關審核處理及獨立核數師報告之編製與內容之疑問。股東週年大會上將就各重大事宜（包括選舉個別董事）提呈單獨決議案。

DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

It is the directors' responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Group and the results and cash flows for each financial period. In preparing the financial statements, the directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis.

The statement of the auditor of the Company about the reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 42 to 44 of the annual report.

INTERNAL CONTROLS

The Board has overall responsibility for maintaining an adequate system of internal controls of the Group and for reviewing its effectiveness. The Board has delegated to the management the implementation and evaluation of the system of internal controls. With the assistance of an external advisor, the Group has conducted a review of the effectiveness of the Group's system of internal control and reported the key findings to the Audit Committee. The review covers major and material controls in areas of financial, operational and compliance and risk management functions.

SHAREHOLDER RIGHTS

General Meeting

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, their duly appointed delegates are available to answer questions at the shareholders' meetings. Auditor of the Company is also invited to attend the Company's annual general meeting ("AGM") and is available to assist the directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and contents of the Independent Auditor's Report. Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

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CORPORATE GOVERNANCE REPORT

股東週年大會通告連同相關文件最少於大會前二十日發送予股東，當中載列各提呈決議案的詳情、投票程序及其他有關資料。股東於股東大會上之所有投票須以點票表決方式進行。主席將於股東週年大會上就所提呈之各項決議案要求以點票方式表決，並將於股東週年大會上就決議案進行投票前對有關權利及程序作出闡釋。會上將委任獨立監票員進行點票，而表決結果將登載於本公司及聯交所網頁上。

本公司股東可按本公司的公司細則第64條要求召開股東特別大會（「股東特別大會」）。股東召開股東特別大會之程序如下：

1. 於投遞請求書之日持有本公司具有權利於股東大會投票之繳足股本不少於十分之一的一名或以上股東（「請求人」）有權以書面通知要求本公司董事召開股東特別大會，以處理該要求書中指明之任何事項。
2. 有關請求書須以書面方式按以下全部地址向本公司董事或公司秘書作出：

本公司於香港之主要營業地點

地址： 香港中環雪廠街16號西洋會所大廈15樓

電郵： info@creh.com.hk

聯絡人： 公司秘書

本公司總辦事處

地址： 中華人民共和國江蘇省宜興市丁蜀鎮

聯絡人： 公司秘書

Notice of AGM together with related papers are sent to the shareholders at least 20 clear business days before the meeting, setting out details of each proposed resolution, voting procedures and other relevant information. All votes of shareholders at the general meeting will be decided by poll. The Chairman will demand that all resolutions put to the vote at the AGM will be taken by poll and will explain such rights and procedures during the AGM before voting on the resolutions. An independent scrutineer will be appointed to count the votes and the poll results will be posted on the websites of the Company and the Stock Exchange after the AGM.

Shareholders of the Company can make a requisition to convene an extraordinary general meeting (“EGM”) pursuant to Article 64 of the Company’s Articles of Association. The procedures for the shareholders to convene an EGM are as follows:

1. One or more shareholders (“Requisitionist”) holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the directors for the transaction of any business specified in such requisition.
2. Such requisition shall be made in writing to the directors or the company secretary of the Company at all of the following addresses:

Principal place of business of the Company in Hong Kong

Address: 15/F, Club Lusitano, 16 Ice House Street, Central, Hong Kong

Email: info@creh.com.hk

Attention: Company Secretary

Head office of the Company

Address: Dingshu Town, Yixing City, Jiangsu Province, the People’s Republic of China

Attention: Company Secretary

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CORPORATE GOVERNANCE REPORT

本公司註冊辦事處

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

聯絡人： 公司秘書

Registered office of the Company

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

Attention: Company Secretary

3. 股東特別大會須於有關請求書投遞後兩個月內舉行。
4. 倘董事未能於該投遞起計二十一日內召開該大會，一名或以上請求人本身可以相同方式召開，而請求人因董事未能行事而產生之一切合理開支須由本公司發還予請求人。

3. The EGM shall be held within two months after the deposit of such requisition.
4. If the directors fail to proceed to convene such meeting within 21 days of such deposit, the Requisitionist himself may do so in the same manner, and all reasonable expenses incurred by the Requisitionist as a result of the failure of the directors shall be reimbursed to the Requisitionist by the Company.

股東向本公司發表查詢之程序

對於董事會之事宜，股東可按以下方式與本公司聯絡：

地址： 香港中環雪廠街16號西洋會所大廈15樓
電郵： info@creh.com.hk
電話： (852) 2869 6283
傳真： (852) 2136 0030
聯絡人： 公司秘書

Procedures for shareholders to direct enquiries to the Company

For matters in relation to the Board, shareholders can contact the Company at the following:

Address: 15/F, Club Lusitano, 16 Ice House Street, Central, Hong Kong
Email: info@creh.com.hk
Tel: (852) 2869 6283
Fax: (852) 2136 0030
Attention: Company Secretary

對於股份登記相關事宜(如股份過戶及登記、更改姓名或地址、遺失股票或股息單)，登記股東可聯絡：

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered shareholders can contact:

本公司之香港股份過戶登記分處

香港中央證券登記有限公司

地址： 香港皇后大道東183號合和中心17樓
電話： (852) 2862 8555
傳真： (852) 2865 0990

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor Services Limited

Address: 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

企業管治報告

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股東於股東大會上提呈建議書之程序

為了於本公司股東大會上提呈建議，股東應以書面通知將建議書（「建議書」）連同其詳細之聯絡資料遞交本公司於香港之主要營業地點，地址為香港中環雪廠街16號西洋會所大廈15樓。

該要求將交予本公司之香港股份過戶登記分處進行核證，建議書一經確定為妥當及適當，本公司董事會將被要求於股東大會之議程中載入建議書。

給予全體股東以考慮有關股東於股東大會上提出之建議書之通知期因應建議書之性質有以下差異：

- (a) 倘建議書須以本公司普通決議案批准，則至少十四日書面通知。
- (b) 倘建議書須以本公司特別決議案於本公司股東特別大會上或以本公司普通決議案於本公司股東週年大會上批准，則至少二十一日書面通知。

投資者關係

本公司繼續加強與其投資者之溝通及聯繫。獲指派之高級管理人員與機構投資者及分析師保持定期交談，以讓彼等瞭解本公司之最新發展情況。投資人之查詢以具資訊性及適時方式處理。

為促進有效溝通，本公司亦設有一個網頁，於 www.creh.com.hk，廣泛登載本公司業務發展及營運之最新訊息、財務訊息及其他訊息。

Procedures for shareholders to put forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his/her proposal ("Proposal") with his/her detailed contact information at the Company's principal place of business in Hong Kong at 15/F, Club Lusitano, 16 Ice House Street, Central, Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the shareholders for consideration of the Proposal raised by the shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (a) At least 14 days' notice in writing if the Proposal requires approval by way of an ordinary resolution of the Company.
- (b) At least 21 days' notice in writing if the Proposal requires approval by way of a special resolution of the Company in an EGM or an ordinary resolution of the Company in an AGM.

INVESTOR RELATIONS

The Company continues to enhance communications and relationships with its investors. Designated senior management maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at www.creh.com.hk, where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.

董事會報告

DIRECTORS' REPORT

董事會同寅欣然呈報中國稀土控股有限公司(「本公司」)及其附屬公司(「本集團」)截至二零一三年十二月三十一日止年度的年報及經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本集團的主要業務為稀土產品及耐火材料產品之製造及銷售。

附屬公司的主要業務載於財務報表附註20。

分類資料

本集團分類資料的詳情載於財務報表附註15。

業績及分派

本集團於截至二零一三年十二月三十一日止年度的業績載於本年報第45頁的綜合損益表內。

就本年度未有宣佈及派發中期及末期股息。

其他分派詳情載於財務報表附註32。

本公司可供分派之儲備

本公司可供派發之儲備包括股份溢價賬、公平值儲備及累計溢利。於二零一三年十二月三十一日，本公司可供分派給股東的儲備為1,911,171,000港元。

財務概要

本集團於過去五個財政年度的業績概要載於本年報第176頁。

The directors have pleasure in presenting the annual report and the audited consolidated financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and sales of rare earth products and refractory products.

The principal activities of the subsidiaries are set out in Note 20 to the financial statements.

SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in Note 15 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2013 are set out in the consolidated statement of profit or loss on page 45 of the annual report.

No interim and final dividend was declared and paid to the shareholders for the year.

Details of other appropriations are set out in Note 32 to the financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution comprise the share premium account, fair value reserve and accumulated profits. As at 31 December 2013, the reserves of the Company available for distribution to shareholders amounted to HK\$1,911,171,000.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years is set out on page 176 of the annual report.

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DIRECTORS' REPORT

物業、廠房及設備以及在建工程

本集團於年內的物業、廠房及設備以及在建工程的變動詳情載於財務報表附註17。

股本

本公司於二零一三年十二月三十一日的法定及已發行股本詳情載於財務報表附註32。

借貸

本集團於二零一三年十二月三十一日並無銀行借貸。

退休金計劃

本集團的退休金計劃詳情載於財務報表附註11。

董事

年內及直至本報告刊行日期止本公司的董事為：

執行董事

蔣泉龍先生(主席)
錢元英女士(副主席)
蔣才南先生

獨立非執行董事

黃春華先生
金重先生
王國珍先生

根據本公司的公司細則第108(A)及(B)條，錢元英女士及黃春華先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Details of the movements in the property, plant and equipment and construction in progress of the Group during the year are set out in Note 17 to the financial statements.

SHARE CAPITAL

Details of the authorised and issued share capital of the Company as at 31 December 2013 are set out in Note 32 to the financial statements.

BORROWINGS

There was no bank borrowings of the Group as at 31 December 2013.

RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in Note 11 to the financial statements.

DIRECTORS

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

Executive directors

Mr. Jiang Quanlong (*Chairman*)
Ms. Qian Yuanying (*Deputy Chairman*)
Mr. Jiang Cainan

Independent non-executive directors

Mr. Huang Chunhua
Mr. Jin Zhong
Mr. Wang Guozhen

In accordance with Articles 108(A) and (B) of the Company's Articles of Association, Ms. Qian Yuanying and Mr. Huang Chunhua will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

董事會報告

DIRECTORS' REPORT

於二零一三年十二月三十一日，概無董事與本公司訂立不可由本公司於一年內終止而毋須支付法定賠償以外的賠償的服務合約。

As at 31 December 2013, none of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

董事權益及淡倉

於二零一三年十二月三十一日，本公司依據「證券及期貨條例」第352條而存置之登記冊內所載，或依據上市公司董事進行證券交易的標準守則而通知本公司及香港聯合交易所有限公司（「聯交所」）的本公司董事及行政總裁及其關聯人士於本公司及其相聯公司之股份、相關股份及債券的權益及淡倉如下：

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 31 December 2013, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

1. 於本公司股份權益

1. INTERESTS IN SHARES OF THE COMPANY

董事	權益性質／身份	股份數目	佔本公司已發行股本的百分比
Director	Nature of interest/Capacity	Number of Shares	% to the issued share capital of the Company
蔣泉龍 Jiang Quanlong	配偶之權益／受控公司之權益 Interest of spouse/Interest of controlled corporation	562,820,000	33.65%
錢元英 Qian Yuanying	信託之成立人 Founder of a trust	562,820,000	33.65%

附註：

該等股份乃透過YY Holdings Limited持有，其全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而受益人為蔣泉龍先生的配偶錢元英女士及其子全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生為YY Holdings Limited的唯一董事。

Note:

These shares are held through YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr. Jiang Quanlong is the sole director of YY Holdings Limited.

董事會報告

DIRECTORS' REPORT

2. 於相聯公司股份、相關股份或股本權益

(a) 微科資源有限公司

董事	權益性質／身份	已發行股份類別及數目	佔該公司已發行股本中該股份類別的百分比
Director	Nature of interest/ Capacity	Number and class of issued shares	% in the class of shares in the issued share capital of the Company
蔣泉龍 Jiang Quanlong	實益擁有人 Beneficial owner	無投票權遞延股份7,000,000股 7,000,000 non-voting deferred shares	70%
錢元英 Qian Yuanying	實益擁有人 Beneficial owner	無投票權遞延股份3,000,000股 3,000,000 non-voting deferred shares	30%

(b) 宜興新威利成稀土有限公司

董事	權益性質／身份	股本權益百分比
Director	Nature of interest/Capacity	% equity interest
蔣泉龍 Jiang Quanlong	受控公司之權益 Interest of controlled corporation	5%
		5%

附註：

該等權益乃透過宜興新威集團有限公司持有。該中國企業由蔣泉龍先生擁有90%權益，餘下的10%權益由其子持有。蔣先生亦為該企業的法定代表人。

Note:

The equity interest is held by Yixing Xinwei Group Co., Ltd., a PRC domestic enterprise 90% owned by Mr. Jiang Quanlong, with the remaining 10% owned by his son. Mr. Jiang is also the legal representative of the enterprise.

董事會報告

DIRECTORS' REPORT

(c) YY Holdings Limited

(c) YY Holdings Limited

董事	權益性質／身份	已發行股份類別及數目	佔該公司已發行股本中該股份類別的百分比 % in the class of shares in the issued share capital of the Company
Director	Nature of interest/ Capacity	Number and class of issued shares	
錢元英 Qian Yuanying	信託之成立人 Founder of a trust	普通股份1股 1 ordinary share	100%
錢元英 Qian Yuanying	信託之成立人 Founder of a trust	優先股份25,000股 25,000 preference shares	100%
蔣泉龍 Jiang Quanlong	受控公司之權益 Interest of controlled corporation	普通股份1股 1 ordinary share	100%
蔣泉龍 Jiang Quanlong	受控公司之權益 Interest of controlled corporation	優先股份25,000股 25,000 preference shares	100%

附註：

YY Holdings Limited的全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而其受益人為蔣泉龍先生的配偶錢元英女士及其子全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生為YYT (PTC) Limited的唯一董事。

除上述披露外，於二零一三年十二月三十一日，根據「證券及期貨條例」第352條所存置之登記冊內所載，概無本公司董事或行政總裁或其關聯人士於本公司及其相聯公司之股份、相關股份及債券持有或被視為持有任何權益或淡倉。

Note:

The entire issued share capital of YY Holdings Limited is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr. Jiang Quanlong is the sole director of YYT (PTC) Limited.

Save as disclosed above, as at 31 December 2013, none of the directors or chief executive of the Company and their associates had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept under Section 352 of the SFO.

董事會報告

DIRECTORS' REPORT

購股權計劃

於二零零四年六月四日，本公司股東批准採納了購股權計劃（「本計劃」）。

本計劃之主要條款如下：

1. 本計劃旨在使本集團能向曾對本集團作出貢獻的合資格參與者授出購股權作為獎勵或回報。
2. 合資格參與者包括本公司或其任何附屬公司或本集團任何成員公司持有任何股權之任何實體之任何僱員（不論全職或兼職，包括任何執行董事）、任何非執行董事、任何股東、任何供應商及任何客戶，以及對本集團的發展及成長作出貢獻的任何人士。
3. 按本計劃，可予發行的總股份數目為98,695,305股，約佔於本計劃採納日期時本公司已發行股本的10%。
4. 各參與者按本計劃在任何十二個月期間內可獲發行之股份數目不可超過本公司在當時已發行股本之1%。
5. 授出購股權之可行使日期可由董事會釐定，但不可於由要約日期十年後結束。
6. 任何授出購股權之要約可由參與者於要約日起二十一日內以付出代價1港元接納。

SHARE OPTION SCHEME

On 4 June 2004, the shareholders of the Company approved the adoption of a share option scheme (the "Scheme").

The major terms of the Scheme are as follows:

1. The purpose of the Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The eligible participants included any employee (whether full-time or part-time, including any executive director), any non-executive director, any shareholder, any supplier and any customer of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any party having contribution to the development and growth of the Group.
3. Under the Scheme, the total number of shares available for issue is 98,695,305 which represents approximately 10% of the issued share capital of the Company as at the date of adoption of the Scheme.
4. The maximum entitlement of each participant under the Scheme in any 12-month period should not exceed 1% of the issued share capital of the Company for the time being.
5. The exercisable period of an option granted may be determined by the directors and which should not end later than 10 years after the date of offer.
6. Any offer for the grant of an option may be accepted by the participant within 21 days from the date of offer with a consideration of HK\$1 paid.

董事會報告

DIRECTORS' REPORT

7. 行使價可由董事會釐定，但不可少於下列各項之最高者：

- i. 要約當日本公司股份於聯交所每日報價表所示之收市價；
- ii. 緊接要約當日前五個營業日本公司股份於聯交所每日報價表所示之平均收市價；及
- iii. 本公司股份面價。

8. 本計劃自二零零四年六月十八日，即本計劃被採納日起十年內有效。

於本年內，並無購股權按本計劃被授出、行使、取消或失效。

除上述披露外，年內本公司或其附屬公司概無參與任何能夠使本公司之任何董事或行政總裁或其配偶或未滿十八歲的子女藉購入本公司或任何其他法人團體之股份或債券而獲得利益之任何安排。

7. The exercise price may be determined by the directors provided that it should not be less than the highest of:

- i. the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of offer;
- ii. the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer; and
- iii. the nominal value of a share of the Company.

8. The Scheme is valid and effective for a period of 10 years from 18 June 2004, the date on which the Scheme was adopted.

During the year, there was no option granted, exercised, cancelled or lapsed under the Scheme.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement, which enables any of the directors or chief executive of the Company or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.



董事會報告

DIRECTORS' REPORT

主要股東權益及淡倉

據董事會所知，於二零一三年十二月三十一日，本公司依據「證券及期貨條例」第336條而存置之登記冊內所載，除本公司董事及行政總裁以外的股東持有本公司的股份及相關股份的權益及淡倉如下：

1. 全部已發行股本由YYT (PTC) Limited所持有的公司YY Holdings Limited以實益擁有人身份持有本公司股份562,820,000股，約佔本公司已發行股份的33.65%。
2. YYT (PTC) Limited被視為持有其所擁有全部已發行股本的YY Holdings Limited所持有的本公司股份562,820,000的權益。

除上述披露外，於二零一三年十二月三十一日，根據「證券及期貨條例」第336條所存置之登記冊內所載，除本公司董事及行政總裁以外，概無其他人仕通知本公司於本公司之股份或相關股份持有任何權益或淡倉。

董事於合約的權益

年內，本集團向蔣泉龍先生租用兩個辦公室單位作為銷售及市場推廣辦公室。年內，就該等租約所支付的經營租約租金合共約902,000港元。

年內，本集團向一間由錢元英女士及蔣泉龍先生被視為擁有權益的關連公司無錫泛亞環保科技有限公司（「無錫泛亞」）支付約66,000港元，作為使用其辦公室的代價。

年內，本集團的一間共同控制實體以總代價約18,077,000港元向無錫泛亞出售若干經營租約下預付土地租金。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

So far as is known to the directors, as at 31 December 2013, the interests and short positions of shareholders, other than the directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

1. YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, was holding 562,820,000 shares of the Company, representing approximately 33.65% of the issued share capital of the Company as beneficial owner.
2. YYT (PTC) Limited was deemed to be interested in 562,820,000 shares of the Company held by YY Holdings Limited the entire issued share capital of which is held by YYT (PTC) Limited.

Save as disclosed above, no other party, other than the directors or chief executive of the Company, had notified the Company that he had any interest or short position in the shares or underlying shares of the Company as recorded in the register kept under Section 336 of the SFO as at 31 December 2013.

DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group leased two office premises from Mr. Jiang Quanlong for use as its sales and marketing office. During the year, the total operating lease rentals paid in respect of these leases amounted to approximately HK\$902,000.

During the year, the Group paid approximately HK\$66,000 as a compensation to Wuxi Pan-Asia Environmental Protection Technologies Limited ("Wuxi Pan-Asia"), a related company in which Ms. Qian Yuanying and Mr. Jiang Quanlong were deemed to have beneficial interests, for the use as office premises.

During the year, one of the jointly controlled entities of the Group disposed certain prepaid lease payments on land under operating leases to Wuxi Pan-Asia at a total consideration of approximately HK\$18,077,000.

董事會報告

DIRECTORS' REPORT

除上述及於財務報表附註34披露外，於年結日或年內任何時間各董事概無於本公司或其任何附屬公司訂立與其業務有關的任何重大合約中擁有直接或間接的實際權益。

管理合約

年內概無訂立或存在任何對本集團全部或重大部份之業務與管理及行政有關之合約。

購買、出售或贖回本公司的上市證券

本集團於年內概無購買、出售或贖回任何本公司之上市證券。

主要客戶及供應商

本集團主要客戶及供應商於年內所佔的銷售及採購百分比如下：

銷售

– 最大客戶	12%
– 最大五名客戶合計	38%

採購

– 最大供應商	18%
– 最大五名供應商合計	49%

據各董事所知，各董事、彼等的聯繫人及擁有本公司5%以上已發行股本的任何股東概無於本集團最大五名客戶或供應商的股本中擁有任何權益。

優先購股權

根據本公司之公司組織章程及細則及開曼群島之法例，本公司並無對於發行新股設立任何優先購股權之規定。

Save as disclosed above and in Note 34 to the financial statements, no director had a beneficial interest, either direct or indirect, in any contract of significance to which the Company or any of its subsidiaries was a party at the year-end date or at any time during the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

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

There has been no purchase, sale or redemption of any of the Company's listed securities by the Group during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

Sales

– the largest customer	12%
– five largest customers combined	38%

Purchases

– the largest supplier	18%
– five largest suppliers combined	49%

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association and the Cayman Islands Companies Law in relation to the issue of new shares by the Company.

董事會報告

DIRECTORS' REPORT

足夠公眾持股量

根據本公司從公開途徑所得的資料及據董事會所知，本公司於年內一直維持上市規則所規定的足夠公眾持股量。

核數師

陳葉馮會計師事務所有限公司於二零一三年六月六日召開之二零一三年度股東週年大會結束而任期屆滿，退任本集團核數師，並且由於業務合併，國富浩華(香港)會計師事務所有限公司獲委任為本集團新任核數師，任期直至二零一四年度股東週年大會結束為止。

國富浩華(香港)會計師事務所有限公司將任滿告退，惟合資格並願意膺選連任。

承董事會命

蔣泉龍

主席

香港，二零一四年三月二十八日

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

At the close of the 2013 annual general meeting held on 6 June 2013, CCIF CPA Limited retired as auditor of the Company upon expiration of its term of office and because of business combination, Crowe Horwath (HK) CPA Limited was appointed as new auditor of the Company to hold office until the conclusion of the 2014 annual general meeting.

Crowe Horwath (HK) CPA Limited will retire and, being eligible, offer itself for re-appointment.

On behalf of the Board

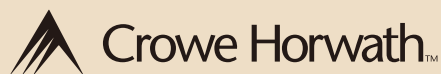
Jiang Quanlong

Chairman

Hong Kong, 28 March 2014

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
 Member Crowe Horwath International

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
 9/F Leighton Centre,
 77 Leighton Road,
 Causeway Bay, Hong Kong

獨立核數師報告

致中國稀土控股有限公司各股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核中國稀土控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)刊於第45頁至第175頁的綜合財務報表,包括二零一三年十二月三十一日的綜合財務狀況表及貴公司財務狀況表、截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製及真實而公平地列報綜合財務報表,並落實其認為編製綜合財務報表所必要之內部監控,以確保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。

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA RARE EARTH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Rare Earth Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 45 to 175, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

核數師的責任

我們的責任是根據我們審核的結果，對該等綜合財務報表作出意見，並僅向全體股東報告，除此以外，本報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及進行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關綜合財務報表所載金額及披露事項有關的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤導致綜合財務報表存有重大錯誤陳述的風險。並在評估該風險評估時，核數師將考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部監控，以設計適當審核程序，但並非為對公司的內部監控的效能表達意見。審核亦包括評估所有會計政策的恰當性，董事所作的會計估算的合理性，並就綜合財務報表的整體呈列方式作出評估。

我們相信，我們所獲得的審核憑證是充足和適當地為審核意見提供基礎。

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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一三年十二月三十一日的財政狀況及 貴集團截至該日止年度的虧損和現金流量，並已按香港公司條例的披露規定妥為編製。

國富浩華(香港)會計師事務所有限公司

執業會計師

香港，二零一四年三月二十八日

施永進

執業證書編號：P06035

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 loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Crowe Horwath (HK) CPA Limited

Certified Public Accountants

Hong Kong, 28 March 2014

Sze Wing Chun

Practising Certificate Number P06035



綜合損益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

			二零一三年 2013	二零一二年 2012
		附註 Note	千港元 HK\$'000	千港元 HK\$'000
營業額	Turnover	5	1,488,282	2,101,918
銷售成本	Cost of sales		(1,705,842)	(2,544,843)
毛虧	Gross loss		(217,560)	(442,925)
其他收益	Other revenue	6	11,309	9,882
銷售及分銷費用	Selling and distribution expenses		(44,476)	(90,691)
管理費用	Administrative expenses		(84,655)	(82,256)
其他虧損淨值	Other net loss		(36,873)	(52,521)
經營業務虧損	Loss from operations		(372,255)	(658,511)
財務成本	Finance costs	7(a)	–	(2,821)
合營企業虧損之分攤	Share of losses of joint ventures		(8,200)	(25,826)
除稅前虧損	Loss before taxation	7	(380,455)	(687,158)
所得稅抵免／(支出)	Income tax credit/(charge)	8	10,749	(12,361)
本年度虧損	Loss for the year		(369,706)	(699,519)
下列人士應佔本年度虧損：	Loss for the year attributable to:			
本公司擁有人	Owners of the Company		(354,650)	(679,702)
非控股權益	Non-controlling interests		(15,056)	(19,817)
			(369,706)	(699,519)
每股虧損	Loss per share			
— 基本及攤薄	– Basic and diluted	14	HK 21.20 cents港仙	HK 40.64 cents港仙

第54頁至175頁之附註構成財務報表其中一部份。

The notes on pages 54 to 175 form part of these financial statements.

綜合損益及其他全面收益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
	附註 Note		
本年度虧損	Loss for the year	(369,706)	(699,519)
本年度其他全面收益 (扣除稅項及重新歸類調整)	Other comprehensive income for the year (net of tax and reclassification adjustments)		
可於其後重新歸類至 損益賬的項目：	Items that may be reclassified subsequently to profit or loss:		
– 換算海外業務財務報表 之匯兌差額	– Exchange differences on translation of financial statements of foreign operations	105,718	(339)
– 換算合營企業財務報表 之匯兌差額	– Exchange differences on translation of financial statements of joint ventures	3,312	88
– 可供出售權益證券 公平值收益	– Fair value gain on available-for-sale equity securities	160	2,800
	22	109,190	2,549
不會重新歸類至損益賬 的項目：	Item that will not be reclassified to profit or loss:		
– 稅率變動所產生之 遞延稅項	– Deferred tax arising on change in tax rate	–	1,333
	31(b)		
本年度其他全面收益總值	Total other comprehensive income for the year	109,190	3,882
本年度全面虧損總值	Total comprehensive loss for the year	(260,516)	(695,637)
下列人士應佔本年度 全面虧損總值：	Total comprehensive loss for the year attributable to:		
本公司擁有人	Owners of the Company	(246,797)	(675,811)
非控股權益	Non-controlling interests	(13,719)	(19,826)
		(260,516)	(695,637)

第54頁至175頁之附註構成財務報表其中一部份。

The notes on pages 54 to 175 form part of these financial statements.

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一三年十二月三十一日 As at 31 December 2013

			二零一三年	二零一二年
			2013	2012
		附註	千港元	千港元
		Note	HK\$'000	HK\$'000
非流動資產	Non-current assets			
商譽	Goodwill	16	–	–
物業、廠房及設備	Property, plant and equipment	17(a)	490,781	405,411
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	18	183,844	182,709
無形資產	Intangible asset	19	–	43,963
於合營企業之權益	Interests in joint ventures	21	105,087	109,930
可供出售權益證券	Available-for-sale equity securities	22	9,680	9,520
遞延稅項資產	Deferred tax assets	31(b)	4,749	6,321
其他非流動資產	Other non-current asset	23	19,288	18,703
			813,429	776,557
流動資產	Current assets			
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	18	4,587	4,448
存貨	Inventories	24	567,908	975,218
應收賬款及其他應收款	Trade and other receivables	25	510,922	478,577
預付款項及按金	Prepayments and deposits	25	48,919	116,098
可收回稅項	Tax recoverable	31(a)	2,774	943
已抵押銀行存款	Pledged bank deposits	27	–	52,541
受限制銀行結餘	Restricted bank balances	27	–	494
現金及現金等值項目	Cash and cash equivalents	28	1,369,054	1,236,290
			2,504,164	2,864,609
流動負債	Current liabilities			
應付賬款	Trade payables	29	103,652	94,664
預提費用及其他應付款	Accruals and other payables	29	25,650	28,439
應付董事款項	Amounts due to directors	26	1,557	1,074
銀行貸款	Bank borrowings	30	–	49,334
應付稅項	Tax payable	31(a)	4,938	5,932
			135,797	179,443
流動資產淨值	Net current assets		2,368,367	2,685,166

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一三年十二月三十一日 As at 31 December 2013

			二零一三年	二零一二年
			2013	2012
		附註	千港元	千港元
		Note	HK\$'000	HK\$'000
資產總值減流動負債	Total assets less current liabilities		3,181,796	3,461,723
非流動負債	Non-current liabilities			
遞延稅項負債	Deferred tax liabilities	31(b)	6,401	25,812
資產淨值	NET ASSETS		3,175,395	3,435,911
資本及儲備	CAPITAL AND RESERVES	32		
股本	Share capital		167,264	167,264
儲備	Reserves		2,971,591	3,218,388
本公司擁有人應佔權益	Equity attributable to owners of the Company		3,138,855	3,385,652
非控股權益	Non-controlling interests		36,540	50,259
權益總值	TOTAL EQUITY		3,175,395	3,435,911

第45頁至第175頁之綜合財務報表經由董事會於二零一四年三月二十八日批准及授權刊發，並由以下人士代表簽署：

The consolidated financial statements on pages 45 to 175 were approved and authorised for issue by the board of directors on 28 March 2014, and are signed on its behalf by:

蔣泉龍
董事

錢元英
董事

Jiang Quanlong
Director

Qian Yuanying
Director

第54頁至175頁之附註構成財務報表其中一部份。

The notes on pages 54 to 175 form part of these financial statements.

財務狀況表

STATEMENT OF FINANCIAL POSITION

於二零一三年十二月三十一日 As at 31 December 2013

			二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
		附註 Note		
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	17(b)	14	19
於附屬公司之投資	Investments in subsidiaries	20	151,707	151,707
可供出售權益證券	Available-for-sale equity securities	22	9,680	9,520
			161,401	161,246
流動資產	Current assets			
預付款項及按金	Prepayments and deposits	25	876	781
應收附屬公司款項	Amounts due from subsidiaries	26	1,916,078	1,928,600
現金及現金等值項目	Cash and cash equivalents	28	5,323	5,820
			1,922,277	1,935,201
流動負債	Current liabilities			
預提費用及其他應付款	Accruals and other payables	29	4,983	4,481
應付董事款項	Amounts due to directors	26	260	260
			5,243	4,741
流動資產淨值	Net current assets		1,917,034	1,930,460
資產淨值	NET ASSETS		2,078,435	2,091,706
資本及儲備	CAPITAL AND RESERVES	32		
股本	Share capital		167,264	167,264
儲備	Reserves		1,911,171	1,924,442
權益總值	TOTAL EQUITY		2,078,435	2,091,706

第45頁至第175頁之綜合財務報表經由董事會於二零一四年三月二十八日批准及授權刊發，並由以下人士代表簽署：

The consolidated financial statements on pages 45 to 175 were approved and authorised for issue by the board of directors on 28 March 2014, and are signed on its behalf by:

蔣泉龍
董事

錢元英
董事

Jiang Quanlong
Director

Qian Yuanying
Director

第54頁至175頁之附註構成財務報表其中一部份。

The notes on pages 54 to 175 form part of these financial statements.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		本公司擁有人應佔權益										
		Attributable to owners of the Company										
		股本	股份溢價	資本儲備	樓宇重估儲備	法定儲備	匯兌儲備	公平值儲備	保留溢利	小計	非控股權益	總值
		Share capital	Share premium	Capital reserve	Buildings revaluation reserve	Statutory reserves	Translation reserve	Fair value reserve	Retained profits	Sub-total	Non-controlling interests	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零一二年一月一日	At 1 January 2012	167,264	1,770,100	22,348	30,934	168,247	528,784	-	1,407,239	4,094,916	70,085	4,165,001
於二零一二年之權益變動：	Changes in equity for 2012:											
本年度虧損	Loss for the year	-	-	-	-	-	-	-	(679,702)	(679,702)	(19,817)	(699,519)
其他全面收益	Other comprehensive income											
- 換算海外業務財務報表之匯兌差異	- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(330)	-	-	(330)	(9)	(339)
- 換算合營企業財務報表之匯兌差異	- Exchange differences on translation of financial statements of joint ventures	-	-	-	-	-	88	-	-	88	-	88
- 可供出售權益證券公平值收益	- Fair value gain on available-for-sale equity securities	-	-	-	-	-	-	2,800	-	2,800	-	2,800
- 稅率變動之遞延稅項 (附註31(b))	- Deferred tax arising on change in tax rate (note 31(b))	-	-	-	1,333	-	-	-	-	1,333	-	1,333
本年度全面收益/(虧損)總值	Total comprehensive income/(loss) for the year	-	-	-	1,333	-	(242)	2,800	(679,702)	(675,811)	(19,826)	(695,637)
分配至法定儲備	Appropriations to statutory reserves	-	-	-	-	88,439	-	-	(88,439)	-	-	-
就持作自用樓宇之重估折舊轉撥至保留溢利	Transfer to retained profits in respect of depreciation on revaluation of buildings held for own use	-	-	-	(3,428)	-	-	-	3,428	-	-	-
就出售持作自用樓宇轉撥至保留溢利，扣除稅項	Transfer to retained profits in respect of disposals of buildings held for own use, net of tax	-	-	-	(1,481)	-	-	-	1,481	-	-	-
股息(附註13)	Dividends (note 13)	-	-	-	-	-	-	-	(33,453)	(33,453)	-	(33,453)
於二零一二年十二月三十一日	At 31 December 2012	167,264	1,770,100	22,348	27,358	256,686	528,542	2,800	610,554	3,385,652	50,259	3,435,911

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		本公司擁有人應佔權益										
		Attributable to owners of the Company										
		股本	股份溢價	資本儲備	樓宇重估儲備	法定儲備	匯兌儲備	公平值儲備	保留溢利	小計	非控股權益	總值
		Share capital	Share premium	Capital reserve	Buildings revaluation reserve	Statutory reserves	Translation reserve	Fair value reserve	Retained profits	Sub-total	Non-controlling interests	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零一三年一月一日	At 1 January 2013	167,264	1,770,100	22,348	27,358	256,686	528,542	2,800	610,554	3,385,652	50,259	3,435,911
二零一三年之權益變動：	Changes in equity for 2013:											
本年度虧損	Loss for the year	-	-	-	-	-	-	-	(354,650)	(354,650)	(15,056)	(369,706)
其他全面收益	Other comprehensive income											
- 換算海外業務財務報表之匯兌差異	- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	104,381	-	-	104,381	1,337	105,718
- 換算合營企業財務報表之匯兌差異	- Exchange differences on translation of financial statements of joint ventures	-	-	-	-	-	3,312	-	-	3,312	-	3,312
- 可供出售權益證券之公平值收益	- Fair value gain on available-for-sale equity securities	-	-	-	-	-	-	160	-	160	-	160
本年度全面收益/(虧損)總值	Total comprehensive income/(loss) for the year	-	-	-	-	-	107,693	160	(354,650)	(246,797)	(13,719)	(260,516)
分配至法定儲備	Appropriations to statutory reserves	-	-	-	-	2,109	-	-	(2,109)	-	-	-
持作自用樓宇之重估折舊轉撥至保留溢利	Transfer to retained profits in respect of depreciation on revaluation of buildings held for own use	-	-	-	(3,493)	-	-	-	3,493	-	-	-
於二零一三年十二月三十一日	At 31 December 2013	167,264	1,770,100	22,348	23,865	258,795	636,235	2,960	257,288	3,138,855	36,540	3,175,395

第54頁至175頁之附註構成財務報表其中一部份。

The notes on pages 54 to 175 form part of these financial statements.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

			二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
	附註 Note			
經營活動	Operating activities			
除稅前虧損	Loss before taxation		(380,455)	(687,158)
調整項目：	Adjustments for:			
財務成本	Finance costs	7(a)	–	2,821
利息收入	Interest income	6	(11,309)	(9,882)
物業、廠房及設備 之折舊	Depreciation of property, plant and equipment	7(c)	69,188	73,171
經營租約下預付土地 租金之攤銷	Amortisation of prepaid lease payments on land under operating leases	7(c)	4,512	4,873
無形資產攤銷	Amortisation of intangible asset	7(c)	12,792	12,598
應收賬款之減值虧損	Impairment loss on trade receivables	7(c)	7,397	18,333
其他應收款之減值虧損	Impairment loss on other receivables	7(c)	149	1,206
應收賬款之減值虧損 撥回	Reversal of impairment loss on trade receivables	7(c)	(7,115)	(7,575)
其他應收款之減值 虧損撥回	Reversal of impairment loss on other receivables	7(c)	(850)	(69)
出售物業、廠房及設備 之虧損淨值	Net loss on disposals of property, plant and equipment	7(c)	534	3,621
存貨撇除	Write down of inventories	24(b)	143,920	457,640
存貨撇除撥回	Reversal of write down of inventories	24(b)	(21,465)	(87,439)
商譽之減值虧損	Impairment loss on goodwill	16	–	21,773
無形資產之減值虧損	Impairment loss on intangible asset	19	31,848	31,626
合營企業虧損之分攤	Share of losses of joint ventures		8,200	25,826
			(142,654)	(138,635)
營運資金變動	Changes in working capital			
存貨減少／(增加)	Decrease/(increase) in inventories		313,146	(49,312)
應收賬款及其他應收款 (增加)／減少	(Increase)/decrease in trade and other receivables		(19,647)	112,938
預付款項及按金 減少／(增加)	Decrease/(increase) in prepayments and deposits		69,695	(14,137)
應付賬款增加／(減少)	Increase/(decrease) in trade payables		6,241	(301)
預提費用及其他應付款減少	Decrease in accruals and other payables		(3,474)	(78,273)
應付董事款項增加	Increase in amounts due to directors		483	555
經營所得／(使用)的現金	Cash generated from/(used in) operations		223,790	(167,165)
已付所得稅	Income tax paid	31	(10,276)	(64,950)

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
	附註 Note		
經營活動所得／(使用)的 現金淨值	Net cash generated from/(used in) operating activities	213,514	(232,115)
投資活動	Investing activities		
購置物業、廠房及設備	Purchase of property, plant and equipment	(148,201)	(27,785)
出售物業、廠房及設備 所得款項	Proceeds from disposals of property, plant and equipment	6,912	15,093
注資合營企業	Capital contributions to joint ventures	–	(24,800)
已抵押銀行存款及受限制 銀行結餘減少	Decrease in pledged bank deposits and restricted bank balances	53,035	51,690
已收利息	Interest received	11,309	9,882
投資活動(使用)／所得 的現金淨值	Net cash (used in)/generated from investing activities	(76,945)	24,080
融資活動	Financing activities		
償還銀行貸款	Repayment of bank borrowings	(50,094)	(197,336)
新造銀行貸款所得款項	Proceeds from new bank borrowings	–	148,002
已付銀行貸款利息	Interest paid on bank borrowings	–	(2,821)
已付股息	Dividend paid	–	(33,453)
融資活動使用的現金淨值	Net cash used in financing activities	(50,094)	(85,608)
現金及現金等值項目 增加／(減少)淨值	Net increase/(decrease) in cash and cash equivalents	86,475	(293,643)
年初現金及現金等值項目	Cash and cash equivalents at beginning of the year	1,236,290	1,530,123
外幣匯率變動之影響	Effect of changes in exchange rate	46,289	(190)
年末現金及現金等值項目	Cash and cash equivalents at end of the year	1,369,054	1,236,290
	28		

第54頁至175頁之附註構成財務報表其中一部份。

The notes on pages 54 to 175 form part of these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

1. 一般資料

中國稀土控股有限公司(「本公司」)於開曼群島註冊成立為一間獲豁免的有限責任公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要營業地點分別為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及中華人民共和國(「中國」)江蘇省宜興市丁蜀鎮。

本公司之直接母公司及最終控股人士為YY Holdings Limited(「YY Holdings」)，該公司於英屬處女群島註冊成立。YY Holdings並無編製可供公眾人士使用之財務報表。

本公司及其附屬公司(統稱為「本集團」)從事製造及銷售稀土產品(包括熒光產品)及耐火產品(包括高溫陶瓷產品和鎂砂)以及投資控股。

本綜合財務報表以港元(「港元」)列示，即本公司及其於香港經營之附屬公司之功能貨幣，而本公司於中國成立之附屬公司之功能貨幣為人民幣(「人民幣」)。本公司董事認為，就控制及監察本集團業績及財務狀況以及向YY Holdings(其功能貨幣亦為港元)報告而言，以港元列示綜合財務報表更為得宜。

1. GENERAL

China Rare Earth Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the Company's registered office and principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and Dingshu Town, Yixing City, Jiangsu Province, the People's Republic of China (the "PRC"), respectively.

The immediate parent and the ultimate controlling party of the Company is YY Holdings Limited ("YY Holdings"), which was incorporated in the British Virgin Islands. YY Holdings does not produce financial statements available for public use.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in manufacturing and sales of rare earth products (including fluorescent products) and refractory products (including high temperature ceramics products and magnesium grains), and investment holding.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company and its subsidiaries operating in Hong Kong, while the functional currency of the Company's subsidiaries established in the PRC is Renminbi ("RMB"). The directors of the Company consider that presenting the consolidated financial statements in Hong Kong dollars is preferable when controlling and monitoring the performance and financial position of the Group and in reporting to YY Holdings whose functional currency is also Hong Kong dollars.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策**a) 遵守聲明**

此等財務報表是按照所有適用香港財務報告準則（「香港財務報告準則」）編製，該統稱包括所有由香港會計師公會（「香港會計師公會」）頒佈的個別適用的《香港財務報告準則》、《香港會計準則》（「香港會計準則」）及詮釋、香港公認會計原則，及香港《公司條例》之披露規定。此外，此等財務報表亦已遵照聯交所證券上市規則（「上市規則」）中適用的披露規定。本集團採納之主要會計政策概要載於下文。

香港會計師公會已頒佈若干新訂及經修訂之香港財務報告準則，有關準則自本集團及本公司的本會計期間初次生效或可供提前採用。有關初步應用該等準則導致會計政策任何變動之資料載於附註3內，惟以該等準則於此等財務報表所反映之現有及過往會計期間與本集團有關者為限。

2. SIGNIFICANT ACCOUNTING POLICIES**a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

b) 財務報表編製基準

截至二零一三年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司以及本集團於合營企業之權益。

除下列資產於下文會計政策所闡述按公平值計量外，編製財務報表所採用之計量基準為歷史成本法。

- 持作自用樓宇(見附註2(g))；及
- 可供出售權益證券(附註2(f))。

編製此等符合香港財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產、負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認，或如有關變動影響現行及未來期間，則在變動期間及未來期間確認。

管理層在應用香港財務報告準則時所作出並對財務報表有重大影響之判斷，以及估計不確定因素之主要來源。詳述於附註4。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2013 comprise the Company and its subsidiaries, and the Group's interests in joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- Buildings held for own use (see note 2(g)); and
- Available-for-sale equity securities (see note 2(f)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

c) 附屬公司及非控股權益

附屬公司為本集團控制的實體。當本集團具有承擔或享有參與實體所得的可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，即屬對該實體具有控制權。當評估本集團是否具有該權力時，只會考慮(由本集團或其他人士持有)的實質權利。

於附屬公司之投資會自控制開始日期起合併入賬綜合財務報表內，直至控制結束日期為止。集團內公司間之結餘、交易及現金流量和集團內公司間之交易所產生之任何未變現溢利於編製綜合財務報表時悉數抵銷。倘並無出現減值跡象，集團內公司間之交易所產生之未變現虧損則按照未變現收益之相同方式抵銷。

非控股權益指並非由本公司直接或間接擁有之附屬公司權益，而本集團未有就此與該權益持有人達成任何附加協議，致令本集團整體上對該等權益產生符合財務負債定義之合約責任。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

c) 附屬公司及非控股權益(續)

非控股權益會在綜合財務狀況表之權益項目中，與本公司擁有人之應佔權益分開呈報。而非控股權益所佔集團業績之權益則會在綜合損益表及綜合損益及其他全面收益表中列作為本公司非控股權益與本公司擁有人之間的年內損益總額及全面收益總額分配。非控股權益持有人的貸款及該等持有人的其他合約責任根據附註2(m)於綜合財務狀況表內呈列為金融負債。

本集團於附屬公司權益之變動，如無導致失去控制權，則入賬列為股本交易，而綜合權益內的控股及非控股權益金額則予以調整以反映相關權益變動，但並不調整商譽，且不確認任何收益或虧損。

當集團失去對附屬公司的控制權時，則計為出售該附屬公司全部權益，因此而產生的收益或虧損於損益確認。失去控制權當日於該前附屬公司留存的任何權益按公平值確認，有關金額視為初步確認金融資產時的公平值(見附註2(f))或(倘適用)初步確認於聯營公司或合營企業投資的成本(見附註2(d))。

在本公司之財務狀況表內，於附屬公司之投資按成本值減去任何減值虧損(見附註2(j))列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(m).

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture (see note 2(d)).

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment losses (see note 2(j)).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

d) 合營企業

合營企業為一項安排，據此本集團或公司及其他訂約方同意共同控制該安排，及對該安排之淨資產享有權利。

於合營企業的投資使用權益法於綜合財務報表入賬，除非將該項投資分類為持作出售（或包括於分類為持作出售的出售組別）。根據權益法，該項投資初步按成本確認，其後就本集團所佔被投資公司可予識別資產淨值於收購日期的公平值超過投資成本的金額（如有）作出調整。其後，就本集團應佔被投資公司及與該項投資有關的任何減值虧損於收購後的變動作出調整（見附註2(j)）。收購日期公平值超過成本的任何金額、本集團所佔被投資公司於收購後的除稅後業績及任何年度減值虧損於綜合損益表內確認，而本集團所佔被投資公司於收購後的其他全面除稅後收益項目則於綜合損益及其他全面收益表內確認。

倘本集團應佔虧損超出其於合營企業的權益，則本集團的權益將減計至零，並且不再確認進一步虧損，惟本集團有法律或推定義務或已代被投資公司支付款項則例外。就此而言，本集團的權益乃以權益法計算的投資賬面值，連同本集團的長期權益（實質上構成本集團於合營企業淨投資的一部份）。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Joint ventures

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(j)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the joint venture.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

d) 合營企業(續)

本集團及其合營企業間之交易所產生之未變現盈虧均在本集團之被投資公司權益中沖銷；惟倘未變現虧損是由已轉讓資產的耗損產生，則須即時於損益中確認。

倘於合營企業的投資轉為於聯營公司的投資，則保留權益不會重新計量，反之亦然，而該投資繼續按權益法列賬。

在所有其他情況下，倘本集團對合營企業不再具有共同控制權，將會當作出售有關被投資公司之全部權益入賬，而所得盈虧將於損益中確認入賬。於不再具有共同控制權當日在該前被投資公司仍然保留之任何權益將按公平值確認入賬，而此金額將被視為金融資產於首次確認時之公平值(見附註2(f))。

e) 商譽

商譽指以下兩者的超出額：

- i) 已轉讓代價的公平值、於被收購方的任何非控股權益金額以及本集團過往於被收購方持有股權的公平值之總額；高於
- ii) 被收購方於收購日期計量的可識別資產及負債之公平值淨額。

倘(ii)高於(i)，則該超出額即時於損益中確認為議價購買之收益。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Joint ventures (Continued)

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in a joint venture becomes an investment in an associate or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)).

e) Goodwill

Goodwill represents the excess of:

- i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)**e) 商譽 (續)**

商譽按成本減累計減值虧損列賬。因業務合併產生之商譽獲分配至預期將受惠於該合併協同效益的各現金產生單位或現金產生單位組別，並須每年進行減值測試(見附註2(j))。

於年內出售單一賺取現金單位時，其應佔已收購商譽金額會於計算出售交易之盈虧時計入其中。

f) 其他權益證券投資

本集團及本公司之權益證券投資(除附屬公司及合營企業投資外)政策如下：

權益證券投資初始按公平值(即其交易價格)列賬，除非初始確認之公平值與交易價格有所不同，且公平值為相同資產或負債在活躍的市場上的報價，或通過使用從可觀察的市場數據的估值技術計量。成本包括應佔交易成本；惟下文所述者除外。此等投資其後因應所屬分類入賬如下：

持作貿易用途之證券投資被歸類為流動資產，任何應佔交易成本於產生時在損益中確認。於各個申報期間結算日，會重新計算公平值，所得之盈虧於損益中確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**e) Goodwill (Continued)**

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(j)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

f) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries and joint ventures, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical assets or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

f) 其他權益證券投資(續)

其他不屬上述任何類別的證券投資被歸類為可供出售證券。於各個申報期間結算日，會重新計算公平值，所得之盈虧會於其他全面收益中確認，及單項累計呈列於權益中之公平值儲備。惟此有例外情況，倘與之相同的工具在活躍市場並無報價及其公平值無法可靠地計量的權益證券投資，則按成本減去減值虧損後於財務狀況表確認(見附註2(j))。來自權益證券之股息收入按附註2(s)(iii)所載之政策在損益確認。

當終止確認此等投資或此等投資出現減值(見附註2(j))時，於權益確認之累計收益或虧損乃重新分類至損益核算。投資會於本集團承諾買入/賣出投資當日確認/終止確認。

g) 物業、廠房及設備

持作自用之樓宇部份按重估值(即其於重估日期之公平值)減去其後任何累計折舊列賬。

公司會經常進行重估，以確保此等資產之賬面值與其於申報期間結算日之公平值並無重大差異。

除持作自用之樓宇外，其他物業、廠房及設備按成本值減累計折舊及減值虧損入賬(見附註2(j))。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Other investments in equity securities (Continued)

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period, the fair value is remeasured with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(j)). Dividend income from equity securities are recognised in profit or loss in accordance with the policies set out in notes 2(s)(iii).

When the investments are derecognised or impaired (see note 2(j)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments.

g) Property, plant and equipment

Buildings held for own use are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of the reporting period.

Except for buildings held for own use, other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(j)).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

g) 物業、廠房及設備 (續)

重估持作自用之樓宇所產生之變動一般撥入其他全面收益處理，並於樓宇重估儲備之權益中獨立累計，但下列情況除外：

- 倘出現重估虧絀，超出於緊接重估前就同一項資產於儲備內持有之金額部份會在損益支銷；及
- 倘出現重估盈餘，便會計入損益，並以就同一項資產先前已於損益內支銷之重估虧絀為限計算。

自行興建之物業、廠房及設備之成本，包括材料成本、直接工資、(如適用)初步估計拆卸及搬遷項目以及恢復項目所在地原貌之成本，以及適當比例之其他成本及貸款成本(見附註2(u))。

報廢或出售物業、廠房及設備項目所產生之收益或虧損，乃以出售所得款項淨額與項目賬面值之差異釐定，並於報廢或出售日期於損益確認。任何相關重估盈餘乃從樓宇重估儲備轉撥至保留溢利，不會重新分類至損益內。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property, plant and equipment (Continued)

Changes arising on the revaluation of buildings held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the buildings revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(u)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the buildings revaluation reserve to retained profits and is not reclassified to profit or loss.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

g) 物業、廠房及設備(續)

物業、廠房及設備項目之折舊乃使用直線法按其如下估計可使用年期撇銷其成本值或估值減估計剩餘價值(如有):

– 持作自用之樓宇	20年
– 機器及設備	10年
– 辦公室設備及裝置	5年
– 汽車	5年

當一項物業、廠房及設備之各部份有不同的可使用年期，此項目各部份之成本值或估值將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(如有)會每年進行檢討。

在建工程指興建中和有待安裝的物業、廠房及設備，按成本減累計減值虧損(如有)列賬(見附註2(j))。成本包括樓宇建築成本、機器及設備成本以及在興建或安裝及測試期間為收購該等資產融資貸款所產生的利息費用。在建工程截至相關資產建設完成且可作擬定用途前不會計提折舊。有關資產投入使用時，該等成本會撥歸其他物業、廠房及設備，並按上文所載的政策折舊。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property, plant and equipment (Continued)

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings held for own use	20 years
– Machinery and equipment	10 years
– Office equipment and fixtures	5 years
– Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction-in-progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses (see note 2(j)), if any. Cost includes the costs of construction of buildings, the costs of machinery and equipment and interest charges arising from borrowings used to finance the acquisition of these assets during the period of construction or installation and testing. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and are available for their intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated above.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

h) 無形資產 (商譽除外)

研究活動之開支於產生期間確認為開支。倘有關產品或工序在技術上及商業上屬可行，而且本集團有充足資源及意向完成開發工作，則開發活動之開支會撥充資本。已撥充資本之開支包括物料成本、直接工資及直接屬於開發活動之間接開支及貸款成本 (倘適用) 按適當比例計算之金額 (見附註2(u))。已撥充資本之開發成本按成本值減去累計攤銷及減值虧損 (見附註2(j)) 列賬。其他開發開支於產生期間確認為開支。

本集團收購所得之其他無形資產按成本值減去累計攤銷 (如估計可使用年期有限) 及減值虧損 (見附註2(j)(ii)) 列賬。內部產生商譽及品牌之支出於產生期間確認為開支。

具有有限使用年期之無形資產之攤銷，於有關資產之估計可使用年期內按直線法自損益扣除。下列具有有限使用年期之無形資產自彼等可供使用之日起計算攤銷，而彼等之估計可使用年期如下：

– 稀土金屬產品之技術 專業知識	10年
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攤銷年期及方法均會每年檢討。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 2(u)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(j)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(j)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Technical know-how for rare earth metal products	10 years
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Both the period and method of amortisation are reviewed annually.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

i) 租賃資產

倘本集團決定安排在協定期限內出讓一項特定資產或多項資產之使用權，以換取一筆付款或一連串付款，則有關安排(包括一項交易或一連串交易)即屬於或包括租賃。有關決定根據對安排本質之評估(不論安排是否以法定租賃形式)作出。

i) 出租予本集團之資產分類

倘本集團根據租賃持有資產而有關租賃將擁有權涉及之絕大部份風險及回報轉移至本集團，則有關資產列作根據融資租賃持有。並無將擁有權涉及之絕大部份風險及回報轉移至本集團之租賃則列作經營租賃，惟按經營租賃持作自用的土地則除外，其公平值無法與於其上興建的樓宇於租約生效時的公平值分開計量，有關土地則按根據融資租賃持有入賬，除非有關樓宇亦明確根據經營租賃持有。就此而言，租賃生效的時間為本集團首次訂立租賃的時間，或從先前承租人接管租賃的時間。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Lease assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases except for land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

i) 租賃資產(續)

ii) 經營租賃費用

如屬本集團根據經營租賃使用資產之情況，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額方式計入損益中；惟如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。已收取之租賃獎勵在損益中確認為總租賃付款淨額的一部份。或有租金於其產生之會計期間計入損益中。

根據經營租賃持有之土地之收購成本乃於租賃期內以直線法攤銷。

iii) 租賃土地及樓宇

倘租賃包含土地及樓宇部分，本集團視乎租賃有否轉讓土地擁有權的重大風險及回報，判斷以決定分類為融資租賃或經營租賃。除非明顯地兩個部分均為經營租賃，在此情況下，整份租約會分類為經營租賃。特別是最低租賃付款(包括任何一筆過預付款)將按租賃開始時租賃土地部分及樓宇部分之租賃權益之相關公平值比例分配至土地及建築物部分。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Lease assets (Continued)

ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

iii) Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

i) 租賃資產(續)

iii) 租賃土地及樓宇(續)

倘能可靠地分配租賃款項，則入賬列為經營租賃之租賃土地權益將於綜合財務狀況表內列作「經營租約下預付土地租金」，並於租賃期內以直線法攤銷入賬。

j) 資產減值

i) 權益證券投資及其他應收款項之減值

按成本值或攤銷成本列賬或分類為可供出售證券的權益證券投資及其他流動與非流動應收款項會於各個申報期間結算日進行檢討，以判斷有否存在客觀減值證據。減值之客觀證據包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 於權益工具之投資之公平值大幅或長期下降至低於其成本。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Lease assets (Continued)

iii) Leasehold land and building (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments on land under operating leases" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

j) Impairment of assets

i) Impairment of investment in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are carried at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)

j) 資產減值 (續)

i) 權益證券投資及其他應收款項之減值 (續)

如存在任何上述證據，則會釐定及確認減值虧損如下：

- 於綜合財務報表以權益法列賬之於合營企業之投資(見附註2(d))，其減值虧損乃根據附註2(j)(ii)按其投資可收回金額與其賬面值作比較而得出。減值虧損在用作釐定按附註2(j)(ii)計算的可收回金額的估計出現利好變化時撥回。
- 就按攤銷成本列賬之應收賬款及其他金融資產而言，倘折現之影響重大，則減值虧損乃按資產之賬面值與金融資產原有實際利率(即在初步確認該等資產時計算之實際利率)折現之估計未來現金流量現值之間之差額計量。倘按攤銷成本列賬之金融資產具備類似風險特徵，例如類似逾期情況，且並未單獨被評估為減值，則就此進行整體評估。經整體評估減值之金融資產之未來現金流量，乃根據與整體組別信貸風險特徵相似之資產之過往虧損經驗作出。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

i) Impairment of investment in equity securities and other receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in joint ventures accounted for under the equity method in the consolidated financial statements (see note 2(d)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(j)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(j)(ii).
- For trade receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

j) 資產減值(續)

i) 權益證券投資及其他應收款項之減值(續)

倘於其後期間減值虧損金額有所減少，而客觀上與確認減值虧損後發生之事件有關，有關減值虧損會撥回損益。減值虧損之撥回不應導致資產之賬面值超過其在以往年度沒有確認任何減值虧損而應已釐定之數額。

- 就可供出售證券而言，於公平值儲備內確認之累計虧損會重新分類至損益。於損益中確認之累計虧損之金額為收購成本(扣除任何基本付款及攤銷)及現時公平值(減原先於損益中確認之該資產任何減值虧損)間之差額。

就可供出售權益證券於損益中確認之減值虧損不透過損益撥回。有關資產之公平值之任何其後增加於其他全面收益確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

i) Impairment of investment in equity securities and other receivables (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

j) 資產減值(續)

i) 權益證券投資及其他應收款項之減值(續)

減值虧損從相應資產中直接撇銷，惟如包含在應收賬款及其他應收款中之應收賬款、應收票據及其他應收款，其是否可以收回屬難以預料，而並非微乎其微，則就其確認之減值虧損不會從相應的資產中直接撇銷。在此情況下，呆壞賬之減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款之機會微乎其微，則被視為不可收回之金額會直接從應收賬款、應收票據及其他應收款中撇銷，而在撥備賬中就有關債務保留之任何金額會被撥回。倘之前計入撥備賬之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益確認。

ii) 其他資產之減值

本集團會於每個申報期間結算日審閱內部及外界所得資料，以確定下列資產(商譽除外)是否出現減值或先前已確認之減值虧損不再存在或已經減少：

- 商譽；
- 物業、廠房及設備(按重估數額列賬之樓宇除外)；
- 經營租約下預付土地租金；
- 無形資產；
- 本公司財務狀況表之於附屬公司之投資；及
- 其他非流動資產。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

i) Impairment of investment in equity securities and other receivables (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors, bills receivables and other receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors, bills receivables and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- goodwill;
- property, plant and equipment (other than buildings carried at revalued amounts);
- prepaid lease payments on land under operating leases;
- intangible asset;
- investments in subsidiaries in the Company's statement of financial position; and
- other non-current asset.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

j) 資產減值(續)

ii) 其他資產之減值(續)

倘出現任何該等跡象，則估計資產之可收回數額。此外，就商譽、尚未可供使用之無形資產及並無固定使用年期之無形資產而言，其可收回數額會每年估計(不論有否出現減值跡象)。

– 可收回數額計算

資產之可收回數額乃指公平值減出售成本與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前折現率折現至現值，而該折現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘某項資產之現金流量大致上不能獨立於其他資產之現金流量，則就可獨立產生現金流量之最小資產組別(即賺取現金單位)釐定可收回數額。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

j) 資產減值(續)

ii) 其他資產之減值(續)

- 減值虧損確認

倘資產或其所屬之賺取現金單位之賬面值超過其可收回數額，則於損益確認減值虧損。就賺取現金單位確認之減值虧損而言，其首先用作減少已分配至賺取現金單位(或單位類別)之任何商譽之賬面值，其後按比例基準用作減少單位(或單位類別)內其他資產之賬面值；惟資產之賬面值將不得減少至低於其個別公平值減出售成本(如能計量)或使用價值(如能計算)。

- 減值虧損撥回

就商譽以外的資產而言，倘用作釐定可收回數額之估計出現有利變動，則須撥回減值虧損。商譽之減值虧損不會撥回。

減值虧損撥回只限於該資產並未計算過往年度所確認之減值虧損時之賬面值。減值虧損撥回之數於確認有關撥回之年度計入損益內。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair values less costs of disposal (if measurable), or value in use (if determinable).

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

j) 資產減值(續)

iii) 中期財務報告及減值

根據上市規則，本集團須按照《香港會計準則》第34號「中期財務報告」之規定就有關財政年度首六個月編製中期財務報告。於中期期末，本集團採用其於財政年度結束時將採用之同一減值測試、確認及撥回標準(見附註2(j)(i)及(ii))。

於中期期間就商譽及可供出售權益證券確認之減值虧損不會於其後的期間撥回。假設有關於中期期間的減值評估於財政年度結束時進行，即使沒有確認虧損或確認較少之虧損，均採用以上相同處理方法。因此，倘可供出售權益證券之公平值於全年期間剩餘時間(或其後任何其他期間)有所增加，有關增幅於其他全面收益(而非損益)內確認。

k) 存貨

存貨按成本值及可變現淨值(以較低者為準)列賬。

成本根據加權平均成本公式計算，包括所有採購成本以及使存貨達至現址和現況所產生之轉換成本及其他成本。

可變現淨值乃於日常業務過程中之估計售價減估計完成成本及進行銷售所必要之估計成本。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets (Continued)

iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(j)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increase in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策 (續)**k) 存貨 (續)**

當售出存貨時，該等存貨之賬面值乃於確認相關收入之期間確認為一項開支。任何存貨撇減至可變現淨值之金額及存貨之所有虧損均於發生撇減或虧損之期間確認為一項開支。任何存貨撇減之回撥金額乃於回撥發生之期間確認為先前已列為一項開支之存貨金額之減少。

l) 應收賬款及其他應收款

應收賬款及其他應收款初步按公平值確認，其後按攤銷成本採用實際利率法減呆賬減值撥備列賬(見附註2(j))，惟倘應收款項為向關連人士作出之免息貸款且無任何固定償還年期或折現之影響並不重大則除外。於該等情況下，應收款項按成本減呆賬減值撥備列賬。

m) 計息貸款

計息貸款初步按公平值減應佔之交易成本確認。於初步確認後，計息貸款按攤銷成本列賬，而初步確認之金額與贖回價值兩者之任何差額連同任何應付之利息及費用，乃採用實際利率法按貸款之期間於損益確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**k) Inventories (Continued)**

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

l) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less allowance for impairment of doubtful debts (see note 2(j)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

n) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認。除根據附註2(r)(i)計算之財務擔保負債外，應付賬款及其他應付款其後按攤銷成本列賬，除非折現之影響並不重大，於此情況下則按成本列賬。

o) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭之現金、存放於銀行及其他金融機構之活期存款，以及於購入時至到期日為三個月以內之可輕易轉換為已知數額現金且價值變動風險不大之短期高流動性投資。就綜合現金流量表而言，須按要求償還及構成本集團現金管理整體一部份之銀行透支，亦列為現金及現金等值項目之組成部份。

p) 僱員福利

i) 短期僱員福利及界定供款退休計劃之供款

薪金、年度花紅、已付年假、向界定供款退休計劃之供款及非貨幣福利之成本均於僱員提供相關服務之年度內預提。倘付款或結算被遞延且影響重大，則該等金額按其現值列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(r)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

p) Employee benefits

i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

p) 僱員福利(續)

ii) 以股份為基礎之付款

授予僱員之購股權之公平值確認為僱員成本，而權益中之購股權儲備亦會相應增加。如果僱員須符合歸屬條件才能無條件享有購股權之權利，經考慮購股權歸屬之可能性後，購股權之估計公平值總額則會在整個歸屬期內分攤。

於歸屬期間，本集團會審閱預期歸屬之購股權數目。除非原有僱員開支符合資格確認為資產，否則於過往年度確認之任何累積公平值調整會在回顧年度扣除自／計入損益，而購股權儲備亦會作相應調整。於歸屬日期，確認為開支之數額會作出調整，以反映歸屬購股權之實際數目（而購股權儲備亦會作相應調整），惟倘沒收僅因未能達成與本公司股份市價有關之歸屬條件則作別論。權益金額乃於購股權儲備中確認，直至購股權獲行使（屆時有關金額將轉撥至股份溢價賬）或購股權屆滿（屆時有關金額直接撥入保留溢利）為止。

iii) 終止福利

當本集團不能再取消提供該等福利時及本集團確認涉及支付終止福利的重組成本時（以較早者為準），則確認終止福利。

q) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產和負債之變動均於損益確認，惟與於其他全面收益或直接於權益確認之項目有關者，則有關稅項分別於其他全面收益或直接於權益內確認。

本期稅項是按本年度應課稅收入採用於申報期間結算日已執行或實質上已執行之稅率計算之預期應付稅項，以及就過往年度應付稅項之任何調整。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Employee benefits (Continued)

ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged / credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

iii) Termination benefits

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

q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

q) 所得稅(續)

遞延稅項資產和負債分別由可抵扣和應課稅暫時差異，即作財務報告用途之資產和負債之賬面值與彼等稅基之間之差異而產生。遞延稅項資產亦可因未運用稅務虧損及未運用稅務抵免而產生。

除了若干有限之例外情況外，所有遞延稅項負債，以及所有遞延稅項資產(僅限於未來很可能取得應課稅溢利而令該項資產得以運用之部份)均予以確認。容許確認由可予扣減暫時差異所產生之遞延稅項資產之未來應課稅溢利包括其將由目前之應課稅暫時性差異撥回之部份，而此等應課稅暫時差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時差異預期撥回之同一期間內撥回或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內撥回。在評定目前之應課稅暫時差異是否容許確認由未運用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準，即該等暫時差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或抵免能動用之期間內撥回方計算在內。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

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NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

q) 所得稅(續)

確認遞延稅項資產及負債之有限例外情況：包括不可在稅務方面獲得扣減之商譽所引致之暫時差異、首次確認但並不影響會計溢利及應課稅溢利之資產或負債(惟其不可為企業合併之部份)、以及有關於附屬公司投資所引致之暫時差異；如為應課稅差異，只限於本集團可以控制撥回時間，且在可預見將來不太可能撥回之暫時差異或如為可予扣減差異，則只限於可能在未來撥回之差異。

應確認之遞延稅項數額是按照資產及負債賬面值之預期變現或清償方式，以申報期間結算日採用或主要採用之稅率計算。遞延稅項資產及負債均不作折現計算。

本集團會在每個申報期間結算日評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅溢利以運用有關之稅務利益，賬面金額則予以調低。如日後可能取得足夠之應課稅溢利時，已扣減金額則予以撥回。

分派股息所產生之額外所得稅在支付有關股息之責任確認時予以確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

q) 所得稅(續)

本期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。當本集團或本公司在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利及能符合下列額外條件時，本期稅項資產可抵銷本期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為本期稅項資產及負債：本集團或本公司計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收之所得稅有關：
 - 同一應課稅單位；或
 - 如為不同之應課稅單位，預期在未來每一個週期將清償或收回顯著數目之遞延稅項負債，或資產及計劃以淨額基準變現本期稅項資產及清償本期稅項負債，或計劃同時變現本期稅項資產及清償本期稅項負債。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group or the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

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2. 主要會計政策(續)

r) 出具財務擔保、撥備及或然負債

(i) 出具財務擔保

財務擔保乃指由簽發人(即擔保人)須於擔保受益人(「持有人」)因指定債務人未能根據債務工具之條款支付到期款項而蒙受損失時,向持有人償付指定款項之合約。

當本集團出具財務擔保時,該擔保之公平值初步確認為應付賬款及其他應付款項內之遞延收入。已發出財務擔保的公平值於發出時乃參照類似服務於公平磋商交易的過程中所收取的費用(如可獲得該等資料)而釐定,或參照息差作出估計,方法為以放款人在獲提供擔保之情況下實際收取之利率與在不獲提供擔保之情況下放款人將會收取之估計利率作比較(如該等資料能可靠地估計)。當就發行有關擔保已收或應收代價時,代價乃根據本集團適用於該資產類別之政策確認。倘並無有關代價屬已收或應收,則於初步確認任何遞延收入時於損益確認即時開支。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

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NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

r) 出具財務擔保、撥備及或然負債(續)

(i) 出具財務擔保(續)

初步確認為遞延收入之擔保額會於擔保期內在損益攤銷，作為出具財務擔保之收入。此外，倘(i)擔保持有人有可能省視擔保下之本集團；及(ii)本集團之申索款額預期超過現時列於該擔保之應付賬款及其他應付款項(即初步確認之金額，減累計攤銷)，則撥備根據附註2(r)(ii)確認。

(ii) 其他撥備及或然負債

倘若本集團或本公司須就已發生之事件承擔法律或推定責任，而履行該責任預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會就不確定之時間或數額之其他負債計提準備。如金錢的時間價值重大，則按預計履行責任所需開支之現值計提撥備。

倘若含有經濟效益之資源外流之可能性很低，或是無法對有關款額作出可靠之估計，便會將該責任披露為或有負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或有負債；但假如這類資源外流之可能性極低則除外。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Financial guarantees issued, provisions and contingent liabilities (Continued)

(i) Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(r)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee (i.e. the amount initially recognised less accumulated amortisation).

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策 (續)

s) 收入確認

收入按已收或應收代價之公平值計量。收入乃於經濟效益可能會流入本集團，以及能夠可靠地計算收入及成本(如適用)時，根據下列方法於損益內確認：

i) 銷售貨品

收入乃當本集團已向客戶轉讓貨品之重大風險及所有權回報時確認。收入不包括增值及其他銷售稅，並經扣減任何貨品退貨及貿易折扣。

ii) 利息收入

利息收入乃採用實際利率法於應計時確認。

iii) 股息收入

非上市投資的股息收入在股東收取款項的權利確立時確認。

上市投資的股息收入則在該投資的股價除息時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i) Sale of goods

Revenue is recognised when the Group has transferred the risks and rewards of ownership of the goods to its customers. Revenue excludes value-added and other sales taxes and is after deduction of any goods returns and trade discounts.

ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

iii) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

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NOTES TO THE FINANCIAL STATEMENTS

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

2. 主要會計政策(續)

t) 外幣換算

年內外幣換算交易乃按於交易日期通行之匯率換算。以外幣計值之貨幣性資產及負債均按於申報期間結算日通行之匯率換算。匯兌盈虧乃於損益確認。

以歷史成本計量之外幣非貨幣性資產及負債乃按交易日通行之匯率換算。以公平值列賬之外幣非貨幣性資產及負債乃以於釐定公平值日期之匯率換算。

境外業務之業績乃按交易日通行之概約匯率換算為港元。財務狀況表項目(包括因合併二零零五年一月一日或之後購入之境外業務之賬目所產生之商譽)則按申報期間結算日通行之匯率收市價換算為港元。匯兌差額於其他全面收益確認，並於匯兌儲備之權益中獨立累計。因合併二零零五年一月一日之前購入之境外業務之賬目所產生之商譽則按收購境外業務當日之適用匯率換算。

於出售境外業務時，與該境外業務有關之匯兌差額累計款項會於確認出售盈虧時由權益重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策 (續)

u) 貸款成本

與購入、建造或生產需經一段長時期準備方可作預期運用或出售之資產直接有關之貸款成本，乃作為該項資產之部份成本撥充資本。其他貸款成本於產生期間內支銷。

貸款成本乃於資產之開支產生、貸款成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為合格資產之部份成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫時暫停或停止資本化貸款成本。

v) 關連人士

(a) 倘若該名人士屬以下情況，則該人士或該人士之家族之近親乃與本集團有關連：

- i) 對本集團擁有控制權或共同控制權；
- ii) 對本集團擁有重大影響力；
或
- iii) 為本集團或本集團之母公司之主要管理人員之成員。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- i) has control or joint control over the Group;
- ii) has significant influence over the Group; or
- iii) is a member of the key management personnel of the Group or the Group's parent.

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策(續)

v) 關連人士(續)

(b) 倘若以下任何條件適用，則該實體乃與本集團有關連：

- i) 該實體與本集團均為相同集團之成員(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
- iii) 兩間實體均為同一第三方之合營企業。
- iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
- vi) 實體受附註2(v)(a)所識別人士所控制或共同控制。
- vii) 附註2(v)(a)(i)所識別人士對實體擁有重大影響力或屬該實體(或該實體之母公司)之主要管理人員成員。

該名人士之近親家庭成員為於與該實體進行交易時可能預期影響該名人士或可能被該名人士影響之該等家族成員。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- vi) The entity is controlled or jointly controlled by a person identified in note 2(v)(a).
- vii) A person identified in note 2(v)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

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NOTES TO THE FINANCIAL STATEMENTS

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2. 主要會計政策 (續)

w) 分部報告

綜合財務報表所呈報之經營分部及各分部項目之款項乃於為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本集團首席營運決策人提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部份此等準則，則該等經營分部可能合併處理。

3. 會計政策之變動

香港會計師公會已頒佈若干全新及經修訂之香港財務報告準則，該修訂首次於本集團及本公司之本期會計期間生效。其中與本集團之財務報表有關的新準則及修訂如下：

香港會計準則第1號之修訂	財務報表呈報—呈列 其他全面收入項目
香港財務報告準則第7號之修訂	披露—抵銷金融資產和 金融負債
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第11號	合營安排
香港財務報告準則第12號	於其他實體之權益披露
香港財務報告準則第13號	公平值計量
經修訂香港會計準則第19號	僱員福利
香港財務報告準則二零零九年至二零一一年週期之年度改進	

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

w) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

Amendments to HKAS 1	Presentation of financial statements – Presentation of items of other comprehensive income
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
Revised HKAS 19	Employee benefits
Annual improvements to HKFRSs 2009 – 2011 Cycle	

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3. 會計政策之變動(續)

本集團並無應用於本會計期間尚未生效之新訂及經修訂準則或詮釋。除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則並無對本集團於本年度及過往年度之財務表現及狀況，以及本集團財務報表所載之披露造成重大影響。

香港會計準則第1號之修訂，財務報表呈報 – 呈列其他全面收入項目

該等修訂規定實體將呈列於其他全面收益之項目分為該等在滿足若干條件下日後可重新分類至損益之項目，及該等永遠不會重新分類至損益之項目。本集團已對於本財務報表之綜合損益及其他全面收益表中其他全面收益之呈列作出相應變更。

此外，本集團已選擇採用該等財務報表修訂所引進之新標題「損益表」及「損益及其他全面收益表」。

3. CHANGES IN ACCOUNTING POLICIES (Continued)

The Group has not applied any new and revised standard or interpretation that is not yet effective for the current accounting period. Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years, and on the disclosures set out in the Group's financial statements.

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly.

In addition, the Group has chosen to use the new titles of "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

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3. 會計政策之變動(續)**香港財務報告準則第10號，綜合財務報表**

香港財務報告準則第10號取代有關編製綜合財務報表之香港會計準則第27號綜合及獨立財務報表以及香港(常設詮釋委員會)詮釋第12號合併—特殊目的實體之規定。香港財務報告準則第10號引入單一控制權模式，以釐定被投資公司應否予以綜合處理，主要視乎有關實體是否有權控制被投資公司、能否參與被投資方業務之可變回報承擔風險或享有權利，以及能否運用其權力以影響該等回報金額。

由於採納香港財務報告準則第10號，本集團已就有關釐定是否對被投資公司擁有控制權變更其會計政策。採納是項準則不會改變本集團就截至二零一三年一月一日為止參與其他實體業務所達致之任何有關控制權方面之結論。

香港財務報告準則第11號，合營安排

香港財務報告準則第11號取代香港會計準則第31號於合營企業之權益，將合營安排分為共同經營及合營企業。實體須審視根據共同安排所定權責之結構、法律形式、合約條款以及其他事實及情況，從而確定安排之種類。共同安排若被歸類為香港財務報告準則第11號項下之合營經營，則逐項確認，惟以共同經營者於共同經營之權益為限。所有其他合營安排會被歸類為香港財務報告準則第11號項下之合營企業，須於本集團綜合財務報表內按權益法入賬。會計政策中不再有比例綜合選擇權。

3. CHANGES IN ACCOUNTING POLICIES (Continued)**HKFRS 10, Consolidated financial statements**

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and separate financial statements relating to the preparation of consolidated financial statements and HK-SIC 12 Consolidation – Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 11, Joint arrangements

HKFRS 11, which replaces HKAS 31, Interests in joint ventures, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

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3. 會計政策之變動(續)

香港財務報告準則第11號，合營安排(續)

由於採納香港財務報告準則第11號，本集團已就其於共同安排權益及重估其於共同安排之參與變更其會計政策。本集團已將投資由共同控制實體重新分類為合營企業。投資繼續採用權益法入賬，故此，重新分類對本集團之財務狀況及財務業績概無任何重大影響。

香港財務報告準則第12號，於其他實體之權益披露

香港財務報告準則第12號將實體於附屬公司、共同安排、聯營公司及非綜合計算結構實體之權益之所有相關披露規定綜合為一項單一準則。香港財務報告準則第12號規定之披露範圍普遍較各項準則過往所規定者更為廣泛。本集團已因應準則之要求，在附註20及21作出相應披露。

香港財務報告準則第13號，公平值計量

香港財務報告準則第13號以單一公平值計量指引取代目前個別香港財務報告準則之有關指引。香港財務報告準則第13號亦就金融工具及非金融工具之公平值計量載有廣泛之披露規定。本集團已因應準則之要求，在附註17及36作出相應披露。

3. CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 11, Joint arrangements (Continued)

As a result of the adoption of HKFRS 11, the Group has changed its accounting policies with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified its investments from jointly controlled entities to joint ventures. The investments continue to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in notes 20 and 21.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in notes 17 and 36.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

4. 關鍵會計判斷及估計不確定之主要來源

a) 估計不確定性之主要來源

於應用附註2所述之本集團會計政策之過程中，管理層已作出若干主要假設，該等假設涉及未來及於申報期間結算日估計不確定性之其他主要來源，該等假設可能存在導致資產及負債之賬面值於下個財政年度作出重大調整之重大風險，有關詳情討論如下。

i) 物業、廠房及設備以及經營租約下預付土地租金之可使用年期及剩餘價值

管理層根據附註2(g)及附註2(i)分別所載之會計政策釐定本集團物業、廠房及設備以及經營租約下預付土地租金之估計可使用年期及剩餘價值。本集團將修訂折舊支出及攤銷開支（如可使用年期及剩餘價值與先前估計不同），或撇銷或撇減已被棄用或出售之在技術上過時或屬非策略性之資產。

ii) 物業、廠房及設備（持作自用樓宇除外）減值之估算

倘有跡象顯示物業、廠房及設備項目（持作自用樓宇除外）之賬面值不能收回，則資產可能視為「已減值」，並按附註2(j)(ii)所述有關物業、廠房及設備減值之會計政策於損益確認減值虧損。資產賬面值會定期進行檢討以評估可收回金額有否降至低於賬面值。倘有事件或情況轉變顯示資產入賬之賬面值可能無法收回，即會對有關資產進行減值測試。若出現有關減值情況，則會將賬面值減至可收回金額。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

i) Useful lives and residual values of property, plant and equipment and prepaid lease payments on land under operating leases

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment and prepaid lease payments on land under operating leases in accordance with the accounting policy stated in note 2(g) and note 2(i) respectively. The Group will revise the depreciation charge and the amortisation expense where useful lives and residual values are different from previous estimates, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

ii) Estimation of impairment of property, plant and equipment except for buildings held for own use

If circumstances indicate that the carrying value of an item of the property, plant and equipment except for buildings held for own use may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in profit or loss in accordance with the accounting policy for impairment of property, plant and equipment as described in note 2(j)(ii). The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

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NOTES TO THE FINANCIAL STATEMENTS

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

4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

ii) 物業、廠房及設備 (持作自用樓宇除外) 減值之估算 (續)

可收回金額乃公平值減銷售成本與使用價值之較高者。釐定使用價值時，會將資產產生之預期未來現金流量折現至其現值，此需要對收益水平及經營成本金額作出重大判斷。本集團利用所有可得資料 (包括基於合理及有力假設之估計以及對收益水平及經營成本金額之預測)，釐定可收回金額之合理近似金額。該等估計之變動可能對資產賬面值產生重大影響，並可能導致於未來期間之額外減值支出或撥回減值。於二零一三年十二月三十一日，物業、廠房及設備 (持作自用樓宇除外) 之賬面值約314,857,000港元 (二零一二年：216,557,000港元)。

iii) 持作自用樓宇公平值之估算

如附註17(c)(i)所述，持作自用樓宇乃於二零一三年及二零一二年十二月三十一日由獨立合資格專業估值師採用重置成本折舊法予以重估。該估值乃基於若干涉及不確定因素之假設，並可能與實際結果有重大差異。於作出判斷時，本集團會考慮有關樓宇的重置成本折舊費之款額等信息，並會對於申報期間結算日存在之實際損耗及一切相關形式之陳舊及優化而作出扣減。於二零一三年十二月三十一日，持作自用樓宇之賬面值約175,924,000港元 (二零一二年：188,854,000港元)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

ii) *Estimation of impairment of property, plant and equipment except for buildings held for own use (Continued)*

The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operation costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods. As at 31 December 2013, the carrying amount of property, plant and equipment except for buildings held for own use is approximately HK\$314,857,000 (2012: HK\$216,557,000).

iii) *Estimation of fair value of buildings held for own use*

As described in note 17(c)(i), the buildings held for own use were revalued as at 31 December 2013 and 2012 using the depreciated replacement cost approach by independent qualified professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainties and might materially differ from the actual results. In making the judgement, the Group considers information such as the amounts of the depreciated replacement cost of the buildings and deductions to account for physical deterioration and all relevant forms of obsolescence and optimisation existing at the end of the reporting period. As at 31 December 2013, the carrying amount of buildings held for own use is approximately HK\$175,924,000 (2012: HK\$188,854,000).

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

4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

iv) 無形資產及經營租約下預付土地租金減值之估算

本集團根據附註2(j)所載之會計政策，每年對無形資產及經營租約下預付土地租金是否出現減值進行評估。賺取現金單位之可收回金額乃根據使用價值計算而釐定。該等計算需要使用管理層對業務之未來營運作出之估計及假設、稅前折現率以及其他有關使用價值計算之假設。於二零一三年十二月三十一日，經營租約下預付土地租金之賬面值約為188,431,000港元(二零一二年：187,157,000港元)。於截至二零一三年十二月三十一日止年度期間，無形資產之減值虧損約31,848,000港元(二零一二年：31,626,000港元)經已確認，詳情於附註19披露。

v) 無形資產之攤銷

無形資產乃根據附註2(h)所載會計政策按其估計可使用年期以直線基準予以攤銷。可使用年期之釐定涉及管理層作出之估計。本集團重估無形資產之可使用年期，而如預期與原有估計不同，則有關差異可能影響本年度之攤銷，而估計將於未來期間作出調整。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

iv) *Estimation of impairment of intangible asset and prepaid lease payments on land under operating leases*

The Group performs annual assessments on whether there has been impairment of intangible asset and prepaid lease payments on land under operating leases in accordance with the accounting policy stated in note 2(j). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations. As at 31 December 2013, the carrying amount of prepaid lease payments on land under operating leases is approximately HK\$188,431,000 (2012: HK\$187,157,000). During the year ended 31 December 2013, impairment loss on intangible asset of approximately HK\$31,848,000 (2012: HK\$31,626,000) was recognised and the details of which are disclosed in note 19.

v) *Amortisation of intangible asset*

Intangible asset is amortised on a straight-line basis over its estimated useful life in accordance with the accounting policy stated in note 2(h). The determination of the useful life involves management's estimation. The Group re-assesses the useful life of the intangible asset and, if the expectation differs from the original estimate, such a difference may impact the amortisation for the year and the estimate will be changed in the future period.

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4. 關鍵會計判斷及估計不確定之主要來源 (續)

a) 估計不確定性之主要來源 (續)

vi) 應收款項減值之估算

應收款項減值確認政策乃根據對應收賬款收回可能性之評估、賬齡分析及管理層判斷制定實行。在評估該等應收款項最終能否變現時，需要作出大量判斷，包括每名債務人之現時信譽及過往收款紀錄。倘該等債務人之財務狀況轉差，將會影響其還款能力，因而可能需要作出額外減值虧損。於二零一三年十二月三十一日，應收賬款及其他應收款之賬面值約為510,922,000港元(二零一二年：478,577,000港元)。應收款項減值之詳情已於附註25(c)作出披露。

vii) 存貨之可變現淨值

存貨乃按成本與可變現淨值之較低者列賬。可變現淨值乃根據日常業務過程中之估計售價，減估計完成成本及進行銷售所需之估計成本釐定。該等估計是根據目前市況及製造和銷售同類產品之過往經驗而作出。本公司董事主要根據最近期之發票價格及現時市況估計存貨之可變現淨值。於二零一三年十二月三十一日，本公司董事按逐項產品基準對存貨進行檢討，並撇除為數約143,920,000港元(二零一二年：457,640,000港元)之存貨及撥回存貨撇除約21,465,000港元(二零一二年：87,439,000港元)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

a) Key sources of estimation uncertainty (Continued)

vi) Estimation of impairment of receivables

The policy for recognition of impairment on receivables is based on the evaluation of collectibility, ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in impairment of their ability to make payments, additional impairment loss may be required. As at 31 December 2013, the carrying amount of trade and other receivables is approximately HK\$510,922,000 (2012: HK\$478,577,000). Details of the impairment of receivables are disclosed in note 25(c).

vii) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of similar nature. The directors of the Company estimate the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. As at 31 December 2013, the directors of the Company performed a review on a product-by-product basis and made a write down of its inventories of approximately HK\$143,920,000 (2012: HK\$457,640,000) and a reversal of write down of inventories of approximately HK\$21,465,000 (2012: HK\$87,439,000).

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

4. 關鍵會計判斷及估計不確定之主要來源 (續)

b) 在應用本集團會計政策時所作之重大會計判斷

在釐定若干資產及負債之賬面值時，本集團就不確定的未來事件對各申報期間結算日資產及負債之影響作出假設。有關估計涉及對現金流量及所用折現率之假設。本集團根據過往經驗及對未來事件之預計作出估計及假設，並定期檢討。除對未來事件之假設及估計外，本集團在應用會計政策時亦作出判斷。

i) 所得稅及遞延稅項

本集團在香港須繳付所得稅，而在中國須繳付不同稅項。於釐定稅項撥備時須作出重大判斷。於一般業務過程中存有頗多交易及計算，使得最終稅務釐定存在不確定性。本集團根據對是否須繳納額外稅項之估計就預期稅務事宜確認負債。倘上述事宜之最終稅務結果與最初記錄之金額有所不同，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of each reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

i) Income taxes and deferred taxation

The Group is subject to income tax in Hong Kong and various taxes in the PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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4. 關鍵會計判斷及估計不確定之主要來源 (續)

b) 在應用本集團會計政策時所作之重大會計判斷 (續)

i) 所得稅及遞延稅項 (續)

有關若干暫時差異之遞延稅項資產，乃於管理層認為日後可能有可動用應課稅溢利抵銷暫時差異或稅項虧損之情況下予以確認。倘該項預期有別於原來估計，該等差額將影響更改有關改變估計期間所確認之遞延稅項資產及稅項支出。就此而言，本集團已於二零一三年十二月三十一日確認遞延稅項資產約4,749,000港元(二零一二年：6,321,000港元)。

ii) 分派股息所產生之預扣稅

本集團乃根據派付股息的時間判斷釐定是否應計若干附屬公司分派的股息產生的預扣稅(根據相關稅務法例及規例徵收)。本集團認為，倘該等附屬公司於可預見未來將不會分派溢利，則毋須就有關預扣稅提供撥備。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

b) Critical accounting judgements in applying the Group's accounting policies (Continued)

i) *Income taxes and deferred taxation (Continued)*

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax charge in the periods in which such estimate is changed. In this regard, the Group has recognised deferred tax assets of approximately HK\$4,749,000 (2012: HK\$6,321,000) as at 31 December 2013.

ii) *Withholding tax arising from the distribution of dividends*

The Group's determination as to whether to accrue for withholding tax arising from the distribution of dividends from certain subsidiaries according to the relevant tax law and regulations is subject to judgement on the timing of the payment of dividends. The Group considers that if the profits of these subsidiaries will not be distributed in the foreseeable future, then no withholding tax should be provided.

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5. 營業額

營業額指供應予客戶之貨品銷售價值(不包括增值稅及其他銷售稅項)，並扣除任何退貨及貿易折扣。本年度於營業額中確認之收益之各主要類別金額如下：

5. TURNOVER

Turnover represents the sales value of goods supplied to customers which excludes value-added and other sales taxes, and is after deduction of any goods returns and trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
稀土產品 (包括熒光產品)銷售	Sales of rare earth products (including fluorescent products)	1,090,092	1,626,524
耐火產品 (包括高溫陶瓷產品 及鎂砂)銷售	Sales of refractory products (including high temperature ceramics products and magnesium grains)	398,190	475,394
		1,488,282	2,101,918

6. 其他收益

6. OTHER REVENUE

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
銀行存款利息收入	Interest income from bank deposits	11,309	9,882

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7. 除稅前虧損

除稅前虧損已扣除／(計入)下列各項：

7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
a) 財務成本	a) Finance costs		
須於五年內悉數償還 之銀行貸款利息支出	Interest expenses on bank borrowings wholly repayable within five years	-	2,821
b) 員工成本# (包括附註9 所載之董事酬金)	b) Staff costs # (including directors' emoluments in note 9)		
薪金及工資	Salaries and wages	58,541	56,358
退休福利計劃供款 (附註11)	Retirement benefits scheme contributions (note 11)	4,798	4,329
		63,339	60,687
c) 其他項目	c) Other items		
核數師酬金	Auditor's remuneration	3,475	3,475
存貨成本(附註24(b))#	Cost of inventories (note 24(b)) #	1,705,842	2,544,843
物業、廠房及設備之折舊#	Depreciation of property, plant and equipment #	69,188	73,171
經營租約下預付土地 租金攤銷#	Amortisation of prepaid lease payments on land under operating leases #	4,512	4,873
無形資產攤銷#	Amortisation of intangible asset #	12,792	12,598
應收賬款之減值虧損	Impairment loss on trade receivables	7,397	18,333
其他應收款之減值虧損	Impairment loss on other receivables	149	1,206
應收賬款之減值虧損撥回	Reversal of impairment loss on trade receivables	(7,115)	(7,575)
其他應收款之減值虧損撥回	Reversal of impairment loss on other receivables	(850)	(69)
出售物業、廠房及設備 之虧損淨值	Net loss on disposals of property, plant and equipment	534	3,621
匯兌虧損淨值	Net exchange loss	15,776	531
租賃物業經營租賃支出#	Operating lease charges on rented premises #	2,458	2,360
商譽之減值虧損*	Impairment loss on goodwill *	-	21,773
無形資產之減值虧損*	Impairment loss on intangible asset *	31,848	31,626

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7. 除稅前虧損(續)

* 截至二零一三年十二月三十一日止年度期間，存貨成本包括有關員工成本、折舊及攤銷開支以及經營租約費用約128,574,000港元(二零一二年：133,125,000港元)，有關款項亦已就各類別開支計入上文獨立披露之總額內。

* 該等項目於綜合損益表計入其他虧損淨額內。

7. LOSS BEFORE TAXATION (Continued)

* During the year ended 31 December 2013, cost of inventories included approximately HK\$128,574,000 (2012: HK\$133,125,000) relating to staff costs, depreciation and amortisation expenses, and operating lease charges, which amounts were also included in the respective total amounts disclosed separately above for each of these types of expenses.

* These items are included in other net loss in the consolidated statement of profit or loss.

8. 綜合損益表內之所得稅

a) 綜合損益表內之所得稅指：

8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

a) Income tax in the consolidated statement of profit or loss represents:

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
本期稅項—中國企業所得稅	Current tax – PRC Enterprise Income Tax		
年度撥備(附註31(a))	Provision for the year (note 31(a))	(7,068)	(12,261)
去年撥備不足 (附註31(a))	Under-provision in prior year (note 31(a))	(347)	–
		(7,415)	(12,261)
本期稅項—香港利得稅	Current tax – Hong Kong Profits Tax		
年度撥備(附註31(a))	Provision for the year (note 31(a))	–	(2,414)
		(7,415)	(14,675)
遞延稅項	Deferred taxation		
暫時性差異之產生及 撥回(附註31(b))	Origination and reversal of temporary differences (note 31(b))	18,164	2,314
所得稅抵免/(支出)	Income tax credit/(charge)	10,749	(12,361)

本公司及其附屬公司分別於開曼群島及英屬處女群島註冊成立，根據彼等各自註冊成立國家之規則及規例，毋須繳付任何所得稅。

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

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8. 綜合損益表內之所得稅(續)

a) (續)

由於本集團於截至二零一三年十二月三十一日止年度期間並無產生估計應課稅溢利，因此並無就香港利得稅作出撥備。

截至二零一二年十二月三十一日年度期間，香港利得稅乃根據於香港產生之估計應課稅溢利按16.5%計算。

截至二零一三年及二零一二年十二月三十一日止年度期間，中國企業所得稅乃根據本公司於中國成立之附屬公司之估計應課稅溢利按法定所得稅率25%計算。

根據中國之有關稅務法例及規例，下列於中國成立之附屬公司可享有若干稅務豁免。

- (i) 宜興威爾發非金屬材料有限公司及海城新威利成鎂資源有限公司有權自二零零八年一月一日起計兩年獲豁免中國企業所得稅，隨後三年獲50%稅項減免。截至二零一三年十二月三十一日止年度，該等附屬公司現時須按法定所得稅率25%繳納稅項。
- (ii) 宜興新威利成稀土有限公司(「利成稀土」)於二零一一年十二月二十二日起成為外商投資之「高新技術企業」，並可享有優惠所得稅率15%。

8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

a) (Continued)

No provision for Hong Kong Profits Tax is provided for as the Group did not have estimated assessable profits arising in Hong Kong during the year ended 31 December 2013.

Hong Kong Profits Tax was calculated at 16.5% on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2012.

PRC Enterprise Income Tax is calculated at the statutory income tax rate of 25% on the estimated assessable profits of the Company's subsidiaries established in the PRC during the years ended 31 December 2013 and 2012.

Pursuant to the relevant tax laws and regulations in the PRC, the following subsidiaries established in the PRC are entitled to certain tax exemptions.

- (i) Yixing Wellfire Nonmetal Materials Co., Ltd. and Hai Cheng Xinwei Leeshing Magnesium Resources Co., Ltd. were entitled to the exemptions from PRC Enterprise Income Tax for two years starting from 1 January 2008, followed by a 50% tax relief for the next three years. These subsidiaries are currently subject to the statutory income tax rate of 25% during the year ended 31 December 2013.
- (ii) Yixing Xinwei Leeshing Rare Earth Company Limited ("Leeshing Rare Earth") became a foreign invested "encouraged hi-tech enterprise" with effective from 22 December 2011 and is entitled to a preferential income tax rate of 15%.

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8. 綜合損益表內之所得稅(續)

a) (續)

- (iii) 宜興新威利成耐火材料有限公司於二零一二年八月二十日起成為外商投資之「高新技術企業」，並可享有優惠所得稅率15%。

b) 所得稅抵免／(支出)與會計虧損之間按適用稅率計算之對賬如下：

8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

a) (Continued)

- (iii) Yixing Xinwei Leeshing Refractory Materials Company Limited became a foreign invested "encouraged hi-tech enterprise" with effective from 20 August 2012 and is entitled to a preferential income tax rate of 15%.

b) Reconciliation between income tax credit/(charge) and accounting loss at applicable tax rates is as follows:

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
除稅前虧損	Loss before taxation	(380,455)	(687,158)
除稅前虧損 按各稅務司法權區 適用法定稅率計算之 名義稅項	Notional tax on loss before taxation, calculated at the statutory tax rates applicable to the respective tax jurisdictions concerned	91,972	164,477
不可抵扣支出之稅務影響	Tax effect of non-deductible expenses	(2,511)	(54,183)
合營企業虧損分攤之稅務影響	Tax effect of share of losses of joint ventures	(2,050)	(6,457)
毋須課稅收入之稅務影響	Tax effect of non-taxable income	14,212	658
未確認稅務虧損之稅務影響	Tax effect of tax losses not recognised	(93,191)	(119,537)
動用先前未確認稅務虧損之 稅務影響	Tax effect of utilisation of tax losses previously not recognised	2,093	—
去年撥備不足	Under-provision in prior year	(347)	—
中國附屬公司獲授稅務豁免 之稅務影響	Tax effect of tax exemptions granted to PRC subsidiaries	571	2,681
所得稅抵免／(支出)	Income tax credit/(charge)	10,749	(12,361)

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9. 董事酬金

- a) 根據香港公司條例第161條披露的董事酬金如下：

9. DIRECTORS' REMUNERATION

- a) Directors' remuneration disclosed pursuant to section 161 of Hong Kong Companies Ordinance are as follows:

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
執行董事	Executive directors		
– 薪金、津貼及實物福利	– Salaries, allowances and benefits-in-kind	2,679	2,677
獨立非執行董事	Independent non-executive directors		
– 董事袍金	– Directors' fees	192	200
		2,871	2,877

- b) 截至二零一三年及二零一二年十二月三十一日止年度，個別董事之董事酬金詳情如下：

- b) Details of directors' remuneration by individual director for the years ended 31 December 2013 and 2012 are as follows:

		二零一三年 2013		
		董事袍金	薪金、津貼 及實物福利 Salaries, allowances and benefits-in-kind	酬金總額 Total emoluments
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
執行董事	Executive directors			
蔣泉龍先生	Mr. Jiang Quanlong	–	1,430	1,430
錢元英女士(附註(i))	Ms. Qian Yuanying (note (i))	–	1,099	1,099
蔣才南先生	Mr. Jiang Cainan	–	150	150
獨立非執行董事	Independent non-executive directors			
王國珍先生(附註(iii))	Mr. Wang Guozhen (note (iii))	75	–	75
黃春華先生	Mr. Huang Chunhua	72	–	72
金重先生	Mr. Jin Zhong	45	–	45
		192	2,679	2,871

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9. 董事酬金 (續)

b) (續)

9. DIRECTORS' REMUNERATION (Continued)

b) (Continued)

		二零一二年 2012		
		薪金、津貼 及實物福利	酬金總額	
		Salaries, allowances and benefits-in-kind	Total emoluments	
		千港元	千港元	
		HK\$'000	HK\$'000	
執行董事	Executive directors			
蔣泉龍先生	Mr. Jiang Quanlong	–	1,430	1,430
錢元英女士(附註(i))	Ms. Qian Yuanying (note (i))	–	1,099	1,099
蔣才南先生	Mr. Jiang Cainan	–	148	148
獨立非執行董事	Independent non-executive directors			
劉余九先生(附註(ii))	Mr. Liu Yujiu (note (ii))	53	–	53
王國珍先生(附註(iii))	Mr. Wang Guozhen (note (iii))	31	–	31
黃春華先生	Mr. Huang Chunhua	72	–	72
金重先生	Mr. Jin Zhong	44	–	44
		200	2,677	2,877

附註：

- (i) 錢元英女士為本公司主要行政人員。
- (ii) 劉余九先生已辭任獨立非執行董事職務，由二零一二年八月一日起生效。
- (iii) 王國珍先生已獲委任為獨立非執行董事，由二零一二年八月一日起生效。

Note:

- (i) Ms. Qian Yuanying is the chief executive of the Company.
- (ii) Mr. Liu Yujiu resigned as an independent non-executive director with effect from 1 August 2012.
- (iii) Mr. Wang Guozhen was appointed as an independent non-executive director with effect from 1 August 2012.

截至二零一三年及二零一二年十二月三十一日止年度內，概無董事向本集團收取任何酬金，作為鼓勵加入本集團或加入本集團時之獎勵或離職補償，於該兩個年度，概無董事放棄或同意放棄任何酬金。

During the years ended 31 December 2013 and 2012, no director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived or agreed to waive any emoluments during both years.

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10. 最高薪人士

截至二零一三年十二月三十一日止年度，本集團五名最高薪人士中，其中兩名(二零一二年：三名)為本公司董事，其酬金於附註9披露。其餘三名(二零一二年：兩名)最高薪人士之酬金總額如下：

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
薪金、津貼及實物福利	Salaries, allowances and benefits-in-kind	1,852	1,105
退休福利計劃供款	Retirement benefits scheme contributions	57	55
		1,909	1,160

其餘三名(二零一二年：兩名)最高薪人士之酬金介乎於下列範圍：

		二零一三年 2013 人數 Number of individuals	二零一二年 2012 人數 Number of individuals
零 – 1,000,000港元	Nil – HK\$1,000,000	3	2

截至二零一三年及二零一二年十二月三十一日止年度，本集團並無向五位最高薪人士支付或應付任何酬金，作為鼓勵其加入或於加入本集團時的報酬或離職賠償。

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the year ended 31 December 2013, out of the five highest paid individuals in the Group, two (2012: three) are directors of the Company whose emoluments are disclosed in note 9. The aggregate emoluments in respect of the remaining three (2012: two) highest paid individuals are as follows:

The emoluments of the remaining three (2012: two) highest paid individuals are within the following band:

No emoluments were paid or payable by the Group to the five highest individuals as inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2013 and 2012.

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11. 僱員退休福利

如中國有關規則及條例的規定，本公司於中國成立之附屬公司須為其全體僱員向國家資助退休計劃（一項界定供款退休金計劃）供款，供款額為僱員基本薪金的15%–20%。僱員退休後的生活津貼由國家資助退休計劃負責支付。該等附屬公司除每年供款外，毋須支付實際退休金，亦毋須負責僱員的退休後福利。截至二零一三年十二月三十一日止年度，退休計劃供款額約為4,741,000港元（二零一二年：4,271,000港元）。該計劃供款即時歸屬。

本集團自二零零零年十二月一日起已參與強制性公積金計劃（「強積金計劃」）。該計劃為界定供款退休金計劃。本集團每月按僱員基本薪金5%向該計劃供款。截至二零一三年十二月三十一日止年度，本集團向強積金計劃供款約57,000港元（二零一二年：58,000港元）。強積金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。該計劃供款按時歸屬。

11. EMPLOYEE RETIREMENT BENEFITS

As stipulated by the relevant rules and regulations in the PRC, the Company's subsidiaries established in the PRC are required to contribute to a state-sponsored retirement plan, which is a defined contribution pension scheme, for all of their employees based on 15% to 20% of the employee's basic salary. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees and these subsidiaries have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. For the year ended 31 December 2013, the retirement plan contributions amounted to approximately HK\$4,741,000 (2012: HK\$4,271,000). Contributions to the plan vest immediately.

The Group has participated in Mandatory Provident Fund Scheme ("MPF Scheme"), which is a defined contribution pension scheme, since 1 December 2000. The Group makes monthly contributions to the scheme based on 5% of the employees' basic salaries. For the year ended 31 December 2013, the Group's contributions to the MPF Scheme were approximately HK\$57,000 (2012: HK\$58,000). The assets of the fund are held separately from the Group and are managed by independent professional fund managers. Contributions to the scheme vest progressively.

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12. 本公司擁有人應佔虧損

本公司擁有人應佔綜合虧損包括已於本公司財務報表內處理的虧損約13,431,000港元(二零一二年: 12,495,000港元)。

上述金額與本公司本年度虧損之對賬如下:

12. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company includes a loss of approximately HK\$13,431,000 (2012: HK\$12,495,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's loss for the year:

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
於本公司財務報表處理之 本公司擁有人應佔 綜合虧損款項	Amount of consolidated loss attributable to owners of the Company dealt with in the Company's financial statements	(13,431)	(12,495)
因過往財政年度溢利而 於年內批准及派付之 附屬公司末期股息	Final dividends from subsidiaries attributable to the profits of the previous financial years, approved and paid during the year	–	134,760
本公司本年度(虧損)/溢利	(Loss)/profit for the year of the Company	(13,431)	122,265

13. 股息

本公司董事不建議派付截至二零一三年十二月三十一日止年度之股息(二零一二年: 無)。

於截至二零一二年十二月三十一日止年度, 已批准並派發截至二零一一年十二月三十一日止年度末期股息每股2港仙, 合共約33,453,000港元。

13. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2013 (2012: Nil).

Final dividend of HK 2 cents per share for the year ended 31 December 2011 amounting to approximately HK\$33,453,000 was approved and paid during the year ended 31 December 2012.

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

14. 每股虧損**每股基本虧損**

每股基本虧損乃根據本公司擁有人應佔虧損約354,650,000港元(二零一二年: 679,702,000港元)及截至二零一三年十二月三十一日止年度已發行普通股加權平均數1,672,643,000股(二零一二年: 1,672,643,000股)計算。

每股攤薄虧損

由於本公司於截至二零一三年及二零一二年十二月三十一日止年度期間並無尚未行使之潛在普通股份,因此每股攤薄虧損與每股基本虧損相同。

15. 分部報告

本集團按業務性質劃分分部及進行管理。於採納香港財務報告準則第8號「經營分部」及與向被確認為本集團首席營運決策人(「首席營運決策人」)之行政總裁內部呈報用以資源分配及表現評估之資料一致,本集團呈列了兩個呈報分部如下:

稀土: 製造及銷售稀土產品(包括熒光產品)

耐火: 製造及銷售耐火產品(包括高溫陶瓷產品及鎂砂)

14. LOSS PER SHARE**Basic loss per share**

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$354,650,000 (2012: HK\$679,702,000) and the weighted average number of 1,672,643,000 (2012: 1,672,643,000) ordinary shares in issue during the year ended 31 December 2013.

Diluted loss per share

Diluted loss per share equals to the basic loss per share as the Company has no potential ordinary shares outstanding during the years ended 31 December 2013 and 2012.

15. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. On adoption of HKFRS 8, Operating segments, and in a manner consistent with the way in which information is reported internally to the Chief Executive Officer, who has been identified as the Group's chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment, the Group has presented two reportable segments as follows:

Rare earth: Manufacture and sales of rare earth products (including fluorescent products)

Refractory: Manufacture and sales of refractory products (including high temperature ceramics products and magnesium grains)

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15. 分部報告 (續)

a) 分部業績、資產及負債

本集團之首席營運決策人按照下列基準監察各個呈報分部應佔之業績、資產及負債：

分部資產包括所有有形及無形資產及流動資產，但不包括遞延稅項資產、可退回稅項、未分配現金及現金等值項目以及未分配至個別呈報分部之其他企業資產。分部負債包括個別分部之製造及銷售活動應佔之應付賬款、預提費用及其他應付款，以及由分部直接管理之銀行貸款。

收益及開支乃經參考呈報分部之銷售額及開支或該等分部應佔資產之折舊或攤銷所引致之開支，分配至該等分部。

呈報分部溢利所使用之計量方法為「經調整扣除利息及稅項前溢利」(「經調整EBIT」)。為計算經調整EBIT，本集團之溢利／虧損會就並非特定個別呈報分部應佔之項目作出進一步調整，如利息收入及其他未分配企業開支。

除獲得有關經調整EBIT之分部資料外，首席營運決策人亦獲提供有關收益(包括分部間銷售)、由分部直接管理之現金結餘及借款之利息收入及開支、折舊、攤銷、減值虧損、合營企業業績之分攤及分部於營運中所使用之非流動分部資產添置之分部資料。分部間銷售參考就同類訂單收取外部第三方之價格訂價。

15. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities

The Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets, and current assets with the exception of deferred tax assets, tax recoverable, unallocated cash and cash equivalents, and other corporate assets which are unallocated to an individual reportable segment. Segment liabilities include trade payables, accruals and other payables attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted profit before interest and taxes" ("Adjusted EBIT"). To arrive at the Adjusted EBIT, the Group's profits/losses are further adjusted for items not specifically attributed to an individual reportable segment, such as interest income and other unallocated corporate expenses.

In addition to the receiving of segment information concerning the Adjusted EBIT, the CODM is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation, impairment losses, share of results of joint ventures and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

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NOTES TO THE FINANCIAL STATEMENTS

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

15. 分部報告 (續)

a) 分部業績、資產及負債 (續)

年內，就提供予首席營運決策人用作分配資源及評估分部表現之本集團呈報分部資料載列如下：

15. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the year is as follows:

		稀土		耐火		總計	
		Rare earth		Refractory		Total	
		二零一三年	二零一二年	二零一三年	二零一二年	二零一三年	二零一二年
		2013	2012	2013	2012	2013	2012
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
來自對外客戶之收益	Revenue from external customers	1,090,092	1,626,524	398,190	475,394	1,488,282	2,101,918
分部間收益	Inter-segment revenue	17	82	-	-	17	82
呈報分部收益	Reportable segment revenue	1,090,109	1,626,606	398,190	475,394	1,488,299	2,102,000
呈報分部(虧損)/溢利 (經調整EBIT)	Reportable segment (loss)/profit (Adjusted EBIT)	(372,713)	(646,884)	25,415	22,306	(347,298)	(624,578)
利息收入	Interest income	2,030	3,193	2,927	3,246	4,957	6,439
財務成本	Finance costs	-	(1,499)	-	(1,322)	-	(2,821)
物業、廠房及設備 之折舊	Depreciation of property, plant and equipment	(23,301)	(25,868)	(45,880)	(47,294)	(69,181)	(73,162)
經營租約下預付土地 租金之攤銷	Amortisation of prepaid lease payments on land under operating leases	(1,987)	(2,382)	(2,525)	(2,491)	(4,512)	(4,873)
無形資產之攤銷	Amortisation of intangible asset	(12,792)	(12,598)	-	-	(12,792)	(12,598)
出售物業、廠房及設備 之(虧損)/收益淨值	Net (loss)/gain on disposals of property, plant and equipment	(632)	(4,123)	98	502	(534)	(3,621)
應收賬款之減值虧損	Impairment loss on trade receivables	(2,325)	(1,131)	(5,072)	(17,202)	(7,397)	(18,333)
其他應收款之減值虧損	Impairment loss on other receivables	(18)	(724)	(131)	(482)	(149)	(1,206)
應收賬款之減值虧損 撥回	Reversal of impairment loss on trade receivables	261	4,286	6,854	3,289	7,115	7,575
其他應收款之減值虧損 撥回	Reversal of impairment loss on other receivables	686	27	164	42	850	69
商譽之減值虧損	Impairment loss on goodwill	-	(21,773)	-	-	-	(21,773)
無形資產之減值虧損	Impairment loss on intangible asset	(31,848)	(31,626)	-	-	(31,848)	(31,626)
合營企業虧損之分攤	Share of losses of joint ventures	(6,711)	(15,130)	(1,489)	(10,696)	(8,200)	(25,826)
呈報分部資產 (包括於合業企業 之權益)	Reportable segment assets (including interests in joint ventures)	1,884,812	2,223,834	2,055,252	1,972,260	3,940,064	4,196,094
		47,582	52,705	57,505	57,225	105,087	109,930
添置非流動分部資產： - 物業、廠房及設備	Additions to non-current segment assets: - Property, plant and equipment	140,169	17,175	8,029	10,601	148,198	27,776
呈報分部負債	Reportable segment liabilities	599,463	631,636	174,204	170,187	773,667	801,823

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15. 分部報告 (續)

b) 呈報分部收益、溢利或虧損、資產及負債之對賬

15. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
收益	Revenue		
呈報分部收益	Reportable segment revenue	1,488,299	2,102,000
撇銷分部間收益	Elimination of inter-segment revenue	(17)	(82)
綜合營業額	Consolidated turnover	1,488,282	2,101,918
溢利或虧損	Profit or loss		
呈報分部虧損	Reportable segment loss	(347,298)	(624,578)
撇銷分部間溢利或虧損	Elimination of inter-segment profit or loss	-	-
來自本集團對外客戶 之呈報分部虧損	Reportable segment loss derived from Group's external customers	(347,298)	(624,578)
其他收益	Other revenue	11,309	9,882
財務成本	Finance costs	-	(2,821)
商譽之減值虧損	Impairment loss on goodwill	-	(21,773)
無形資產之減值虧損	Impairment loss on intangible asset	(31,848)	(31,626)
未分配企業開支	Unallocated corporate expenses	(12,618)	(16,242)
綜合除稅前虧損	Consolidated loss before taxation	(380,455)	(687,158)
所得稅抵免/(支出)	Income tax credit/(charge)	10,749	(12,361)
綜合除稅後虧損	Consolidated loss after taxation	(369,706)	(699,519)
資產	Assets		
呈報分部資產	Reportable segment assets	3,940,064	4,196,094
撇銷分部間應收款項	Elimination of inter-segment receivables	(648,051)	(633,053)
未分配現金及現金等值項目	Unallocated cash and cash equivalents	7,484	60,539
未分配企業資產	Unallocated corporate assets	10,573	10,322
遞延稅項資產	Deferred tax assets	4,749	6,321
可收回稅項	Tax recoverable	2,774	943
綜合資產總值	Consolidated total assets	3,317,593	3,641,166
負債	Liabilities		
呈報分部負債	Reportable segment liabilities	773,667	801,823
撇銷分部間應付款項	Elimination of inter-segment payables	(648,051)	(633,053)
未分配企業負債	Unallocated corporate liabilities	125,616	168,770
遞延稅項負債	Deferred tax liabilities	5,243	4,741
應付稅項	Tax payable	6,401	25,812
應付稅項	Tax payable	4,938	5,932
綜合負債總值	Consolidated total liabilities	142,198	205,255

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15. 分部報告(續)

c) 地區資料

(i) 來自對外客戶之收益

下表載列有關本集團來自對外客戶之收益所在地區的資料。客戶所在地區按提供服務或貨品付運地點劃分。

15. SEGMENT REPORTING (Continued)

c) Geographical information

(i) Revenues from external customers

The following table sets out information about the geographical location of the Group's revenues from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
中國(註冊地點)	The PRC (place of domicile)	1,193,186	1,616,145
歐洲	Europe	136,295	163,315
日本	Japan	116,030	254,051
美國	The United States of America	34,338	48,513
其他	Others	8,433	19,894
		295,096	485,773
		1,488,282	2,101,918

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15. 分部報告 (續)

c) 地區資料

(ii) 特定非流動資產

本集團之特定非流動資產，包括物業、廠房及設備、經營租約下預付土地租金、其他非流動資產、無形資產、商譽及合營企業之權益。

該等特定非流動資產之地區位置乃根據(i)資產實際所在地點(就物業、廠房及設備、經營租約下預付土地租金及其他非流動資產而言)；(ii)所分配之營運所在地點(就無形資產及商譽而言)；及(iii)營運所在地點(就合營企業之權益而言)劃分。於二零一三年及二零一二年十二月三十一日，所有該等特定非流動資產均位於中國。

d) 有關主要客戶之資料

本集團之客戶基礎分散及於截至二零一三年十二月三十一日止年度，只有一名稀土分部客戶之銷售額約為180,030,000港元，佔本集團營業額之10%或以上。截至二零一二年十二月三十一日止年度，並無任何客戶之銷售額佔本集團營業額之10%或以上。

15. SEGMENT REPORTING (Continued)

c) Geographical information (Continued)

(ii) Specified non-current assets

The Group's specified non-current assets comprise property, plant and equipment, prepaid lease payments on land under operating leases, other non-current asset, intangible asset, goodwill and interests in joint ventures.

The geographical location of these specified non-current assets is based on (i) the physical location of the assets, in the case of property, plant and equipment, prepaid lease payments on land under operating leases, and other non-current asset, (ii) the location of the operation to which they are allocated, in the case of intangible asset and goodwill, and (iii) the location of operation, in the case of interests in joint ventures. All these specified non-current assets are all located in the PRC as at 31 December 2013 and 2012.

d) Information about major customer

The Group's customer base is diversified and includes only one customer in rare earth segment with whom sales amounted to approximately HK\$180,030,000 for the year ended 31 December 2013 that amounted to 10% or more of the Group's turnover. There was no customer with whom sales amounted to 10% or more of the Group's turnover for the year ended 31 December 2012.

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16. 商譽
本集團16. GOODWILL
The Group

		千港元 HK\$' 000
成本	Cost	
於二零一二年一月一日	At 1 January 2012	239,360
匯兌差異	Exchange differences	(13)
		<hr/>
於二零一二年十二月三十一日及 二零一三年一月一日	At 31 December 2012 and 1 January 2013	239,347
匯兌差異	Exchange differences	3,217
		<hr/>
於二零一三年十二月三十一日	At 31 December 2013	242,564
		<hr/>
累計減值	Accumulated impairment	
於二零一二年一月一日	At 1 January 2012	217,584
已確認減值虧損	Impairment loss recognised	21,773
匯兌差異	Exchange differences	(10)
		<hr/>
於二零一二年十二月三十一日及 二零一三年一月一日	At 31 December 2012 and 1 January 2013	239,347
匯兌差異	Exchange differences	3,217
		<hr/>
於二零一三年十二月三十一日	At 31 December 2013	242,564
		<hr/>
賬面值	Carrying amount	
於二零一三年及二零一二年 十二月三十一日	At 31 December 2013 and 2012	—
		<hr/> <hr/>

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16. 商譽(續)

本集團(續)

收購下列附屬公司之100%股權所產生之商譽指收購成本超過本集團於收購日期所收購可識別資產及負債之公平值權益之款項：

附屬公司名稱 Name of subsidiary	收購日期 Date of acquisition	分部 Segment	主要業務 Principal activities
無錫新威高溫陶瓷有限公司 (「高溫陶瓷」) Wuxi Xinwei High Temperature Ceramics Co., Ltd. ("High Temperature Ceramics")	二零零四年一月二十九日 29 January 2004	耐火分部 Refractory segment	製造及銷售高溫陶瓷產品 Manufacturing and sales of high temperature ceramics products
海城市蘇海鎂礦有限公司(「蘇海鎂礦」) Haicheng City Suhai Magnesium Ore Co., Ltd. ("Suhai Magnesium")	二零零五年十二月二十三日 23 December 2005	耐火分部 Refractory segment	製造及銷售鎂砂產品 Manufacturing and sales of magnesium products
和平縣東冶稀土新材料有限公司(「東冶稀土」) Heping County Dongye Rare Earth Company Limited ("Dongye Rare Earth")	二零零八年十二月二十九日 29 December 2008	稀土分部 Rare Earth segment	製造及銷售稀土金屬產品 Manufacturing and sales of rare earth metal products

收購高溫陶瓷及蘇海鎂礦之100%股權所產生之商譽已於截至二零零八年十二月三十一日止年度全數減值。

截至二零一二年十二月三十一日止年度，收購東冶稀土之100%股權所產生之商譽減值虧損約21,773,000港元已經確認。於二零一二年十二月三十一日，使用價值計算所用之主要假設詳情載於附註19。

16. GOODWILL (Continued)

The Group (Continued)

The goodwill arising from the acquisition of 100% equity interests in the following subsidiaries represented the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities acquired at the date of acquisition:

The goodwill arising from the acquisition of 100% equity interests in High Temperature Ceramics and Suhai Magnesium was fully impaired during the year ended 31 December 2008.

During the year ended 31 December 2012, an impairment loss on goodwill arising from the acquisition of 100% equity interest in Dongye Rare Earth of approximately HK\$21,773,000 was recognised. Details of the key assumptions used for value in use calculations as at 31 December 2012 are set out in note 19.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

17. 物業、廠房及設備

a) 本集團

17. PROPERTY, PLANT AND EQUIPMENT

a) The Group

		持作 自用樓宇 Buildings held for own use 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總值 Total 千港元 HK\$'000
成本或估值	Cost or valuation						
於二零一二年一月一日	At 1 January 2012	204,443	768,582	8,675	12,938	22,369	1,017,007
添置	Additions	-	10,531	333	1,831	15,090	27,785
由在建工程轉入	Transfer from construction-in-progress	8,523	17,833	-	-	(26,356)	-
處置	Disposals	(5,776)	(56,891)	(61)	(436)	-	(63,164)
累計折舊抵銷	Elimination of accumulated depreciation	(18,311)	-	-	-	-	(18,311)
匯兌差異	Exchange differences	(25)	(95)	(1)	(1)	(3)	(125)
於二零一二年十二月三十一日 及二零一三年一月一日	At 31 December 2012 and 1 January 2013	188,854	739,960	8,946	14,332	11,100	963,192
添置	Additions	231	8,269	45	7,830	131,826	148,201
由在建工程轉入	Transfer from construction-in-progress	-	109,284	-	-	(109,284)	-
處置	Disposals	-	(14,278)	-	(8,577)	-	(22,855)
累計折舊抵銷	Elimination of accumulated depreciation	(19,074)	-	-	-	-	(19,074)
匯兌差異	Exchange differences	5,913	24,769	268	437	700	32,087
於二零一三年十二月三十一日	At 31 December 2013	175,924	868,004	9,259	14,022	34,342	1,101,551
包括：	Comprising:						
於二零一三年十二月三十一日	At 31 December 2013						
按成本	At cost	-	868,004	9,259	14,022	34,342	925,627
按估值	At valuation	175,924	-	-	-	-	175,924
		175,924	868,004	9,259	14,022	34,342	1,101,551
於二零一二年十二月三十一日	At 31 December 2012						
按成本	At cost	-	739,960	8,946	14,332	11,100	774,338
按估值	At valuation	188,854	-	-	-	-	188,854
		188,854	739,960	8,946	14,332	11,100	963,192

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NOTES TO THE FINANCIAL STATEMENTS

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

17. 物業、廠房及設備(續)

a) 本集團(續)

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

a) The Group (Continued)

		持作 自用樓宇 Buildings held for own use 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總值 Total 千港元 HK\$'000
累計折舊及減值	Accumulated depreciation and impairment						
於二零一二年一月一日	At 1 January 2012	-	534,799	7,796	4,844	-	547,439
本年度計提	Charge for the year	18,968	51,541	348	2,314	-	73,171
處置撥回	Written back on disposals	(657)	(43,297)	(60)	(436)	-	(44,450)
重估抵銷	Elimination on revaluation	(18,311)	-	-	-	-	(18,311)
匯兌差異	Exchange differences	-	(66)	(1)	(1)	-	(68)
於二零一二年十二月三十一日 及二零一三年一月一日	At 31 December 2012 and 1 January 2013	-	542,977	8,083	6,721	-	557,781
本年度計提	Charge for the year	18,780	47,526	258	2,624	-	69,188
處置撥回	Written back on disposals	-	(14,278)	-	(1,130)	-	(15,408)
重估抵銷	Elimination on revaluation	(19,074)	-	-	-	-	(19,074)
匯兌差異	Exchange differences	294	17,509	246	234	-	18,283
於二零一三年十二月三十一日	At 31 December 2013	-	593,734	8,587	8,449	-	610,770
賬面值	Carrying amount						
於二零一三年十二月三十一日	At 31 December 2013	175,924	274,270	672	5,573	34,342	490,781
於二零一二年十二月三十一日	At 31 December 2012	188,854	196,983	863	7,611	11,100	405,411

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

17. 物業、廠房及設備 (續)

a) 本集團 (續)

- i) 於二零一三年及二零一二年十二月三十一日，持作自用樓宇乃位於中國根據中期租約持有之土地。
- ii) 截至二零一二年十二月三十一日止年度，本公司之附屬公司利成稀土收到丁蜀鎮人民政府（「丁蜀政府」）頒令，就新政府城鎮規劃，需要徵用一幅拋光粉生產廠房所處之租賃土地，並以另一幅土地及若干現金作為賠償。丁蜀政府已委任獨立估值師評估本集團在該土地上的物業、廠房及設備，並釐定賠償金額約值14,406,000港元。因此，處置物業、廠房及設備之虧損約4,122,000港元已於該年度在損益確認。就租賃土地而言，丁蜀政府將賠償另一幅租賃土地予利成稀土。於二零一三年十二月三十一日，丁蜀政府已確定新土地之位置，惟由於尚未確定實際土地面積，因此仍未取得正式土地使用權證（附註18）。

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

a) The Group (Continued)

- i) As at 31 December 2013 and 2012, the buildings held for own use are situated on lands held under medium-term leases in the PRC.
- ii) During the year ended 31 December 2012, Leeshing Rare Earth, the Company's subsidiary, received an order from Dingshu Town People's Government ("Dingshu Government") to confiscate a piece of leasehold land, on which a factory for polishing powder production was located, due to a new government town plan with compensation for another piece of land and certain amount of cash. Dingshu Government had appointed an independent valuer to value the Group's property, plant and equipment located on that land and determined the compensation amount at approximately HK\$14,406,000. As a result, a loss on disposal of property, plant and equipment of approximately HK\$4,122,000 was recognised in profit or loss during that year. Regarding the leasehold land, Dingshu Government is going to compensate another piece of leasehold land to Leeshing Rare Earth. As at 31 December 2013, the location for the new piece of land has been ascertained by Dingshu Government but the formal land use right certificate has not been obtained because the exact land area has not been ascertained (note 18).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

17. 物業、廠房及設備(續)

b) 本公司

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

b) The Company

辦公室設備及裝置

Office
equipment
and fixtures

千港元

HK\$'000

成本	Cost	
於二零一二年一月一日	At 1 January 2012	370
添置	Additions	10
		<hr/>
於二零一二年十二月三十一日 及二零一三年一月一日	At 31 December 2012 and 1 January 2013	380
添置	Additions	2
		<hr/>
於二零一三年十二月三十一日	At 31 December 2013	382
		<hr/>
累計折舊	Accumulated depreciation	
於二零一二年一月一日	At 1 January 2012	352
本年度計提	Charge for the year	9
		<hr/>
於二零一二年十二月三十一日 及二零一三年一月一日	At 31 December 2012 and 1 January 2013	361
本年度計提	Charge for the year	7
		<hr/>
於二零一三年十二月三十一日	At 31 December 2013	368
		<hr/>
賬面值	Carrying amount	
於二零一三年十二月三十一日	At 31 December 2013	14
		<hr/> <hr/>
於二零一二年十二月三十一日	At 31 December 2012	19
		<hr/> <hr/>

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

17. 物業、廠房及設備(續)

c) 本集團物業之公平值計量

i) 公平值級別

下表呈列本集團持作自用樓宇於申報期間結算日按經常性基準計量的公平值，並分類為香港財務報告準則第13號「公平值計量」所界定的三級公平值級別。將公平值計量分類的等級乃經參考以下估值方法所用輸入數據的可觀察性及重要性後釐定：

- 第1級估值：僅使用第1級輸入數據(即於計量日期相同資產或負債於活躍市場的未經調整報價)計量的公平值
- 第2級估值：使用第2級輸入數據(即未能達到第1級的可觀察輸入數據)且並非使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為市場數據欠奉下的輸入數據
- 第3級估值：使用重大不可觀察輸入數據計量的公平值

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

c) Fair value measurement of the Group's properties

i) Fair value hierarchy

The following table presents the fair value of the Group's buildings held for own use measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

二零一三年
2013

	公平值 Fair value 千港元 HK\$'000	公平值計量分類為 Fair value measurement categorised into		
		第一級 Level 1 千港元 HK\$'000	第二級 Level 2 千港元 HK\$'000	第三級 Level 3 千港元 HK\$'000
本集團 經常性公平值計量 持作自用之樓宇	The Group Recurring fair value measurement Buildings held for own use	175,924	-	175,924

二零一二年
2012

	公平值 Fair value 千港元 HK\$'000	公平值計量分類為 Fair value measurement categorised into		
		第一級 Level 1 千港元 HK\$'000	第二級 Level 2 千港元 HK\$'000	第三級 Level 3 千港元 HK\$'000
本集團 經常性公平值計量 持作自用之樓宇	The Group Recurring fair value measurement Buildings held for own use	188,854	-	188,854

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

17. 物業、廠房及設備(續)

c) 本集團物業之公平值計量(續)

i) 公平值級別(續)

於截至二零一三年十二月三十一日止年度期間，第一級與第二級之間並無轉撥，亦無自第三級轉入或轉出。本集團之政策為於發生轉撥之申報期間結算日確認公平值級別間之轉撥。

於二零一三年十二月三十一日，本集團所有持作自用樓宇均進行重估。有關估計乃由與本集團並無關連之獨立合資格專業估值師威格斯資產評估顧問有限公司作出。於申報期間結算日進行估值時，本集團管理層已與估值師就估值假設及估值結果進行商討。

ii) 有關第三級公平值計量之資料

本集團持作自用樓宇之公平值乃採用重置成本折舊法釐定，經計及物業當前之重置或重建成本減去實際損耗及一切相關形式之陳舊及優化而作出之扣減按重大不可觀察輸入數據(包括建築成本(按申報期間結算日之總建築面積使用直接市場比較數據並經計入物業及其設施之建築類別及面積而估計之每平方米落成成本)及估計折舊(應用直線法將物業在可使用年期內扣減各來源之折舊，包括實際損耗和功能性及經濟上的陳舊，並按物業實際狀況而作出調整))計算。估值方法於年內並無變動。

於二零一三年十二月三十一日，倘持作自用樓宇按成本減累計折舊及減值計算，其賬面值將約為140,170,000港元(二零一二年：149,461,000港元)。

持作自用樓宇之重估盈餘及匯兌調整已分別「樓宇重估儲備」及「匯兌儲備」之其他全面收益確認。

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

c) Fair value measurement of the Group's properties (Continued)

i) Fair value hierarchy (Continued)

During the year ended 31 December 2013, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's buildings held for own use were revalued as at 31 December 2013. The valuations were carried out by Vigers Appraisal & Consulting Limited, independent qualified professional valuers not connected with the Group. The Group's management have discussion with the valuers on the valuation assumptions and valuation results when the valuations are performed at the end of the reporting period.

ii) Information about Level 3 fair value measurements

The fair value of the Group's buildings held for own use is determined using depreciated replacement cost approach by taking into consideration of the current cost of replacement or reproduction of the property less deductions for physical deterioration and all relevant forms of obsolescence and optimisation based on significant unobservable inputs including cost of construction (cost per square metre to completion estimated based on the gross floor area using market comparable data and taking into account of the construction type and size of property and its facilities as at the end of the reporting period) and estimated depreciation (deducting all sources of depreciation by straight-line method over the useful life, including physical deterioration and functional and economic obsolescence and adjusting by the actual physical condition of the property). There were no changes to the valuation techniques during the year.

As at 31 December 2013, had the buildings held for own use been carried at cost less accumulated depreciation and impairment, the carrying amount would have been approximately HK\$140,170,000 (2012: HK\$149,461,000).

Surplus on revaluation and exchange adjustment of buildings held for own use are recognised in other comprehensive income in "buildings revaluation reserve" and "translation reserve", respectively.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

18. 經營租約下預付土地租金

18. PREPAID LEASE PAYMENTS ON LAND UNDER OPERATING LEASES

		本集團	
		The Group	
		二零一三年	二零一二年
		2013	2012
		千港元	千港元
		HK\$'000	HK\$'000
於一月一日之賬面值	Carrying amount at 1 January	187,157	210,759
處置(附註)	Disposals (note)	–	(18,703)
本年度攤銷	Amortisation for the year	(4,512)	(4,873)
匯兌差異	Exchange differences	5,786	(26)
於十二月三十一日之賬面值	Carrying amount at 31 December	188,431	187,157
於中國之租賃土地：	Leasehold land in the PRC:		
中期租約	Medium-term leases	188,431	187,157
就報告目的而作出之分析如下：	Analysed for reporting purposes as:		
流動資產	Current asset	4,587	4,448
非流動資產	Non-current asset	183,844	182,709
		188,431	187,157

截至二零一三年十二月三十一日止年度之攤銷支出約755,000港元(二零一二年：748,000港元)及3,757,000港元(二零一二年：4,125,000港元)分別計入綜合損益表中銷售成本及行政費用內。

附註：截至二零一二年十二月三十一日止年度，就新政府城鎮規劃，丁蜀政府徵用一幅租賃土地，有關詳情於附註17(a)(ii)披露。

The amortisation charges of approximately HK\$755,000 (2012: HK\$748,000) and HK\$3,757,000 (2012: HK\$4,125,000) for the year ended 31 December 2013 are included in cost of sales and administrative expenses respectively, in the consolidated statement of profit or loss.

Note: During the year ended 31 December 2012, a piece of leasehold land was confiscated by Dingshu Government due to a new government town plan, relevant disclosures are detailed in note 17(a)(ii).

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

19. 無形資產

本集團

19. INTANGIBLE ASSET

The Group

稀土金屬產品之
技術專業知識
**Technical
know-how
for rare earth
metal products**
千港元
HK\$'000

成本	Cost	
於二零一二年一月一日	At 1 January 2012	125,997
匯兌差異	Exchange differences	(15)
於二零一二年十二月三十一日 及二零一三年一月一日	At 31 December 2012 and 1 January 2013	125,982
匯兌差異	Exchange differences	3,942
於二零一三年十二月三十一日	At 31 December 2013	129,924
累計攤銷及減值	Accumulated amortisation and impairment	
於二零一二年一月一日	At 1 January 2012	37,799
本年度攤銷	Amortisation for the year	12,598
已確認減值虧損	Impairment loss recognised	31,626
匯兌差異	Exchange differences	(4)
於二零一二年十二月三十一日 及二零一三年一月一日	At 31 December 2012 and 1 January 2013	82,019
本年度攤銷	Amortisation for the year	12,792
已確認減值虧損	Impairment loss recognised	31,848
匯兌差異	Exchange differences	3,265
於二零一三年十二月三十一日	At 31 December 2013	129,924
賬面值	Carrying amount	
於二零一三年十二月三十一日	At 31 December 2013	–
於二零一二年十二月三十一日	At 31 December 2012	43,963

該技術專業知識與生產金屬形態稀土產品之技術有關，並作為本集團於截至二零零八年十二月三十一日止年度內收購東冶稀土業務合併之組成部份。

The technical know-how relates to the technology on manufacturing of rare earth products in metal form and was acquired by the Group as part of the business combination of Dongye Rare Earth during the year ended 31 December 2008.

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NOTES TO THE FINANCIAL STATEMENTS

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

19. 無形資產(續)

本集團(續)

截至二零一三年十二月三十一日止年度之攤銷開支約12,792,000港元(二零一二年: 12,598,000港元)已計入綜合損益表之銷售成本內。

於二零一三年及二零一二年十二月三十一日,本集團參考與本集團並無關連之獨立合資格專業估值師威格斯資產評估顧問有限公司作出之評估,對稀土金屬產品之賺取現金單位(「賺取現金單位」)之減值測試進行檢討。稀土金屬產品之賺取現金單位之可收回金額乃根據使用價值計算釐定。該等計算使用根據管理層批准覆蓋五年期間之財政預算(基於稀土金屬產品之賺取現金單位的平均業務及經營年期計算)計算之現金流量預測。超出五年期之現金流量乃使用下文所述之估計比率推算。增長率並無超出稀土金屬產品之賺取現金單位所經營業務之有關長期平均增長率。

使用價值計算所用之主要假設:

預算毛利率	Budgeted gross margin
平均增長率	Average growth rate
折現率	Discount rate

管理層根據過往表現及對市場發展之預期釐定預算毛利率及平均增長率。該折現率為稅前率,並反映相關分部之特定風險。

於二零一三年十二月三十一日,根據使用價值計算,稀土金屬產品之賺取現金單位之可收回金額低於(二零一二年:低於)其賬面值。因此,於截至二零一三年十二月三十一日止年度之損益已確認無形資產之減值虧損約31,848,000港元(二零一二年:31,626,000港元),而有關款項已計入綜合損益表之其他虧損淨額內。由於稀土氧化物乃稀土金屬之主要原材料,於本年度稀土金屬之銷售因(i)稀土金屬之累積價格升幅落後於稀土氧化物及(ii)全球經濟衰退之復甦步伐緩慢導致對稀土金屬之需求減少而產生毛虧。

19. INTANGIBLE ASSET (Continued)

The Group (Continued)

The amortisation charge of approximately HK\$12,792,000 (2012: HK\$12,598,000) for the year ended 31 December 2013 is included in cost of sales in the consolidated statement of profit or loss.

As at 31 December 2013 and 2012, the Group performed impairment reviews for the cash-generating unit ("CGU") of rare earth metal products with reference to the valuations carried out by Vigers Appraisal & Consulting Limited, independent qualified professional valuers not connected with the Group. The recoverable amount of the CGU of rare earth metal products was determined based on value in use calculations. These calculations used cash flow projections based on financial budgets approved by management covering a five-year period, which was based on the average business and operation life over the CGU of rare earth metal products. Cash flows beyond the five-year period were extrapolated using the estimated rates stated below. The growth rates did not exceed the respective long-term average growth rates for the business in which the CGU of rare earth metal products operated.

Key assumptions used for value in use calculations:

	二零一三年 2013	二零一二年 2012
預算毛利率	15%-17%	19%-29%
平均增長率	5%-12%	3%-11%
折現率	22%	21%

Management determined the budgeted gross margin and the average growth rate based on past performance and its expectation for market development. This discount rate used was pre-tax rate and reflected specific risks relating to the relevant segment.

As at 31 December 2013, the recoverable amount of the CGU of rare earth metal products was lower (2012: lower) than the carrying amount based on value in use calculations. Accordingly, impairment loss on intangible asset of approximately HK\$31,848,000 (2012: HK\$31,626,000) was recognised in profit or loss for the year ended 31 December 2013 and the amount was included in other net loss in the consolidated statement of profit or loss since the rare earth oxides were key raw materials of rare earth metals and the sales of rare earth metals faced with gross loss during the year due to (i) accumulated price rises of rare earth metals lagged behind that of rare earth oxides and (ii) low demand of rare earth metals caused by slow recovery of global economic recession.

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NOTES TO THE FINANCIAL STATEMENTS

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

20. 於附屬公司之投資

20. INVESTMENTS IN SUBSIDIARIES

	本公司	
	The Company	
	二零一三年	二零一二年
	2013	2012
	千港元	千港元
	HK\$'000	HK\$'000
非上市股份或出資，按成本值	151,707	151,707
Unlisted shares or capital contributions, at cost		

於二零一三年十二月三十一日，本公司附屬公司之詳情如下：

As at 31 December 2013, the details of the Company's subsidiaries are as follows:

附屬公司名稱	註冊成立/成立 之地點及日期	營運地點	已發行及已繳足 股本之詳情	所有權權益比例			主營業務
				本集團 實際權益	本公司 持有	一間附屬 公司持有	
Name of subsidiary	Place and date of incorporation/ establishment	Place of business	Particulars of issued and paid up capital	Group effective interest %	Held by the Company %	Held by a subsidiary %	Principal activities
利成控股有限公司	英屬處女群島 一九九八年十二月三日	附註(d)	20股每股面值 1美元之普通股	100	100	-	投資控股
Lee Shing Holdings Limited	British Virgin Islands 3 December 1998	Note (d)	20 ordinary shares of US\$1 each	100	100	-	Investment holding
龍科國際貿易(上海)有限公司 (附註(a))	中國 二零零零年二月二十四日	中國	註冊資本200,000美元	100	100	-	貿易稀土氧化物
Wellfire (Shanghai) Company Limited (note (a))	The PRC 24 February 2000	The PRC	Registered capital US\$200,000	100	100	-	Trading of rare earth oxide products
Dynamic Goal Worldwide Inc.	英屬處女群島 二零零零年五月三十一日	附註(d)	2股每股面值 1美元之普通股	100	-	100	投資控股
Dynamic Goal Worldwide Inc.	British Virgin Islands 31 May 2000	Note (d)	2 ordinary shares of US\$1 each	100	-	100	Investment holding
宜興新威利成稀土有限公司 (附註(b))	中國 一九九三年七月十七日	中國	註冊資本 15,660,000美元	95	-	95	製造及銷售 稀土氧化物產品
Yixing Xinwei Leeshing Rare Earth Company Limited (note (b))	The PRC 17 July 1993	The PRC	Registered capital US\$15,660,000	95	-	95	Manufacturing and sales of rare earth oxide products

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

20. 於附屬公司之投資 (續)

20. INVESTMENTS IN SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/成立 之地點及日期 Place and date of incorporation/ establishment	營運地點 Place of business	已發行及已繳足 股本之詳情 Particulars of issued and paid up capital	所有權權益比例 Proportion of ownership interest			主營業務 Principal activities
				本集團 實際權益 Group effective interest %	本公司 持有 Held by the Company %	一間附屬 公司持有 Held by a subsidiary %	
宜興新威利成耐火材料有限公司 (附註(a)) Yixing Xinwei Leeshing Refractory Materials Co., Ltd. (note (a))	中國 一九九九年七月三十日 The PRC 30 July 1999	中國 The PRC	註冊資本 17,000,000美元 Registered capital US\$17,000,000	100	-	100	製造及銷售 耐火產品 Manufacturing and sales of refractory products
無錫新威熒光材料有限公司 (附註(a)) Wuxi Xinwei Fluorescent Materials Co., Ltd. (note (a))	中國 二零零一年十二月二十日 The PRC 20 December 2001	中國 The PRC	註冊資本8,520,000美元 Registered capital US\$8,520,000	100	-	100	暫無業務 Dormant
微科資源有限公司 Microtech Resources Limited	香港 一九九八年十月二十三日 Hong Kong 23 October 1998	香港 Hong Kong	2股每股面值 1港元之普通股 2 ordinary shares of HK\$1 each	100	-	100	貿易稀土氧化物 Trading of rare earth oxide products
中國稀土貿易有限公司 China Rare Earth Trading Limited	香港 二零零零年三月二十四日 Hong Kong 24 March 2000	香港 Hong Kong	2股每股面值 1港元之普通股 2 ordinary shares of HK\$1 each	100	-	100	暫無業務 Dormant
無錫新威高溫陶瓷有限公司 (附註(a)) Wuxi Xinwei High Temperature Ceramics Co., Ltd. (note (a))	中國 二零零二年四月一日 The PRC 1 April 2002	中國 The PRC	註冊資本 30,000,000港元 Registered capital HK\$30,000,000	100	-	100	製造及銷售 高溫陶瓷產品 Manufacturing and sales of high temperature ceramics products
海城市蘇海鎂礦有限公司 (附註(c)) Haicheng City Suhai Magnesium Ore Co., Ltd. (note (c))	中國 二零零二年四月二十七日 The PRC 27 April 2002	中國 The PRC	註冊資本人民幣 25,000,000元 Registered capital RMB25,000,000	100	-	100	製造及銷售 鎂砂產品 Manufacturing and sales of magnesium products
宜興威爾發非金屬材料有限公司 (附註(a)) Yixing Wellfire Nonmetal Materials Co., Ltd. (note (a))	中國 二零零六年九月二十七日 The PRC 27 September 2006	中國 The PRC	註冊資本3,000,000美元 Registered capital US\$3,000,000	100	-	100	製造及銷售 耐火相關產品 Manufacturing and sales of refractory related products

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

20. 於附屬公司之投資(續)

20. INVESTMENTS IN SUBSIDIARIES (Continued)

附屬公司名稱	註冊成立/成立 之地點及日期	營運地點	已發行及已繳足 股本之詳情	所有權權益比例			主營業務
				本集團 實際權益	本公司 持有	一間附屬 公司持有	
Name of subsidiary	Place and date of incorporation/ establishment	Place of business	Particulars of issued and paid up capital	Group effective interest %	Held by the Company %	Held by a subsidiary %	Principal activities
海城新威利成鎂資源有限公司 (附註(a))	中國 二零零六年九月二十八日	中國	註冊資本 3,500,000美元	100	-	100	製造及銷售 鎂砂產品
Hai Cheng Xinwei Leeshing Magnesium Resources Co., Ltd. (note (a))	The PRC 28 September 2006	The PRC	Registered capital US\$3,500,000	100	-	100	Manufacturing and sales of magnesium products
和平縣東冶稀土新材料有限公司 (附註(c))	中國 二零零五年十一月十五日	中國	註冊資本人民幣 20,000,000元	95	-	100	製造及銷售 稀土金屬產品
Heping County Dongye Rare Earth Company Limited (note (c))	The PRC 15 November 2005	The PRC	Registered capital RMB20,000,000	95	-	100	Manufacturing and sales of rare earth metal products
銀茂控股有限公司	香港 二零零八年一月二十三日	附註(d)	1股每股面值 1港元之普通股	100	-	100	投資控股
Silver Mile Holdings Limited	Hong Kong 23 January 2008	Note (d)	1 ordinary share of HK\$1 each	100	-	100	Investment holding
宜興常容貿易發展有限公司 (附註(a))	中國 二零一零年十一月二十六日	中國	註冊資本 200,000,000港元	100	-	100	貿易稀土氧化物
Yixing Changrong Trading Development Co., Ltd. (note (a))	The PRC 26 November 2010	The PRC	Registered capital HK\$200,000,000	100	-	100	Trading of rare earth oxide products
金茂控股有限公司	香港 二零一零年十二月六日	附註(d)	1股每股面值 1港元之普通股	100	-	100	投資控股
Golden Mile Holdings Limited	Hong Kong 6 December 2010	Note (d)	1 ordinary share of HK\$1 each	100	-	100	Investment holding

概無附屬公司擁有任何於年結日或年內任何時間持續有效之債務證券。

截至二零一三年及二零一二年十二月三十一日止年度，本集團並無附屬公司持有重大非控股權益。

None of the subsidiaries had any debt securities subsisting at the end of the year or within any time during the year.

The Group had no subsidiary which has material non-controlling interests for the years ended 31 December 2013 and 2012.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

20. 於附屬公司之投資(續)

附註：

- a) 該等公司根據中國法例註冊成立為外商獨資企業。
- b) 該等公司根據中國法例註冊成立為中外合營企業。
- c) 該等公司根據中國法例註冊成立為有限責任公司。
- d) 該等公司為並無特定主要營業地點之投資控股公司。

20. INVESTMENTS IN SUBSIDIARIES (Continued)

Note:

- a) These companies are registered under the laws of the PRC as wholly-owned foreign enterprises.
- b) The company is registered under the laws of the PRC as a sino-foreign equity enterprise.
- c) These companies are registered under the laws of the PRC as limited liability enterprises.
- d) These companies are investment holding companies which have no specific principal place of business.

21. 於合營企業之權益

21. INTERESTS IN JOINT VENTURES

		本集團	
		The Group	
		二零一三年	二零一二年
		2013	2012
		千港元	千港元
		HK\$'000	HK\$'000
非上市股份，應佔資產淨值	Unlisted shares, share of net assets	105,087	109,930

本集團於合營企業之權益(於綜合財務報表以權益法入賬)詳情載列如下：

Details of the Group's interests in joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

實體名稱	業務架構形式	註冊成立/ 營運地點	已發行及已繳足 股本之詳情	本集團所持 註冊資本面值之比例	本集團 所持投票權之比例	主營業務
Name of entity	Form of business structure	Place of incorporation/ business	Particulars of issued and paid up capital	Proportion of nominal value of registered capital held by the Group	Proportion of voting power held by the Group	Principal activities
宜興銀茂螢光材料有限公司 (前稱歐司朗(中國)螢光材料 有限公司)(「宜興銀茂」)(附註(ii))	註冊公司	中國	註冊資本 14,500,000歐元	49.9%	50%	製造及銷售螢光產品
Yixing Silver Mile Fluorescent Materials Co., Ltd., (formerly known as OSRAM (China) Fluorescent Materials Co., Ltd.) (“Yixing Silver Mile”) (note (ii))	Incorporated	The PRC	Registered capital Euro 14,500,000	49.9%	50%	Manufacture and sales of fluorescent products

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

21. 於合營企業之權益 (續)

實體名稱	業務架構形式	註冊成立/ 營運地點	已發行及已繳足 股本之詳情	本集團所持 註冊資本面值之比例	本集團 所持投票權之比例	主營業務
Name of entity	Form of business structure	Place of incorporation/ business	Particulars of issued and paid up capital	Proportion of nominal value of registered capital held by the Group	Proportion of voting power held by the Group	Principal activities
宜興旭硝子工業陶瓷有限公司 (「旭硝子陶瓷」)	註冊公司	中國	註冊資本 23,000,000美元	40%	40%	製造及銷售耐火產品
Yixing AGC Ceramics Co., Ltd. ("AGC Ceramics")	Incorporated	The PRC	Registered capital US\$ 23,000,000	40%	40%	Manufacture and sales of refractory products

附註：

- i) 本集團之合營企業宜興銀茂及旭硝子陶瓷均為非上市公司實體，因此並無市場報價。
- ii) 於二零一三年九月二十七日，本集團與另一名合營方訂立一份協議，以收購宜興銀茂之餘下50.1%股權，現金代價約為15,133,000港元。詳情載於附註39。

Note:

- i) Yixing Silver Mile and AGC Ceramics, the Group's joint ventures, are unlisted corporate entities whose quoted market prices are not available.
- ii) On 27 September 2013, the Group entered into an agreement with the other joint venturer to acquire the remaining 50.1% equity interest of Yixing Silver Mile at a cash consideration of approximately HK\$15,133,000. Details of which are set out in note 39.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

21. 於合營企業之權益(續)

宜興銀茂及旭硝子陶瓷之財務資料概要(已就會計政策之差異作出調整)及於綜合財務報表之賬面值對賬披露如下:

21. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information of Yixing Silver Mile and AGC Ceramics, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

		宜興銀茂 Yixing Silver Mile		旭硝子陶瓷 AGC Ceramics	
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
合營企業之毛額:	Gross amounts of the joint ventures:				
流動資產	Current assets	111,345	96,713	92,559	100,412
非流動資產	Non-current assets	183,651	201,014	186,893	189,716
流動負債	Current liabilities	(119,269)	(86,685)	(93,765)	(93,199)
非流動負債	Non-current liabilities	(85,220)	(103,601)	(29,250)	(41,047)
權益總額	Total equity	90,507	107,441	156,437	155,882
已計入上述資產及負債內:	Included in the above assets and liabilities:				
現金及現金等值項目	Cash and cash equivalents	5,525	8,993	15,884	21,267
流動金融負債(不包括應付賬款及其他應付款以及撥備)	Current financial liabilities (excluding trade and other payables and provisions)	(63,306)	(39,183)	(85,104)	(82,354)
非流動金融負債(不包括應付賬款及其他應付款以及撥備)	Non-current financial liabilities (excluding trade and other payables and provisions)	(85,220)	(103,601)	(29,250)	(41,048)

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21. 於合營企業之權益(續)

21. INTERESTS IN JOINT VENTURES (Continued)

		宜興銀茂		旭硝子陶瓷	
		Yixing Silver Mile		AGC Ceramics	
		二零一三年	二零一二年	二零一三年	二零一二年
		2013	2012	2013	2012
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
收益	Revenue	154,685	149,001	108,444	50,789
除稅前虧損	Loss before taxation	(19,983)	(28,860)	(4,255)	(20,890)
所得稅	Income tax	–	(126)	–	(1,299)
本年度虧損	Loss for the year	(19,983)	(28,986)	(4,255)	(22,189)
已計入上述虧損內：	Included in the above loss:				
折舊及攤銷	Depreciation and amortisation	(13,881)	(12,576)	(20,659)	(9,540)
利息收入	Interest income	16	43	19	37
利息開支	Interest expense	(6,137)	(6,379)	(4,055)	(1,533)
本集團於合營企業之 權益對賬	Reconciled to the Group's interests in joint ventures				
合營企業資產淨值	Net assets of joint ventures	90,507	107,441	156,437	155,882
本集團實際權益	The Group's effective interest	49.9%	49.9%	40%	40%
本集團應佔合營 企業資產淨值	The Group's share of net assets of joint ventures	45,163	53,613	62,575	62,353
綜合調整	Consolidation adjustments	2,419	(908)	(5,070)	(5,128)
本集團於合營企業 權益之賬面值	Carrying amount of the Group's interests in joint ventures	47,582	52,705	57,505	57,225

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NOTES TO THE FINANCIAL STATEMENTS

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

22. 可供出售權益證券

22. AVAILABLE-FOR-SALE EQUITY SECURITIES

本集團及本公司

The Group and the Company

二零一三年	二零一二年
2013	2012
千港元	千港元
HK\$'000	HK\$'000

按公平值列賬之香港上市 權益證券	Listed equity securities at fair value in Hong Kong	9,680	9,520
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上市權益證券之公平值乃根據聯交所提供之市場買入價報價釐定。

The fair value of the listed equity securities are determined based on the quoted market bid prices available on the Stock Exchange.

截至二零一三年十二月三十一日止年度，可供出售權益證券之公平值收益約160,000港元（二零一二年：2,800,000港元）已於其他全面收益確認。

Fair value gain on available-for-sale equity securities of approximately HK\$160,000 (2012: HK\$2,800,000) was recognised in other comprehensive income during the year ended 31 December 2013.

於二零一二年及二零一三年十二月三十一日，本公司獨立非執行董事黃春華先生為該等權益證券之上市公司之副主席。

As at 31 December 2012 and 2013, Mr. Huang Chunhua, an independent non-executive director of the Company, was the deputy chairman of the listed company for these equity securities.

23. 其他非流動資產

23. OTHER NON-CURRENT ASSET

其他非流動資產指於截至二零一二年十二月三十一日止年度丁蜀政府就新政府城鎮規劃所徵用一幅租賃土地而將予賠償之另一幅租賃土地。有關詳情於附註17(a)(ii)及附註18披露。

Other non-current asset represents a piece of leasehold land to be compensated by Dingshu Government for confiscating another piece of leasehold land due to a new government town plan during the year ended 31 December 2012. Details of which are disclosed in notes 17(a)(ii) and 18.

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NOTES TO THE FINANCIAL STATEMENTS

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

24. 存貨

a) 綜合財務狀況表之存貨包括：

		本集團 The Group	
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
原材料	Raw materials	71,138	166,567
在製品	Work in progress	182,684	168,353
產成品	Finished goods	314,086	640,298
		567,908	975,218

b) 確認為開支之存貨金額之分析如下：

		本集團 The Group	
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
已售存貨之賬面值	Carrying amount of inventories sold	1,583,387	2,174,642
存貨撇除	Write down of inventories	143,920	457,640
存貨撇除撥回	Reversal of write down of inventories	(21,465)	(87,439)
		1,705,842	2,544,843

產生存貨撇除撥回乃由於年內市況變動導致若干產品之估計可變現淨值增加。

24. INVENTORIES

a) Inventories in the consolidated statement of financial position comprise:

b) The analysis of the amount of inventories recognised as an expense is as follows:

The reversal of write down of inventories arose due to an increase in the estimated net realisable value of certain products during the year as a result of change in market conditions.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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25. 應收賬款及其他應收款、預付款項及按金

25. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

		本集團		本公司	
		The Group		The Company	
		二零一三年	二零一二年	二零一三年	二零一二年
		2013	2012	2013	2012
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
應收賬款及應收票據	Trade debtors and bills receivables	417,770	420,251	-	-
減：呆賬撥備(附註(c))	Less: Allowance for doubtful debts (note (c))	(37,329)	(46,288)	-	-
		380,441	373,963	-	-
其他應收款	Other receivables	10,877	8,879	-	-
減：呆賬撥備(附註(c))	Less: Allowance for doubtful debts (note (c))	(1,604)	(2,429)	-	-
		9,273	6,450	-	-
應收合營企業之款項(附註(e))	Amounts due from joint ventures (note (e))	65,468	51,978	-	-
貸款及應收款項	Loans and receivables	455,182	432,391	-	-
其他可退回稅項	Other tax refundable	55,740	46,186	-	-
應收賬款及其他應收款	Trade and other receivables	510,922	478,577	-	-
預付款項及按金	Prepayments and deposits	48,919	116,098	876	781
		559,841	594,675	876	781

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NOTES TO THE FINANCIAL STATEMENTS

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

25. 應收賬款及其他應收款、預付款項及按金(續)

附註：

- a) 所有應收賬款及其他應收款、預付款項及按金預期可於一年內收回或確認為開支。
- b) 應收賬款按發票日期及應收票據按發出日期呈列之賬齡分析如下：

25. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Note:

- a) All of the trade and other receivables, prepayments and deposits are expected to be recovered or recognised as expense within one year.
- b) The presentation of ageing analysis of the trade debtors based on the invoice date and bills receivables based on the issuance date is as follows:

		本集團 The Group	
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
6個月以內	Less than 6 months	345,994	341,050
6個月至1年以內	6 months to less than 1 year	28,344	29,083
1至2年以內	1 year to less than 2 years	13,621	21,695
2年以上	Over 2 years	29,811	28,423
		417,770	420,251
減：呆賬撥備	Less: Allowance for doubtful debts	(37,329)	(46,288)
		380,441	373,963

本集團給予其客戶0至180日之平均信貸期。

本集團信貸於評估客戶的財政能力及付款往績後授出。本集團為所有客戶制定信貸限額，僅在管理層之批准下方可超過信貸限額。管理層亦監督已逾期之應收賬款及應收票據並跟進收回該等應收款項。

The Group allows an average credit period of 0 to 180 days to its customers.

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set out for all customers and these can be exceeded only with the approval from management. Management also monitors overdue trade debtors and bills receivables, and follows up the collection of these receivables.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

25. 應收賬款及其他應收款、預付款項及按金(續)

附註：(續)

c) 應收賬款及應收票據以及其他應收款之減值

呆賬撥備之變動如下：

		本集團 The Group			
		Impairment of trade debtors and bills receivables 應收賬款及應收票據之減值		Impairment of other receivables 其他應收款之減值	
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
於一月一日	At 1 January	46,288	35,543	2,429	1,292
已確認減值虧損	Impairment loss recognised	7,397	18,333	149	1,206
減值虧損撥回	Reversal of impairment loss	(7,115)	(7,575)	(850)	(69)
不可收回款項撇銷	Written off as uncollectible	(10,529)	(9)	(189)	–
匯兌差異	Exchange differences	1,288	(4)	65	–
於十二月三十一日	At 31 December	37,329	46,288	1,604	2,429

應收賬款及應收票據以及其他應收款之減值虧損採用準備賬列賬，除非本集團認為該款項之收回性微乎其微，在該情況下，減值虧損將在該等應收款直接撇銷(見附註2(j)(i))。

應收賬款及應收票據以及其他應收款減值虧損撥回指先前認為予以減值之該等應收款之債項回收。過往年度就該等應收款作出之準備相應予以撥回。

於二零一三年十二月三十一日，本集團分別為數約37,329,000港元(二零一二年：46,288,000港元)及1,604,000港元(二零一二年：2,429,000港元)之應收賬款及應收票據以及其他應收款個別釐定為減值並已作出全數撥備。該等個別減值應收款為於申報期間結算日超過1年尚未償還或為應收陷入財務困境債務人之款項。因此，特定呆賬準備分別約7,397,000港元(二零一二年：18,333,000港元)及149,000港元(二零一二年：1,206,000港元)已於年內確認。本集團並無就該等結餘持有任何抵押品。

25. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Note: (Continued)

c) Impairment of trade debtors and bills receivables, and other receivables

The movement of allowance for doubtful debts is as follows:

		本集團 The Group			
		Impairment of trade debtors and bills receivables 應收賬款及應收票據之減值		Impairment of other receivables 其他應收款之減值	
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
於一月一日	At 1 January	46,288	35,543	2,429	1,292
已確認減值虧損	Impairment loss recognised	7,397	18,333	149	1,206
減值虧損撥回	Reversal of impairment loss	(7,115)	(7,575)	(850)	(69)
不可收回款項撇銷	Written off as uncollectible	(10,529)	(9)	(189)	–
匯兌差異	Exchange differences	1,288	(4)	65	–
於十二月三十一日	At 31 December	37,329	46,288	1,604	2,429

Impairment loss in respect of trade debtors and bills receivables, and other receivables is recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against these receivables directly (see note 2(j)(i)).

Reversal of impairment loss on trade debtors and bills receivables, and other receivables represents the recovery of debts due from these receivables previously considered to be impaired. An allowance for these receivable amounts that had been made in previous years was reversed back accordingly.

As at 31 December 2013, trade debtors and bills receivables, and other receivables amounting to approximately HK\$37,329,000 (2012: HK\$46,288,000) and HK\$1,604,000 (2012: HK\$2,429,000), respectively, were individually determined to be impaired and full allowance had been made. These individually impaired receivables had been outstanding for over one year as at the end of the reporting period or were due from debtors with financial difficulties. Accordingly, specific allowances for doubtful debts of approximately HK\$7,397,000 (2012: HK\$18,333,000) and HK\$149,000 (2012: HK\$1,206,000), respectively, were recognised during the year. The Group does not hold any collateral over these balances.

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25. 應收賬款及其他應收款、預付款項及按金(續)

附註：(續)

- d) 並無減值之應收賬款及應收票據

並無個別或共同視為將出現減值之應收賬款及應收票據之賬齡分析如下：

未逾期且未減值	Neither past due nor impaired
逾期少於6個月	Less than 6 months past due
逾期超過6個月但少於1年	More than 6 months but less than 1 year past due
逾期超過1年	More than 1 year past due

未逾期且未減值之應收款項乃與多名近期沒有拖欠紀錄之客戶有關。

已逾期但未減值之應收款項與多名與本集團保持良好往績記錄之獨立客戶有關。按照過往經驗，管理層相信，由於信貸質素並無重大變動，且該等結餘仍被視為可全數收回，故毋須就有關結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

- e) 應收合營企業款項為無抵押、免息及按要求時償還。

25. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Note: (Continued)

- d) Trade debtors and bills receivables that are not impaired

The ageing analysis of trade debtors and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

		本集團 The Group	
		二零一三年 2013	二零一二年 2012
		千港元 HK\$'000	千港元 HK\$'000
未逾期且未減值	Neither past due nor impaired	194,490	341,050
逾期少於6個月	Less than 6 months past due	177,680	29,083
逾期超過6個月但少於1年	More than 6 months but less than 1 year past due	6,084	3,830
逾期超過1年	More than 1 year past due	2,187	–
		185,951	32,913
		380,441	373,963

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

- e) The amounts due from joint ventures are unsecured, interest-free and repayable on demand.

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26. 應收／(應付)董事及附屬公司款項

應付董事款項

		本集團		本公司	
		The Group		The Company	
		二零一三年	二零一二年	二零一三年	二零一二年
		2013	2012	2013	2012
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
蔣泉龍先生	Mr. Jiang Quanlong	1,461	978	164	164
錢元英女士	Ms. Qian Yuanying	45	45	45	45
蔣才南先生	Mr. Jiang Cainan	51	51	51	51
		1,557	1,074	260	260

應付董事款項為無抵押、免息及按要求時償還。

應收附屬公司款項

應收附屬公司款項	Amounts due from subsidiaries	1,916,078	1,928,600
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應收附屬公司款項為無抵押、免息及按要求時償還。

26. AMOUNTS DUE FROM/(TO) DIRECTORS AND SUBSIDIARIES

Amounts due to directors

		本集團		本公司	
		The Group		The Company	
		二零一三年	二零一二年	二零一三年	二零一二年
		2013	2012	2013	2012
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
蔣泉龍先生	Mr. Jiang Quanlong	1,461	978	164	164
錢元英女士	Ms. Qian Yuanying	45	45	45	45
蔣才南先生	Mr. Jiang Cainan	51	51	51	51
		1,557	1,074	260	260

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

Amounts due from subsidiaries

		本公司	
		The Company	
		二零一三年	二零一二年
		2013	2012
		千港元	千港元
		HK\$'000	HK\$'000
應收附屬公司款項	Amounts due from subsidiaries	1,916,078	1,928,600

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

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27. 已抵押銀行存款及受限制銀行結餘

於申報期間結算日，已抵押銀行存款及受限制銀行結餘如下：

27. PLEDGED BANK DEPOSITS AND RESTRICTED BANK BALANCES

At the end of the reporting period, the pledged bank deposits and restricted bank balances are as follows:

		本集團	
		The Group	
		二零一三年	二零一二年
		2013	2012
		千港元	千港元
		HK\$'000	HK\$'000
已抵押銀行存款(附註(a))	Pledged bank deposits (note (a))	–	52,541
受限制銀行結餘(附註(b))	Restricted bank balances (note (b))	–	494
		–	53,035

附註：

- a) 於二零一二年十二月三十一日，銀行存款約52,541,000港元已抵押予銀行作為獲取授予本集團之銀行貸款之擔保。該存款按年利率3.85%計息。
- b) 於二零一二年十二月三十一日，受限制銀行結餘指銀行就向若干供應商發出信用證所限制之銀行存款。受限制銀行結餘按固定年利率0.35%計息。

Note:

- a) As at 31 December 2012, bank deposits of approximately HK\$52,541,000 were pledged to a bank to secure bank borrowings granted to the Group. The deposits carried interest rate at 3.85% per annum.
- b) As at 31 December 2012, restricted bank balances represented bank deposits restricted by banks for issuance of letters of credit to certain suppliers. The restricted bank balances carried fixed interest rate at 0.35% per annum.

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NOTES TO THE FINANCIAL STATEMENTS

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28. 現金及現金等值項目

28. CASH AND CASH EQUIVALENTS

		本集團		本公司	
		The Group		The Company	
		二零一三年	二零一二年	二零一三年	二零一二年
		2013	2012	2013	2012
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
銀行結餘及現金	Bank balances and cash	1,369,054	1,236,290	5,323	5,820

現金及現金等值項目包括本集團持有之現金、銀行結餘及按現行市場年利率介乎0%至0.38% (二零一二年：0%至0.38%) 計息之到期日為三個月或以下之短期銀行存款。

於二零一三年十二月三十一日，本集團不可自由轉換或須遵守中國外匯管制之銀行結餘及現金約為1,355,888,000港元 (二零一二年：1,218,083,000港元)。

Cash and cash equivalents comprise cash held by the Group, bank balances and short-term bank deposits with a maturity of three months or less at prevailing market interest rates ranging from 0% to 0.38% (2012: 0% to 0.38%) per annum.

As at 31 December 2013, the Group had bank balances and cash that were either not freely convertible or were subject to exchange controls in the PRC amounting to approximately HK\$1,355,888,000 (2012: HK\$1,218,083,000).

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29. 應付賬款、預提費用及其他應付款

29. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

		本集團		本公司	
		The Group		The Company	
		二零一三年	二零一二年	二零一三年	二零一二年
		2013	2012	2013	2012
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
應付賬款	Trade payables	103,652	94,664	-	-
預提費用及其他應付款	Accrued expenses and other payables	21,001	21,195	4,983	4,481
預收款項	Receipt in advance	2,814	3,161	-	-
其他應付稅項	Other tax payables	1,835	4,083	-	-
應計款項及其他應付款總額	Total accruals and other payables	25,650	28,439	4,983	4,481
		129,302	123,103	4,983	4,481

應付賬款按發票日期呈列之賬齡分析如下：

The ageing analysis of trade payables presented based on the invoice date is as follows:

		本集團	
		The Group	
		二零一三年	二零一二年
		2013	2012
		千港元	千港元
		HK\$'000	HK\$'000
6個月以內	Less than 6 months	96,092	83,096
6個月至1年以內	6 months to less than 1 year	3,167	6,766
1至2年以內	1 year to less than 2 years	2,170	2,070
2年以上	Over 2 years	2,223	2,732
		103,652	94,664

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NOTES TO THE FINANCIAL STATEMENTS

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30. 銀行貸款

於二零一二年十二月三十一日，銀行貸款為人民幣匯票，有關款項為有抵押、免息及須於一年內償還。

30. BANK BORROWINGS

As at 31 December 2012, the bank borrowings were bills of exchange denominated in RMB and the amounts were secured, interest-free and repayable within one year.

31. 於綜合財務狀況表之所得稅

a) 年內，綜合財務狀況表之應付／(可收回)稅項之變動載列如下：

31. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

a) The movement of tax payable/(recoverable) in the consolidated statement of financial position during the year are as follows:

		本集團 The Group	
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
於一月一日	At 1 January	4,989	55,271
年度撥備(附註8(a))	Provision for the year (note 8(a))		
— 中國企業所得稅	— PRC Enterprise Income Tax	7,068	12,261
— 香港所得稅	— Hong Kong Profits Tax	—	2,414
去年撥備不足(附註8(a))	Under-provision in prior year (note 8(a))		
— 中國企業所得稅	— PRC Enterprise Income Tax	347	—
本年度已付所得稅	Income tax paid during the year	(10,276)	(64,950)
		2,128	4,996
匯兌差異	Exchange differences	36	(7)
於十二月三十一日	At 31 December	2,164	4,989
於綜合財務狀況表確認之可收回稅項	Tax recoverable recognised in the consolidated statement of financial position	(2,774)	(943)
於綜合財務狀況表確認之應付稅項	Tax payable recognised in the consolidated statement of financial position	4,938	5,932
應付稅項淨值	Net tax payable	2,164	4,989

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

31. 於綜合財務狀況表之所得稅(續)

b) 已確認之遞延稅項資產及負債

於本年度及去年已確認遞延稅項資產／(負債)之主要組成部份及其變動如下：

31. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised

The major components of the deferred tax assets/(liabilities) recognised and movements thereon during the current and prior year:

		本集團					
		The Group					
		經營					
	持作自用樓宇之重估	物業、廠房及設備之公平值調整	租約下預付土地租金之公平值調整	無形資產之公平值調整	遞延開支及其他	總值	
	Revaluation of buildings held for own use	Fair value adjustment on property, plant and equipment	Fair value adjustment on prepaid lease payments on land under operating leases	Fair value adjustment on intangible asset	Deferred expenditures and others	Total	
	千港元	千港元	千港元	千港元	千港元	千港元	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
就下列各項產生之遞延稅項：	Deferred tax arising from:						
於二零一二年一月一日	At 1 January 2012	(9,110)	(477)	2,370	(21,918)	5,853	(23,282)
損益表計入／(列支)	Credited/(charged) to profit						
(附註8(a))	or loss (note 8(a))	1,050	41	(53)	3,125	(1,849)	2,314
匯兌差異	Exchange differences	142	-	-	2	-	144
因稅率變動之影響	Credited to other						
計入其他全面收益	comprehensive income						
	for effect on change						
	in tax rate	1,333	-	-	-	-	1,333
於二零一二年十二月三十一日	At 31 December 2012						
及二零一三年一月一日	and 1 January 2013	(6,585)	(436)	2,317	(18,791)	4,004	(19,491)
損益表計入／(列支)	Credited/(charged) to profit						
(附註8(a))	or loss (note 8(a))	788	39	(54)	19,079	(1,688)	18,164
匯兌差異	Exchange differences	(194)	(13)	72	(288)	98	(325)
於二零一三年十二月三十一日	At 31 December 2013	(5,991)	(410)	2,335	-	2,414	(1,652)

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

31. 於綜合財務狀況表之所得稅(續)

b) 已確認之遞延稅項資產及負債(續)

以下乃就財務報告目的而言之遞延稅項資產／(負債)分析：

		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
於綜合財務狀況表 確認之遞延稅項資產	Deferred tax assets recognised in the consolidated statement of financial position	4,749	6,321
於綜合財務狀況表 確認之遞延稅項負債	Deferred tax liabilities recognised in the consolidated statement of financial position	(6,401)	(25,812)
		(1,652)	(19,491)

c) 尚未確認之遞延稅項資產

於二零一三年十二月三十一日，未於財務報表確認有關稅項虧損之可扣減暫時差異約為1,317,045,000港元(二零一二年：958,626,000港元)。由於難以預測未來溢利來源，故並無就有關可扣減暫時差異確認遞延稅項資產。上述已計入僅可結轉最多五年之稅項虧損約841,541,000港元(二零一二年：470,433,000港元)。其他虧損可無限期結轉。

31. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised (Continued)

The following is the analysis of the deferred tax assets/(liabilities) for financial reporting purposes:

c) Deferred tax assets not recognised

At 31 December 2013, deductible temporary differences in respect of tax losses not recognised in the financial statements were approximately HK\$1,317,045,000 (2012: HK\$958,626,000). No deferred tax asset has been recognised in respect of such deductible temporary differences due to the unpredictability of future profit streams. Included in the above are tax losses of approximately HK\$841,541,000 (2012: HK\$470,433,000) which can only be carried forward for a maximum period of five years. Other losses may be carried forward indefinitely.

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31. 於綜合財務狀況表之所得稅(續)

d) 未確認遞延稅項負債

根據於二零零八年一月一日起生效之企業所得稅法，並無於中國成立或設有業務之非駐居企業或於中國成立或設有業務但相關收入並非實際與於中國成立或設有業務相關，則將須就各類被動收入(如源自中國之股息)按10%稅率繳納預扣所得稅。於二零零八年二月二十二日，財政部及國家稅務總局批准財稅(2008)1號，據此，於二零零七年十二月三十一日前自外資企業保留溢利作出之股息分派將獲豁免繳納預扣所得稅。

於二零一三年十二月三十一日，有關於中國成立之附屬公司自二零零八年之未分配溢利之暫時差異約為1,462,171,000港元(二零一二年：1,436,053,000港元)。由於本公司能控制該等附屬公司之股息政策，且釐定該等溢利不大可能於可見將來分派，故尚未就分派該等保留溢利之應付稅項確認遞延稅項負債約146,217,000港元(二零一二年：143,605,000港元)。

32. 股本及儲備

- a) 本集團綜合權益之各項部份於年初及年末之對賬載於綜合權益變動表內。有關本公司權益之個別部份於年初至年末期間之變動詳情，載列如下：

31. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

d) Deferred tax liabilities not recognised

Under the PRC Enterprise Income Tax Law with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the Ministry of Finance and State Administration of Tax approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained profits of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax.

At 31 December 2013, temporary differences relating to the undistributed profits of subsidiaries established in the PRC since 2008 amounted to approximately HK\$1,462,171,000 (2012: HK\$1,436,053,000). Deferred tax liabilities of approximately HK\$146,217,000 (2012: HK\$143,605,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

32. CAPITAL AND RESERVES

- a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

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32. 股本及儲備 (續)

a) (續)

32. CAPITAL AND RESERVES (Continued)

a) (Continued)

		本公司擁有人應佔 Attributable to owners of the Company				
		股本	股份溢價	公平值儲備	(累計虧損) / 保留溢利 (Accumulated losses) / Retained profits	總值
		Share capital	Share premium	Fair value reserve	千港元 HK\$' 000	Total 千港元 HK\$' 000
		千港元 HK\$' 000	千港元 HK\$' 000	千港元 HK\$' 000	千港元 HK\$' 000	千港元 HK\$' 000
於二零一二年一月一日	At 1 January 2012	167,264	1,920,050	–	(87,220)	2,000,094
二零一二年之權益變動：	Changes in equity for 2012:					
本年度溢利	Profit for the year	–	–	–	122,265	122,265
其他全面收益	Other comprehensive income					
– 可供出售權益證券之 公平值收益 (附註22)	– Fair value gain on available- for-sale equity securities (note 22)	–	–	2,800	–	2,800
本年度全面收益總值	Total comprehensive income for the year	–	–	2,800	122,265	125,065
股息	Dividends	–	–	–	(33,453)	(33,453)
於二零一二年十二月三十一日 及二零一三年一月一日	At 31 December 2012 and 1 January 2013	167,264	1,920,050	2,800	1,592	2,091,706
二零一三年之權益變動：	Changes in equity for 2013:					
本年度虧損	Loss for the year	–	–	–	(13,431)	(13,431)
其他全面收益	Other comprehensive income					
– 可供出售權益證券之 公平值收益 (附註22)	– Fair value gain on available- for-sale equity securities (note 22)	–	–	160	–	160
本年度全面虧損總值	Total comprehensive loss for the year	–	–	160	(13,431)	(13,271)
於二零一三年十二月三十一日	At 31 December 2013	167,264	1,920,050	2,960	(11,839)	2,078,435

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32. 股本及儲備(續)

b) 法定及已發行股本

每股面值0.10港元之普通股
Ordinary shares of HK\$0.10 each

法定
於一月一日及十二月三十一日

已發行及繳足
於一月一日及十二月三十一日

普通股持有人有權獲得不時宣派之股息及於本公司會議上享有每股一票之投票權。所有普通股對本公司之剩餘資產均享有相等權益。

32. CAPITAL AND RESERVES (Continued)

b) Authorised and issued share capital

本集團及本公司
The Group and the Company
二零一三年及二零一二年
2013 and 2012

股份數目	金額
Number	Amount
of shares	千港元
千股	千港元
'000	HK\$'000

Authorised			
At 1 January and 31 December	2,000,000	200,000	
Issued and fully paid			
At 1 January and 31 December	1,672,643	167,264	

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

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32. 股本及儲備(續)

c) 儲備之性質及目的

i) 股份溢價

根據開曼群島公司法(經修訂)，股份溢價賬可供分派予本公司股東，惟於緊隨建議分派股息之日期後，本公司將有能力於日常業務過程中償還其到期債務。

本公司之股份溢價包括實繳盈餘約149,950,000港元，即本公司交換利成控股有限公司全部已發行股份所發行股份之面值，與本公司於一九九九年九月二十九日收購利成控股有限公司所持有附屬公司當日彼等之相關淨資產價值之差額。

ii) 資本儲備

資本儲備指本集團因應集團重組而已資本化之分配至法定儲備之總額。

iii) 樓宇重估儲備

樓宇重估儲備包括持作自用樓宇之經重估金額與賬面值兩者之差額。樓宇重估儲備已予設立並根據附註2(g)所載有關持作自用樓宇之會計政策予以處理。樓宇重估儲備為不可分派。

32. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves

i) Share premium

Under the Companies Law (Revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

The share premium of the Company included the contribution surplus of approximately HK\$149,950,000 which represented the difference between the nominal value of the shares of the Company issued in exchange for the entire issued share capital of Lee Shing Holdings Limited and the value of the underlying net assets of the subsidiaries held by Lee Shing Holdings Limited at the date they were acquired by the Company on 29 September 1999.

ii) Capital reserve

The capital reserve represents the capitalised aggregate appropriations to the statutory reserves made by the Group as a result of Group reorganisation.

iii) Buildings revaluation reserve

The buildings revaluation reserve comprises the difference between the revalued amount and the carrying amount of buildings held for own use. The buildings revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for buildings held for own use as set out in note 2(g). The buildings revaluation reserve is not distributable.

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32. 股本及儲備 (續)

c) 儲備之性質及目的 (續)

iv) 法定儲備

自保留盈利撥至法定儲備金乃根據有關之中國規則及規例以及本公司於中國成立之附屬公司之公司章程而作出，並經由各自之董事會批准。

法定儲備金可用於抵銷過往年度之虧損 (如有) 並可轉換為實繳資本，惟於進行該轉換後之法定儲備金結餘不得少於實體註冊資本之25%。

本公司若干於中國之附屬公司須最低限度向法定儲備轉撥按中國會計規則及規例釐定之純利之10%，直至該儲備結餘達至註冊資本之50%為止。作出之轉撥須於向擁有人分派股息之前進行。

v) 匯兌儲備

匯兌儲備包括因換算境外經營業務之財務報表而產生之所有匯兌差額。該儲備乃根據附註2(t)所載之會計政策予以處理。

vi) 公平值儲備

公平值儲備包括於申報期間結算日所持有可供出售權益證券之公平值之累計變動淨額，並根據附註2(f)所載之會計政策予以處理。

32. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves (Continued)

iv) Statutory reserves

Transfers from retained earnings to statutory reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

Statutory reserve fund can be used to offset previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the statutory reserve fund after such conversion is not less than 25% of the entity's registered capital.

The Company's certain subsidiaries in the PRC are required to transfer a minimum of 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations to the statutory reserves until the reserve balances reaches 50% of the registered capital. The transfer must be made before distribution of dividends to owners.

v) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(t).

vi) Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of available-for-sale equity securities held at the end of the reporting period and is dealt with in accordance with the accounting policies in note 2(f).

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32. 股本及儲備(續)

d) 儲備之可供分派情況

於二零一三年十二月三十一日，可供分派予擁有人之本公司儲備總額約為1,911,171,000港元(二零一二年：1,924,442,000港元)，其中包括本公司股份溢價約1,920,050,000港元(二零一二年：1,920,050,000港元)、公平值儲備約2,960,000港元(二零一二年：2,800,000港元)及累計虧損約11,839,000港元(二零一二年：保留溢利約1,592,000港元)。該等儲備可作出分派，惟緊隨建議宣派股息之日，本公司必須有能力償還於日常業務中到期的債項，方能作出分派。

e) 資本管理

本集團管理資本之主要目標乃保障本集團持續經營之能力以為股東帶來回報及讓其他股權持有人獲益，並維持優化之資本架構以減少資金成本。

本集團會積極及定期審閱及管理其資金架構，以在盡可能提高股東回報與穩健資本狀況可承受之較高貸款水平帶來的好處及保障之間取得平衡，並因應經濟狀況之變動對資本架構作出調整。為維持或調整資本架構，本集團可透過調整向股東支付之股息金額、發行新股、退還資本予股東或出售資產以減債。

與業界慣例一致，本集團以資產負債比率監控資本架構。該比率以本集團之銀行貸款減現金及現金等值項目除以本公司擁有人應佔權益總值計算。本集團於二零一三年及二零一二年十二月三十一日並無淨債項。截至二零一三年十二月三十一日止年度期間，本集團之策略與二零一二年相同。

本公司及其任何附屬公司毋須遵守外界實施之資本規定。

32. CAPITAL AND RESERVES (Continued)

d) Distributability of reserves

As at 31 December 2013, the aggregate amount of the Company's reserves available for distribution to owners was approximately HK\$1,911,171,000 (2012: HK\$1,924,442,000) which included the Company's share premium of approximately HK\$1,920,050,000 (2012: HK\$1,920,050,000), fair value reserve of approximately HK\$2,960,000 (2012: HK\$2,800,000) and accumulated losses of approximately HK\$11,839,000 (2012: retained profits of approximately HK\$1,592,000) These reserves are available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

e) Capital management

The Group's primary 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 benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher stakeholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders or sell assets to reduce debt.

Consistent with industry practice, the Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as the Group's bank borrowings less cash and cash equivalents over its total equity attributable to owners of the Company. There is no net debts for the Group as at 31 December 2013 and 2012. During the year ended 31 December 2013, the Group's strategy was unchanged from year 2012.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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33. 購股權計劃

於二零零四年六月四日舉行之股東週年大會上，本公司股東批准採納一項購股權計劃（「該計劃」）。

根據該計劃，本公司董事可酌情邀請對本集團有所貢獻或將有貢獻之本集團全職僱員（包括本公司及其附屬公司之董事）、任何股東、供應商、客戶、專家顧問、顧問及合作夥伴或業務聯盟在該計劃條款及條件之規限下接受購股權認購本公司股份。合資格參與者將就每次授出之購股權支付象徵式代價。購股權可於董事在提出要約時所釐定及指定予各承授人之期間內任何時間行使，惟不得超過各購股權授出日起計十年之期間，惟可遵照該計劃予以提早終止。

截至二零一三年及二零一二年十二月三十一日止年度期間並無購股權獲授出、行使、沒收或尚未行使。

33. SHARE OPTION SCHEME

At the annual general meeting of the Company held on 4 June 2004, the shareholders of the Company approved the adoption of a share option scheme (the "Scheme").

Under the Scheme, the directors of the Company may, at their discretion, invite full-time employees of the Group, including directors of the Company and its subsidiaries, any of its shareholders, suppliers, customers, consultants, advisers and joint venture partners or business alliance who have contributed or will contribute to the Group to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A nominal consideration will be paid by the eligible participants for each lot of share options granted. An option may be exercised at any time during a period to be determined and identified by the directors to each grantee at the time of making the offer, but in any event, shall not exceed the period of ten years from the date of grant of the particular option, subject to the early termination of the Scheme.

There were no share options granted, exercised, forfeited nor outstanding throughout the years ended 31 December 2013 and 2012.

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NOTES TO THE FINANCIAL STATEMENTS

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

34. 關連人士交易

a) 與關連人士之交易

除財務報表其他地方所披露之交易及結餘外，本公司董事認為，下列為截至二零一三年及二零一二年十二月三十一日止年度期間本集團訂立之重大關連人士交易：

34. RELATED PARTY TRANSACTIONS

a) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in these financial statements, the directors of the Company consider that the followings are the significant related party transactions entered into by the Group during the years ended 31 December 2013 and 2012:

			二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
關連人士名稱 Name of related party	與本集團之關係 Relationship with the Group	交易性質 Nature of transaction		
蔣泉龍先生 Mr. Jiang Quanlong	本公司執行董事 Executive director of the Company	本集團支付租金費用 Payment of rental expenses by the Group	902	888
宜興銀茂 Yixing Silver Mile	本集團合營企業 The Group's joint venture	本集團銷售貨品 Sales of goods by the Group	117,161	120,237
		本集團購買貨品 Purchases of goods by the Group	561	411
旭硝子陶瓷 AGC Ceramics	本集團合營企業 The Group's joint venture	本集團銷售貨品 Sales of goods by the Group	6,523	21,415
		本集團銷售廠房及設備 Sales of plant and equipment by the Group	—	986

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

34. 關連人士交易 (續)

a) 與關連人士之交易 (續)

34. RELATED PARTY TRANSACTIONS (Continued)

a) Transactions with related parties (Continued)

			二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
關連人士名稱 Name of related party	與本集團之關係 Relationship with the Group	交易性質 Nature of transaction		
無錫泛亞環保科技有限公司 (「無錫泛亞」)	本公司董事蔣泉龍先生 亦為其董事之公司	本集團支付租金費用	66	65
Wuxi Pan-Asia Environmental Protection Technologies Limited ("Wuxi Pan-Asia")	A company of which Mr. Jiang Quanlong, a director of the company, is also a director	Payment of rental expenses by the Group		
		本集團合營企業宜興銀茂 銷售經營租約下 預付土地租金	18,077	2,075
		Sales of prepaid lease payments on land under operating leases by Yixing Silver Mile, the Group's joint venture		

本公司董事認為，上述交易乃於一般業務過程中根據規管該等交易之協議條款訂立。

The directors of the Company considered that the above transactions were entered into under the normal course of business and in accordance with the terms of the agreements governing such transactions.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

34. 關連人士交易 (續)

b) 與主要管理人員之交易

主要管理人員之酬金(包括支付予附註9所披露之本公司董事及附註10所披露之最高薪酬人士之金額)如下:

34. RELATED PARTY TRANSACTIONS (Continued)

b) Transactions with key management personnel

Emoluments for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 and the highest paid employees as disclosed in note 10 are as follows:

		本集團 The Group	
		二零一三年 2013	二零一二年 2012
		千港元 HK\$'000	千港元 HK\$'000
短期僱員福利	Short-term employee benefits	4,723	3,982
退休後福利	Post-employment benefits	57	55
		4,780	4,037

35. 承擔

a) 於申報期間結算日, 本集團於綜合財務報表內有關物業、廠房及設備之收購及建築之已訂約但未撥備的資本承擔如下:

35. COMMITMENTS

a) At the end of the reporting period, the Group had capital commitments in respect of acquisition and construction of property, plant and equipment contracted but not provided for in the consolidated financial statements as follows:

		本集團 The Group	
		二零一三年 2013	二零一二年 2012
		千港元 HK\$'000	千港元 HK\$'000
物業、廠房及設備 之收購及建築	Acquisition and construction of property, plant and equipment	12,399	56,107

於二零一三年及二零一二年十二月三十一日, 本公司並無重大資本承擔。

The Company did not have significant capital commitments as at 31 December 2013 and 2012.

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NOTES TO THE FINANCIAL STATEMENTS

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

35. 承擔(續)

- b) 於申報期間結算日，本集團根據不可撤銷之土地及樓宇經營租賃於日後所須繳付的最低租金款項承擔之到期日如下：

35. COMMITMENTS (Continued)

- b) At the end of the reporting period, the Group had operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

		本集團 The Group	
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
1年內	Within one year	2,385	1,940
1年後但5年內	After one year but within five years	3,212	592
		5,597	2,532

經營租賃付款指本集團就其若干辦公室應付之租金。租約及租金乃通過磋商釐定，為期二至五年。概無租賃涉及或然租金。

Operating lease payments represent rentals payable by the Group for certain of its offices. Leases and rentals are negotiated and fixed for a period of two to five years. None of the leases includes contingent rentals.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

35. 承擔(續)

b) (續)

上述承擔包括於附註34(a)所披露之本公司董事蔣泉龍先生及關連人士無錫泛亞之未來租金付款約904,000港元(二零一二年: 1,502,000港元), 到期日如下:

35. COMMITMENTS (Continued)

b) (Continued)

The above commitments included future lease payments to Mr. Jiang Quanlong, a director of the Company, and Wuxi Pan-Asia, a related party as disclosed in note 34(a), of approximately HK\$904,000 (2012: HK\$1,502,000) which fall due as follows:

		本集團	
		The Group	
		二零一三年	二零一二年
		2013	2012
		千港元	千港元
		HK\$'000	HK\$'000
應付予蔣泉龍先生之 未來租金付款	<i>Future lease payments to Mr. Jiang Quanlong</i>		
1年內	Within one year	611	888
1年後但5年內	After one year but within five years	–	592
		611	1,480
應付予無錫泛亞之 未來租金付款	<i>Future lease payments to Wuxi Pan-Asia</i>		
1年內	Within one year	68	22
1年後但5年內	After one year but within five years	225	–
		293	22
		904	1,502

於二零一三年及二零一二年十二月三十一日, 本公司並無重大經營租約承擔。

The Company did not have significant operating lease commitments as at 31 December 2013 and 2012.

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

36. 財務風險管理及金融工具之公平值

本集團之主要金融工具包括現金及現金等值項目、已抵押銀行存款、受限制銀行結餘、可供出售權益證券、應收賬款及其他應收款、應收合營企業款項、應付賬款及其他應付款、應付董事款項以及銀行貸款。金融工具之詳情披露於各附註。該等金融工具之風險包括本集團在日常業務過程中產生之信貸風險、流動資金風險、利率風險、貨幣風險及股份價格風險。

a) 信貸風險

信貸風險指交易對手無法履行合約責任導致本集團財務虧損之風險。本集團所採用的政策為僅與信譽良好之交易對手進行買賣，並取得足夠抵押品（如適用），以減輕無法履行合約責任導致財務虧損之風險。

為盡量減低應收賬款及其他應收款之信貸風險，管理層已訂立一項信貸政策，並對有關信貸風險進行持續監察。本集團會定期對各主要客戶之財務狀況及條件進行信貸評估。該等評估針對客戶過往支付到期款項之歷史及目前之支付能力，並考慮客戶特定資料及客戶經營所處經濟環境之資料。本集團並無就其金融資產要求任何抵押品。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash and cash equivalents, pledged bank deposits, restricted bank balances, available-for-sale equity securities, trade and other receivables, amounts due from joint ventures, trade and other payables, amounts due to directors and bank borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, interest rate risk, currency risk and equity price risk arises in the normal course of the Group's business.

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In respect of trade and other receivables, in order to minimise credit risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each major customer periodically. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. The Group does not require collateral in respect of its financial assets.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

36. 財務風險管理及金融工具之公平值
(續)

a) 信貸風險(續)

本集團須承受之信貸風險主要受各名客戶之個別特點所影響。客戶所經營業及國家之拖欠風險亦會對信貸風險有所影響，但程度較低。於申報期間結算日，本集團承受來自其最大客戶及五大客戶應收賬款總額之集中信貸風險分別為36% (二零一二年：25%)及58% (二零一二年：51%)。

有關本集團來自應收賬款及其他應收款之信貸風險之進一步量化披露載於附註25。

由於銀行存款及銀行結餘乃存放於多間信貸評級良好之銀行，因此該等款項承擔之信貸風險極微，故並無重大集中信貸風險。

就應收合營企業款項而言，本集團會密切監察合營企業之財務狀況，包括淨資產抵押。此外，本集團會定期審閱各項個別債項之可收回數額，以確保就不可收回數額作出充份減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。

本公司之信貸風險主要來自應收附屬公司款項。本公司於申報期間結算日會審閱個別債項之可收回款項，以確保就不可收回款項作出足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅減少。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has concentration of credit risk as 36% (2012: 25%) and 58% (2012: 51%) of the total trade debtors was due from the Group's largest customer and the five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 25.

The credit risk for bank deposits and bank balances exposed is considered minimal as such amounts are placed with various banks with good credit ratings and there is no significant concentration of credit risk.

For amounts due from joint ventures, the Group closely monitors the financial positions including the net assets backing of the joint ventures. In addition, the Group regularly reviews the recoverable amounts of the individual debts to ensure that adequate impairment losses are made for the irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Company's credit risk is primarily attributable to amounts due from subsidiaries. The Company reviews the recoverable amounts of individual debts at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk is significantly reduced.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

36. 財務風險管理及金融工具之公平值 (續)

a) 信貸風險 (續)

除附註37所述由本集團提供之財務擔保外，本集團或本公司並無提供任何其他擔保導致本集團或本公司須承擔信貸風險。於申報期間結算日就該等財務擔保所承擔之最高信貸風險已於附註36(b)披露。

b) 流動資金風險

本集團旗下之獨立營運實體須負責其各自之現金管理，包括現金盈餘之短期投資及籌措貸款以滿足預期現金需求，惟須獲董事會批准後，方可作實。本集團之政策為定期監察當前及預計之流動資金需求，以及遵守貸款契諾，確保本集團能維持充裕的現金及從主要金融機構取得足夠的承諾信貸融資，以滿足其短期及較長期流動資金需要。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

Except for the financial guarantees given by the Group as set out in note 37, the Group or the Company does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 36(b).

b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the approval from board of directors. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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36. 財務風險管理及金融工具之公平值
(續)

b) 流動資金風險(續)

下表載列本集團及本公司之金融負債於申報期間結算日，基於合約未折現現金流量(包括使用合約利率計得之利息付款或，如按浮息，則按申報期間結算日之利率計)及本集團及本公司可被要求償還之最早日期所得之餘下合約期：

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk (Continued)

The following table set out the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

本集團 The Group		二零一三 2013			二零一二年 2012		
		合約未折現現金流量 Contractual undiscounted cash flow			合約未折現現金流量 Contractual undiscounted cash flow		
		一年內或 按 要求償還	總額	賬面值	一年內或 按 要求償還	總額	賬面值
		Within 1 year or on demand	Total	Carrying amount	Within 1 year or on demand	Total	Carrying amount
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
非衍生金融負債	Non-derivative financial liabilities						
應付賬款	Trade payables	103,652	103,652	103,652	94,664	94,664	94,664
預提費用及其他應付款	Accrued expenses and other payables	21,001	21,001	21,001	21,195	21,195	21,195
應付董事款項	Amounts due to directors	1,557	1,557	1,557	1,074	1,074	1,074
		126,210	126,210	126,210	116,933	116,933	116,933
出具財務擔保	Financial guarantee issued						
擔保最高金額 (附註37)	Maximum amount guaranteed (note 37)	85,215	85,215	-	102,715	102,715	-

財務報表附註

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

36. 財務風險管理及金融工具之公平值
(續)

b) 流動資金風險 (續)

上文有關財務擔保合約之金額乃假設擔保對方就有關金額提出申索時，本集團可能須根據全數擔保安排償付之最高金額。按照申報期間結算日之預期，本集團認為極有可能無需根據該安排支付任何款項。然而，此項估計須視乎對方之財務應收款項承受信貸虧損之可能性及根據擔保提出申索之可能性。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty suffering credit losses on the financial receivables and claims under the guarantee.

本公司
The Company二零一三
2013二零一二年
2012

		二零一三 2013			二零一二年 2012		
		合約未折現現金流量 Contractual undiscounted cash flow			合約未折現現金流量 Contractual undiscounted cash flow		
		一年內或 按要求償還 Within 1 year or on demand			一年內或 按要求償還 Within 1 year or on demand		
		總額 Total	賬面值 Carrying amount		總額 Total	賬面值 Carrying amount	
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
非衍生金融負債	Non-derivative financial liabilities						
預提費用及其他應付款	Accrued expenses and other payables	4,983	4,983	4,983	4,481	4,481	4,481
應付董事款項	Amounts due to directors	260	260	260	260	260	260
		5,243	5,243	5,243	4,741	4,741	4,741

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36. 財務風險管理及金融工具之公平值
(續)

c) 利率風險

本集團之利率風險主要來自現金及現金等值項目、已抵押銀行存款、受限制銀行存款及銀行貸款。本公司之利率風險僅由現金及現金等值項目所產生。由於現金及現金等值項目、已抵押銀行存款及受限制銀行存款結餘之利率預期不會重大變動，因此本集團及本公司預期將不會對現金及現金等值項目、已抵押銀行存款及受限制銀行存款造成重大影響。有關本集團銀行貸款之利率及到期資料已於附註30披露。

i) 利率組合

下表詳細載列本集團及本公司的淨存款於申報期間結算日的利率組合：

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

c) Interest rate risk

The Group's interest rate risk arises primarily from cash and cash equivalents, pledged bank deposits, restricted bank deposits and bank borrowings. The Company's interest rate risk solely arises from cash and cash equivalents. The Group and the Company do not anticipate significant impact to cash and cash equivalents, pledged bank deposits and restricted bank deposits because the interest rates of these balances are not expected to change significantly. The interest rates and maturity information of the Group's bank borrowings are disclosed in note 30.

i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's net deposits at the end of the reporting period:

		本集團 The Group			
		二零一三年 2013		二零一二年 2012	
		實際利率 Effective interest rate		實際利率 Effective interest rate	
		%	千港元 HK\$' 000	%	千港元 HK\$' 000
現金及現金等值項目	Cash and cash equivalents	0 – 0.38	1,369,054	0 – 0.38	1,236,290
已抵押銀行存款	Pledged bank deposits	–	–	3.85	52,541
受限制銀行結餘	Restricted bank balances	–	–	0.35	494
銀行貸款	Bank borrowings	–	–	–	(49,334)
淨存款總額	Total net deposits		1,369,054		1,239,991

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NOTES TO THE FINANCIAL STATEMENTS

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

36. 財務風險管理及金融工具之公平值
(續)

c) 利率風險 (續)

i) 利率組合 (續)

		本公司 The Company			
		二零一三年 2013		二零一二年 2012	
		實際利率 Effective interest rate		實際利率 Effective interest rate	
		%	千港元	%	千港元
		%	HK\$'000	%	HK\$'000
現金及現金等值項目	Cash and cash equivalents	0 – 0.01	5,323	0 – 0.05	5,820

ii) 敏感度分析

於二零一三年十二月三十一日，在所有其他變數保持不變的情況下，估計利率整體上升或下降50個基點將減少或增加本集團本年度除稅後虧損及增加或減少保留溢利約3,697,000港元（二零一二年：3,459,000港元）。利率整體上升或下降對綜合權益的其他部份並無影響。

上述敏感度分析乃根據於申報期結算日所承擔之利率風險而釐定。有關分析乃假設於申報期結算日之未償還金融工具於整個年度尚未償還而編製。50個基點上升或下降為內部向主要管理人員匯報利率風險所使用之基點，並為管理層對利率的合理可能變動的評估。二零一二年已以相同基準作出分析。

本公司於各申報期間結算日並無承受重大利率風險。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

c) Interest rate risk (Continued)

i) Interest rate profile (Continued)

		本公司 The Company			
		二零一三年 2013		二零一二年 2012	
		實際利率 Effective interest rate		實際利率 Effective interest rate	
		%	千港元	%	千港元
		%	HK\$'000	%	HK\$'000
現金及現金等值項目	Cash and cash equivalents	0 – 0.01	5,323	0 – 0.05	5,820

ii) Sensitivity analysis

At 31 December 2013, it is estimated that a general increase or decrease of 50 basis points in interest rates, with all other variables held constant, would decrease or increase the Group's loss after taxation for the year and increase or decrease retained profits by approximately HK\$3,697,000 (2012: HK\$3,459,000). Other components of consolidated equity would not change in response to the general increase or decrease in interest rates.

The sensitivity analysis above has been determined based on the exposure to interests rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates. The analysis is performed on the same basis for year 2012.

The Company was not exposed to significant interest rate risk at the end of each reporting period.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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36. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險

本集團主要因以與有關實體的功能貨幣以外的貨幣進行買賣所產生應收款、應付款及現金結餘而面對貨幣風險。導致貨幣風險之貨幣主要為美元及港元。

i) 所承擔之貨幣風險

下表詳列本集團及本公司就來自以與實體有關之功能貨幣以外貨幣計值之已確認資產或負債所承受貨幣風險。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a currency other than the functional currency of the entity to which they relate. The currencies giving rise to currency risk are primarily United States dollars and Hong Kong dollars.

i) Exposure to currency risk

The following table details the Group's and the Company's exposure to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		本集團 The Group			
		所承擔之貨幣風險 (以千港元列值) Exposure to currency risk (expressed in HK\$'000)			
		二零一三年 2013		二零一二年 2012	
		美元 United States Dollars	港元 Hong Kong Dollars	美元 United States Dollars	港元 Hong Kong Dollars
應收賬款及其他應收款	Trade and other receivables	61,069	-	75,351	-
現金及現金等值項目	Cash and cash equivalents	9,329	-	15,352	3
應付賬款及其他應付款	Trade and other payables	(1,243)	-	(2,282)	-
所承受整體貨幣風險	Overall exposure to currency risk	69,155	-	88,421	3

財務報表附註

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

36. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險(續)

i) 所承擔之貨幣風險(續)

現金及現金等值項目	Cash and cash equivalents
預提費用及其他應付款	Accrued expenses and other payables
所承受整體貨幣風險	Overall exposure to currency risk

本公司主要就外幣列值之貨幣資產及負債承擔港元兌美元之外匯風險。由於港元與美元掛鈎，預期匯率之財務影響並不重大。

本集團現時並無就外幣負債採取外幣對沖政策。本集團將密切監察外幣風險，並將在有需要時考慮對沖重大貨幣風險。

ii) 敏感度分析

下表列示本集團之除稅後虧損及保留溢利因應本集團於申報期間結算日面對重大風險之外幣匯率於該日可能出現之合理變動而隨即產生之變動，並假定其他風險變數維持不變。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

i) Exposure to currency risk (Continued)

本公司

The Company

所承擔之貨幣風險

(以千港元列值)

Exposure to currency risk

(expressed in HK\$'000)

二零一三年	二零一二年
2013	2012
美元	美元
United	United
States	States
Dollars	Dollars

3,497	3,681
(1,172)	(1,172)
2,325	2,509

The Company is mainly exposed to the exchange rate risk on Hong Kong dollars against United States dollars for the foreign currency denominated monetary assets and liabilities. As Hong Kong dollars is pegged to United States dollars, the financial impact on exchange rate is expected to be insignificant.

The Group currently does not have a foreign currency hedging policy in respect its of foreign currency debts. The Group will monitor its foreign currency exposure closely and will consider hedging significant currency exposure should the need arises.

ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after taxation and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

36. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險(續)

ii) 敏感度分析(續)

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis (Continued)

		本集團 The Group			
		除稅後虧損		除稅後虧損	
		減少/(增加)及保留		減少/(增加)及保留	
		溢利增加/(減少)		溢利增加/(減少)	
		Decrease/(increase)		Decrease/(increase)	
		in loss after		in loss after	
		taxation and		taxation and	
		increase/(decrease)		increase/(decrease)	
		in retained profits		in retained profits	
		二零一三年		二零一二年	
		2013		2012	
		千港元		千港元	
		HK\$'000		HK\$'000	
美元	United States Dollars	5%	1,136	5%	1,474
		(5%)	(1,136)	(5%)	(1,474)

上表所示之分析結果代表對本集團旗下各實體按功能貨幣計算並按申報期間結算日之匯率換算為港元以供呈列之用的除稅後(虧損)/溢利及權益之即時影響總和。

上述敏感度分析乃假設外幣匯率之變動已用於重新計量本集團於申報期間結算日所持有之金融工具而釐定。此項分析依二零一二年之相同基準進行。

Results of the analysis as presented in the above table represent an aggregate of the instantaneous effects on each of the Group entities' (loss)/profit after taxation and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group at the end of the reporting period. The analysis is performed on the same basis for year 2012.

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NOTES TO THE FINANCIAL STATEMENTS

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

36. 財務風險管理及金融工具之公平值 (續)

e) 股份價格風險

本集團及本公司因按公平值計量之可供出售權益證券而承擔股份價格風險，其公平值是根據申報期間結算日之市場報價計算。本集團會密切監察可能影響該等投資價值之價格變動及市況轉變來管理風險。

於二零一三年十二月三十一日，估計股票價格上升或下降10%（二零一二年：10%），所有其他變數維持不變，會使本集團及本公司之其他全面收益及公平值儲備增加或減少約968,000港元（二零一二年：952,000港元）。

於二零一三年及二零一二年十二月三十一日，由於本集團及本公司之投資組合只有一項上市權益證券，因此本集團及本公司就可供出售權益證券承擔集中權益價格風險。本集團及本公司之可供出售權益證券承擔權益價格風險乃由於上市權益證券於相關股票市場之價格波動。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

e) Equity price risk

The Group and the Company are exposed to equity price risk through available-for-sale equity securities that are measured at fair value at the end of the reporting period with reference to the quoted market prices. The Group manages its exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these investments.

At 31 December 2013, it is estimated that an increase or decrease of 10% (2012: 10%) in equity prices, with all other variables held constant, would have increased or decreased the Group's and Company's other comprehensive income and fair value reserve by approximately HK\$968,000 (2012: HK\$952,000).

As at 31 December 2013 and 2012, the Group and the Company have concentration of equity price risk on the available-for-sale equity securities as the Group and the Company only held one listed equity security in their investment portfolio. The Group's and the Company's available-for-sale equity securities are exposed to equity price risk due to the fluctuation of prices of the listed equity security in the relevant stock markets.

財務報表附註

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

36. 財務風險管理及金融工具之公平值
(續)

f) 公平值計量

i) 按公平值計量之金融資產及負債
公平值級別

下表呈列本集團金融工具於各申報期間結算日按經常性基準計量的公平值，並分類為香港財務報告準則第13號「公平值計量」所界定的三級公平值級別。將公平值計量分類的等級乃經參考以下估值方法所用輸入數據的可觀察性及重要性後釐定：

- 第1級估值：僅使用第1級輸入數據（即於計量日期相同資產或負債於活躍市場的未經調整報價）計量的公平值
- 第2級估值：使用第2級輸入數據（即未能達到第1級的可觀察輸入數據）且並非使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為市場數據欠奉下的輸入數據
- 第3級估值：使用重大不可觀察輸入數據計量的公平值

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

f) Fair value measurement

i) *Financial assets and liabilities measured at fair value*
Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

財務報表附註

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

36. 財務風險管理及金融工具之公平值
(續)

f) 公平值計量(續)

i) 按公平值計量之金融資產及負債
(續)

本集團及本公司	The Group and the Company
經常性公平值計量	<i>Recurring fair value measurements</i>
可供出售權益 證券	<i>Available-for-sales equity securities</i>

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

f) Fair value measurement (Continued)

i) Financial assets and liabilities measured at fair value
(Continued)

二零一三年

2013

公平值計量分類為

Fair value measurement categorised into

公平值	第一級	第二級	第三級
Fair value	Level 1	Level 2	Level 3
千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000

9,680	9,680	-	-
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二零一二年

2012

公平值計量分類為

Fair value measurement categorised into

公平值	第一級	第二級	第三級
Fair value	Level 1	Level 2	Level 3
千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000

9,520	9,520	-	-
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截至二零一三年十二月三十一日止年度 For the year ended 31 December 2013

36. 財務風險管理及金融工具之公平值
(續)

f) 公平值計量(續)

i) 按公平值計量之金融資產及負債
(續)

於截至二零一三年及二零一二年十二月三十一日止年度期間，第一級與第二級之間並無轉撥，亦無自第三級轉入或轉出。本集團之政策為於發生轉撥之申報期間結算日確認公平值級別間之轉撥。

ii) 按公平值以外價值計量之金融資產及負債之公平值

於二零一三年及二零一二年十二月三十一日，本集團及本公司按成本或攤銷成本計值之金融工具之賬面值與彼等之公平值並無重大差異。

g) 業務風險

本集團之大部份收益主要來自銷售稀土氧化物產品。銷售稀土氧化物產品之收益須視乎政府對開採稀土礦場及授出稀土產品出口配額之限制。當中國政府施加若干限制時，稀土氧化物產品之供應及價格將會波動。鑑於本集團主要依賴銷售及製造稀土產品，本集團之收益極容易受到中國政府對稀土行業之政策變動所影響。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

f) Fair value measurement (Continued)

i) Financial assets and liabilities measured at fair value
(Continued)

During the years ended 31 December 2013 and 2012, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2013 and 2012.

g) Business risk

Substantial portion of the Group's revenue is generated mainly from the sales of rare earth oxide products. The revenue from the sales of rare earth oxide products is dependent on the government restriction on mining of rare earth mines and granting of export quotas of rare earth products. The supply and prices of rare earth oxide products would be fluctuated when the PRC government imposes certain restrictions. Given the Group's substantial reliance on sales and manufacture of rare earth products, the Group's revenue could be highly sensitive to changes in the PRC government policy on the rare earth industry.

財務報表附註

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

36. 財務風險管理及金融工具之公平值 (續)

h) 環境風險

近年，中國政府對國內所有稀土企業都進行了大規模的環保審查。對未能符合相關環保規定的企業可強制關停整頓。本集團對環境保護一直不遺餘力，早已達到所有環保規定。日後對環保規定的嚴謹限制可對本集團之營運及財務表現造成影響。

37. 出具財務擔保

於二零一三年十二月三十一日，本集團已向銀行出具無條件擔保，作為本集團合營企業獲得不多於約375,223,000港元(二零一二年：333,004,000港元)之信貸額度之抵押。本集團於該等擔保之最高負債，即該等合營企業已提取的信貸額度，約為85,215,000港元(二零一二年：102,715,000港元)。

由於該等財務擔保之公平值並不重大，因此本集團並無就上述擔保確認任何遞延收入。於申報期間結算日，本公司董事認為就該等擔保向本集團索償的機會不高。

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

h) Environmental risk

Recently, the PRC government has conducted large scale environmental protection inspections on all rare earth enterprises in the PRC. Enterprises which failed to meet the relevant environment requirements would be forced to suspend operations. The Group has constantly promoted environmental protection and has complied with these environmental protection requirements. Further stringent restrictions on the environmental protection requirements could affect the Group's operations and financial performance.

37. FINANCIAL GUARANTEES ISSUED

As at 31 December 2013, the Group has given unconditional guarantees to banks to secure bank facilities made available to the Group's joint ventures to the extent of approximately HK\$375,223,000 (2012: HK\$333,004,000). The maximum liabilities of the Group under the guarantees were the amounts of the facilities drawn down by the joint ventures, being approximately HK\$85,215,000 (2012: HK\$102,715,000).

The Group has not recognised any deferred income in respect of the above guarantees because the fair value of the guarantees were insignificant. At the end of the reporting period, the directors of the Company do not consider it probable that a claim will be made against the Group under any of the guarantees.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

38. 訴訟

截至二零一二年十二月三十一日止年度，本集團之合營企業就其廠房建造之質素及付款問題上與一建造商存在爭議。該建造商向該合營企業就廠房建造索償餘下未付之合同款項約34,973,000港元（二零一二年：33,912,000港元）。同時，該合營企業向該建造商就建造質素低劣未能符合有關建造標準索償退還合同款項約62,639,000港元（二零一二年：60,739,000港元）。

於二零一三年十二月三十一日，該合營企業尚未接獲法院之任何判決。本公司董事已就此尋求其中國法律顧問之意見。根據法律意見，本公司董事認為法院將不大可能對該合營企業作出不利判決。

39. 申報期間結算日後事項

於二零一三年九月二十七日，本集團訂立協議以透過本公司一間全資附屬公司收購本公司合營企業宜興銀茂之餘下50.1%股權，現金代價約為15,133,000港元。有關收購已於二零一四年一月二十二日完成，而宜興銀茂成為本公司之全資附屬公司。

本公司董事認為，由於中國熒光材料市場擁有業務發展潛力，因此收購宜興銀茂餘下股權對本集團有利。整合及增加本集團於宜興銀茂之權益將為本集團提供良機進一步提升其於熒光材料市場之知名度及加強本集團之競爭力以及增加業務覆蓋範圍。

38. LITIGATIONS

During the year ended 31 December 2012, the Group's joint venture was in dispute with a contractor about the quality and settlement of its plant construction. The contractor claimed the joint venture for settling the remaining contract fee of approximately HK\$34,973,000 (2012: HK\$33,912,000) for the plant construction. At the same time, the joint venture counter claimed the contractor for returning the contract fee of approximately HK\$62,639,000 (2012: HK\$60,739,000) for poor construction quality that cannot meet the relevant construction standards.

As at 31 December 2013, no judgement has been received by the joint venture from the court yet. The directors of the Company have sought advice from its PRC lawyers in this aspect. Based on the legal advice, the directors of the Company are of the opinion that it is not probable the court will find against the joint venture.

39. EVENT AFTER THE END OF REPORTING PERIOD

On 27 September 2013, the Group entered into an agreement to acquire the remaining 50.1% equity interest in Yixing Silver Mile, the Group's joint venture, through a wholly owned subsidiary of the Company at a cash consideration of approximately HK\$15,133,000. The acquisition was completed on 22 January 2014 and Yixing Silver Mile becomes a wholly owned subsidiary of the Company.

The directors of the Company considered that the acquisition of the remaining equity interest in Yixing Silver Mile is beneficial to the Group as there are business potentials for the fluorescent materials market in the PRC. Consolidating and increasing the Group's interests in Yixing Silver Mile will provide a good opportunity for the Group to further strengthen its presence in the fluorescent materials market and to enhance the Group's competitiveness and expanding its business coverage.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

39. 申報期間結算日後事項 (續)

於收購日期已確認之資產淨值載列如下：

39. EVENT AFTER THE END OF REPORTING PERIOD
(Continued)

The net assets recognised at the date of acquisition are as follows:

		公平值 Fair value 千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	155,491
經營租約下預付土地租金	Prepaid lease payments on land under operating leases	11,048
存貨	Inventories	38,504
應收賬款及其他應收款	Trade and other receivables	79,250
現金及現金等值項目	Cash and cash equivalents	3,971
應付賬款及其他應付款	Trade and other payables	(128,603)
銀行貸款	Bank borrowings	(85,079)
已收購資產淨值	Net assets acquired	<u>74,582</u>

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NOTES TO THE FINANCIAL STATEMENTS

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

39. 申報期間結算日後事項(續)

收購產生之議價購買收益：

39. EVENT AFTER THE END OF REPORTING PERIOD

(Continued)

Bargain purchase gain arising on acquisition:

		千港元 HK\$' 000
已轉移代價：	Consideration transferred:	
– 已付代價	– Consideration paid	15,133
– 本集團先前所持有宜興銀茂 49.9%股權之公平值	– Fair value of 49.9% equity interests in Yixing Silver Mile previously held by the Group	37,216
		<u>52,349</u>
減：已收購資產淨值	Less: Net assets acquired	(74,582)
議價購買之收益	Gain on a bargain purchase	<u>22,233</u>
已收購現金及現金等值項目	Cash and cash equivalents acquired	3,971
減：已付現金代價	Less: Cash consideration paid	(15,133)
收購之現金流出淨額	Net cash outflow on acquisition	<u>(11,162)</u>

本公司董事認為所收購之應收賬款及其他應收款與合約總金額相若，乃於收購日期對預期將可收回之應收賬款及其他應收款之合約現金流量之最佳估計。

The directors of the Company considered that the trade and other receivables acquired approximated to the gross contractual amounts and the best estimate at acquisition date of the contractual cash flows of the trade and other receivables expected to be collected.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

40. 於截至二零一三年十二月三十一日止年度已頒佈但尚未生效之修訂本、新訂準則及詮釋之可能影響

截至此等財務報表刊發日期，香港會計師公會已頒佈下列於截至二零一三年十二月三十一日止年度尚未生效且並無於此等財務報表中採納的修訂本、新訂準則及詮釋。其中包括以下可能與本集團有關者。

香港財務報告準則之修訂本	二零一零年至二零一二年 周期之香港財務報告準則 年度改進 ²
香港財務報告準則之修訂本	二零一一年至二零一三年 周期之香港財務報告準則 年度改進 ³
香港財務報告準則第9號 及香港財務報告準則 第7號之修訂本	香港財務報告準則第9號 之強制生效日期及 過渡披露 ³
香港財務報告準則第10號、 香港財務報告準則第12號 及香港會計準則第27號 之修訂本	投資實體 ¹
香港會計準則第19號 之修訂本	界定福利計劃：僱員供款 ⁵
香港會計準則第32號 之修訂本	抵銷金融資產與金融負債 ¹
香港會計準則第36號 之修訂本	非金融資產可收回金額 之披露 ¹
香港會計準則第39號 之修訂本	衍生工具之更替及對沖會計 之延續 ¹
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第14號	受規管遞延賬目 ⁴
香港(國際財務報告詮釋 委員會)－詮釋第21號	徵費 ¹

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2013

Up to the date of issuance of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2013 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle ²
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle ³
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ¹
Amendments to HKAS 19	Defined benefit plans: Employee contributions ⁵
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ¹
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets ¹
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting ¹
HKFRS 9	Financial instruments ³
HKFRS 14	Regulatory deferral accounts ⁴
HK(IFRIC) – INT 21	Levies ¹

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

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

40. 於截至二零一三年十二月三十一日止年度已頒佈但尚未生效之修訂本、新訂準則及詮釋之可能影響 (續)

- 1 於二零一四年一月一日或之後開始之年度期間生效。
- 2 於二零一四年七月一日或之後開始之年度期間生效，有限情況除外。
- 3 可予應用一強制生效日期將於香港財務報告準則第9號之餘下階段落實後釐定。
- 4 於二零一六年一月一日或之後開始之首份年度香港財務報告準則財務報表生效。
- 5 於二零一四年七月一日或之後開始之年度期間生效。

本公司正在評估該等新訂及經修訂香港財務報告準則在首次應用期間預期產生之影響。直至目前為止，本公司認為採納該等新訂及經修訂香港財務報告準則不大可能對本集團之經營業績及財務狀況造成重大影響。

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2014.
- 2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
- 3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
- 4 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
- 5 Effective for annual periods beginning on or after 1 July 2014.

The Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

財務資料概要

FINANCIAL SUMMARY

		截至十二月三十一日止年度 For the year ended 31 December				
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
營業額	Turnover	1,488,282	2,101,918	2,213,354	1,116,755	1,112,401
銷售成本	Cost of sales	(1,705,842)	(2,544,843)	(1,159,922)	(863,718)	(910,991)
(毛虧)／毛利	Gross (loss)/profit	(217,560)	(442,925)	1,053,432	253,037	201,410
除稅前(虧損)／溢利	(Loss)/profit before taxation	(380,455)	(687,158)	716,083	146,197	109,414
所得稅抵免／(支出)	Income tax credit/(charge)	10,749	(12,361)	(176,285)	(30,824)	(50,927)
持續經營業務本年度(虧損)／溢利	(Loss)/profit for the year from continuing operations	(369,706)	(699,519)	539,798	115,373	58,487
已終止經營業務溢利	Profit from discontinued operation	–	–	15,661	23,668	26,196
本年度(虧損)／溢利	(Loss)/profit for the year	(369,706)	(699,519)	555,459	139,041	84,683
應佔：	Attributable to:					
本公司擁有人	Owners of the Company	(354,650)	(679,702)	523,476	133,359	84,593
非控股權益	Non-controlling interests	(15,056)	(19,817)	31,983	5,682	90
		(369,706)	(699,519)	555,459	139,041	84,683
		於十二月三十一日 As at 31 December				
		二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000	二零一一年 2011 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
流動資產	Current assets	2,504,164	2,864,609	3,590,246	2,275,920	1,866,841
非流動資產	Non-current assets	813,429	776,557	963,857	1,490,070	1,372,740
資產總值	Total assets	3,317,593	3,641,166	4,554,103	3,765,990	3,239,581
流動負債	Current liabilities	135,797	179,443	357,597	230,095	257,959
非流動負債	Non-current liabilities	6,401	25,812	31,505	94,960	233,503
負債總值	Total liabilities	142,198	205,255	389,102	325,055	491,462
資產淨值	Net assets	3,175,395	3,435,911	4,165,001	3,440,935	2,748,119
股本	Share capital	167,264	167,264	167,264	167,194	155,114
儲備	Reserves	2,971,591	3,218,388	3,927,652	3,237,179	2,563,706
本公司擁有人應佔權益	Equity attributable to owners of the Company	3,138,855	3,385,652	4,094,916	3,404,373	2,718,820
非控股權益	Non-controlling interests	36,540	50,259	70,085	36,562	29,299
權益總值	Total equity	3,175,395	3,435,911	4,165,001	3,440,935	2,748,119



中國稀土控股有限公司

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